

EU-Japan Centre
for Industrial Cooperation

一般財団法人
日欧産業協力センター



Understand Japanese business culture and practices
Monday 1st September



Sarah Parsons, MD, East West Interface (EWI)

- 20 years+ of Japan experience working at all levels-market entry, post M&A, marketing for trade shows, management training & consulting.
- Appeared on various media channels (BBC World News, CNBC, BBC Radio 4, BBC World Service)
- Trustee to Japan Society of UK 2016-2019. Currently Advisor on Education Committee. Commendation from Japanese Ambassador to the UK, July 2019
- Clients include: Warwick Business School, BAE Systems, Mitsui Sumitomo Insurance Group, Canon Medical Systems, Toshiba of Europe, Toshiba Tec, Dusseldorf, Dentsu-Aegis, Hitachi Information Control Systems, Romax technology, Luvata, Tokio-Marine HCC, Nasmyth, Insight Investment, Rohm Semi-conductor and Japan Local Government Centre.
- Briefings given to Department for International Trade, Horizon Europe, JETRO, EIT, EU Japan Centre for Industrial Relations, Innovate UK, Trade Malta, DIT, MAKE UK and Estonian Chamber of Commerce and Industry.
- Research Associate, Japan Research Centre, SOAS, Associate Warwick Manufacturing Group, University of Warwick, formerly lectured at SOAS, University of London, University of Sheffield, Warwic Business School, Cranfield and NTU.

Aim of today's session

- Understand Japanese communications and business etiquette to get the most out of your trip and build up long term relationships with Japanese partners

Photo by [Clay Banks](#) on [Unsplash](#)



Agenda

- Main difference between Western and Japanese business environment: ethics, values, Japanese management, attitudes to work & governance, R&D, kaizen, trends.
- Cultural dimensions that affect business communications
- Useful marketing/PR tips
- Customer- client-partner- distributor relationships-brief overview of expectations
- Meetings-differences in how the Japanese approach meetings including on-line meetings.
- Brief overview of follow up strategies and building up long-term business relationships and collaborations.
- Other useful business etiquette-business cards, meetings and greetings.
- Q&A

Disclaimer

When I speak about cultural differences, these are prototypical differences and hopefully not stereotypes. There will of course be some Japanese people and companies who do not fit these descriptions/cultural assumptions.

All advice is general and not tailored to any specific industry.

Quiz: Question

- Which chocolate brand has these flavours in Japan: **wasabi, green tea, sweet potato, cherry blossom, blueberry cheesecake and white peach?**



Kit Kat

Photo by [Filiz Elaerts](#) on [Unsplash](#)

[Are more adult nappies \(diapers\) sold than baby ones in Japan?](#)
[Sarah Parsons on BBC World News. \(eastwestinterface.com\)](#)

Fill in the blank

Japan's population is ageing so quickly that more _____ are sold than baby
diapers/nappies.



Background to Japanese Business Environment

Values, ethics, management and
attitudes to work

Photo by [Matt Ketchum](#) on [Unsplash](#)

Ethics in business

- Backbone of Japanese business is their commitment to greater purpose and wellbeing of society
- Values and moral responsibilities stem from **Confucianism, Shintoism and Zen Buddhism**
- Japanese CSR includes terms such as 'respect for customers' mindfulness for perfect', 'discipline in thoughts and deeds.'





Values and Business Principles



- **Long-term investment**-companies invest in R&D even in times of uncertainty. Companies hoard cash.
- Short-term ROI (investor model) is not the principle goal
- Defining values are not 'price and profits' but 'relationships' and 'trust'

“Money matters, but what’s important is the company’s long-term viability”

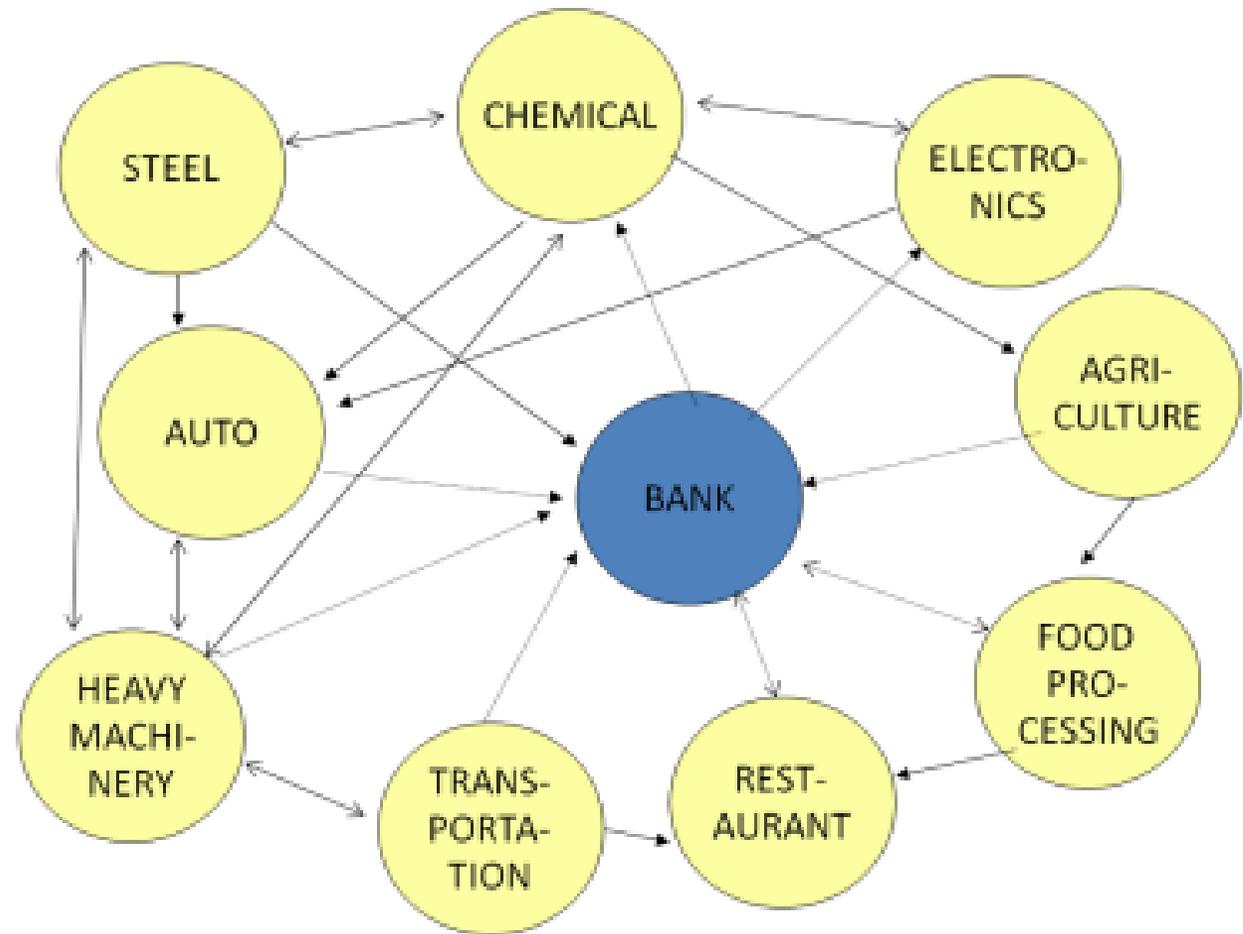
Long term growth and quality traditionally valued over short-term profits

“I would like to discuss what caused the recall issues we are facing now. Toyota has, for the past few years, been expanding its business rapidly. **These priorities became confused**, and we were not able to stop, think, and **make improvements** as much as we were able to before.”

We pursued growth over the speed at which we were able to develop our people and our organization.”
(Akio Toyoda, 2010)

Network /Relationships

- **Keiretsu**-network of industrial groups linked by trading relationships- strong financial relationships with banks and involvement with suppliers
- Companies supported each other in many business areas
- Boards made up of insiders
- Strong government/bank relationships



Corporate Governance: Stakeholder Model

“Under Japanese company law, shareholders are the owners of the corporation. But if corporations are run exclusively in the interests of shareholders, the business will be driven to pursue short-term profit at the expense of employment and spending on research and development.”

Hiroshi Okuda, Chairman of Toyota Motor Corporation and of the Japan Federation of Employers' Associations. 2001

“Stock owners, come only fourth in my list of priorities, after customers, employees and the wider community. Only by ignoring them — and focusing on the greater good of the company — can I serve their needs.”

Matsumoto, CEO of Calbee, 2018

Stakeholder Governance

- Unlike corporations in the US and Europe that tend to place importance on short-term profits for the shareholders, Japanese corporations have long taken a balanced approach to managing their companies, with an eye to the overall stakeholders, including employees, customers, and local citizens, as well as to shareholders.
- [Nippon Keidanren : Corporate Social Responsibility: The Strength of Japanese Corporations](#)



3 pillars of Japanese Human Resource System

Life-time
employment

Jobs were for life-
indefinite contracts (2
tier system for
women)

Seniority-
based wage

Long-serving
employees in
management
positions/promotions
on seniority

Enterprise
Unionism

One union in each firm
to represent blue and
white collar workers

Traditional Japanese HRM



- Corporation as a family-paternalistic approach
- Loyalty to company encouraged through hiring from graduate level.
- In-house training (internal labour market) and job rotations around departments
- Job evaluations based on 'human character' and ability to work in group
- Relative job security/benefits in return for long-hours as regular employee
- Employees progress slowly.

Japanese Attitude to work

我慢



- Japanese traditionally 'live to work'-sacrifice, effort and discipline.
- Long working hours –input valued over output
- Effort, perseverance and patience valued

Japanese commitment to work

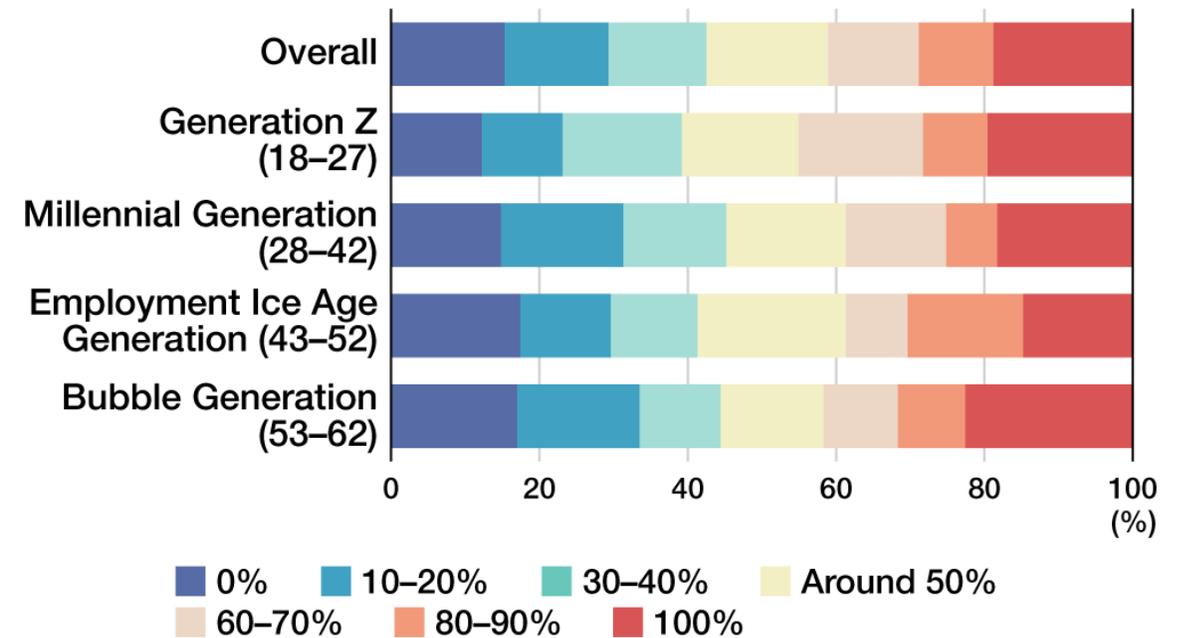
Survey by the Japanese Trade Union Confederation Rengo, 2015

- **40% of Japanese workers put in un-paid overtime & do not take paid leave**
- **11% use up all holidays**

New law enacted in 2015 to 'force' workers to take holidays

Survey in 2023 Only 18.8% of respondents took all of their annual paid leave, and even among those in the bubble generation, who ranked highest for taking 100% of vacation days, the figure was just 22.6%. [No Vacation: Less Than 20% of Japanese Workers Take Full Paid Leave | Nippon.com](#)

How much of your annual paid leave do you take?



Created by Nippon.com based on data from Staff Service Holdings. nippon.com

Recent developments in work-force

Younger generation rejecting the typical career progression-companies struggling with retention.

More Japanese looking to go into start-ups

More movement between companies

What do these events tell us about work in Japan?

- [Japanese worker punished for starting lunch three minutes early | Japan | The Guardian](#)

A train company made an apology for a train leaving 20 second early.

- <http://uk.businessinsider.com/tokyo-train-companys-apology-for-20-second-early-departure-2017-11?r=US&IR=T>



Aspects of Japanese work



- Highly bureaucratic and process driven-following a process meticulously and consistently.
- Correct '**kata**' important (structured ways of doing things)
- Group important within work-place (holidays, kaizen)
- <https://www.nist.gov/blogs/manufacturing-innovation-blog/when-crisis-manufacturers-can-look-kata>



Kaizen (Continuous Improvement)

5 Principles



Kaizen: ongoing improvement involving everyone—top management, managers and workers.

- Original Kanban, just-in-time (JIT), zero defects, or total quality management (TQM) model was based on **life-time employment model**—workers were able to know their job was secure in order to give suggestions think of their own improvement strategies and encouraged them to develop their own problem-solving abilities (not involving high production quotas)
- Due to being at company since graduation and work rotation, workers knew the product and production processes inside-out, felt able to identify problems with no fear of it impacting on job.
- Workers were motivated to do this for company
- Detail orientated nature of Japanese

Monden, Y. (2011). *Toyota Production System: An Integrated Approach to Just-In-Time, 4th Edition (4th ed.)*. Productivity Press. <https://doi.org/10.1201/b11731>



Other traditional aspects of Japanese work culture that may differ to yours

- Lots of F2F meetings and introductions still with high obligations to clients/customers (genchi genbutsu)
- Presenteeism (inflexible working style practices)
- Long working hours
- Low levels of gender equality in workplace/low numbers of women in leadership positions
- Business comms still traditional in parts(fax is still used)

[Virus forcing rethink of Japanese way of business at Toyota, CEO says - The Japan Times](#)



How have business comms changed due to Covid

- More used to online meetings and practices
- Less reliance on obligations and F2F
- Getting rid of complex business practices?
- More flexible working patterns?

<https://www.bloomberg.com/opinion/articles/2020-06-21/japan-s-work-culture-gets-a-needed-shock-from-coronavirus>

<https://www.ft.com/content/99d65f05-9c22-406a-bd4c-ae84c1d224d5>

Coronavirus challenges Japanese paternalistic culture

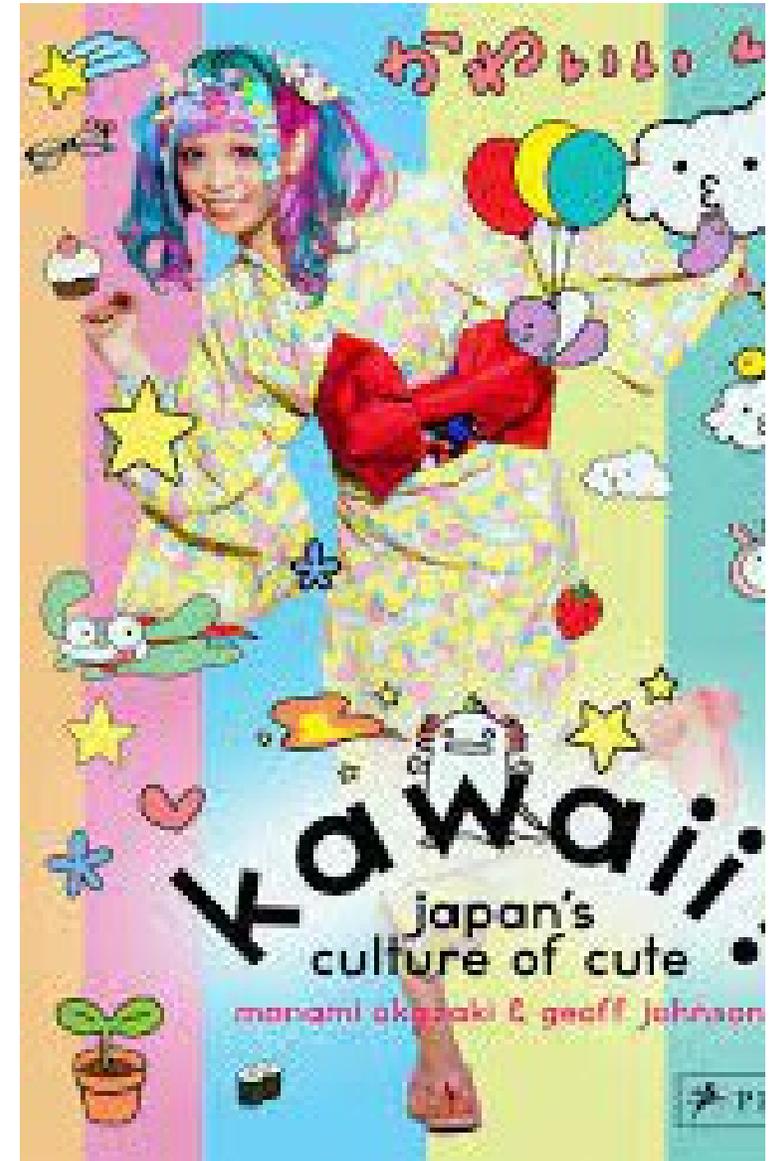
Japanese Consumers/Consumer behaviour

- Silver generation a strong demographic (high disposable income)
- Prioritise brand trust, quality and value but consumers looking to discount stores more.
- Very educated and do lots of research on products/companies (comparison sites).
- Expect high levels of service.
- On-line buying has increased but still like in-house experience
- Attracted to novelty



Kawaii Culture

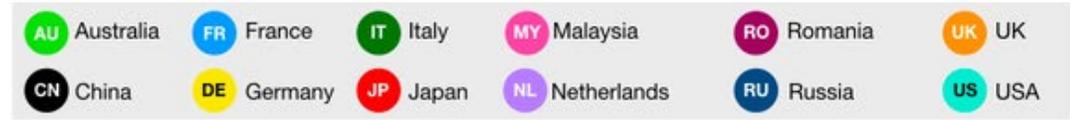
- Big sub-culture affecting consumer goods, advertising and marketing
- Linked to child-like behavior/escape
- [Mascots](#) and cute characters acceptable in places we would not expect in the West



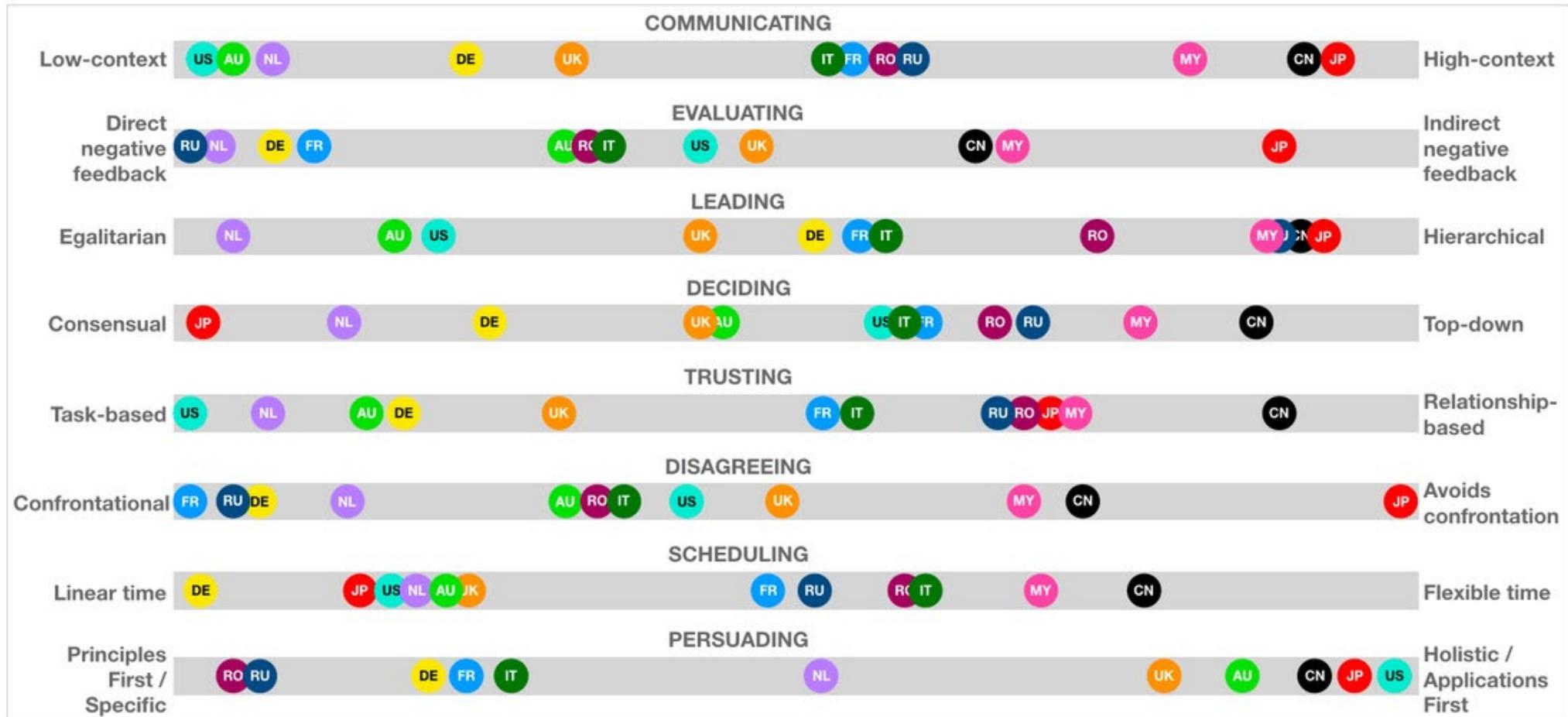
Cultural dimensions that affect business communications



Cross-cultural dimensions-The Culture Map by Erin Meyer



Management Styles Across Different Cultures



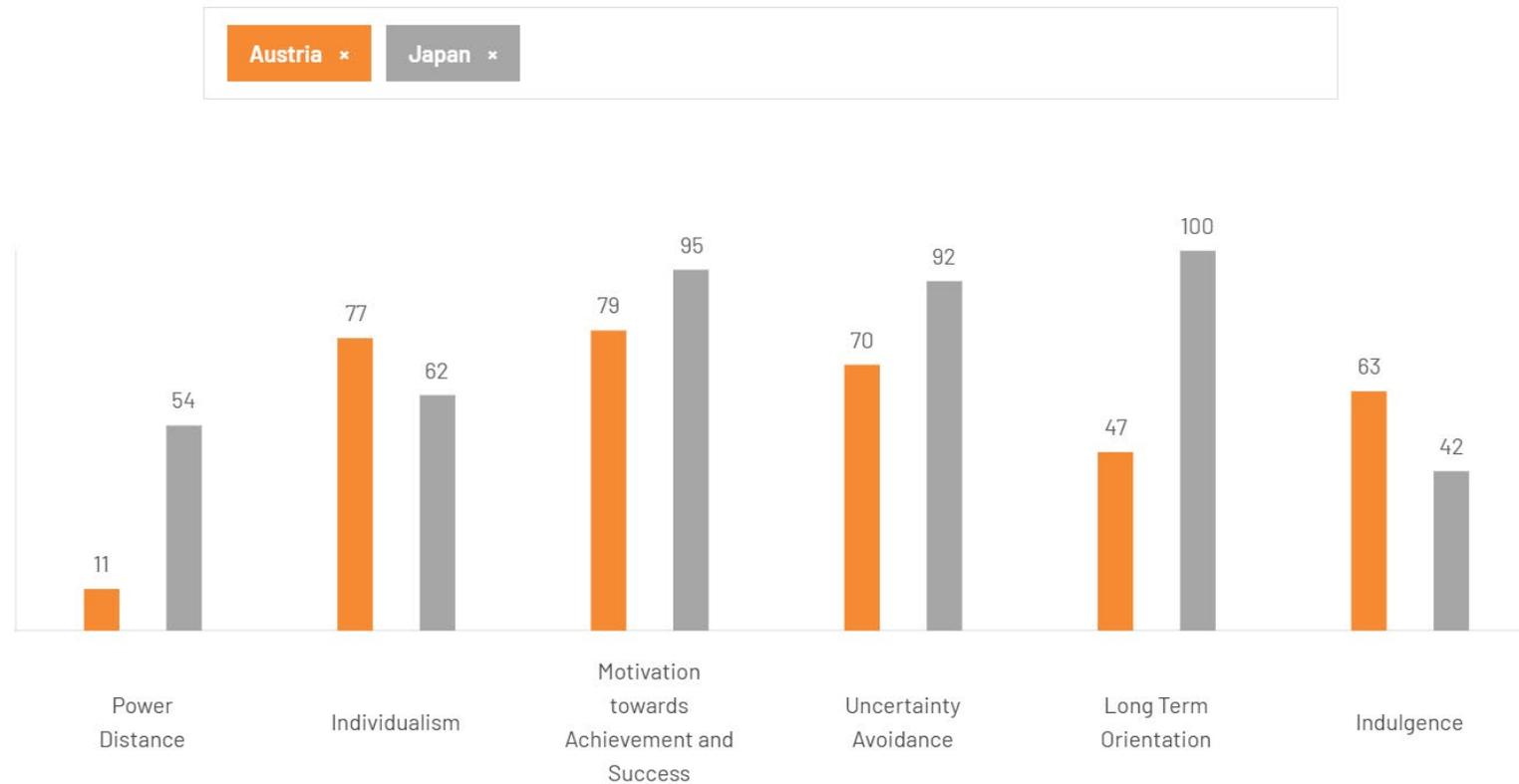
Source: *Erin Meyer, The Culture Map. Decoding How People Think, Lead, And Get Things Done Across Cultures*

Cross cultural dimensions-Hofstede

[Compare countries - Hofstede Insights \(hofstede-insights.com\)](https://hofstede-insights.com)

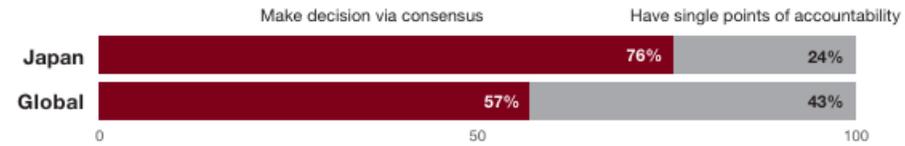
[Country comparison tool](https://hofstede-insights.com)

[\(hofstede-insights.com\)](https://hofstede-insights.com)

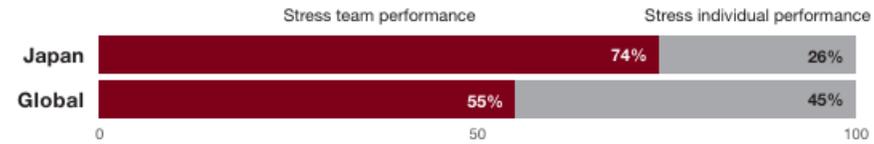


PWC Report 'Managing Culture Change in Japanese Organisations'.

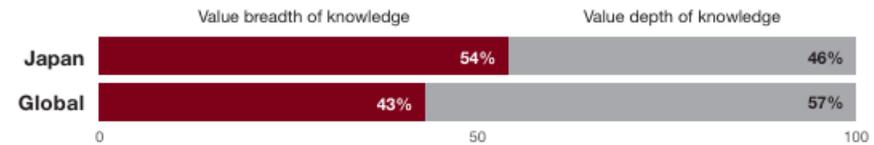
• Decision making-style



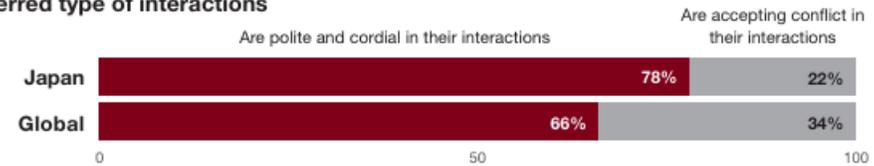
• Sense of teamwork



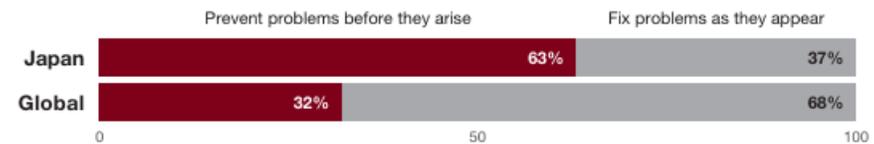
• Knowledge



• Preferred type of interactions



• Problems anticipation



Collectivist influence: Confucianism

While there is a religious dimension to Confucianism, its teachings – ethical, epistemological, metaphysical, political, and aesthetic – are typically understood in relation to the socio-political world of humanity, beginning with the individual and his/her pursuit of moral and intellectual perfection, the family and its pursuit of **harmony** and order.

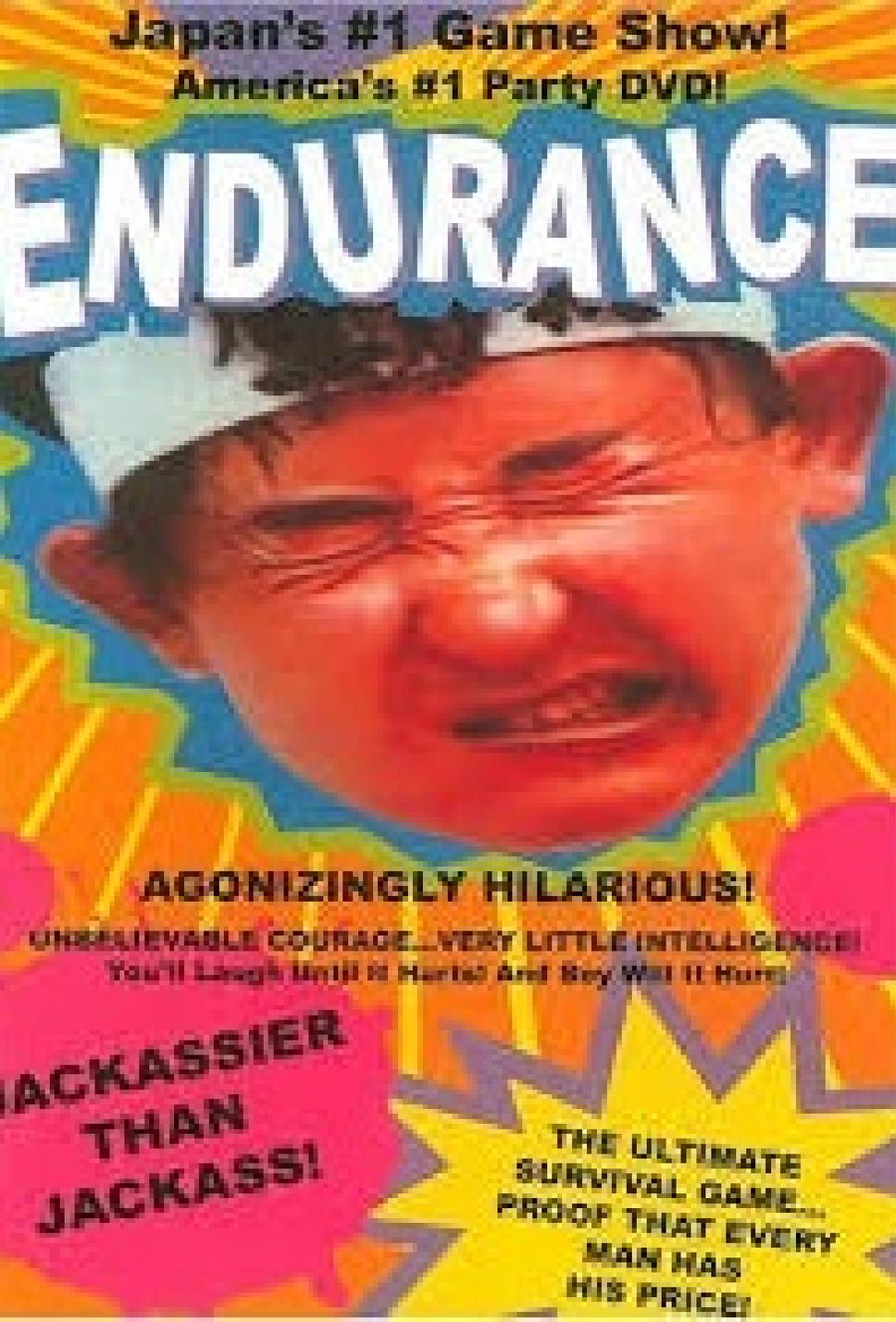
- Hard work-endurance
- Perseverance/endurance
- Humility

Photo by [Yosuke Ota](#) on [Unsplash](#)



Collectivist mentality in Japan

- Saving face – *honne* (true feelings) versus *tatemae* (public behaviour) Two-faces-*omote* (the public face) and *ura* (the private face)
- Perseverance/endurance
- Humility/Shame
- Disagreement is a clear path to breaking harmony. It is considered deeply impolite to challenge another person's point of view openly.
- **Harmony** is important.



Keeping the harmony

- Harmony and saving face sometimes more important than truth (scandals)
- Self-sacrifice and endurance even when suffering.
- Rules and ways of doing things a certain way are ingrained (**kata**) even if they are not the quickest result
- Breaking rules and processes is not acceptable

Importance
of rules and
following
processes



Omoiyari (being considerate)

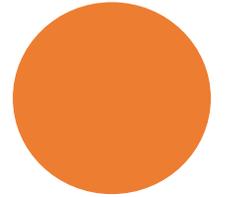
Omoi (思い) means thought.

Yari is derived from *yaru* (やる), which means give or send.

So, it literally means 'to give your thoughts to others.' or anticipating other's needs.

If it's raining, don't drip your umbrella all over (put it in a special bag)

If you have a cough, wear a mask.

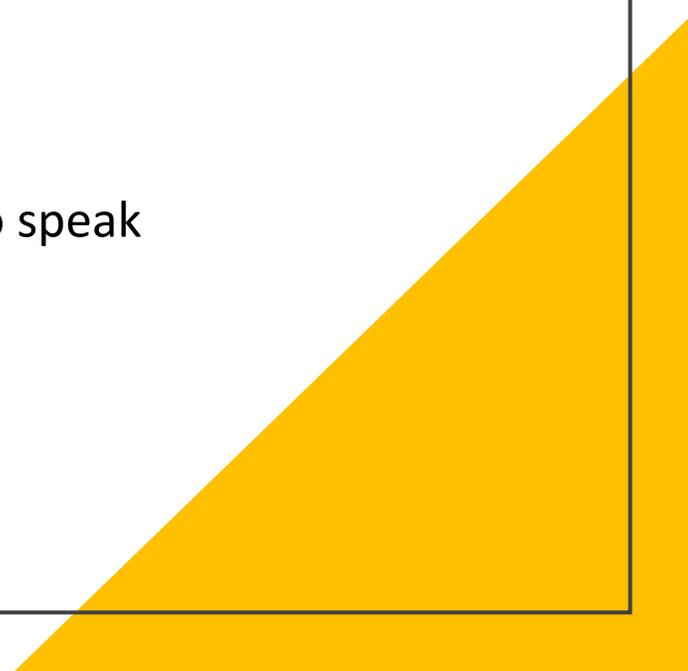




Thinking of impact on others

- [Agony and ivory: Japan removes street piano after disruptive performances | Japan | The Guardian](#)
- Street pianos removed after players did not show good manners
- City officials said too many had exceeded the 10-minute limit on renditions – with one man reportedly playing for an hour – while others had broken rules on “singing loudly” or had played “at great volume”, even during station announcements, much to the irritation of some commuters.
- Picture: Kakogawa City Council

Collectivist nature of Japanese business

- Everyone needs to be consulted (see decision making and horensou)
 - Individual employees not empowered to make decisions
 - Individual performance related pay a relatively new concept
 - Everyone very conscious of impact on others-sometimes reticent to speak out-group think
 - Long working hours due to collectivist business practices
 - Inflexibility
- 
- A large yellow triangle is positioned in the bottom right corner of the slide, pointing towards the top right. It is partially cut off by the right edge of the slide.

Obligations, Favours, Duty

Pictures: Unknown, cropped by me to remove watermarks, Public domain, via Wikimedia Commons
Jorge from Brazil, CC BY 2.0 <<https://creativecommons.org/licenses/by/2.0>>, via Wikimedia Commons



Obligations and duty

A deliveryman in Kyoto lost the tip of his finger on the job but he continued with his delivery run due to a “sense of obligation and endurance instilled in much of the Japanese workforce”.

OUCH



FIGURE 1.1. COMMUNICATING



Low Context

Good communication is precise, simple, and clear. Messages are expressed and understood at face value. Repetition is appreciated if it helps clarify the communication.

High Context

Good communication is sophisticated, nuanced, and layered. Messages are both spoken and read between the lines. Messages are often implied but not plainly expressed.

Verbal Communication in Japan

- Body language cues and social cues important
- *Honne-Tatemae* acceptable
- Keep harmony-don't criticise openly

Read the air..

一言えば十分かる

Say one understand 10

Versus

Don't beat about the bush



How does 'high context' communication manifest?



They may avoid discussing certain things, especially awkward things.



They may assume you have understood subtle hints.



They may not always say 'no' directly and may use micro expressions.

Disagreeing- conflict management

- In Japan, direct disagreements unusual
- Deal with conflicts outside of meetings and public
- Use more indirect methods and context to communicate disagreement
- European countries vary but can be 'confrontational' and are more likely to debate and question/disagree directly.

FIGURE 7.1. DISAGREEING



Confrontational

Disagreement and debate is positive for the team or organization. Open confrontation is appropriate and will not negatively impact the relationship.

Avoids confrontation

Disagreement and debate is negative for the team or organization. Open confrontation is inappropriate and will break group harmony or negatively impact the relationship.



Case study of Japanese MNE with European teams

European team members were doing weekly remote calls with Japanese team.

They (Europeans) wanted to debate and suggest (impossible) changes to aspects of the project during these meetings.

The Japanese stopped discussing certain aspects with them.

Leading-hierarchical

- Seniority is important in Japan
- Sempai-kohai relationships
- Honorific language and names (Japanese tend to use surnames plus 'san' and language is different depending on status.) [Japanese Name Enders: Honorifics Rules You Need to Know \(tofugu.com\)](#)
- Respect very important

FIGURE 4.1. LEADING

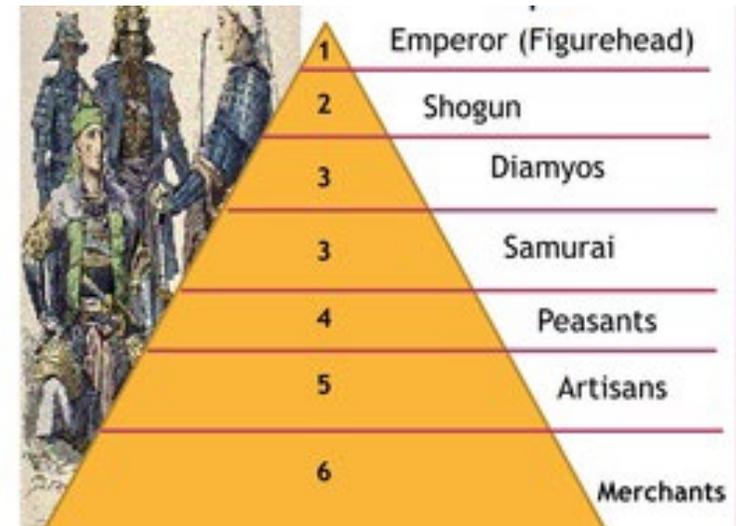
Denmark	Israel	Canada	US	France	Poland	China	Japan	
Netherlands		Finland	UK	Germany	Italy	Russia	India	Korea
Sweden	Australia			Brazil	Mexico	Peru	Saudi Arabia	Nigeria

Egalitarian

Hierarchical

Egalitarian The ideal distance between a boss and a subordinate is low. The best boss is a facilitator among equals. Organizational structures are flat. Communication often skips hierarchical lines.

Hierarchical The ideal distance between a boss and a subordinate is high. The best boss is a strict director who leads from the front. Status is important. Organizational structures are multi-layered and fixed. Communication follows set hierarchical lines.



Feedback in Japan

- Concept of 'positive feedback' individualistic
- Companies have not traditionally included individual feedback and targets within promotional paths

FIGURE 2.2. EVALUATING



Ho ren sou

Foundations of building trust in Japanese organisations and preferred methods of communication (feedback for boss and problem solving as a collective)

- Reporting
- Informing
- Consulting



FIGURE 5.3. DECIDING



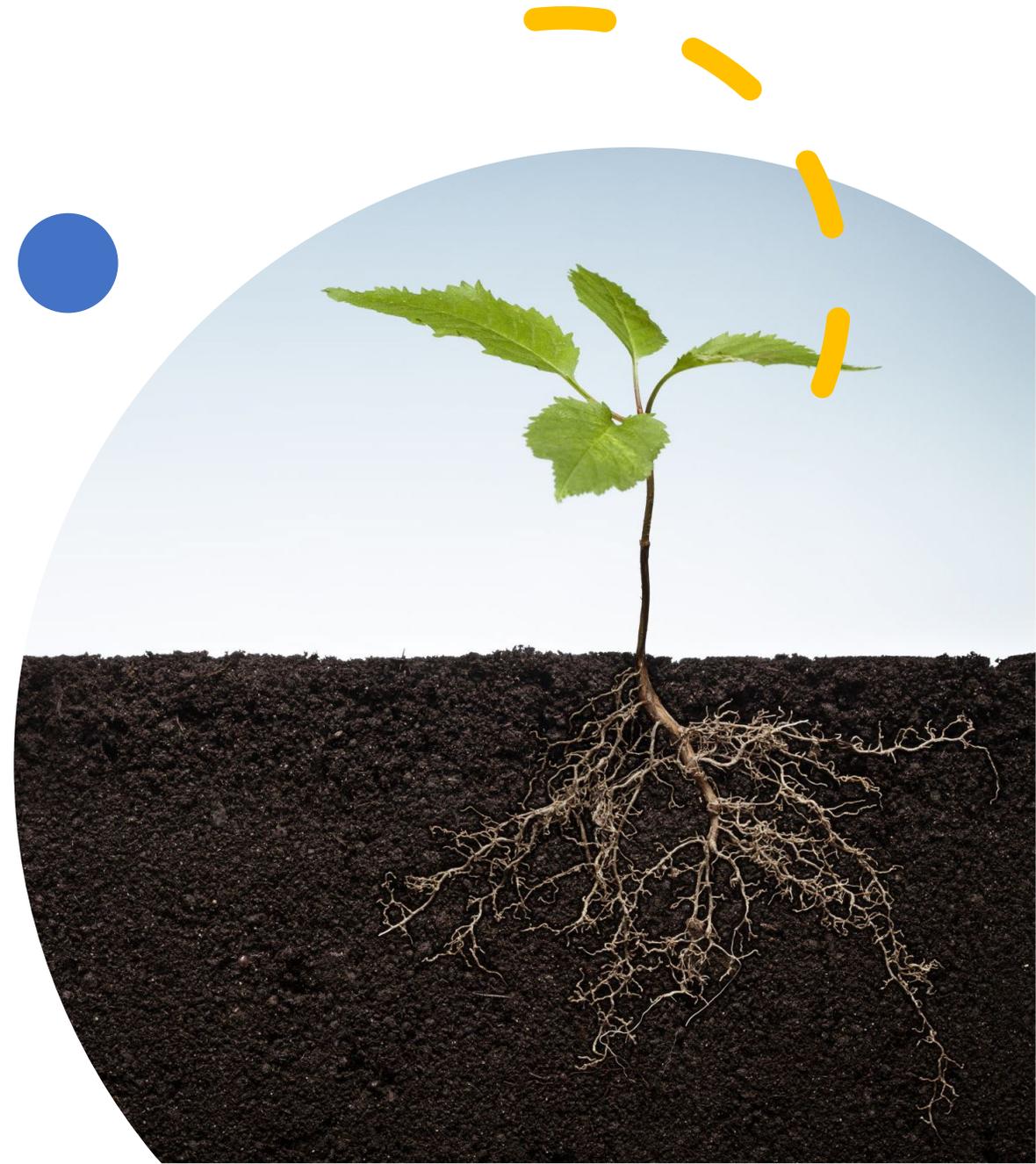
Decision making

- One of most Consensual systems in world (although can be top-down at higher levels of company)
- **Nemawashi**-An informal process of laying the foundation and building a consensus of opinion before making formal changes to any particular process or project. Emphasis on making sure everyone has 'buy in'.

Nemawashi

- It derives from a special technique of **uncovering the roots when transplanting trees**. Each portion of the root system is given individual attention, and readied for the transplant
- Successful application of *Nemawashi* allows changes to be carried out with the consent of all parties.
- In the corporate context, *nemawashi* means that each part of the organisation is listened to and its needs addressed-normally through 1:1 discussions and small meetings.

<https://mag.toyota.co.uk/nemawashi-toyota-production-system/>



Nemawashi

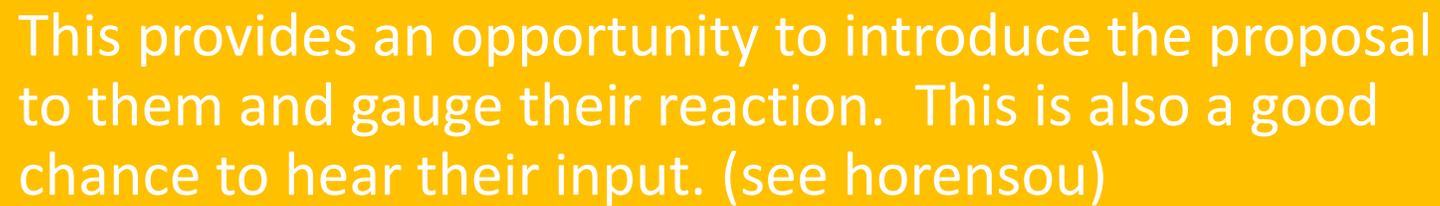
Small subsets of the participants discuss things prior to the meeting. Allows for more honest discussions than is possible in the larger meetings.



In Japan, high ranking people expect to be let in on new proposals prior to an official meeting and not to find out about something for the first time during the meeting



This provides an opportunity to introduce the proposal to them and gauge their reaction. This is also a good chance to hear their input. (see horensou)

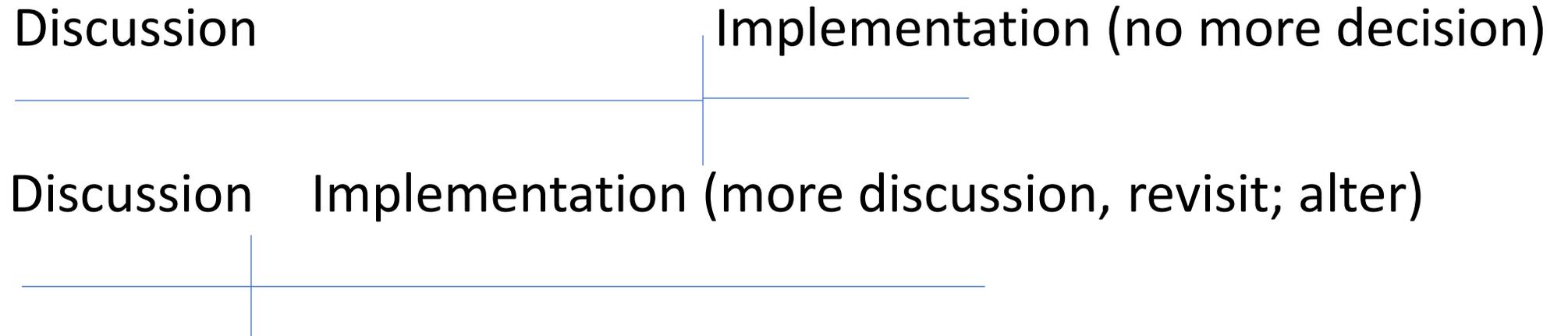




Ringi

- This is the mechanism for carrying out consensus-based decisions.
- The ringi document (normally created in October/November) will outline the case for the change or whatever needs approval. It is circulated and other staff need to put their personal stamp on the ringi document. No snap decisions are made as people have time to consider and no conflict.
- The originator of the ringi uses 'nemawashi' (small conversations/meetings with other people) to outline the case

Making Decisions: BIG D or little d



Impact of Japanese decision making

- Decision-making in Japan is much slower and more consensual than in Europe. These decisions are almost always made via HQ and sometimes need to go around various departments and through various approvals.
- Japanese companies will expect **lots of detail** and information from European partners in advance about the technology etc.
- Due diligence/approval can take a longer time than European start-ups are used to.
- Once approved, decisions in Japan can be harder to change but in Europe, there can be flexibility to change after initial decision is made.



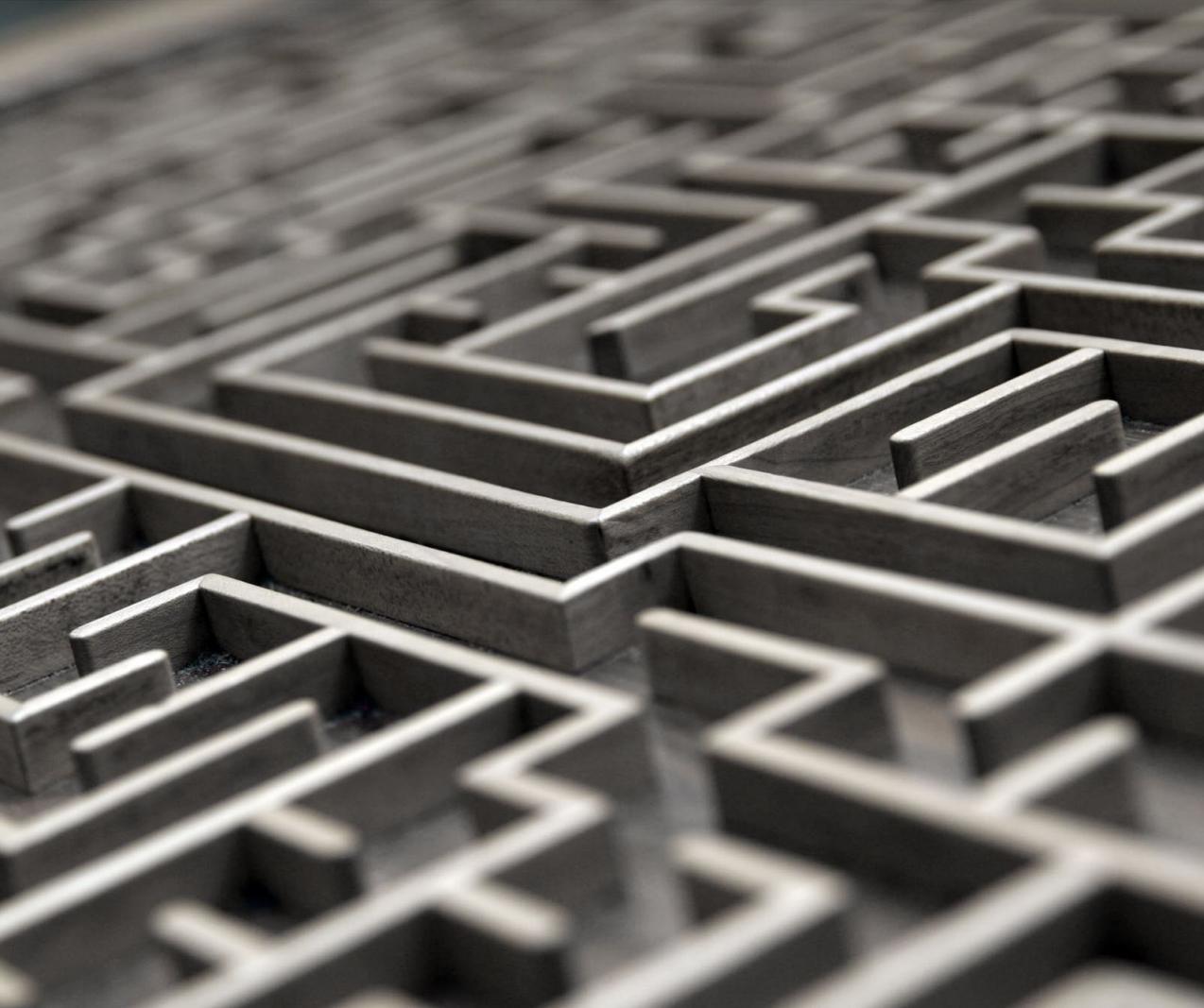
Don't try to be a lone wolf

What the Japanese think of 'Western' decision-making?

- We are seen as scarily unpredictable in our decision making, especially if it comes out of the blue.
- Unreliable/untrustworthy if done without any due processes and no 'horenso'.



Issues for foreign companies

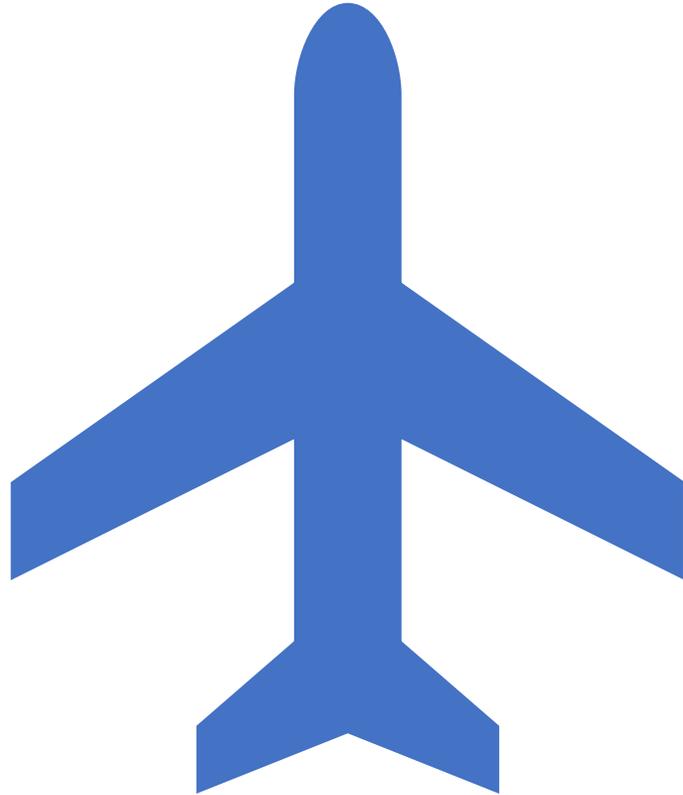


- Difficult to get involved in the nemawashi process.
- Once decision has been made, difficult to change
- The process can be slow and cumbersome-quick decisions can be difficult to make (unless it is a start-up or smaller company)

What does this mean for you?

- Try to understand when this process will start so you can get enough information over beforehand.
- Try to get involved informally (telephone or by talking) to understand the different outcomes of each stage before suggesting a meeting about it.
- Do horensou and copy everyone into emails for formal parts of this process.





Can I speed up the decision-making process?

- You **can't** change the nature of the nemawashi and you **can't** by-pass it (going into Japan and expecting quick decisions and pushing for them is not the best approach)

BUT you can build up trust with a company so that you are able to get involved in the process more easily and prevent blockers to your involvement (market visits, making a big effort to visit them and fix quality issues, meeting suppliers etc)

Link between Nemawashi and kaizen

- [What is kaizen and how does Toyota use it? - Toyota UK Magazine](#)
- Kaizen begins in the early designs of a production line and continues through its lifetime of use by a process of consensus known as *Nemawashi*
- [Nemawashi - Toyota Production System guide - Toyota UK Magazine](#)



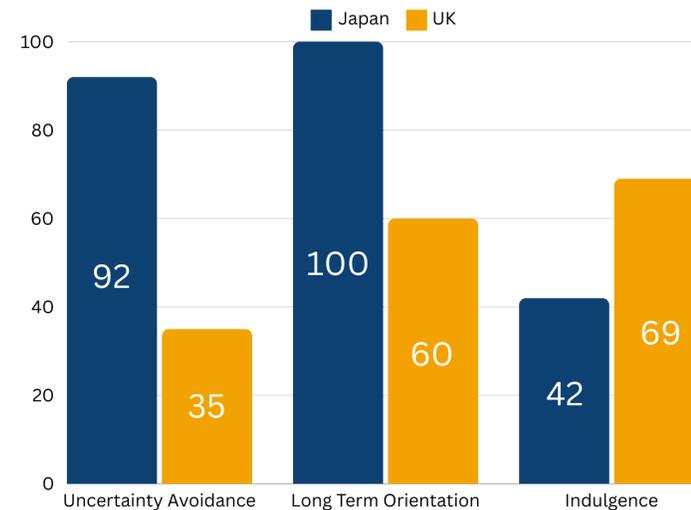
Long term nature of Japanese business

- Jobs for life mentality and relative financial security through keiretsu meant that companies could create long term plans and not just focus on short term ROI
- Companies invest in R&D even in recessions
- Companies have been bailed out or merged with competitors-not allowed to go bankrupt



Long-term orientation of Japanese companies versus shorter term

- Japanese companies generally operate from long-term approach (as opposed to Anglo-Saxon shorter-term shareholder view).
- Long-term survival is more important than quick profits.
- This means that generally, Japanese business is risk-averse.



cultural analysis:

uncertainty avoidance



High uncertainty avoidance- long-term orientation

- Avoidance of **risk**
- Plan ahead (long-term plans)
- Need to check everything over (details) and find root of mistakes
- Never say 'I don't know...'
- Lack of flexibility within system



Detail orientation

- Japanese people are just amazingly detail-oriented. Their penchant for detail affects not just product quality, but how many color variations are offered and even how easy packages are to open.
- [Japan's sense of excellence lies in its attention to every detail. Meeting expectations here means we can offer products that can be popular around the world. / The Asahi Shimbun Advertising Division / The Asahi Shimbun Advertising Division:朝日新聞社メディア事業本部 - 広告朝日](#)

ハーブはヨーロッパに多く存在し、その多くは食用可能なハーブです。ハーブは自然の恵みであるイギリスでは、ハーブとフルーツを使用したコーディアルが、最近の飲み物として再び人気を博しています。ハーブ・フルーツ・コーディアルは、ヨーロッパ産の原料を使用し、天然素材・香料・着色料・保存料を使用していない、新鮮なイギリス産ソフトドリンクです。

毎日飲むと健康が保てるコーディアルで、どうぞ毎日のひとときをお楽しみください。



楽しみ方はいろいろ



Detail Orientation



有機 エルダーフラワー 有機 シンジャー 有機 ラズベリー&ローズ 有機 レモン 有機 アップル&ジンジャー 有機 ライム&レモングラス

ハーブ&フルーツドリンク コーディアル

コーディアルは、ハーブやフルーツのエキスを抽出した、希釈タイプのソフトドリンクです。

合成甘味料・着色料・香料・保存料 無添加

有機 エルダーフラワー

自社の農場で手摘みされた有機エルダーフラワーを丁寧に抽出し、有機レモン果汁と有機きび砂糖、天然水で仕上げました。マスカットに似た、繊細で香り高い味わいが特徴です。

10倍希釈

石くからヨーロッパは美容や健康の薬箱と呼ばれ、民間療法に用いられ、皮膚病を治すために発汗作用を促し、粘膜炎やアレルギーの方や風邪の味

有機 ジンジャー

爽やかな辛みを活かすため、香料ではなく生の有機ジンジャーを加圧調理器を使い抽出しています。香り豊かなジンジャーに、有機レモン果汁と有機きび砂糖、天然水を加え、爽やかな味わいに仕上げました。

10倍希釈

イギリスでは、スパイシーな香りと風味で昔から非常に人気の高いハーブです。血行を良くして体を温めるということはもちろん、胃液の分泌を促進させて消化機能を助けたり、優れた殺菌力により食中毒や食後不眠に効果を発揮するといわれています。

ラズベリー&ローズ

ラズベリーを丸ごと絞り、バラの花びらのエキスと合わせ、きび砂糖、天然水で仕上げています。絶妙なバラの香気とラズベリーの甘酸っぱさを味わえる豊かな風味のコーディアルです。

7倍希釈

仏名：フランボワーズ。ビタミンCやポリフェノール類が豊富に含まれています。そして、香り成分ラズベリクトンは、脂肪の分解を促進させる効果があるとされています。また、クレオパトラが愛したというローズの華やかな香りも、気持ちを高め、明るく前向きな気持ちを感じさせます。

アップル&ジンジャー

イギリス産のアップルジュースにジンジャー水を加えました。さらに、シナモンとカルダモンを加えることにより、香り豊かに仕上げた逸品です。ホットドリンクとの相性も抜群です。

8倍希釈

イギリスでは、「一日一握のりんごで医者いらす」ということわざがあるほど、アップルには体に良い栄養素がたっぷり詰まっています。また、ジンジャーの主成分である、辛味成分のジンゲロン、ショウガオールは血行を良くして、体を温めると言われています。

ライム&レモングラス

爽やかな酸味と豆味のライムジュースにオリエンタルな香りが広がるレモングラス水を加えました。清涼感のあるサッパリとした香りと味わいは、リフレッシュには最適なコーディアルです。

8倍希釈

ライムは、クエン酸が豊富で、爽やかな香りとほのかな苦み特徴です。また、レモングラスは、爽やかなレモンのような香りが特徴のハーブです。胃の動きを活発にして消化を促すとも言われ、食後のハーブティーにも活用されます。

コーディアルの楽しみ方

- 7~10倍に薄めて…
- 水で割って、シンプルに。
 - 炭酸水で割って、さっぱりと。
 - お湯で割って、ホットドリンクとして。

シロップとして…

- ホットティーやアイスティーの甘みづけ、香りづけに。
- ジンやワイン、スパークリングワインなどのお酒とあわせてカクテルに。
- アイスクリームやヨーグルトなどのデザートに。

■価格表

商品番号	品名	内容量	C/S入数	総額		JANコード	単品サイズ 高×幅×奥行(cm)	ケースサイズ 高×幅×奥行(cm)	賞味期間
				本体価格	税別				
111950	有機コーディアル エルダーフラワー	500ml	6	1,575	1,500	4 903024 119504	6.5×29×6.5	20×30×13	6.1 18ヵ月
111951	有機コーディアル ジンジャー	500ml	6	1,575	1,500	4 903024 119511	6.5×29×6.5	20×30×13	6.1 18ヵ月
111955	コーディアル ラズベリー&ローズ	500ml	6	1,575	1,500	4 903024 119559	6.5×29×6.5	20×30×13	6.1 18ヵ月

イギリス産



Detail Orientation

Intense need for detail before making decisions

Everything is noticed and double checked

You can supply detail explicitly (in contrast to communication)



How this impacts you

- You will be asked for endless detail (this can be a good sign) before they will even consider passing the information on.
- You could be asked for the same information two or three times (this could be a sign that they want 'different' information)
- Frustrating and time consuming.
- Can make you feel like you are not trusted

Innovation and Entrepreneurialism- underdeveloped but opening up

- Japan-innovation has traditionally been driven by high levels of loyalty within Japanese corporations (similar to families).
- Japanese mind set towards failure (risk averse and conformity) is often quoted as a reason why start-up culture has not been historically active.
- Japanese managerial processes are very slow. Start ups need to make flexible and fast decisions.
- Under-developed start-up eco systems-risk averse investment environment.

Hirasaka M, Kusaka Y, Brogan J. Japanese style management in eras of change: new management model. SN Bus Econ. 2021;1(6):85. doi: 10.1007/s43546-021-00087-0 Epub 2021 May 28. PMID: 34778833; PMCID: PMC8160409.

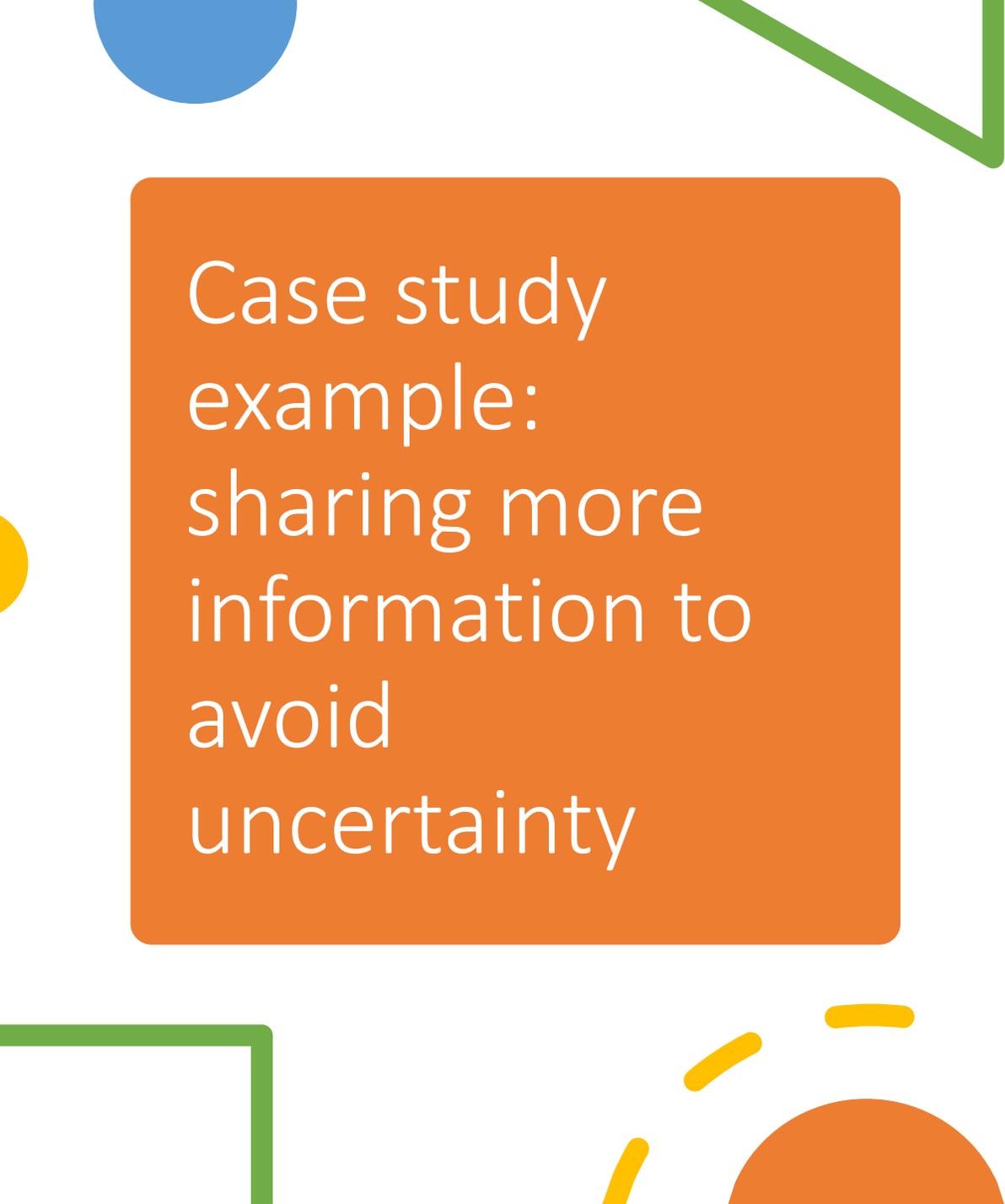
Mitigating
risk aversion:
Start-ups
collaborating
with larger
Japanese
companies

The nature of a European start-up (shorter history, unproven track record) can mean that they may be seen as a risky prospect for the Japanese.

For the European side: they need to show they are trust-worthy and as risk-averse as possible.

Tip: Supply certainty by providing solutions and engage in lots of information-sharing.





Case study
example:
sharing more
information to
avoid
uncertainty

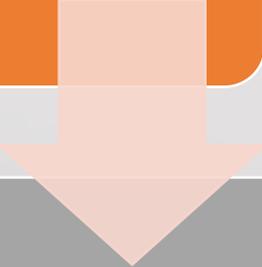
We (EWI) worked with a large Japanese MNE (with Japanese team and British team on-line) who were experiencing communication issues. The Japanese HQ were asking the UK (research based) members for results. The UK delegates said they 'did not know', as the nature of their work was research.

- The 'real' problem was that the Japanese were **avoiding uncertainty** and wanted more confirmations on time-lines and information sharing, especially for them to share with their colleagues in Japan (consensual decision-making). They interpreted '*I don't know*' as vague and inconclusive so they kept asking, causing frustrations.

Solution: the teams set up 'real time' information-sharing on research progress and more regular, shorter meetings, that alleviated the stress and made it seem less risky.

Differences in business processes

Japanese business is more process-driven, rules-based and inflexible compared to European business processes.

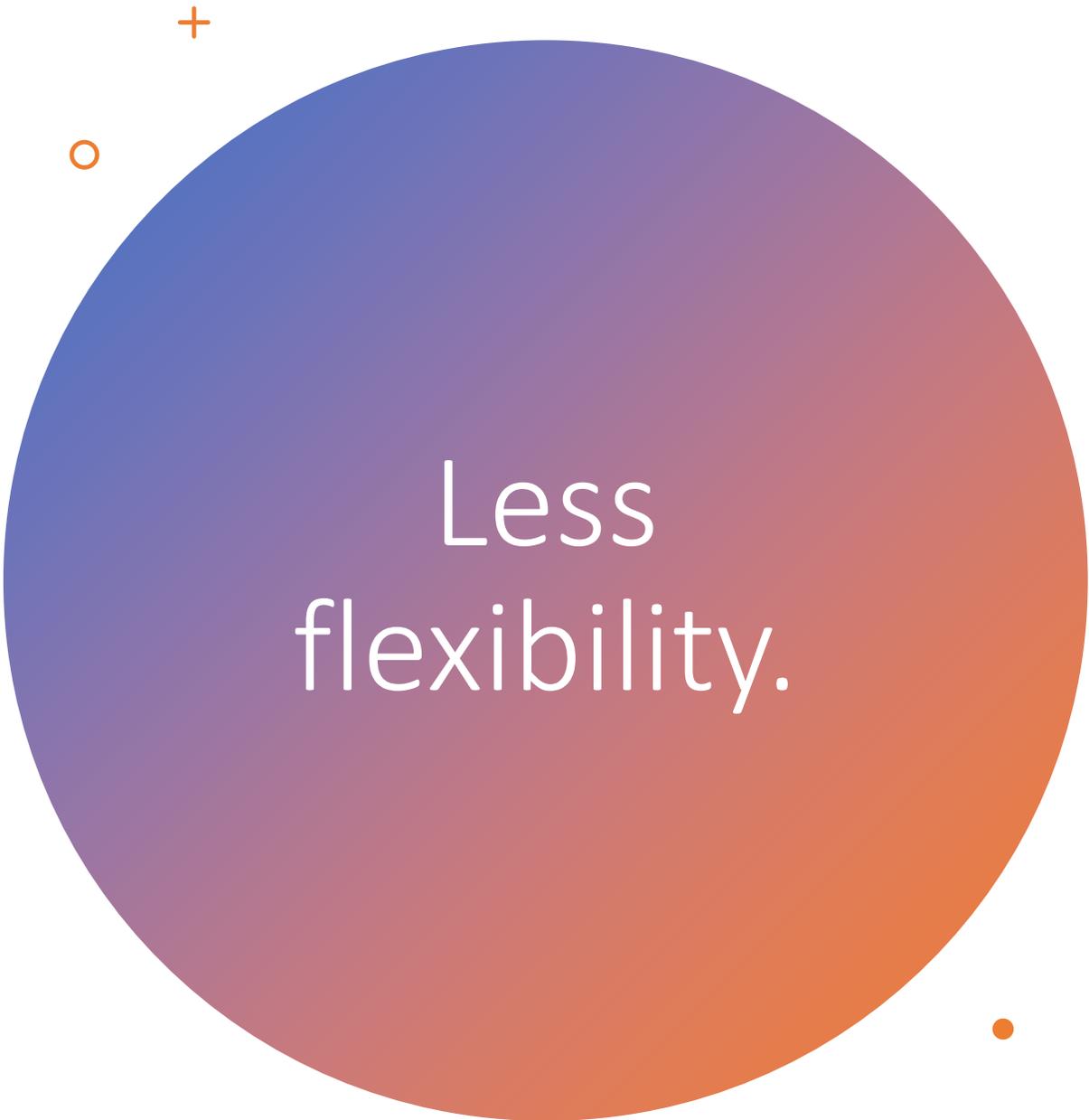


European business is more **'tekitou'** and flexible (especially start-ups).

Case study example: unreliable company

We (EWI) worked with a UK company who had established a relationship with Toyota (scientific research on throughput technologies) through careful relationship building of a former Japanese representative. After a while, the orders stopped. Why?

- COMMUNICATIONS were unreliable (Toyota had asked the scientist in the UK for updates on project delivery dates, which never came or were missed.)
- Requests for **improvement plans** were ignored.
- Staff in the UK changed constantly.
- The Japanese representative was not given the correct information.
- The UK staff were unable to read the 'hints' from the Japanese that they were unhappy



Less
flexibility.

- The consensual nature of decision making alongside the high uncertainty avoidance and long-term orientation means that there can be less **flexibility** within Japanese business systems and change can be hard to implement.
- <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/a-more-effective-model-for-managing-change-in-japan-could-accelerate-economic-growth>

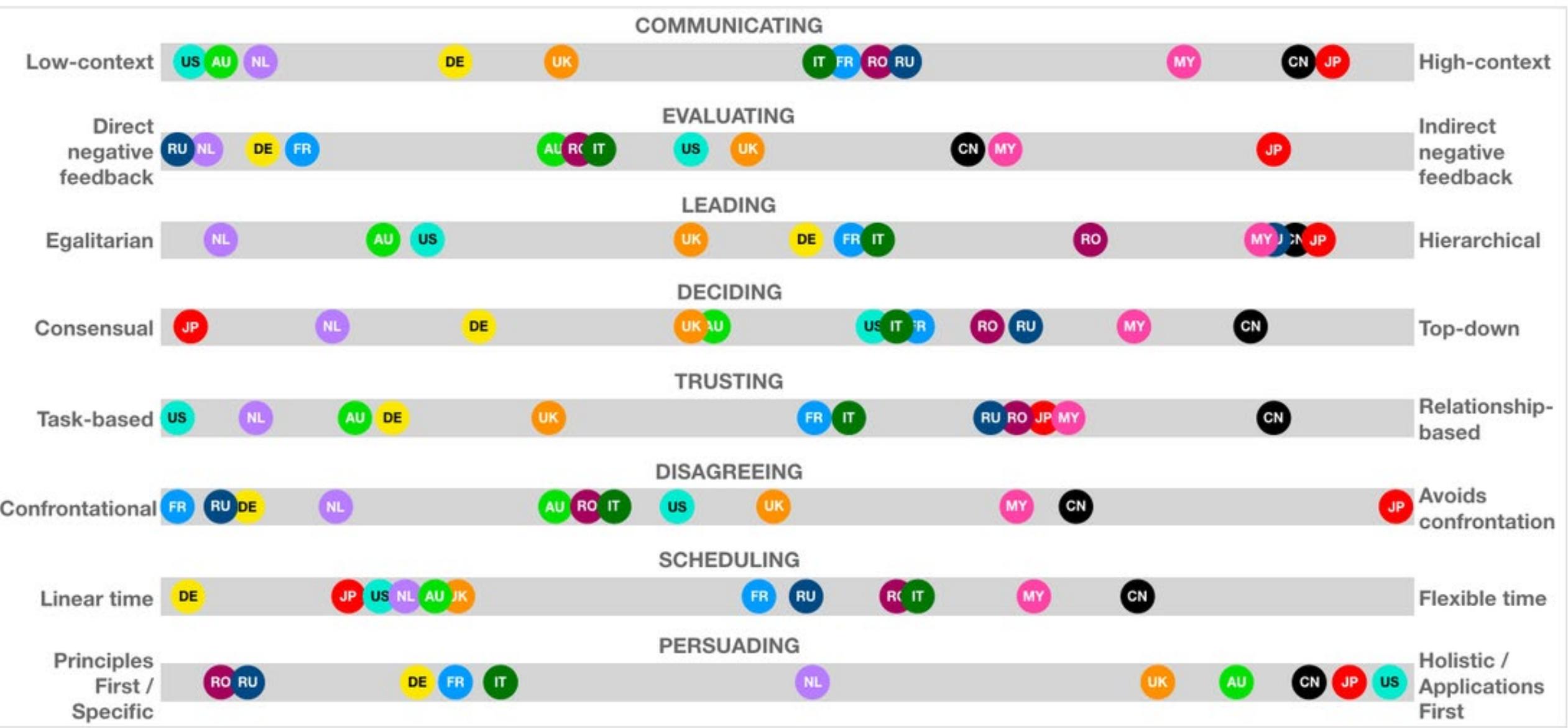
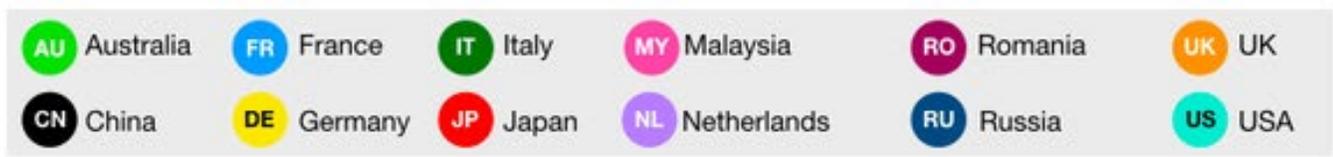
Persuasion

Concept first - start with concept, setting parameters, explaining argument. People want to understand **why** they are being asked to do something.

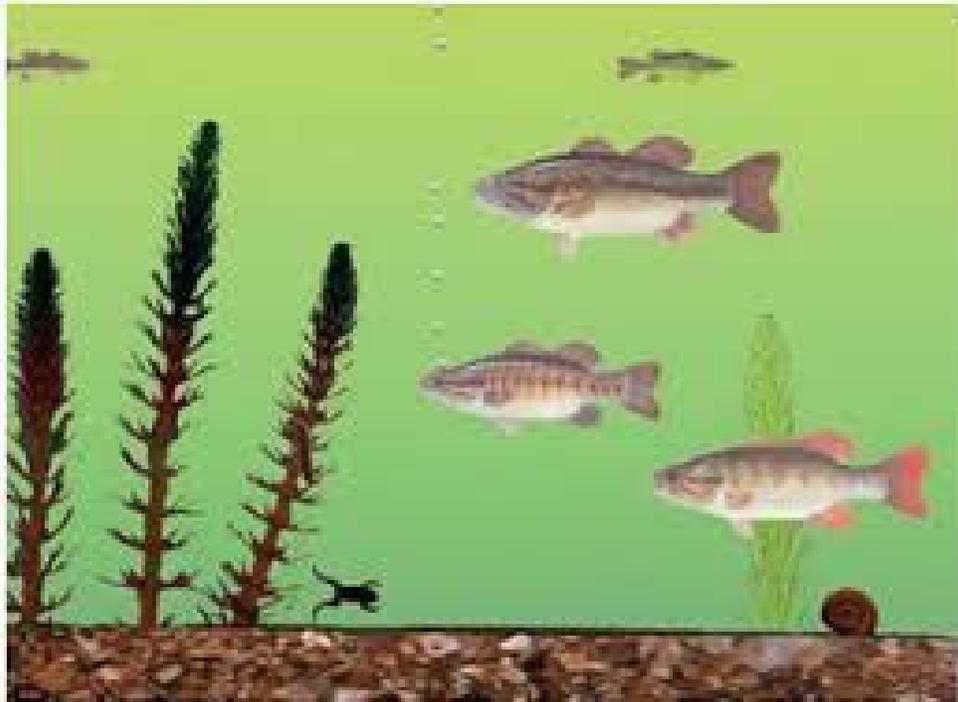
Applications first - conclusions are reached based on observations with examples of **how** it works.



Management Styles Across Different Cultures



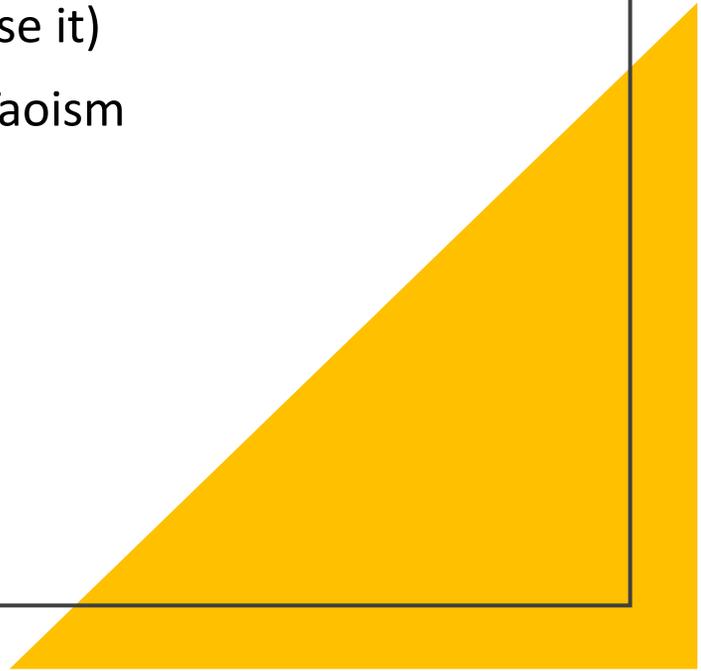
What do you see? (taken from Erin Meyer's The Culture Map)??





Holistic versus Western interpretation

- Aristotle (you can remove an item from environment and analyse it)
- Buddhism, Confucianism & Taoism sees universe as working harmoniously.



The Asian Cultures

Holistic thought patterns
(big picture) versus
western specific
approach

It may seem to
Westerners that they
are discussing 'non
connected' issues before
getting to the point.

They may think that
Westerners are ignoring
significant
interdependencies.

Presentations

Japanese style presentations:

- Focus on detail over dynamism
- Can be very lengthy
- Not always focussed on interactivity.
- Reading out slides
- DATA, DATA, DATA
- Not specific



Get to the point.

Scheduling

- Time-keeping important
- Agendas are important
- Change to plans can be problematic
- Things generally done by the book-lack of flexibility
- Japanese expect prompt responses
- [Japanese worker punished for starting break 3 minutes early](#)

FIGURE 8.1. SCHEDULING



Building Trust

FIGURE 6.1. TRUSTING



Task-based Trust is built through business-related activities. Work relationships are built and dropped easily, based on the practicality of the situation. You do good work consistently, you are reliable, I enjoy working with you, I trust you.

Relationship-based Trust is built through sharing meals, evening drinks, and visits at coffee machine. Work relationships build up slowly over the long term. I've seen who you are at a deep level, I've shared personal time with you, I know others well who trust you, I trust you.

- Japanese business based on relationships and fixed networks (keiretsu).
- American business based on ability to complete task-business is business. Easy to move in and out of networks.

'Relationship' approach in Japan.

- B2B prefer to use Facebook
- Marketing is more relationship based
- Long term approach on business –they want to get to know your business.
- Sometimes, preference over keeping existing suppliers/ maintaining relationships over best price (remember keiretsu).



Relationship based selling/PR

Cold calling (low context) does not always work in Japan. Having a relationship and/or introduction works best

Watch your sales pitch-Japanese sales-people spend a long time building up relationships without even mentioning the sale.

Do not use a 'one size fits all' approach

Nomunication-nomikai: Bonding through process of drinking

- Since many firms in Japan lack formal evaluation systems for employees, managers also use *nomikai* sessions to assess their staff from a variety of perspectives. How do they interact with other employees? Are they team players? What talents, personality traits and flaws do they reveal? How well do they relate to their superiors? Used within company training.
- In business settings, the purpose of *nomikai* (drinking meets) is to help build closer relationships between clients
- Dying out in some companies due to impact on women



Invest in relationships- based approach

1. Make time to socialise when opportunities arise (time to discuss outside of the formal deal/negotiations). If you are invited to dinner, say yes. Hosts normally pay.
2. Look for personal connections
3. Show an interest in Japan-find out cultural context and tell them how much you know about Japan (**they love this**)
4. Look into their existing business models carefully-do they have existing partners within keiretsu



**JAPAN INTERNATIONAL
AEROSPACE EXHIBITION
2018 TOKYO**
国際航空宇宙展2018東京

Scheduled **November 28 (Wed.) to 30 (Fri.) 2018**
Venue **Tokyo Big Sight (Japan International Exhibition Center) East Hall 7,8**
Organized **The Society of Japanese Aerospace Companies (SJAC)**
Tokyo Big Sight Inc.
Special Cooperation **Tokyo Metropolitan Government**



Visit us on **STAND 7317**
28-30th November 2018 at Tokyo Big Sight

PR Case Study- Relationship based/trust building approach

- We successfully did the PR materials for an Aerospace company at a trade show.
- We-created PR materials with not just hard facts about the company but also with a **story** behind it with link to roots.
- We put a **personal message from the CEO on it** and a link to Japan connections
- The feedback from the Japanese participants was really positive.

Example of text
on flyer for
exhibition-
establishing
trust and
interest in Japan

“I have been honoured to have done business with the Japanese for many years and our company has been a trusted supplier to Japanese customers for over 10 years. We have taken inspiration from Japanese manufacturing processes and have embedded these deeply into our processes. **We pride ourselves on our continuous improvement of all our processes and supply chain and our ‘zero defects’ quality promise.** We hold regular staff trainings within our Lean Six Sigma Program with 2 black belts and 30 green belts over the whole group and we have established a kaizen room in one of our factories. **We have also organised seminars on ‘Working with the Japanese’ to deepen our understanding and we presented at an event hosted by the Japan Society in the UK to share our experiences of Japan. ”**

Representing yourself on materials/website etc

- **Reputation**-they like to see you have a good reputation/correct standards etc
- **History/Reliability** (risk averse) (highlight on all PR materials links to universities, awards, sustainable qualities).
- **Contacts**-make sure they can get in touch with you and it is clear on website.
- **Mitigate the language issue-get** important documents translated and keep other communications in Global English.

Partner relationships=trust

- Japanese have long-term relationships with clients/partners (sometimes part of same company network)
- Clients are expected to behave within certain expectations of delivery, performance, reliability and **quality**.
- They find it difficult to deal with Western clients without same relationship-sometimes intermediaries are necessary



Partner expectations

- Japanese companies expect partners to behave within certain expectations of delivery, performance, reliability and **quality**.

Kaizen (*Continuous Improvement*)

5 Principles

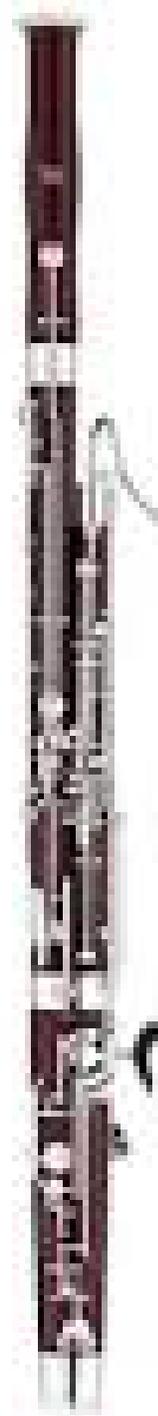


Kaizen-taking something and improving it

- [Japan's Neapolitan Pizza Might Now Be Better Than Italy's – Robb Report](#)



Custom



Kaizen impact upon working with Japanese companies

Japanese partners expect high levels of detail and notice all mistakes

Japanese partners expect mistakes to be rectified by understanding root cause

Japanese partners expect **high quality** and for you to be ready to rectify mistakes in software/products at no extra cost-as part of service.

Japanese partners like to see how processes are being followed

Case study example

- An aerospace company I worked with operated to 'zero defects' policy with the understanding that this covered a small margin of defect goods.
- After shipping to Japan, they received an email from the Japanese customer, who had meticulously checked the quality upon arrival and reported that there were in fact defects and expected some form of compensation.



General tips for European organisations to manage collaborative relationship

Explain not only the technology but also the business model and clarify what you can & can't do (how does it benefit the Japanese organisation)

It will be easier to persuade the head office in Japan if there are concrete examples such as actual data and results of what was implemented with other companies (if these can be disclosed).

Be patient with decision-making process and supply enough information (be ready to move quickly though once due diligence has been done).

Understand pain points and provide structured solutions-
reduce **unexpected** changes.

What distributors/partners may expect from you

- **Detail!!!** (origins of ingredients, supply chain production process, traceability and quality control, samples).
- **Quality**-they may want to visit you and your facilities and the whole supply chain. They may request product alterations suitable for Japanese market at expense of exporter.
- May expect you to be 'on the ground in Japan' with research facilities there or a representative office.



Networking and meeting businesses

- Have business cards ready.
- Use Japanese surnames plus san unless they tell you a different name.
- Make notes from every meeting (not on business card). Try to pick up on any explicit cues and information they give you about their business needs.
- Don't push for 'closing the deal'.
- Don't over-estimate their level of English and understanding-**use interpreters wisely.**



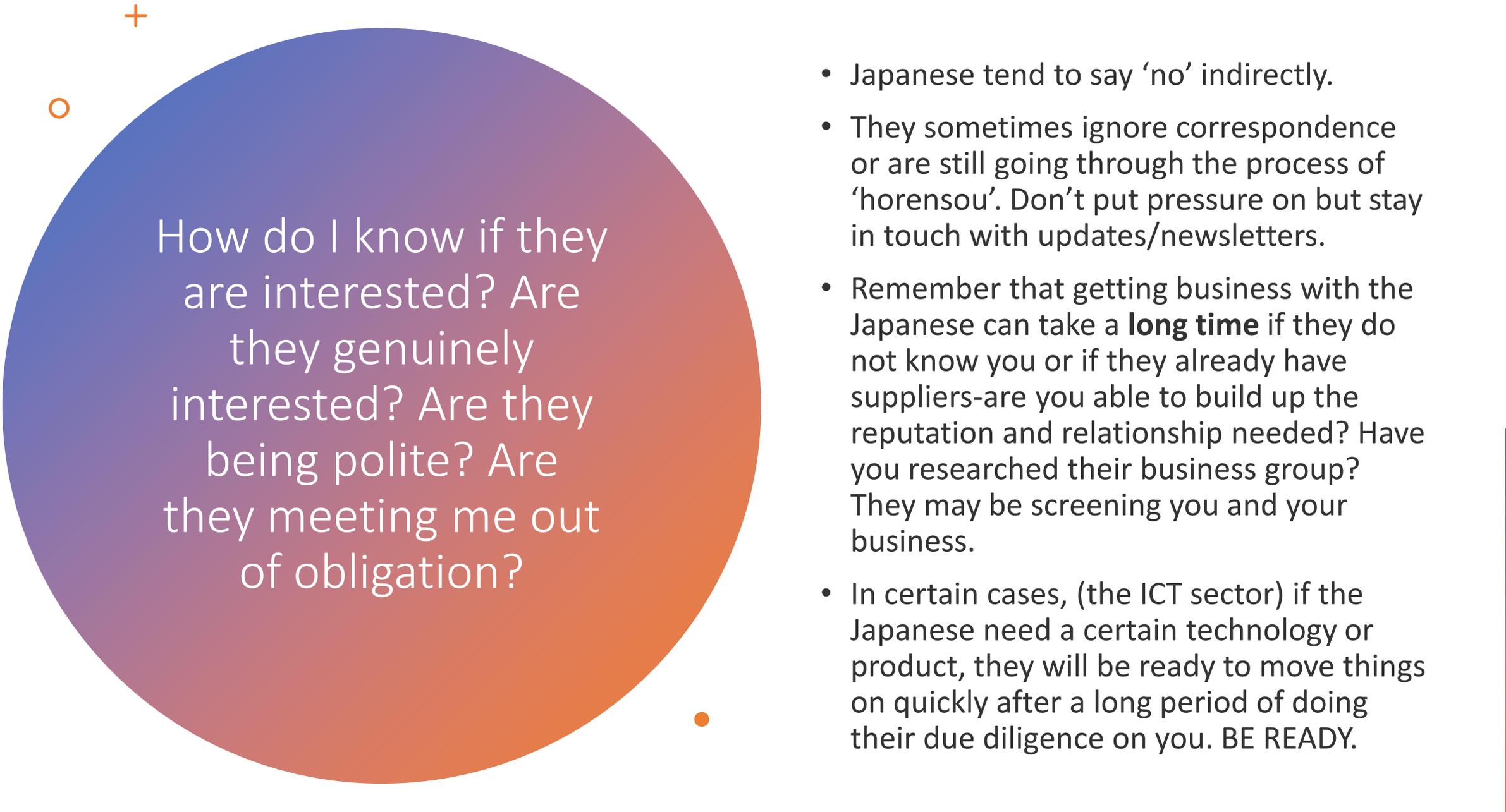
Approach

- Approach from a standpoint of '**continuous improvement**' or 'fitting into processes' rather than 'having the best end-product that they really need'.
- When pitching, prepare DETAIL and technical specifications.
- Avoid humour and idiomatic language.
- Make sure you include bigger picture too if needed.

Follow up-getting feedback

- Follow up with an email (formal is better). Ask if you can supply any further information including important details/big picture.
- Don't be scared of asking for direct feedback on specifics but do not expect immediate decisions and do not put pressure on with direct 'do you want to do business'.
- Read the air!





How do I know if they are interested? Are they genuinely interested? Are they being polite? Are they meeting me out of obligation?

- Japanese tend to say 'no' indirectly.
- They sometimes ignore correspondence or are still going through the process of 'horensou'. Don't put pressure on but stay in touch with updates/newsletters.
- Remember that getting business with the Japanese can take a **long time** if they do not know you or if they already have suppliers-are you able to build up the reputation and relationship needed? Have you researched their business group? They may be screening you and your business.
- In certain cases, (the ICT sector) if the Japanese need a certain technology or product, they will be ready to move things on quickly after a long period of doing their due diligence on you. BE READY.

Getting to right decision maker

- Japanese normally won't include the 'big boss' in initial business negotiations.
- Some 'middle management' can be a blocker-some have no autonomy.
- They will need extensive information/detail to take part in horensou and escalate it higher. They may need to meet you again and again
- Consider alternative approaches (through UK based companies, through intermediary, through partnership with established company)

Negotiation Process

- [Negotiation Process | EU-Japan](#)
- More consensus based
- More relationship based-pre negotiation stage important
- May bring in more people
- Not usually win lose approach but you need to build up relationship.
- Don't focus on price and avoid Western style approach (going in high and expecting bargaining down/concessions)





Introduction to
Japanese Meeting and
Greeting Etiquette

Meeting & Greeting

- Bowing is the normal greeting between Japanese but hand shakes sometimes used for non-Japanese
- Follow the lead
- Generally, no hugging or kissing



Japanese attitude towards meetings

Meeting about a meeting about a meeting about a meeting.....

Decisions are not normally made in formal meetings but through **nemawashi** and **horensou**.

Little flexibility in meetings for changing direction/individual decisions

Meeting etiquette: Who sits where?

- Rank/status defining really
Business cards can be useful but normally our ranks are totally different to theirs anyway.
- Follow the lead





Meeting tips

- Make sure you send agenda/powerpoints already translated in advance
- Make sure Japanese have opportunity to discuss
- Avoid **debate** as much as possible-don't expect direct decisions
- Avoid native conversations and going away from the agenda (**aim and frame questions**)
- Supply visual points for discussion

Based on experiential research done by EWI within Canon Medical Systems Corporation and Canon Medical Research Europe.



DEAN DATRE
GENERAL MANAGER
UNINTERRUPTIBLE POWER SUPPLY (UPS) DIVISION

MITSUBISHI E
530 KEYSTONE D
WARRENDALE, P
Phone: (724) 778-3
Email: dean.datre@



ディーン・デイトリー
ジェネラル マネージャー
UNINTERRUPTIBLE POWER SUPPLY (UPS) 事業部

三菱電機パワープロダクツ インク
MITSUBISHI ELECTRIC POWER PRODUCTS, INC.
530 KEYSTONE DRIVE
WARRENDALE, PA 15086, USA
Phone: (724) 778-3165 Fax: (724) 778-3146
Email: dean.datre@meppi.com Home Page: www.meppi.com

Business Card Etiquette

- Business card exchange is important for Japanese people to define rank
- Don't overthink it!
- Treat cards given to you with respect
- Get your names translated **professionally** into katakana if you can.

Addressing people in Japan

- Japanese people use suffixes on names to show correct level of respect.
- Most common suffix is **san**.
- Other suffixes include sama, kun and chan
- Sensei is for teachers, lecturers and doctors

<https://www.tofugu.com/japanese/name-enders/>

Useful phrase:

よろしくお願ひします
Yoroshiku Onegai Shimasu

I'm looking forward to having
good relationships with you

Please treat me well

Nice to meet you



- 3 minutes 30 seconds into video

Useful
phrase

「お疲れさまでした」

Otsukaresama deshita



Thank you. Any questions?

www.eastwestinterface.com

Contact details:

sarah@eastwestinterface.com

+44 (0) 7769296794

Please do connect on [Linkedin](#)