

Interview with Sunil Kulkarni, CEO of Fidel Technologies

Mediating Between Japanese & Indian Entrepreneurs – the Experience of a Tokyo-Based Software Company Started by an Indian

By Japan SPOTLIGHT

Since the 1990s when Japan entered the so-called “lost decades”, the risk-averse attitude of Japanese business has been notable and many people think this is one of the primary reasons for Japan’s poor economic performance during the past 30 years. How to encourage entrepreneurship and risk-taking is now at the top of the agenda for Japanese industrial policy.

Indians, meanwhile, have a reputation for being more audacious. In India, start-ups are much more common than in Japan. Could collaboration between risk-taking Indian start-ups and Japanese SMEs work as a positive stimulus to Japanese business behavior, while also offering good business opportunities to Indians in the Japanese economy? The following interview with Indian entrepreneur Sunil Kulkarni is informative.

(Interviewed on Dec. 15, 2023)

Self-Introduction

JS: Could you give a brief self-introduction and tell us about Fidel Technologies Inc.

Kulkarni: Thank you. My name is Sunil Kulkarni. I represent Fidel Technologies which primarily focuses on delivering cutting edge technical solutions and services with the last mile delivery in local languages. Our focus is around Technology – Languages – People. So, for example, if you want to build up an e-commerce platform, you can go to any IT company and get it developed. But if you want an EC platform with everything in Hindi or Japanese, then clients would choose us as we understand both technology and languages. Since we work in languages and technology, we also do a lot of training for engineers in the Japanese language as well as in local Indian languages. Hence we are at the cross-section of language, technology and people.

When I came to Japan, I saw that Japan had made all this progress, while maintaining its culture and language. That is very important in countries like India or in ASEAN or Africa where the consumer or citizen wants technology driven services but in their own local languages. So there is a good intersection between technology and language.

JS: Could you give me a brief history of your company? In light of what you said, you have been in Japan for more than 20 years, so your experience in



Sunil Kulkarni

Japan must have led to your business.

Kulkarni: I came to Japan as an engineer in 1997. Initially I worked in Utsunomiya, a town to the north of Tokyo. Those days there were not many foreigners or people who spoke English there so I had to learn more Japanese and that experience was very crucial for me. After two years I moved back to Tokyo for work. I saw an opportunity for software development and saw that there was a need for engineering talent. So in 2001, I started this company “Fidel”. This comes from the Latin word “fides” which stands for faith, loyalty and trust, and I thought that was a good match for Japanese culture. I started with the idea of

bridging Japan and India with technology. But when I started doing IT services work, all specifications from the clients came in the Japanese language and hence we needed bilingual engineers. That motivated us to start training engineers in the Japanese language. From that we moved into language and technology consulting work. It is almost 20 years since then and now we have 45-50 members in Japan with around 200+ members in our India office. Our India company (Fidel Softech Ltd) went public on the NSE SME Exchange in India last year (2022). So we are one of the SME-based success stories, as we started in Japan and then did an IPO in India.

JS: What got you interested in language? You seem to speak very good Japanese – was that your starting point?

Kulkarni: I come from a city called Pune which is almost 200 kilometers off Mumbai (Bombay). Pune is known as the “Oxford of the East”, an education city. So a lot of cultural activities are always happening there. Pune University also has a foreign language department where they taught German, French, Russian, and Japanese. In those days, German was very fashionable due to the large number of German companies around Pune. But because everyone was speaking German, I thought I would do something different and thus chose the Japanese language. I just chose it for fun really as we were not aware that it would connect to our career in future. When you learn a language you learn about the culture, the people as well and that got me interested. I liked the culture as it felt close to India’s culture. My engineering degree together with the Japanese language skills helped me get my first job and my company sent me to Japan as a bilingual engineer in 1996.

JS: Was Japanese popular in the 1990s?

Kulkarni: After German and French, Japanese started picking up slowly. But these days there is a huge interest in India and a lot of young students are learning Japanese.

Japanese Entrepreneurship & Impact of Cooperation Between Indians & Japanese

JS: You successfully carried out an IPO last year. It is interesting that you started your business here but enjoyed success in India. Such entrepreneurship seems common in India but not in Japan. Why do you think this is?

Kulkarni: In the last three to five years, I have seen a lot of positive change in Japan, as Japanese youngsters are coming up with a lot of good ideas. They also prefer working as freelancers instead of working as an employee so that they can pursue different things. So when we go to job fairs or colleges, I see a lot of people interested asking about start-ups or entrepreneurship. There is a lot of entrepreneurship in Tokyo but I think we need to try and identify the problem that we are trying to solve – which is, “Who will benefit from this service or solution and who will pay for our service or solution?” These things need to be understood because otherwise you do something and it does not yield anything. So I see a lot of interest among entrepreneurs, but getting the mental shift or helping them with some kind of incubation needs to be done. A lot has changed since the early days. I also see young Japanese students visiting India and wanting to explore India. I think there is a good interest.

JS: If Japanese and Indians cooperate together, perhaps that entrepreneurship can be transplanted into young Japanese minds?

Kulkarni: Yes, very much. We request our clients to send their employees to India on internships or exchange programs, for example, for a few weeks in our office. This kind of two-to-six week internship shows them what kind of problems can be solved. Sometimes in Japan we take things for granted but going to other countries reveals that this is not always the case. In India everything is becoming digital now and digital payments are being adopted. Vegetable sellers can transact using mobile phones, tele-medicine is being adopted and so on. Some of these things have been developed with frugal engineering and hence can be deployed at low costs across different regions or prefectures. So this kind of exchange between Indian and Japanese youngsters would really help.

JS: Who should take the initiative in organizing such programs?

Kulkarni: Government should take the initiative of course and create new initiatives. There is already a healthy dialogue between Japan-India. On the other hand, the private sector can also play a vital role. Around 20 years ago Japanese companies would send their employees to the United States for an MBA; now they could send them to India or an ASEAN country to have some entrepreneurship experience.

JS: How could entrepreneurs contribute well to the economy? There must be lots of ways, one of which could be to have close relationships with big companies. In your case do you have any relations with such big companies in Japan or in India?

Kulkarni: Entrepreneurs definitely contribute to the economy by bringing in agility, new ideas and concepts. In my case, when I started business, I didn’t have any background in entrepreneurship or sales. So getting into big companies was difficult. But now we work with big firms in India as well as Japan and see a lot of interest in bigger firms as to how they can work with Fidel or working with start-ups from India. There’s a lot of interest in exchange with larger firms and technology start-ups in India.

JS: In that context, how crucial is your company to those big companies?

Kulkarni: As an SME and an entrepreneur, I think we are bringing a lot of flexibility and agility and speed. Japanese clients also are keen to understand from us as to what is happening in India. So every time when I go to India and I connect with different local entrepreneurs we make a small report and then I pass it to the Japanese companies. It could be about start-ups in manufacturing, or retail or pharma or food tech; everything is related to technology now. We try to get that information and then connect these local entrepreneurs with these bigger firms. Vice versa, every time we

have Japanese guests in India, we try to take them to local start-ups and introduce them. In these last few years there has been a lot of interest and a lot of dialogue happening. So companies like us can play a crucial role. One of our objectives is that there are 1,500 Japanese companies in India, and how can we make that up to 15,000? Or there are 40,000 Indians living in Japan today, and how can we raise this number up to 100,000? How can we connect Japan and India especially at the SME level or entrepreneurial level?

Achieving Friendship Between Indians & Japanese

JS: Indian culture and Japanese culture are very different and so not only language but also cultural understanding is very important. What would be the best way to achieve friendship between the two countries?

Kulkarni: As you mentioned there are so many differences, but I think we should also look at the similarities that we have. While retaining our differences, how can we leverage our similarities? Similarities could be respecting seniors and *senpai/kohai* culture or about working hard and so on. So from a cultural perspective there are similarities that can be leveraged and at the same time there are differences which could be leveraged as well. Indians are able to work with Asians as well as understand the Western mindset, so how can that be leveraged? We have a strength in English that helps us to leverage different technologies. So while retaining these differences, if we can strengthen our similarities, many things can be achieved.

JS: To achieve it both sides must be open-minded presumably?

Kulkarni: That is very important. Sometimes there is this tendency to expect conformity with the local working culture. That is of course important and when I am in Japan, I have to follow the Japanese work culture. But at the same time when I meet Japanese customers, they ask me what I think about their problems and I can bring a different perspective as a foreigner. Vice versa when Japanese companies visit us – they come with a different perspective, so having that open-mindedness is of course key.

JS: You are both an engineer and a language expert and you combine these two kinds of expertise for your business. Do you think this area has the highest potential for entrepreneurial cooperation between the two countries?

Kulkarni: Japan has a lot of technology and good capital resources and so leveraging these for, say, food technology or warehouse

management is one option, given the large amount of domestic business happening in India currently. There are new areas such as warehouse or logistics management where Japan has a lot of experience and a good amount of technology that can be taken or deployed.

So I think technology is one area but also food, logistics, pharma, and the service industry. There are a lot of industries that can be opened up between Japan and India. Manufacturing is another one in India as it has barely started with manufacturing and defense. Many Japanese companies were in China and while their first choice is now ASEAN, India is also a good destination for them.

I think there are a lot of other areas that can be explored. Domestic consumption in India is growing so there is a lot of retail growth and many Japanese companies are interested in tapping this consumer market. There is also a huge level of interest in biotech and pharma and Japan already has advanced technology in terms of automation and robotics; if that could be deployed in countries like India there is a huge potential. Tourism is also growing very fast. I see a lot of Indians visiting Japan. Previously Indians would go to Europe or Singapore but not many people were coming to Japan. However, in the last five years I'm seeing a lot more interest. Many Japanese people used to visit just Delhi or Jaipur but now they are flocking to Kerala or Tamil Nadu for temple tours or Ayurveda tours. A lot of tourism can be explored and is very much untapped. There are Japanese youngsters going to India and performing in India while staying there. Many Japanese are studying Indian instruments and similarly Indians are coming to Japan for studying with the aim of taking something back. There is a huge amount of interest, and so the question is how that will be scaled up. Entrepreneurs might come together and start new ventures in this area.

Impediments to Japanese Entrepreneurship

JS: I often hear about not only Indians but also Japanese entrepreneurs complaining about large companies' attitude towards them. Large companies in Japan tend not to pursue long-term relations with SMEs or entrepreneurs because they are very conservative and don't favor relations with companies that they don't know very well. Has this been the case for you in Japan?

Kulkarni: Yes and no. In Japan there is a lot of risk aversion, meaning big companies have their brand and name value to protect, and so many times I think the negation comes from that perspective. They don't want to risk that by working with an unknown company. I think as a start-up it is difficult to go into a bigger company. In the early days, we worked with smaller companies where the decision makers were the CEO or the founder. They are easier to work with and once we established some relations with them, then we tried to go to the bigger firms. These days the bigger firms also understand

that they have to move fast and that the market is changing. For an SME it is difficult to get into a big firm, understand the purchase department requirement or go through the documentation etc. So if bigger companies could relax their conditions while still working with start-up entrepreneurs, I think that could again increase the flow of new experimentation and so on.

JS: In Japan, some big companies such as Panasonic create a section where new products or start-up business can be developed. However, one aspect of risk-averse business behavior is that such a venture may appear to be entrepreneurial but is actually not, as it belongs to a larger company. How do you assess the situation for new entrepreneurs in Japan?

Kulkarni: I think if they actually spin out under a completely different name then it will accelerate things. If there's always the boundary of the bigger firm, that can prevent them from experimenting. But if it's a completely different entity, then they have more flexibility to work with different companies.

JS: Entrepreneurs in Japan are not independent, such as in Panasonic's case. While their products can be accepted, the independent entrepreneurs' new technology and new products may not necessarily be accepted, which creates friction between large companies and entrepreneurs. This would seem to be an impediment to start-ups in Japan becoming bigger and achieving success.

Kulkarni: I think it would be advantageous if Japanese entrepreneurs would try to envision a broader market share. If I was trying to develop a coffee business in Japan today, then sooner or later I might bump into the likes of Doutor or Tully's and so on. But if I have a Chai tea business, there could be less competition. So if an entrepreneur thinks from a different perspective, they can scale much faster before the bigger firms notice them. Today Japanese entrepreneurs can also think about whether they can solve a particular problem beyond Japan, such as that of the aging society. I think bigger Japanese firms might not perceive this as a conflict, rather they will complement it. A bigger Japanese firm will be more motivated to acquire or invest in such a smaller venture because they cannot do it themselves.

JS: In my understanding this hurdle in Japan might stem from the fact that in Japan there's no system for assessment of new technologies or businesses. Assessment of human resources is important but that doesn't exist in Japan and this could be the reason why entrepreneurship is not so developed in Japan.

Kulkarni: Yes, if you are an alumnus of Tokyo University or you are ex-big company then great, but if you are not then there is no history or if no one knows you then it's very difficult. I sometimes see the Tokyo government coming out with some programs. I don't know how effective they are but I do think there are some programs coming up where people can pitch their ideas.

Japan is a mature society and all systems are working so there is less incentive in taking a risk. Even if I work as a part-time worker, one can make a decent living.

Japanese Culture in General

JS: How do you find working with Japanese people based on your experience? You mentioned Japanese modesty and politeness, but are there other traits that you value or find less desirable?

Kulkarni: Going out in the evening together for a *nomikai* or *shinnenkai* – I like that part of Japanese culture because it brings the team together, brings the partners and clients together. It brings members together. So every now and then I have a meeting with my old colleagues in the evening and I think that's a unique part of Japanese culture. I like the politeness and modesty. Another aspect is that if there is an issue, first check in your own area whether you are incorrect. I think that's a very good aspect of the culture.

On the other hand, not being able to try out new things means not being able to take risks or explore new things. I think sometimes that makes me feel frustrated. This isn't a negative feature but now we are moving to a more knowledge-based society and because of this pandemic there are a lot of changes in work culture. So having that flexibility and agility in workplace or business will be needed going forward. These days I see some clients insisting that employees have to be present at the office at 8:30 sharp, and young Japanese employees or engineers from foreign countries don't like that style. They favor a more performance-based management and if they can perform within that and can provide results, that's what counts. Further with AI and new technologies impact, we will see a shift and will have to adapt to new business models.

JS: What do you think needs to be done to expand business relations between Japan and India?

Kulkarni: More collaboration between SMEs and entrepreneurs will certainly expedite the business relations. When I talk to entrepreneurs or start-ups in India, they want things to move very fast and their tendency is to focus more on the US market because the US teams will take decisions very fast or try out something very quickly, whereas in Japan the sales cycle with big firms is long. So if there is more collaboration at start-ups or SME levels, then it will expand business relations much faster. With SMEs, I think more speed in terms of decision-making and communication can happen.

We also need to bridge the companies for the differences. Indian companies are also investing in getting their engineers trained in the Japanese language or focus more on detailed documentation while interacting with Japanese firms. The big Japanese companies are already investing in India, but I think not enough is happening at the SME level. There are more than 10,000 companies in, say, Thailand or China, but there are still 1,500 companies in India. This increase in business needs to happen at the grassroots level. In Pune there was recently a “*konichiwa* event” where we tried to showcase Indian start-ups and Indian companies and the Japanese interest was very high. In this way we are trying to create awareness in India about Japan and Japanese culture.

JS: You mentioned the food business as one area with potential, as well as yoga and exercise. Indian food is very popular here but is Japanese food popular in India as well?

Kulkarni: It is becoming more popular now. A lot of people are now becoming health conscious in India. There’s a lot of educational awareness about the healthiness of Japanese food. In cities like Pune also there are a lot of small restaurants or small places where Japanese food is tailored to the Indian style – and there is a lot of interest in India now about Japanese food. There is huge potential for food business and food-related businesses. A lot of Japanese delicacies can be brought to India and vice versa.

In India, while many people are moving into cities and getting into technology, there are also a lot of people trained in technology who are going back to the villages and experimenting with technology and agriculture – thanks to the remote working culture post pandemic. JAGRI (Japan Agri-Innovation) is trying to build some new products that are healthy for us. There could be small entrepreneurs coming from different towns or different regions in Japan working together with India to explore new products. Food presents an amazing opportunity. In India there was also the culture of going out and exploring different cuisines. There’s a lot of experimentation and fusion happening in Indo-Japanese kind of fusion food. Coco Ichibanya is now opening Japanese curry restaurants in India. Initially people didn’t think it would be popular, but it’s now full of repeaters and new customers and opening new branches all the time.

JS: When it comes to expanding the tourism business in Japan, food might be the key given the popularity of Japanese food all over the world – not only authentic Japanese cuisine but also coffee shops and bread and so on.

Kulkarni: A lot of Indians are coming to Japan and they don’t know that there are many vegetarian options in Japanese food also. We are also trying to create awareness in India that in Japan there is an

availability of vegetarian options, excellent coffee shops, bakeries and bread options. I think in the next four or five years we will see a big explosion of Indian tourists in Japan.

JS: There are not so many vegan restaurants in Japan yet and that’s perhaps the reason why not so many Indians come to work in Japan. Would you agree with that?

Kulkarni: That is one reason but in Japan if you actually go and try to find somewhere, there are places where they will serve a lot of vegetarian options. One can also request to customize the food options and remove the meat etc. So a lot of awareness about food options needs to be built. At the same time, as you go into the more regional areas, sometimes it becomes difficult to find something vegetarian near a hot spring resort, for example. So eventually as the small business owners notice the increase in Indian tourists, a lot of vegetarian options will start to appear.

Future Business Plans

JS: Could you let me know about your future business plans and your ambitions for your business?

Kulkarni: In the coming years we want to establish our company firmly as a connector between Japan and India. As you know there is a huge push for manufacturing in India and India needs to build its manufacturing base, so we want to promote Japanese technology and see how we can set up manufacturing companies in India and bring these technologies to India. This will involve bridging the language part and training people according to Japanese standards. I think in the coming years we want to play a strong role in increasing the 1,500 Japanese companies to 15,000 in India. Similarly, how can we train a few thousand Indians in the Japanese language and technology and introduce them to Japan – not just to Tokyo but to the regions where there is a greater need for the same. Regional manufacturing companies also are keen to adopt and implement new technologies, but don’t have partners or engineers who are willing to go to the rural areas. Hence, we will bring in engineers and will need to train them for that purpose. Our consulting team is working on the same so the coming decade is full of opportunity. **JS**

Written with the cooperation of Joel Challender who is a translator, interpreter, researcher and writer specializing in Japanese disaster preparedness.