

Neways

Engagement Started 2013

In this segment, Mr. Ohashi speaks with Terry White, President and Representative Director of Neways Japan, about the Neways engagement with Sugoi Kaigi, and how the results are impacting the Neways organization.



- Ohashi: Before getting into the details of our engagement, I'd like to ask, what does your company do?
- White: We're a multilevel marketing company, with sales of around two-hundred million dollars a year. We deal with a distributor force of roughly 200,000 people, and we've been in Japan for fifteen years.
- Ohashi: How long have you been in your position?
- White: I was appointed at the start of 2011, so it's going to be three years coming up pretty soon, which is too long.
- Ohashi: In terms of your global market portfolio, is Japan the largest share of that?
- White: Yeah, we're the biggest market by far... probably about seventy-five percent of global sales.
- Ohashi: What do you think contributed to that success?
- White: These businesses are driven by charismatic distributor leaders, and we were lucky enough to recruit some big, charismatic, exciting people to join our business when we came to Japan fifteen years ago, and they successfully duplicated themselves among a wider audience, achieving sales amounts reaching over five-hundred million dollars at one point.
- Ohashi: Such people could have gone to work for other businesses. Why do you think they choose and stayed with Neways?

White: Because our bonus system is probably more transparent, and pays out more than other companies... It's a good income opportunity, and I think at a certain level, people don't want to leave, because they're making too much money.

Ohashi: I noticed that many women were looking for the opportunity have to their own businesses and some financial freedom. How do you think Neways contributed to that?

White: Well, you know, our business is all about two things. It's about the product paradigm and business model. In both of these areas, we are dramatically different from any other company. For our products, there is a whole list of ingredients that we simply won't use, because we believe that the science behind those products is inconclusive, or actually indicates that those ingredients are not good for human beings. For the business model, there are significant amounts of income to be made from simply choosing to use safe products yourself—a process we call “healthy home”—and encouraging others to do the same.



The point of Neways is that anybody can be successful. You don't need to be a great speaker... you don't need to be a powerful organizer... you don't need to be very charismatic... you just need to be able to duplicate behavior. And it's all about these safe products, which you use every day.

Ohashi: What do you think is the difference between the most successful distributors and all the rest, financially?

White: A deep understanding of the business model, superior organizational skills, and the ability to excite an audience... so, speaking skills.

Ohashi: I remember that we did a group session with many distributors.

White: Yes, we did... there were one-hundred or one-hundred-and-twenty... it went very well.

Ohashi: Right. So, in hearing that, do you feel that Sugoi Kaigi contributes a lot in terms of organizational skills in a way that your team could relate to and get excited about?

White: Yeah. The reason we use Sugoi Kaigi with distributors is different from the reason we use it with the company. With distributors, it provides a known model that is focused on a particular outcome, and allows fairly flat participation. Of the people from that two-day group meeting we had roughly twenty-percent were successful, which is a good outcome. Another 20 percent are on the way to success. Those people are the ones who needed something new, who needed to be focused on goals, objectives, and milestones, and on getting through and being committed. The ones who weren't so successful were just there to participate in something they thought might be fun. So, for the next iteration, we did away with that group meeting, and it was very good... These are people who want to be successful... who are not just there for recreation.

Ohashi: What specific difference do you think that made?

White: The difference is that they were able to come up with a plan for success. What happens a lot in this business is people decide to be successful, and they have some crazy targets they want to achieve, but no idea of how to get there. What Sugoi Kaigi does is bring discipline. At the end of the day, what drives success or failure is mathematics. If you want to achieve a certain outcome, you need to hit targets along the way... and, in order to hit those targets, you have to know what to do, and have the discipline to do it. If you don't, you won't be successful. So, that's a valuable lesson for distributors who work independently.

Ohashi: How about within a corporation?

White: In a corporation, people know what they should be doing. Whether they're doing it or not is the question. The reason we use it inside the company is



because it provides a rule set. And if you're running a foreign company or you're foreign and running a Japanese company here, the biggest challenge is getting the Japanese management team to buy in to something new. What Sugoi Kaigi does is make everybody equal at the participation level. There's a decision-maker for sure, but everybody has to participate. Otherwise, the meeting doesn't move forward. There's a known rule set, and what it does is it allows people to get confident about stating their opinions, and then the decision-maker decides what to do, what is going to be tried and achieved, out of a number of options that have been formed by the group.

Then, the group is tasked with achieving a particular strategic objective.

Without being condescending, Japanese executives, particularly those working for foreign companies, are not particularly strategic thinkers. That's due to a wide range of different factors, from educational background to a whole range of other things. But, more often than not, in most organizations, success is about managing tactics, not managing strategy. What Sugoi Kaigi does is bring that into a much different focus. It says that in order to do something absolutely outrageous, to achieve some sort of crazy target, we need to think in a different way about how are we going to do it. That is what we need to do to be successful in hitting goals... if we set some crazy goal, and only get 75 percent of the way, that's still much, much better than where we started.

Like the Japanese astronaut Mamoru Mohri said, "Shoot for the stars. You might land on the moon, but you'll still be out there." I think that's very wise. And what I've seen with my executives when we use Sugoi Kaigi's methodology is that they're much more confident... they know how to participate... they know what's expected of them... and there's a language they use that is a great way of camouflaging an individual idea.

Ohashi:

Like what?

White:

Using language that everybody uses, and not being the nail that's sticking out, even though you are saying something original. It's great camouflage, and I think something that's really interesting about the Sugoi Kaigi methodology is that it has a number of participation mechanisms, as well. I'm sure it's designed to be this way, but the fact of writing something down and doing that within a set time frame—that's usually quite short—encourages everyone to actually say what's on their minds. First impressions are generally correct with humans, and when everybody has to read them, and everybody has to react in the same way to each contribution, instead of just saying something like, "Oh wow, you're really brilliant", it gets people moving.

The other good part of the Sugoi Kaigi methodology that I think is really encouraging is when you get to a place where you're stuck. As a foreign CEO in this organization, my instinct is to reach in and intervene, but what Sugoi Kaigi does is say, "*No, no, no... Let's all talk about where we are... Let's write down the facts... or your emotional responses... or an observation... or something to that effect, regarding the place where we're stuck, and figure out how to become unstuck.*" It's very smart. And we're hearing great results with it.

Ohashi:

You were talking about problem-solving. How is the problem-solving contributing to your corporate success?

White:

Well, we set a goal... a really crazy goal of twenty-percent growth, year on year, and we didn't hit it, but we did hit ten percent.

Ohashi: Which is the moon!

White: Which is the moon... which is like landing on the moon! And it's done more than that. Just successfully hitting a strategic goal is, honestly, neither here nor there. It's unimportant. Establishing a methodology by which everyone can participate, and establishing a rule set so that the boundaries on behavior—however different—are known, and getting equal and considered participation, are what's important.



Ohashi: That's interesting. So, you're saying that the plan and the execution have some kind of coherence.

White: Right. I didn't contract with Sugoi Kaigi so I could execute a plan. I contracted with Sugoi Kaigi because I wanted to change the culture of the workplace, and I wanted a participative executive team and management team, not a one-brain company. And I wanted people to understand that I wasn't solely responsible for good ideas.

What I'm responsible for is preparing an environment in which good ideas can be executed. What I'm responsible for is ensuring that everybody can be successful, not to say that we should do this or we should do that. As soon as you begin to do that, you bring about a very poisonous environment that's focused around individuals and personalities, and that's not how companies should work.

I think for a foreign company, the [Sugoi Kaigi] methodology allows you to get eighty-percent along the way to how an executive team meeting might happen in the United States or in Europe, and that's great because you're bringing Japanese discipline and the Japanese focus on facts, and the lack of emotion... you bring that to a Western executive meeting, and suddenly you've got a very powerful thing. So, we're really quite happy with it.

Ohashi: Thank you very much. We very much enjoyed working with you and with your team.

White: Thank you. It's nice of you to say so. (*jokingly*) I don't believe you, but it's nice of you to say that.

Ohashi: Especially some of the people participating in your dinner party... they just approached me. I like those kinds of people... that kind of atmosphere.

White: Yeah. Well that's what we try to do. That's how we try to be different from other companies in our industry. It's a people business. In any company, any industry, it's about people. It's not about numbers.



Ohashi: Thank you very much again. We're proud that we are contributing.

White: Thank you.