

Doing Business with the Japanese - Chapter Guide

Chapter One *Business Opportunities in Japan – for Britain and for you*

Sir Stephen Gomersall, British Ambassador in Japan 1999

- Don't be put off by talk of recession!
- Japan – a huge and powerful market, the size of France and Germany combined
- Rich and sophisticated consumers, per capita GNP £22,000, average household savings £140,000
- Japan more cosmopolitan and accessible – no longer an enigma
- Three keys to success – presence, quality, trust
- 'If this is recession, let's have some of it in Rotherham' (a British MP)

- Excellent introduction, broaching themes and topics picked up in later chapters

Chapter Two *What Does the Future Hold for Japan? A Japanese View*

Tomohiko Taniguchi, Editor at Large, Nikkei Business Publications

- Business, political and social attitudes caused Japan's collapse
- Impact of China on Japan's collective psyche – China will provide the external stimulus strong enough to purge Japan of its economic malaise
- Japan's potential growth, at a minimum rate of 2% pa, equals the creation annually of an economy the size of Singapore
- Growth sectors include financial services, pharmaceuticals and healthcare, supporting the ageing population and Gross National Cool (GNC) – software, ecommerce etc
- Inward FDI will play a major part in Japan's revitalisation

'When the Japanese wake up and reinvigorate their collective psyche, the nation that was slipping into irrelevance will gain a new relevance in the world'

Chapter Three *The State of Japan's Economy – An Outsider's View*

Anthony Rowley, Tokyo Correspondent, Business Times

- Little has gone right for Japan's economy since the late 1980s
- How can Japan's role in Asia and her position vis-à-vis China be stabilized?
- Very bright prospects for future inward FDI identified by Japan's policy makers – 'the one element that offers real hope for the future'

- Nissan majority owned by Renault, and with a foreigner – Carlos Ghosn – as President and CEO!
- Foreign investors will focus on ‘new economy’ industries – biotechnology, pharmaceutical, medical and the service industries
- Japan’s changing demography – lower fertility rate, increased life expectancy – will bring a dramatic fall in the number of workers supporting the growing ranks of pensioners, from 5 in 1990 to 2 in 2010
- In Japan’s case, immigration is not the solution

Chapter Four *An Attractive, but Difficult Market*
David Powers

- Japan has suffered a negative image since the late 1980s, yet remains the world’s second largest economy, with an important market
- Surveys by David Powers of attitudes of members of British Chamber of Commerce in Japan (BCCJ) in 2001 and 2003 show market appeal growing and range of difficulties narrowing or changing
- Attractions include increased accessibility - Prime Minister Koizumi pledging in 2003 to double the total stock of FDI in Japan within five years
- Of five earlier inhibitors, two major hurdles remain – adapting to local culture and the cost of proving the market
- These problems – cost and culture – can be overcome, and the sophistication of Japan’s consumers and their high level of personal savings make the effort worthwhile

Chapter Five *Overcoming the Difficulties*
David Powers, with contributions by four investors who succeeded

- Responses to surveys of BCCJ members indicate five critical success factors – including long-term approach, cultural sensitivity, brand reputation and good local staff
- Japan ‘too important’ to ignore, say British companies with a presence in Japan
- Common themes in the experiences and problems of four British business people who have moved into Japan recently:
 - *Chris Alderson*, young entrepreneur who set up high-technology manufacturing operation;
 - *Julian Ehrhardt*, Director of Mojo Japan Ltd who identified gap in Japan’s internet market and set up a web design agency;
 - *David Forrester*, Finance Director of Lightwork Design Limited who established Japan Representative Office in Yokohama;

- *Clare Ridley*, of Electrocomponents plc (www.electrocomponents.com), who launched the company's Japanese venture in 1999
- Beneath fascinating accounts lie common themes of persistence, ingenuity, deep interest in Japanese culture and understanding of what it is that makes Japan tick

Chapter Six *Law in Japan, A Guide for British Investors*
Peter Knight and Naoaki Eguchi

(Baker & McKenzie and Aoyama Aoki Law Office)
www.bakernet.com ; www.taalo-bakernet.com

- Establishing a presence – subsidiary, a stock corporation (*kabushiki kaisha*) – branch office (*shiten*)
- Incorporation, registration
- Foreign Exchange and Foreign Trade Law, Antimonopoly Law
- Visa, contracts, distribution agreements, office lease agreements, banking
- Employment issues, stock options, social and labour insurance, product liability
- Patents and trademarks, taxation, environmental issues, dispute resolution

Chapter Seven *Doing Business with the Japanese*
Face to Face – Do's and Dont's

Geoffrey Bownas

- This chapter is standalone, with seven illustrations by Tomoe Kurokawa, giving detailed guidance on aspects of doing business with the Japanese, including:
- *meishi* (business card); meetings; decision making; consensus; negotiating
- Japanese names
- business dress; entertainment; table manners and etiquette, including in a Japanese-style room or inn
- the business year
- speaking English; interpreters; Japanese tricks with the English language
- reprise – essential dos and don'ts
- never take 'yes' for an answer; never fill a silence; learn to recognise a 'no'
- New-style business practices of dotcom company managers, venture business leaders and younger business people

Chapter Eight *The Future*

Seven contributors offer guidance on:

- new business practices – e.g. fast and flexible decision making
- new employer and employee attitudes; 'job for life' philosophy extinct

- women in the workplace – deferring marriage and birth of first child; new opportunities
- Japanese consumers – sophisticated, demanding, seeking stylish products and value for money
- likely growth sectors include new media industries, biotechnology, nanotechnology, ‘silver generation’ industries
- increase in support for entrepreneurs, business venturers; intellectual property
- change is on the way – traditional ‘salaryman’ image giving way to stylish, individualistic and creative new generation
- change will be inspired not so much by politicians or bureaucrats as by business world pioneers – the Hondas, Moritas and Matsushitas of the 21st century

Chapter Nine *Getting about in Japan*
Christopher P Hood

- by air: cutting jetlag and DVT risks on long haul flights to and from Japan
- transport from international airports
- by rail: Japan’s competing and complementary private railway networks; Japan Rail (JR) Pass for 90-day visa visitors, including business people
- addresses: overcoming the difficulties in locating an address
- accommodation: hotel, business hotel; Japanese inn (*ryokan*)
- communication: telephone, mobile phone, phonecard, internet access
- and the convenience store – answer to so many of the visitor’s prayers

Appendix One *Practical Hints on Visiting Japan*
Christopher P Hood

- weather: seasons, best times to visit, times to avoid
- working hours, shop and store opening days/hours
- national holidays, work places closed, travel and leisure facilities crowded
- money: Japan largely a cash society, growing credit card use, but ATM network and opening hours restricted
- tipping: very rare; never tip taxi drivers, hotel staff
- internet, few cafes; UK laptop may need special card/modem
- mobile phones

Appendix Two *Sources of Support for British Business*
edited by Geoffrey Bownas and Wiesia J Cook

Japanese and British, public and private organs, with their services and contact details:

- UK Trade and Investment, Japan Unit, London
- British Embassy, Tokyo; Consulate-General, Osaka; Consulate, Nagoya; Trade Promotion Office, Fukuoka
- JETRO, Tokyo and London
- Embassy of Japan, London and Consulate-General, Edinburgh
- British Chamber of Commerce in Japan (BCCJ)
- The Japan Society, London
- JETAA (Japan Exchange and Teaching Alumni Association), UK Office
- Electronics Link Asia (ELA)
- The Japanese Chamber of Commerce and Industry in the UK
- EU Programmes, including EU Gateway to Japan Campaign and Executive Training Programme in Japan (ETP)

Appendix Three *A note on the Japanese Language*
Geoffrey Bownas

- A brief insight into the Japanese language, focusing on pronunciation and some useful phrases for the first-time visitor to Japan