

Plus & Co.: Stationery on the Move

By Masashi Kurata

Asked recently what were the most popular items he had on sale, the assistant manager of the stationery goods counter in a Tokyo department store had no trouble answering: "P's Bar' and 'Halftime-Club.'"

What manner of goods are these? The P's Bar is a miniature writing kit consisting of five refillable lead pencils and ball-point pens in a pocket-sized plastic case. Remove the lid and snap it into the side of the case, and it can double as a pen-stand. Priced at ¥1,500 (about \$10 at the rate of ¥150/\$), P's Bar was selling like wildfire. Sales between December 1985 and March 1987 alone reached 3.7 million sets. Halftime-Club is a 10-item tableware set that includes a knife and can opener. Despite its stiff ¥5,500 price tag, it, too, has proved a good seller. To be more exact, 250,000 sets were sold between April 1986 and March 1987.

What P's Bar and Halftime-Club have in common is that both are products of Plus Co. There have been others as well. In 1985 Plus developed the "Team-Demi," a mini-stationery set that was an instant hit, selling 5 million sets by March 1987. Another Plus product, the ultra-compact "Copy-Jack" photocopier developed jointly with Kyushu Matsushita Electric Industrial Co., is also selling extremely well. Plus is so popular that all its recent products have been hits.

Naturally Plus's business performance shines as well. Annual sales soared to ¥60.1 billion in the 1985 business year from ¥46 billion in 1983. Recurring profits more than doubled to ¥2 billion from ¥900 million.

Office atmosphere

What is the secret to Plus's success? To find an answer, one should visit Plus headquarters in Bunkyo Ward, Tokyo.



Yoshihisa Imaizumi, president of Plus & Co.

The atmosphere of the office is strikingly different from that of most Japanese company offices. Employees are free to dress as they like. There is none of the compulsory dark blue or gray suits for men and uniforms for women at Plus. Nor is there a single one of the drab, gray steel desks or chairs found at other companies. Instead, the office as a whole is laid out to leave ample space for individual staff members, without obstructing interpersonal communication. The desks are separated from each other by colorful cloth partitions. Even the colors and heights of these partitions are not the same, but differ to suit the personalities and jobs of individual employees.

Desks for work requiring mental concentration such as office automation equipment operation and drawing, for instance, are lined with partitions about 1.5 meters high. "The partitions are colored light pink," explains a spokesperson for the Office Environment Research Division, "to protect employees from eye-strain." But lower partitions are installed

in product planning and other offices where freewheeling internal communication is essential. Here they are only 0.9 meters high, permitting staff to talk to each other while seated. Unique for Japan, there are tea corners with little round tables and coffee makers scattered here and there in the office. The sight of staff members coming to the corners for a chat over a cup of coffee is a common one at Plus.

There is no false dignity here. The president and other officers do not have their own offices. "If senior staff make a show of their dignity," explains President Yoshihisa Imaizumi "fences' are bound to grow up between employees, much to the detriment of intracompany communication." Imaizumi maintains that Plus's unique office is highly practical. "The liberalization of costume and office environmental improvements are to let employees bring their patterns of behavior into the company office as they are," he says. "Through private talks in the office, we want our staff to speak their minds and discuss their ideas with their colleagues without restraint."

Plus was not always such a unique company. It started out as the successor of Chiyoda Stationery Co., an office equipment wholesaler established in 1948. Its main line of business was selling staplers and other office equipment to government offices, companies and other large-lot customers. Riding a wave of high growth, it aggressively expanded its sales outlets until it was counted among the industry's top five firms, ranking alongside Kokuyo and Uchida Yoko.

The oil crisis and administrative reforms in the 1970s led business and government offices to severely cut costs. The first expense to get the axe was office equipment and stationery. Plus plunged into a period of low growth.

Performance of Plus (business year ending May of the subsequent year) (¥ million)

	1981	1982	1983	1984	1985
Sales	44,590	44,850	46,090	50,320	60,120
Current profits	820	850	900	1,200	2,000

In the customer's shoes

Imaizumi, then a vice president, was gravely concerned about the future of his company. He came to the conclusion that it would be wiser for Plus to make maximum use of its managerial resources in its existing business rather than venture into new, risky projects. The company launched a drive to increase sales of stationery to individual consumers.

The company was in for a surprise. Plus management quickly discovered a striking difference between the yardsticks corporations and individual customers used when buying stationery. While companies stressed prices and after-service, consumers purchased by taste, an element virtually impossible to quantify. To find out what consumers really need and like, it was clear that the staff would have to act and feel the way consumers do. Hence the office reforms. "We have done it," explains Imaizumi, "to make our staff really feel the need to change their way of thinking about customer requirements."

Office environment and loose dress codes are not the only reasons for Plus's success in developing Team-Demi and

other hit products. Plus also changed the inner workings of office operation. It eased the so-called *ringi-sho* or "request for decision" system so prevalent at Japanese companies. Direct authority to approve disbursements of less than ¥10 million was transferred to division and section chiefs. Previously, it was mandatory to obtain the approval of the president and all other officers for such spending.

The decision reduced the number of such complicated written requests for decisions to about 40 from 200. And Imaizumi himself gave the stamp of approval to all these 40 pleas, a clear indication that he considered authority to have shifted to the lower echelons of the organization. Says Imaizumi, "I believe authority transfer should mean entrusting financial management to our subordinates. Since it costs relatively little (¥20 million on average) to develop a new stationery item, I think we had better make products based on employees' ideas and suggestions. To do this, we must eliminate troublesome, time-consuming red tape." The underlying idea is to make new products at the employees' initiative,

and to put them on the market without fear of failure.

Product development is not confined to the Product Development Division staff. Other divisions, from sales staff directly in touch with consumers to those in charge of large-lot users, also plan and develop new items. This reflects management's belief in the advantage of worksite-level development. Products developed by salespersons in direct contact with consumers often turn out to be better tailored to consumer needs than those created by the specialists. This policy flies in the face of the general Japanese corporate practice of concentrating development operations on a particular product to prevent double investment.

Tapping creativity

All that Plus does—from dress codes to its all-embracing product development system—has a common aim: to enable each employee to give ample scope to his or her ability without being overwhelmed by the organization. And yet that does not mean the organization is ignored. Far from it. Plus's structure is designed to be unobtrusively and flexibly overhauled whenever necessary.

Each business division may proceed with its own product development, but the principle of division of labor governs the process. The Product Development Division concentrates on development schemes based on creative initiatives rather than preconceived ideas. Out of such efforts emerged Team-Demi and P's Bar. On the other hand, the Store Sales Division attempts to make conventional stationery items more fashionable and to market better versions of its competitors' products. This difference is shown in the diaries they have come up with. The Store Sales Division's "Letteria" with a leather cover can hardly be distinguished from those of other makers. The Product Development Division's "Inning" has a vinyl cover and looks more like a small box than a notebook.

"If we had developed Team-Demi at the same time that we were trying to expand our assortment of ordinary items, we wouldn't have been able to make it so original, nor would it have sold as well," confesses a research staffer involved in the Team-Demi development project.

Many enterprises go on the defensive when their business slackens. Plus went the other way and boldly rethought its policies to come out with a string of hit products. Its experience sets an example for other companies grappling with today's business slump.



Some of Plus's ultrapopular products