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# BUSINESS

## Tips for U.S. Firms Trying to Crack Japan

By John Eckhouse

U.S. companies can succeed in the tough Japanese market if they take certain lessons to heart, a panel of Asia trade veterans said yesterday.

American companies have a lot to learn because they ignored Japan for so long in the period between World War II and the late 1970s when it was virtually closed to outsiders, said John Zysman, director of the Berkeley Roundtable on the International Economy.

He said U.S. companies should not count on current trade talks to open the Japan market. He noted that the negotiations are causing divisions within the Japa-

nese government that American companies could exploit.

The speakers at the San Francisco seminar sponsored by the University of California at Berkeley Extension repeatedly warned the 100 people in attendance they must learn more about the Japanese culture or risk failure when they try to conduct business there.

"Speaking the language is not as important as learning the culture," said Doug Lipp, program director at IRI International. He gave the following tips:

■ Cosmetic appearance is very important in Japan. One importer rejected some high quality U.S. electronic components be-

cause the label was slightly askew. The Japanese company felt that indicated something might be wrong with the product itself. Similarly, Maidenform bras failed to sell one time because there were some tiny loose threads showing.

■ It helps to bow, exchange business cards and follow the Japanese tradition of apologizing at the start of a speech instead of telling a joke.

"If you follow some of the forms the Japanese do, it can put you in a powerful position," Lipp said. He cited one U.S. electronics industry executive who spent several days visiting Japanese counterparts to exchange the traditional New Year's greetings. That indicated to the Japanese his

seriousness about doing business with them, Lipp said.

■ Safety and quality are key considerations. Procter & Gamble almost ran into serious trouble when it decided to open a plant in Japan that would manufacture its Pampers disposable diapers. The company's historical studies indicated any new plant would experience safety and quality problems in its first six months.

P&G's Japanese managers refused to accept the conclusion. They knew no one in Japan would buy their product if they thought its quality was not perfect and no one would come to work at the plant if they

thought it was going to have safety problems. The Japanese managers were able to set up production without quality or safety lapses.

Other speakers offered advice on setting up distribution agreements with Japanese companies, finding joint-venture partners, obtaining financing in Japan, understanding tax laws, and avoiding legal mistakes.

UC Berkeley Extension will sponsor two similar seminars next month on doing business with Australia and the Four Tigers of Asia (South Korea, Taiwan, Hong Kong