

Advice to Exporters (Part 3)

By Eguti Tateyuki

The Japan External Trade Organization (JETRO) has dispatched 31 JETRO "senior trade advisors" to trade promotion agencies of other industrial countries with the aim of increasing exports to Japan. With abundant expertise and trade experience, these specialists give local trading firms advice on exporting through seminars, visits to individual companies and introductions to Japanese importers. They also consult with in-place JETRO staff members regarding technical and strategic measures to help smooth trade. Eguti Tateyuki, who has resided in Michigan since December 1990, reports on his activities.

I am based in Michigan, a state bordering on the beautiful Great Lakes and blessed with lush greens, rich agriculture, an industrial economy and a population of 9.3 million. Detroit, located in the southeastern part of the state, has long been known as the mecca of the U.S. automobile industry. Although it ranks fifth among all states in volume of exports, in terms of Japan, it places 15th. As a member of a grass-roots organization, I have been working continuously for the expansion of exports to Japan's. This is not only for the sake of redressing the issue of the trade imbalance, but also because I truly feel that an increase in imports to Japan is a necessary step toward realizing the Japanese ideal of "affluence."

Resolve of top management is key

In the U.S., several aluminum die casting parts companies had competed to become the sole supplier to a transplanted Japanese factory. Amid cutthroat competition, the manager of one of the competing companies came to see me about the possibility of doing business with the Japanese plant. At that time, the advice I gave him was: "When doing business, Japanese companies are very concerned about how earnest the top management of

a potential business partner will be and how serious it is about long-term partnerships. Of course, quality, price and delivery services also have an impact, but the key lies in whether the chief executive officer (CEO) himself intends to sell his products. If you agree not to leave the negotiations to your subordinates and are willing to visit the Japanese firm with me, I would be happy to help you."

He answered with an enthusiastic "yes" and we flew from Michigan to Tennessee to negotiate. His zeal was well rewarded. The company was successful in signing a contract worth nearly \$2 million with this plant early this year, and is also scheduled to begin exporting parts to the head office in Japan in the fall. This case demonstrates how top management's enthusiasm has brought success to their business.

In January 1993, under the auspices of the American State Office Association (ASOA) and cosponsored by the Ministry of Industry and Trade and the Japan External Trade Organization, the American Parts Partnership Exposition '93 (APEX 93) mission visited Japan. Among those that took part were 12 car parts manufacturers from Michigan. Of the 12 companies, one has already received a sizable order for bumpers from a Japanese car manufacturer. This company went to Japan in April to present estimates and returned again in June. In expressing its wishes to further expand business with Japan, this company adopted a very positive attitude.

I think the secret to the company's success lies in the fact that from the president to the sales people, the entire staff worked together effectively to penetrate the Japanese market. I remember the company manager attending a seminar I lectured at last December. Undeterred by a heavy snow storm he sat through the entire three-hour program, enthusiastically participating in the discussion.

There are opposite cases also. Around the time APEX 93 was to be held, in the midst of our selection of companies that showed promise in the Japanese market, one company never responded to my scheduled appointments and left everything to the secretary despite my repeated



The author discusses preparations for showing American goods at the Tokyo International Furniture Trade Fair to be held in November with C.T. Knabask (left), CEO and president of the La-Z-Boy Chain Co., and Gary Konop, director of the Michigan Department of Commerce, International Office.

requests. The reason management would not meet me face to face was because it did not have confidence in APEX 93—the first convention of its kind in the automobile parts industry. Later, through newspaper and television reports, the president of the company learned of the great success of APEX 93 and decided to contact me. I still remember clearly what he said, "It looks like I have lost some very valuable time. I would definitely like to be included in the next program."

The 'Four Ps'

To the businessmen and readers of this magazine, I would like to emphasize: To participate in the Japanese market, you need the "Four Ps:" products, preparation, presence and patience. Among these four, I would say patience in particular is the most important. This is because penetration of the Japanese market depends very much on how much perseverance and patience top management has and whether or not it is able to wait for business opportunities to develop. Of course, among the success stories I have mentioned some had gone through repeated trials and mistakes before succeeding. Meanwhile, there are many companies whose hard work has yet to be rewarded.

Much to my excitement, Governor Engler's statement: "Let's promote exports to Japan to aim for an expansion in employment and a more active economy" has been a great encouragement to my activities. I shall also use the motto of "patience" in my continuous work in seeking to U.S. exports to Japan.