

Business Insight Vol.50

Mission Link Between Working (Corporate Development) and Studying (MBA)

**Takara Shuzo Co., Ltd. Senior Managing Executive Officer General Manager,
Overseas Division
Kazuhiro Kanauchi**



Mr. Kazuhiro Kanauchi

March 1962: Born in Kucchan, Hokkaido

1985: Graduated from School of Economics

Joined Takara Shuzo Co. Ltd., Belonged to Human Resources

2002: Chief of Corporate Development Group, Corporate Development Control Department of Takara Holdings Inc. and Department Manager of Corporate Development of Takara Shuzo Co.,Ltd.

2003: Loan Department Manager of Overseas Division of Takara Holdings Inc. and Chairperson and Chief Executive Officer of Shanghai Takara Shuzo International Trading Co., Ltd.

March 2004: Retired from Takara Holdings Inc.

April: Appointed to Senior Managing Executive Officer and General Manager of Overseas Division (To Present)

And President of USA Takara Holding Company

And President of Age International, Inc.

And President of Singapore Takara Pte. Ltd.

And Chairperson of Beijing Takara Shuzo Co., Ltd.

And Chairperson of The Tomatin Distillery Co., Ltd.

And Chairperson of J&W Hardie Ltd.

This interview was conducted in 2005. So, what Mr. Kanauchi talked in this interview and his background are original.

We desire that you search their website for the latest information.

Click this URL:

<http://www.takara.co.jp/english/index.html>

<http://www.takarashuzo.co.jp/english/index.htm>

The Graduate School of Business Management, Kobe University started an MBA program for adults in 1989 before any other universities. The feature of the program is "To learn while working". Lectures to learn only knowledge or theories must be insufficient for adult students who have already experienced practical business affairs or are facing various problems. The feature of the MBA program at Kobe University is to project the awareness of issues based on their practical business affairs in their thesis under the support of the professors, while exchanging their experiences with their classmates. The thesis of the MBA program requires a strong logical structure, not simple solutions to the issues of the practical business affairs. In other words, we believe that connecting the knowledge gained by their work experience and academic knowledge by writing their thesis will help us to train management professionals who know how to come up with solutions, who have the ability to make the right decisions, and who have methods and confidence.

Mr. Kanauchi whom we invite for this top interview is an excellent example who literally accomplished the ideals of the MBA program at Kobe University. He participated in the MBA program as a non-degree student in 1997 and officially participated in the MBA program later. In fall 1999 he graduated from the program. Now, six years after he completed the MBA program of Kobe University, he is working as Senior Managing Executive Officer (General Manager of Overseas Division) even though he is very young, 43 years old. In this interview, we asked Mr. Kanauchi about his careers and relations to the MBA program of Kobe University.

From Nemuro to Ashiya, and Sapporo – Memories As a Boy

Editor: We would like to ask you about various episodes of your careers and your involvement of the MBA program of Graduate School of Business Management, Kobe University. And also would like you to talk about Takara Shuzo as you think it's appropriate. First of all, what was your boyhood like?

Kanauchi: My boyhood? That was an unexpected question (laugh). I was born in a

town called Kucchan in Hokkaido. And I spent my boyhood in Sapporo, Kushiro and Nemuro. My elementary school was in Nemuro city in Hokkaido, the east part of Hokkaido, where we could see the Northern Territories. Before I reached second grade of elementary school, my family and I moved to Ashiya, Hyogo Prefecture because of my father's work. And when I was in the fourth grade of the elementary school, we returned to Hokkaido and I was in Sapporo until I graduated from university.

Editor: Do you have any episodes from when you were a kid that you particularly remember?

Kanauchi: What influenced me the most in terms of my personality development was moving to Ashiya from the countryside in Hokkaido. On the very first day of my new school, we had Japanese style noodles at a school lunch and the soup of the noodles was a little bit tasteless because that was a Kansai style soup. Now I think the soup is delicious but because I was used to the Hokkaido style salty soup based on soy sauce, I didn't eat it all. "Don't leave anything on the plates on your first day", I was told off by my teacher. On top of it, they all spoke Kansai dialect that I never heard before. I was wearing a baseball cap of the Giants but on the way home my classmates threw it into a ditch. So I refused to go to school next day. I was hiding in a closet. In the afternoon, my mother forced me to get into a taxi and took me to school. And she dragged me across the school ground while I was throwing a tantrum. Even so, I became a fan of the Tigers (laugh). Of course, I became a good friend of my classmates but I had a strong culture shock. I try to make an atmosphere that fits the surroundings and I think I do that because of that childhood experience.

To Hokkaido University

Kanauchi: At the beginning of my school life at Hokkaido University, I was living with my parents. I belonged to the track club. About half of the students of Hokkaido University lived in the dorm because they were from other prefectures. I really envied them. They looked to me more like adults or they looked more independent, so I had a bit of complex. Because I always wanted to go to Tokyo, maybe I looked at those students in the dorm as my rivals. So I started living on my own in my third year at university. But I needed a car to live on my own so I worked as a part-time personal

tutor to buy a used car for 80,000 yen. But when I was a fourth year student, we had to go to local places for track competitions, so I couldn't afford to live on my own. I will never forget about the moment I drove the last boxes from my apartment to my parents by my car. There was a river called Toyohira River. I was driving along the levee playing my favorite songs by Motoharu Sano aloud and thought, "I lost!" Around that time, job hunting started so I chose to go to a company outside Hokkaido.

I Wanted to Be Near the World that Was Easy to Understand, so Joined Takara Shuzo

Editor: Why did you choose Takara Shuzo?

Kanauchi: I belonged to a seminar of International Economic Theory and many of the graduates joined heavy industries, trading firms, and financial firms. We had some weird definition among our generation: "Join a financial firm for money and join a manufacturer for a challenge". Therefore, many students wanted to join a manufacturer. I was interested in a trading firm a little but I didn't know what kind of work I should do or products I would deal with if I joined a trading firm. I wanted to be close to what I would understand well. I wanted to be close to somewhere I could understand the life of people, something to eat or things we put in our mouth. I wanted to be close to something easy to understand like that. That was why I started to job-hunt for a food manufacturer as my first choice.

Takara Shuzo and I had some kind of a fate. Usually students set up their interviews with several companies on the same day, right? One day when my job hunting was at peak, one of my best friends called me up at my parents'house to get my advice since he didn't have any more companies he wanted to go. He asked me, "By the way, what company are you going to tomorrow for the interview?" In fact, I couldn't decide which one I should go, Takara or a communication satellite company. At that time, the communication satellite company was very eagerly approaching me. A really old graduate from Hokkaido University working for that company wanted to have another graduate from Hokkaido University. So I told my best friend, "I think I am going to that company". But he said, "What are you doing?" and started getting angry. "You told me that you wanted to go to a food manufacturer. Why don't you carry out your original intention?" he said. "You should go to Takara Shuzo", he said. If he didn't tell me so, I wouldn't have joined Takara Shuzo and would have spent a totally different life.

Editor: A phone call from your best friend was a very important event for your career, wasn't it?

Kanauchi: So I went to the Sapporo branch of Takara Shuzo but they told me to go to the headquarters in Kyoto. However, on the day when I was supposed to go to Takara Shuzo Kyoto Headquarters, an interview with a food manufacturer in Tokyo took me longer than I expected, so I couldn't go to Takara Shuzo in Kyoto on time. I couldn't catch a bullet train on time. I didn't have a cell phone back then so I couldn't let Takara people know about it. I still called Human Resource of Takara Shuzo in the evening, and they told me that they would wait for me so I should come.

Editor: That was a bit of hurry, wasn't it?

Kanauchi: I jumped on a bullet train at Tokyo Station and it was already after 9:30 at night when I arrived at Kyoto Station, I think. I now know dealing with these students is a part of the human resources' job so it is normal for them to work late at night, but I didn't know that when I was a student. It looked like they were waiting for me. So I thought it was such a nice company. They said to me, "Don't worry about the interview today. Why don't you eat dinner with us?" And they bought my dinner, pork cutlet. That made me decide to join the company (laugh).

Editor: It is an obligation from one night and one meal, isn't it? When you joined the company, which was 1985, I think it was a shochu (Japanese distilled spirit) boom. I think it was the year when Takara Shuzo who created a new market by "Takara Can Chuhai" made the most profit.

Kanauchi: People in the company also misunderstood this. It is true that 1985 was the year when the company made the most profit. That is why those who joined the company in 1985 was thought because the company was doing good, we joined the company. It is, of course, half jokingly, but people inside the company label us as "the generation that saw only good part of the company and joined". I always advocate that is a misinterpretation of the fact. I say, "We were job hunting in 1984 so the settlement of 1985 wasn't even out yet. After we joined the company, the company announced the financial results". I say, "We are the generation who joined the company because we felt the potential of the company". Like today, the company was very energetic and was often in the media. I'm sure I joined the company when the

company was doing really well.

Three Work Experiences that Improved Him

Editor: By looking back your career at Takara Shuzo, do you have any experiences that improved you? Do you think you can give us three experiences?

Kanauchi: The first one was when I was working as a sales person at the beginning of my career, the second one was the project I experienced when I was at the strategic planning division before I became a manager, and the third one was various experiences I had when I was in the corporate development division.

The First Experience that Improved Him – “Sales with heart” in Tohoku

Kanauchi: I think I was lucky because the first place I was sent was the south part of Aomori Prefecture as a sales person. I belonged to the Sendai branch, but I was in charge of the south part of Aomori Prefecture, right around Nambu Domain opposite from Tsugaru Domain. I was in charge of the areas from Mutsu City in Shimokita Peninsula, Hachinohe, Misawa, and Towada along the Pacific Ocean. I was working relatively freely. That is because the area was a weakness of the company, so going forward was the only way for the company.

Editor: Was the Takara Shuzo's share in Tohoku small back then?

Kanauchi: Yes. Thus, our sales was like guerrilla warfare. We did night raids and a dawn attack to sales persons of a wholesale dealership. I could accumulate some successful experiences then. For example, when we started selling new juice products, after distributing flyers to the wholesalers, I went to the wholesalers to join their morning assembly first thing in the morning and greeted the sales people of the wholesalers saying "Please sell our juice. Have a nice work". And in the evening I prepared cold juice that was our new product on the desk of sales people just before they came back. When the sales people came back in to their office from the outside where

it was really hot in the summer, they saw a cold juice on their desk. They drank it thinking they just introduced this product today. And then they thought, "Oh, this is good", because they were really hot from outside. Since they felt it was good after drinking it, they tried to push this product more than other products. When I did this three days in a row, I was told, "This product again" (laugh). This is called "sales with heart" in our company. This doesn't involve any techniques. I realized the importance of sales with heart.

Editor: "Sales with heart". It is a very nice phrase.

Kanauchi: When achievements like this were accumulated, I become more confident. In addition, the market was small so in my second year I was in charge of two regular clients out of three whom my supervisor was in charge of. Then I came to have more territories and more achievements. In that situation, whatever I did became my achievements, so it was so challenging. I could create a bond with the wholesalers, sales went up too. I think I was very lucky to experience a lot of feelings of achievements at the beginning. I think the reason why I always see things in a positive way when I have to work on something is because I experienced "sales with heart".

The Second Experience that Improved Him – Stood Against National Liquor Tax WTO Lawsuits

Editor: The second experience that improved you was when you were working at the strategic planning division in 1994, wasn't it?

Kanauchi: Yes, it was. It was around the time WTO was preparing to file suit against the shochu industry. Japanese liquor tax law was a topic of the WTO argument. The gap in tax rates between whiskey and shochu became an international argument. It was a very big problem for the distilling industry, and it could lead a big tax increase on shochu. On top of it, the argument was out of blue and very wild on standpoint.

Editor: It was big news back then. What exactly happened?

Kanauchi: The European Commission was the one who started saying that the gap in the tax rates between whiskey and shochu was a problem. And Scotch Whiskey Association brought an issue in it. Scotland, so England. England went to EU and tried to file suit.

Editor: Was their aim to decrease the tax on imported liquor?

Kanauchi: I think so. Their argument was that the tax should be the same because we competed head to head and substituted each other. I remember that they didn't directly ask us to do anything to the liquor tax.

Editor: I see. Then, European Commission tried to file suit with the WTO.

Kanauchi: Yes. And also America agreed with it. At that time we created a committee to prepare opinions of the all organizations in the industry in case something happened to avoid a situation like this. We happened to send one person from our company to that committee and the General Manager of the division told me to go. So I went. However, a while after the committee was created, the European Commission announced a draft that they were going to file suit. Then, the mission of the committee became very clear: how shall we deal with the suit? While the organizations in the industry were talking to a consulting firm, we backed up the then Finance Ministry and decided to get together as one against the WTO issue and to provide counter-evidence with enhanced logic.

Editor: I see. It was to think of negotiation schemes and prepare resources to use in a fight, wasn't it?

Kanauchi: We made various logic charts as counter-evidence. What we needed was to show we didn't compete head to head or didn't substitute each other using our data. The consulting firm told us to prepare one staff member to be specialized in this case. Since Takara Shuzo was Chair-company of the organization, our company was chosen to send one staff member. And the company told me to be the one.

And then, two staff members from the consulting firm around my age and I started facing the issue. I didn't mean to brag but I was seen to be an excellent one among young employees, and I also have some confidence as well. However, these two staff

members beat me badly. I didn't know there were such excellent people, and I felt I was so small and I didn't have any abilities or skills. I met people that made me think, "These guys are great".

Editor: You mean the staff from the consulting firm was great?

Kanauchi: Yes. How they prepared their work was so excellent. They weren't just chopping logic among us but collecting facts and got us armed with the facts. They conducted some interviews or found interview sources in order to get facts. They had external networks to do so. Their language skills were excellent, they knew different kinds of management methods, and this is not special these days but they could organize their logic by drawing trees. All they did surprised me. I was like, "Wow". Looking at how they worked right in front of me made a great impact on me. Basically, they made me want to be like them.

Editor: I see. You were thrown into a discontinuous world where you couldn't do anything with the ability you had.

Kanauchi: This is off topic but since I was in charge of this project, I could talk to the top of the company back then for the first time. Moreover, I could talk to him directly. That was a valuable experience for me and I was very lucky. I think it was good for me not to give up then. I faced to the issue face-to-face. After all, we lost the suit.

Editor: So you did a big job that required a wide view and that could influence the entire industry.

Kanauchi: And we had the Great Hanshin-Awaji Earthquake in 1995. I was working on the project but I returned to the company in order to operate volunteer work at the emergency task force. Since our company could create the water, we delivered the water to hospitals cooperating with the Kobe local government and Ashiya volunteer groups. And we sent our employees where the government wanted them to be. While I was working on that, I had some moments to think what humanity is and what it means to live.

And family. I went to Osaka for the volunteer activities every day, but one day I overslept but I could make it to the activities anyway. When I got to the place of the

activities, I called my wife because I thought my wife would be worried if I didn't call her. She was crying on the phone saying, "I am sorry because I didn't wake you up". Until then I thought I separated my family from my work but I realized I wasn't doing it. Also I realized that I was in a state of mind that I couldn't think of anything else but myself. This time of my life was the time that the family and work, to live, my career, the future and various experience I had and my thoughts got all together. So this is not an experience that improved me but a "time when I was improved" by different kinds of events bound together. And I thought I wanted to seek a chance to rethink about myself.

Became a Nondegree Student of the MBA program at Kobe University

Kanauchi: Around that time, I happened to read an article that Kobe University was considering having a system called "non-degree students" in a boxed article of Nikkei evening newspaper or something. Then, I made a phone call to the register of the Department of Business Management, Kobe University to ask for more details. And the person on the phone told me that they didn't have detailed information. And I told the person, "I see. When you know more detail can you please let me know?", and told the person my home address. But I forgot about it after a while. Suddenly I received a set of application materials, and I thought, "What is this?" I opened it and remembered that I called them. Then, I thought I gave it a try.

Editor: You decided that easily?

Kanauchi: There are various types of people, aren't there? One type is those who are thinking that "adult post-grad student" sounds good but they don't do anything about it, and another type is those who ask for a set of application materials because they are interested in, and the last one is after receiving a set of application materials they decide to go for it. Since I established a new habit that was to ask about something I was interested in to someone who knew about it through the experience of WTO, it was easy for me to take action. So I decided to do it.

Editor: You joined the MBA program as a non-degree student. How was it?

Kanauchi: I was rather happy about being a student again so I didn't really think about the content of the program. The other non-degree students were very nice people. After school we all went to a restaurant near JR Rokkomichi Station in Kobe and had dinner together. We talked about the content of the lectures of the day. That was so refreshing to talk to people from different industries and it was very comfortable as a new rhythm of my life. And we all agreed that it would be a pity to end this lifestyle in one year so we decided to keep our friendship for another year.

Editor: You had an option to reenter the MBA program as an official student, didn't you?

Kanauchi: I didn't think of that option back then. However, I had an opportunity to have a meal with some of the first MBA graduates after the lectures. While I was talking to them, I became very interested in MBA. I told them that I was a nondegree student and I already had eight credits. And they encouraged me saying, "Then you can study and work at the same time". So I thought I could do it. I thought I could do it with the same rhythm that I had been studying and I came that far, so I decide to challenge the course again.

Study at the MBA Program of Kobe University

Editor: What did you think of the MBA Program of the Graduate School of Business Administration of Kobe University after becoming an official student?

Kanauchi: I enjoyed it. The network of my classmates is my asset and we still get together even now. It was big for me to be among people who could stimulate each other, were specialized in something, and had ambitions and high capabilities. What I learned most was the importance of defining words. When we have a discussion at the company sometimes we discuss on a different topic because we have a different definition on the topic. So we end up misunderstanding each other. In my current overseas division team, we try to specify the focus of the issue and also to seriously make a definition of the topic. I learned the importance of such things.

Editor: I think you could choose one seminar out of four given by different professors.

Why did you choose the seminar of Professor Tani majoring in accounting for management?

Kanauchi: It was because of the relation to my work. I wrote my thesis about an internal company system. Back then we had a division system but after all the company chose to spin off into small companies. I thought we could do it with the internal company system, but what I wrote in the thesis didn't come true (laugh). I was working on organizational design as a corporate developmental staff member, so what Professor Tani was interested in and what I was doing were very similar.

The Third Experience that Improved Him – Long-Term Conceptual Plan and MBA Mission Link

Editor: You finished your MBA in fall 1999. It looks like it was the time when you became Associate Department Manager of the corporate development division.

Kanauchi: It was the year 2000 or 2001 when I actually started the organizational change that was the theme of my thesis, and I had already finished MBA. But even when I was studying in the MBA, I thought, from a view point of the cooperate development division and especially from my point of view, the division system wasn't working well in a company like Takara Shuzo that dealt with bio business, which was a bit different from other businesses. And I had always thought there would be some other types of systems that would work for the company. Besides, we had various other management assignments too such as our budget system, accounting in management and a balance scorecard (BSC) that we would become addicted to later. I projected these management assignments to MBA study.

And around that time we were working on a 10-year long-term conceptual plan of the company. So this is a time I applied what I learned from the Kobe University MBA program to the assignments of the company. And we created "Takara Evolution 100" (TE-100) in 2000. While applying everything I learned from the MBA to my work, we changed various things such as introducing BSC and modifying the budget system.

Editor: What meanings does "TE-100" have?

Kanauchi: The year 2010 will be the 100th period since the organization became a joint-stock company, using the company counting. This year is the 80th year on the company since it was established in 1925. Probably in the old days they used to call a half year one period. That is why the year 2010 will be the 100th period.

Editor: So the plan had a meaning of a turning point to grow more. You worked on "TE-100" as chief of the corporate development in various directions. Do you have something you remember while you were making the long-term conceptual plan?

Kanauchi: There were so many things.... There is one thing that made me really happy. I spent a day explaining what I wanted to have in the conceptual plan to the president as a draft. The president pointed out various things and we discussed a direction of the company's management change. And when we finished the meeting, the president told me, "That was the best meeting I ever had since I joined the company".

Editor: That would make you really happy.

Kanauchi: I was moved. Maybe it was motivating. I thought this would work, so all I had to do was to make it organized for the company. The initiative of the company's head is necessary for the management vision. Our draft wouldn't do anything without the agreement from the top. So I was sure that the plan would work.

Editor: I would like you to tell me as an organizational theory. I think the products of Takara Shuzo such as sake, shochu, and mirin (Japanese sweet cooking wine) have technological synergy with bio business, so the internal company system could work without spinning off. In other words, how could the company spin off, while they couldn't apply the internal company system? What do you think about that?

Kanauchi: The key point was how each business, bio business and sake making business, should manage themselves, but at last we decided to make two different companies, Takara Shuzo and Takara Bio, under Takara Holdings Inc. as their holdings company. In functional approaches, bio business and sake making business could change their salary systems based on their business characteristics or industrial characteristics, or they could separate the authorities of the directors in decision-making process. In those ways, even though we applied the internal company system, if we had some backup plan in the personnel system, or if we

organized the meeting system and made it simpler, the spin-off wouldn't be necessary. By spinning off, it would increase the cost because of the increase of the in-between employees. I was thinking that way when I was writing my thesis. But the top of the company didn't think so. The aim of the spin-off was to cut off the "dependency".

Editor: That is exactly how the top would think, and it is related to the principle of the management, isn't it?

Kanauchi: The president's thought was like this. "Bio business shouldn't count on the cash of the sake making business", "Sake making business should not rely on the development of the bio business". When asked the employees of Takara Shuzo, "What kind of company will Takara Shuzo be in the future?", they said, "Bio business will grow a lot and the company will be changed completely. I am looking forward to it". "What is it?", said the president. And he continued, "Don't you think that you will make the company bigger by sake making business", "Don't you think that you will make the company better by sake making business" and "Can you even do work in bio business?". And the president concluded, "We will not rely on each other anymore". That gave me a strong impression. I thought I would follow the president. And I agreed with the spin-off under the holdings company.

Mission as General Manager of Overseas Division

Editor: What kind of mission are you given as Senior Managing Executive Officer?

Kanauchi: Make the sales double in three years (laugh). "I will do my best", I said. I tell everyone in the division, "Do the job even if you had to bite a stone, chew it into pieces, and swallow them". But these things cannot be done with only spiritual strength, so I am trying to challenge the goal by getting a lot of information.

Editor: But I think you did not have any experience overseas in your career so far. Why did you become General Manager of the Overseas Division at this timing?

Kanauchi: I also wonder why. I would like to ask the company. I thought I did

everything I could do while working in the corporate development. In other words, I was aware of fatigue. I thought “I am done. I cannot come up with a new idea”. When I think now, I didn’t have to do anything new. As Chief of the corporate development division, I had this professionalism that I always had to seek management assignments to change the company and created a direction of a solution. Even so, I didn’t have anything new or I might have looked a bit tired. So the company thought that they should send me somewhere new. That’s what I think.

But the overseas business is a frontier business for our company. The leaders of the company have high expectation in this business. Since I am in charge of the business, the company must succeed, so my motivation is really high. And in a sense, there are some parts that it makes me feel easy. The overseas division is small as a unit, and the members are excellent. I would like to give opportunities to the young employees while asking the experienced employees to support us.

Editor: You are still in your early 40s and will be working in another 20 or 30 years. Do you have some career plans for the future?

Kanauchi: First of all, my mission is to complete the assignments I have now, and that is what I am expected to do by the company. I am not thinking about my career before that. If you let me say this in a beautiful way, I would like to accumulate many experiences that improve me, and I want to show that I do what I say. And hopefully, I want to make a team that can influence the entire Takara Shuzo. I want people to think, “The overseas team has some freedom”, “they are quick workers”, “they do something different,” or “their interesting plan will be accepted”. I would like to create an energetic team that could break through the organizational tradition and actually achieve many goals. As a result, if the sales becomes double I will be happy. I am thinking like that.

Editor: Do you think chuhai (shochu highball) will become the international drink?

Kanauchi: I think it can be. It has potential, I think. Basically, there are RTD (Ready to Drink) such as premix and some market of drinks mixed with alcohol and flavoring outside Japan. The market is not big but it is a unique position. I think that taste of chuhai can be appreciated anywhere in the world.

Editor: You mentioned RTD, but it doesn’t seem to be many of RTD overseas. The style

of alcohol consumption overseas is that people buy wine or liquor and make a cocktail by mixing it with something.

Kanauchi: RTD is increasing too recently.

Editor: In that case, will the overseas division get into the overseas market with RTD?

Kanauchi: That is a secret. Now in the overseas division we have 11 concrete ideas or 11 directions and four established projects. We closed one project last week, so we have three projects running now. Now we have some more projects, and I basically showed their directions to the team. So we just make them more detailed, have portfolios and conduct the projects. I think each project is fine as a small unit. It is actually easy to do. We just make some projects that don't have to be related to liquor, or that don't have important value chains. We just do the projects. We just do whatever that has potential, including materials, distribution and so on. We give it a go but don't want to be "broken into pieces" (laugh). Our target market will be America and China. I am trying to lose the focus. China is interesting.

Editor: We heard various stories. Thank you very much for talking to us for a long time.

Kanauchi: I feel like "I looked back into my life" (laugh) .

[From Editor]

Takara Shuzo announced a Takara group long-term management conceptual plan (TE-100) to the inside and outside the company in 2000. On 1st of April, 2002, they shifted to the holdings company system and placed Takara Shuzo Co., Ltd., Takara Bio Inc. and other 23 subsidiaries under a pure holdings company, "Takara Holdings, Inc." Managing Director Kanauchi worked in this project of the entire company as a corporate development chief. In the suit issue with WTO about the liquor law in 1994, he faced the problem with the all profit of the industry on his shoulders. The story about it was as we interviewed.

And he learned at the MBA program of Kobe University between the two experiences

that improved him. Managing Director Kanauchi absorbed knowledge necessary for the management changes that were also the assignments of the company such as the organizational design, the budget system, and management in accounting through the MBA program. And he brought back the formal theories of business administration to his work and carried them out. In that sense, for Managing Director Kanauchi, the missions of the learning (MBA) and working (corporate development) were linked together. The feature of the MBA program of Kobe University is “To study while working”. One of the aims is to place MBA in practice. If borrowed off the words of late Donald Schön, Professor of MIT, if a reflective practitioner can connect his own theory in practice and the formal theories of business administration, a new development will be created, and his business and the study will be improved. I would like to pay my respect to Managing Director who made such good circulation happen in the most idealistic form. And we would like to take advantage of what we learned from this interview in the current education system, and we will make the MBA program of Kobe even better.

(Interviewers: Takeyuki Tani/ Mitsutoshi Hirano (Graduate School of Business Administration, Kobe University))

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