

# Transformation of a Long-Established Metalworking Company from Adversity! The Management Strategies that Fundamentally Changed the Company and Its Vision for the Future

Motohiro Yaji, President and CEO of Sanshin Manufacturing Co., Ltd.



Note: The information on this page is current as of November 2024.

Taking over a company and bearing the responsibility for its management challenges is no easy task. Motohiro Yaji, President and CEO of Sanshin Manufacturing Co., Ltd., a long-established metalworking company, has faced significant adversity in his journey to lead the company. He has confronted and resolved numerous challenges head-on, and has even driven rapid growth for the company. How did he overcome these adversities? This article explores President Yaji's skills, character, and his unwavering focus on the core of the organization.

## A Long-Established Metalworking Manufacturer Operating in Both Japan and Thailand

– Could you please tell us about your company's business activities?

Motohiro Yaji:

Our company is a metalworking manufacturer specializing in both mass production through stamping and small-lot, high-mix production through precision sheet metal processing. Technologically, we handle a comprehensive range of processes from blanking using press dies and laser processing machines, to bending, welding, painting, and assembly, all the way to the final product.

Founded in 1945, our headquarters are located in Saitama Prefecture, with two domestic production sites in Niigata Prefecture. Additionally, we have a local subsidiary in Thailand, where we are expanding our business primarily with Japanese companies.

## Embracing the Destiny of Becoming the Next President and Dedicating Himself Fully to Company Management

– Could you please tell us about President Yaji's background?

Motohiro Yaji:

Since I was young, our home was frequently visited by employees, and they often referred to me as the "next president." Naturally, I began to think that I would eventually take over the company and started planning my career with that in mind.

However, I also valued my personal time, so after graduating from university, I spent a year studying abroad in Seattle to broaden my horizons. I joined our company in 1991, and twelve years later, in October 2003, I moved to Thailand. In 2009, I succeeded my father and became the president of Sanshin Manufacturing Co., Ltd.

– What kind of work did you undertake at the local subsidiary in Thailand?

Motohiro Yaji:

I focused on turning around the company, which was on the brink of bankruptcy.

When I became president, the local subsidiary in Thailand had been running at a loss for seven years, and we were on the verge of having to consider closing the factory and withdrawing from the market. Due to my experience studying abroad, I was dispatched by the then-president with a special mission to revive the subsidiary.

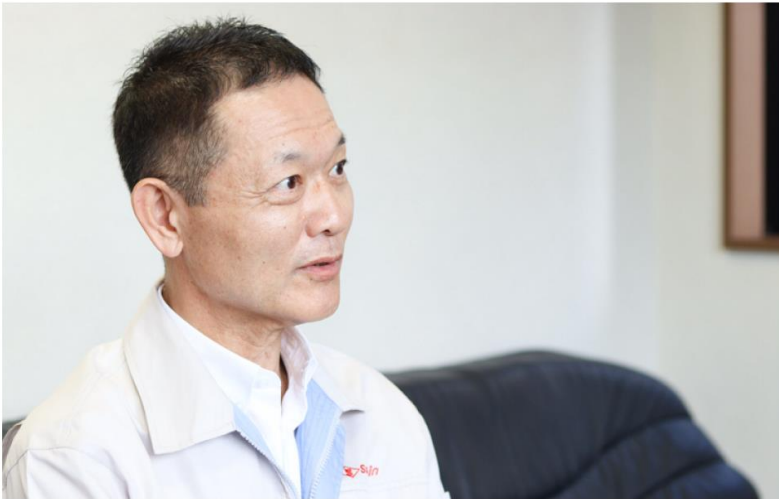
One of the biggest challenges in revitalizing the Thai subsidiary was understanding the communication gaps caused by language and cultural differences. The underlying values were different, so even when trying to have constructive discussions, we were starting from completely different points.

To address this, I took on the challenge of learning Thai with the perspective of "exchanging thoughts and ideas with each other." Gradually, I was able to communicate with the local staff, which led to deeper mutual understanding. This became a turning point, and the work began to run more smoothly.

Another major issue was the critically low quality of our products, which our biggest client described as "the worst among their suppliers." I believed that identifying the root causes of the quality issues was urgent, so I initiated daily meetings to gather and address daily challenges, personally leading the efforts to implement thorough countermeasures.

As a result, the quality gradually improved, and three years later, we achieved a dramatic turnaround, receiving the Best Supplier Award from our client. Additionally, I managed to repay the approximately 600 million yen debt that existed when I took over, successfully completing the turnaround of the Thai subsidiary.

## **Incorporating Detailed Systems Throughout to Promote Organizational Growth**



– What are you focusing on to run the company efficiently?

Motohiro Yaji:

We focus on objectively assessing our management situation through a "four-stage meeting system" that categorizes topics based on different time spans.

The four-stage meeting system consists of "Daily" meetings to address daily issues, "Weekly" meetings to review weekly progress and quality status, "Monthly" meetings to summarize the month's quality and delivery schedules, and "Quarterly" meetings to check the achievement rates of our mid-term management plans.

By continuously implementing these meetings, we have been able to understand our current position and manage the company comprehensively. Thanks to the four-stage meeting system, our profits have been steadily increasing.

– What principles do you value most in company management?

Motohiro Yaji:

We value a "balanced management" approach that combines the best aspects of both bottom-up and top-down management styles.

To foster a sense of unity and growth within the company, it is important to use bottom-up management to identify organizational issues and gather opinions, while also employing top-down management to create a positive corporate culture.

The role of the top management in shaping the corporate culture is significant. If the top management maintains a bright and positive atmosphere, this will spread throughout the organization via department heads and managers.

Based on these principles, our company emphasizes systems such as the "Management Team System," which oversees the entire factory as a team, and the "Improvement Proposal System," which provides incentives for improvement suggestions.

## **Aiming for Enjoyable and Visionary Management Based on the Concept of "All-Inclusive Participation Management"**

–What themes do you want to focus on in the future?

Motohiro Yaji:

Firstly, I feel that it is urgent to develop a flexible business strategy that meets the needs of the times. In the past, our company experienced the failure of having to close a factory because we couldn't adapt to changes in the market. To avoid repeating this, we will focus on future-oriented businesses and themes that match current needs, such as digitalization and environmental sustainability.

Strengthening our capabilities in small-lot, high-mix production is also a crucial task. Although the demand for each individual product may be small, addressing a wide range of needs can result in significant sales. In Thailand, our sales in this area have grown nearly tenfold over the past decade. We will continue to focus on this area, including in Japan, to improve our performance.

Additionally, we aspire to create original products, which is a dream for any manufacturing company. With our extensive manufacturing know-how and production facilities, we are committed to creating unique value and realizing this dream.

– Could you please share a message for the readers of this article?

Motohiro Yaji:

Life is only lived once, so if you're going to work, let's do it with joy. Personally, I believe that you shouldn't force yourself to continue doing something boring. If there is a reason or value in continuing, why not change the way you do it to make it more enjoyable?

The true value of a company increases when employees can find joy in their daily work and feel a sense of growth.

We aim to invigorate our company through "all-inclusive participation management," where every employee can enjoy and actively participate in their work. If you are interested in the manufacturing industry, we would love to have you join us.

## **Editor's Note**

Solving management challenges through "systems" means transforming the very nature of the company. The impact is significant, but the fundamental approach is highly challenging. How far will President Yaji's efforts take Sanshin Manufacturing Co., Ltd.? We will continue to watch his leadership with great interest.



Motohiro Yaji

Born in Tokyo in 1968. Graduated from the Department of Economics, Faculty of Economics, Sophia University in 1990. Joined Sanshin Manufacturing Co., Ltd. in 1991. Appointed President and CEO of Sanshin High Technology (Thailand) in 2003. Became President and CEO of Sanshin Manufacturing Co., Ltd. in 2009.