

Top Interview: We Want to Reach Out to All the “Houses” in the World

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Top Interview Insight of Top Management

House Foods President: Akira Oze

We Want to Reach Out All the “Houses” in the World

「Rokko no Oishii Mizu」- the person who invented this product that became a pioneer of the national mineral water products was Mr. Ozawa. He was appointed as the youngest Board member at the age of 43 and has been the President of House Foods Corporation since 2002. Recently those products with the theme of “Taste, Convenience, Health, and Comfort” have been successful nationally and internationally. Will “The Legend of Oze” be talked about not only nationally but internationally?

Akira Oze

Profile

March, 17, 1947: Birthday

March, 1969: Assigned to Osaka Branch, House Food Industrial Co., Ltd. (Name changed to House Foods Corporation in 1993)

March, 1981: Product Manager

September, 1988: Marketing and HERB Chief

June 1990: Board Member

January 1994: Chief Marketing Manager

July 1995: Executive Director

July 1998: Senior Executive Director, Marketing General Manager

July 2000: Executive Vice-President

April 2002 to present: President

Is an Aging Population with a Low Birthrate a Sign of Crisis?

Editor: In this interview, firstly I would like you to talk about managerial problems that you recognize, secondly about the epochs through your own business experience and lastly about your practical theory-in-use (your own opinion) of leadership. Let's just start with, can you tell me about your goal in the secondary midterm plan or the most important managerial problems of House Foods that you think of at this very stage, including even forecast of 10 years from now?

Mr. Oze: There are two parts in terms of the theme, the managerial problems; one is a business part as a corporation. Another part is corporation management.

The corporation managerial problems are how the corporation can thoroughly implement the customer-oriented management. Even though the expression varies from corporation to corporation, each corporation advocates the customer-oriented management. You should have heard it as many times as you hear “Good morning” and “Hello”. It maybe the case that when you hear the words they go through from the one year to the other. Many corporations use such expressions as “Customer Satisfaction” or “Customer Oriented,” even though they have their own ways of expressing it. That means it is an important and universal theme for us, manufacturers, whose target is end users. I think that it is more important than anything to reset the core management style and go back to the customer-oriented management.

I think the motif of Haruo Minami, “Customers are God” is very important, even though I do not use the exact same words to our freshmen because it sounds really cheap. I explained, at freshmen seminar and so on, “Basically, customers buy our products, and our company is built on that money they paid, and we get our salary.” We must not forget that starting point as a corporation.

Next, the change of the population structure is obviously the biggest managerial problems. It is hard to read the numbers of economic forecast, and we do not even know how much we can trust these numbers. However, the change of population is the only thing that will tell us how it is going to be in 5 years or even 10 years. It is most important to grasp the change of the population structure numerically with the awareness and sense of crisis in terms of the managerial problems.

It is a critical factor, especially for the food manufactures that the number of “mouths to eat” decreases. It is one problem that the population itself will decrease. And if we dig it more deeply, there are inside problems, “low birthrate” and “aging population”. In a viewpoint of “an aging population with a low birthrate”, there will be an increase of households with one person or a couple. When we look only at the change of the population structure, the customer's behavior, life style and how food should be, will change in a customer-oriented manner. I recognize that how we react to the crisis as a food manufacturer is the biggest managerial problems.

Editor: For example, you have achieved 25%-30% calorie reduction in “*Prime Curry*” ■1, and “*Ukon no Chikara*” ■2 has recently become a very powerful product of yours due to its good reputation, and “*Cup Stew*” ■3 is popular. Can you tell me about the linkage between the success of the above-mentioned products and the management assignment?

Mr. Oze: Along with the reduction of the population itself that I just mentioned, and an aging population with a low birthrate, or the change of the social structure, when it comes down to what we must do, the keywords are something like “*Ko-syoku* (Eating Alone)” and “*Soku-syoku* (Eating Instantly)”.

For families with only husband and wife in a household, they have to go all the way to buy groceries and cook for only two, and only two eat it. However, it takes a long time to cook for just two. From now on, I think there will be a gradual increase of tendency that people will buy their favorite prepared foods as much as they want and choose what they eat at each meal. In every aspect, for example, time, economic efficiency, and also taste by some families, these prepared foods may taste better.

“Eating Instantly” and “Eating Alone”, and “Time to Cook”. Of particular note is the concept called “Convenient Cooking” in the concept of cooking. In case of four family members, there have been decreased cases when all the family members eat what the wife prepares at the same time, and it will be even less. That is one. Wives around their 60s have a sense that about 60 minutes should be enough to cook dinner, but according to data, it is 15 minutes for women around their 20s. Depending on the age groups, the concept of time to cook dinner is different. Thus, “food to be eaten” will be changed. This is another.

■1

This is a new curry with richer and milder taste compared to the existing products, and it is created by a new calorie reduction formula invented by House Foods. The oil used is vegetable oil. The company has achieved the “taste” with fragrant spices and richness of bouillon and “calorie reduction” while reducing the amount of fat by the new calorie reduction formula.

■2

Ukon is a zingiberaceous perennial used as a spice and Chinese herbal medicine. The English name is turmeric. It is a must-have spice for curry dishes. It is a pigment composition called curcumin that looks yellow. “Ukon No Chikara” is a drink with turmeric extractives and includes 30mg of curcumin per bottle. It also contains vitamin B6, C, E and inositol. This is a popular and hit product of House Foods for its light and mild taste.

■3

The representative product is “Cream Stew with 4 Different Green and Yellow Vegetables”. Just by pouring hot water, you can easily enjoy a creamy stew with a lot of dairy products. The ingredients are colorful with broccoli, bok-choy, pumpkin and carrot by using a freeze-dried production method to keep the vegetable as fresh as possible. Other cup stew products are “Green soy bean Cream Stew”, “Corn Cream Stew”, “3 mushrooms Cream Stew”, “Tomato Stew” and “Seafood Stew”.

Cannot sell just because “it is healthy”

Mr. Oze: Following the simpleness, the second theme should be “taste and health”. I have been telling people inside and outside of my company that there are three essential needs of food from the customers. They are “taste”, “convenience” and “healthiness”. It is, in a certain extent, a universal theme. Customers are always looking for tasty, simpler and healthier food. We as a manufacturer should seek that “more” for our customers and that will lead us to creation of a new value, I think.

Among them, “health” and “taste” are especially important. These are essential factors but also opposite factors. For example, salt. Meals with a lack of salt do not taste good, don’t you think? But too much salt has negative impact on our health. Of course, our body varies by age. For example, fat tastes good, but it is not so healthy for the elders to

have it too much. By pursuing health, meal tends to lose its deliciousness. Even so, pursuing how we can create taste but healthy food is the value of the existence of food manufactures, and that is a key to win the competition among corporations.

Japanese do not touch the healthy products if it is not tasty. Therefore, it has been an assignment to create healthy and also delicious food.

A concrete example is that we did not try to attract our customers mainly by the concept of health with a half fat and 25%-30% reduction of calories during the developing process of the previously mentioned “Prime Curry”. Solid roux becomes mild, in a way, by coagulating it with fat, but it also wraps up the fragrance of spice and spicy hotness. It has a characteristic to cover the taste with a film. As a result of pursuing tasty curry, we reached the conclusion that the taste was better without using fat. Thus, we could create healthy and tasty food.

Thus, “Prime Curry” is a product created by a result of having pursued tasty curry. However, at that time we tried to appeal to the customers by saying “This curry is a result of the pursuit of taste” rather than “calorie reduction”, but the customers did not seem to care. To the customers, “calorie reduction” is much more appealing than “taste” for the first time. However, they do not stick to the product just because it has “fewer calories”.

So the most important factor for the customers to repeatedly purchase the same product is “taste”. Even though there are many different kinds of purchase motivation, it is the “taste” that makes the customers wonder whether or not the product they ate was tasty or whether or not they want to buy the same product again. We always talk to each other about the evaluation of our company from the customers. The real evaluation from the customers on our company is the rate of repeated purchase of the same product such as “Prime Curry”, not the survey-based trial evaluation. Therefore, for us the assignment is to successfully keep the “health and taste” together even though they are contradictory facts.

Food manufacturer that creates “Comfort”

Editor: I heard that the name of the company, House Foods, has the meaning of “In every house”. If you really care about your customers, it is normal for all the food manufacturers to produce products aiming taste, convenience and health. How does House Foods describe its products?

Mr. Oze: Our message now is changing into “taste and comfort”. Obviously we have to achieve “taste”, “convenience” and “healthiness”. These three needs are essential but what we, House Foods, want to provide our customers is “comfort” through food at the same time we provide “taste”.

And, if I must verbalize, it is to pursue “more”. We have to ask ourselves what is “more” to the customers. It is difficult, but it is the start of the competition among corporations to show who knows about the customer best. Before what to produce or what to advertise, it is the starting point to know what the customers per se are thinking, or to know the things that the customer have not even noticed they want, or to make an effort to know that. On top of knowing, it is necessary to have enabling technologies. In the example of “Prime Curry”, we needed to know what kinds of technologies could be needed to create better taste products. We needed to have technologies to coagulate the curry, not in the form of roux, while reducing fat. Besides, it should be a technology that would create a new product as a substitute of the existing roux so that the customers could use the product in the same way they were using the roux.

“Taste” and “comfort” can be achieved only when you have ability to grasp what the customers really want and the enabling technology. Thus, what we have to do is basically the same as the other food manufacturers. However, the way we do it and how we assist our customers should be the way “House Foods” does, I think.

Instant yet “Home Taste”

Mr. Oze: What is the difference between curry and the other products? The curry roux that House Foods sells is a product that is broken into little pieces and put in the pot where all the other ingredients are already stewed. In other words, it used to be called

an instant product and is a convenient product. However, the difference was that it had a “home taste”, even though it was an instant product. Depending on families, there are many varieties; some put ground apple, or some put a sauce, or different amount of water. Even more simply, they just combine two different kinds of roux. Then people say this is my family’s curry or this is my mother’s curry. In that curry, there is uniqueness of mother. Even though it is an instant product, by arranging it a bit it becomes something original. While food manufacturers take care of hard work such as collecting ingredients and cooking them, we must take the customer's physiological state of mind into consideration, such as that some customers want to cook or some want to add something unique or want to add mother’s love. This is a very important and different from the other products. In addition, spices in curry, for example, are mostly the same ingredients as in Otai-san, such as cinnamon, fennel, nutmeg, and clove. The reason why you can eat curry when you have just lost your appetite is because these spices stimulate the secretion of gastric juices. In this sense, it has what Chinese herbal medicine has for appetite stimulation.

Thus, curry is a wonderful food because it is healthy, easy to cook and mothers can make it unique.

Editor: If I think about it, the predecessor of House Foods, Urakami Shoten ■4 dealt with drug chemical materials, that are spices and such, so it is no wonder the company began with the idea of having not only the taste but also something positive for the body.

I could talk in public

Editor: I would like to ask you about your own experience next. When you lead the strategizing, as an executive, can you tell us 3 or 4 experiences that you think they were meaningful if you look back now?

Mr. Oze: This is not directly related to management, but the biggest experience I ever had in my life was to get rid of stuttering.

If I could not get over stuttering, I do not think I could work normally as a member of the society. To speak, the joyfulness in being able to talk, and to tell people I will do this

in this way or I want them to do something. If we cannot convey our opinions to others, they will never know what opinions we have.

When I was working at the Osaka branch as a sales person, it did not matter how much I stuttered, everyone takes their turn at morning assembly. Then everyone joined me when I read the mission statement and the motto of the company, but I could not keep going because of the stuttering. Everyone just waited for me to keep going, so it was so quiet. I broke into a cold sweat. My father died at my last year of university and he died worrying about me, saying, “Can you even answer a phone call?”

After three and a half years of sales experience at Osaka branch, I became the 1st assistant of the Product Manager Room. Then, of course, I had to tell people at the company what I was going to do or how I was going to make a change. Besides, I had to give a presentation to sales people. I had to give presentations on new products or campaigns to all the sales people from all the branches, in front of dozens or hundreds of people.

■4 House Foods was started by Seisuke Urakami in 1913 as a drug chemical material store called “Urakami Shoten” in Matsuyamachi-suji, Osaka city.

For example, I have to give a presentation to sales people on a product that took the company one or one and a half years to create. This is the critical place that I have to make the sales people to think “Wow! This will sell. I’ll go and sell it right away,” and I had to be at such place as my job. If I get nervous in a presentation, it makes the entire atmosphere in the room nervous. So it is not good. I’ll tell you what I did to avoid it. I also came up with “a short story” or “*Makura*”, as in a type of a traditional Japanese comedy or “*Rakugo*”, after preparing the presentation. I always talked about a topic in the presentation as *Makura* at the beginning of the presentation and relaxed the audience, and then got into the presentation. This was to relax myself and the atmosphere but I made a lot of efforts like this.

Through such experiences, I got rid of stuttering. I felt the wonderfulness and joyfulness of talking on my own, or even I can say that I felt how important it is to be able to talk. That is, in my life, the greatest quantum leap experience (experience that brought me up to the next level) as well as to have become a normal person.

Even now when I have to talk in front of a lot of employees at a meeting of the head of departments and such, I write “slowly” and circle it as necessary on each page. I do not want to speak fast, so if I think I will talk fast around here or there, I write “slowly” in my script. In my business career or even my life, around these times, I think I could step up to the next level but that will bring me up to the level of the normal person. But that was the experience I had when I had to speak in front of sales people as a job.

Result of the “Big Suits”

Mr. Oze: The second quantum leap experience (experience that made me a bigger person) is the fact that I became a supervisor of the curry group as a product manager at the age of 34, my 12th year at the company. It is probably something like a division manager now. The product manager had three roles. The first role was to plan strategy as a planner. The second role was to coordinate each division as a coordinator. The standard of coordination was customer-oriented, and based on the standard I coordinated the company. And then the last one was a profit center as a watcher of profit. These three roles were the roles of the product manager.

However, I felt a huge pressure by having become a person who was in charge of the core business. At that time the product manager of House Foods, as sharing an office with the president, was given the same authority as the president over the categories that the product manager was in charge of. Back then, the market share in curry roux was over 50%, and it was the division with the profit of over 100 if the profit of the company was 100. Therefore, if I had messed up something in such a division, the profit of the whole company could have been in a major disaster. That was a pressure for me due to such circumstance. When I became in charge of this division, I came to be able to drink even though I could not drink at all before then. Well, it was more like I was in such state of mind that made me feel that I had to drink to keep up. And I had a memo pad ready and a pencil when I slept so that I could take a note whenever some ideas popped in my head. Otherwise, I was not able to fall asleep.

Even though I had such pressure, I made up my mind by telling myself if I did my best with everything I got and still failed then it would be okay because I just did not have

the ability. That took a lot of burden off my shoulders.

It was very hard for me to experience the product manager position, but such job, as a youth, made me think about what management was and what marketing was. Also as a coordinator I had to work together with all the different divisions in the company. Thus, in that sense, I think I had many different kinds of experiences.

Judgments must be quick. And in coordinating, I had to create a sense of cooperation in each division so I could learn deeply, as a product manager, how each division should interact with each other to operate the company as an organization. Also, I could experience what marketing was. In such sense, as a result, this was the period that I could intentionally learn a lot of things.

“Can selling water be business?”

Editor: So that is the second biggest experience, then what is the third?

Mr. Oze: In chronological order, it could be the water business. In a sense of “startup” and also a business that marked a new epoch, it was a different experience and had a different meaning to me.

In the case of the curry division, I was just a successor of the core division of the company profit that had been already operated by others. But in this water business, I only had an assignment and proposition of “if the selling water can be a business or not”. Other than that, I had to create business and a product from nothing. In other words, I created ex nihilo. Because I did not know anything, I firstly did several researches. Before this, in my experience of product development, I had never asked our customers questions in many directions.

Editor: How long did it take to actually sell the product from the start of considering the water business as a business?

Mr. Oze: Probably one and a half years or two years. We started selling it in 1983, but it was about one and a half years before then. So I was given the theme a while after I was

appointed to the product manager in the curry division.

At that time in Japan, having mineral water at home was very special because it was used for whiskey for a visitor. It was rare to drink it as a drinking water at home. However, in Europe and the United States the mineral water took major space of a sales floor in supermarkets. In other countries, there are four major categories: milk, juice like an orange juice, Coke and water. These are the four major beverage categories and the water is one of them.

However, we had a strong sense of “water and air are free of charge”, so it was nonsense to pay for drinking water. That is how much we thought our country was blessed with the good natural water. Even so, as we researched, we found the residential environment had changed, such as that there are more high-rise apartments. Especially in the Kansai area, the water became smelly in the summer by the increase of algae when the water temperature became over 20°C in Biwa Lake.

As soon as I was given the proposition to find whether or not the water could be a business, I at first conducted research on Tokyo and Osaka customers' dissatisfaction with and subconscious opinions about the tap water. The dissatisfaction level with the water was higher in Osaka than in Tokyo. It was 33%, I recall. It was 24% in Tokyo. Then we asked if they would pay for their drinking water. This time Tokyo was higher than Osaka. It was 8% in Tokyo and 4% in Osaka. The Kansai people said something like, “The water does not taste good but we are not going to pay for drinking water.” Compared to Kansai, Tokyo people had a sense of that it would be no problem to pay if your water tasted good.

Because there was some subconscious dissatisfaction with the tap water, and also considering the future social change, the water could become a business, I thought. I did not know when but I was sure, through the research, that the time that Japan would become like Europe and the United States would come.

The reason why it had to be “Rokko”

Mr. Oze: “Rokko no Oishii Mizu (Rokko’s Delicious Water)” ■5 was, in a sense, a new challenge against business because we wanted to make the water as the drinking water at home. As a result, the name of the product became “Rokko no Oishii Mizu (Rokko’s Delicious Water)”. In fact in a group interview ■6 it was not mineral water that the group said they wanted to drink when they talked about “the water for you”.

For example, they said something like, “the water from the stream somewhere in Shinshu I went to last year was delicious” or “the water of my hometown in Hokkaido is delicious” and so on. Therefore, it made us realize that it was not “mineral water” that the customers wanted to drink.

They would want to drink the natural water, and very specific water. The customers would not want to drink “mineral water” but “natural water”. Besides, it was important that the water should be from a particular place. It was not the water that House Food would provide or some other companies would provide in that sense. The keyword was the place where the water came from. All through the group interview, the keyword came up all the time.

And the words “Oishii Mizu (delicious water)” came out most in the group interview. When it came down to what the customers wanted, we thought we should have not appealed to them with “mineral water” but should have appealed “the delicious water from such and such place”. Then we finally decided to name it “Rokko no Oishii Mizu (Rokko’s Delicious Water)”.

For not only this product but also other products, the name is a marketing tool that is most frequently seen by the customers and directly explains what the product is about. If the customers can know the benefits of the product by just seeing the product’s name, that would be the best. So it goes like this: what is this product? This product is “delicious water”, and also I can tell you the place where the water is from, it is “Rokko’s Delicious Water”. So the name of the product became “Rokko no Oishii Mizu (Rokko’s Delicious Water)”. It was an easy name to understand.

■5

It is a soft water filtered through the granitic layer deep down in the ground of Rokko Mountains, and it contains well-balanced minerals. A method that does not use heat

and maintains the natural deliciousness (Fresh and Aseptic Packaging Method) is applied. This is the national pioneer of mineral water for home.

■6

This is a surveying technique in a form of a group discussion to grasp the needs of a small group of subjects (consumers) from what they say about certain questions asked by a facilitator interviewing them. Since it can extract the real opinions from the subjects, it is possible to grasp things that are not possible to know from quantitative surveys.

In terms of the naming of “Rokko no Oishii Mizu (Rokko’s Delicious Water)”, at first we decided its theme to be “*Wa*” or “Japaneseness” together with our advertising agency. While we were discussing that it was not going to be the mineral water of House Foods but the delicious water, there were various ideas, such as that if the image was “Japaneseness” it could be something like the sound of a stream and so on. However, after all, we all agreed that we should use the words that the customers were using the most so “delicious water” was chosen. Next we talked about where the “delicious water” was from. This is the particular water from Kobe and the groundwater through the granitic layer of the Rokko mountains. So it became “Rokko no Mizu (Rokko’s water)”.

However, this name is familiar to people in the Kansai area, but we were wondering if people in Tokyo, which was the biggest market, recognized the name. So we conducted a group interview in Tokyo. Most of people in Tokyo recognized Rokko as a good image of a very beautiful mountain in Kobe, even though they did not know it clearly.

Then, we thought if they had this understanding subconsciously, the benefit of the product would be recognized by the process of adverting or completing the product. So the name had become “Rokko no Oishii Mizu (Rokko’s Delicious Water)”.

A tactics to increase “Favorable Public Image in CM”

Mr. Oze: Another quantum leap experience was that I was appointed to my dream position, a marketing chief as the head of the advertising division. The reason why I started working at House Foods was because I wanted to create advertisements by myself. I worked as a sales person for three and a half years, and worked at the president room. So I had not been able to do what I really wanted to do. It was the 19th

year at the company. I was 41. Finally I became a marketing chief.

The marketing room, back then, was in charge of advertisement development, purchase of media tools, and also sales promotion, marketing research and package designs. Therefore, we did all the marketing related tasks except for the product development, and the number of our division employees was the largest in the company. Also, House Foods was a company that used more expense on advertisement than the profit it made. Probably it spent 15 billion yen annually back then. The company let me be a chief of that division, and in 1991 and 1992 we became the number one company in CM favorable public image two years in a row. These were big experiences to me.

Editor: Finally you, the person who wanted to work in the advertising, became the marketing chief. Did you make any changes in advertisement or gave any new axis?

Mr. Oze: Advertisements are exposed a lot, as you know, so basically it is important to give a good impression to the viewers. We can increasingly give impressions in many ways, but we do not want the viewers to think, “what the heck is this commercial of House Foods?” so we have to make it favorable. I think that in commercial films (CF) there should be one factor, such as a sense of humor that makes you smile. The main goal of advertisement is to promote the advantage of the product, the benefit to the customers and things that are useful for the customers. The other things that are related to advertising are just methods. You do not want to mix them up. Therefore, I thoroughly made sure the concept of the product was conveyed to the viewers.

However, if you become in charge of advertisement, even though you are a manufacturer, gradually you want to get into the world of creativity. For example, you start worrying about how the light comes appears on the screen, the movement of the hands and so on. However, I left those things to the director of CF or agency. The job of manufacturers or clients is to make sure it can convey the benefits for the customers and how it can be conveyed with a sense of humor and an impression. I cared about those the most.

Editor: You won an award in the most favorable public image in CM in 1991 and 1992. If you can recall any advertisements or products that you took the initiatives in, can you tell me?

Mr. Oze: Maybe the product called “Curry Kobo”. In that CM, we had Yumi Adachi and

Chinen Kobayashi. Yumi Adachi played a daughter and Chinen Kobayashi played her father. She shows her father her calligraphy saying “I wrote something”. The calligraphy says “*Donguri*” (acorn) with a very large “*Gu*”. The ingredients (“gu” in Japanese) that the product contains are larger than in normal products, so the character “gu” was written large. The main feature of “Curry Kobo” is bigger ingredients than the normal instant curry. A cute girl like Yumi Adachi only writes “gu” of “donguri” really large in calligraphy and says to her father “Hey Dad! Look”. And her father says ““Gu” is really big, isn’t it?” Humor, isn’t it? And also at the same time the concept is conveyed.

The fundamental of advertisement is whether or not it is expressed well without leaving out the concept and benefit to the customers. In addition, it should give a good impression. The CF repeats a lot, so I want the viewers to receive the right impression. For that, it is necessary to include a good sense of humor. It is that we want to create a heart-warming CF that does not make the viewers laugh loudly but smile. Thus, I do not let the creators rest. It is the job of the advertising people to push the creators to the limit.

My “Theory of Leadership”

Editor: The first story was about stuttering, the experience of the product manager in the leading business, curry business, and “Rokko no Oishii Mizu (Rokko’s Delicious Water)” that was a creation from nothing. If you express the lesson you learned from these in one of two words, how would you describe?

Mr. Oze: I went to another hard stage every time I was done with a job. The lesson I learned is that the chance is choosing the more difficult and harder stage, I think. If I must say, let’s walk the more difficult path if there are two paths to choose. That is how I could develop myself.

“You will definitely encounter a difficulty, but do not run away from it”, I always say to our freshmen. And I would like to talk about this later too, but I also say to them “Do not leave it for last”. The later you think you will solve the problem, the bigger the problem will get. I tell our freshmen that the problem will be solved if they sincerely do

their best.

Editor: I think it is much more important to know how those who take the leadership in strategizing and ideas as a CEO define their own leadership, than to know about those scholars who try hard to come up with the good definition of leadership. So including what you have talked about so far as important experiences for you, from the experiences, can you tell me what you think is the vital point for leadership or is the principle of your leadership?

Mr. Oze: That is “How important communication is”. I came to convey what I think and to know how enjoyable it is to convey because I got over stuttering. And of course the effectiveness of communication is important, but the important part of communication is to start communicating from you not from others. It is not something you wait for others to talk to you. I think communication is to start from you. I say to people at the company, “there is no understanding without communication”. No one knows what you are thinking. It is important to tell others properly.

Editor: So the communication comes first before anything when you take leadership, right? If you have to tell me two or three more, what would those be?

Mr. Oze: First of all, it is “humility” after all. When there are many experienced people around and also it is necessary to ask for assistance from the other divisions, it is possible to learn what we do not know from them. So at the start, people should ask “Ah I am sorry. I do not know it well. Can you please show me?”. Those who have worked longer do not feel bad if someone asks them nicely to show them. So they will show them what to do, won't they? “Humility” is the key to learn a lot of things, I think.

And when I became the president I firstly told to the employees that we should eliminate the "differences" between us and what is actually happening. The “differences” are a gap in thinking between us, a company, and our customers, and a gap between sales people and staff at HQ. That is how much the HQ can understand how much sales people are striving at the front line.

The reason why it is necessary to eliminate such “differences” is to act fast, so I think it is important. It is important for individuals and the company. To eliminate the

“differences”, we have to feel the differences. It is to feel severe and negative differences and positive differences, and also the difference between them. That is to have a sense of crisis in a good way. And that leads to quick implementation. If in fact you are feeling the difference, you can take the right action, I think. Thus, it is important to have “humility” and “to eliminate the differences”, I think. I tell the executives “the higher your position becomes, be the person who plants a seed for tomorrow.” In other words, it is to view things and think tactics in mid and long terms. The higher the position gets, it is important to plant a seed for tomorrow. It may take three years or five years to see the result of what they planted a seed for, or you may not see the result at all. However, if you do not plant a seed, the gap between the company and its customers will be bigger. Thus, I say that “if you are an executive, without hesitation plant a seed for tomorrow.” A lot.

And that's the words “quick response”. I believe that this is important. I say it like “Do things quickly”.

Those issues I previously mentioned such as an aging population with a low birthrate, the structural change of the population, and the needs of the customers are the issues that every company has. We are in the same environment. So if asked what is important, I say “do it quickly”. Here is an example from a daily life. If you are asked to do some job, you will respond to it fast. So if you cannot come up with some kinds of answers quickly, it is certainly a response to say “please wait because I cannot give you an answer right now”. Giving an answer is not the only response we can give. It does not matter if it is between companies or between individuals, we should respond to each other. Our quick responding greatly influences faith and trust that a company or a person have toward you, I think.

There is one more thing that I would like to mention. When I was a vice president I met an analyst and he said “it is very hard to see what this company is thinking”. Then “Is House Foods really a Kansai company?”, said a financial analyst from Tokyo. So I asked him “Why?”. He said, “Most of the companies in Kansai tend to exaggerate things, like when it is really 10 but they say it is 15 or 20. But House Foods only says three or four when it is really 10. It does not do any good to your company. If you have 10, you have to say 10.” It is about disclosure of information. So now I also think it is important for the company to tell the public correctly and properly what our company does.

And also I ask the leaders of the company “to use our heart, head and body”. If you become a leader to move people, heart is important. People won’t follow you if they do not agree with you. But a leader needs to be smart. People do not follow with a full understanding if the leader is not logical. Besides, a leader must lead with action. If he does not walk the talk, no one follows the leader. They will not approve the leader. Therefore, it is an important factor to move the heart, head and body well in balance in order to lead the crowd.

There is a Mr. Jo Nijima’s “Monument of Conscience” at Doshisha, the university I attended. If I just went to the university, it was not very influential to me, but I went to Doshisha Kori Junior High School that is attached to Doshisha University. So I always saw the inscription of the monument at the gate of the school writing “Hope for a brave man who is filled with conscience”. We can interpret conscience in many ways, but I believe that it is important for a company and a person to have conscience.

Overseas Expansion and “My Dream”

Editor: Your practical theory-in-use of leadership is to place a great value on communication, to have humility, to eliminate the differences, that the higher the position gets people should plant a seed for the tomorrow’s development, give a quick response to anything, to disclose information (or to tell others everything), to move the heart, head and body well in balance, and to have conscience. Lastly, I would like to ask you about not only the company’s dream but also your dream as one human being. If your dream overlaps with the dream of House Foods somehow, I would like to ask you how they overlap.

Mr. Oze: What I want for the company the most is to be a company where every single employee, from office staff to sales people at the front line, has lively vitality.

I take it for granted that a corporation naturally moves toward one goal, but it is the most difficult thing to do. That is why my dream is that our company shall be an organization where each single person has vitality, power and ability to get the job done.

Or I would like to change viewpoints. This is a story from when I developed “Rokko’s

Delicious Water” that made me happy. I cannot remember how long it was after we started selling the product, but when I was on my way to work, I saw an empty bottle of “Rokko’s Delicious Water” at a trash pick up area. When I saw it, I was so happy. It was a proof that the product was actually consumed.

So my personal dream could be that it would make me happy if I saw some empty House Foods products at trash pick up areas in not only East Asia and Japan but also in other parts of the world on my retirement trips.

In America already, the *tofu* business has been doing well, and we just started to operate the second factory in New Jersey the other day. Also, we have 10 curry restaurants, mainly in Los Angeles. In China we started selling Japanese-style curry roux and instant products as well as running restaurants. I have a dream that I want to popularize Japanese-style curry in the world, but each country has its own food culture so it is hard to do. For example, it is hard for the rich Japanese-style curry to be popular in India. So I think it would be better if House Foods can make use out of its technologies for each food culture.

In a way of keeping taste and health together, as I mentioned at the beginning, the House Foods’ technologies and our contribution could become useful to people overseas, although the products might have different brand names. As a proof of consumption, it would make me so happy if I saw empty products all over the world because it would make us realize that we contributed to the world.

Editor: it sounds like a very small dream but is a very vivid and clear dream. It is a big dream if a Japanese company tries to accomplish it globally.

It was very useful for us from Kobe University in a study aspect as well. We will be learning from you again, as well as the other executives from House Foods at a series of top management seminars for the students of Kobe University School of Business Administration this year.

I would like to thank you for giving us such an opportunity to interview you before such seminars.

[From Editors]

I was given a valuable opportunity to carry out a seminar for the selected future executive candidates awhile after Mr. Oze was appointed to the president of House Foods in April 2002.

In the seminar I asked those future executive candidates to write about quantum leap experiences for the work, and we had a deep discussion based on their writings. At the very beginning of the seminar, no one else but President Oze himself talked about his story of “quantum leap experiences” right in front of the candidates. The story was placed in the company magazine of House Foods, “*My House*”, and shared with all the employees as well.

Since then whenever I visited House Foods training institute called IDEAC Center, I asked each executives about their own “quantum leap experiences”. These also were written in “My House”.

All the interviews were conducted when the executives were most relaxed with a glass of wine after dinner at the training institute. It was not a one-way interview but was conversational. Also those editors of the company magazine were doing the same kind of interviews. Before we knew, all the executives talked about their own “quantum leap experiences”. These valuable stories were bound together as a separate print called “Collection of Experiences”.

In this interview, I could hear more deeply about the lessons from experiences than the previously conducted interview and also President Oze’s own practical theory-in-use of leadership. I really appreciate it.

In the study of business administration of Kobe University Graduate School of Business Administration that is associated with Research Institute of Advanced Management, it is a standing point that good theories should be applied to practice (real situations).

With that standing point, we try to interact with people from companies. In that sense, a series of the meetings with House Foods proceeded ideally in a form of a “fusion of academic theories and practices”.

Those executives who are the core of the company can share their “quantum leap experiences” and lessons from them every time they see each other. I expect that this

fact will greatly promote the process that an executive “draws a picture” and “involves a lot of people” to make the picture real.

The president talks about his experiences and lessons, and even his practical theory-in-use of leadership based on the lessons from experiences. If these stories and practical theory-in-use are shared among the executives and the future executive candidates, and at work among the future executive candidates and their right-hand persons, a link of the leadership will be built from the top to the middle, and from the middle to the actual work fields.

It may be called leadership pipeline but it is not for the oil transaction. So we call it “leadership cascade”.

Like the water streaming from head to the sea, if leadership can also be handed (cascaded) down from the top to the actual work field in an organization, it must be supported by the stories of experiences and the theories of the actual work fields (in other words, theory-in-use of excellent practical people).

Companies that have a system to conduct continuously excellent management have an interesting system in terms of producing human resources. In the coming global COE (the center to reach the world level in research) this interview has made us re-think strongly that it would be wonderful to step into such aspects in our study.

Through this interview, the practical theory-in-use of the leadership of President Oze that consists of 7 items was clearly mentioned, and I was so attracted by it. Without noticing, I was all ears. The content of the theory is:

- 1 To value the communication,
- 2 To have humility,
- 3 To eliminate the differences,
- 4 To plant a seed for tomorrow,
- 5 To respond quickly,
- 6 To convey 10 as 10 to others in order to be a disclosed company,
- 7 And to have a balance among the heart, head and body, and have conscience.

These are the 7 items.

After a series of training aiming at the leadership cascade, since last year the research team of Kobe University has been researching the system of human resource management in the development of the executives at House Foods. This time it is 100% academic research. The research is doing well as the academic theories and practices are linking together. As I mention a bit at the end of the interview, this year, at the top management seminar of Kobe University School of Business Administration, probably 13 or 14 top executives including Mr. Oze will talk to our students about what is actually going on in the real management fields.

The Research Institute of Advanced Management was founded to give opportunities to the practical people and researchers to discuss important actual problems together at the same table. Therefore, along with the spirit, I hope this interaction will develop with cooperation of President Oze and people actively working at House Foods. Again I would like to thank President Oze for coming to Kobe University, spending his valuable time with us and giving us the great stories.

[Interviewers]

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