

Agents of Change

What's a simple solution to Japan's skilled staff shortage? Employ more women, and treat them as equals to men, through training, promotion, greater responsibility and work-life balance that draw more females to the workforce—and encourage them to stay.

That's the stark message from this month's cover feature. And surveys take it even further. Goldman Sachs Group, Inc.'s *Womenomics* report found that, if female participation rates in Japan were the same as in the U.S., it would not only create up to 2.6 million more workers, but could also raise Japan's long-term trend GDP growth rate from 1.2% to 1.5% in 20 years, and significantly boost consumption.

With women accounting for just 0.8% of Japanese CEOs, compared with the UK's 10%, and numbering less than 10% of managers here, compared with 46% in the U.S., according to the International Labour Organization, it's heartening that some companies in Japan are at last leveling the playing field, even if it's foreign firms taking the lead, as the *Nikkei WOMAN* survey reveals on page 14.

Two outstanding events in June were central to another key ACCJ advocacy issue: helping entrepreneurs and SMEs start up and succeed. At the Entrepreneur Association of Tokyo's 5th anniversary event on June 16, guest speaker Allen Miner, founder and CEO of venture capitalists SunBridge Corp., and founder and former president of Oracle Japan, told how advocacy helped make history of the suffocating

requirement that startups here have about \$100,000 in capital.

And at JMEC's (Japan Market Expansion Competition) annual awards on June 13, the next generation of entrepreneurs and executives was revealed. You can read about this ACCJ-cosponsored "mini-MBA" and the seven months of grueling hard work that participants undertook in our FDI Portfolio column on page 57.

Unlike lobbyists, who use money and votes to bolster their influence, the ACCJ is an advocate—applying only objectively gathered information to encourage a transparent, market-driven, private sector-engaged economy that the ACCJ believes will realize sustainable growth, maintain prosperity and enhance U.S.-Japan integration.

The *Journal* is an ideal communications tool for advocacy. Despite major concessions achieved over the years, each industry still has issues to voice.

I encourage you to contact me so that the *Journal* can continue promoting global best practices and good corporate citizenship that benefit your business and the community.



simonfarrell@paradigm.co.jp

Looking Back ... and **Forward**

July is an important month because it marks the anniversary of the independence of the United States of America. Over the years, the United States Embassy in Tokyo has been kind enough to sponsor an event on or around the 4th of July and invite many of our members as well as other guests to participate. This year, the Embassy staff is exceptionally busy because the G8 summit takes place so close to the same time.

Who would have envisioned 232 years ago, when the United States was born as an independent nation, that the U.S. as the world's largest economy would be attending a meeting held in Japan, the second-largest economy in the world, along with Canada and the great powers of Europe? Who would have foreseen that they would invite China and India, whose participation is necessary because of their rapidly rising economies in order to achieve the G-8's international objectives? Who could have foreseen that among the most prominent of those objectives would be the environment?

Like the ACCJ's 60th birthday, the birthday of our nation is an opportunity not only to look back at the change over the years, but also to contemplate changes to come. I have a strong conviction that our member companies are, and will continue to be, agents for change and that this contributes to the betterment of the economies and societies of both Japan and the U.S. Our themes



for this year—entrepreneurs and small to medium-sized businesses, Corporate Social Responsibility and laying the groundwork for a Free Trade Agreement—reflect the positive change that our companies bring about. As we celebrate what has been accomplished in the past, we need to continuously think about how we can keep up with events not only to anticipate change, but work to bring it about.

Many of our committees are actively seeking to institute change through their advocacy efforts. A good example is the Foreign Direct Investment Committee, which 156 years after Commodore Matthew C. Perry's first trip to Japan, is still trying to open doors for U.S. businesses. Although the ability to do tax-deferred triangular mergers was five years in the making, and is still subject to a number of significant conditions, the FDI Committee was a primary force in getting Japanese law changed

so that foreign companies could do acquisitions on terms similar to those for their domestic competitors. One of our member companies has already used this procedure earlier this year.

Another good example is the Privatization Task Force that I believe was the principle force in getting the new postal bank and postal insurance companies subject to the same laws under the same regulator as their private sector competitors. This eliminated the special privileges those enterprises had when they were part of the government. There are numerous other examples of instances in which our Committees made a difference for the better. There is a lot to be proud of as we celebrate our birthday.



asmith@accj.or.jp
Allan D. Smith is
ACCJ President.



Most **Female-friendly** Firms

What women want from employers.

When Elizabeth Jones returned to work after giving birth to her first child, she fully expected to face difficulties settling back into her position as a senior marketing manager at an international beverage company in Tokyo.

"I expected it to be a challenge," she admits. "But there were no other managers with my level of experience or client contacts, and I was keen to show I would work hard. I didn't expect myself to become the stereotype I had read so much about."

To her horror, Jones' boss expected her to continue to put in very long hours, attend regular late-night networking events and travel internationally at short notice.

"In the end, the stress from a bad atmosphere at work was making me physically

ill," she says. "I resigned and left feeling like I had failed."

Thankfully, there's good news for both working mothers and the Japanese economy at large. Many companies are at last waking up to the reality that young women are leaving the workforce in high numbers, daunted by the difficulties of juggling work and family responsibilities. A new breed of company is revolutionizing the traditional Japanese workplace with policies and measures designed to attract and keep women who have previously found it difficult to balance work and family responsibilities.

The impact on any business is significant. When women leave, companies not only lose a wealth of accumulated experience and knowledge, but also face significant costs arising from recruiting

and training a replacement.

The reality is that suitable replacements are increasingly hard to find. A combination of Japan's rapidly aging society, low birth rate and general resistance to imported labor have meant leading companies must compete to attract—and hold on to—skilled workers.

Providing a good working environment, especially for those employees with families, has become a key business imperative. Judging by the level of interest generated by the latest *Nikkei WOMAN* magazine's listing of the top 100 companies for women to work for in Japan, the companies that offer positive workplace conditions enjoy more than good publicity—and attract the best talent. Higher levels of commitment and loyalty, and a lower-than-average staff turnover,

Proctor & Gamble Japan K.K., IBM Japan, Ltd. and Matsushita Electric Industrial Co. (Panasonic Corp.) walked away with the three top spots.

are some typical benefits.

Those featured on the magazine's list also demonstrate a wide range in the type of business—from car manufacturers and banks, to pharmaceuticals and IT industries. In addition, they all share a higher than usual willingness to consider their workforce—and female workers, in particular—in a more holistic way.

The survey, the full report of which was published in the May 2008 issue, is the second review of companies in Japan undertaken by this business magazine, whose readership, at a circulation of 160,000, largely comprises 20- to 35-year-old professional Japanese women.

"The listing of the best companies for women was undertaken to mark the 20th anniversary of the magazine and to set a benchmark for companies," explains Deputy Chief Editor Shoko Tanaka. "Other workplace surveys are small in scale and questions are sometimes subjective. Our survey was designed in-house to be comprehensive and seek factual information. It is also unusual in that it focuses specifically on women."

Nikkei WOMAN approached 3,969 companies listed on the Osaka, Nagoya and Tokyo stock exchanges, to complete a printed survey posing questions about company policy and benefits for women.

A total of 416 companies responded, a response rate of 10.5%, up slightly from

the 372 companies and 9.5% who responded in the 2006 survey. A standard score and simple ranking system were applied to analyze the results.

"Companies definitely were more interested this time," explains Tanaka. "Women were interested in the companies featured on the list, and the television and radio media reported the results widely."

The survey assessed companies across four main categories deemed of particular interest to female workers. These included (1) equal opportunities in promotion (by looking at the number of women in senior management and executive positions); (2) the importance given to females in the workforce (identified through a range of indicators such as the existence of special study or seminar programs for women, the use of positive action and the existence of special arrangements to encourage diversity; (3) work-life balance (measured by indicators like working time at a company, paid-leave entitlements, the percentage taking paid holidays, use of maternity leave and child care programs); and (4) equal opportunities (such as the percentage of female employees in the whole company, the average number of working years, percentage of married women and of women employees with children).

Of the top 100, 18 companies were in the electrical or precision instruments sector, 17 were banks or investment banks, eight

▶ SNAPSHOT ▶

Nikkei WOMAN's Top Ten

1. Proctor & Gamble Japan K.K.
2. IBM Japan, Ltd.
3. Matsushita Electric Industrial Co. (Panasonic Corp.)
4. ORIX Corporation
5. Sony Corporation
6. Fujitsu Limited
7. Daiwa Securities
8. Takashimaya Co., Ltd.
9. Johnson & Johnson
10. Mitsui Sumitomo Insurance Co., Ltd.

were in the insurance industry. Five were in distribution, four each in the motor industry or daily consumer products, and three each in food and beverage, or clothing and textiles.

"The results provide a useful guide," says Tanaka. "But, obviously, the culture and atmosphere within a company is impossible to measure, and these are important factors, too."

Proctor & Gamble Japan K.K., IBM Japan, Ltd. and Matsushita Electric Industrial Co. [Panasonic Corp. (Oct 2008)] walked away with the three top spots. That said, total scores across all the top-10 companies were very close—ranging from 72.3% (Mitsui Sumitomo Insurance Co., Ltd.), to the highest score of 83.9%.

Procter & Gamble (P&G), a Fortune 500 U.S. global corporation that manufactures a wide range of beauty, health and household products, took first place.

P&G Japan scored well across all four categories, but won largely because of a significantly

Three out of 19 senior managerial positions at P&G Japan are held by women, and 40% of P&G female managers have children.



P&G JAPAN K.K.

Yukiko Tsujimoto: P&G Japan committed to promoting women in the workplace.

higher performance in promoting equal opportunities at a senior managerial level (with a score of 91.3%). Its closest rival in the top 10 for total score in this category was IBM Japan, at 78.4%.

Yukiko Tsujimoto, director of External Relations for P&G Japan, confirmed the company's commitment to raising the number of women at higher levels of management. She points out that—with 24.9% of middle management (*kacho* level), 26.4% of senior management (*bucho* level) and 15.8% of team leadership held by women—P&G performs far better than the industry average.

According to the survey findings, about 60% of P&G employees are women. Three out of 19 leadership positions at P&G Japan are held by women, and 40% of P&G female managers have children.

Female-friendly measures at the company include in-house professional counseling providing advice on how to balance work with the children's care. An established mentor system helps solve problems and maintain good lines of communications among staff.

Tsujimoto points out that P&G Japan's top survey ranking did not come from any special care given to women.

"We want every individual to perform at their peak, with a fulfilling career and private life. Diversity is our business strategy. With a more diverse organization, we can serve our consumers better because we can better understand the different needs of consumers, we can better collaborate with our business partners who are also diverse," she says. "And it enables us to uncover the deepest, most meaningful insights for innovation."

IBM Japan took second place in the Nikkei survey, with a score of 81.3%, thanks to a good performance in providing opportunities for women at work, including training women for managerial positions.

The culture of fostering diversity at this global provider of computer products and services dates back as far as 1953, when then-CEO Thomas J. Watson famously declared: "It is the policy of IBM to hire people who have the personality, talent and background necessary to fill a given job, regardless of race, color or creed."

◀ **SNAPSHOT** ▶

The *Sunday Times* 2008 Best Companies to Work For

Companies with a reputation for providing a supportive working environment tend to perform better financially. Analysis of the financial performance of the 31 listed companies among the winners of Britain's *Sunday Times* 2008 Best Companies to Work For showed them to be performing twice as well, on average, as their FTSE 100 rivals.

However, some factors, such as commuting time, are more influential and, therefore, rated more highly. On average, "wellbeing" scores in "best companies" surveys drop 1.2% for every two hours spent commuting.

The *Sunday Times* reported that, although wellbeing scores for staff who commute for up to two hours a week were 65.4%, this drops to 57.4% for those commuting more than 14 hours a week.

A formal strategy to include diversity in the company's corporate values meant that IBM enjoyed the highest overall score (80.8%) for family-friendly measures and measured 69.1% for attaining a work-life balance.

Given the nature of its core business, IBM was also clearly well placed to encourage flexible forms of work such as teleworking, an important factor for mothers looking to reenter the workforce. The company is firmly committed to supporting the breaking down of barriers and promoting new flexible ways of working and work style innovation, according to Kuniya Tsubota, vice president, Human Resources, IBM Japan.

The Japan Women's Council was a key reason for the

“The result is that the number of women in executive positions has increased from 1 to 20 in just 10 years.”



Aflac Japan takes work-life balance seriously.

company's successful rating in the *Nikkei WOMAN* survey, adds Minako Ito, responsible for Public Relations and Communications at IBM Japan. The organization (one of several at IBM) was created in 1998 to address constraints preventing women from reaching the upper levels of management.

“The Council plays an important role within IBM Japan in helping to establish concrete numerical goals for the participation of women in all facets of the company, including management and technical participation,” explains Ito. “It proposes various women's strategies to the management team, such as e-work, network events and mentoring.

“The result is that the number of women in executive positions has increased from 1 to 20 in just 10 years,” says Ito. “This is largely due to flexible work conditions relating to where and when to work.”

Third place (76.8%) in the survey went to Matsushita (Panasonic), which leads the field among Japanese businesses with a formally adopted management plan designed to accelerate diversity. The electronics consumer giant also promotes measures to improve employees' work-life balance.

In April 2006, a Corporate Diversity Promotion Division was established under the direct control of Matsushita's president, to actively promote greater participation in management by women. The company offers supportive measures that would not be out of place in the most progressive of Western corporations—from extending the time during which employees can take child care leave until their children enter primary school, supportive programs for parents of children up to their third year of elementary school, to flexibility in choosing short-time work, such as half days, two days

◀ **SNAPSHOT** ▶

The other view

Family-friendly policies are racist, regressive and anti-woman, argues controversial author and journalist Elinor Burkett. And in a recent poll of 560 employers by the U.S. Institute for Corporate Productivity, one-fifth of respondents said flexible working arrangements are difficult to manage because they create divisions and accusations of favoritism from employees not eligible for them. Younger employees and women were more likely to request flexible work, the poll found.

Burkett believes policies such as flexi-time, onsite child care and extended maternity leave discriminate and violate the principle of equal pay for equal work.

Her book, *The Baby Boon: How Family-Friendly America Cheats the Childless*, sets out to show how family-friendly policies allow parents to take advantage of political correctness while shifting the burden of children to society at large.

She points to the unpaid leave, scholarship and tax credits U.S. women receive that childless employees don't and highlights hidden inequalities such as childless coworkers being asked to take over work when parents have to leave the office early.

C.S.

a week or three days a week.

Matsushita (Panasonic) also recently introduced a Child Plan Leave System, allowing employees to take one year's leave for infertility treatment. The company scored particularly high in the survey categories regarding the importance given to female workers (80.2%) and achieving work-life balance (74.8%). The score for support to mothers was the highest in this category. Some 94% of female

Unfortunately, the fundamental benefits to both parties are still to be recognized by the majority of Japanese companies.

employees take maternity leave and a high number also take advantage of flexible work arrangements, such as working from home or having reduced hours. Women took an average of 10 months maternity leave, while 0.6% of male employees took an average of four months' paternity leave.

"We started our campaign in 2001 and some encouraging results have been coming out," confirms Nao Kanamori of the Corporate Diversity Division. "We will further promote diversity and e-work throughout the workplace."

According to *Nikkei WOMAN's* Tanaka, greater flexibility to balance work and personal responsibilities has emerged as one of the most important factors for women. "People have

to care for different family needs like children and the elderly," she says, "so companies have focused on responding to this aspect."

U.S. insurance provider Aflac Japan, which came 15th in the survey with 70.7%, also scored high in the work-life balance category, with a high take-up rate of its programs by company employees.

"Aflac's Work-Life Balance Program features shorter working hours for both male and female employees, from the period of pregnancy until the child graduates from elementary school [aged 12]," explains Yasuki Ohkawa, general manager, Human Resources.

According to the survey, 70% of Aflac Japan employees take an average of 13 days annual vacation per year, another important

work-life indicator in a Japanese corporate culture where taking vacation can be frowned upon. Employees are also able to carry over to the next year up to 60 days of vacation.

The case seems simple enough. Treat people better, and they will work harder and stay with the company longer. In the case of working mothers, positive treatment can be even more gratefully received. Unfortunately, the fundamental benefits to both parties are still to be recognized by the majority of Japanese companies. Another *Nikkei WOMAN* online survey, polling 1,029 women about whether their company is easy to work for, reported 48.4% said yes, while 33.3% said no, with 18.3% responding they didn't know.

"It will take a long time for other Japanese companies to adopt these practices," warns a Japanese female friend. "Many of the companies on the Nikkei list are big international corporations, so they bring that international sensibility with them and can afford the benefits.

"Hopefully when companies like mine [a mid-sized Japanese bank] see women leaving for more progressive businesses, they will start to think differently," she continues. "But small privately owned businesses are likely to continue unchanged."



Catherine Shaw is a freelance writer based in Tokyo.



"In view of our equal-opportunity stance, all those in favor of adding an Aunt Sam to the board say 'Aye.'"

Communication Breakdown



It was only by coincidence that Mr. A, manager in a human resources development firm, happened to peek at one of his subordinate's e-mails to a client. He was shocked; the message was, to put it nicely, incoherent. Running over two A4 pages, it was festooned with smiley-face emoticons and was worded in a style much too familiar to a counterpart the staff member had not yet met in person.

"To avoid problems, after that I insisted on reviewing his e-mails to customers," Mr. A tells *Yomiuri Weekly* (May 4). "When he speaks to them on the phone I can overhear what he's saying, but lapses in e-mail communications caught me completely unawares."

According to Tomoaki Hirano, an e-mail magazine consultant and author of a book whose title translates as *E-mail techniques can dramatically change your job*, a survey of 1,000 office workers taken last summer determined that only 7% of respondents had received specific training for outgoing e-mail.

"Over half had no training at all in composing business e-mails, and the remainder, at best, had read some magazine article or learned about it from a friend," Hirano says.

Not surprising, then, in the same survey, 56% replied yes when asked if they had experienced problems with e-mail manners. Of these, 70% named "unpleasantness from contents," the details of which included "hard to read" (12%), "poor use of language" (8%) and "problems in the content matter" (7%). One thing nearly all were in accord: training in the sending of proper business e-mails is necessary.

"The members of the generation that grew up using mobile phones think they know all there is to know about mailing," Hirano explains. Apparently not.

"E-mail education is a new field that has opened up in the past 3-4 years, about the time when each staff member got his or her own e-mail address," says Hiroshi Ishii of Recruit Management Solutions, who says it's essential that people who are only used to private exchanges learn the rules for business communications.

Hirano provides nine of these rules. Some, like proper use of the subject line, sender and structure, are simply common sense, and apply to e-mails anywhere in the world. Maximum message length, the article advises, should be equivalent to one A4 page. Different subjects should not be combined into one e-mail. Use of Japanese honorifics (*keigo*) is strongly advised. Pictures or graphics should not be attached to business-related correspondence, unless related specifically to the subject.

Hirano's No. 8 rule advises that urgent topics, especially those involving negative news, should not be conveyed using e-mails. In fact, the mere use of an e-mail for such purposes may result in misinterpretation, not to mention diminished importance of a vital message.

No. 10 is a reminder that e-mail is not 100% reliable. A recipient's spam filter may keep it from going through. So if a prompt response is not forthcoming, don't hesitate to use other means to confirm.

"The main thing is to ask yourself if you're writing with the intended recipient in mind," Hirano tells *Yomiuri Weekly*. "Since you can't 'read' his facial reaction to your e-mail, you're dependent on what you say in writing. Don't click 'send' until you've thought through the contents."



Eating Green

As part of overall cost-cutting measures, major restaurant chains have begun adopting a variety of new measures to cut energy

usage. The *Nikkei Marketing Journal* (April 13) notes that beef-bowl chain Yoshinoya has begun replacing neon outdoor signboards with more efficient LEDs. Adoption of a gas cogeneration system for lighting and heat is being expanded to some 94 outlets. Three new types of equipment, including dishwasher, rice washer and inverter cooker,

are being adopted at 40 shops this year. Yoshinoya D&C Co., Ltd. expects to reduce its CO₂ footprint by 1,273 tons per year.

Heidi Hidaka, operator of about 170 Chinese noodle outlets in the greater Kanto area, is conducting running tests of a new type of self-regulating kitchen exhaust fan that adjusts its voltage according to the volume of gas being consumed, reducing power consumption during off-peak hours.

Since 2004, Kentucky Fried Chicken Japan Ltd. has been collaborating with power utility companies, experimenting in total electrification. By June,

three outlets in Kanto and six in Kansai should have adopted LEDs for store signs. Also, MOS Food Services, Inc.'s MOS Burger chain has adopted hybrid vehicles for deliveries and has been making more use of railways and sea transport for shipments of materials and foodstuffs. The Royal Host family restaurant chain of Royal Holdings Co., Ltd. aims to reduce lighting costs by 70-80%. The moves seek to preempt energy restrictions that offices, retail shops and restaurants are likely to face if a revised energy conservation law comes into effect, as is expected, in April 2009.

Enriching Soak

Not only are sales of *nyuuyoku-zai* (bath salts or other additives) booming, but also the manufacturers are coming up with some fascinating new varieties. *Nikkei Business* (April 14) reports that sales of toymaker Bandai's "Bubbly Bubble Bath," put on the market in February, surpassed 700,000 sets in its first two months. The secret of Bubbly's popularity is no doubt its resemblance to ¥10,000 notes, which, after being scattered on the surface of the bath, slowly dissolve into the water and emanate the fragrance of *hinoki* (Japanese cypress).

"We want bathers to be able to enjoy the sensation, however minor, of feeling enriched," explains Hirotsugu Nakajima, a member of the team that developed the new product.

Last July, Namco Bandai Holdings Inc. enjoyed strong sales of "Gari-gari Kun—Cool!" which

resembled crystalline candies. Another success, from last December, was "Umai bo," resembling traditional Japanese *dagashi* confections.

The company's marketing strategy is clearly aimed at not only children, but also adults. Up to now, according to Nakajima, the cost of the additives was typically around ¥30 per bath session. But for premium goods, adults are willing to spend as much as ¥200 or more.

Meanwhile, another toymaker, Wiz, launched "Tanoshii Bath Time." After the bath additive fizzes away, bathers are left with the plastic premium goodies inside, including a fried shrimp, corn dog on a stick, French fried potato, chocolate-covered donut and a special "mystery" premium. Colorfully packaged to look like a fast-food take-out, they're available in department stores, toy stores, and online.

Bookstores Slump

“Bookstores crumble while Nintendo prospers” reads the headline in *Nikkan Gendai* (April 19). The article was inspired by the announcement from Asahiya Shoten, a long-established book retail chain, of plans to close two outlets, one each in Ginza and Suidobashi. The Ginza shop, which was to close on April 25, had been in operation since November 1965. Declining profitability was cited as the reason for closure.

“This comes as a shock,” says Yoichi Ito, employee at a nearby think tank and a regular patron of Asahiya Shoten’s Ginza branch, “although I’m aware that more people are buying books online.”

Bookstores around Japan have been closing at the rate of 600 per year, from 20,939 outlets nationwide in 2001 to 16,512 as of January this year. Publishers, needless to say, are also hurting; according to a survey by the Research Institute for Publications, revenues from book sales fell from ¥1.093 trillion in 1996 to



¥902.5 billion in 1997, a decline of some ¥190 billion.

While online sales have cut into the stores’ customer base, *Nikkan Gendai* notes that more customers have been bargain hunting at large used-book chains such as Book Off. In fact, more Japanese have been obtaining their reading matter from convenience stores. Seven-Eleven Japan Co., Ltd. reported its sales last year of all types of publications, including newspapers and magazines, reached ¥143 billion, surpassing the nation’s largest specialty retailer, Kinokuniya Co., Ltd. (2007 sales: ¥117.3 billion).

“We’re in an age where various things can be investigated without books, via the Internet,” Ito adds. “But information via the Web tends to be fragmentary, and lacking in the kind of organization that books offer. So we get this fragmented data; but the question is how to adapt it to our own needs. I read books because the contents are better organized.”

Faster Commute

Japan’s network of high-speed Shinkansen is not just for business travelers and tourists. As reported in the “Atto Data” column of the *Asahi Shimbun* (April 13), the number of Japanese using bullet trains daily on their commute to work continues to climb, having reached 46,621, a six-fold increase since 1989, according to the Ministry of Land, Transport and Infrastructure.

Masai Muto, head of the ministry’s transport planning laboratory, says that a survey

of 300 Shinkansen commuters indicates that, while about 40% have their transportation costs covered completely by their employers, roughly half pay for at least part of the commutation cost out of their own pockets. Many justified this by saying they preferred the Shinkansen to regular commuter trains. “They tend to be more punctual, and less subject to disruptions in the timetable,” several remarked. Needless to say, the faster speed takes at least some of the sting out of

a longer commute to work.

Muto tells the *Asahi* that another factor boosting utilization has been the park-and-ride system, by which more stations have provided free or discounted parking, enabling more commuters to drive from home and leave their cars at the station.



Mark Schreiber is an authority on Japanese print media and co-author of *Tabloid Tokyo 2* (Kodansha International).



Asia's Achilles Heel

Weak infrastructure threatens trade.

Imagine being able to drive, or take a train, from Japan to South Korea (via an undersea tunnel) and from there to China, Southeast Asia, India, Russia and, ultimately, Europe. Some people are working to turn such a dream into reality, but it is not just for the romance of travel. Asia, as a whole, is lagging behind other parts of the world in terms of developing road, rail and other basic infrastructure systems; and that has implications for trade, investment and business.

The day of reckoning is at hand, experts warn, as a result of past underspending on transport, energy and communications facilities to maintain Asia's competitive edge. Provision for basic infrastructure in the region "lags behind economic growth and

behind international standards in terms of quantity and quality," says Biswanath Bhattacharyay, special advisor to the dean at the Asian Development Bank Institute (ADBI) in Tokyo.

Decades of market-led economic development have given Asia's more prosperous nations a

strong industrial base and equally strong access to global markets. Also, the resulting waves of foreign manufacturing investment have helped create prosperity for some. However, "foreign investment is unlikely to finance and develop significant amounts of infrastructure," says Douglas Brooks, an ADBI senior research fellow.

Someone else has to pay the bill, and it will be a very big one.

Haruhiko Kuroda, president of the Asian Development Bank (ADB), puts needed spending at \$300 billion a year, over the next 10 years, or \$3 trillion in all, with some estimates much higher. The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) puts the spending requirement, in the Asia-Pacific region as a whole, at \$600 billion annually over the coming years. Yet, other studies suggest that India alone needs to spend \$500 billion a year on infrastructure in the years ahead.

Japan—which sometimes is criticized for spending too much on its own road, rail and other infrastructure—is now playing a lead role in raising awareness among Asian nations about the need for a major upgrading and expansion of the region's infrastructure base. Japanese officials argue that, if Asia is to be welded together into a common market or business area, it needs to be much better linked

◀ SNAPSHOT ▶

The Basics ...

- 1.5 billion Asians without access to basic sanitation
- 638 million without proper drinking water
- Only 53% of a 5.66-million-kilometer road network paved
- 1.6 billion have no electricity
- About 30% of a 1.7 billion labor force in developing Asia unemployed/underemployed

ADB/ADBI

“Building a regional economy [in Asia] requires world-class infrastructure—transport, communications and energy systems—to connect the region’s economies ...”

by transport, power and communications networks.

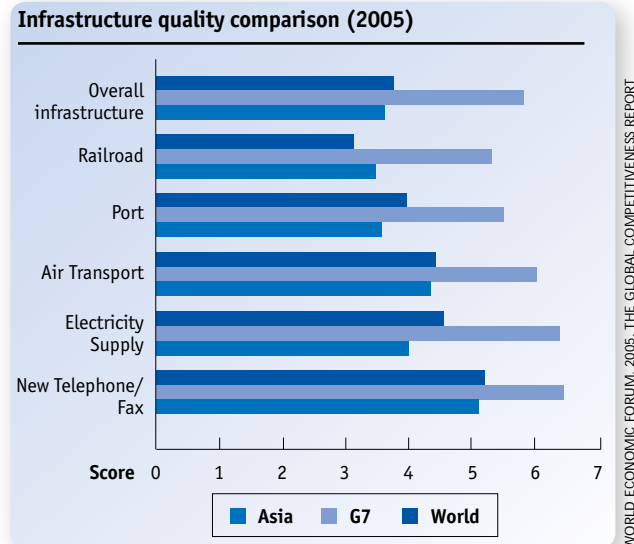
The Ministry of Economy, Trade and Industry (METI) and the government-supported Japan External Trade Organization (JETRO) share a vision of linking the network of Japan-invested industrial zones, or clusters, spread across Asia, by using transport and communications corridors; and bringing the country into this Pan-Asia network. The ADB, Japan Bank for International Cooperation (JBIC), and the new Economic Research Institute for ASEAN and East Asia (ERIA) are already cooperating toward this end.

Industrial clusters exist throughout Southeast Asia (Malaysia, for example), Indochina (Vietnam), China (such as in Tianjin) and India (in Bangalore, among other locations), and in many other parts of Asia. The clusters specialize in producing anything from automobile parts to electronics, and usually consist of an anchor firm or firms—multinationals such as Toyota Motor Corporation or Canon Inc.—with hundreds, or even thousands, of suppliers from the anchor company’s country of origin, or from the host country, clustered around the anchor company.

Left on their own, such industrial centers might not grow beyond their current size, in Japan’s view, or might even wither and die as they face competition from clusters elsewhere. The clusters need proactive official support to link them and connect with the markets they serve, through a new transport infrastructure, according to Akifumi Kuchiki, former executive vice president of JETRO.

Kuchiki sees a need for new trans-continental super-highways that could help the notion of a borderless, or Pan-Asian, world of business become a reality. First steps have already been taken. Asian leaders recently opened the Route 3 highway in Laos, the last remaining stretch of road in an overland route joining Singapore and Beijing. Meanwhile, the ADB has announced the biggest project loan in its history, for the \$1.1 billion Kunming-Hai Phong Transport Corridor-Noi Bai-Lao Cai Highway, in Southeast Asia.

The ADB is also supporting the idea of a highway linking the countries in ASEAN with India; some Japanese officials favor constructing a new link between China and India. There is even talk about



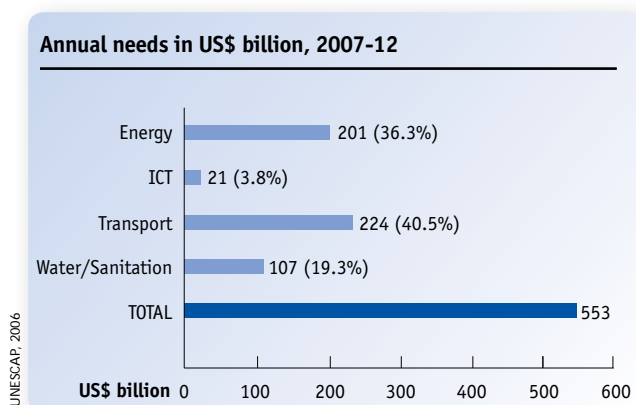
the possibility of eventually constructing a tunnel linking the Japanese mainland by road and/or rail with Pusan; and from there, on to China and across to ASEAN countries and India. Bangkok-centered ERIA—which will draw upon the resources of 16 research institutes from the ASEAN+6 group (plus Japan, China, South Korea, India, Australia and New Zealand)—is likely to emerge as a key player in the grand scheme of things.

But the infrastructure story is obviously about much more than simply catering to Japan’s needs. An ADB flagship report on emerging Asian regionalism, published in May at the time of the annual meeting in Madrid, puts it this way: “Building a regional economy [in Asia] requires world-class infrastructure—transport, communications and energy systems—to connect the region’s economies and in particular to connect the poorer economies and sub-regions to [Asia’s] economic centres.”

The ADB and ADBI are now working on a new joint flagship study that they hope to present next year—and which promises to provide the most definitive road map to date of the infrastructure needed to weld together an integrated, whole Asia.

The name of the game now is cross-border infrastructure; and even though this concept “does not win as many votes as domestic infrastructure, it is the way of the future for Asia, says ADB President Kuroda.

... parts of Asia are already falling behind other developing regions—such as Latin America, Eastern Europe, or even Africa—in terms of business logistics.



“It is working in the Greater Mekong Sub-Region,” he noted in an interview. “Initially people were skeptical, but now after 10 years it is working well, and a lot of regional projects have been implemented, and six countries are making great progress toward connectivity.

“This is now one of the fast-growing regions in Asia. But it takes time,” Kuroda continued. “We are trying to replicate this kind of regional cooperation in South Asia and Central Asia, and I am hopeful that, in the coming years, substantial cooperation will be forthcoming.”

The ADB has adopted a new and holistic attitude toward infrastructure provision, under its recently adopted long-term strategic framework. While still emphasizing the need to tackle overcrowded and unsanitary living conditions that years of neglect regarding the infrastructure have produced in Asia's major cities, the bank is also stressing the need to link urban and rural areas more closely in order to improve income distribution, and to focus on rural infrastructure that will give an essential boost to agricultural productivity in Asia. The need to tap into scattered hydro-power and natural gas resources within the region and to distribute such resources is also being stressed, as is the need to link industrial centers within Asia more effectively, in a way that improves the logistical efficiency of the region.

It comes as a surprise to many of those accustomed to praising the Asian Miracle to hear that parts of Asia are already falling behind other developing

regions—such as Latin America, Eastern Europe, or even Africa—in terms of business logistics. This faltering has implications for trade and investment, people like the ADB's Douglas Brooks point out, as well as for the continued growth needed to support poverty reduction and social development.

Studies show that investor perceptions of the problems associated with low-quality infrastructure are greater in the case of the Asia-Pacific region than in the case of Eastern Europe, Central Asia or the Organisation for Economic Co-operation and Development (OECD) area—especially in transport and telecommunications. East Asia generally ranks lower in terms of the time taken to import and export goods, as well as cost per container, than Latin America and the Caribbean (LAC). In terms of electricity consumption per capita, South Asia's is only one quarter that of LAC countries and even lower than that of Africa. In fixed-line and mobile telephone services, both East and South Asia lag behind the LAC region.

Aside from national infrastructure deficiencies within Asia, the need to supply cross-border linkages—in transport and power especially—is seen as paramount, if the region is to sustain economic growth based upon market integration and to keep abreast of other regions in drawing investment and stimulating trade. This improvement will require proportionately greater sums to be spent on the physical infrastructure—as well as on simplifying and expediting customs and other border procedures—than has been the case in the past.

Some argue that Asia has just about reached the limits of an era where market-led economic development created a mosaic of investment-rich, economically wealthy areas often better connected to external export markets than to one another. Such a development has left behind large parts of the region, especially land-locked countries. Also, the market-led model has not dealt with the problems facing rural populations: a lack of transport and communications access to wealthier areas, let alone basic human welfare amenities such as water and sanitation. The demands of Asian agriculture have also been neglected.

Still, the key question persists about who is going to foot the bill for Asia's huge infrastructure needs.

Governments have to step in, say officials, and impose a more institution-led model of development that stresses the need for better infrastructure. But securing huge amounts of capital to rectify the current imbalance in development is only one part of the problem. Coordinating contributions by the public and private sectors is another pressing need. The "dedicated infrastructure financing facility," which the ADB announced in Madrid, is currently under consideration, and could be very useful, suggests ADB Managing Director Rajat Nag.

Public and private sector funds for infrastructure projects would be mobilized. The ADB already cofinances infrastructure with other public and private sector sources; but instead of having to secure cofinancing on a case-by-case basis, says Nag, the bank would have a dedicated pool of money to fund infrastructure projects. The facility could act as a project coordinator on behalf of government and other public or private bodies subscribing money. Projects financed in this manner would still have to meet the same tests, with regard to environmental and other criteria, as projects normally financed by the ADB.

South Korea has promised to scale up its infrastructure, cofinancing with the ADB, to \$3.5 billion over the next three years, as a first contribution to the facility; and the ADB is in talks with other Asian governments, as well as public and private financial institutions, to secure further contributions. Some of the funds for the dedicated financing facility could come from Asia's near-\$3 trillion of official exchange reserves, as well as sovereign wealth funds elsewhere. Contributions from infrastructure funds—of the kind now springing up as investors seek opportunities not affected by the U.S. subprime crisis—are expected to increase.

Still, the key question persists about who is going to foot the bill for Asia's huge infrastructure needs.

As an alternative to assets impacted by recent market turmoil, investors are turning to infrastructure projects. For example, Morgan Stanley and a fund established by General Electric Company and Credit Suisse have recently raised nearly \$10 billion for infrastructure investment on a global basis. Goldman Sachs raised \$6.5 billion for an

Trade times and costs

	South Asia	Latin America & Caribbean
Time to export (days)	34.4	22.2
Cost to export (US\$ per container)	1,236	1,068
Cost to import (days)	41.5	27.9
Cost to import (US\$ per container)	1,495	1,226

WORLD BANK, DOING BUSINESS 2007

infrastructure fund last year, and Citigroup is seeking money for a fund that's expected to total around \$4.5 billion. Money is flowing into such vehicles from high net-worth individuals, as well as from pension funds and other institutional investors. Private equity and hedge funds are also targeting infrastructure.

Even so, the private sector record in financing infrastructure has not been very impressive up to now, as studies by the World Bank and others show. In 1996, when private investment in developing-country infrastructures peaked, annual flows to Southeast Asia reached \$17 billion, while a similar amount went to East and South Asia combined. Investment in both Central Asia and the Pacific islands was \$2 billion, making some \$36 billion in all. There was a sharp fall off in all private flows to infrastructure in succeeding years; and while there has been some improvement in the past several years, they have still to recover to their 1996 levels.

Few official studies detail the likely contributions from the public and private sectors, with the exception of ESCAP, which, in 2005, estimated the required private-sector contribution to the infrastructure provision for the Asia-Pacific region to be \$200 billion annually over the coming years.

Another problem is the imbalanced distribution of private investment. Over the past 20 years, some 40% has gone into energy projects and 36% into telecommunications, with transport infrastructure receiving only 19%, and water and sewage facilities under 6%.



Anthony H. Rowley is Tokyo correspondent for the *Singapore Business Times* and field editor (Japan) of Oxford Analytica.

On the Spot Gordon Ramsay

Chef/entrepreneur

Cooking may be British Chef Gordon Ramsay's original *raison d'être*; but an ever-lengthening string of Michelin-starred restaurants, regular outpourings of cookbooks, numerous lucrative consultancy deals, celebrity chinaware and a successful television career have left him little time in the kitchen. What all this has brought the famously abrasive chef is an international, multimillion-pound business that employs over 1,000 staff and a personal fortune estimated at more than £67 million (\$130 million). In town recently to visit his eponymous restaurant and brasserie at the Conrad Tokyo hotel, he answered questions in his trademark forthright style.

Recent newspaper and magazine reports claim you've expanded too quickly and spread yourself too thin. Is there any truth to the claims?

Oh, Chr—t no, not at all! We are in the most amazing position right now and we've worked our arses off to get where we have. I set up Gordon Ramsay Holdings

10 years ago this September, with a £5 million (\$9.8 million) investment; and I was cr—ing myself. But you lay down a foundation to get busy; you don't get busy and then start thinking, "oh sh—t!"

And it's a load of cr—p that I need to be in the kitchen cooking. I was arguing about this with a journalist the other day and I said, "That's an amazing suit you're wearing"; and she replied that it was a Giorgio Armani. So I asked: "When you bought it, did you think it was Giorgio who stitched it?" I mean, don't be so stupid! I don't want to be judged by individuals who know less about food than I do. What qualification do you need to be a food critic these days—an A-level in pomposity? Do they actually think it all comes through me, that I control everything?

How different was it setting up a restaurant in Japan, compared to other countries?

Japan has always been a source of inspiration for me, so when we got asked to come in with the Conrad Tokyo, it was an exciting offer. Of course, it is obviously different to running my own show; but the arrangement comes with its bonuses and minuses, and gave us an opportunity to dip a toe into the market. Ask [Alain] Ducasse the same question of his restaurant, Beige, at Chanel; you can't have instant clarity when you are working with a larger organization, but it helps because it is harder setting up in Japan.



PHOTOS DAVID STETSON

You have the culture and the language to deal with. But our new chef, Shin Maeda, trained with me for four years in London and knows how to keep things running smoothly. He is young and passionate about his cooking.

Do you think of yourself as a chef or a businessman?

My father-in-law [Chris Hutcheson] is the businessman. He's a clever man. I'm a cook. I know my craft. I've been cooking for 21 years and haven't lost my anxiety to keep evolving. I am also a control freak. I independently set up my business because I didn't want a board of directors to dictate a roll out just because it's a capital gain on their investment. I've learned from my mistakes.

What I do have a problem with is the selfishness of chefs when they should be exposing new talent.



Scourge of food critics: mincing words is not on Gordon Ramsay's menu.

When you walked out of your first London restaurant, Aubergine, following a falling out with the backers, the entire restaurant staff [46] famously walked with you. What is your staff turnover like now?

My staff retention is 87%. The responsibility on my shoulders for nursing talent is extraordinary. I'm the most unselfish chef in the world in terms of propelling new talent. I don't have a problem with my ego; I massage that with three Michelin stars. What I do have a problem with is the selfishness of chefs when they should be exposing new talent. My next level of excitement comes from young chefs like Mark Sergeant and Clare Smyth. Smyth is an amazing female chef and we'll have a £2 million investment in her over the

next two years. And we've just bought the Tante Marie School of Cookery, so will be looking to giving scholarships to our Japanese staff.

You dislike being called a "television chef," but how do you expect people to take you seriously when you're known for making grown men cry?

Oh, come on! That is all for the television and everyone knows it. When we opened in New York, my persona was known long before my food. We had a bashing from the critics, and still won two Michelin stars. But what chef in the world would turn down a million dollars for three weeks on television? Okay, I signed for three years. I don't care what people think of me anymore. I long ago stopped

listening and just ignore it now. And I'm naughty because I poke them back. I bait them.

So, is it true you once arranged for a food journalist to visit your restaurant in London on a night it wasn't open?

Yes, it was on a Saturday night and she didn't know the restaurant is closed on weekends. I know it isn't very PC and [Joel] Robuchon or Nobu [Matsuhisa] wouldn't behave like that, but I am not an old man, I'm 41 and having the time of my life. She was basically looking for a free meal, so I hid around the corner and watched her arrive to a closed restaurant. God, it was so funny.

Catherine Shaw is a freelance writer based in Tokyo.



Ice to the Eskimos

Tools, tips, techniques to promote products.

There is a very definite skill to selling ice cubes to an Eskimo. Not everyone has the timing, the delivery—let alone the confidence—to pull it off. But for anyone who possesses a modicum of the required skills, Garr Reynolds can hone them to the point where the Eskimo is coming back for seconds.

An associate professor at Kansai Gaidai University and author of the best-selling *Presentation Zen: Simple Ideas on Presentation, Design and Delivery*, Reynolds addressed the first in a series of nine ACCJ workshops designed to draw sales executives away from mind-numbing PowerPoint presentations and provide them the tools to more effectively promote their products.

“There is something that is moving in this world,” Reynolds said, “and a hunger for change. Things are very out of kilter with presentations, and people are not satisfied. There is no panacea, but there are a lot of things that we can do differently.”

Reynolds’ own presentation, spread out over three hours with group discussions and breaks, included examples of PowerPoint deliveries that confused the audience with clashing colors and overloaded viewers with so much information crammed into such a small space that it became illegible. Even the expert’s recommendation to address only one issue on each slide and use no more than seven bullet points of seven-words max

When a presentation is clear, meaningful, relevant, and has great content, it is simply a case of telling a story.

each still cluttered the screen—to the point where the target audience's interest began to wane.

In contrast, simple presentation slides made the most of images and humor to offer a very clear and concise point.

“The art of a presentation is akin to playing jazz, that spirit of improvisation,” said Reynolds, himself a jazz musician. “It has a structure, but the best orators can use minor bullet points to [effectively] take a presentation on for an hour or more.”

It was none other than Leonardo da Vinci who stated, “Simplicity is the ultimate sophistication,” pointed out Reynolds, who bemoaned that Japan—a nation famed for the simplicity of many elements in its style, from *ikebana* to the tea ceremony and Zen gardens—is so deficient when it comes to business presentations. The usual result, he said, is “the sound of one room napping.”

The three key elements of making a presentation, according to Reynolds, are, firstly, exercising restraint—refraining from incorporating every last stat—followed by simplicity and naturalness of delivery.

Former Vice President Al Gore is a good example of someone who has changed the way in which he presents his issue, global warming, and has subsequently become something of a media darling. Far from his usual stiff and robotic delivery, Gore produced a movie that gets his point across, garnering an Oscar and Nobel Prize in the process.

Identifying potential pitfalls for speakers, the 20 sales professionals taking part warned against an overreliance on computers, which can crash disastrously (i.e., a backup plan is essential), and recalled presentations where speakers merely read off the slide screen. Another common error is sticking to the regime of the slides, failing to engage the viewing customers who probably have comments and questions.

◀ SNAPSHOT ▶

- Identify your weaknesses, strengths, threats, opportunities, strategies, target market, needs, and budget: it's called a business plan.
- Believe in your product, yourself. Passion increases your prospects more than fancy gimmicks and multiple exclamation marks!!!
- Get noticed. Bombard potential customers with who you are, what you do, and how you are different.
- Indecisiveness, negativity, indifference, confusion will kill the deal. Offer quality—reliability, added value, confidence communicated clearly.
- Gain trust with written guarantees, testimonials, references, and join professional organizations and associations.
- Impose a sense of urgency with a firm deadline. Limited supplies, imminent price rises, introductory offers motivate buyers to commit themselves.
- Sell your product's key features and benefits by making an emotional attachment to show how customers' lives will improve.

Guy Kawasaki, an entrepreneur who is in great demand on the speech circuit, has a rule of 10 slides in 10 minutes, Reynolds pointed out. When a presentation is clear, meaningful, relevant, and has great content, it is simply a case of telling a story.

Presentations to a Japanese audience may contain an added level of complexity, he cautioned, with cultural differences coming into play and interaction much harder to achieve. This will be addressed in an upcoming *Journal* article.

Reynolds identified three common abuses of the PowerPoint approach, warning against using the tool to simply replicate a handout to the audience, making it so packed with information that it becomes a “report,” or simply relying on it as a teleprompter. Making these mistakes suggests that the speaker does not know the material, and has failed to put in the required preparation time and effort, Reynolds said.

“When it comes to preparation, the main thing is to step back. We don't do that enough. We go straight to the computer,” he said. “We have

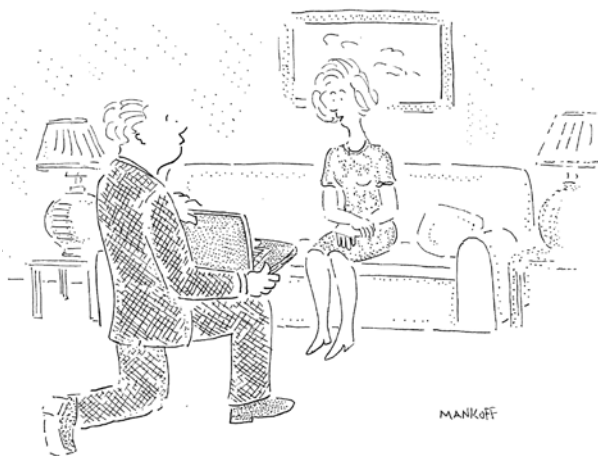
“You need to have an emotional connection because you are talking to other human beings. You need passion.”

to find some ‘alone time,’ think about what is important and focus on the ‘so what?’ — not just the ‘what.’”

With a limited time frame, a choice has to be made between scope and depth. Trying to tackle both means that neither gets done; a fundamental decision needs to be taken at the outset to avoid that, according to Reynolds.

Citing the book, *Made To Stick*, by brothers Chip and Dan Heath, Reynolds identified the tricks to making a sales pitch resonate with an audience—boiling down to the six key elements of simplicity, something unexpected (although this might not work so effectively with a Japanese client), an element of concreteness, credibility, an emotional element and a delivery in the form of a story.

Continuing the theme of moving away from the PC screen, Reynolds also advises planning a presentation by writing on large pieces of paper, identifying the core issue, and then moving on to a storyboard. Other tips from those present included understanding the space where the presentation is being delivered, taking a walk to clear your head before sitting down



“Great PowerPoint, Kevin, but the answer is no.”



Garr Reynolds: simple, natural presentations without every last statistic.

to work on the presentation, and securing some constructive criticism of the delivery.

Visuals remain a key part of any presentation, but need to be simple and uncluttered. Resist the urge to show more, Reynolds cautioned, and stick to the Zen aesthetic of clarity. Another effective tactic is to make people laugh, because an amused audience is a captivated one.

“You must engage,” said Reynolds. “Logic is important, but it’s not enough. You need to have an emotional connection because you are talking to other human beings. You need passion. I don’t necessarily mean jump up and down; but if you believe in the product, then you don’t need to read what it does to your audience.

“It’s all about putting on a show and being in the moment,” he added. If you’ve got that, then that ice cube pitch does not look to be such a daunting task after all.



Julian Ryall is the *Daily Telegraph's* Tokyo correspondent.

A Better Quality of Experience

There have been various attempts to predict the success of new services. There has also been much retrospective analysis of current services. However, there are few examples of successful predictions

of the devices and services that have actually been adopted by a broad base of users.

When enterprises and other organizations study next-generation services, various forms of analysis are conducted and visions are refined, the opinions of many experts are requested, and other factors, including cost, are also considered.

Business schools teach several forms of analysis and apply various marketing methods in search of the next hit item. Some of these include how to analyze the strengths and weaknesses of a given enterprise along with the opportunities and threats facing it—collectively known as SWOT—or the political, economic, sociological and/or demographic as well as the technological environments surrounding a company—referred to as PEST.

However, few of these methods can make the direct link to actual businesses. Recent advances

in information technology have radically expanded the range of user choices. At the same time, lifestyles have diversified, so services have also been forced to diversify in an attempt to keep up. And that is making it more and more difficult to predict future trends.

The number of products and services that sell on function and performance alone is shrinking, and we are now more commonly seeing a demand for an overall pleasant experience from the viewpoint of the user. Starbucks, Disneyland, and other successful enterprises strive for overall customer comfort from the time a reservation is made, or the shop is entered, to the time the customer departs.

The expertise for achieving such pleasant overall customer experience is being accumulated by various companies. However, it is difficult to quantify such an experience. Until now, service quality has been explained in terms of Quality of Service (QoS,) but metrics such as error rate, delay time and other such measures of network performance are increasingly making a strong impression. For that reason, the term Quality of Experience (QoE) has been recently proposed as a generally acceptable replacement.



QoE defines quality with respect to service discovery, subscription, enjoyment and maintenance. Easy discovery of desired services and simple subscription to those services are desirable prior to the actual enjoyment of the services, themselves. Once the service has begun, taking Internet Protocol Television (IPTV) service as an example, image quality, stability and other such factors become important. Of these factors, the ease of use of an electronic program guide for selecting content is also surely an important feature. Another important point concerning QoE is ease of operation. The current low level of ease of use is exemplified by remote control devices that have puzzling arrays of buttons, whose use is not always immediately clear to the user.

Standardization of IPTV is progressing in Japan and other countries, and the importance of QoE in service implementation is being discussed. A high common level of QoE is expected from future mobile services and other services. NTT labs are now studying and developing the various kinds of future products and services based on this QoE concept.

Junichi Kishigami is Director of NTT's Cyber Solutions Laboratories.

QoEの提案

サービス動向を予想する試みは様々になされる。また、現在のサービスを結果論として演繹的に分析されることも多い。しかし実際に多くのユーザーに受け入れられたデバイスやサービスをあらかじめ予想できた例は少ない。

企業などが次期のサービスなどを検討するときには様々な分析とビジョンなどを練り、多くの有識者の意見を聞き、コストなどを考慮しながら進めていく。

その中ではSWOTやPESTなどのMBAで教えられる方法を駆使し、様々なマーケティング手法で次の当たりそうなテーマを探していく。しかしそのような方法で実際のビジネスに結びつくものはそれほど多くはない。

今、IT化の進展に従い、ユーザーが選択できる範囲が急激に広がってきている。同時に多様な生活形態が出てきているため、サービスの多様化が進んでいる。そのため今後のトレンドを予測することはますます困難になっている。単なる機能や、性能だけで売れる商品やサービスは少なくなり、ユーザーの視点に立った総合的な快適性が求められている。これに成功しているスターバックスやディズニールランドなどはお客さんが最初に予約あるいは店に入ってから出て行くまであるいはその後までの総合的な快適性を追及している。

このような総合的な快適性を実現させるノウハウは各企業ごとに多くの蓄積がされている。しかしそれを定量的に表すこ

とは難しい。サービスの品質は、これまでにはQoSという言葉で説明されていたが、ともすればエラー率や遅れ時間などネットワークの性能を表現する言葉の印象が強くなってきている。そのため、最近ではこれに代わることばとしてQoE (Quality of Experience) が提案されてきている。

QoEには、サービスを発見し、契約し、享受し、維持するというそれぞれの場面における品質が定義される。如何に分かりやすく自分の欲しいサービスを発見でき、簡単に契約できるかというようなことがサービスを享受するまでに望まれる。いざサービスが始まると、それがIPTVサービスであれば画質、安定性などが重要となり、さらにその中でコンテンツを選択する場面ではEPGの見易さが重要であろう。また、現在は多くのボタンが並んでいて操作に惑うことが多いリモコンに関しての使いやすさもQoEの重要な点になる。

IPTVは国内外で標準化が進んでおり、QoEはサービスを実現させるための重要なポイントとして議論が進んでいる。QoEは今後携帯サービスや他のサービスでも共通のユーザー体験品質としての使用が期待される。

NTTサイバーソリューション研究所所長
岸上順一



Mobile Latest

Deregulation signals end of oligopoly.

Efforts by companies and entrepreneurs hoping to capture a share of the enormous Japanese mobile phone market often end in frustration. However, the Soumu-sho (Ministry of Internal Affairs and Communications) is planning a series of regulatory changes that should lead to increased opening of the mobile market, resulting in opportunities for companies to launch their own mobile services, even if they do not own any mobile infrastructure. For mobile users, the planned changes will make the experience of surfing the Web on mobile phones similar to the experience using the Internet from a PC today, instead of the “walled-garden” currently offered by mobile carriers.

Until recently, control over most

aspects of the mobile market in Japan has been consolidated by the main three players: NTT DoCoMo, Inc., KDDI Corporation and SoftBank Mobile Corp. With the big three controlling all device specifications, services, pricing—and by locking end users into long contracts—the mobile market evolved into an oligopoly, with the mobile carriers having combined annual revenues of ¥8.9 trillion (\$8 billion). By comparison, the fixed-line telecommunications market, with over 10,000 players, has combined annual revenues of just ¥7.3 trillion. The Soumu-sho has reviewed recommendations from academics and industry leaders on how best to deregulate and open the Japan mobile market so more companies

are allowed the opportunity to develop and market mobile services on a fair playing field.

While the upcoming changes are to take effect over the next few years, the biggest story from last year has been SoftBank’s aggressive discounting, which led to it becoming number one in new subscribers in 2007, forcing competitors to respond in kind with price cuts. Unlike the first price plans SoftBank launched directly after taking over Vodafone KK, which were misleading and controversial, the new growth has been built upon the White Plan—a simple price package offering a monthly basic charge of ¥980 with free domestic voice calls between SoftBank Mobile users, between 1:00 and 21:00. SoftBank also

The new deregulations, however, will force the mobile carriers to open (or unlock) their devices.

◀ **SNAPSHOT** ▶

Changes widely expected to be accepted by the Soumu-sho with very few alterations by 2011

- End of handset subsidization by mobile carriers
- SIM-Lock Free (not restricted to specific countries and network providers)
- Promotion of MVNO (mobile virtual network operators) with a level playing field
- Opening up devices to run services from third parties

launched a student version of its White Plan, providing the same service with no monthly basic fee.

The deep discounts inevitably are hurting SoftBank's revenues; however, SoftBank has been lowering its operating costs and, with its increased subscribers, has been offsetting the drop in revenue per user. The recent main pain in the mobile market is being felt by DoCoMo and KDDI, which are both losing customers to SoftBank and having to match the discounts.

Bloomberg News recently quoted KDDI CFO Satoshi Nagao as saying, "KDDI also aims to narrow SoftBank's lead in user gains with new phones and plans that offer free calls for family and corporate clients."

In April 2008, NTT DoCoMo President and CEO Masao Nakamura made a presentation in which he said that the DoCoMo "brand had diminished" and the company was "facing a crisis." DoCoMo even recently rebranded and launched a new strategy, with which Nakamura



Mobile phone users will benefit from deregulation and a price war waged by SoftBank.

said DoCoMo will be "reborn" and would "listen to the voices of customers."

Mobile phones have commonly sold here for ¥1 as carriers subsidize the cost of handsets and lock users into long contracts—which would be, on average, 6-9 months—to pay back the initial device cost. The problem is, even after the initial subsidy is paid off, the user is left with artificially higher monthly fees. Users who change device models frequently are at a cost advantage, whereas those who tend to keep their models longer have a burden of paying higher monthly fees.

Ahead of the planned changes, SoftBank and KDDI have started moving to a model with no device subsidies, whereby the customer pays for the device upfront. SoftBank offers a plan in installments, over the life of a

12- or 24-month contract, to pay off the device fees. DoCoMo is testing this new model with its 905i phones.

SIM cards, prevalent in most new Japanese mobile phones, are small chip cards that are inserted into the phones and contain the user's telephone number, billing information and other unique user data. In most European markets, phones are SIM-Lock Free, which means customers can exchange SIM cards between different phones. Mobile devices in Japan are, for the most part, still SIM-Locked; if you buy a DoCoMo phone and want to put a SoftBank SIM in it, the phone will not work. The new deregulations, however, will force the mobile carriers to open (or unlock) their devices. For example, when the new regulation is enacted, users will be able

The Soumu-sho is telling mobile carriers that they must start offering fair and transparent pricing ...

◀ SNAPSHOT ▶

Why Windows Mobile is popular with enterprise users:

1. Has a low learning curve for users and IT managers
2. Secure by design, adhering to compliance/privacy mandates
3. Integrates well with Exchange (30%-plus of the Japan market on Exchange)
4. Is a robust development platform for IT departments, as well as third-party application developers to create/port application and services

to purchase the device of their choice, and then decide which mobile carrier they want to use.

Lawrence Cosh-Ishii, representative director of Mobikyo K.K., has been writing about the Japanese mobile scene for 10-plus years. "Certainly, it's interesting times—as always—in the Japanese mobile market. The impending changes in regulations for SIM-Locked and operator-subsidized handsets are already beginning to shift the focus of domestic telcos," he says. "The recent brand change and strategy announcement made by DoCoMo—in effect, to concentrate more on the customer and less on driving innovative handsets—is a perfect example. The prospects of interoperability have advantages and disadvantages for both the consumer and the carrier. While choice—and, therefore, competition—is good, it generally comes with a cost.

Historically, he says, mobile phones have been locked and heavily subsidized—in effect, free with a term contract. With proposed changes in place, the



EMOBILE Ltd.'s Emonster S11HT

true [perhaps shocking] cost will be passed directly to end-users.

"At the same time, as clients have the freedom to shop for best-price packages, theoretically between all operators," says Cosh-Ishii, "they will be faced with hefty device upgrade costs that could likely offset any perceived savings."

A mobile virtual network operator (MVNO) is a company that provides mobile phone services, but does not have its own radio network. Basically, an MVNO buys mobile services at wholesale, and then retails the services to end customers to look like a real mobile carrier. There has been talk over the last few years of various MVNOs launching in Japan, but very little action due to stalling by the larger carriers. After a series of high-profile MVNO failures, the Soumu-sho is telling mobile carriers that they must start offering fair and transparent pricing to companies who wish to set up MVNOs, to stimulate the market.

The first high-profile MVNO was Disney, which launched a mobile service in partnership with SoftBank earlier this year. Interestingly, at the end of 2007, Disney pulled the plug on its own mobile phone service in the U.S. and, in 2006, shuttered its Mobile ESPN after losing an estimated \$135 million. The Japanese service is targeting young women in their teens and twenties.

Currently, there is only one phone made by Sharp Corp. It is 2G, so it will not roam overseas; however, more devices should be available later this year. Even with the failure of the U.S. service, Disney seems to be well-organized and putting lots of resources into the launch. Anyone riding trains in Japan this spring will have seen giant pictures of Hillary Duff and Mickey Mouse promoting the service. Besides Disney, many more MVNOs should be coming, aimed at not only the consumer market, but also the enterprise market.

... there are other factors that will also further allow regular companies to offer mobile services.

Through controlling the specifications for designing handsets, mobile carriers have basically locked down handsets so end-users must use the carrier services for surfing the mobile Internet and e-mail (DoCoMo's i-mode, KDDI's EZ-web, SoftBank's S!). The Soumu-sho's plan is for creation of an open platform that will allow companies that do not own mobile infrastructure to create and launch mobile services. Jim Weisser is one entrepreneur already planning to take advantage of the changes.

"As more and more companies integrate their telephony solutions with their data networks, we are excited about the opportunities to develop additional services on the cellphone," says Weisser. "We have released an offering that will let our customers use wireless LAN connectivity in the office and connect to the normal cellphone carriers when outside the office, giving the sales personnel anytime-anywhere capability."

Cosh-Ishii of Mobikyo states there are other factors that will also further allow regular companies to offer mobile services.

"One major challenge in the early days was programming for a wide device range, which required Java, Symbian or Brew. However, with the 2004 deployment of Flash-lite by all three operators, plus high-speed access and fixed billing, we have seen this alternative standard increasingly become the common platform," he says. "The evolution from local device design to open

◀ SNAPSHOT ▶

In a much-anticipated announcement, Softbank Mobile Corp. and Apple Inc. said on June 9 that the iPhone 3G will debut in Japan on July 11. The 3G model, up to twice as fast as the first-generation iPhone, has 2.0 software with support for Microsoft Exchange ActiveSync, and runs the hundreds of third-party applications already built with the recently released iPhone SDK.

Web, with server-side horsepower, could reasonably be adopted in other markets, provided the same core conditions are in place."

Microsoft Co., Ltd. had many big wins in the Japan mobile market in 2007. DoCoMo, WILLCOM, Inc., EMOBILE Ltd. and SoftBank each launched one or more devices with the Windows Mobile operating system (OS). Microsoft does not make mobile devices, but rather provides an OS to run on mobile devices created by handset vendors. Microsoft has had good success in Japan and globally in convincing handset vendors to create mobile devices that run the Windows Mobile OS. In Japan, Fujitsu Limited, Sharp, Toshiba Corp. and HTC Corporation (Taiwan) all have, or are planning to launch, Windows Mobile devices here. And according to Eugene Saburi of Microsoft, the company is actively engaged with additional domestic handset manufacturers in creating devices to run on the Windows Mobile OS.

A key advantage of the Windows Mobile OS is that it is open and more like what is found in a PC, in which third-party vendor applications can

be run, rather than taking a conventional "walled garden" approach where applications are strictly controlled by domestic mobile operators. Imagine a PDA merged with a mobile phone that can access your e-mail, calendar and the open Internet. Often, these devices are referred to as smartphones or converged mobile devices.

While the Apple Computer, Inc. iPhone and the Research in Motion Limited (RIM) BlackBerry get the majority of the smartphone press, Microsoft is quietly racking up win after win.

In 2006, Microsoft supplied the operating system for 9.8 million Windows smartphones globally, up from 6.1 million in 2005. That allowed Microsoft for the first time to outpace RIM, which shipped 7.3 million BlackBerrys in 2006. By 2010, as many as 260 million of the estimated 1.3 billion mobile devices will be smartphones, according to IDC. The first Windows Mobile device was launched by WILLCOM in 2005 and sold 150,000 units. According to Saburi, Microsoft is planning on very aggressive growth and what they call their 3x3x3 plan, which is triple growth of Windows Mobile devices every year, from 2005, resulting in roughly 10% of the total mobile phone annual run-rate by 2010.

Saburi mentions that Microsoft will stick with its strengths, which is to target the enterprise and prosumer (professional consumers, or individuals who buy devices mostly for work use) markets in the short term, gradually

With its experience with Windows and Office, Microsoft is positioned to service business users well.

expanding focus to include general consumers over time. With its experience with Windows and Office, Microsoft is positioned to service business users well. The Japan consumer market is hyper-competitive, and Microsoft will take a more long-term approach to ensure success in this space.

The BlackBerry service, launched September 2006 in Japan, started support for the Japanese language from July 2007. According to Shun Mishima, director of the Smartphone Business Group at DoCoMo, demand for BlackBerry is quite strong, especially from foreign multinationals. Mishima cannot disclose how many users RIM has in Japan; however, he did share that, as of April 2008, there are 1,000 companies using DoCoMo's BlackBerry.

To attract more Japanese enterprise customers, Mishima points out a strategy of simplified packaging for the device



and applications, a service trial program (free use of BlackBerry for two weeks for corporate customers), and an increased level of security and stability of the product. Mishima continues that RIM will launch an additional BlackBerry device around March 2009, called the BlackBerry®™ Bold™™ (pictured), a smaller and more slender device than the current 8707, which is a bit too large and bulky for most

Japanese users. DoCoMo has also started running full-page color ads in the *Nikkei* newspaper that are directly targeting Japanese corporate users.

One of the major complaints about the BlackBerry service was the high price DoCoMo was charging. At an ACCJ event at Roppongi Hills on November 17, 2007, DoCoMo broke the news that it would lower pricing for the BlackBerry service to bring it closer in line with other similar services. In December 2007, the monthly license fee decreased from ¥5,700 to ¥3,400 (FOMA Plan SS also required at ¥1,800).

DoCoMo also plans to launch at least three Windows Mobile devices in 2008, with the first one being the Fujitsu F1100 released on March 17. DoCoMo differentiates services between BlackBerry and Windows Mobile, as Windows Mobile is more suited to specialized fieldwork and customization, while the BlackBerry fits more horizontal, general business markets.

DoCoMo feels the demand for smartphones in Japan is probably less than in markets such as North America and Europe, as domestic i-mode phones already have rather high functionality, and many businessmen and users are accustomed to having their business e-mail forwarded to their devices.

Darren McKellin is Chairman of the



ACCJ Information, Communications & Technology Committee. accj.telco@gmail.com



"Well, I'd better go now. I'm almost at the wall."



Long Arm of Love

Care for aged parents from afar.

Many of us realize just how far from home we are only at a time of crisis. Crises can take many forms, of course; but a constant concern for many long-term expatriate residents here is the health and wellbeing of loved ones. High on the list would be aging and increasingly frail parents.

“The best time to talk with your parents about their long-term care is while they are still active and independent,” says Marcia Johnson, who set up Binocular Vision Advisors, LLC, in 2003, to bring elderly parents and their children together with elder-care services. “If everyone is prepared in advance, when the time comes to make a decision, it is much easier if everyone understands the parents’ wishes.”

Johnson’s advice is rooted in her own experience of living in Berkley, California, and having regularly to fly into Spokane, Washington, to care for her parents as they advanced into their eighties. The physical and financial demands were grueling, and

she quickly realized the advantages that lie in employing a professional geriatric-care manager.

Johnson likens having an expert caregiver on hand before a crisis crops up to “keeping a flashlight in the car.” It is there for when the need arises.

She agrees that it might be an issue parents who are still relatively young might not want to contemplate, but having a plan that can be readily put into action could make a huge difference in the quality of their lives as they get older.

As health and human-services professionals, geriatric-care managers can be located through a referral from a trusted professional, such as a doctor, lawyer or financial advisor, as well as via the National Association of Professional Geriatric Care Managers, Inc., or the National Association of Area Agencies on Aging (n4a)—though identifying the best person to look after a parent is more complicated for an expat.

Johnson realized the difficulties people have in navigating previously uncharted territory with little

“Sometimes, children who only see the parents a couple of times a year will not realize that they have declined to the point where they cannot care for themselves anymore.”



BINOCLULAR VISION MANAGERS, LLC

Marcia Johnson set up her company to provide geriatric-care management services.

or no knowledge about planning for, or implementing, the most appropriate care. Binocular Vision provides a customized search service that saves valuable time and takes the guesswork out of finding a care manager with the skills and experience to handle an individual's needs, Johnson says.

For parents who are relatively young and sprightly, the care manager may need to check in on them only a couple of times a year, keeping an eye on hospital appointments or ensuring that the medication is correct, and the individual's home situation remains comfortable and safe. As the years progress, however, the degree of involvement would inevitably increase.

The duties of a care manager can include keeping all members of the family up to date on a parent's medical and home situation, identifying potential problems and drawing up solution scenarios, managing crises, selecting and training home caregivers, managing homecare services, and even mediating disputes among family members over the most appropriate care.

If it is considered best for an individual to enter a residential care unit, the care manager can remain involved and continue to monitor the person's care, as well as advocate for the best facilities and treatment.

Johnson points out that “residents get better care and services when someone is checking up on them.” However, that is not always possible if you are living in Japan.

Johnson cites the example of an expatriate daughter who was understandably horrified to discover that her alcoholic father was living by himself in a filthy apartment, with nothing but beer in the fridge.

“Sometimes, children who only see the parents a couple of times a year will not realize that they have declined to the point where they cannot care for themselves anymore,” says Johnson. “This kind of elder self-neglect is not at all uncommon. It is also where an expert can step in to help, and it must also be pointed out that it is never too late to start that.”

The care manager was brought into the situation, and set about arranging for the provision of meals and monitoring the father's alcohol consumption; the transportation for medical treatment, including a mental-health assessment; and light cleaning of the apartment. After the immediate urgent issues had been dealt with, the caregiver was able to scale back her involvement to a few hours each month; and, in that time, she was able to determine that the father was entitled to a service pension.

The amount of care was stepped up in subsequent years, up to the father's death. At that point, the care manager was able then to follow up on many of the funeral and burial arrangements, an important task that allows the family to go about the grieving process without additional pressures, Johnson says.

The cost of private geriatric-care managers can range from \$60 to \$200 an hour, depending on the level of services required, according to Johnson. While that might sound expensive, she points out that having an expert on call 24 hours a day, with a complete understanding of the individual's situation and the steps to take in any given case, will not only ensure the children's peace of mind, but also possibly save an exorbitant amount of money over the long run.

◀ SNAPSHOT ▶

Binocular Vision Advisors
www.binocvision.com or 080 3219 9411
National Association of Professional Geriatric Care Managers
www.caremanager.org
National Association of Area Agencies on Aging
www.n4a.org/locator

Julian Ryall is the *Daily Telegraph's* Tokyo correspondent.



PHOTOS JOHN LANCASTER

Just 80 minutes by train from Tokyo, Onjuku has restaurants, a beach and accommodations within 10 minutes of the station.

Chiba's Hispanic Quarter

Watching TV news footage of the Shonan beaches, looking like a bareback version of Shinjuku Station, and seven-hour jams on the roads to Izu brings a cry of despair: "Is there no good beach in reach of Tokyo that doesn't involve an ordeal?"

Reaching Onjuku beach certainly was an ordeal for the first foreign visitors to Chiba's Pacific coast.

On September 30, 1608, the Spanish galleon, *San Francisco*, en route from Manila to Acapulco, was driven ashore in a typhoon. After local fishermen saved 317 of the 379 souls aboard, survivors found themselves on a broad bay fringed by a pleasant 2km crescent of white sand, backed by luxuriant green hills.

The Spaniards enjoyed local hospitality for 37 days while the Shogun arranged onward passage—a kindness never forgotten by Spain or Mexico. In 1928, a monument was erected on a cliff in what became Mexico Park. When Mexico's president visited in 1978, Onjuku was twinned with Acapulco—Spanish signs were strewn about and a giant concrete cactus was erected to proclaim "Amigo Onjuku!"

Alas, so far no Mexican restaurants here. But with dignitaries from Mexico, and Madrid and Manila nearing 400th-anniversary celebrations in September, locals are hoping Mexico City will endow an institute of margarita appreciation. *Por favor!*

Today, Onjuku is still one of the few white-sand beaches along the Boso Peninsula. The hills are

as green as the Spaniards found them. With no tetrapods blocking the bay, myriad surfers safely ride its predictable breakers.

In summer, the sheltered northern half of the beach is reserved for swimmers. With lifeguards from 9 to 5 and a gentle slope into the depths, bathing is ideal for kids and adults alike. The southern shore is surfers' domain. In between is a freshwater swimming pool with a thrilling waterslide. At either end, *umi-no-ie* (seasonal beach cantinas) offer refreshments.

Although the beach in summer is pleasantly thronged—and thonged!—narrow streets in the village behind act as a buffer to overcrowding.

Come early and snag all-day parking by the beach for ¥1,000. But especially at 4 p.m., when everyone leaves, expect the narrow coastal highway to be a mess.

So why not avoid the whole automotive ordeal; buy beer instead of gasoline and leave a tiny carbon footprint getting to the beach?

From Tokyo, it takes at least two hours by car. With comfortable airline-style seating and departures from Tokyo Station every hour on the hour, JR's Wakashio Limited Express makes the 105km trip in just 80 minutes.

Where many other beaches in Chiba are far from the station and the backed strips of fast-food drive-ins, Onjuku remains a compact fishing village—with beach, restaurants and accommodations all within a 10 minutes' walk from the station.

With a coast that quickly plunges into an ocean trench, deep as Everest is tall—and 88 professional fishermen and five sushi shops in town—seafood tops the list.

◀ **SNAPSHOT** ▶

Wakashio limited express trains depart from JR Tokyo Station hourly, 9:00 – 22:00, for Chiba's Pacific coast from the Keiyo underground platform 1, a 5-min walk south of the main station, below Tokyo International Forum. Some trains terminate at Kazusa-Ichinomiya, 20 min north of Onjuku. Most Wakashio trains depart Onjuku 8-14 min past the hour. Tickets cost ¥1,890, with the express an additional ¥1,300.

Driving from Tokyo is via the Aqualine Tunnel under Tokyo Bay; ETC (electronic toll collection) offers a discount. Go straight after the tunnel until the expressway ends at Higashi-Kisarazu IC. Turn right at Route 410 and Onjuku is about one hour away. JR English Info (050-2016-1603) www.town.onjuku.chiba.jp (in Japanese)

Don't expect Jiyugaoka-on-the-sea with twee cafés at every turn. But with a funky surfer sensibility, Onjuku has much to offer the urban visitor.

With a coast that quickly plunges into an ocean trench, deep as Everest is tall—and 88 professional fishermen and five sushi shops in town—seafood tops the list. Flounder, shrimp, squid, abalone and *aji* are common catches; but chefs at Tanaka-zushi and Tsuru (two personal favorites) usually have local surprises.

Rare on this coast are chances to see the sea as you eat. With a sensational surf-facing deck and a mainly Italian menu, Ragtime, just south of town, is the best bet.

Dining rooms at both of Onjuku's major beachside hotels, Sayan Terrace and New Hawaii, feature sweeping walls of wave-facing glass. In recent years, thoroughly contemporary décor and a stylish menu have made Sayan clearly the better of the two.

New Hawaii, which recalls Atami circa 1963, is famed for exceptional vistas and infamous for its execrable buffets. But its recent purchase by French businessman François Combes raises hopes that a July reopening will reveal vast improvements.

Both hotels offer quick, summer getaways. Two meals included, in season, New Hawaii charges ¥17,000/person and Sayan Terrace ¥23,000/person.

Cheaper digs are readily available. Consult Onjuku's Japanese-language Web site (see snapshot



Seafood is a speciality at this laid back fishing village.

above) for a range of accommodations from ¥5,000 per night in summer and ¥3,000 off-season.

Do consider catching the 7 p.m. Wakashio from Tokyo Station after work, Friday. You'll be in Onjuku by 8:30 p.m.—still in time for dinner, and on the beach before the Saturday crowds.

Oh, yes, the camel thing. For each of its 8,000 inhabitants, Onjuku must have at least one dromedary icon. You find camel sculptures on the beach; camels on streetlamps, road signs and business cards. There's even a Camel Golf Club.

In the 1920s, the beach inspired local composer Masao Kato to pen *Tsuki no Sabaku* (Desert Moon), a children's song about camels crossing the desert. Its cult-favorite status draws pilgrims from across Japan to a beachside museum. Still, with municipal loudspeakers blaring it out morning, noon and night, you can come to loathe the melody. Maybe the Mexicans will bring us a mariachi version!



John R. Harris is a speechwriter and freelance journalist who lives in the forested hills behind Onjuku, where willing or not he wakes each morning at 7 to the strains of *Tsuki no Sabaku*.



Embassy of the United States of America Tokyo, Japan

To the American Community in Japan:

It is a pleasure to extend Fourth of July greetings to all the *ACCJ Journal* readers among your 1,300 member companies. For Americans, the Fourth of July is a day for celebration and a day for gratitude.

On each anniversary of the adoption of our Declaration of Independence, we give thanks for the tremendous courage and conviction of our Founders, 56 brave men who signed their names to that bold creed of freedom drafted by Thomas Jefferson 232 years ago. These men and the courageous citizen-soldiers of our Continental Army took up the fight for freedom and independence, set the course of our nation, and changed the history of the world.

On this day, Americans honor the patriots who sacrificed to achieve and maintain our liberty. We also honor those who serve our nation today as we support freedom around the globe. We aspire to a world in which all citizens may enjoy the blessings of life, liberty, and the pursuit of happiness that Americans have celebrated each Fourth of July for well over 200 years.

We also express gratitude to our many friends and allies around the world who advance shared ideals of freedom, justice, and democracy. The freedoms that Americans value and enjoy today, such as free speech, a free press, freedom of worship, and the rule of law, are also highly valued in Japan. They form the basis of an enduring and productive partnership between our two countries. I wish to express my sincere appreciation to the Japanese people, our gracious hosts, for their continued friendship and support. May both our great countries continue to enjoy the blessings of liberty.



J. Thomas Schieffer
Ambassador
United States of America

A handwritten signature in black ink that reads "Thomas Schieffer". The signature is written in a cursive, flowing style.

Bottom-up Demolition

The problem with building lofty high-rises is that eventually they have to come down—and the process of dismantling a tall building is dirty, dangerous, noisy and hard on the environment, and can disrupt a neighborhood for months. Demolishing with explosives is quicker, but is not always an option in the tight confines of a modern city.

Now major construction firm Kajima Corp. has a clean, green solution—knocking them down from the bottom up.



Engineers at the firm have devised a method by which they prop the building up, knock out the bottom couple of floors, and then lower the whole structure on huge hydraulic jacks (pictured left).

The company is currently perfecting the method, which Kajima engineers call “Kajima Cut and Down” (KC&D), as they dismantle two of their headquarters buildings in Chiyoda Ward.

“KC&D allows us to control dispersion of noise and dust because the demolition work is all done at ground level,” says Satoshi Shigematsu, a Kajima spokesman. “It is also safer in case of earthquakes.

“The method right now is most applicable to steel-frame medium [height] and high-rise buildings, up to 20 stories high,” he says.

When dismantling a high-rise, the structure is weakened as its supports are cut down. In Kajima’s method, a core-wall structure is first inserted into the center of the building; this supports the building as it is dismantled and stabilizes it in case of earthquakes. This core wall, made of ferroconcrete, is securely fastened to the building’s support columns and beams on each floor, and is cut away as the building is lowered. This load transmission frame holds the building up, and transmits the building’s horizontal stress (caused by earthquakes or wind) to the core wall, which Kajima engineers newly developed for



Kajima Corp. is using its “Cut and Down” method on their former HQ buildings. PHOTOS: KAJIMA CORP.

such purposes. The result is a structure that is almost as solid as an intact building.

The jacks can lower the building at a rate of 5cm per minute, about two days per floor. After the building has been lowered one floor, workers cut away the structural components and dismantle the walls, a process that takes about five and a half days for a typical midsize high-rise. The computer-controlled regulating system uses a network of highly reliable programmable logic controllers, linked by fiber-optic cables, to control the movement and leveling of the jacks, as well as the pace of lowering the building.

Because almost all the work is done at ground level, dust dispersal is reduced by about 30%, and this also greatly reduces the danger of asbestos pollution. There is no need for cranes or upper-story work, which also enhances safety while reducing cost. The use of heavier machinery speeds up the demolition process by 10-15% and greatly enhances efficiency.

In addition, the new method makes it easier to separate scrap materials, allowing for 21 different materials to be recycled, about double the current level.



Robert Cameron is a freelance writer based in Tokyo.

Business Plan Competition

JMEC (Japan Market Expansion Competition) announced the winners in mid-June of its latest annual awards. Dubbed a mini-MBA, the JMEC program is designed to strengthen the skills of young business executives and entrepreneurs, while fostering the development of foreign businesses in Japan by training participants to write the best business plan for client companies.

Sponsored by 12 foreign Chambers of Commerce here, including the ACCJ, and the European Business Council in Japan, the program matches the desire of young executives to learn about doing business in Japan with the needs of foreign companies here in order to prepare effective, detailed business plans for the latter's products and services in the Japanese market.

After signing a confidentiality agreement and attending a series of lectures and workshops conducted by respected business professionals with extensive experience in the Japanese market, the participants work in teams to develop the optimum business plan for project clients.

Experienced mentors coach teams throughout the process, and experts from major consulting houses critique the proposed business plans and offer guidance. In the final stage, teams present their plans to a panel of JMEC judges and the project client company.

The business plan becomes the property of the client, at a fraction of the cost professional consultants would charge for a comparable plan, according to the JMEC Web site.

JMEC Program Director Beckie Cassidy said that participants must be university graduates who demonstrate commitment and enthusiasm, a will to win and strong desire to learn.

"JMEC is a commitment of time and energy," she said. "Those applicants willing to dedicate the time and effort necessary to work in a team to put together a quality business plan will succeed."

This year's winning team was led by Robert Heldt, whose project client is Robeco Institutional Asset



JMEC winners: Petteri Niska, Jereon van Wilgenberg of client company Robeco Institutional Asset Management B.V., Julie Newton, team leader Robert Heldt, Jay Johannesen and Antonio Canales

Management B.V., headquartered in the Netherlands, with offices in other European cities, Tokyo and the U.S.

"I can definitely recommend JMEC to anyone interested in a business career who is willing to fully commit themselves to the course. The knowledge you gather and networking opportunities are invaluable," he said after the awards ceremony, held at the Shinsei Bank headquarters on June 13. "It's not easy, and some participants withdrew before completing the course. We are ecstatic to have won."

To create each business plan, participants attend six Saturdays of lectures and several half-day workshops, along with outside research, individual work and team meetings in the evenings and on weekends, that total about 250 hours over seven months, Cassidy said.

Participants are coached to produce a comprehensive business plan with a "fresh, outside-the-box perspective ... unconstrained by in-house limitations and conventions," she said, covering strategy, marketing, finance, operations and more, depending on the client's specific needs.

The nationalities, experiences and educational backgrounds on each team bring a unique set of perspectives to problem solving and business decisions, said Cassidy.

Designer Phones

Italian fashion brand Prada debuted its mobile phone in May, marking the latest attempt by a foreign manufacturer to break into the notoriously tough Japanese market.

The Prada, SpA's phone went on sale May 23 through mobile operator NTT DoCoMo Inc., and is made by South Korea's LG Electronics, Inc. The slick design is available in two shades: black and silver.

The Japanese market is difficult for international companies to break into, with MM Research Institute saying that foreign mobile-phone manufacturers have a combined share of less than 5%.

Analysts believe the Prada phone has the potential to do well and break this curse, both because Prada is an established brand in the market and Japanese consumers are well known for their love of luxury goods.



LG ELECTRONICS AND PRADA

Japan Poll

The Ministry of Foreign Affairs commissioned The Gallup Organization to conduct an opinion poll, "2008 U.S. Image of Japan Study," from February to March 2008.

The poll has been conducted annually since 1960, and interviews the general public and opinion leaders in government, business, academia, mass media, religion and the labor unions.

The key finding is that Japan continues to be the country most often selected by Americans

as the most important Asian partner to the U.S. Although the study shows a five-point decline in the rate among the general public (43%) since last year, it also shows a one-point increase among opinion leaders (54%). Apart from Japan, China marked the same record as last year (34%, general public; 38%, opinion leaders), while Russia marked a two-point increase among the general public (10%) and the same figure as last year among opinion leaders (5%).

The perception of Japan's attributes was surveyed this year only among the general public. Positive images get high points, which is the same trend as last year: Japan is viewed as "a country with great traditions and culture" (92%); "a country with a strong economy and high technology" (91%); "a country with beautiful nature" (80%); "a peaceful country" (77%); and "a country which has a strong potential for growth" (76%).

Fashion Joint Venture

U.S. fashion designer Phillip Lim has launched his first international retail store in Tokyo to showcase his 3.1 Phillip Lim brand.

The store was launched in Tokyo's trendy Aoyama district through a joint venture with Japanese lifestyle company Sazaby League, Ltd. "Japan has always been a priority in the 3.1 Phillip Lim business plan. We have worked diligently to build our Japanese business with integrity, care and sincerity," said Lim, at the pre-launch.

The 2,230 square-foot (207-square-meter) store interior was designed by Tokyo-based designer Norito Takahashi, and the entire 3.1 Phillip Lim lifestyle



range—including the women's collection, menswear, Kid by

Phillip Lim and the organic Go Green Go collection—is available. The brand's complete accessories range, including bags, shoes and seasonal runway jewelry, is also sold.

Lim, originally from Orange County, California, works out of the garment district in New York, and has garnered the coveted Emerging Designer prize at the Council of Fashion Designers of America Awards in 2007.

Lim launched his collection in 2004, and quickly became associated with producing a clean American sportswear aesthetic—a counterbalance to the somewhat arty and difficult-to-wear looks seen on runways.

Frozen Yogurt Franchise

There must be something in the air because Tokyo's second retail launch hailing from Orange County this spring is frozen yogurt chain Golden Spoon.

The retail chain's inaugural Japan store—and first international location—is across the street from Roppongi's Tokyo Midtown complex, a location chosen for its upscale image, according to marketing representatives.

Golden Spoon has over 85 stores in the U.S., and expects to have 100 stores by the end of 2008.

The expansion of the chain has been driven by the consumer need to eat ice cream in a more health-conscious way. Golden Spoon's premise has been to develop a food category that contains no fat, and is made from natural yogurt.

According to the manufacturer, Golden Spoon offers an "ice cream lover's frozen yogurt" with 15

soft-serve flavors, including peanut butter, raspberry, Belgian chocolate, cappuccino and vanilla.

Flavors can then be topped with strawberries, cherries, sprinkles, granola and aloe; and prices range from ¥320 for a mini portion, through to ¥600 for a pint.

For the company's Japan debut, it offered the To Go Bag costing ¥500, a zip-up cooler that keeps Golden Spoon products cold for up to two hours.

If the concept takes off in Japan, Golden Spoon will set up franchising agreements with potentially 100 outlets, launching nationwide in five years.



Contact Nicole Fall at nicole@fivebyfifty.com if you have ideas for this column.



JEFF GOLDBERG/ESTO

Cira Centre, Philadelphia, Pennsylvania



PCPA

Petronas Towers, Malaysia

Lifetime of Design Passion

At 81 years of age, award-winning architect Cesar Pelli (pictured) shows no sign of losing his passion and energy for designing buildings.



WWW.DAVIDTETSON.COM

"I find every stage of the process exciting," he explains when we meet during his recent visit to Tokyo. "There

are several key points where you feel that excitement—when you are awarded a project you really want; when you first come up with the idea and the client agrees; and when the construction starts, because then you know it is really going to be built.

"Up till then, it may not always happen," he continues. "And, then, of course when the building is finished it is phenomenally exciting to come back and see people enjoying it."

Although best known for having designed some of the

tallest and most striking buildings in the world—from the Petronas Towers in Kuala Lumpur, to the National Museum of Art in Osaka—Pelli says he avoids a "style," preferring instead to respond to each problem on its own terms and in its own time.

"It is one of the wonderful things about architecture," he explains. "It has no predefined pattern, and is instead quite amorphous.

"But it is not entirely free," he adds, "because any design flows from analyzing the nature of the project, the people you are designing for and the site."

But there is always room for innovative ideas, according to Pelli.

"Inspiration for the final form is always a surprise," he says. "Sometimes the design jumps out at you at once, because you can immediately perceive an elegant design from the form. Sometimes it emerges, step by step, and other times you crawl.

"But you get there in the end," he laughs.

Unusual for a busy global architectural practice, Pelli Clarke Pelli (PCPA) Architects operates out of one office in New Haven, Connecticut. Pelli prefers this home-base arrangement, firmly believing that his personal contact with the design process is critical.

"I want the design to be my design," he says, "and if my team is very far away from me, it will not be mine.

"Even though I trust their aesthetic judgment implicitly, by the time you see the design at the end, too many things have happened," Pelli continues. "I really don't understand very famous architects who have eight to 10 offices all around the world."

The Argentina-born architect often talks about his projects as though they were living beings, referring to the "life" of a building, or the exteriors as "skin."

“We should think of the city as a grouping of very civilized individuals, each one is elegant in itself—but they must get on with each other.”

◀ BIOGRAPHY ▶

Cesar Pelli

- Studied architecture at Universidad Nacional de Tucumán, Argentina, before moving to the United States, where he worked with his mentor, Eero Saarinen, from 1954-1964
- Founded Cesar Pelli & Associates [now PCP] and won more than 200 awards for design excellence
- Became dean of Yale University School of Architecture (resigned in 1985)
- Continues to lecture and write extensively on architectural issues
- 1991: recognized by the American Institute of Architects (AIA) as “one of the 10 most influential living American Architects”
- 1995: awarded the AIA’s Gold Medal in recognition of a lifetime of distinguished achievement and outstanding contributions
- 2004: garnered the Aga Khan Award for Architecture for the design of the Petronas Towers

When asked if he finds it difficult to see one of his buildings used in ways he didn’t envisage, he smiles and admits, “Yes, I do see buildings as creatures, like children or pets, or even friends. “But once formed they start to develop their own personalities and you have to let them do that,” he continues. “Sometimes, like with the Nihonbashi Mitsui Tower in Tokyo, we are responsible for the external shell of the building only and have no control over the interiors. You just accept that, although obviously when you design both parts like we are now doing for the Tokyo American Club in Azabudai, both elements

complement each other much more easily.”

In any case, Pelli elaborates, one has little control over a building’s future, given the rapid changes in society and technology.

“One thing I know for sure about the future is that it is not going to be how we imagine it,” he says. “I decide on the building for today, but it will have to fend for itself as time goes by.

“Of course, when we know change is definitely coming, like with libraries which face competition from computers, we are obviously able to provide for that change,” Pelli adds. “I will then design that building to survive with flexibility.”

Pelli has enjoyed long-term success in Japan, working on projects as diverse as embassies, museums, commercial offices and shops.

“Working in Japan is very different to other international cities,” says the master architect. “The design build standards here are exceptional and not found anywhere else.

“The quality of construction is phenomenal,” he adds. “The Japanese have a level of precision which you don’t get anywhere else.”

But the world of building design is changing, he warns.

“Architecture used to be very regional. Once you were established, your work was secure; but today’s young architects must be highly mobile and compete for work



National Museum of Contemporary Art, Osaka

JEFF GOLDBERG/ISTO

all over the world,” Pelli says. “Technology is making it easier and easier to work at a distance.”

Pelli also famously eschews the rush to design each building as iconic, different or innovative.

“It is a sure-fire way of not making cities,” he says. “We should think of the city as a grouping of very civilized individuals, each one is elegant in itself—but they must get on with each other.”

Then he smiles again.

“I’ve been lucky,” Pelli says. “There are many things that interest me, but nothing that comes close to architecture.

“Architecture really is my life.”

Catherine Shaw is a freelance writer based in Tokyo.

The Railway Museum

Japan's first rail service began on June 12, 1872, running 29km from Yokohama to Tokyo. There are now almost 29,000km of rails in Japan; the Tokyo commuter rail system has been called the eighth wonder of the world.

All of this and more are celebrated at the Railway Museum in Saitama. Opened in October 2007, this museum is the successor to the Transportation Museum operated in Kanda until mid-2006. The museum has features that will appeal to children and adults alike, railway buffs, as well as those seeking to while away a rainy day.

One fun aspect to the museum is the train simulators located just to the left as you enter. Wait your turn to drive a Yamanote Line and a Tokkaido Line train, or a Shinkansen. The very popular steam locomotive simulator is a unique experience available only by reservation. Sign up upon arrival, and then enjoy the other displays until your appointed time.

One could spend an entire day just exploring the museum's "History Zone." The dozen locomotives range from the very first steam locomotive to run in Japan,



More than a museum: simulators, interactive displays and steam locos in Saitama.

to a Class 9850 Mallet Steam Locomotive that has been cut away to reveal the internal workings, to a Series 200 bullet train. Sitting on a working turntable in the center of the hall is a C57, one of the most successful steam locomotives of the mid-20th century.

Among the 24 railcars on display are imperial carriages, freight cars, commuter trains, sleeper cars and inter-city passenger cars. Visitors are permitted to enter some of the latter models; it's not unusual to see "passengers" sit and eat a box lunch, or take a nap, just as one would when actually traveling.

There are interactive displays, as well as documentary film clips, interspersed throughout the zone. Signs are multilingual and the film clips are available in both Japanese and English. In the gallery above, an illustrated timeline in Japanese traces the development of rail travel in Japan and elsewhere.

Also on the gallery level is an expansive railway diorama model, a reference library and a collections gallery.

Facilities designed with children in mind include a kids' space full of train toys and two interactive learning halls—one on how train engines work and the other on the tasks of rail workers. Outside, on the museum grounds, are miniature operating trains.

There are two restaurants, two museum shops, and viewing decks for watching real trains, including the Shinkansen, as they pass by.

The Railway Museum is located at Tetsudo Hakubutsukan Station, a 3-min ride on the New Shuttle from Omiya Station. The museum operates from 10:00-18:00, and is closed on Tuesdays (unless a national holiday).



Vicki L. Beyer is an ACCJ Governor and a freelance travel writer based in Tokyo.

DigiMarketing:

The Essential Guide to New Media and Digital Marketing by Kent Wertime and Ian Fenwick

Wiley, 406 pp, \$29.95



Online dining guide *Gourmet Navigator* now has small, electronically enabled placards set up beside the cash registers at thousands of restaurants around Japan. Customers can touch their mobile phones to the card to instantly download a coupon relevant to the restaurant. Depending on the venue, the coupon might be for a free drink, a free dessert or a discount on the total bill. (see www.gnavi.co.jp/touch).

Not long ago, this scenario would have been science fiction. Soon, it will be utterly routine. Marketing through digital media—the Internet, mobile phones, video games and even digital signage—is an evolving field of growing importance. *DigiMarketing*, by marketing consultants Kent Wertime and Ian Fenwick, is an eye-opening introduction to the myriad digital channels that are now available, with strategic advice on how to get the most benefit from them.

A major theme of this book is that marketers should stop wondering about reaching a target audience and start thinking about enticing “participants.” While traditional media are mostly one-way channels, digital media are interactive. The authors contend that potential customers

won't let you talk to them unless you let them respond.

Participation must be voluntary, though. E-mail and mobile phone campaigns need prominent opt-in procedures (which should include learning what topics customers want to hear about, and how often they would like to be contacted) to clearly distinguish your messages from spam.

However, long and nosey registration surveys are a participant turn-off; the book suggests other ways of gathering data. “For example, a food company had difficulty getting moms to answer questionnaires about how they feed their children. However, once the company provided a self-quiz on the topic of whether they were feeding their children properly, they were able to get data that consumers were previously reluctant to share.” People answer questions more willingly—and accurately—if they see a benefit for themselves.

Merely getting people to visit a static Web site is described here as old-fashioned Internet thinking. These days, you may get more benefit from creating brand-relevant viral content, such as YouTube videos, that consumers find worth passing along to like-minded friends. Instead of participants coming to your content,

your content goes to them.

Video games, described as “the new Hollywood,” are the ultimate participatory media. Marketing here ranges from sponsorship, product placement and tie-ins, to clickable ads in online games and even the creation of brand-specific “advergames.” Burger King, for instance, had a major hit with its Xbox 360 “King of Games” software, sold in its restaurants.

In yet another illustration of how fast our digital world is changing, the chapter on TV looks back at recent history and observes: “Consumers actually altered their lives to be in front of the television when the programs they wished to watch were scheduled.”

Thanks to modern recording technology, that concept seems almost laughably quaint now. *DigiMarketing* contains valuable tips to keep your marketing efforts from meeting the same fate.



Tom Baker is a staff writer at the *Daily Yomiuri*.

We are giving away three copies of *DigiMarketing*. Simply e-mail editor@paradigm.co.jp by July 14. Winners will be picked at random.

Changing of the **Guards**

We're now well into the summer cycle. At the Chamber that means a slowdown in incoming memberships. At the Embassy it means heavy staff turnover, timed to the U.S. school calendar, with as many as one-third of the officer positions changing hands. With Joe Donovan as Deputy Chief of Mission for the past three years, ACCJ–Embassy relations have never been better. As he leaves to take up his duties as Chief of Mission at our Consulate in Hong Kong, we all thank Joe for attending countless meetings and briefing sessions, providing advice and insight on sensitive topics and giving unwavering support to our leaders and members.

Fortunately, Joe's successor, Jim Zumwalt, is a long-time ACCJ friend. Jim will be coming from his position as head of the Japan Desk at State, and has a long and distinguished career as a diplomat in Japan and the region. With previous assignments as Minister-Counselor for Economic Affairs at the Embassy here, and with other assignments in Tokyo and in Kansai, at USTR and at the Department in Washington, Jim has been involved in both the strategy and tactics of our bilateral trade relationship with Japan.

And speaking of Kansai and the Japan Desk at State, there is even more welcome news. Danny Russell is winding up his assignment as Consul General in Osaka-Kobe where he has been an unwavering supporter of our Kansai Chapter and a key leader in the renewed energy and growth of our office there. It has been great having Danny in Japan and it is wonderful keeping him in the family as he takes up his duties in Washington.

The only question now is whether Joe or Jim or Danny will be the first to claim an Ambassadorship.



Samuel H. Kidder is
ACCJ Executive Director.