

Hi everyone.

I'm in Nagano this week.

Nagano is in Japan, in the mountains.

I am not here doing business.

I am here as a parent volunteer on my son's school ski trip.

But I've done plenty of business here.

Or tried and failed to.

Like most outsiders to Japan, I have had to learn the hard way how to do business in Japan.

It's a market unlike any other in the world.

Here are some of my tips for doing business with Japanese companies.

Or bringing products into the Japanese market.

Hopefully, you will benefit from the advice and have an easier time than I did.

Japan is one of the world's most uniquely difficult markets.

## **WHY IS JAPAN SO DIFFERENT?**

You can ask anyone who has tried to do business with Japanese companies or otherwise enter the Japanese market.

They will say the Japanese marketplace is different than any other place of doing business in the world.

Even for those whose careers are to take products globally and to localize services and products for a living.

They will tell you.

Japan is a market with unique expectations and requirements.

It is actually typical, at least in consumer hardware, to develop one product just for Japan and another for the rest of the world.

Why is this?

Industry experts will tell you that it has a lot to do with the fact that Japan was a closed society for so long.

Japan was an isolated society for all intents and purposes from the early 1600s to the middle 1800s.

The reverberations from the isolated culture that resulted from those old policies echo even today.

Most of today's business policies in Japan were honed during this period.

That's part of the reason why Japanese' cultural identity is among the strongest in the world.

Maybe even the strongest.

That's why you so often end up having to start from scratch with a product for Japan.

The Japanese aesthetic requirements are extremely demanding.

They want everything to be perfect.

This includes design, user interface - even packaging.

Don't resist it.

Resistance is futile, to use an old saying we Americans use.

It's better to accept it and accommodate.

## **PATIENCE**

You can't just enter the Japanese market, take your chances and get out.

It doesn't work that way.

This market requires time.

A lot of time.

And long term commitment.

Japanese customers take a long time to develop trust in you and your products.

Also, there is constant fine tuning.

In overall use, design, business methods, all of it.

And of course - as I've mentioned - presentation and aesthetics is everything.

And I mean everything!

Japan costs money and it takes time, there's no avoiding it.

If you can't invest both, don't go into Japan.

That's a lesson I learned the hard way.

## **MANNERS**

Americans are brash and can appear rude to most Asians.

The Chinese, of course, are extremely polite and etiquette-minded.

The Japanese are even more so.

From business cards to social interactions to the gifts you must buy your would-be Japanese partners.

What would be described as good manners anywhere else are strict social codes in Japan.

The Japanese are known to be particularly unforgiving of mistakes.

Many Americans who have tried to do business in Japan have discovered this.

One mistake can kill a deal, and you may not realize you've even made it.

The only clue that you've committed a deal-killing mistake is silence.

The deal simply will not progress if you've embarrassed a Japanese person or group in any way.

There is no allowance for being informal or not knowing.

If you go to do business in Japan, I suggest you research Japanese etiquette.

Even if you think you know it cold.

And always, always, hire a translator.

## **INDIVIDUALISM VERSUS COLLECTIVISM**

As in mainland China, there's a distinct focus in Japan on the group versus the individual.

If you praise a person on a Japanese team versus the whole team, that's a serious mistake.

It just isn't done.

Anything you say or do that makes one person stand out will embarrass them and kill your deal.

Remember that all decisions, after all, are made by the entire group, from the highest ranked person down to the lowest.

## **HIERARCHY**

The status of any individual Japanese person is always clearly defined and communicated.

Status and hierarchy are intensely important.

That's true in China, of course, but it's truer and more rigorously adhered to in Japan.

That's why the business card ritual is so important.

You must make sure your business card clearly defines who you are in relation to everyone else in your group.

It must clearly point out your place in the hierarchy.

If things are at all vague, you will make everyone uncomfortable.

This could lead to embarrassment, which will kill your deal.

It goes without saying to meticulously refer to everyone you meet as Miss or Mister.

You should also always add the honorific SAN.

Westerners frequently make the mistake of going to first names too quickly.

The Chinese are less likely to make this mistake but nevertheless, it pays to never go informal before your would-be Japanese business partner.

Even then, add SAN to their first name.

And don't forget to bow.

### **ta ta may**

This term, which refers both to policy and to image or facade, is one you need to understand.

You need to constantly cultivate your image or facade and that of your company and your product in order to establish the social harmony Japanese partners and customers demand.

This is why punctuality, politeness and personal appearance are so incredibly important in Japanese dealings.

They reveal your character.

Ta Ta May is especially important in product design.

It is the main reason why almost all the time you have to design a Japanese product all over again, from the ground up, to reflect the highest aesthetics.

In Japan, things need to give the best first impression and user experience possible.

### **GIFT GIVING**

Gift giving in Japan can be described in two words.

WRAPPED GIFTS.

Make that three words.

BEAUTIFULLY WRAPPED GIFTS.

Bring gifts to those you will meet more than once.

Don't worry about reciprocity in terms of price.

Unequal gift giving is fine, even preferred, because it's a sign the relationship will have to continue.

In July or August, remember to give a summer gift to all of your key partners in Japan.

Even maybe the whole department you work with.

In December you will be expected to participate in another gift exchange.

## **ENTERTAINMENT**

In Japan, as in all of Asia, after work entertainment is a big part of doing business.

This is one of the most forgiving periods in doing business with the Japanese.

It's OK to make mistakes during the entertainment portion of your business.

Have fun, enjoy yourself and try to make friends during this period.

## **FINAL THOUGHTS**

Doing business with Japanese, even for Asians, can be stressful, demanding and uncomfortable.

Japan is one of the most formal and regimented societies on Earth.

Westerners will have far more trouble than people from Hong Kong or mainland China, but don't let that make you too relaxed about doing business in Japan.

Think your cultural level of formal manners, multiply by 10 and you should be fine.

Review the etiquette.

Remember the present.

Be patient.

Mind the hierarchy.

Enjoy the fancy, overpriced, status-heavy hotel...because you will have earned it!

Your friend,

Gina Smith