

**Yoshiharu Fukuhara, President of Shiseido Co., Ltd.**

**Corporate Roots and My Own Style**

**Profile**

1931 Born in Tokyo

1953 Graduated in Economics from Keio University

1953 Joined Shiseido Co., Ltd.

1966 President, SCA (Shiseido Cosmetics America)

1978 Chief Officer of International Business Division;

thereafter, Director, Corporate Executive Officer, Corporate Senior Executive Officer, Vice President

1987 President, Shiseido Co., Ltd.

Other: Chairman, Japan Cosmetic Industry Association; Administrative Director, Association for Corporate Support of the Arts; Chairman of Taxation Committee, The Tokyo Chamber of Commerce and Industry; Administrative Director, Japan Advertisers Association Inc.; Chairman, Japan Fashion Color Association; Member, Council for Japanese Language; Chairman, All Japan Orchid Society; Chairman, Ginza Street Association investigation commissioner. Member of International Library of Children's Literature.

Shiseido was founded in 1872 (the 5th year of the Meiji era). The name, Shiseido, which can be translated as "Praise the virtues of the great Earth, which nurtures new life and brings forth new values," was taken from "*Yi Jing*" ("Book of Changes"), a Chinese classic written about 2,000 years ago. The company was started as a western-style pharmacy by the grandfather of Yoshiharu Fukuhara and had a traditional history for over 120 years. He made several corporate innovations with respect for its roots. His drastic corporate innovations after his inauguration as President are very famous as a case of "Change Management." (He is going to perform new challenges for innovation.)

During this time, Shiseido implemented a variety of cultural support. The works of the Shiseido Gallery reflect the paths of modern art in this country. The Shiseido Style was represented as a trademark of Hanatsubaki (Camellia Mark), and was completed by Ayao Yamana, illustrating the terminus of art nouveau in this country. The collaboration between artist Serge Lutens and Shiseido provided us with pictures beyond the realm of advertisement. Mr Fukuhara himself has been in contact with the poet Junzaburo Nishiwaki since his childhood, and has been a semi-professional photographer since his school days. He is also widely known as a voracious reader as well as a professional cultivator of orchids.

He has many original books to his credit and is also a professional editor. Therefore, we clearly focused on the following two points in this interview. The first is corporate roots and the motivating force in the

development of Shiseido. We asked him to delve deeper into the meaning of the corporate domains, “Science to color Human Beings” and “Successful Aging.” We also asked about new projects such as the collaborative basic research on skin with Harvard University. The second point involves his private roots, previous life development, his way of life and working style. If the President of a company that adopts “Successful Aging” as its corporate slogan doesn’t advance well in age, this is a big problem. We wanted him to talk about how he made use of fresh and youthful ideas and various networks in his background. Although we might be thought greedy, we asked him about his experiences in the age of the middle manager, what he expected from the middle-class from the position of the top and his thoughts about empowerment in detail in relation to this special issue of “Empowerment – the real activation of the middle manager.”

### **Roots and assets**

**Editor:** The traditional company needs both the “Immovable concept” of philosophy and basic movement, as well as the “Movement (movable concept)” of change and initiative to continue to exist through various environment changes over 120 years. Could you speak about this point and your growth process as an individual? We would like to learn from you what kind of major step you had as your turning point when you or the organization matured and the long-term future vision. We expect that if we ask this kind of question, we will be able to hear about your private and Shiseido’s corporate development.

First, concerning the roots of Shiseido, for example, you have recently developed “Cosmeceutical,” which combines cosmetic and pharmaceutical, or “Human Science Company,” which grows together with the medical field. I think you aim for something more than profound, but where do you have your roots?

### **Two rails of cultural capital and pharmacy**

**Mr. Fukuhara:** The reason that Shiseido has continued to have 123 years of history is because the founder established a firm foundation. The first President, Shinzo Fukuhara, was the son of our founder, Arinobu Fukuhara. There were ten Presidents from him to me. I’m the third President of the Fukuhara family among them. However, surprisingly, those who became President outside of the Fukuhara family also completely followed the ideals of the foundation when they became President.

In those areas besides business administration, experts in cultural history and art history researched our history from the cultural point of view. They said that there were very few companies that developed with culture and industry. Meanwhile, there are many companies that lean to one side; however, it is said that there are very few companies wherein cultural support results in developing

industries and contributing to their originality. There may be only one company in Japan.

**Editor:** This appears different from the compilation of your company history.

**Mr. Fukuhara:** We are making research using experts in cultural history and art history, so if we talk with a business scholar, we mainly speak about management, however, we analyze the philosophical or social traces of Shiseido in the research meeting. It's more important to view the future than to analyze the past. We are supposed to be asked whether Shiseido consumed from the cultural capital without compensating for new ones although we developed by building up cultural capital. This means that we will challenge what is the current or future cultural capital and not the modern cultural capital and can accumulate it again, which can lead to industrial development.

Next, I would like to talk about our founder. The founder, my grandfather, was a doctor and had a family history of doctors from generation to generation. Arinobu learned pharmaceutical science at the academy of medicine in Japan's feudal government and became the chief pharmacist of a navy hospital. However, he didn't adapt to the organization, so he decided to work independently, even if he suffered difficulties. He had various difficulties, as there was an incident where a lot of bill collectors gathered at his house on New Year's Eve. However, he overcame the difficulties because he wanted to do independent business activities. He resisted the clans and military cliques, and was viewed as a liberalist of the Meiji Era.

**Editor:** He resisted all organizations, clans and the military and founded his own pharmacy in the fifth year of the Meiji Era when he was 25 years old, which would be the origin of Shiseido. It was a time when young people could live actively.

**Mr. Fukuhara:** Yes. However, as with Ryuma Sakamoto, he passed away early. I think there were few people that lived to age 50. At that time, he thought to help people through medical and pharmaceutical science. It was a long time before he started making cosmetics. While he was doing research on overseas pharmacies, he found that they also featured cosmetics for cleansing, so that's why he started his cosmetics business. Before that, he succeeded at manufacturing toothpastes for the first time.

It was during the time of the second President, Shinzo Fukuhara, when we tried to do a more cultural work based on aesthetics. At that time, pharmacies were limited to making and selling medicine. There was only one pharmacy in Ginza. We also created a research center called "Pioneering Figure" for a pharmaceutical company in Japan. We joined the founding of a statutory company, Dainippon Pharma Company, Limited, however, we thought that it would be in the best interest for Shiseido to make cosmetics. Therefore, we did not have any separation between cosmetics and medicine from the beginning. The concept of "Cosmeceutical" and cosmetics has these roots.

## **Boundary between medicine and cosmetics, and focus on research**

**Mr. Fukuhara:** One of the reasons we succeeded is that since our foundation we had traditions that enabled us to connect cosmetics to pharmaceutical science. We began talking about it when I became President. There is no boundary for consumers between medicine and cosmetics. Only the laws say that this is cosmetics and this is medicine. In fact, we think the boundary between what is labeled as cosmetics by law and what is labeled as medicine by law will be the most useful for consumers. We would rather remove the wall of the law or try to move the wall of cosmetics closer to that of medicine if we can't remove it. However, in order to do so, we had to do the research ourselves. We did our research and proved it, therefore we are doing this now. That's why we emphasize research and science and proposed "Human Science Company" and "Science to color Human Beings."

Our challenge, therefore, is to improve our research level more and more. We are making such basic research since overseas cosmetics companies are surprised to see it. They will wonder why a cosmetics company has to do this research. In fact, the rate of R&D in sales is usually 1% or 2%, however, in our case it exceeds 4%, so we are close to a pharmaceutical company.

An employee of an overseas cosmetics company who communicates with us through their research asked me why we put so much money into basic research. Taking a look back and thinking about it, this company originally handled the lives of human beings. In order to deal with their lives, we need to make cosmetics as if we were working at a medical level regarding issues of basic research and safety. There is also no boundary between cosmetics and medicine here.

There are no other companies in the world that started as a pharmaceutical company and now mainly do cosmetics business. Although there are various ways to start a business, for example, Dior started in fashion, and Revlon started as a paint manufacture, it made nail enamel that led to becoming successful and then to being able to make good makeup products.

The company also has its own parentage and roots that should be conveyed, such as its originality or where it came from. We have originality in that we started in medicine. There is an example of a pharmaceutical company buying a cosmetics company and operating as a department store. There are also examples of chemical companies such as P&G and Kao who manage cosmetics businesses; however, I think there are few that are managed by medical companies. This is one of our features. We have business areas or domains including life, beauty and the health of human beings.

In accordance with the present times and environment, this time we have disseminated culture by taking the approach of proposing what is anticipated in the future. We applied the culture that we conveyed directly to our products and succeeded in doing it. As I told you before, this is how we view basic research.

## **Expectation for "Successful Aging"**

**Editor:** Relating to this point, when you became President in 1987, you announced the corporate slogan "Science to color Human Beings" that illustrates what Shiseido does. On the other hand, you tried to establish a foundation with the concept of "Successful Aging" giving direction to R&D. Please tell me what you expect for these things.

**Mr. Fukuhara:** I'll talk about "Successful Aging." Something had been unclear for a long time, so I created the theme of "Successful Aging" to give new direction to our business because I wanted to make it clear again. The next century will bring the era of the aging society or aging country. So, what are we going to do then? Pharmaceutical companies and the government do their best to think about investing in medicine to prevent cancer or senility. Pharmaceutical companies develop their management through the development of medicine to cure cancer or illness, not to invest money for social contribution. The government, private organizations and pharmaceutical companies work hard to prevent illness and support the disabled. In such a situation, what are we going to do? What will we contribute to? Regardless of whether it connects to our business or not, we focus on how to contribute to healthily aging people who are not completely targeted. Therefore, "Successful Aging" is not necessarily only for technology-oriented ideas to give direction to R&D. It should rather be a socially oriented concept.

We continued to announce the concept of "Successful Aging" for three years from 1987. When we think about it now, we didn't clearly check how effective it was, but it seemed to have a large impact on society. When we held a symposium on "Successful Aging," what really surprised me was that even a young teenaged man attended. Of course, women in their 20s came, and a housewife in her 30s who lived in Shiga prefecture attended and said, "After attending this symposium, I decided to go to a university to study again." Then she went back to a master course in welfare. Two years ago, she presented us with a thick thesis on the aging society. She said, "Thanks to Shiseido, I was able to go back to the university and wrote my master's thesis." When we asked what brought them to our company, some of our 68 employees answered that they decided to join our company because they knew about "Successful Aging" when in grade school or high school or in their first year at university.

Since it seemed to be very valuable and more successful than we had expected, we didn't finish the plan in the first three years and thought we would continue to use the slogan "Successful Aging" with new ideas. This would rather be a very permanent theme. We expected the population would continue to grow in Japan until 2011, even though we were aware of the low birthrate. The proportion of aging people is increasing much faster than in any other country in the world. Based on these two points, I think we have no choice but to tackle this problem for aging people in either case with corporate philanthropy (contribution to society) or commercialization of products. Furthermore, I think we have much larger problems like environment issues that we have to deal with from now. For example, if the number of the aged increases more and we create a society in which it is difficult for them to live, I recognize that it will be a very great problem. Regarding this, you can see various books that we published, such as "*For Your Successful Aging*, Kyuryudo, 1989," which contains similar thoughts and was coauthored with eight staff members, three of them female. We have tackled this issue for a long time. We had accumulated sufficient knowledge in the past so that we were able to write this book without any new research.

## Not just a slogan

**Editor:** In my teaching of management strategy, when I introduced examples of a corporate slogan that includes such domain definitions as why companies managed their business at a profound level although it looked like just a corporate slogan, some students were impressed to learn that some companies view it profoundly because they thought it was just an advertisement. It's not a story of people who knew the meaning of successful aging and entered the company.

When I hear about cosmetics, I think there are two reactions. I read a book by the Shiseido Beauty Science Research Center about *The psychology of cosmetics - Science of cosmetics and heart*, Kyuryudo, 1993," concerning grooming and cleansing of the skin directly connected to living. Cosmetics have such positive significance. On the other hand, there seem to be some negative reactions such as falseness or the image of putting on too much makeup as if to change ourselves. When you talk about corporate ideals, I think it is important that you have a high-spirited vision and are proud of what aim you will achieve in doing business for people in charge of R&D, manufacturers, product sales, and students who will join the company, and of course, customers. Your views?

**Mr. Fukuhara:** For example, according to a survey of unemployed people by Mainichi Communications, Inc., Shiseido is listed at the top for women who secure engineering positions. Our female staff members enjoy working in our research center. What I say in the theme of "Successful Aging" is that we won't stop the clock, and conversely, you can't push the clock forward, however we can slow our aging. And one more thing that you will realize very well if you visit our research center is that facial expression, as well as skin structure and function are sure to change physically when you become older, but we would like all to become older like an aged wine, meaning the older it becomes, the more tasty (beautiful) it becomes, and has its own distinctive taste and beauty. One of the authors of *For your Successful Aging*, Shizuko Yamauchi, plays a principle role both in terms of our beauty school as well as being a member of the board in Shiseido and participating in the World Conference on Women held in Beijing.

## "Science to color Human Beings" comes from employee ideas solicited internally

**Editor:** What background created the concept of "Science to color Human Beings"?

**Mr. Fukuhara:** After my inauguration as President in 1987, I implemented large management reforms in the company. We really did various things in various ways. First we establish a management reform office, which became the parent body of the activities. This started with three people in January 1988. After that, we publicly recruited staff members, chose three others out of the 100 employees and promoted the

management reforms with six staff members in total. As one of our activities, we decided to create a corporate slogan and invited public opinion from the employees of all our companies in Japan in November 1989. The management reform office asked all staff members to write a letter to the President. A rumor said “the President was a good correspondent so he will respond to the employees.” As a result, I got a lot of letters and it took a lot of time to respond.

We were able to get close to the final concept through this public application system. The original proposal was “Company to color Human Beings.” We improved it based on the idea and changed the word “company” into “science” as the method of coloring people.

We received 11,000 applications. The total number of our employees is 20,000. First, we discussed a lot about the word “color.” However, the slogan “Science to Color Human Beings” was the best for total balance. I checked the origin and nuance of the word and knew it had a profound meaning that wasn’t necessarily limited to the meaning of “coloring.” The word “science” includes not only natural sciences but also the humanities and biological sciences, so we decided to use this. As we expected, we had a few misunderstandings about the two problems. When we held a press conference, I was asked, “How long are you going to use this slogan?” I replied, “We think it will good if we can use it for five years. If we use it during this period, then we can change it again. Five years may be appropriate for the cycle of the times.” But in fact, I didn’t have any intention of changing it even if we used it longer than five years. As I repeatedly mentioned, I would rather promote it again in connection with not only natural science but also the humanities and biology.

To my way of thinking, the activities of successful aging and the corporate slogan are one thing. When I renew “Successful Aging” and send it out again, I think we will largely improve the nature that received such severe comments at the conference.

## **Movement of management reforms and position at the top**

**Editor:** Please tell me about the management reforms that began three months after the inauguration.

**Mr. Fukuhara:** When I took the post of President in 1987, I resolved something like a grievance that I had had since joining the company in 1953. My philosophy is that there are some people in the world who are loyal to “rightness” and are known as the faction of rightness, but they don’t necessarily win. In many cases they don’t want to be involved in the faction, so if they fight for the cause of justice, they are expelled. Even if they say something correct, or something not incorrect, and even if they say “justice” and “revolution,” they can’t do anything alone. This is my philosophy. If I did this, I couldn’t achieve my purpose. I discovered when I became No. 2 that I could only do it when I was at the top.

However, when I became the top person, I had to fight with the organization. I’m still in the same situation, meaning when I became number one and proposed reforms, some people disagreed with the idea and said, “Your idea is really great in a sense, but it’s not necessary to perform such drastic reforms

as you suggest.”

After becoming President, we simulated reducing our inventory by one half. As a result, we found that the case wherein we reduced inventory by 30 billion yen, and reduced profit to one half was the best way to maintain good business. If we further reduced profit, we would recover more quickly. However, if we think about the image to present to society and the morale to give employees, we would do better to make moderate choices. However, there were many people including former senior members of Shiseido who said, “What would you do if you broke 12 straight quarters of earnings growth on the whim of a new President?” So I had to fight against that, and I squeezed out 30 billion yen in inventory over three years. I can fight with them because I’m number one. If I said a lot about this in the position of No. 2, I wouldn’t be able to do anything. In the 25 years since joining the company in October 1987, I have been determined to make such reforms as necessary in order to repair as much corporate distortion as I could, which I had witnessed since working part-time in a publishing company.

I experienced many things, including good luck and bad luck through these reforms. The bad luck was, soon after the announcement, we were involved in an accident where a company failed in a deal that was widely broadcast in the mass media. I couldn’t foresee such a thing. But just when I was in trouble, a few days later Black Monday started and everybody in the mass media forgot about Shiseido. That was the good luck. During that time, I did various things, mainly with the six young staff members of the management reform office.

### **Organization system of the management reform office**

**Editor:** What type of organization system does the management reform office have?

**Mr. Fukuhara:** What Mr. Murai of Asahi Breweries, Ltd. Established the basis of my idea. He created “Seven Samurai,” went nationwide with them and had heart-to-heart talks with young employees to make reforms. I picked up the idea as much as I could and tried to add my original thoughts. Mr. Higuchi, who was a successor of Mr. Murai said, “Your inventory reduction reform is the same as my reform of “Songiri (cost cutting).” Songiri means to collect old beer. At that time I didn’t learn it from him, however as a result I arrived at the same concept.

As I said before, I chose three persons, two men and one woman, from among 100 employees for the management reforms. I received 115 good theses from 20,000 people. The number was neither too much nor too little, as noted by economic analysts who were interested in these management reforms. If I had only received only 20 theses, it would mean that not everybody yet had a strong awareness, and 1,000 letters would mean our company had too many problems. One hundred was really good. We received a lot of opinions from people who hadn’t applied as staff members through their theses. In addition to the slogan, the staff members made an announcement of management reforms in front of 10,000 employees and created the “Gold Card” tool to promote the reforms. This card is the same size as a telephone card,

and we can see different key words on the card. When we give it to employees at the beginning of the year, I tell them they can get as much knowledge as they can although they can't use it to call or withdraw money. In 1993, we wrote: "This is your company. Your growth will make the company better, which will contribute to our society." In 1994: "People hope to change, but they are scared of changing. We will be the main character who can connect the ideal with change" And in 1995: "Customers can be more beautiful. First, we will be beautiful. This is the time to receive a customer's request."

### **Parody of "News Station"**

**Mr. Fukuhara:** We made a parody of "News Station" (a TV News program) to thoroughly promote the reforms to all employees. That seemed to be the most popular among the employees. We announced the President's policy in the style of the program that Hiroshi Kume and Etsuko Komiya broadcast on TV. Shiseido was the first sponsor when News Station started, and we have known the News Station staff members since even before that.

Staff members in the management office proposed to do something on the 120th anniversary of the company's foundation. At that time, we wanted to tell everybody about how our management reforms had progressed. We borrowed all the sets of the News Station program and I played the role of Hiroshi Kume, based on the script of the management reform team. Mr. Mitsuhashi, the Science General Manager of Nikkei Inc., played the role of Mr. Kobayashi (the role of Mr. Wada in the present program), and Ms. Sekido of the Public Relations Dept. played the role of Etsuko Komiya. We started by talking about the history of the reforms after I became President. We used a CM that was specially made for this parody. I found that we could communicate very well with each other if we devised the way. We broadcast this to factories on a satellite channel and sent VTRs to employees in other branches or beauty consultants working in chain stores. This was the beginning of doing such things on the satellite channel.

As for the Presidential message, we had good ratings and made them understand very well. The reason that we did an in-house version of "News Station" on the 120th anniversary was that one-fourth of our employees on the front line were replaced by new employees. The generation change of the company is as fast as that. Currently, various companies including Shiseido are in a difficult situation because the entire Japanese economy is in a slowdown. There were few staff members who shared such difficulties in the management reforms in 1987. Now they account for 30% of total employees, so even if we say such drastic reforms enabled us to improve, there are few employees who can understand it. Therefore, my next challenge is how to motivate them and how to continue to talk about it. I myself don't like to appear on such programs, but I'll try it more and more if we have good ideas. If the President doesn't try to change, there can no reforms in the company.

**Editor:** When someone really achieves something big, it's important for him to summarize the story and

talk about it later. At the same time, it's absolutely necessary to devise a way to make it interesting to hear or to convey the important points.

**Mr. Fukuhara:** I have one thing to reflect on. Since I always think about taking a step forward, I forget to measure the results systematically. I felt that successful aging had a big impact, but I didn't measure the effect. If we had someone view it a little objectively, we would be able to do it, however in our management reform project, we didn't use outside consultants. This is because we had twice implemented our operational improvement using outside consultants, but we ended up with half-baked reforms. Also, this time we found that there was nothing left in our company regarding know-how for operational improvements. We thought we should accumulate reform know-how in our company at that time. Now, I'm sure it was true, but we forgot to determine the effect objectively.

### **CBRC as new symbolic stock of Shiseido**

**Editor:** An advertisement company did a case study titled "Symbolic Stock Communication" and picked Shiseido. For example, Apple gave computers to high schools in the sense of changing the world. This was a symbolic asset or stock for them in the meaning of symbols. Shiseido has a lot of such symbolic stock. Especially, many people can see the cultural types, such as the art nouveau trademark design of Hanatsubaki (Camellia Mark), or the history of the Shiseido Gallery since 1975, as well as your various speeches and books. We can deeply feel the essence of cultural accumulation there. I think it is a little difficult to understand science compared with that, so could you explain this in detail?

**Mr. Fukuhara:** We were not able to announce a project to achieve a symbolic stock in terms of product, but we tried to do it faster in these 20 years since we developed the R&D division. This history is much shorter than that of cultural support. I think it better that we should announce the pioneering areas of what we are doing now. CBRC is placed on the first front line. CBRC stands for Cutaneous Biology Research Center, which was established for joint research with Massachusetts General Hospital (MGH), Harvard Medical School and Shiseido. In this research, there is a study of dendrite cells in the skin, which were discovered by Paul Laugerhans, but we didn't understand for a long time how these cells would be useful. They were proven to relate to the immune system for the first time in research using an electronic microscope at CBRC. The research was introduced in "Nature" and "The New York Times" on May 13, 1993," and evaluated as noteworthy. So, our center is going to receive recognition for its research performance.

The purpose of establishing this research center was to promote basic research, which is not necessarily directly related with cosmetics. I said that we wanted to become the top company for skin research. For example, medical science and biomechanics may be being researched by other companies, however, no other companies are trying to become the top company for skin research. This is what

cosmetics companies are trying to do. Another purpose is because medicine will not be useful until we are sick, as I said before. Cosmetics companies have a large area in which to perform, and I think there is social meaning in skin science.

We have been communicating with Harvard Medical School for some time, and they asked us to contribute to their research. Therefore, we decided to not only make a contribution to their research center, but also to industry-university joint research. We will provide research expenses, but we would like MGH to prepare the research building. So we requested MGH to employ the researchers and also decided to send our researchers from Shiseido. The President of the center is a professor at Harvard and the vice President is Tatsuya Otsugi, Executive Managing Director of Shiseido. All the researchers from Shiseido hold a PhD, and have the right to receive training at Harvard University and will make a significant contribution to the research center at Shiseido when they come back. We aim to make joint research to have mutual advantages like this. There is no general research center that specializes in the skin in the world, so we started joint research because this foundation will give back results in improving the life standard and comfort of people around the world. We determined where the results of the research would contribute most on a case-by-case or individual project basis. However, if the research results lead to a patent applicable to a product, we at Shiseido can claim the first priority. If we say we don't need it, then they have the right to sell it anywhere, but they have to invest the patent royalties in CBRC.

**Editor:** “Science to color Human Beings” and “Successful Aging” are both excellent slogans, however, because they are so great I feel something is missing if they are just used as copy. In another meeting held by you, a famous person said he wouldn't allow you to use these important words just as trends or advertisement because he promoted your company. Shiseido needs to show evidence that it does its best to tackle such issues and commit to them seriously. Using the word “evidence” may be very inappropriate that you may feel like you are being tested. Does the joint research with Harvard University apply to this?

**Mr. Fukuhara:** Yes, it does. We really do our best to accept the challenges of “Science to color Human Beings” and “Successful Aging” seriously.

### **Talk about personal history**

#### **Curious, treated as an adult in childhood**

**Editor:** From a slightly different viewpoint, please tell me about the human development process in your life. Also, use scenes from your personal history, such as in your childhood or as a mid-level manager.

**Mr. Fukuhara:** Whenever I do an interview, I present various materials like today. However, it's a little difficult to form a complete picture. For example, teachers of business administration know me through business, people relating to culture through cultural support, and people who do gardening through orchids; everybody knows me only on one side. There is a spread of network communication and the main person in the web is me. I'm sure there is nobody who knows my whole story. So, everybody is very confused.

In 1990, I was chosen "Best Man" by Japan Men's Fashion Unity. This award targets not only clothing fashion, but also the way of living and style. At that time, I was evaluated as a "hyphenist," that is, a person who connected the two totally different things of being a President and also a professor of cultivating orchids. After that, I was called "Networker," and recently, "Webist" because of my network, meaning that I am defined as a person who connects a few webs.

The reason is because I'm so curious. I may be a kind of dilettante, but I always not only see or hear something for intellectual curiosity, but also in really trying to give it a concrete shape in my mind. Therefore, I have communicated with various people without prejudice since my childhood.

I don't have any brothers or sisters. My father had a lot of brothers, but only three of them reached adulthood. They each have very different personalities, and especially my father's two brothers are quite peculiar characters. They each have elite friends, and my uncles Shinzo and Nobutatsu are creative, but grumpy. They had a quarrel and visited my father like spongers. My mother was very surprised to see this when she married him. They said to her, "I will have dinner here today." "Is the shower ready?" Then my father came home.

The other day, when I had an interview for a series in the *Mainichi* newspaper, I found I wasn't treated like a child by all elderly people. I don't know if I was advanced for my age or if I was knowledgeable. There were sculptors, literary men, musicians, novelists and the poet Junzo Nishiwaki among their friends. I'm absolutely sure that such people taught various things to just an elementary school student like me at Keio Gijyuku Yochisha Primary School. I sometimes went to Shinzo's house, and he didn't treat me as a child. For example, he talked about Sigmund Freud saying, "human beings have sexual desire." He told such things to 4th or 5th grade elementary school students as, "sexual desire sublimates art."

I didn't understand it when I heard it, but I still remember the proposition, so I think it is important to tell it and make kids listen to it. However, if we try to explain it in detail and make them understand, they won't remember anything.

A former teacher, Shogoro Yoshida of Keio Gijyuku Yochisha Primary School, treated me as a worthy person and a gentleman regardless of whether I was a child or an adult. Therefore, I heard that I didn't have any feeling to give him respect because of being a teacher, but I talked with him on the same wavelength. I found that, before I knew it, I had learned various knowledge and how to make a network.

### **Time from being a student to joining the company**

**Mr. Fukuhara:** After that, although it's not a major turning point in my life, I joined halfway through entering the world of journalism. I wrote in "Science for Kids" and began to take photos through knowledge of pictures and plants. I often visited the editorial department of the series "Science School, Iwanami Library," which was completed in three years. Finally, when "Kappabooks, Kobunsha" became successful, I was asked to take the cover photos for several books and learned what the world of journalism was like.

I've often been asked since I became President, "Were you going to be President from the beginning?" I didn't have such feelings at all. People around me might talk about it. Although the Fukuhara family was originally the founder, they had publicized the capital since early times and realized the company wasn't an individual asset. In fact, the reason that we have developed for 123 years was because the family didn't dominate the company like that. There was a morale issue among the employees that they could become President even if they weren't involved in the family. The shareholding of the families has been decreasing more and more since before the war. Now my private stock accounts for only a few percent of the total although I've not calculated it.

From the beginning, the family has advocated separating capital and management. Actually it is to separate the founder and management. I think the reason I was able to become President was because I was neither one of the family nor a big shareholder, but I worked hard. I don't like the job of President. Tokyoites are like that. I don't like being a great man or being flattered. Therefore, I never thought I would become President. In addition, I have my own theory that a President is a craftsman in charge of management.

### **Fukuhara School started when he became manager**

**Editor:** Please tell me about when you were a mid-level manager.

**Mr. Fukuhara:** There are some who blow their own horn when they become a mid-level manager, like, "If I sit high, I'll do this." It's not like that, but there should be jobs that the mid-level employees can do when they are assigned to mid-level positions. They should have something creative that the top can't find, which is something I always intended to do.

Since I had junior staff when I was a manager in the Product Development Group, Technical Dept. for the first time, I constantly trained them. I trained only six staff members thoroughly. Some of the employees who joined the company in the same year became manager earlier than me, but I still was able to be promoted much earlier than the others. I was a manager until I went to the U.S. as the first President of Shiseido Cosmetics, America. I had been manager for three years.

In the Product Development Group, Technical Dept., my training was later said to be called, "Fukuhara School." I completely used creative development methods such as the KJ or NM method and Osborn. I have had a relationship with Eisaburo Nishimori since then.

It was a really interesting time for me when I was a manager in the Product Development Group, Technical Dept. The company made toiletry products except for cosmetics, but we had difficulty in selling such products gradually. We had to manufacture the third main product.

“What is the third main product?” We created the product development section in the department only for thinking about questions with no directions. I didn’t major in engineering, but I had made original products for a long time. I was able to have an organization between humanity and science under my section. This was a very interesting organization. However, other departments said that we just implemented the KJ method like playing cards without working and a sales budget. We were said to be like that. We were easily misunderstood. However, while we were appearing to have fun, the results were later improvement. The current head of R&D was my immediate subordinate. Everybody improved himself.

### Presidential experience in subsidiary company

**Editor:** “Fukuhara School” started before you became President.

**Mr. Fukuhara:** Yes. After that I went to the U.S. I forcefully did things my way and didn’t follow what the head office said. Because I knew the local business site very well, I would be in a lot of trouble if I did. The head office didn’t understand our situation. I couldn’t say, “You will make me quit the company if you force me to do it,” but said, “I absolutely disagree with your instructions.”

Then, the overseas general manager said, “You are qualified enough to state your opinion, but you can’t disagree with what the head office has decided.” So I said, “If you say that, you should come here and do it yourself.” This was when the post of manager in the Sales Planning Section opened up, so I was pulled back there. Since I was picked up by them, I was able to go back to the head office. If I hadn’t agreed with it and was forced to do it, I would have had to take all responsibility for the failure. As a result, a successor made the adjustment of the situation in the way I suggested.

**Editor:** Why was the local American subsidiary in crisis?

**Mr. Fukuhara:** I wanted to do Japanese selective marketing precisely in the U.S., too. We gave the brand image to the retail stores to increase their sales step by step, and placed the name value and trust of Shiseido in the U.S. Actually, a wife of someone in the Mellon Group, a large petroleum financial group, bought several dozens of our products. I asked her what she bought them for. She said, “I’m going to tell the people around me that I found such nice cosmetics here.” I thought I should persist a little longer because we made it this far.

The head office said, “It’s difficult to compensate for deficits every year if you proceed like that. Sell products using something like rack jobbers at once.” “If we use rack jobbers to sell products, they will

try to sell them, but they won't give us money back," I said. There are a lot of people between salespersons and wholesale dealers of rack jobbers in the U.S. The head office told me to sell products and spread them to the national market using sales representatives. But I said it made no sense because we couldn't do the logistics. I also said, "Can you give me enough money to do the logistics?" But the head office said, "No." I thought it couldn't be done well, so I finally decided to go home. I felt guilty about the junior staff members left there, as if I had abandoned my duty.

### **People who can deal with contingency situation**

**Editor:** That's an amazing story. How do you feel when you look back on it? When we research Japanese mid-level managers who work abroad, they assume a heavier responsibility and cover wider ranges than when they work in Japan. People who work as managers in Japan do similar jobs in overseas offices as a general manager or President does in Japan. It's very difficult for the young to perform actively in Japan, but if they go abroad, they can be trained. In your case, what do you think when you look back on it?

**Mr. Fukuhara:** It is very good for them. I'm sure that I could have had the best experience that money could buy.

When I came back to Japan, I became manager in the Sales Planning Section. After that, I became assistant manager in the Planning Dept., and finally Overseas General Manager. I said with irony at that time, "the foreign military in the Overseas Dept. finally took over the head office." We were taken out of other departments and sent to the local sites when the Overseas Dept. developed quickly. We also had a bad time there. We were exactly like disposable foreign military. However, like foreign military, as a result we improved ourselves very well.

When I was an overseas general manager at that time, the General Manager in the Personnel Dept. of the Coca-Cola Company modestly told me he would like to learn the way of international human resource management from a representative company in Japan. The general manager came to interview me then. We talked about various things such as what kind of people we should use in overseas companies. At that time, this General Manager and I had the same opinions about it. People are of two types. One is the type who can deal with unexpected things. The other is, for example like an accountant, the type who continues to do a routine job. If the latter is transferred to an overseas office, there's no benefit for either him or the office. There are many various non-routine jobs on site since the rules change every day. The former type can quickly deal with contingencies and make various judgments, so the company will be able to exist at a local site and he will be able to improve his skills, as well.

So I said, "How will we choose that kind of person?" He said, "We don't know him from his appearance, so we will know if we make him do the job. If he can't adapt to the environment, all we have to do is to make him go home again."

I heard in the Amagi meeting at IBM that we need flexible people who evaluate and act on a

trial-and-error basis in the future. This means people who create an issue and solve it by themselves, not with conventional ideas but with the newest ideas. We are now truly faced with such circumstances.

### **I proposed biotechnology a long time ago**

**Editor:** When did you stay in the U.S.? From 35 to 38 years old? Jung said, “Thirty-eight years old is a turning point in one’s life and 40 years old is the noon of life.” You spent this period in other countries. From the viewpoint of your development process, could you tell me a concrete example from your experience that improved you a lot?

**Mr. Fukuhara:** I suffered from various difficulties in the Product Development Group of the Technical Dept. Whenever I made a proposal in an executive meeting, they disagreed and said, “We can’t do it.” Although I would like you to specially mention this in the interview, when I made a proposal to do biotechnology in the second year of being a manager at the beginning of the 1960s, they said, “What are you talking about”.

If we had started it at that time, it would have been a very state-of-the-art thing. I directly learned from Mr. Nishibori and various people, so I thought I knew a good thing when I saw it.

I also made a presentation. Whatever I proposed, the executive committee at that time disagreed and told me not to do anything that didn’t produce a benefit. I’m sure cosmetics are a more established product, so it can’t help doing that. I proposed the third product field for three years in this department, however, it also didn’t take shape for a long time although we sold some products in the market.

Talking about other new products, I think I possibly made a proposal of something to be more improved, which was the same kind of product as Bub sold by Kao Co., Ltd. We actually manufactured this, but we disagreed that we couldn’t sell such an expensive product at 100 yen a piece.

At that time, “Anne” was very successful. However, we received marketing feedback that Anne was somehow imperfect, so we developed a product called “Napuron” and brought it to the market. But the features were so different from cosmetics that it couldn’t work well. A few years later, this product was reborn as the new product “My,” because we had developed the base technology at that time. In addition to these products, what I thought about the larger field of biotechnology differed from a normal proposal of product development.

A further different thing is that we arranged all the systems relating to patents and industrial property. They had been in an incomplete condition until that time. We established a complete Patent Dept. in cooperation with the science research center in Kyoto. I think this department standards are still high. This was like a byproduct of the Product Development Group in the Technical Dept. If we developed it, we couldn’t help being faced with a patent. Therefore, we had to create this department and train patent attorneys in our company.

### **The first executive board member: Job site and head office**

**Editor:** When you were overseas general manager, you were appointed to be a board member for the first time. Did the organization look a little different when you became a member of the board?

**Mr. Fukuhara:** No, it looked same. As I told you I only think about doing the greatest thing I can at my level, so I just think that my level has improved a little.

The interesting thing was that the Overseas Dept. was in very bad condition when I became general manager. The performance and morale were also bad. We had thought that we didn't have to globalize it so quickly, but we tried to do our best in Japan. Most members of the board thought similarly. In such a situation, I became general manager and had heard about a meeting of the board members from before, which had no vision and no communication.

When I became general manager, I tried to do the opposite thing to what the department had done before and implemented it. For example, a predecessor saved expenses for business trips because deficits would increase more and more, so he didn't go abroad on business. However, I didn't care about that and often went overseas to hear feedback on local sites. When I did such things, the situation completely changed and the sales were increasing on their own. So this time, other board members said to me, "Don't be so excited to do so." "Take it easy." He thought I forced myself to put up a bluff. I hadn't intended to work so hard, but I did so naturally and the sales were increasing on their own. Those are old memories now.

### **Theory of victimizer and victim**

**Editor:** How do you explain the differing ideas between the head office and on site?

**Mr. Fukuhara:** I have a theory of victimizer and victim. You have to understand that the front line is always the victim, and the head office is always the victimizer. When I was in the U.S., I remembered experiences in which I had been given terrible conditions by the head office. It's not a matter of who is responsible for this, but rather, the victim needs to experience the position of victimizer. The reverse is also true. Simply said, a victimizer tells people on site to do their best, however there is the case in which he has no choice but to decide to close the branch. We may lose the whole war if we take care of such small things. However, it's really a pity for the victim if the head office has such an idea. When the head office of the victimizer comes to be the victim, he knows on-site conditions get damaged. On the contrary, if he

doesn't know the present condition of the head office and only thinks that he's been given terrible conditions by the head office or if he knows it well, there is a big difference between them.

So, in my theory of victimizer and victim, if a person who was a victimizer once became a victim and then came back to being a victimizer again, he would improve himself even if he was still a victimizer. Or if a victim became a victimizer once and after going back on site, he would not be just a suppressed victim. He can judge what the head office thinks about and how he will live. Taking a concrete example of other companies, I heard about it two years ago directly from Sir Michael Perry, the chairman of Unilever, that the company forced top management people to experience working in all overseas market at least twice. This means to experience the position of a victim twice. If possible, he said all top management people experienced at least two markets, including very easy, affluent and difficult ones. I think this is a career path design based on the same idea as my theory of victimizer and victim.

### **A wise man immediately adapts himself to any surroundings.**

**Mr. Fukuhara:** Although we often talk about this theory of victimizer and victim, there is a proverb that says, "A wise man immediately adapts himself to any surroundings, but a fool, never." We often use the first expression "A wise man immediately adapts himself to any surroundings" in the meaning that a man who changes his mind immediately without any fundamental ideas is bad. When I saw the description of the original text, I found the meaning was different. An infant leopard and a tiger have rough mottling, which changes as their pelage repeats molting from summer to winter several times. When they are getting older, their mottled coloring changes completely. It can be said that maturing is caused by aging or a kind of successful aging. Compared with a young tiger, when baby tigers and leopards became adults, they have very mature, delicate and beautiful mottling. This is the original meaning. When I apply this, I think the fastest way to become a complete person is if one experiences various positions including victim and victimizer on one's own way, both in summer and winter.

When a staff member in the head office starts to work on the front line of sales, he begins to say different things from when he or she was working in the head office, so he is victimized as a wise man who can adapt himself to any surroundings; however, this is a misunderstanding. If he changes positions and works on site with the same thinking as when he worked in the head office, there's nothing we can do. If he always thinks that he is efficient in his present job, it's natural that he would rather change his thinking. But if he repeats replacing his pelage from summer to winter several times, he will make a great improvement. I continue to say that it is usual that he will change a lot rather than he won't change.

### **Focus on personal growth rather than loyalty to the company**

**Editor:** When a company changes drastically, even when it changes depending on the initiative from the

top, I think there is an opportunity for the middle level to perform actively at key points. For example, major corporate changes like the management reforms in 1987. I think that you as President will decide to set the whole stage. When you see the mid-level persons who actually work in your company, what mid-level people are reliable from the viewpoint of your position?

**Mr. Fukuhara:** As you said, when I set the stage or concept, it is true that there are people who gather materials and staff members by themselves without asking anybody and try to perform it. We can realize their abilities in such a situation. If they ask what they are going to do or say they don't have enough budget, there's nothing we can do for them.

**Editor:** You casually said that employees didn't have to have commitment or loyalty to the company under the assumption, "A company has a lot of resources, so you can make use of them." Where can we find the real meaning?

**Mr. Fukuhara:** The expression has my own paradoxical meaning, so some kind employees, of course not younger employees but older ones, say, "You don't have to say such an extreme idea."

A company is an organization where a lot of people make a team and work together. We promise that we will give them income if they work there until they reach a certain age. Why aren't they working well despite gathering together? As far as they gather and exist as a team, they have responsibility to exist in our society, therefore what they do best in working is not an issue of loyalty or something but their responsibility as human beings. I say, if they work in their company so they can grow the most or they can contribute to the company, as a result the company should definitely become better. So I always say, "You should rather think about improving your work than about making the company better." I have directly said before that they don't have to have commitment or loyalty to the company, but now I tell it like this in a roundabout way.

What I most want to say is that it's very meaningful to enter a company where they can improve themselves. If they can't grow and develop in this company, I don't care if they go to another company. Our belief is to improve our employees. Therefore, we hope they will become great human beings when they enter the company. This, as a result, leads to supporting our company's growth and receiving a good position at the social level; however that will come later. It's strange if it comes first.

Of course, some people in our company go there if they are ordered to go, but such people cannot support our company. The key point is to determine where they should go by themselves. The worst thing is if they just wait until the President orders them to go there.

### **Expectations for mid-level employees**

**Editor:** Speaking of the mid-level, I think the range is large. At the beginning of the manager level, could

you tell me what you expect the mid-level?

**Mr. Fukuhara:** I always take an hour to talk in a course for new managers. I always say, “A manager can neither do everything on his own nor make their subordinates do everything for them. He or she is, in a word, a team leader as well as serving as a manager. If you always think about how you can motivate your subordinates and what you should do to improve them, I’m sure they will follow you.”

One more thing that I talk about is, “Summarize what you want to change or what you want to do within three months after becoming a manager, although you may not know if you will still be there three or five years from now, and send it to me although I might not look at it.” This was started by the former President, Mr. Ohno. This is also a paradox. “I may not see it, but this is not for me but for you. Six months from now, you will think this section is just like that.” Just as I became General Manager of the Overseas Dept., they can see problems when they come to a new section from a different one. While they are seeing them, they have to write down how to change them. A year later, when they see them again, that’s when they can go back to their first objectives. If they have such a note, they will know they have stepped in a little lukewarm water now although they thought it at that time. Some of them ask me how many pages they need to write, but I don’t like to force them to do so or to make them uniform, so they don’t have to ask me that. I myself take some notes on the backside of an advertisement in a newspaper and use them as in-house memos. So, I tell them to do it their own way, not to decide how many pages and what ideas they will write down, but to write whatever they want to.

Then they won’t have to come to see me. I tell them, “If you write a note or something, you don’t have to come to see me. As you know, I’m not such a underhanded person to put your name on a blacklist if you don’t come to my office.” Some people don’t come here, but in fact, I think it’s very important to meet many employees and say, “You look great!” However, I have little time to do it. If they come to my office without any special reason and say, “Hello,” “This is what the current situation is.” and finally they ask me, “What should I do?” I’m very embarrassed to hear them. If they say only the final result of “What should I do?” to my secretary, I can send some messages by in-house mail. Now, everybody knows how to be efficient in their work. They don’t have to come to my office to ask me in each case.

**Editor:** I heard the average age of a manager was over 40 in Shiseido. That age should normally be independently considered, but I think everybody is still looking for themselves through work. So, they have an opportunity to improve themselves.

**Mr. Fukuhara:** Jung said, “Thirty-eight years old equals the turning point in one’s life.” In fact, 40 years old is just the halfway mark in our life. I will repeat it again, the necessary thing for the mid-level is to find a problem; for example, a company tells you to control quality in this factory. If you do nothing toward realizing this instruction, we won’t need a manager but only a section.

## What's empowerment?

**Editor:** In personnel affairs, we have often heard words of empowerment as key words to think about unenergetic mid-level people as well as corporate changes taken by the mid-level. People in their 40s should ask themselves what they will do to continue to make something new and meaningful as a challenge to improve themselves precisely because they are in their 40s. Do you have any opinions about not only the mid-level but also empowerment?

**Mr. Fukuhara:** We often heard “delegation of authority” before, however this that means if I delegate the power, I don't know what will happen.” If we just change the word to empowerment, the situation won't change a lot.

## Empowerment in voluntary organization

**Mr. Fukuhara:** However, I have given lectures about empowerment many times. I felt it precisely in non-profit organizations, not the empowerment in a profit-oriented organization.\*1

For example, I've been chairman of the orchid group in Kamakura for more than ten years. Strangely, when there are some troubles or problems in the group, I'll become chairman or director. It is also very strange that such problems will be resolved in most cases when I take the post. However, I found for the first time the difference between a company profit-oriented organization and a non-profit organization. Because a company gives employees their income, it can say, “You don't work well, so go to work in another branch or department.” But I, as chairman for the group, receive member fees from the members in this group. If I talk back when anyone complains, he will say that he won't want to remain with such a President and will leave. If I do so, the number of members will decrease more and more. Therefore, I have to put up with this and flatter or make them feel calm, and I find I have to mix motivation and empowerment. If I do so, the number of people will increase.

As another example, Keio University has an organization called “Keio Alumni Association.” We hold our “Mita festival” every year and decide on a grade in charge of the festival. Last year, those of us who graduated in 1954 were in charge of it and I was the executive leader. So I proposed that the graduates in their 20s had tried to do everything such as financial chairperson or various posts in the previous festival despite people in their 30s and 40s who worked very well and tried to do their best, and as a result, the administration didn't work well. So, we 1954 graduates would just create a concept of the festival and give advice. Then, everybody kept their promises and nobody did any unnecessary things. In fact, people who were ten years younger than us, graduates in 1964, did everything from planning to implementation including selling tickets. It also seemed to be good for more women staff members to join the committee. As a result, we greatly improved our morale and reached the highest record in sales with the minimum expenses. We 1954 graduates sometimes gather together all staff members to treat them.

This plan worked very well.

\*1 See "Voluntarism and Empowerment," Mita Journal, April 15, 1994, pp. 4-7.

### **Take the initiative in working without being ordered**

**Mr. Fukuhara:** I've been thinking about what will happen if I apply this to corporate management. Therefore, I tell all employees to become involved in the administration of a non-profit organization, such as volunteering for a non-profit organization or a residents' association, when they become a manager or general manager. The other day, we had a lunch together because five managerial staff members happened to retire from our company. One of them was asked to join the city council, another had already been chairperson of a residents' committee to construct a city hall, and the third was asked to retire early and become chairman of a residents' committee by his neighbors. I'm very glad we have people who have such positions while they are working. I would like them to have such an experience even once while they are working in the company. If the number of such people increases more and more in our company, I think we must become much better.

That's why I really focus on issues of non-profit organizations and volunteerism. Although there is still the structure of capitalism itself, the substantial difference between non-profit and profit-making organizations in the administration of the actual organization will perhaps disappear in the future. I've been thinking about this since I read Philip Kotler's "Marketing of non-profit organizations."\*2

We try to order staff members to work in the company. In fact, we would rather force them to work and bully them than focus on empowerment, which means they have fulfillment in their work. The ultimate empowerment is to entrust a task to a volunteer or the members who pay expenses in non-profit organizations where we originally can't force them to do anything and to make them work well. Contrarily, in the case of voluntary non-profit organizations, if we only tell them to work freely because they are volunteers, they don't work well. If we don't give them orders or take the leadership in making them work well, we can't implement organizational activities.

An administrator has absolute authority in profit-making organizations. Participants have absolute authority in the voluntary world. We can mutually learn the fundamental difference.

The relationship between President and secretary involves empowerment. I don't control my schedule myself and entrust everything to my secretary, so she has the greatest authority in our company. (He laughs.) If I'm asked what day and what time I'm available, I will know if I can see my pocket PC Zaurus, but I don't change it by myself. As far as I entrust it to her, I follow her decisions. It's difficult to adjust a schedule in a limited time. She does it with my intentions understood. If she makes a double-booking, I'll possibly do it and then make her back off.

Therefore, I don't bring a schedule book. I can see my available days with my Zaurus (data mobile). We can input all data through infrared transmission. My secretary has the original and updates

my schedule. I don't touch it. I say, "My schedule is like this. I'm sorry I'm not available, so please arrange the date again." Someone will ask me, "When are you available?" I say, "Please ask my secretary." This is the simplest way. I don't have any trouble in checking my schedule. In extreme cases, I receive a lecture about the next day's schedule before I go home. It's just like that.

Thinking about the relationship between my intentions and secretary's actions, this story may be close to empowerment.

**\*2 Advocate of social marketing as well as an authority on marketing**

**Editor:** As far as you really entrust her, you don't say anything with your mouth closed. Although you don't say anything, however if she makes a double-booking in your schedule, you may possibly try to deal with it. It is a relationship to support and encourage her.

### **Metaphor of empowerment and development**

**Editor:** In a story about orchids in your book, *Eastern Gardens, Western Blossoms*, you said, "My job is to think about the placement and structure of the next greenhouse rather than to water everyday." This is something a little far-fetched. I think if there is good empowerment, we can speak like that.

**Mr. Fukuhara:** This is a real metaphor of my realization. This is what I really realized. Many people in the orchid group talked after the meeting and said, "Someone's orchids surprisingly don't grow well although every day is Sunday for him." "He takes too much care of them." As we talked about various things together, someone said, "When I come to think of it, if I have a greenhouse in a place with good conditions like Mr. Fukuhara, my orchids will grow very well." I didn't intend to make a greenhouse with such a structure that it would get a good breeze, I just made it on a vacant place in my garden that happened to have good conditions to grow orchids. Actually, if I make it according to plan, they should absolutely grow well without too much care.

**Editor:** We can see this in human resource development. If you take too much care of people, they don't improve themselves. However, if you take no care of them, it's out of the question. People with ability don't want to receive too much attention because it's difficult to deal with.

**Mr. Fukuhara:** They will be a miniature potted plant called "bonsai." Some people say bonsai is also good. There is a sense of value, but what should it be? I don't want them to be bonsai.

By the way, I have been replacing the words human resource with human beings for the past few years. When we write "human resources," in Japanese using Chinese characters, we either use a character meaning "materials" or "valuable things" for the term "resources." However, I think both are

strange. People who use those words may think “personnel or wealth” as a kind of shop which grows people.

People often say as keywords, “Now is the time of the heart.” As a result, we measure it only with economic and material values. How should we do something about liberal arts? I tell people who have already developed to read the classics because they’re not too late to start to do something. There are lots of classics, not only “Homer” in Western literature, but also the classics of Japan. There are lots of books that I haven’t read yet. Whenever I read them, I think I should have read them when I was younger. There is a book called “Genshishiroku” written by Issai Sato who lived in the Meiji era. This is the origin of the thinking of Takamori Saigo. There is a sentence in the book, “If we learn something in our youth, we can do something in the prime of life. If we learn it in the prime of life, it won’t take away your strength in your old age. If you learn it in your old age, it won’t disappear when you die.” I think that’s exactly what it is. On the long-term vision committee of Keio University, now that we can live to age 80, we say it’s wrong that you don’t have to study any more after graduating from university at 22 or 23 years of age. Many people in the U.S. go back to university to study after they start working. I think it should also occur in Japan. When I look back on myself, I almost didn’t study anything at school when I was young.

### Collaboration in multiple values

**Editor:** If top executives give the power that they should learn through the administration of a large organization back to the community, they have no other choice but to donate their time, not only money.

**Mr. Fukuhara:** If I donate my time, due reward for it is sure to come back on my business side. This is my theory. I’m in charge as chairman or director of a lot of organizations. This means, of course, I’m maybe out of my main work in the company, however, there are many things that I can refer to in managing the company. But, I don’t say “I take these sources with me.”

I like to go to various groups and I think it’s my duty to spend time contributing to our society. Take the example of a school: if the dean of Chuo University, my friend, tells me to come to an orientation for new students of economics, I try to go there as much as possible. When I go there, I receive some questions from the students. They are so fresh for me. There are also questions that I’ve never thought of. There was the same question you asked me, “What do you mean “Science to color Human Beings?”” Taking another example, I often go to the Fujisawa campus of Keio University for lectures. Whenever I go there, I go home with good questions. I’m asked to give various lectures and to go various places.

The chairman of the principals group of the Adachi elementary school district who read my remarks about a former teacher of Shogoro Yoshida of Keio Gijyuku Yochisha Primary School asked me to come to talk with his group. I’ll definitely go there because I can get some information about what the present principals at elementary schools are thinking about and how their relationships with the

students are.

**Editor:** I understand the meaning of your book title, *Multiple Values, Time of Multiple Values*, Toyo Keizai Inc.,1992” through your wide circle of acquaintances.

**Mr. Fukuhara:** I meet various people and collaborate with the values of various people in my mind.

**Editor:** In your book, you said three factors are important in your speech that was previously implemented. One thing is that we have to recognize such multiple values. The second is that the principles of management and life are connected. The third is that a company needs a philosophy because there are many companies without a philosophy. In this interview, I found many things again, such as life philosophy and corporate management have some connection, or that a company can't be consistent without a sense of values and philosophy. However, the value is not a monolith but multiple values. Thank you very much for giving me so much of your precious time.

### **[From Editor]**

There are certain people in the world who are capable of giving responses to any topic. Soon after we talked with him, we knew that he has a wide range of experience and profound thoughts. Mr. Fukuhara is an exceptional top executive who possesses such a capability. Soon after he started to talk about the architect Frank Lloyd Wright, he had already talked about immunology and then suddenly talked about education and philosophy.

Even if people evolve into the life stage of an expert, there are some whose childhood we can easily imagine. I once saw a slide photograph of Mr. Fukuhara's childhood. Although it might be impolite, I thought it looked exactly how he was. We're glad he talked about not only his company but also his personal history.

Mr. Fukuhara spoke to us passionately for about three hours despite our hour and a half interview request. He never cut us off even for a moment despite having a by-the-minute schedule. He told us, "After this interview, I'm going to a Liza Minelli concert, so I can talk with you until then." In accordance with the major points of "Mid-level Empowerment," he talked about his own mid-level history and what he expects of middle managers.

Regarding his books and those relating to Shiseido, because we have chosen the latest books and haven't included all books, we would like you to see the following:

### **Books written by President Fukuhara:**

*Eastern Gardens, Western Blossoms*, Kyuryudo, 1991. (not for sale)

*Time of Multiple Values*, Toyo Keizai Inc., 1992.

*Diary of a corporate worker*, Library Publishing, 1993.

*Culture brings enthusiasm*, Ushio Publishing Inc., 1995. (Interview)

### **Publications relating to Shiseido**

*Challenge to Shiseido Global Brand in Paris*, Kazuyuki Komiya, Jitsugyono Nihonsha, 1993.

*How can we do an interesting job, Mr. President? How to spend time in their 20s by the top*, Osamu Katayama, PHP, 1994. (Mr. Fukuhara refers to this book in the first chapter.)

*Beauty Legend: Phantom women with Serge Lutens (Firm Ideal)*, Toru Nishigaki, Libro Port 1994.

*History of Shiseido Gallery 1919-1994*, Hideo Toyama, Kyuryudo, 1995.

### **Publications by Shiseido**

*For your Successful Aging*, Yoshiharu Fukuhara, Kyuryudo, 1989.

*Cosmetic Psychology: Science of cosmetics and the heart*, Shiseido Beauty Science Research Center, Fragrance Journal, 1993.

*Creativity and Self-realization for Successful Aging*, Shiseido Corporate Cultural Department, Kyuryudo, 1994.