

**BI Calbee Foods Co., Ltd. Mr. Yasuo Nakata**

**Ideal Innovation that the revolutionist aimed**

When the revolutionist had a vision of a social revolution in school days and graduated from graduate school, he entered Ube Industries Ltd., and transferred to Mitsubishi Rayon Co., Ltd. He accomplished information technology in the both companies. He was recognized his ability and went to Calbee Foods Co., Ltd.

Now, he has become President in the company and is dealing with new reform of the management system with respects to ideology of management philosophy.

**School days to devote himself to “Country and Revolution”**

**Editor:** It is impossible that people stop growing up at school days. People can learn various things through work experiences, meetings with people, reading a book and training. People can learn many things from such various blends. According to a question of “What experiences were the most helpful when you take the leadership as the top executive?” announced by Lominger which is often used in the U.S. 70% of those people said working experiences, 20%, experiences trained by customers or learning from their boss and the last 10%, training. As you know from this result, experiences are the most important. So, today please tell me your working experiences which improved you a lot in the previous jobs to the present.

First, please tell me your school days although we date back a little.

How did you spend the time of the youth?

**Mr. Nakata:** When I was a student, I had a vision of social revolution. I had deep thought that I wanted to break something or break the conventional thing. I read a book of “Country and Revolution” written by Lenin who instructed the Russian Revolution. He said in the book that a country had to be abolished and would be extinct. I just wanted to pursue my ideal extremely in my youth. When I think about it now, I still have had such an attitude since that time. I like to draw a blueprint of making design, plan and making model. It may connect to draw an ideal condition.

**Editor:** As I expected, it’s meaningful to ask your school days. All congenial friends to me in a little younger generation than yours read the book of “Country & Revolution” when they were students at high school or university. Reform of Bol’sheviki by an organizational social scholar didn’t lead to the real extinction of the country. Or when dictatorship of the proletariat occurred, there were no forms of country. I thought it was one of the organizational styles if it continued to change permanently.

Some people are good at drawing an ideal thing and once they draw it, they can accomplish it. I thought it

interesting you still have such senses that you can operate based on the strategy, I mean you make a design or plan based on people who actually moved

Philip Sedesnic criticized a research by a small group with ten people in an experimental group and said a larger group would change the real society. He took Bol'sheviki as an example of the system that the value was added to organization. When you picked up a real leader, you chose Lenin who wasn't in a small group and belonged to Bol'sheviki and Vivian Soul, CEO who did Chelsea Value Authority in the time of Franklin Roosevelt. There are people who take the operational organization or things in the world that has the shape at the beginning can be said as pure leadership. I think it interesting that you were interested in social revolution in school days. By the way, were there few people who majored in literature and went to graduate school at that time?

### **The Real Reason of Entering Graduate School**

**Mr. Nakata:** I really worried that I wouldn't be accepted in the society and I'm not suitable to become a salary man. I didn't intend to aim to research something. In a sense, I was in the probation. I was crazy about the student movement and had kept away from a company. After I waited with the excitement dying down, I thought to find a job. This was also one of the reasons.

**Editor:** The key word for people who were older than us and lived in the generation of joint struggle was "Revolution or Change the world". Now Mr. Nakata, if you propose your employees to read the book of "Country and Revolution" what will happen?

**Mr. Nakata:** I'm not sure what will happen. "Practice Theory" is also used as our textbook. I belonged to a Chinese research club. I started to come in the world of Chinese literatures at high school, which would connect to the world of revolution in my mind. Mao Tsu-tung was a great poet. What he wrote was so simple, but I think it was helpful for people today. However, it has so conventional colors, so we have to be careful of how to use it.

**Editor:** When I contacted with students who were around 20 years old, I keenly feel it's very difficult to choose which company they would go. When you entered Calbee Foods Co., Ltd., you had been already 36 years old and had already experienced to work in three companies, Ube Industries Ltd., Mitsubishi Rayon and finally Calbee Foods Co., Ltd. You had experiences that improved you a lot there. What do you think?

**Mr. Nakata:** The reason that I entered the Ube Industries Ltd. was because I would get no good result if I continued the research. I had a girlfriend and had to marry her, so I had to make money to live with her. At that time, it is very difficult to find a job for students who graduated graduate school of humanities, but I

happened to be applied in Ube Industries Ltd. In order to write master's thesis, I studied burgeoning industries. In this period, the quality of Capitalism in Japan changed and came to be Nationalism. Apart from the conventional exiting financial group, Mitsui, Mitsubishi and Sumitomo, burgeoning industries were growing rapidly and we made its industrial foundation and heavy industry sophisticated. There were large field at that time. They went public and gathered shareholders to grow the foundation and raise money and grew to munitions industry based on the foundation of the general support

Therefore, the company was like a private family company for me. When I entered there, I was assigned to the accounting Dept. It was a pioneering existence in the department in charge of what is called in the present as IT and Information System.

### **What led you to enter Ube Industries Ltd?**

**Editor:** There was the time that companies introduced large mainframe computers and tried to make such divisions in the company.

**Mr. Nakata:** I entered the company in 1967. The system 360 of IBM was developed in 1965 and there was a growing tendency to start operating large mainframe computers on business. I was assigned to the worksite in such period and started to tackle such works as exactly developed a desolate wilderness. Then, there was a great person in the Dept. He majored in the accounting and was very interested in computer, so he aggressively challenged to apply information technology in the accounting field. We started the project for cost accounting there. Since the company had a chemical plant, so we challenged to make the whole system of cost accounting model and program it. It was so exciting experience for me.

**Editor:** It is very difficult to do without a mainframe computer where and how much cost utilities that occurred in the boiler and electronic chemical equipment are attributed.

There are few sample companies to do such a thing. When we look back on it, I think you are just the man for the job. This story largely relates to your later experiences, doesn't it? Was it an experience enough to make you improve a lot?

**Mr. Nakata:** Yes. They didn't care whoever came to the calculating team. They need a person who graduated from graduate school and could take the initiative in working there. I was enchanted by the world of information technology. It was very deep and interesting. As a result, I created the world that I imagined with model made on my own. I thought this suited me so much. This might connect to pursue and create an ideal as well as the story of Lenin.

**Editor:** You were a great pioneer at that time in doing it in the company, because people in the business

administration made a research for it as the state-of-the-art information system. You worked there for three years, didn't you?

**Mr. Nakata:** Yes, I continued to stay up all night to work. I could have very precious experiences to use a computer at the time.

### **Establish Supply Chain Management in Mitsubishi Rayon**

**Editor:** After that, you transferred to Mitsubishi Rayon. What experiences did you have?

**Mr. Nakata:** It had been about three years since when I entered Ube Industries Ltd. and married. My wife was also born and grew up in Tokyo and pulled me back there. Although I could be thought to transfer in the company, I decided to transfer to the other company to do in the information technology.

**Editor:** When you transferred in Ube Industries Ltd, you were sure that you couldn't be in charge of information technology because the team was in the head office, Yamaguchi prefecture. I heard you would like to improve your skills in the information technology. Did you find such a job easily?

**Mr. Nakata:** Fortunately, there were a lot of companies to apply people in the information technology division at that time. I was in charge of project leader in Mitsubishi Rayon twice. The company twists, knits or dyes threads into cloth and sells them to apparel companies like World Co., Ltd. It finally receives orders from such manufactures. We established the long supply chain management system to control the condition from ordering, delivery and inventory control to shipment with what is called "String"\* This shipment with string was very important. The string enabled us to be profitable management. Then, we minimized our inventory as much as possible. We basically manufactured products by order, but we had to deal with various conditions such as additional orders or unforeseeable conditions.

\*The string means actual demand information to avoid Make-to-Stock and overstocking in SCM. It means "string to order from customer". In Calbee, it is trying to string to order information and product information.

**Editor:** I think it very interesting that you were a project leader since when we hadn't used a word of SCM yet.

**Mr. Nakata:** After establishing SCM, we tried to remake the accounting system itself. We shared accounting slip with the state-of-the-art Optical card Leader at that time and also established the general-purpose system. Everything is packaged in a sense, so we tried to make the accounting system packaged. As a result, whatever

changes happened in the environment, we could deal with it. Since we had a lot of subsidiaries, we aimed to establish general-purpose system applicable to any companies. We had a fresh concept in that way.

**Editor:** It was very interesting. First you had those experiences in Ube Industries Ltd. and moved to Tokyo. Then, you established the accounting and general-purpose systems in addition to the supply chain management system for the long process from ordering to inventory control. Each experience enabled you to improve a lot and largely related each other. The factor that you applied the lessons learned as an administrator to jobs of managing other people as project leader as well as improved your special skills has generally seen in your jobs.

**Mr. Nakata:** Information technology means as a result to create and design the world. In that way, what I drew the whole original image and designed the system was a job of for a project leader. Then I shared the whole concept design with our team to know the details. We did such collaboration job. If I don't understand the whole system clearly as project leader, this job won't work well. This is my own theory.

**Editor:** We can see the basis of the leadership which draws a big picture and makes a lot of people involved there to accomplish the project.

**Mr. Nakata:** How I draw the whole rough and attractive picture is also one of the large elements to pull people together.

**Editor:** Some people improve their technical skills to be an expert in the world, but they feel troublesome because they have to do it with everybody. Or although you like drawing a picture, because there are lots of things with a lot of teamwork, as a result you have to do it with everybody with bad feeling. Although you need to be impatient to work with a team, you have an element to take leadership in managing people. Simply to say, you are good at establishing the system relating to task such as drawing the whole image, creating the world and making system. Some people are only good at managing people such as making people reconciled or taking the leadership in encouraging everybody when he gets exhausted or good at making a circle of friend. The best thing is to be good at doing the both, but drawing an image is too technical. You are good at doing it and you need many people to develop the system, so you have to manage them as a leader. Can I understand that your challenge here is how well you can manage everybody?

**Mr. Nakata:** Maybe. I liked to have a good time with people. I often went to have a drink with them together.

**Editor:** Actually such thing is very important. How many people were there respectively in the projects of SCM and accounting information system of Mitsubishi Rayon?

**Mr. Nakata:** There were four or five people in charge of system engineers and 20 or 30 people in charge of

programming in total.

**Editor:** What a large group it was! Did people in charge of system engineering have their original personalities?

**Mr. Nakata:** Yes, they did.

### Study hard against expert users in Mitsubishi Rayon

**Editor:** Do you have any comments if you develop a better understanding of those lessons? For example, when you had a different opinion in your team, you experienced how to deal with it as a project leader.

**Mr. Nakata:** For example, I had to make a persuasive proposal to professional people in charge of user, accounting, finance and funds. This was the biggest problem for me. In order to overcome it, I decided to be more professional in accounting than them.

**Editor:** You decided not only to make the system but also study accounting itself more than what they knew.

**Mr. Nakata:** Yes.

**Editor:** You really study hard. Do you like to continue to study anything including graduate school?

**Mr. Nakata:** I like to know new things.

**Editor:** This is also the right person in the right place. Your careers consist of two things, what you chose it and how interesting your careers were.

**Mr. Nakata:** Mitsubishi Rayon had been a sunset company, so I applied to the early retirement system and received a little more retirement allowance.

**Editor:** It was really good timing, wasn't it?

**Mr. Nakata:** Yes. I just finished the project.

**Editor:** When you were a project leader with mission, were you on the managerial position?

**Mr. Nakata:** Yes. I was on the managerial position.

**Editor:** You had been already on the managerial position. Did you take up the post earlier than others?

**Mr. Nakata:** I think I could take up the post as same as other employees who joined the company of the Mitsubishi group in the same year.

### **Fateful meeting in the student union**

**Editor:** This will lead to your following story, what prompted you to enter Calbee?

**Mr. Nakata:** When I quit Mitsubishi Rayon and started to go to a professional school to become a professional in accounting, I was invited to join the company by Masahiko Matsuo, the former President of Calbee Foods Co., Ltd. whom I had known since when I was a university student. He said, "If you do it, it would not be helpful for you." So, he invited me to join the company. At that time, Calbee was in the high-growth period. That was the 4th year since the company started to sell "Potato and chips" in the 50th year of the Showa era, 1975. They need to get enough staff members so quickly. So they had also started the periodical application of university students since 1975. I didn't have an opportunity to talk about the revolution with him although I was the same grade as his, however we shared the same experience in the student union. He had a sense of balance and stood in the middle of the condition where the conflict heated between the left and right-wing. He'd rather take the leadership based on the left-wing government. After that, he became a leader of the student union and I helped him as an assistant. I had contacted not only with him but also with other twenty staff members of that time for a long time.

**Editor:** When did you know him?

**Mr. Nakata:** I met him in my college day. Calbee was in the high-growth period. It was the forth year since the company started to sell Potato and chips in the 50th year of the Showa era, 1975. They had to arrange human resources to expand the business and develop them quickly. They had started the periodical application for university students since the 50th year of the Showa era, 1975.

**Editor:** Please tell me what experiences you had in Calbee.

**Mr. Nakata:** When I joined the company, I didn't have a lot of things to do there. When I was in Mitsubishi Rayon, I took two days off every week however I worked from the morning to night on Saturday in Calbee. We had a plan to develop the information system mainly for logistics. I had so many experiences in this field

that I was assigned as a project leader. It means we would make the whole system design for the long process from ordering, shipment, inventory control, making invoice to control of accounts receivable. If we take the conventional method called the centralized system, we put a large computer in a center, gather each data from each place and calculate it back there. However we didn't do it but took the decentralized system.

**Editor:** When did you do it? Did you do it before the time that Koji Kobayashi, the former President of NEC Corporation started the decentralized system called the communication of computer?

**Mr. Nakata:** Yes, I think so. It was the time that office computers started to be sold although they only had low capacity and very primitive network speed. If we made large data processing at such speed, it would take much costs, therefore we decided to handle each data with the decentralized computer in each place and finally gathered all results of its data to calculate the whole figures in the company. If we do so, we basically can know the company-wide figures. We had to report the last sales result, production volume and inventory figures to the founder.

### **Knowledge that I learned from the founder**

**Editor:** The origin of this company is to always pursue the best thing. Once they really make good thing, they try to make the best thing like their good supply system. When the company concentrated on manufacturing only one product of "Kappaebisen", the sales reached 10 billions. Then, they started to manufacture the next pillar of "Potato and chips" with real potatoes and at the same time established the logistic system. If we only have "Potato and chips" or "Kappaebisen" as a consumer, we don't know that your company establishes the foundation of the company in an invisible place to dominate the market. The company really likes new things and tries them soon if it finds anything new. It focuses on the logistics deeper than anything else including controlling the freshness of products. Since the system is supported by the information system, it is exactly your favorite field.

**Mr. Nakata:** At that time, he was a vice president who was the previous president. I carried his bag and walked around our factory with him.

**Editor:** However, in fact, you learned something from him. What position did you have immediately when you entered the company?

**Mr. Nakata:** I worked as a specialist. The company couldn't help making the position for me. It was the managerial position. The founder made desperate efforts to know information at that time. We developed the system for a year, but it didn't work well because of low capacity and we tried to make it again. However, I



couldn't get very important information data such as production or sales for a week and was so confused as if I went blind. Although the founder was very irritated of me at that time, he just came to the system room with some food only to ask how the condition was without saying anything and went back without scolding me.

**Editor:** It would rather give you more pressure.

**Mr. Nakata:** I wonder he could be persistent to the situation for a week without important data which was the second most important after his life.

**Editor:** Being persistent even for a day is a big problem. Despite he originally relies on information, even if he couldn't see numeral information, he came to see you with some food to encourage you without being angry although he was really worried about it

**Mr. Nakata:** Yes.

### **Received lessons when I went to a convenient store at midnight**

**Editor:** You worked hand in hand with Mr. Matsuo in Calbee as you did with him in the student union. As the former president directly learned from the founder of his father, did you also directly learn from the founder?

**Mr. Nakata:** Yes, I did. Three years later I entered the company, I was assigned as Deputy General Manager in the Production Dept. At that time, the main General Manager was the founder of President. I became an assistant of the President, so my immediate boss was President. I was moved with my family near his house. I had a great experience here. I received his call at 3:00 or 4:00 o'clock in the morning. I was waken up by him and asked to see what kind of products were sold at the nearest convenience store and buy them. When I brought them to him, he started to line up those products and checked whether their quality was good or not. He was really worried about what kinds of product were sold or whether Potato and chips were burned or not or whether such products were sold or not. He was really worried about it and couldn't help checking them on his own.

**Editor:** You went there early in the morning, at midnight. Whenever he worried about something, he called you.

**Mr. Nakata:** He really liked calling. So, he always called a factory manager or production manager to check them how potato was or how the color of potato was. We had to change such management style into the modern system. That was an important mission for both of Mr. Matsuo and me. We decided to make the good

management system and divide to work so that President didn't have to call to check the condition by himself.

**Editor:** You mean you established not only the decentralized information processing system but also developed human resources who could take the leadership in working on site so that the founder didn't have to worry about anything in each case. You would work hand in hand with the former president who succeeded to the founder to manage the company. During the time, what experiences made you improve a lot in Calbee ?

**Mr. Nakata:** When I became Deputy General Manager in the Production Dept. and joined the factory manager's meeting with General Manager. He said to everybody, "From today, Mr. Nakata will work with us as Deputy General Manager, so you listen to what he says as my instruction." It was a really good way to control everybody, but although he said like that, he gave everybody more and more instructions by himself than me.

### Replacement with the modern management system

**Mr. Nakata:** I talked about missions of modernizing the factory management with the former president of Masahiko Matsuo. There are two big missions about the factory management. The first one is quality control and the second is delivery control. Each factory tried to autonomously implement the production control including efficient productivity.

So, we focused on TQC. Most companies introduced it at that time, so we decided to do it. We made a plan to strengthen the site in our factories. Therefore, we invited Kaoru Ishikawa to have a lecture about the importance of TQC for top executives in the whole company. He talked about quality-first system, joining the market, participation of all employees, QC circle (individual participation), knowing the actual stuff with data and management cycle. He said quality control would be accomplished with all people in the factory, Sales and Planning Dept. It includes that each employee recognizes to join the management respectively, which will lead to his being proud of his work. This relates to QC circle and employees are main characters. Employees are main characters in QC circle. The reason that Japanese companies have strong organization is because they have this concept. He talked like this. It connects to the real commune.

One more important thing is Quality first. Mr. Ishikawa introduced us a VTR of quality control where Hajime Karatsu appeared. I watched this with Mr. Matsuo together and heard that cost would become lower if we improved quality. The proposal of high quality and low cost exactly came from the idea of Mr. Karatsu. If we eliminate defective products, of course we can reduce loss and lower the cost. In order to eliminate defective products, we focus on variation and reduce it and will repeat doing such activity. I think this becomes the management thought of Calbee.

**Editor:** You have a mission to supplement nutrition that Japanese don't try to have, especially with unused

redundant resources. If you do so, you think the system of how you give such products to customers in the process from raw materials, relationships with contracted farmers, quality and finally providing products. If you manufacture product in this process and the more you focus on the quality, the lower the cost becomes, it is like development of Copernicus.

### Values of visualizing product variations

**Mr. Nakata:** I'll talk about appropriate story to what you told me now. Reducing variation means to eliminate defective products. We implemented it in reference with the lecture of VTR, which led to quality assurance of Kappaebisen.

We had checked the whole color of the products before, but we saw it on average. Mr. Matsuo was really great because he started to line up 200 pieces of products from bright to dark ones and said this was product variations. He said too bright and too dark ones were defective products. We tried to eliminate both products. He did it with the actual products. Thanks to this inspection, we clarified the standard of defective products. Then all we had to do was to change the process.

The other problem is about an indicator of how they swell. We call it the weight. We put products in a can and check the weight. If they are too heavy, it means they are hard and don't get swollen. They also don't taste crispy. When we put them in a bag and open the bag, since products sink into the bottom, so there is a raised bottom or false bottom in the bag. The light chips are too be swollen and have many holes, so they taste bad.

One more problem is that products aren't put in an established bag when we put them in a bag with package machine. So, we decided the standard of the weight. If the weight of products was light, we put much oil on them and increased the weight before, but this conventional method was wrong. It's very important for us to decide the standard. In order to do it, we dry the surface of products with drying machine. We make them dry with 15% of heat in case of input and with 5% of heat in case of output for a dozen hours. There is a drying curve. When we check the moisture every hour, we can find a model turning point. If we clarify the point, we can dry them in an ideal way. Six hours later, we can find another turning point, so we can decide which point we should control. We also have to think about the absolute temperature of drying curve. This drying curve changes depending on the amount of moisture. Since we also know such a thing, if we draw a model of drying curve on the premise of absolute temperature and we implement the operation in accordance with it, we can make great environment and good Kappaebisen with find bubble when we swollen products.

In order to draw an ideal drying curve, we have to change a drying machine itself for complete control. We had various problems such as slow reaction speed and air leakage. After drying them, we have operation of "Nekashi". It means we put them in the air. During the time, we swell them. Thinking about the time of operation to put them in the air, we have to arrange the ignition time of each machine. Therefore, we have an idea of diagram.\*2 We can make schedule of various operations for example, in order to start packaging products at 8:00, when we should put products of this rotary in the air or when we ignite the machine. If we

can't do so, we can't assure quality at the best level. We can't assure quality without pursuing products deeply like that. That's why we can connect lecture to practical work.

\*2 Diagram means work standard and business flow designed to build in time axis to optimizes quality.

### **QC circle activity was established.**

**Editor:** This is an example that you suddenly feel like trying to learn from lectures when you connect your knowledge to experience. To learn it through work in practice is your characteristics. You've already talked about business challenge through your experiences that improved you a lot, for example, relationships with contracted farmers, freshness control, product flow system and information system for supporting such operations. Please tell me business challenge in the field that you thought as your life work.

**Mr. Nakata:** One of my challenges is quality assurance. We decide the standard and eliminate product variation until we become successful. We will continue to do it. We focus on QC circle activity, which become one of the energies on site and a large element of on-site power. So, we need to know how we should do it.

I happened to have a friend who was working in Japan Management Association and asked him about it. Then, I was introduced to Tumura Toyoharu, professor emeritus of Shibaura Institute of Technology. He wrote a book of "Enjoy being in a trouble" and taught it clearly in the book with seven QC tools. So, I invited him to have a lecture of this book in our factory. Thanks to his instruction, QC circle activity started to be established in our company. We have an announcement of QC and give various ideas for the activity to change the worksite in a team and solve various difficulties. We believe we can enjoy working if we do it aggressively.

### **What quality is necessary to the next top executive?**

**Editor:** We can't separate the system from what we involve in people. The challenge of the top is not only to establish the system but also change it, and you have to find and educate such a person and promote him. Concerning education for the next top, if you give your baton to the next top, whom do you want to give it?

**Mr. Nakata:** I want to give it to a person who is good at collaboration and having an idea of marketing.

Mr. Masahiko was a professional of management however, his authority was too centralized. I want a person who is good at collaboration inside and outside company to take over my post. We outsourced the state-of-the-art information system. To become a leader requires having a good sense of crisis and delicate sense. I might be lack of anxiety as the founder had.

**Editor:** I've never heard president said to be lack of something. When I met you before, you said whoever was assigned as a successor you don't care about anything except that he has clear specification.

### **Build invaluable career.**

**Editor:** When each person builds his career, whatever job he does, he can learn something from it. What challenges do you want him to have?

**Mr. Nakata:** Marketing ideas led us to become successful. In order to largely differentiate our company with others, since people in the Sales Dept. understand problems in distribution best as strategic challenge, those people closer to the worksite see how the response to their previous proposal for the distribution was or how people react when they go to the worksite. Even if they are told something difficult, it's important to say, "It sounds interesting" and "Let's try to do it together" It leads to improve the value of employees. Each employee has each mission and joins the management. I want everybody to work to improve himself.

**Editor:** It means how each employee provides his pride and confidence. A good company consists of each great employee.

**Mr. Nakata:** Sales will become everybody's dream. In addition to that, it's important for us to continue to make a stable profit.

Now we have local company system and each company has a scale of leading medium-sized enterprise. If each of them grows at 5% per annum, the whole company can reach the level of five billions yen. If some products break a hit like "Jagabee" in Hokkaido, we can develop it throughout the nation. We focus on new target and cast it on the market.

One more challenge we want to do is global strategy. We will develop from Asia to the global market. We could make business model beyond the difficulties of developing "Kappaebisen" and "Potato and chips".

One more thing that I'm thinking about is we'd better to focus on manufacturing healthy and tasty products because being healthy is the most important for us. If we have too much food, we will have too much calories, it's important to have suitable quantity of food. If we manufacture product with a big package, people don't eat it anymore however if we use a small package, we're not sure how the sales would be. We also have to think about such points.

**Editor:** Do you have anything important that you want to say finally?

**Mr. Nakata:** If we have experiences that improved us a lot and grow more and more, we will find that the important key is to know what unchangeable thing is

**Editor:** Both people and company break the wall of difficulties and improved to get in the different phases many times. They have common things to continue to improve and develop themselves. It's really amazing that they also have DNA for changeable and unchangeable things. Thank you for giving us so much of your precious time today.

**[From Editor]**

On this issue, we had an interview with Mr. Nakata who aimed the state-of-the-art management and at the same time was light-footed to go to the worksite. At the graduate school of business administration of Kobe University, we're so appreciated to have such opportunities as various top executives who perform actively on business visit us with various business challenge

Executive-level people sometimes directly visit the research center to discuss and consult something however it's rare that CEO himself is light-footed to come to Kobe. Mr. Nakata can do such a thing and focuses on moving into actions. As you know it on this interview, he is good at establishing an ideal system. He always aggressively carries out this. He established various systems such as IT, SCM, other whole operation systems and systematically made the management system with his ideal in the field of the management quality and BSC. All themes to make his career colorful are such concrete system establishment. He carried out such works as a revolutionist accomplished his ideal.

A company in Kobe who deals with JQA, Japan Quality Award gave us a request of talking with a person in Calbee. I knew that President in the both companies had close relationships, but I thought a staff member of Corporate Planning Dept. would visit us. However, I was so surprised that Mr. Nakata himself visited us.

I felt such surprising action as he appeared in unexpected places largely encouraged his employees and at the same time gave them meaningful feeling of tension.

In fact, the reason that he came to our research center of organizational activity was because he wanted to take personnel issues more seriously. Compared to the establishment of system, he is not good at dealing with personnel issues, so he wanted to do his best to tackle it. I found there was the ultimate of his business administration that he tried to educate human resources for corporate management in the way of making the ideal system.

The development history of the business administration walks back and forth between two big topics of system and personnel issues which operates the system such as its use and change.

This is an idea of Edgar H Schein, professor of MIT that Frederick Winslow Taylor started business administration based on task and system with the scientific management system and the following Human Relation focused on personnel issues. In the 1970s, even the management strategy was systematized by PPM, after that, people focused on the issues of organizational culture and entrepreneurial human resources again.

We have completed Business Process Reengineering recently however it doesn't work well only with task and system. Therefore personnel issue of on-site empowerment came to the front. When I think about it, the two basic axes of the leadership on their own consist of actions directly connected to task and ones relating to people. Mr. Nakata directly received an instruction of the founder, Mr. Matsuo after entering the company and took the leadership in the management and largely supporting to arrange the before-mentioned system with the former president of Masahiko Matsuo (See the top interview on the business sight, the 4th issue, Vol.4, 1996.) for a long time. Then, he had taken up the post as CEO since 2005. With the foundation of the company fixed, he firmly recognizes that he finally stands on the stage of educating human resources for corporate management including his next successor and dealing with talent management including succession plan and leadership development. I'm really impressed that he is on the stage of seeing both sides of task and people and can understand the both. When we, Kobe University are on the stage of focusing on the personnel issues for large volume of investment research of the state-of-the-art business system, we are so appreciated that we could accomplish this interview with him.

A corporate message to dig up natural power shows the foundation of products in Calbee. We expect the company will educate and dig up human resources in charge of corporate management more and more.

We are so appreciated that we had this top interview with him in a good timing. We also extend our gratitude as a representative in the Editorial Dept. to Yasuo Nakata, President who gave us more than two hours of his passionate interview and Yoshihisa Maekawa in the Corporate Planning Dept. of Calbee Foods Co., Ltd. who enabled us to reedit his announcement for employees and place it on this magazine.