

An American Trader in Japan

By Laurel Delaney

I have been asked to share my experience as an American doing business in Japan. In 1985, I founded Global TradeSource, Ltd., a Chicago-based company specializing in sourcing and exporting ornately packaged, high-quality and reasonably priced American specialty foods such as boxed chocolates, cookies, crackers and snacks. We have successfully exported food products to Japan for over eight years.

I have often been asked why I chose to concentrate my efforts on marketing food products to a country that seems to have so many export barriers, especially as an American woman. First of all, I like a challenge! More importantly, I realized early on that Japan offered enormous market potential. Accepting the challenge of trading in Japan has brought me recognition and respect as a global player, as well as an impressive sales record. Many people think I must have had uncommonly good luck to sell my products in Japan during these times of tense trade relations, but, frankly, luck had very little to do with it. Doing business in Japan takes tremendous amounts of perseverance, diplomacy, listening, learning and using your head! Here's how it happened for me.

It took me nearly two years to make my first sale in Japan. I started off with careful research to determine Japanese consumer needs. Mitsui Bussan, a Japanese company with a branch office in Chicago, was instrumental in helping me target my sales efforts. Working together, we learned about the growing consumer demand for fashionable and Westernized food products with an upscale image. The demand for specialty foods remains steady throughout the year, in addition to the predictable surge during key holiday and gift-giving seasons. We also found that Japanese consumers are increasingly eager to sample new products that are clearly differentiated from existing market goods, and that cater to a variety of tastes. So we had excellent reason to believe that our

products would do wonderfully in the Japanese marketplace.

But it takes more than a promising product for an American to trade successfully in Japan. Most of us need to re-think everything we've learned about doing business. Before I founded Global TradeSource, I worked for a small manufacturing company with a committed export department. There I learned the basics of exporting and had my first encounter with a Japanese businessman, Naito Jiro. I was very much impressed with his long-range business perspective. Jiro was gentle but relentless in his attention to detail and sincerely dedicated to the cultivation of our business relationship. Years later, we remain good friends—and his cross-cultural lessons are as vital as ever.

Harvesting relationships

In America, profits are the name of the game. All too often our objective is to lure a customer and sell them anything we can and as fast as we can. Our motto seems to be here today, gone tomorrow. In Japan you can't operate that way. Prospective business associates must get to know one another and establish trust, understanding and respect. Japan isn't the place for overnight success—sales and profits will happen only much further down the road, perhaps even years later. The Japanese view their business partnerships as here today and here forever. When you set out to make business contacts in Japan, you must think of it as analogous to cultivating a garden: in time and after much care good things will begin to grow.

My first approach to Mitsui Company, Chicago is a prime example of the dedication required to sell in the Japanese marketplace. I was proceeding on the recommendation of one of the dozens of how-to-export guides I'd been digging through, which claimed that a good way to tap into a foreign market was to contact a local company

with foreign headquarters. For an American producer it's like selling to a local company because you also get paid by them—plus the foreign office takes responsibility for finding customers and delivering the product. It sounded like a smart and easy way to get a foothold in a foreign market, however, I soon found out it wasn't as easy as it sounded.

I phoned Mitsui and asked to speak to the manager of the food division. A woman answered the phone, and I began my pitch—that I had a line of quality cookies manufactured here in Chicago that would do just great in Japan, and that Mitsui was well-positioned to help me in terms of contacts and marketing. Here luck was on my side: I had found a friendly and receptive listener in Linda Rosario, who patched me right through to Mr. Joe Miyama, the general manager of the food division.

I was a bit startled when Mr. Miyama answered his own phone. Call it naive enthusiasm or an utter lack of professionalism, but I hadn't taken time to rehearse my pitch on the quality packaged cookies called Maurice Lenell which I was hoping to export. Following initial confusion on the brand; becoming rattled upon learning that I was going up against a major industry player, Pepperidge Farm owned by Campbell Soup Company for which Mitsui was the exclusive agent; promising to read *The Chrysanthemum and the Sword* within a week; and saying that I had plans to visit Japan in the near future, we set up our first meeting and the rest is history.

You better believe I had my pitch properly rehearsed this time around! I did read the book and I came prepared for an intelligent discussion, at least, about travel in Japan. I can't remember how I managed to convince Mr. Miyama that Maurice Lenell cookies were better than Pepperidge Farm, but it must have worked, because we exported



Laurel Delaney working booth at Chicago Gift Show, February 1994

this line shortly thereafter. I was terrified. But the rewards I gained by hanging in there and following through were immeasurable. Mitsui Corporation and Global TradeSource, Ltd., formed a winning, symbiotic relationship. Together we've brought a wide range of American food products, including snacks and frozen cheesecakes as well as cookies, to Japan.

Guidelines to success

This story showed the flexibility, fast thinking, persistence and courtesy it took just to get my foot in the door. But even after years of successful sales, the job of maintaining and cultivating business relationships is as important as ever. Since founding my company, I have made annual trips to Japan to meet face-to-face with my customers, most of whom are importing wholesalers of specialty food products. These personal meetings have given me a privileged glimpse into Japanese culture, an inside look at the local distribution system (it's

less complicated than you think), and a chance to visit retail food stores to see what's moving and why.

I keep in mind at all times that I am there to listen and learn. It is very rare that a customer will write up an order during my visit, and I don't expect it. I concentrate on finding out their needs and doing my best to serve them in any way I can. I focus on the process, not the results. This may fly in the face of everything we learn as American businesspeople, but in Japan, it's how results happen. Here are some guidelines for increasing your chances of success in the Japanese marketplace:

- Establish a relationship with patience, understanding, compassion, perseverance and dedication. Keep a long-range view.

- Remember *giri ninjo*, a fundamental commitment that holds Japanese society together. *Giri* means obligation, and *ninjo* is the deep feeling between two people who will do virtually anything to help each other.

- Be humble in your approach. Let the quality of your product and the professionalism of your manner speak for you.

- Don't hesitate to give more than you receive while building a relationship, including information as well as professional assistance.

- Gear up for outstanding service. Focus on excellence in everything you do.

- Get your entire company involved in the export effort, from the janitor to the president. You'll need them at their best to help you deliver on the commitments you make.

- Be a gracious guest! Bring presents when you visit Japan. When you return to the States, write personal thank you notes to those who welcomed and cared for you.

- Be a gracious host, too. Take care of your Japanese associate when he or she visits you in America; arrange hotel accommodations, buy theatre tickets, provide transportation, and see that they arrive safe and sound wherever they need to go.

- Refuse to give up. Make your motto *akinai!*—which means "to not give up" in Japanese. If you're in it at all, you

must be in it for the long haul.

On the individual level

Up until now, I've been stressing the great potential in the Japanese market for those willing to learn a new set of principles for doing business. But it's only fair to acknowledge the serious tensions between the U.S. and Japan over the issue of trade. We have all watched the escalating war of words. Here in the States we have seen our government place tremendous pressure on Japan to open its market to more American goods (automobiles, computer accessories, telephone equipment, rice), while Japan tries to explain why it cannot. Neither side is budging: Japan will agree to some parts of our trade proposal, but not all, and the U.S. demands that its proposal be adopted on an all-or-nothing basis. Some American companies, like Motorola, are using the current trade impasse as an excuse for not performing better in the Japanese market. But at the same time, my small food export shop has been quietly and steadily selling products in Japan without the intervention of Bill or Hillary Clinton, Mickey Kantor, or the Japanese prime minister. Do we really need arduous government negotiations to establish a mutually beneficial balance of trade?

At present, I see an unbelievable lack of tolerance and understanding on both sides. Making vital policy decisions when you feel coerced and are anxious to save face is counterproductive. We all know things we agree to under pressure will only unravel and create a more serious problem later. If the U.S. and Japan would both practice some of the strategies I have outlined here at the level of individual business relationship, perhaps we could strengthen our bilateral relationship, improve our political relations and remove some of these persistent economic barriers. I do not believe that there will ever be a complete severance of trade between the United States and Japan, because we need each other to survive and grow. My company has done well by maintaining a solid base of personal relation-

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‘company person.’ ... in recent years with regard to this situation, although it goes without saying that a sense of fulfillment derived from work achievements is important, many people have reawakened to the importance of personal relationships with family and friends, as well as opportunities through hobbies and education.”

In order to promote the changes that will allow this type of escape from the “company person” mentality and allow youthful seniors to look forward to fruitful “golden years” the following measures, briefly summarized, will be needed.

First, on the administrative level, although retirement will basically be set

at 60, opportunities for employment should be maintained to the greatest extent in order to broadly achieve continued employment until 65 years of age. At the same time, creating varied job configurations for senior citizens who want to keep working past the age of 65 is necessary. Since it is predicted that the start of pension payments will be raised from the current 60 to 65 by around the year 2013, far-reaching measures are urgently required.

Next, on the corporate level, from the standpoint that it is a social responsibility for companies to play a role in promoting the social welfare of employees throughout their lives and creating a vital long-lived society, in addition to developing employment for older people, they should support self-reliance through shortened working hours while their employees are still working, increase long-term paid vacations, encourage participation in the community and leisure activities, and hold seminars on life planning and pre-retirement preparations, among other measures.

Third, on the individual level, in order to fully enjoy the long life cycle ahead it should be understood that life planning concepts are indis-

pensable and that a plan that encompasses life in its totality—health, finances, family, leisure, and interpersonal relationships—should be devised and implemented at an early stage before retirement. A shift from an overemphasis on work to a balanced lifestyle will result in increased independence and community consciousness.

It may take one or two generations before the “company person” can enjoy a happy retirement. However, signs of slight changes in perceptions have been detected.

In answer to several items regarding life-style satisfaction in a survey (released in March 1992) conducted by the Foundation of Senior Life Enrichment (a foundation under MHW jurisdiction) of 4,000 workers and retirees from their 30s to their 70s, 75% of the retirees answered that they were happy with their lives compared with the 61% of the currently employed group.

This kind of exceptional result in this sort of opinion survey is bad news for those who are currently employed, but is good news for retirees and younger employees who will follow after them. ■

Makino Takuji, former New York correspondent and editorial board member of the Yomiuri Shimbun, is a writer particularly active on subjects related to the middle-aged and older person in Japan.



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ships, and I am optimistic that companies on both sides of the Pacific can do the same.

Meanwhile, I have noticed some development over the years that actually makes it easier to do business in Japan. There are fewer layers in the distribution system, which enables more competitive pricing on our products; some previously banned American ingredients have been approved for import into Japan; and the government now accepts U.S. test data instead of having imports inspected after arrival in Japan—formerly a serious export risk. All these are significant marks of progress, and I believe that a long-term

easing of trade barriers is underway, whether it makes headlines or not.

I do not underestimate the challenge of trading in the Japanese market, but I cannot emphasize enough how personally and professionally rewarding it has been for me. I continue to view new products, consumer trends and marketing ideas with an eye to how they will work in Japan, and remind myself always of the unflagging efforts that will be required to keep a foothold for my company and its products in this bountiful but competitive territory. If you have the vision, dedication and courage to accept this challenge, I encourage you to begin cultivating a

“garden” of your own, so that you can harvest rich rewards in the years to come. ■

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