

## **Delegate Work and Foster Personnel — Saga Factory Established by Young Employees from Scratch**

Based on strong requests from the local community, Kyushu Matsushita Electric started operations in 1956. Guided by the policy of then-Senior Managing Director Takahashi, who concurrently served as the first president of the company, to "start by fostering people," and thanks to the efforts made by employees who lived up to this principle, the company's business became stabilized and entered a period of development in the mid-1960s.

In 1964, the company decided to build a factory dedicated to manufacturing AA batteries due to rapidly growing demand. Takahashi appointed two young employees, aged 34 and 29 years. He did this not only with his expectations of the creativity of youth but also with his wish to nurture future managers.

In order to enable the two youngsters to freely exert their creativity and tackle challenging tasks, Takahashi obtained approval from the chairman and president to not impose upon them rules or regulations of the head office or Kyushu Matsushita. In addition, he ordered executives of Kyushu Matsushita to refrain from giving instructions to the two youngsters.

Furthermore, he made the following request of the two.

"Because this factory is meant to produce products for a highly competitive market, we can never succeed in the usual way. Please understand that building a factory itself is a manufacturing cost. I know this is a very challenging task for you that you never experienced before. However, as we leave it totally up to you, I ask you to dedicate everything you have to it and to leverage all of your wisdom and ideas. Do as you wish without hesitation because I, as President of Kyushu Matsushita, will take all responsibility even if things go wrong."

There were some conditions set out for the factory building. The area of the building had to be 2700 m<sup>2</sup>, and the initial budget for its construction was at most 150 million yen. Assuming that the factory would be the most rational one possible with monthly output of three million AA battery cells, the building had to be fireproof, earthquake-proof, and robust in construction. In addition, the factory

had to look bright both on its exterior and in its interior so that employees could work with comfort.

When the two came to Takahashi to tell him that it would take 60,000 yen per 3.3 m<sup>2</sup> for the construction, he strictly requested, "Although the cost may not be so expensive compared to the usual construction rates, we cannot afford it as a manufacturing cost for this product. Please reduce the amount to 30,000 yen per 3.3 m<sup>2</sup> and also the construction period to within three months, since this period also incurs construction costs."

This imposed an extraordinary challenge to the two. They drew a plan by themselves, searched for construction materials such as iron and cement on their own and purchased them in cash, placing orders in the form of material supplies. In order to shorten the construction period, they rented spaces from nearby farmhouses to enable rush construction. They persuaded construction workers, who were reluctant to work on scaffolding during nighttime because it was dangerous, to work after dark, saying they would light up the construction sites as bright as daytime with sufficient lighting. At the same time, they trained 80 employees at the Tsujido Factory of the Dry Battery Division, so that operation could immediately start as soon as construction was completed.

In this way, all of the severe requirements were fulfilled, and the factory started operation in the third month after the instructions had been given. The two succeeded in constructing the factory with 130 million yen, which was less than the budgeted 150 million yen.

After that, one of the two young employees was engaged in a series of factory construction projects in places such as Miyazaki and Kagoshima. The other was assigned as manager in charge of building a dry battery factory in Peru. He succeeded in building the factory in a mere four months, despite the differences in culture, customs, and language.

Senior Managing Director Takahashi also appointed a 32-year-old site coordinator of Kyushu Matsushita as head of the factory with the wish to make the Saga Factory a place to develop human resources. This was an extraordinarily accelerated promotion to the post, skipping the three stages of

deputy head, deputy manager, and manager.