Bunsha (divided we stand)

K. Sakai and H. Sekiyama are Japanese managers who don't buy the "bigger is better" concept. They created a group of more than 40 thriving, independent, high-tech manufacturing companies through *bunsha* (company division). Once a company is "successful," they fear that bureaucracy and complacency will set in. What do they do? They divide it, as detailed in *Divide and Prosper: An Asian Concept for Successful Business Growth.* How can this work? In brief:

1. Give each company a full complement of functions. Critics say that it is not economical to duplicate accounting, personnel, and other functions within a group. But in the information age, centralization limits data collection and personal contacts. If each company has its own information networks, in combination they will have access to more information than any other group of companies.

2. Pick capable leaders, then stand back and let them lead. Give them enough start-up capital in the beginning and, more importantly, the people they want to work with. Customer lists can be divided up, or the units can compete head to head for customers. The new leaders must in turn create an atmosphere in which employees can contribute through suggestions, experimentation, etc. Expect mistakes. As long as they are learned from, they should be viewed as progress.

3. See *bunsha* as a means to alleviate unemployment. In an era of massive layoffs, why not give employees an opportunity to start up a new company, with all the inherent risk and exhilaration involved, rather than the proverbial pink slip? *Bunsha* is like tapping into the fountain of youth. Even older managers are rejuvenated by the process of starting over.

4. Remember that smaller entities are more likely to adapt and survive rather than expect the environment to adapt to them. Newer entities are less likely to fall into the trap of following outdated procedures simply "because we've always done it this way" and thereby can be more responsive to changing customer demand.