

Chasing Commercial Communications Satellite Market Worldwide (1/2)

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Mr. Eddie Kato is Vice President at Orbital Sciences Corporation of USA, responsible for business development activities of communications satellite systems worldwide. Since he entered into Orbital in 1998, he and his team have played vital roles for all of the 11 geostationary satellites awarded to Orbital to date. Prior to Orbital, Mr. Kato worked for Mitsubishi Electric Corporation, Lockheed Martin Corporation as well as Japan Image Communications Corporation. Mr. Kato currently resides at Potomac, Maryland with wife and two children.

My job has always been satellite marketing. I have done this for 11 years in Japan, and 14 years after moving to America. More than anything else, I am doing this because I love this exciting job. If I look back now, I feel that the “risk taking attitude” which I have usually taken has been well paid off. This may sound a bit arrogant, but it is true. However, I am no longer young. When I was thinking that my working life has well entered into the second half and I need to review what I have done to further grow myself, I was asked to write this article. I appreciated the opportunity and accepted the request.

At university, I majored in International Relations, especially Arab-Israeli Conflict. In my school days, I really hated mathematics and physics. I could never believe that these stupid things would be useful for my life. To me, engineers were “aliens”, and I did not have any interest or passion in space. When I decided to work for Mitsubishi Electric Corporation (MELCO), I expected to work for Human Resources or Finance as a business guy. So, it was really a surprise to me that I was told to work for Space Development Division, and moreover, marketing area. I did not like marketing job so much (of course without knowing what it is).

In 1979, I started to work for a job related to government satellite marketing. My main customer was National Space Development Agency of Japan (currently JAXA), and I was in charge of sales and

contracting of government satellite programs. I did this for almost 6 years. When I completed my job for a couple of satellite programs, such as Maritime Observation Satellite (MOS-1), Engineering Test Satellite-V (ETS-V), etc., I was completely bored. I started to feel that I did not belong to the government business. There, everything was controlled by certain scenario and logic bound by national budget system, which to me, was not creative and dynamic at all. To avoid misunderstanding, I would like to emphasize that I felt so but other people might not. I am sure that good things also exist in the government business, and nature of engineering jobs must be essentially different.

That was the main reason why I started to move into export business, which was still a new area in those days. I was criticized that I was wasting company resources to do small business. Many people said that I was wasting my ability, using it for meaningless job. I was told stupid, leaving the government business, which was the main line business at MELCO's Space Division. But there was a good thing at Mitsubishi. While people criticize others a lot openly, if they eventually know that people they criticized do not give up have passion, they accept those people and establish support system as the company. They started to help me. I really did my best patiently, dreaming that the export business would eventually bloom. In 1986, I finally got a contract for C-band Solid State Power Amplifiers (SSPAs) from India. I was truly excited about this win.

In addition, I succeeded in winning another contract from India in 1987 on Solar Array Panels. These wins were resulted from fierce competitions with Japanese and French companies. In 1988, I won an antenna contract for US Weather Satellite, GOES. These contracts became a good base for major contracts from Ford Aerospace (currently, Loral) on INTELSAT-VII satellites. I do believe that this contract created a solid foundation of today's satellite export business in MELCO. I started to dream that I would sell satellite systems overseas some day.

At that time, the so-called "Super 301 problem" occurred. This was the issue related to US-Japan trade conflict. After long negotiations, in spring of 1990, the Japanese Government was forced to agree that their future non-R&D satellites would have to be procured by open and transparent international competitions. It really meant for Japanese satellite manufacturers to lose chances to gain ability and experience to compete with foreign competitors. I was disappointed. I thought that Japanese companies would be forced to be vendors to US system companies.

Right after this, I had an offer from General Electric Company (GE) to work for them. In the beginning, I did not take this so seriously. But I gradually became interested in this as I was recognizing limitation of subcontractor business. I also felt that challenging new things would be attractive. Half a year later, I accepted this offer. It was end of 1990.

In those days, it was not common that employees would resign jobs by their own decisions. But I was still single, and thought, "If I lose this, there could be no more chance". I decided to jump in. I married in March 1991, and resigned MELCO in April. I got only \$3,000 of retirement pay after 11 years of service.

It was June 1, 1991 when I started to work at GE's Astro Space Division in Princeton, New Jersey, USA. First day, I could not even understand half of English conversation at office. I remember that I came back to home in the evening, and said, "I can't do this. I can't understand English. Let's go back to Japan". English spoken by New England people and by ex-military people was terribly fast and had lots of slang. I could not pick up their jokes. I was a typical Japanese, just smiling while not knowing what was funny. But now, I joke in English and this is a surprise.



At a hotel in Jakarta with hotel staffs

My life in the US started to smoothly star up, but business did not. Naturally, my first job was to capture the Japanese market. I lost N-Star a/b tender (1991), and while I got BS-3N (1992), I again lost BSAT-1a/b (1993) and SUPERBIRD-C (1994). This was the first time in my life that I could not be successful. I was depressed.

In the middle of this, in 1993, GE's Aerospace Group was sold to Martin Marietta Corporation. In 1995, Martin Marietta decided to merge with Lockheed Corporation. I was sold with company. I thought I was working for the world's biggest electric company, but I was with the world's largest "merchant of death" against my desire and intent. A political decision was made then to close and move satellite production facilities in the East Coast to California. Satellite plant in Princeton gradually became inactive. This was sad. I was encouraged to move to California, but I was starting to doubt about attitude of Lockheed Martin on commercial businesses.

When Vance Coffman, Chairman of Lockheed, visited Japan (I was there for other purposes), he said, "Why are we still doing this commercial satellite business? Government businesses are more profitable

and efficient". Surprisingly, management at Space Group agreed to this statement. This made up my mind to leave Lockheed. I thought that I could not work for this company any more. I resigned Lockheed in April 1997.

During 6 years I worked in Princeton where cultures of RCA and GE influenced, I could study many things. The biggest thing was to learn and capture way to work in America. Things such as how to manage own job, how to promote ideas, how to make presentations to others, how to establish strategies, how to internally coordinate and motivate people, etc. were much more efficient than ways done in Japanese companies. I also experienced dynamism of realizing established strategies by all the people related.



At Optus ground Station with Dr. Atia, Mr. Kato's boss

When I was in Japan, I thought that American would put everything in writing as records. But there was almost no meaningless "papers" at offices. Everyone coordinated on verbal basis, and once coordinated, everyone did it. There was almost no one who broke commitments. I was truly impressed with this. But at the same time, I recognized that everyone cared about how their boss and his (or her) thinking, and never objected boss's decisions. I had an image that Americans would insist what they believe. This was not necessarily true.

In 1980's, U.S. experienced a long economy recession and fell into huge national deficit. But they

seriously thought about what was wrong with this, made efforts to create new corporate culture and struggled to learn dynamic ways to do business. In the meantime, they adopted aggressive merge and alliance strategy to improve competitiveness. In 1990s, America established its own ways to do and stated to move again.

On the other hand, Japan was enjoying bubble economy, and the many Japanese people believed that Japan is number one. Attitude of Japanese visitors to GE in those days was snobbish. They even openly said, "Quality of American products is bad". For them, they were Japan itself.

But the bubble economy corrupted in middle of 1990's and their attitude totally changed. Japanese people lost confidences and this changed Japanese faces and even postures. Americans took themselves back. The 6 years when I was working at GE is overlapping with this period. I was still "a Japanese who lived in US", and I felt over-concerned and irritated about Japan.

(To be continued)