

Panasonic Archives: Striking the Right Chord with Evidence

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Conclusive Remarks: Corporate Archives and 'Trust'

This paper was first delivered with the title of "Striking the Right Chord with Evidence: 'Way, Trust, and Corporate Archives in Japan' on November 15, 2018 at the joint conference of the BAC and the ICA/SBA under the title of "Can you believe it...? Business Archives and trust" at The National Archives in London, the United Kingdom. This presentation was made possible by the kind cooperation and support of Ms. Masako Nakanishi and Mr. Akihiro Nakano of the Corporate History Department of Panasonic Corporation. All opinions expressed here are, however, my own and the responsibility for any and all shortcomings in the paper rests with me.

Introduction

The Shibusawa Eiichi Memorial Foundation launched its business archives project in 2004. I have been working to promote corporate archives and record-keeping practices, both as a way of improving corporate culture and also to ensure good governance, through a modern application of ‘harmony between morality and the economy’. Our promotional activities include introducing best practice in Japan and abroad as well as investigating and providing information about archival practices, including the potential of digital archives and digital preservation.

The most striking discovery of the project in promoting corporate archives has been learning that many businesses use their archives mainly as tools for disseminating the thoughts, philosophies, or sensibilities of their founders or other early leaders among their corporate members, namely managers and employees. Of course, corporate archives are also used for marketing, branding, corporate communications, and product development. However, nothing is more important than sharing the company ‘way’, values, and management philosophy.

Today, I will use the Panasonic Archives as an example to delve into the relationship between corporate archives and ‘trust’. The Panasonic Archives represent one of Japan’s pioneering corporate archives. Their in-house function has become a benchmark for other corporate archives: sharing ways, values, and a management philosophy. Over the past two decades, Japanese consumer electronics (appliance) companies have lost their international competitiveness. However, Panasonic has overcome difficult times through structural reform and business transformation and is now leading the industry. This year marks its centenary.

Panasonic's archives and 100th anniversary project

1. History of Panasonic and its business outline

Panasonic Corporation was founded in March 1918 by Konosuke Matsushita (1894–1989) to manufacture electric appliances. The founder was a self-made man, who quit school when he was 9 years old. The company headquarters in Kadoma-shi, Osaka Prefecture was converted into a joint-stock company in December 1935. As of March 2018, the company had 258.7 billion yen in capital and 274,143 employees (38% from Japan, 22% from Asia apart from China, 21% from China, 11% from the Americas, and 8% from Europe). It had 592 consolidated companies and net sales of 7,992.2 billion yen (7,343.5 billion yen in 2016, the previous fiscal year). It is listed on the Tokyo, Nagoya, US OTC Pink Sheet, and Philippines stock markets, as well as the TSE Stock Price Index.

The brand slogan, 'A Better Life, A Better World' embodies the company's management philosophy: 'to contribute to the progress and development of society through its business activities'. The company's four core business areas are 'Consumer Electronics', 'Housing', 'Automotive', and 'B2B'.

2. The history and functions of the Panasonic Archives

The 50th anniversary was a milestone for the company and the beginning of its heritage programme. The 50th anniversary project was launched in 1961, 7 years prior to the event. In March 1968, Panasonic opened the Konosuke Matsushita Museum and in May of the same year published a 50-year history to commemorate its Gold Jubilee. The museum occupied 4,030 m², with a building area of 1,450 m² and an exhibition area of 1,250 m². The museum was housed in the restored former headquarters, built in 1933. The company has used its museum to disseminate the founder's ideas and management philosophy, and the firm's corporate history.

In 1976, in preparation for its 60th anniversary (1978) commemoration event, Panasonic established an 'Office of Corporate History' as a permanent department under the direct control of the president, who issued a CEO Notice on 24 November 1976. This new office had the following aims:

- (1) To explore the founder's business view and disseminate his spirit across the company and beyond;
- (2) To preserve and manage records and materials related to company history;
- (3) To compile company history.

Since then, the Museum has initiated: (1) an exhibition about the founder's lifetime, showcasing Panasonic's development; (2) a presentation of the founder's management philosophy and vision; and (3) an exhibition of the first products to support Panasonic's business. Since 2002, the Office of Corporate History began to focus on special exhibitions with themes that were tied directly to current management policies.

At the end of the fiscal year in March 2012, after business losses (-772.1 billion yen) Kazuhiro Tsuga, who became president in June of that year, reviewed the head office functions and business content, restored the Business Division system, and advanced structural reforms (for example, the number of employees in the group has reduced from approximately 330,000 at the end of the fiscal year 2011 to approximately 254,000 at the end of the fiscal year 2014). By this, Panasonic achieved the target of

‘the operating profit of 350 billion yen or more, the operating profit ratio of 5% or more, the cumulative total of free cash flow of 600 billion yen or more’ one year ahead of schedule.

Starting in December 2012, the Office of Corporate History held an exhibition showcasing the Business Division System at the Konosuke Matsushita Museum. This event supported the revival of the Business Division System in April 2013, under Tsuga’s new management policy. President Tsuga himself visited the Museum during the special exhibition of ‘Konosuke Matsushita – "Vitalizing the Division System"' in January 2013 and was impressed by the video clip of archival records and materials curated by Ms Masako Nakanishi and her team. Subsequently, he requested to show employees and managers the videos that featured the Business Division System philosophy. The video was posted on the intranet. In addition, a story in which a visit to the Business Division exhibition was recommended during a group strategy meeting was also posted on the president’s blog on 6 February. These examples show that the Panasonic archives are considered strategically valuable by company management teams.

The themes of the past special exhibitions are as follows:

2010	‘Konosuke Matsushita – Quest for Innovation –Aiming to be the No.1 Green Company in the Electronics Industry’
2011	‘Konosuke Matsushita's Global Perspective’
2012	‘Konosuke Matsushita – "Autonomous Responsible management" and "Employee Entrepreneurship"’
2013	‘Konosuke Matsushita – "Vitalizing the Division System"’
2014	‘Konosuke Matsushita's Purpose – A Better Life, A Better World’
2015	‘Konosuke Matsushita – "People are the Foundation of Sound Management" – Learn to Overcome Challenges Without Fearing Failure’
2016	‘Konosuke Matsushita – The Road to Growth and Development – Learn from the History of M&As and Alliances’

In addition, on 16 August 2016, the name of the Office of Corporate History changed to the Office of History and Cultural Communication (the English name is the Corporate History Department) and began to focus more on enhancing its involvement in the communication function.

3. Panasonic's 100th anniversary and the archive's efforts

The proposal for the centenary (March 2018) commemoration project was approved and launched by the president in April 2015. This project consists of three parts:

- (1) A compilation of the company's 100-year history
- (2) The creation of a historical-asset archives-management system
- (3) Active use of the Panasonic Museum Area as a whole (the Konosuke Matsushita Museum and the Hall of Manufacturing Ingenuity)

Let me give you an overview of each of these three parts.

(1) A compilation of the company's 100-year history

In preparation for the 100th anniversary in 2018, the archive plans to compile two kinds of *shashi*, a public edition and an in-house popular edition. The public edition will describe the development of the company from its foundation through the past 100 years; this volume will be published in September 2019. The main part will include the pre-history of the foundation and ten chapters, totalling around 800 pages. The data section will cover organisational changes and the history of company employees and products; it will be about 200 pages long. In this compilation project, the President has taken on the role of chairman of the supervising committee. The Director of the Groupwide Brand Communications Division is the vice chairman; the executive officers in charge of personnel, accounting, and planning have also been appointed to the committee; the Board Chairman is involved as an advisor. The big public edition will record the development of management over 100 years; it aims to become a knowledge base for future management decisions, to be used as a type of dictionary or encyclopaedia. Furthermore, the compilation policy aims to contribute research materials, not just to support the study of Panasonic, but also to promote research on the history of the electric industry in Japan.

The popular edition for employees has already been published – in Japanese on 5 May and in English and Chinese in September. This pamphlet is clearly defined as a tool for sharing Panasonic's identity among all members of the company. It is 256 pages long and consists of three parts: Part 1. 'History seen through products – how Panasonic has provided products that aim to improve consumers' lives, developing with society; Part 2. 'A short history of 100 years – the company's history from the founder's birth to the present day; and Part 3. 'What is the spirit of Panasonic?' This last part introduces

the founder's management philosophy and ideas, which underpin the growth and development of the company.

(2) Creating a management system for the historical archives: History Asset Archives

There are three types of materials in the archives department:

- Records of the founder's management ideas and activities
- Historical records that capture the development of the company
- Flagship products that embodied business activities in each era (historical products)

The approximate number of materials currently held are as follows:

- About 7,000 recordings of voices and moving images of the founder
- About 20,000 volumes of textual files and photographic albums
- About 3,000 epoch-making products

In addition to disseminating information in various forms for media and survey activities, the archive sometimes loans out artefacts for exhibitions, TV programmes, or filmmaking.

The following activities will be completed by the centenary year of 2018.

- Making an inventory of all historical assets kept from the foundation (quantity and state)
- Carrying out first-aid measures to delay the degradation of materials and to maintain as well as improve the condition of the storage environment
- Formulating rules and policies to enable the archive to collect and store historical assets permanently, and creating a system that allows them to be actively used
- Building an archives management infrastructure for all group companies

Based on these policies, the following two concrete actions have been carried out:

(1) The organisation, classification, and digitisation of historical assets. This project will create a system to manage the records and artefacts mentioned above. Some are digitised, and the originals are also preserved. Other artefacts are simply original,

with no digitisation. A final group is digitised, and the originals will be discarded.

(2) To establish solid management policies for the collection, arrangement, description, and preservation of artefacts, without relying on personal experience; to create an environment that can prevent as much deterioration and damage as possible.

The database (called History Asset Archives) of the Panasonic corporate archives has been installed on the company intranet and can be accessed from terminals within the company, as well as from the terminals in the Konosuke Matsushita Museum (although there are restrictions on access from the Museum terminals).

Let's have a look at the screen composition.

The slider part of the top page displays the introduction to the main application and limited-time content.

In the application selection menu below, applications for employees are divided into six categories. When selected, the following drop-down menu appears:

- Learn from the founder (the Dictionary of Konosuke Matsushita; from the Management Policy Presentation Conference; Learning from the Origin of Corporate History and the Life of Konosuke Matsushita)
- Get to know the history of the company (the popular edition of the 100-year history for employees). The public edition of the 100-year history will be published online after being published in a paper format.
- Take a look at the timeline (chronology)
- Search for records and materials (the CEO Notes, photographic collection, moving image collections, audio collection, flagship product collection, poster collection, and book collection)
- Read a public relations magazine (the in-house newsletter, salary leaflet, sales promotion booklet, shareholder correspondence)
- History Museum Archives (Special Exhibition, Former Konosuke Matsushita Museum)

A keyword search is available and 'the Dictionary of Konosuke Matsushita' contains more than 3,000 records of the founder's words and other materials. The 'timeline' is tied to data, including photos and videos. It is possible to access not only from home PCs of employees and managers but also from a mobile device, hence, the database is providing an environment where corporate members can learn anytime and anywhere.

The 100th anniversary project will not be the end of the development of this

archive of historical assets. The 100th anniversary project is simply a point along the path of progression. This information infrastructure has inherited the founder's thought and Panasonic's DNA; it will ensure the future developments of in-house archives management, which will support the management of the company.

(3)Use of the Panasonic Museum area as a whole (the Konosuke Matsushita Museum and the Hall of Manufacturing Ingenuity)

The last 100th anniversary commemoration project is the Panasonic Museum. This includes the conversion of the Konosuke Matsushita Historical Museum, opened in 1968, into the Hall of Manufacturing Ingenuity. There is also a newly built Konosuke Matsushita Museum, with the same exterior design as the old building. The Panasonic Museum Area includes a former residence of the founder in Kadoma and a park area called Sakura Square. The Hall of Manufacturing Ingenuity was built as 'a place to explore the DNA of Panasonic manufacturing'. As the Konosuke Matsushita Museum is a space designed to be 'a place where you can meet the founder', it displays images and stories about the management philosophy of Konosuke Matsushita.

The Hall of Manufacturing Ingenuity, the converted former Konosuke Matsushita Museum, has a space called the Masterpiece Gallery, where nearly 150 consumer electronics are on display, showcasing bountiful ways of life under six headings. The History Wall is a 16-meter-wide experience space that combines innovative design with technology. Here, advanced images depict Panasonic's path of manufacturing ingenuity against the social backgrounds and needs of various eras. A skeleton storage gallery displays about 300 historical home appliances in chronological order; it tells soundless yet moving stories about the founder's vision and the designers' dedication. The hall also includes areas that focus on technology, design, spirit, and skill. The concept theatre makes the transition to life with home appliances visible through video and miniatures. The B-to-B solution business, a new company focus, is showcased under the heading, 'To the next 100 years'.

The traffic line of the new Konosuke Matsushita Museum starts with a founding house that recreates the workplace in March 1918, when the business was founded. It consists of seven chapters (Cornerstone, Foundation, Mission, Quandary, Quantum Leap, Breakthrough, and Quest), through which visitors can trace the founder's 94-year life and learn how he developed his views and philosophy, while overcoming many hardships. All of the chapters are summarised under the following headings: Ideas, Practice, Results, and Episodes. They are supplemented with illustrations, graphics, and images.

Both houses have introduced LinkRay, a content delivery service that offers new light-based information communication technology. LinkRay delivers mobile content by enabling ordinary smartphones to read IDs sent from LED transmitters such as displays, signboards, and spotlights. It also connects to associated mobile content. End users can connect to content quickly, easily, and securely, enjoying a simple, fast, intuitive, and impactful end-user experience. Exhibit information is provided in nine languages (Japanese, English, Simplified Chinese, Traditional Chinese, Korean, Thai, Indonesian, Vietnamese, and Spanish). This solution allows exhibition content to be borrowed and removed.

All of the stories displayed at the new Konosuke Matsushita Museum are based on information resources accumulated by the Office of Corporate History and by the Office of History and Cultural Communication. The resources under the management of archives department (that is the Office of History and Cultural Communication now) include not only written records, photographs, sounds, and moving images, but also detailed information about the content of every permanent and special exhibition held (33 times) during the past 16 years. Ms Masako Nakanishi is the curator who has led the composition and planning of all past special exhibitions since transferring from the Public Relations Department to the Office of Corporate History in October 1998. She is a story teller with a special ability to contextualise the founder's philosophies, recorded and accumulated in the archives, into the current management policies and environment. She made the following comments:

‘There is a big difference between whether you have common values or not’ (3 October 2018)

‘How can you strike the right chord with members of the executive team and employees alike? How can you contribute to management?’ (16 September 2011)

While asking these questions, Masako and her team have analysed past experiences and records, and also contextualised them to find the right stories with evidence to support them.

‘It is the Office of History and Culture Communication that supports the aspect of Panasonic's ‘trust’ or ‘trustworthiness’ at the 100th anniversary’. (23 August 2018)

The database of the Panasonic Historical Asset Archives system includes

resources such as the dictionary of Matsushita Konosuke and metadata for all the records and materials. In addition, a huge number of tagged texts, including the founder's speeches, have been captured and registered.

The founder, Konosuke Matsushita, has been respectfully referred to as the 'God of management' in Japan; the cumulative sales of books that include his writings and speeches on corporate management exceed 15 million copies. The difference between these widely distributed texts and those captured in the database is that the latter have their own corporate context. The Panasonic Historical Asset Archives system provides a context for textual and photographic records, and for sounds as well as moving images. It also provides contextualised and curated stories of the founder's words in the history of Panasonic. Context reveals the management crisis or successful or failed process that was originally associated with a particular record. Tags are also a convenient index for users searching for similar past experiences and their records. Contextual information adds human details to an individual record.

This accumulation and organisation of archival materials and other information (including details of exhibitions held at the former Konosuke Matsushita Museum since the early 2000s) support the 100th anniversary project as an information infrastructure. The archives team has spent enormous energy collecting and organising them. In the corporate archives community, it is not unusual to close a section of the archive or to reduce the number of personnel when company performance deteriorates. In the case of Panasonic, however, the dissemination of information, based on a vast number of corporate records and other heritage materials, including documents, books, recordings, and moving images, has played a significant role in supporting management, regardless of the company's performance.

The most impressive aspect of the 100th anniversary project is probably the upgrade of the museum facilities through the addition of a new building and the renovation of the original one. However, it is worth noting the construction of an information infrastructure to preserve archival assets, centred on records related to the management philosophy that have already accumulated and proven useful. The effort to create an information system infrastructure to support future developments is extremely important, surpassing a one-time event, such as a published volume of corporate history or the grand opening of a museum.

The database provides easy in-house access to a huge number of records about the Panasonic management philosophy, including the words of the founder, stories about past projects, and innovations, photographs, and moving images. While this collection was made possible through the leadership of Ms Nakanishi, who is also a rare storyteller,

the construction of an archival information infrastructure has been led by Mr Akihiro Nakano, who has a background in system engineering and is now in charge of the Panasonic Archives. The timely appointment of Mr Nakano, who has extensive experience in digital technology and system construction, has made possible the digitization of a huge volume of archival records and materials according to their characteristics and building of a database system which all managers and employees can make use of to continue the evolution and development of Panasonic's archives for the next 100 years.

Conclusive Remarks: Corporate Archives and 'Trust'

I would now like to summarise the connection between corporate archives and 'trust' in Japan.

For business to prosper, it must be trusted by customers and society as a whole. How does a company gain trust? Companies must be able to provide their customers with good products, good services – in a word, expected value. How is that possible? In Japan, companies must be able to meet customer expectations and fulfil their promises; they must provide 'trustworthy people' and 'nurture people who can make decisions that reflect the values of that company'. How do you make this possible? By sharing ways, values, a management philosophy, as well as sensibility.

Archives are massive collections of past experience; they provide evidence that enables us to extract approaches, methods, and values. Stories that the founder told include stories about products, services, innovation, advertisements, and sensitivity. When understood in the context of corporate history, they touch a chord. Proper use of the archive will help to draw out members' commitment and engagement. When a company achieves its goal of providing good products and services, it has a chance to gain the trust of society and its customers. The ideal situation is when business management perpetuates trust to create further capital and a stronger foundation. It is corporate activity that pursues this cycle.

Sometimes, a fake story can stimulate organisational commitment or work engagement. However, a story that is not based on evidence will destroy the continuing cycle of business development. Archives exist to nurture trustworthiness by providing contextualised stories that strike the right chord when supported by evidence.