



Japan: A practical approach and challenges for Europeans

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PERSPECTIVES OF DOING BUSINESS IN JAPAN

ENGINEERING SYSTEMS SOLUTION SLOVAKIA s.r.o.

NTT DATA

About the speaker: Milan BUCHMAN

- More than 20 years of working experience with Japanese(1992~)
- 8 years SW developer at **Hitachi Zosen Information Systems**, Tokyo, Japan
- 12 years CEO at **Engineering Systems Solution Slovakia**(www.esss.sk) founded by **NTT Data Engineering Systems Corporation**(www.nttd-es.co.jp), Tokyo, Japan
- 8 years **NTT Data Corporation** Group member

About NTT Data Corporation (www.nttdata.com)

- Net Sales:
1,343,772 million yen (April 1, 2013 to March 31 2014)
- Number of Employees:
75,000(worldwide/as of January, 2014)



ESSS company facts

Services:

Software architecture and development

Graphical applications

with focus on :

handling large scale data

3D collaboration

special functionalities based on user requirements

CAD/CAM solution

Product Lifecycle Management (PLM)



References:

Automotive

Shipbuilding

Manufacturing industry

Cultural Drivers (Based on the 4 Dimensions of Geert Hofstede)

1

Needs for hierarchy **Strong feeling for hierarchy needs or don't like it**

Japan: hierarchy create certainty (clear rules, mandate,

Edo: segregated, vertically bottom-up structured(takes time, but solve the problems). Hierarchy in business very strong, reduce individuality. Be loyal/respect the boss/team/hierarchy, Match the hierarchical level.(email to right person)

2

Individual vs Group **Group opinion is higher than my private opinion**

Japan: group create harmony and certainty

Be Co-operative, Non-confrontational, privacy reduction.

3

Being the Best or Doing your Best **Personal or Society success**

Japan: motivation is not to fail, rather than to succeed

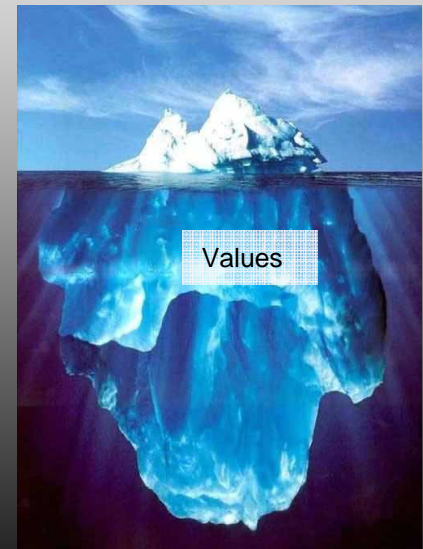
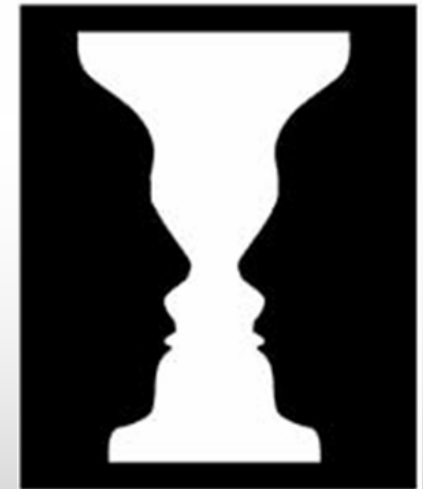
More SME's in Japan than heroes, working very hard for society, high level of rules acceptance

4

Dealing with uncertainty **Enjoy or avoid uncertainty as a danger**

Japan: desire to eliminate all the uncertainty

Historical/natural reasons. Feel high level of formality(meeting/events)and certainty(announce, business trip plan). **To increase certainty, invest a lot into trust building!**



2. A practical approach for Europeans(2)

Comparing European vs Japanese business styles

Business relations	Business before trust vs Trust before business Trust: time & money-consuming, attend on several decision making meetings, business trips, informal social events(dinners, karaoke bar, etc.) Advantage: very long and loyal partnership
Decision making	Individual driven vs Consensus oriented Group decision is required, but also group responsibility is taken. Negotiations are also in teams.
Communication/ Meetings	Low context vs High context, Verbal vs Non verbal, Direct vs Indirect Many detail questions (personal) Unilingual Japanese environment(English speaking stuff is not decision making) Speak less, speak slowly, shorter sentences, use visual presentation(in Japanese)
Time perception	Short term vs Long term Japan = Monochronic culture, not polychronic culture (Edward T. Hall) (importance on time/deadlines/arriving..)
Relation to risk	Risk taking vs Risk averse
Contract	Precise terms vs Principles Moral agreement to work together. In Japanese, Means "promise". Never say NO, must negotiate!
Customer service	Demanding vs Extremely demanding Customer is god. Be prepare to spend a lot of time and money in "after-sales"
Quality and Claims	Expected vs Consistency important, deviations are not allowed Avoid any kind of problem: huge consequences. Apologize (responsibility was recognized), bring solutions

FY'12: EU is Japan's 3rd business partner, Japan EU's 7th partner

- Opportunities for products with high quality, originality and innovation/ value added services, especially in areas:

luxury products	40% of purchases worldwide(4%(Nov'13) unemployment rate)
high-level products	Bio & nanotechnologies, renewable energy, ICT, construction(2020 Tokyo Olympics, Earthquake reconstruction), eco-friendly, health-oriented(food & drink), lifestyle, elderly-care,..
Convenience/ comfort	e-commerce(Rakuten, Amazon, efficient courier companies), recycle, re-use, health-care
style	traditional, hand-crafted

- Big sales opportunities, different culture experience, chance to improve in each aspect Time/Quality/Reactivity/Service
- As a gate to other Asian Markets and the World...

EU	Exporting to the rest of the world, we can export to Japan
JAPAN	Exporting to Japan means you can export to the rest of the world
EU	preparation is 50%
JAPAN	preparation is 80%
EU	client is king
JAPAN	client is god (one step higher)

**Implement the “Cross-cultural 4Ps” in your Marketing:
Patience, Presence, Presentation & Perspective !!**



Thank You very much for your attention!

どうもご清聴ありがとうございました！