

# SEIWA SJYUKU *Journal*

Management Practices Based on  
INAMORI PHILOSOPHY

Management by  
the Numbers

*Seiwajyuku Principal's Lecture - Dr. Kazuo Inamori*

*Inamori Philosophy  
Management  
Practices Reports*

*from the 25th Seiwajyuku World Convention in 2017*

JYUKUCHO LECTURE AT THE 25TH SEIWAJYUKU WORLD CONVENTION  
ON JULY 26, 2017

## Management by the Numbers

By Kazuo Inamura,  
Jyukuchō (Principal) of Seiwaajyuku

### Introduction



Here at Seiwaajyuku's 25th World Convention, we have approximately 4,800 jyukusei gathered, from countries including Japan, the US, Brazil, China, Taiwan, and South Korea. I am so delighted that everyone has come together again this year to create this space where we can elevate our minds and expand our businesses.

Now at the closing of this year's World Convention, I would like to give a lecture called "Management by the Numbers."

The reason I want to talk about this is that it is essential for managers to steer their businesses correctly if they are to premise a going concern. These numbers are the only objective indicator of whether they are in accord.

Today I have a few points that I want to cover about management by the numbers. I will discuss each of these using examples of initiatives we have implemented at Kyocera.

#### 1. Management based on accurate numbers

##### > Inaccurate numbers can lead your company astray

The first and most important point when it comes to managing by the numbers is **accuracy**.

If you are not accurate when showing how much you made in sales from day to day, or how much is going to expenses on a daily basis, then you will not be able to see where the issues are in your company, meaning you will not be able to make the improvements you need to. If these numbers are not correct, then you will make decisions in error, and it will hurt your company.

In recent years, there have been repeated incidents of improper accounting at major corporations. The case of Toshiba's accounting fraud is a prime example of this, as much as I hate to name names. In 2015, it came to light that in spite of having fallen into the red because its businesses were not making money, Toshiba overstated its profits in the past to hide the deterioration of its financial constitution.

By now it is clear that the total of losses from accounting fraud, including damages sought by the many stockholders and institutional investors in the company, has already topped ¥100 billion.

The company is essentially insolvent with a capital deficit because of the enormous losses that came from the business failures of subsidiaries it acquired and is now facing an existential crisis. Toshiba has also had differences of opinion with the auditing organization regarding accounting practices, so that even

## Inamori Philosophy Management Practices Report

WINNER OF THE GRAND PRIX AT  
THE 25TH SEIWAJYUKU WORLD CONVENTION IN 2017The Inamori Philosophy:  
A Novice's Guiding LightBy Toshiyuki Fukumori, President, New Education Research Association Inc.  
(Seiwajyuku Osaka)

## Toshiyuki Fukumori

Assumed office in 1996  
Member of Seiwajyuku since 2012President, New Education Research  
Association Inc.  
Established: 1980Business: Management of individual tutoring schools  
Sales: ¥3,281,470,000 (\$32,814,100)  
Ordinary Profit: ¥359,300,000 (\$3,593,000) (10.9%)  
Number of employees: 2,848 (including part-timers)  
Number of offices: 270 (10 offices, 260 schools)  
Website: <http://www.campus-4kobe.com>

Thank you for providing me with this opportunity to talk about my experience. My company, New Education Research Association Inc., manages a group of cram schools called Individual Tutoring Campus, which specialize in one-on-one tutoring of individual students. Currently, the company operates 260 campuses in Osaka, Kyoto, Shiga, Nara, Hyogo, Okayama, Aichi, and Ehime (including new 29 facilities to open in March 2017), with over 11,000 students.

In the fiscal year 2016, our sales were ¥3,281,000,000 (\$32,810,000), and ordinary profit was ¥359,300,000 (\$3,593,000). For 2017, we expect ¥3.43 billion (\$34.3 million) in sales and ¥610 million (\$6.1 million) in ordinary profit.

## Creating a better private tutoring school

First of all, let me share how I came to start Individual Tutoring Campus.

When I was a junior high school student, school violence was at its height, and my school was not functioning. I didn't become a delinquent, but I lost my motivation to study and spent time feeling spiritless. However, when I was in the 8th grade, it struck me that I couldn't keep going like that, so I enrolled in a private tutoring school in town. My tutor's instruction was easy to understand, fun, and brought me praise, so I was encouraged and recovered my gumption to study. That personal experience made me realize that even if students go to a dysfunctional school, they can be saved if they attend a suitable tutoring school. And this led me to think that when I became a college student, I wanted to work as a cram school teacher who communicates the joy of learning to his students.

Upon entering college, I worked part-time six days a week at cram schools run by three different companies. In order to teach each one-hour class, I investigated instructional methods by doing detailed analyses of the tendencies of the regular term exams by school and by instructor so my students could study efficiently. In addition, for school entrance exams, I worked on all the exam questions in all subjects from all high schools in the Kinki area for the



Tarum Head School in Osaka

# The Twelve Management Principles *12*

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- 1. Clearly state the purpose and mission of your business.**  
Set high objectives that are noble, just and fair.
- 2. Set specific goals.**  
Once targets are set, share them with all employees.
- 3. Keep a passionate desire in your heart.**  
Your desire must be strong and persistent to penetrate into your subconscious mind.
- 4. Strive harder than anyone else.**  
Work steadily and diligently, one step at a time, never relenting in tedious tasks.
- 5. Maximize revenues and minimize expenses.**  
Measure your inflow and control your outflow; don't chase profit, but let it follow your effort.
- 6. Pricing is management.**  
Pricing is top management's responsibility;  
to find that one point where customers are happy and the company is most profitable.
- 7. Success is determined by willpower.**  
Business management requires a persistent, "rock-piercing" will.
- 8. Possess a fighting spirit.**  
Management requires a more combative mentality than any martial art.
- 9. Face every challenge with courage.**  
Be fair and never deceive others.
- 10. Always be creative in your work.**  
Innovate and improve continuously.  
Today should be better than yesterday; tomorrow, better than today.
- 11. Be kind and sincere.**  
Business is based on partnerships and must bring happiness to all parties.
- 12. Always be cheerful and positive.**  
Hold great dreams and hopes in the pureness of your heart.