

Sony's Hirai refuses to abandon dire TV business

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Newly appointed Sony president Kazuo Hirai speaks to reporters at the company's headquarters in Tokyo. Sony will not abandon its cash-bleeding television business, Hirai says, but he acknowledges tough decisions lie ahead including over redundancies.

Struggling Japanese entertainment giant Sony will not abandon its cash-bleeding television business, its incoming CEO says, but he acknowledges tough decisions lie ahead including over redundancies.

Kazuo Hirai said TVs were a vital part of the once-mighty company and vowed the division, which has been haemorrhaging money for the best part of a decade, would be back in the black by 2014.

"I view televisions as very important and an integral product category for Sony," Hirai told reporters at the firm's Tokyo headquarters on Thursday.

"It's one device that most consumers have in their home to enjoy all their visual content, sometimes audio content as well.

"And so I think it's very difficult to imagine Sony getting out of the TV business. It's basically at the centre of every entertainment experience."

In common with other [television](#) makers, Sony has been hit hard by fierce competition and decreasing margins, with consumers seemingly less willing to put down big sums for cutting edge living room technology.

Last week, Sony more than doubled its full-year net loss forecast to 220 billion yen (\$2.9 billion), up from 90 billion yen previously.

The vast bulk of that loss -- 175 billion yen -- is expected in the [television business](#).

Adding insult to injury, credit rating agency Standard & Poor's on Wednesday lowered its assessment of the company's creditworthiness one notch to BBB+, laying the blame squarely at the door of the TV sector.

Hirai was vague on the details of how he would turn the rivers of red ink around but said it involved "reducing costs" and producing "televisions that consumers like".

"We have to make some hard decisions, on where, you know, there are redundancies and reduce the fixed costs on a variety of different areas," he said.

Japanese companies have traditionally shied away from large-scale layoffs and firms that do make redundancies usually try to do so through natural wastage, rather than with aggressive firing schemes.

Sony also has to be "realistic" in its sales plan, Hirai said, pointing to the decision to halve its global sales target to 20 million units in the current fiscal year to March.

That decision "has a completely huge impact on the supply chain, all the partner suppliers we work with, all the external manufacturing facilities that we work with, our logistical operations. That's a hard painful decision that you need to make," he said.

Hirai, 51, stands out in the staid world of corporate Japan, not only because of his relative youth, but also because of his fluency in English, a skill that reportedly led to an early career break translating for US band the Beastie Boys.

A 30-year company veteran, he has spent most of his career at [Sony](#) in software businesses but is credited with a major role in developing the PlayStation in the 1990s.

His earlier promotion to deputy president was seen by analysts as signalling a greater focus on pushing content to multiple hardware platforms such as game consoles, smartphones and tablet computers.

Asked about how he feels about becoming the president of one of Japan's best-known companies, Hirai admitted it was a "huge challenge".

"I want to make sure that if I'm given the opportunity, which fortunately has come my way, that I get to make a mark in a good way and change the organisation," he said.

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