

Advice to Exporters (Part 4)

By Aizawa Toshio

The Japan External Trade Organization (JETRO) has dispatched 31 JETRO "senior trade advisors" to trade promotion agencies of other industrialized 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. Aizawa Toshio reports on his activities from the state of Minnesota, U.S.A.

The state where I have been posted, Minnesota, is located in the northwest region of the U.S. Midwest. With a population of about 4.5 million and about the same size as Honshu, it is blessed with a lush, green natural environment. Minnesota also has flourishing agricultural and livestock industries, ranking number six for the entire U.S. by production volume.

On the other hand, 3M and over 30 of the leading international Fortune 500 companies are located here and Japan ranks second to Canada in foreign trade with Minnesota. There are especially outstanding companies in the general industrial machinery, medical equipment, electronics, and other high-tech equipment sectors. The products from these sectors account for approximately 70% of the state's total foreign trade volume.

Around the time that I was first posted to this area, people had begun to pay attention to the urgent issue of worldwide environmental problems. I made it my top priority to search for promising products for Japan from the environmental equipment sector.

Fortunately, I discovered Harmony Enterprises, Inc., a manufacturer of scrap-crushing and compacting equip-

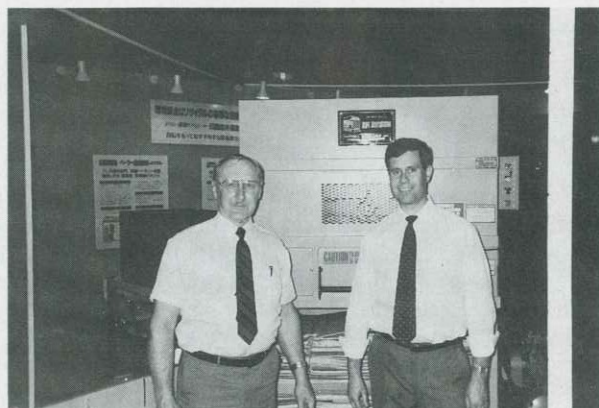
ment, and introduced the company to Nissho Iwai Industrial Machinery, Inc. (NIIM). During the time I was involved in the negotiating process between these two firms, Harmony dealt promptly with NIIM's requests for specification alterations and thanks to this NIIM obtained short-term import agency rights for a three-month period at the end of May, providing a firm order for two sample units. The purchase price for the samples was less than \$12,000, but once actual sales activities commence, annual sales of \$10 million are forecast.

This is a good example of success that was directly linked to an exporter's enthusiasm, but my experience has not been limited to success stories.

An overconfident exporter who takes the position that he is "doing the customer a favor" will run into difficulties when approaching Japan. A certain U.S. company's owner came to me with the following approach: "My company's equipment is excellent and sells well in the U.S. market. We have also exported to Southeast Asia. That being the case, our products will definitely sell in Japan, so I would like your cooperation." This type of businessperson does not have the flexibility to deal with changes required for the Japanese market and as a result just ends up making loud noises about "Japan's protectionist market." This certainly will not improve exports to Japan.

I believe that enthusiasm and patience are the keys to successful business in Japan. It is also a good idea to investigate the market in person.

Japanese consumers are definitely perfectionists so an excess of attention to even the smallest detail is needed. Foreign companies will need two and even three times the effort required for



Engineers from Harmony Enterprises, Inc., an environmental equipment manufacturer, display a packaging machine at the "Pack '93" trade fair in Osaka.

other markets to enter Japan's market.

However, it is also true on the other hand that once the Japanese market has been penetrated it is a market which is comparatively easy to continue doing business in afterward. This is because companies place heavy emphasis on trust in transactions with their partners and also customarily take the long view in their business dealings. Once a relationship of trust has been established between companies, it continues for a long time.

In the approximately four months since I was transferred here, various companies have come to me to discuss exporting to Japan and I have made it a rule to first introduce JETRO's import promotion work. JETRO's efforts are diverse and I advise these companies to select the methods most effective for them. Most of the people from these companies who heard my explanation were deeply impressed by the range of export assistance measures and told me that they had resolved to take on the challenge of the Japanese market.

When I hear businesspeople say, "JETRO really helped my business," it gives me a sense of personal satisfaction. I feel that it is really worthwhile to participate in JETRO's support activities and to encourage foreign company exports to Japan.