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Doing Business with Japanese Governmental Agencies: Case Studies of Managing and Developing Long-term Business Relationship

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Abstract

Many foreign enterprises find entering the Japanese market an uncertain step and managing a successful long-term business even more daunting. Often, the factors are identified as entry barriers to market access. Through this empirical study incorporates literature review, case studies, my own research and teaching, and chance meeting methods. The study also uses my two decades of successful international business, especially in Asia and substantially in Japan, managing selling and negotiating. The paper will show how to overcome the challenges and obstacles in three different aspects of the Japanese market: (1) how do the Japanese view and handle business negotiation and contracts?; (2) how does the Japanese distribution system function?; and (3) how significant is the product customization for selling successfully to Japanese customers? The structure of the case studies is based on the theoretical foundation exemplified by factual business in the medical and wireless communication market segments and they are followed by discussion questions for the readers and business practitioners to contemplate before entering the Japanese market. The Japanese understand the signing of a contract to be just the commitment to starting a business relationship. They consider the close-knit multi-layered distribution system as a cooperation model of relationship, support, and loyalty. The product customization proves the high expectation of Japanese customers towards quality and service. Instead of excuses, foreign companies should dig deep into Japanese thinking and philosophies. In the three business aspects of the Japanese market, it can be conclusively stated that foreign firms planning to enter the Japanese market for a long haul must understand the nitty-gritty of the Japanese way of doing business: its culture, customs, and way of life.

Keywords: Japanese business culture, Japanese negotiation, Japanese contract, Japanese distribution, product customization