

小笹 芳央
Yoshihisa Ozasa

DNA Book Summary

2016 English Version

Chapter II

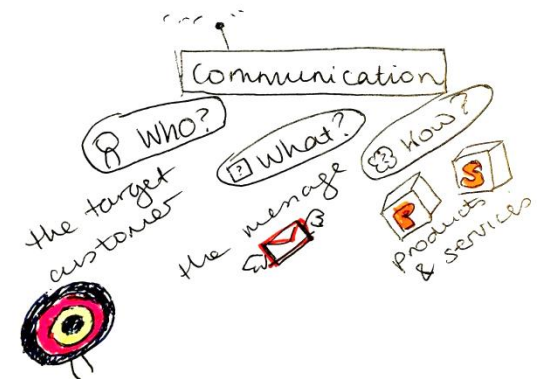
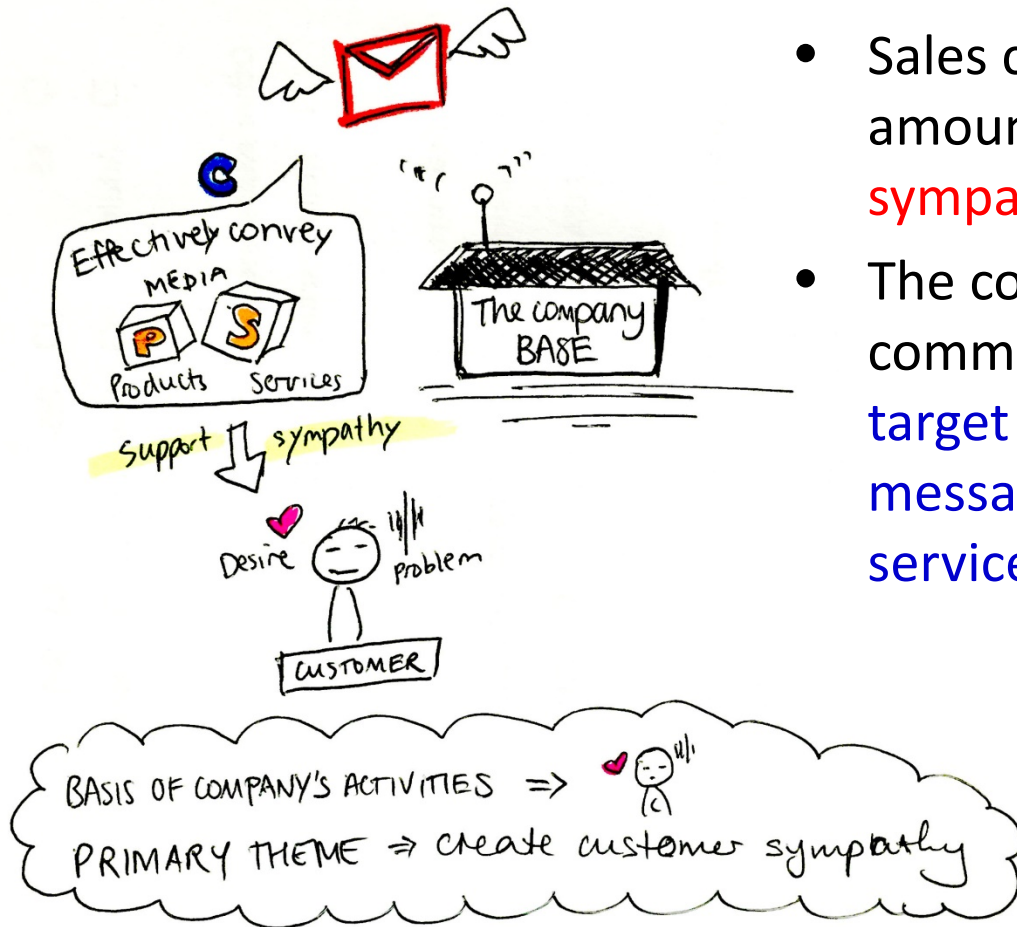
Corporate Management

Vol. 13-27

Vol. 13

The Meaning of a Company's Existence

- Business is a communication activity
- Sales can be thought of as the total amount of **customer support and sympathy** with the message.
- The components that make up communication are “who” (the target customer), “what” (the message) and “how” (products and services).



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The 3 Goals of LMG's Management Policy



1. Management with Integrity

-> Stakeholders (customers, business partners, employees, shareholders)



2. Management in Which Every Employee Plays a Leading Role

-> HR are company's biggest and strongest asset



3. Management with Good Reflexes

-> Company needs ability to adapt to its environment

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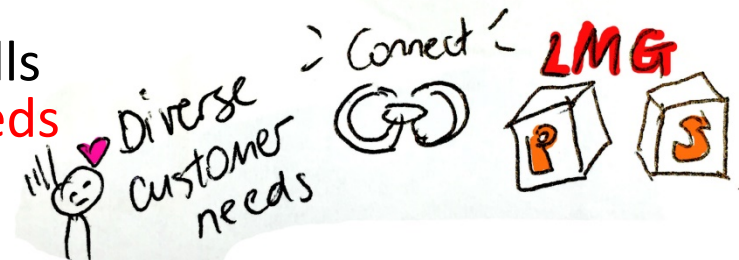
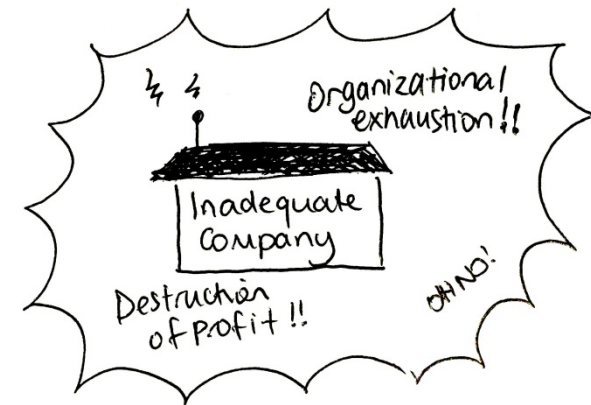
Products and Services



- reduce complexity.
- enable the company to respond to the greatest number of problems and desires.
- are the media that concentrate and deliver our message.



- The primary theme for a business organization in an expansion mode is **standardization of products and services**.
- The aim of LMG is to simultaneously **improve productivity** and **maximize the effects**.
- All LMG members should acquire the skills needed to connect **diverse customer needs** with **LMG products and services**.

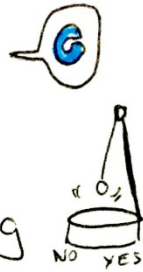


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Sales

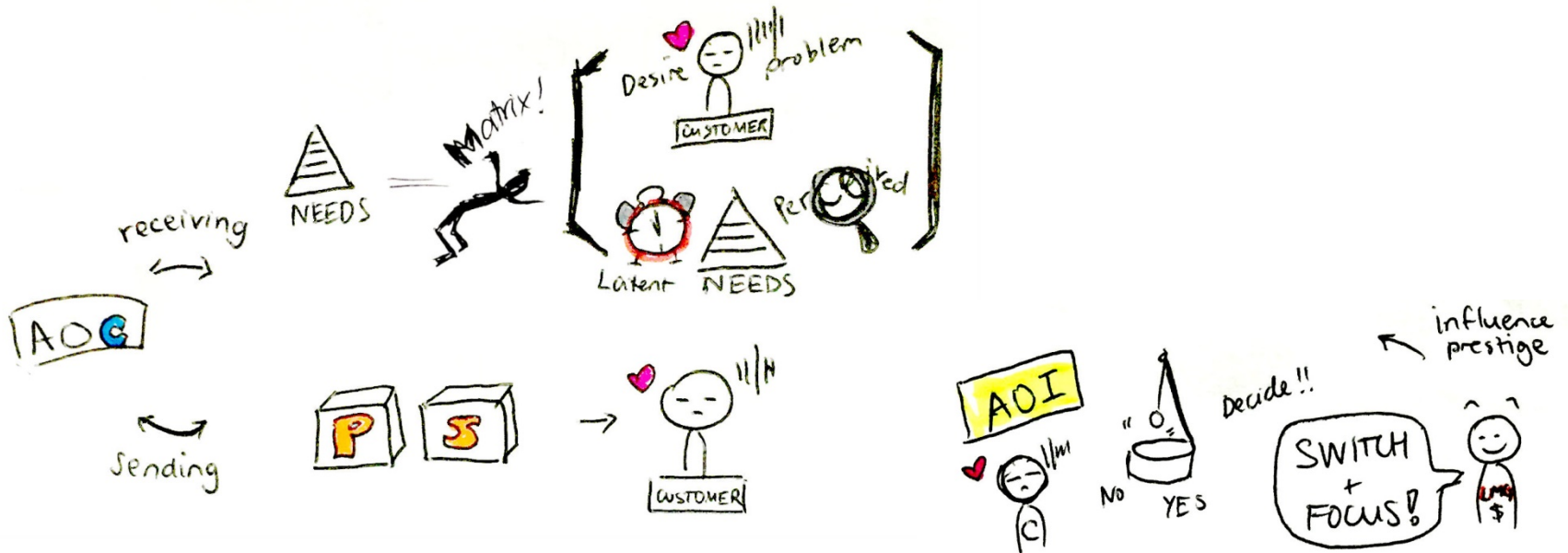
"Edutainment"

AO\$ = communication
& encouraging
decision making



$$AO\$ = AOI + AoC$$

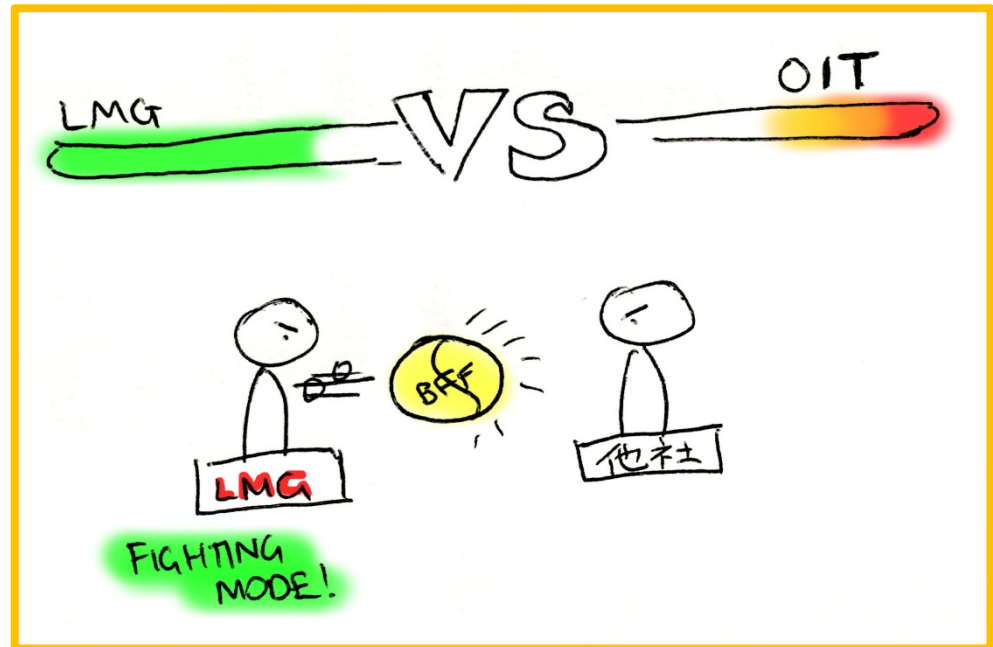
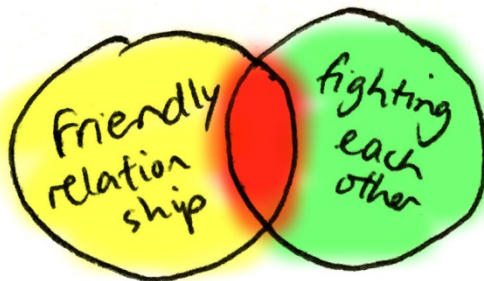
Act of Selling = Act of Influencing
+ Act of Communication



Vol. 17

Dealing with Competition

- **Switch** to fighting mode!
- “**Having a friendly relationship**” and “**fighting each other**” are by no means mutually exclusive.
- At LMG we must also keep our fighting skills sharp so that we can always **overpower our opponents** when necessary.



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Price

Price is a measure of the **exchange of value** with customers.



- ① Cost based
- ② Market based
- ③ Value based



LMG

Required:

Preferred

- ① Product development 
- ② HR Development 
- ③ Brand development. **LMG**

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Discounts

- There are cases where strategic **price-setting** and **discounting** are necessary
- The **investment** aspects of LMG's business are stronger than the **tangible, intangible** or **cost** aspects.

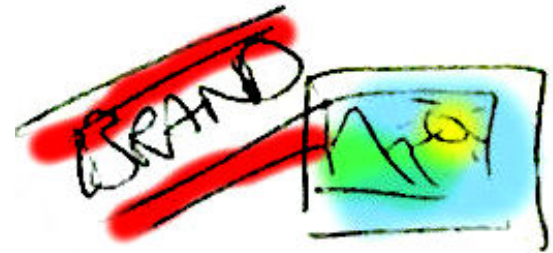


- 01 Once we give a discount, that becomes the "normal price" for that customer.
- 02 Being asked for discounts is an indication of some **deficiency** on your part.
- 03 A discount is a "price increase" to customers who were not given a discount

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Brand

- If we define a **brand** from LMG's own "relationship" perspective, the key words that emerge are the "**expectations**" of customers and the "**guarantee**" the company provides to customers. It represents a "**commitment**" that must never be broken.
- **Trust** and **confidence** in the company.
- Brand is part of the "**interlink**" between customers and the company
- Let's continue to build a powerful brand by refining our "**expectation formation**" and our "**promise and guarantee**" to customers.



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Profit

Profit

= **expenditure** to maintain the business
= the total **amount of freedom** given by the market and customers.



Profit is vital to business activities, and those activities are **unsustainable without profit**.



If a management's actions revolve around the number called profit, which is the end result, **organizational vitality** will be lost, and eventually the company will fall into decline.

Profit is an “**expenditure to maintain the business**” in order to **contribute to society** and **secure the livelihood of employees**.

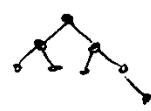
“Business activities” refer to **concrete value-creating activities** for obtaining profit, not the pursuit of an **abstract** number called profit.

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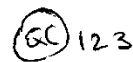
Costs

Essential cost in developing these resources is **communication**

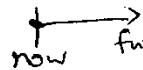
Things to consider when cutting costs.



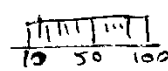
① System perspective



② Qualitative perspective



③ long-term perspective



④ Cost of measurement

LME

Intangible revenue drivers are:

employee motivation



+

knowledge



+

brand image



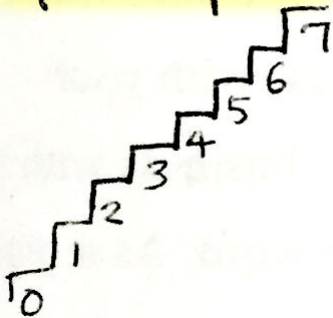
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Goals

- Focus all your energy on **the things that can be changed** without getting caught up in the **things that cannot be changed**.
- In business as well, **dreams and desires**, and **concrete goals** to achieve them, are vitally important.



7 Steps

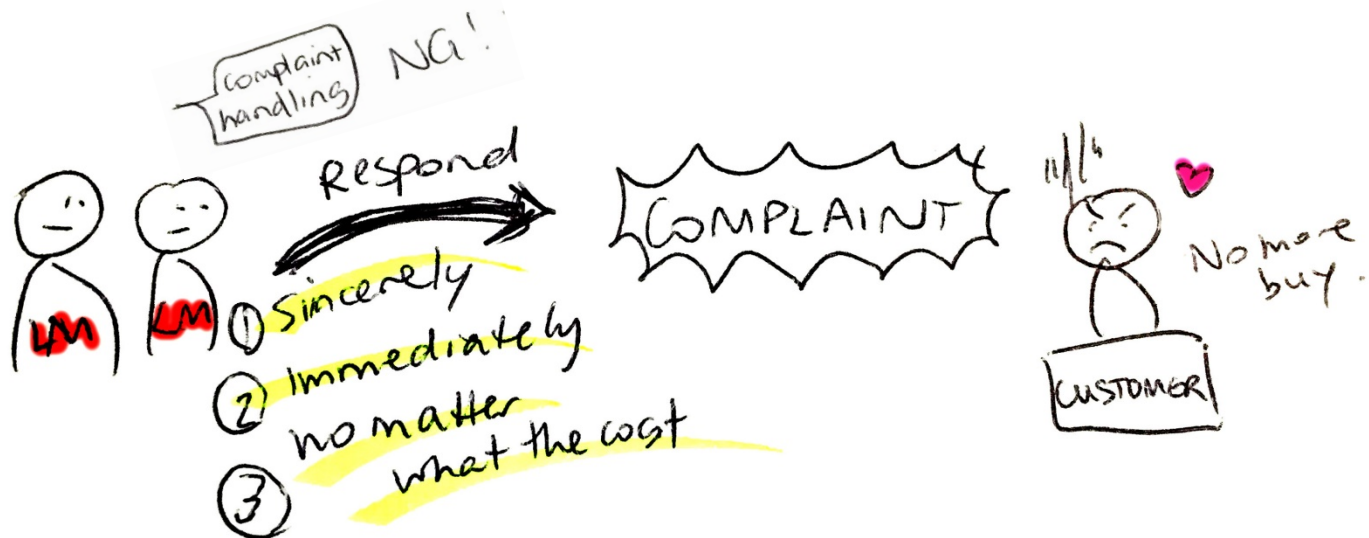


1. Clarify what you want. Describe your dream or desire
2. Form an image in your mind, consider what you will gain or lose
 - **You yourself are shaped by a series of choices**, and remember that **getting something also means giving up something**.
3. Move closer to your vague dream, break it into specific goals
4. Map out an appropriate division of roles
5. Create a plan for monitoring progress
6. Promptly take corrective action
7. Draw up a new dream or desire.

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Complaints

- 1 complaint = 30 dissatisfied customers
- Expressions of dissatisfaction = exiting or voicing
- At LMG we all **share the view** that **not telling others** about a complaint is **worse than causing** the complaint.
- Show the customer the utmost appreciation and respond to complaints with the attitude of “**immediately**”, “**sincerely**”, and “**no matter what the cost.**”



Vol. 25

Cash



500 million yen Sales
300 million yen cost of sales
180 million yen monthly cost.

Cost ratio is 60%. (3:5)



Gross profit is 200 million yen

Operating income is 20 million yen

OZASA



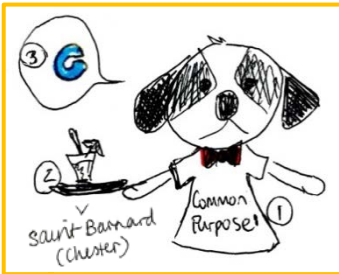
cash flow problems?

profit margin 
receipt of payments 

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Organization






Chester Barnard's 3 elements necessary for organizations



Common purpose
Willingness to serve
Communication

Requires

- Effectiveness and Efficiency
- Differentiation and Integration

		
① 	Purpose driven hierarchical system	Divergence occurs in different individuals' vision and perception of time
② 	Collection of motivations	Motivation problems due to changes in the organization or in individuals
③ 	Communication systems	Effectiveness of the sender of the message, interpretation of the receiver, the media and context

To develop, must simultaneously have:
Maximization of **organizational performance**
Maximization of **the motivation of individuals**

If differentiation goes too far,
motivation of individuals (efficiency)
may decline

Vol. 27

Leadership

Leadership = “the act of **influencing** and **guiding** others to achieve a specific objective.”

1. **R**elative Cost Efficiency vs. Absolute Time Efficiency
2. **A**cceptance vs. Control
3. **S**hort-term vs. Long-term
4. **L**ogic vs. Feeling
5. **D**ifferentiation vs. Integration

Leadership LARDS



Chapter III

Professionalism

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Vol. 28

Learning from the Experts

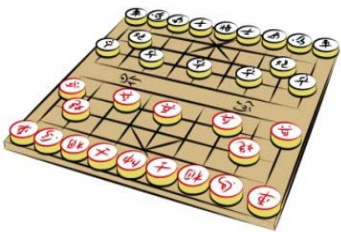
- The book *Tsurezuregusa* (*Essays in Idleness*)



“The expert tree climber shows that success and growing accustomed to things can go to one’s head.” #109



“The archery master speaks of the weight of having only one chance.” #92



“The backgammon master teaches us to pay attention to risks that could destroy us.” #110

Vol. 29

What Happened vs. What Didn't Happen

- Choices and actions

Professionals!

Thinks seriously about things that did not happen.



Amateurs!

Focus on what has actually happened.

Vol. 30

Human Skills



Reporting



Persuading



Requesting



Self-assertion



Refusing



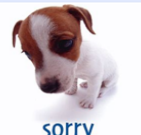
Supporting



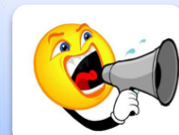
Consulting



Offering advice



Apologizing



Giving orders

Vol. 31

A Professional Constantly Changes

- Each individual is an instrument.
- Our organization is the orchestra.
- Pros tune their own strings
- Amateurs never adjust their own strings.
- **To be a pro, you must improve your tuning** – the awareness that you and the environment are changing constantly.



Vol. 32

Expectation Coordination Skills

- **Trust** – the most important element in building and developing relationships.
 - 1) **O**bjectives
 - 2) **T**argets
 - 3) **R**oles
 - 4) **M**ethods
 - 5) **S**tandards
 - 6) **D**elivery



**TRUST
MR. DOTS**

Vol. 33

The Sharp Perception of a Pro

- How to sharpen the perception of a Pro:
 - 1) Find the people around you who have good perception, and **practice measuring your own perception against theirs.**
 - 2) Try to take **small risks** so that you **step outside your comfort zone** on a regular basis.

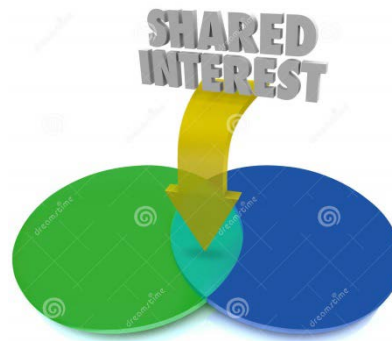


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Other Orientation and Self Orientation

- How to avoid self-oriented behavior:
 - 1) **Get to know** and take an interest in the other person
 - 2) Look for **things in common**
 - 3) Integrate **selflessness** and **self-interest**

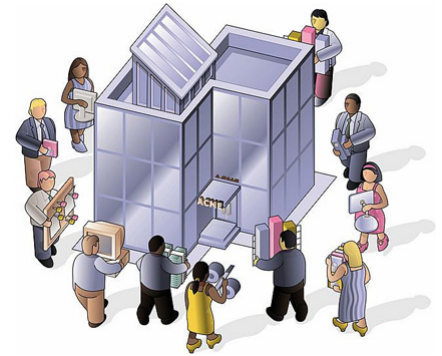
Young people find it hard to escape from self-oriented thinking because of their lack of awareness of the “**society of relationships.**”



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The Team Orientation of a Pro

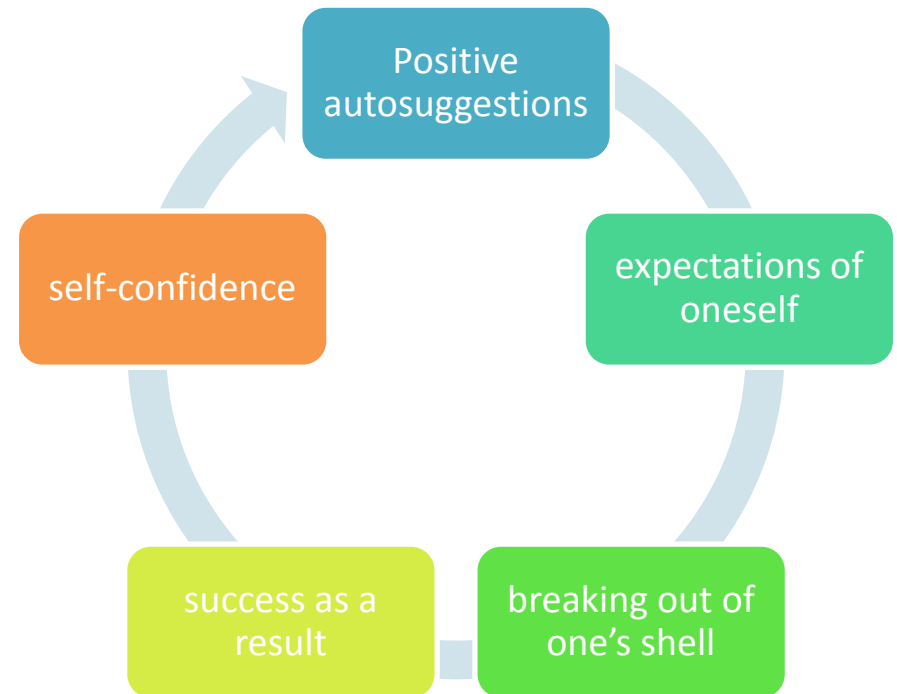
- *The Age of Discontinuity* by Peter F. Drucker.
- Organization and individual are connected in a relationship of **mutual influence** and a relationship of **mutual dependence**.
- Partnership = an interdependent relationship
- “I want LMG to be an organization where **professionalism** and **team orientation** are **synchronized at a high level**.”



Vol. 36

Words a Pro Never Says

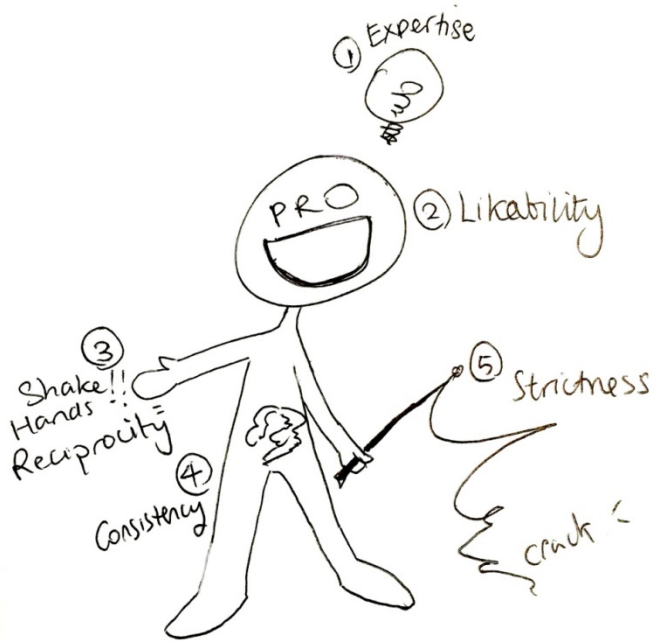
- **Never say**
 - “Anyway”, “After all”, “I know...”
- **First rate pros say:**
 - “I’m just the right person for this.”
 - “I’ll never know unless I try.”
 - “I could do it!”



Transform yourself with **positive words** and **thinking**

Vol. 37

The Influence of a Pro



1. Expertise
2. Likability
 - physical attractiveness, attitude similarity, positive self-image and spatial proximity
3. Reciprocity
4. Consistency
5. Strictness

Learning these **sources of influence** will not only make it possible to **carry out your work** smoothly as a pro, but it is also useful in **self-defense**.

First rate pros are: **impressive, appealing, grateful, unwavering** and **strict**.

Chapter IV

Origin

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Vol. 38

Our Company Name

- Registration of LMI's incorporation was completed on **March 27, 2000**
- Business began on **April 7, 2000.**
- **31 strokes:** "Carrying out a great undertaking with wisdom, benevolence and courage."



Vol. 39

Our Logo

- Concept: “One for All, All for One”
- Corporate Slogan: “One by One, Enthusiasm Moves the World.”
- Red represents emotion.
- Logo designed by Kijuro Yahagi.



Link and Motivation Group

Vol. 40

LM's Mission

- After the 10th anniversary of LMI, new mission:
- “Through Motivation Engineering, we provide opportunities to transform organizations and individuals and create a more meaningful society.”
- Method, objective, targets and significance.

ME



Vol. 41

LM Style

- Framework for **coordinating expectations**



Be a first-class motivation engineer!



Do your best to transform our customers!



Display doctorship!



Create the value of speed!

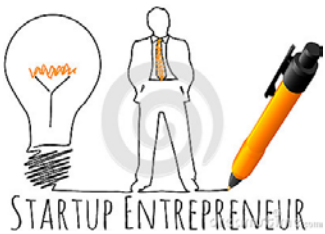
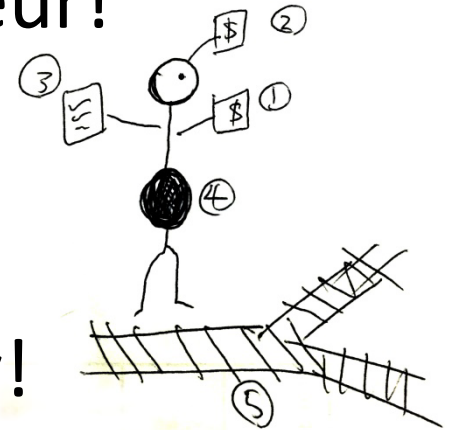


Achieve impressive quality!

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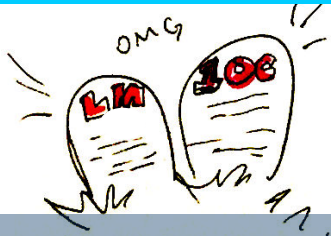
LM Manager's Style

1. Create business as an entrepreneur!
2. Pursue profit as a merchant!
3. Utilize knowledge as an editor!
4. Embody our DNA as a missionary!
5. Maximize motivation as a junction point!

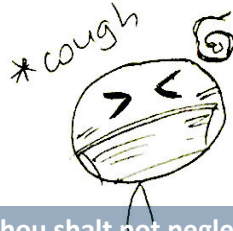


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The Ten Commandments of LM



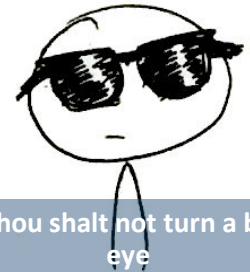
The 10 Commandments of LM



1. Thou shalt not neglect thy health



2. Thou shalt not neglect input



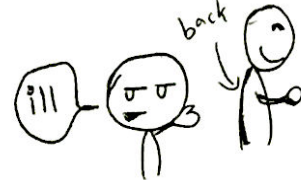
3. Thou shalt not turn a blind eye



4. Thou shalt not turn a deaf ear to candid advice



5. Thou shalt not become conceited



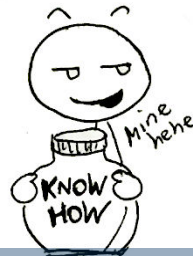
6. Thou shalt not speak ill of others behind their backs



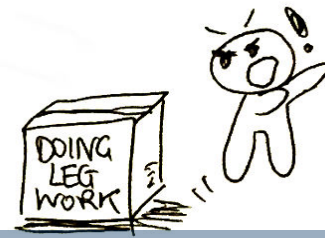
7. Thou shalt not make critical pronouncements



8. Thou shalt not leak confidential information



9. Thou shalt not keep know-how to thyself

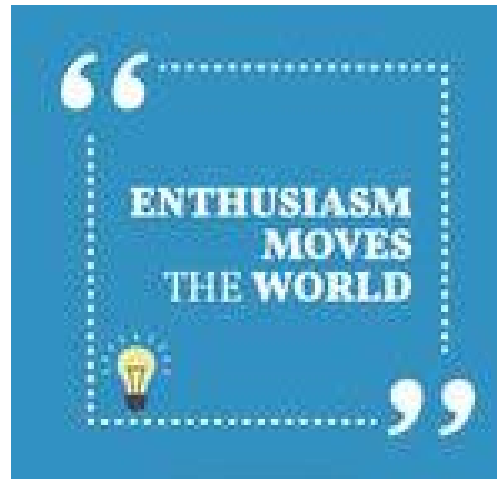


10. Thou shalt not balk at doing legwork

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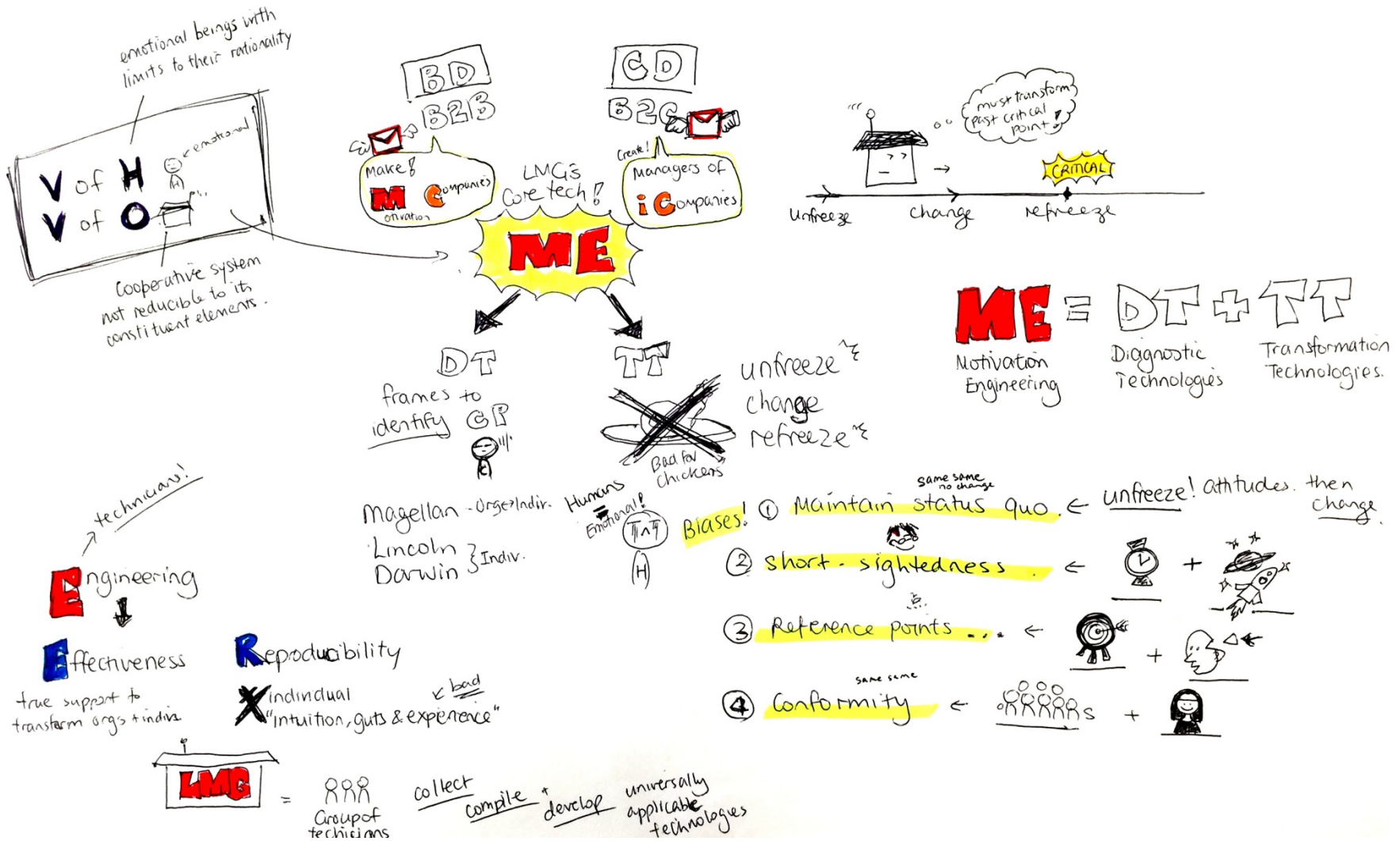
Corporate Slogan

- “One by One, Enthusiasm Moves the World.”
- Created two months after the company was established.



Vol. 45

Motivation Engineering, Our Core Technology: Part 1+2



Vol. 46

The LM Calendar

- “LM has its own unique sense of time that runs at a speed four times that of the rest of the world.”
- “In other words, three months everywhere else is one year at LMG.”

4x



Vol. 47

i-Company

- “The i-Company concept views each individual as his or her own corporation.”
- i-Company is important because:
 - 1) The relationship between companies and individuals has changed from a **mutually binding relationship** to a **mutually selective relationship**.
 - 2) The **main generator of value** in the business world changed from **industries...** to **companies**.

i-Company Branding Sheet (iBS)



Vol. 48

Combining Work, Play and Learning

- “Play is what you want to do, work is what you must do, and learning is what you can do.”

The amount of motivation =

the appeal of objective (what you want to do) X

the possibility of achievement (what you can do) X

your sense of crisis (what you must do)

