

# Rewriting Japanese business culture in Abenomics-driven economy

Japan has been my home for nearly three decades. As a former entrepreneur in Japan, and now as the executive partner of White & Case's Tokyo office, I often think about what is needed for Japanese businesses to succeed.

This is obviously a complex topic. Japan's economy and culture are unique. We are also operating in an environment keenly aware of Japan sliding into its fourth recession since 2008 (and some would argue that Japan has effectively been in recession for more than two decades).

The economic outlook is unlikely to improve significantly in the near term, however it is clear that many Japanese companies will continue to be successful on a global basis, and some will become new global brands.

But what will differentiate these companies from others that will likely fall into decline? What strategies will succeed in the face of fierce competition from global companies that are successfully delivering market-leading products and services in areas once dominated by Japan?

Japan continues to face astonishing levels of public debt, a shrinking and quickly-aging population, low consumer confidence, energy insecurity and other significant socio-economic challenges. Is "Abenomics" enough to change the course of an economy that seems to be drifting ever so slowly in the direction of the sunset?

White & Case recently hosted our Japan Seminar Series which brought together senior executives, academics and journalists in Japan to discuss a few of the most pressing issues facing Japanese business today. Our agenda included discussions around how to achieve global competitiveness, options for financing growth, a long term plan for supplying energy to Japan, and cultivating entrepreneurship.

We agreed that a Japanese entrepreneur or large business looking toward long-term success needs determination, new ideas, support and resources. Another apparent theme across the seminar discussions, and which is perhaps more challenging for Japanese business, is the need for change in aspects of our corporate culture.



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During my time as an entrepreneur and more recently advising Japanese and foreign companies on mergers, acquisitions and corporate transactions, I have seen a number of differences among companies that are doing okay, companies unsure of how to capitalize on their intrinsic value, and successful or soon to be successful companies. Today more than ever, the companies, which I would confidently define as successful, demonstrate some basic characteristics.

For one, the more common and incumbent “business-as-usual” approach is nonexistent in the culture of successful firms. They are fluid and aware – adapting methods and strategies to the changing environment. Their eyes are open for unanticipated opportunities, both domestic and foreign. They are resourceful and surround themselves with strong business partners.

They address internal and external threats to their business. They value and invest in their people, made up of Japanese and foreign talents at all levels. They encourage innovation – organic and through partnerships, and lastly, they value analyses and challenges to conventional wisdom.

These characteristics are not common among Japanese companies. Companies that will succeed over the next five to ten years will need to rewrite Japanese business culture.

In preparing for our Japan Seminar Series, we asked ourselves whether Japanese companies could remain Japanese culturally and also succeed globally. I have a deep respect for the culture of my adopted home country, and I believe global success can be achieved by a truly Japanese company.

We do, however, need to see real adjustments in business culture, policy and regulations, corporate agendas and social attitudes to see more Japanese businesses succeed.

Successful Japanese businesses need to be open to new approaches to developing talent, looking for opportunities, fostering long-term business relationships and analyzing economics of change.

*By Brian G. Strawn*

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For further information about the panel discussions held during White & Case’s **Japan Seminar Series**, please click [here](#).

For summaries of the discussions held in each seminar, please visit:

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