SoftBank executive jabs Sprint, calls for 'change in mindset'

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Masayoshi Son, the unconventional Tokyo businessman and new chairman of Sprint Corp., has thrown billions of dollars at the Overland Park, Kan.-based wireless company.

Recently he threw some barbs its way, too.

Son, head of SoftBank Corp. in Japan, explained to a Japanese publication why he "sometimes yells at Sprint executives."

"There is a need for a change in mindset," Son said, according to the Nikkei Asian Review's English translation of his comments from an interview conducted in Japanese.

The translated comments, posted online in January, were at times blunt and over the top. Sprint and SoftBank declined to comment.

A source familiar with the Japanese version offered a word of caution about the English version. Japanese, he said, is a "high context" language whose nuances can be difficult to portray accurately.

Still, it was clear that Son was critical of Sprint and its executives. SoftBank, which Son founded and leads as its chief executive officer, spent $21.6 billion to gain what has become an 80 percent stake in Sprint. It also injected more than $3 billion to boost Sprint's finances as a distant No. 3 U.S. carrier.

According to the English version of his remarks, he said: "Sprint has gotten used to being a loser. It is perpetually stuck in third or fourth place in the U.S. telecommunications market. Some say the poor quality of its networks explains its position. This kind of excuse keeps Sprint from breaking the vicious cycle in which it is caught."

Son was specifically critical of Sprint's advertising. "At one recent meeting," he said, "I learned that our advertising at Sprint was not cost-effective. This made me quite angry. Sprint spends a large amount of money in advertising every year, but its effects have been almost negligible."

And Son laid the blame at the top, with executives, though he did not name names. Dan Hesse is Sprint's CEO.

"Without the correct leadership, even a company with capable managers and hard-working personnel will not be able to reach the top tier," Son said. "This is why I sometimes yell at Sprint executives."

He also noted an effort to bring the company's employees into SoftBank's fold.

"After acquiring Sprint, I delivered a speech urging all employees and managers at the company to join forces with our Japanese unit and work as a single entity," Son said.

Leadership and public relations experts were surprised Son chose to be so public with his concerns.

"What he's saying may be true. But saying it publicly could also be an ego thing, and that's a problem," said Leigh Branham, management and employee retention consultant with Keeping the People, based in Overland Park.

"When you acquire a company you need to congratulate them in public for getting to the point of being good enough to acquire," Branham said. "He should be criticizing Sprint executives in private."

Betsey Solberg, executive consultant with Fleishman-Hillard, a public relations firm with offices in Kansas City and Tokyo, pointed out that Son and Hesse knew each other before the companies combined.

"They'd worked together," she said. "He may have considered it a motivational tool, but I have to think he will be sorry."

Son, according to the English translation, noted his own bluntness. He said that his ability to be blunt with Westerners probably stems from having lived in the United States "when I was younger."

And, the 56-year-old executive of Korean heritage said, "I take my own approach to running my companies, and it is not very Japanese."

The executive's remarks also focused on lessons he said he learned from previous investments in U.S.-based businesses. Son said he allowed the American executives to run them on the belief that "Japanese owners should not interfere too much" in the management of U.S. companies.

"That belief was wrong," he said.

Son has experience taking over a company battling others ahead of it. SoftBank bought Japan's ailing No. 3 wireless company in 2006 and turned it into a growing and vibrant competitor.

As chairman of Sprint, Son has kept a low public profile. But various reports say he has been the driving force behind the company's work on a potential bid for smaller rival T-Mobile US Inc.

Bloomberg News reported Wednesday that Son declined to comment on T-Mobile during a presentation of SoftBank's most recent earnings results.

But he wasn't shy about Sprint's interest in making deals.

"Without industry consolidation, for Sprint alone to become No. 1 in the U.S. is literally just a dream," Son said according to Bloomberg. "I'm not content for Sprint to remain No. 3 because if we could grow bigger, we will offer aggressive discounts and services, just like we did in Japan."

SoftBank had said early in its efforts to acquire Sprint that Hesse would remain the U.S. company's chief executive. Hesse not only survived the SoftBank acquisition but also is reported to have accompanied Son in sessions with U.S. regulators about T-Mobile.

The two have appeared publicly together, most recently with President Barack Obama to highlight Sprint's role in the White House's effort to bring broadband connections to students in low-income areas.

Still, Son's sometimes sharp temper is well known.

Last summer, The Wall Street Journal reported on a "50-minute shouting match" between Son and Japan's telecommunications regulators after a government decision did not go SoftBank's way.

"This is the first time in years that I got so angry," Son said shortly after the event, according to the Journal. "And I thought I had grown up."

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