



AN AMERICAN TRADER IN JAPAN

BY LAUREL DELANEY

I have been asked by colleagues to share my experiences as an American doing business in Japan. In 1985, I founded Global TradeSource, Ltd. (online arm: GlobeTrade.com), a Chicago-based food exporting company. We specialized in sourcing and exporting ornately packaged, high quality, reasonably priced American specialty foods such as boxed chocolates, cookies, crackers and snacks. We successfully exported food products to Japan for over eight years. Currently we serve as a global management

consulting and marketing solutions company focused on helping entrepreneurs and small businesses conduct business internationally. People still ask me why during early startup days I chose to concentrate my efforts on marketing food products to a country that seems to have so many barriers to export, 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 difficult economic times, 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.

Selling Japan: The 730-Day Wait

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 Westernized food products that project 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, Mr. Jiro Naito. I was very much impressed with his long-range perspective on conducting business. Jiro was gentle but relentless in his attention to detail, and sincerely dedicated to the cultivation of our business relationship. Years later, even after he passed away -- his cross-cultural lessons are as vital as ever. Here 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 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.

Cultivating Success in the Japanese Market: What It Takes

My first approach to Mitsui Company, Chicago is a prime example of the dedication required to sell 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 a local company because you get paid by them, too - 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. 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! I jumped right in and began rattling away. "I'm Laurel Delaney, owner of Global TradeSource, Ltd., a food exporting company. I'm interested in offering your company a line of quality packaged cookies manufactured by Maurice Lenell here in Chicago. They are exportable and I think the Japanese will love them. I'd like to meet with you to introduce myself, show you the line, offer you a taste test and give you some product information. Are you interested?"

I waited.

(Pause.)

Finally: "Aahhh *what* is it? Cookies, you say? *What* kind of cookies?"

I backtracked gamely. "Quality packaged cookies called Maurice Lenell. They're based right here in Chicago. I think you'll find them delicious."

"Hmm," said Mr. Miyama. "Pepperidge Farm?"

What?! I thought. "No, not Pepperidge Farm. *Maurice Lenell.*"

"Pepperidge Farm," he explained, "is already sold in Japan."

Oh-oh, I thought. *I had to be tactful and polite about my competitor here.* "I'm sure they are," I said, "because they are also a quality cookie. They are owned by the Campbell Soup Company, and they have the resources to do business in Japan."

"I know. We are the exclusive agent for Campbell Soup Company."

This rattled me because I hadn't expected to be competing with a major industry player. "Oh," I said brightly, "I didn't know that. How interesting! You know, I think Maurice Lenell is just as good a cookie as Pepperidge Farm, but less expensive, which gives us a competitive advantage."

Mr. Miyama was skeptical. "Better than Pepperidge Farm but less expensive? What kind of cookie could be like that?"

I swooped in. "Maurice Lenell! Why don't we arrange a meeting and you'll see what I mean. It's an excellent cookie. Besides, Japanese consumers need more choices when it comes to buying American cookies. If Mitsui and Global TradeSource can join forces on this account, I think we can make that happen!"

"Well, I don't know," he said soberly. "It's very difficult to sell cookies in Japan. Have you been to Japan?"

Before I knew what was happening, I heard myself say, "No, but I'm planning on visiting in the next few months! I'm absolutely fascinated by

Japan. I figured if I could have a look first-hand at how people live and what they're like, I could make a much better job of exporting products there."

Mr. Miyama chuckled. "HMMMMM, yes. There's a good book, one of my wife's favorites, called *The Chrysanthemum and the Sword*. You might want to pick up a copy."

This looked like a good sign. "Thank you," I said warmly, "I will. When can we meet so I can show you the product line?"

"How does next Tuesday at 10 a.m. sound?"

Yes! I exulted as I hung up the phone. And then I thought, *Omigod, what have I done?!* How was I going to prove that Maurice Lenell cookies were a contender against Pepperidge Farm? How was I going to find, let alone read, *The Chrysanthemum and the Sword* before our meeting? Worst of all, how would I ever afford a trip to Japan?

An American Businesswoman Making History in Japan

Well, we had our meeting and the rest is history. You better believe I had my pitch properly rehearsed this time around! I did find and read the book; 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 the 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.

This story shows 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 solo trips to Japan to meet face-to-face with my clients, most of whom back then were 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 was very rare that a customer would write up an order in the course of my visit, and I didn't expect it. I concentrated on finding out their needs and doing my best to serve them in any way I could. I focused 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*.

Guidelines for Success in the Japanese Marketplace

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.

Meanwhile, I have noticed some developments over the years that actually make it easier to do business in Japan. There are fewer layers in the distribution system, which enables more competitive pricing on our products; the Internet allows for instant communications; 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 -- once a serious export risk. All these are significant marks of progress, and I believe that a long-term easement of trade barriers is under way, whether it makes headlines or not.

An Enduring Challenge

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 service offerings 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.

About the Author: Global business expert Laurel Delaney is the founder of GlobeTrade.com (a Global TradeSource, Ltd. company). She also is the creator of "Borderbuster," an e-newsletter, and The Global Small Business Blog (<http://borderbuster.blogspot.com>), all highly regarded for their global small business coverage. You can reach Delaney at ldelaney@globetrade.com.

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