



# **DOING DESIGN BUSINESS IN JAPAN: EXPERIENCES FROM HIRAMEKI**

Heidi Cheng, Taru Kesävuori,  
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**Aalto University**  
School of Economics



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BUSINESS  
IN JAPAN:  
EXPERIENCES  
FROM  
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## Foreword

The publication you are about to read is a perfect example of what the multidisciplinary environment of the Aalto University can create. Drawing on the best aspects of technology, business, and design, the JaBuPro research group has carried out a research project that not only advances research in the field of design management, but also offers concrete tools for practitioners to enter the Japanese market.

It delights me to see that other researchers are also investigating the internationalization capabilities and strategies of Finnish designers and design companies. What makes this publication stand out, however, is that it actually offers advice to designers and design companies wanting to expand to Japan.

As the professor and program director of International Design Business Management, I would like to congratulate the JaBuPro research group for contributing to the field of design management with this publication.

Whether you are a designer, manager, student, or someone interested in Japan, I hope you enjoy this beautifully written piece of research.

Markku Salimäki  
Professor, IDBM Program Director  
Aalto University



## Acknowledgements

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The team would like to thank Mika Wist and Piritta Hannonen for sharing their creativity with us to produce this beautiful publication. Asger Røjle Christensen, Daniel Graff, Sanna Heiniö, Ilpo Kaislaniemi, Toni-Matti Karjalainen, Elizabeth Rose, and Gabriele Suder for their valuable comments and suggestions for taking this publication to the next level. Last, but definitely not least, we would like to thank the Hirameki participants, our colleagues, friends, and families for their support and encouragement.

## Preface

The aim of this publication is twofold. Based on the experiences of a group of Finnish designers participating in Hirameki – a broad Finnish design exhibition and export promotion event, taking place in Tokyo October 2010 - we wish to, on the one hand, provide evaluative information about the delights, challenges and disappointments connected to planning, executing and concluding the Hirameki event. On the other hand we wish to propose how one might prepare future design exhibitions and export events in Japan, and provide practical hints for designers wishing to enter the Japanese design market.

The research project was coordinated by Japanese language teacher Virpi Serita from the Aalto University School of Economics' Department of Communication. The research group consisted of three doctoral students, Miikka Lehtonen, Rebecca Lund, Seppo Mallenius and four research assistants, Heidi Cheng, Taru Kesävuori, Jaakko Lovio and Antti Sonninen. The research group had already preliminary know-how on the marketing strategies in Japan, basic knowledge of Japanese language and the assistants were currently enrolled in the International Design Business Management program (IDBM) at Aalto University. The group of researchers and their assistants grew together during the project and built a very solid and innovative team. The group named itself JaBuPro project team in October 2011. (See the profiles of the authors in the end of this publication.)

The idea to conduct this research was first put forward in May 2009, when Miikka Lehtonen together with Virpi Serita and Seppo Mallenius decided that it would be a good idea to make a follow-up research project on Marketing Finnish Design in Japan (Pöntiskoski & Serita 2009). The research team was completed with Rebecca Lund and four assistants in summer 2010. The aim of the follow-up publication would be to reach an even deeper understanding of the challenges facing Finnish designers wanting to penetrate the Japanese market. Design Forum Finland gave us the opportunity to attend the Hirameki event in Tokyo, and this gave our team a unique possibility to approach our topic from the designers' perspective. Our research team interviewed approximately 25 designers and design companies before and after the Hirameki event, the team made field

observations during the event in Tokyo and made over one hundred surveys on Japanese visitors. Utilizing various methods has given us a very rich and nuanced data set and provided us with considerable insights.

Many practitioners consider academic institutions stiff and the researchers inside them out of touch with the reality and practitioners' everyday experiences and needs. Changes seem, however, to be taking place and demands for cooperation between higher educational institutions and surrounding society and practitioners seem to be on the rise. This publication can be seen as a student-driven effort to connect research and practice.

Helsinki, 8 April 2011

Virpi Serita

Lecturer of Japanese Language and Business Communication,  
Aalto University



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# **ON THE JAPANESE DESIGN MARKET**





- Japan is a promised land of niches.
- There are differences in design consuming also within Japan.
- Product quality is one of the main things that never can be emphasized too much: Japanese consumers are pedantic in this sense.
- Select shops and online markets can be good channels for foreign design to enter the Japanese markets.



## On the Japanese Design Market

Japanese consumers are said to be extremely brand conscious being ready to spend money on expensive design; clothes, accessories, electronics and interior design. This is apparently true, but the recent economic recession and changes in consumer behavior in Japan have started to slow down Japanese people's expenditure on luxury goods. Younger women have started to prefer lesser-known brands instead of Vuitton, for example. However, Japan is a huge market and Vuitton still gets their biggest profits from there.

According to a report issued by McKinsey in 2010 Japanese consumption patterns are changing in four visible ways. First, Japanese people have started to put more emphasis on prices when making purchasing decisions. In addition, interest in private label products is increasing, although it has not yet reached the level of Western markets. Secondly, Japanese people are spending more time at home despite the fact that Japanese homes are relatively small. We could say that the importance of products and design used at home may become more significant. Thirdly, Japanese people have gradually started to favor online shopping. Traditionally, the Japanese have enjoyed doing their shopping in physical stores. This is, at least partly, due to the fact that credit cards are not as common in Japan as in the Western countries. From this we might argue that Japan is not the best place for online shopping, but there has been a clear change in attitudes. For instance, the most popular online shop Rakuten(楽天) – which, by the way, means “optimism” consisting of kanji characters of “ease” and “heaven” – is doing well with its 50 million registered users. Similarly, the increasing online activities are important to deliver information among customers. Young Japanese people are eager to follow and write blogs, use Twitter and the Japanese counterpart of mobile Facebook called Mixi. This trend also became apparent at Hirameki where several of the Japanese visitors told us that they were planning on blogging about the exhibition. Unfortunately for Western people, to register as a user of Mixi you need to have a Japanese mobile phone number. Finally, one emerging trend in Japanese consumption is the consciousness of health and environment related values. One of the most famous retailers in Japan is Mu-

jirushi or shortly Muji, which means “no brand”. Their ideology is to sell reasonably priced design considering environmental and sustainable values. Muji has shops in many European countries as well and their products are available even in the shop of Museum of Modern Art in New York. They also have an online shop (<http://www.muji.eu>).

Regardless of this trend, however, it can be almost shocking to see the amount of packaging and disposable materials used in Japan. Unbelievable amounts of disposable wooden chopsticks are used each year and when you visit the supermarkets you will notice that fruits are individually wrapped in plastic. This is contradictory to sustainable consuming, although Japan is one of the leading countries in recycling.

In general, Japan is the promised land of niches. Contrary to the claims often heard – that the Japanese people are a homogeneous group – we claim that Japan is a promised land of niches. There are great differences between Japanese people, the most obvious differences being defined by gender and age.

Especially younger generations are looking for more individuality in clothing styles and design preferences. Possible places to find more individual design and fashion are select shops. These shops started to emerge already five decades ago concentrating on high-end fashion products, but nowadays select shops sell accessories, toys, jewelry and interior design. The idea of several select shops is that the owner can decide which products she selects to her assortment and she can favor designers who are in the beginning of their careers or new in the Japanese markets.

There are also differences in consuming preferences between different geographical areas in Japan. For instance, according to a Japanese furniture importer we interviewed, furniture made of dark or stained wood sells better in Kansai area (e.g. Osaka and Kyoto) than it does in Tokyo area. Western designers selling their products in Japan should not make their marketing decisions based on consumption preferences of one specific area in Japan if they want to reach the whole country. In general, however, it seems that consumption patterns in Japan have started to approach Western styles.

However, the importance of high quality of products and services are still extremely important for Japanese customers. For this reason, product quality is one of the main concerns when entering the Japanese market and, for example, some Western

furniture manufacturers have separate production lines for products targeted to Japan.

### **Two design related issues – Good Design Award and Accessible Design**

Japan Industrial Design Promotion Organization (JIDPO) was founded in 1969 for promoting design in and outside of Japan. JIDPO is part of a comprehensive network of design organizations, such as Japan Craft Design Association, Japan Graphic Designers' Association, Japan Industrial Designers' Association, Japan Interior Designers' Association, Japan Jewelry Designers' Association, Japan Package Design Association, Tokyo Design Center and Living Design Center Ozone.

One practical action JIDPO is responsible for is the Good Design Award i.e. G-Mark, which is symbolized by a red circle with a white letter G inside. G-mark is quite well known in Japan. You can find all the industrial design artifacts that have been granted G-Mark in their web site. Most of the products on their list are Japanese, but there are foreign representatives as well. For instance, during the first decade of the 21st century G-Mark has been granted to 10836 products from Japan, 110 from USA, 32 from Sweden, 31 from Denmark, 13 from UK, 8 from France, 4 from Finland and 2 from Norway. Unfortunately, the statistics do not tell how many designers or design companies tried to apply the G-Mark for their creations. We would encourage Western companies to consider the value of G-Mark, because it is also a good promotion channel. Accessible Design promotes products, facilities and services that people, regardless of their physical characteristics and disabilities, can easily use. Accessible Design Foundation of Japan is promoting those design principles in Japan by consulting design companies and industries as well as educating children about the needs of people with disabilities. In addition, standardization locally and internationally is one of their objectives. There are several Accessible Design principles implemented in Japanese products that are invisible for most people. For instance, Braille writing for the blind is used in ATMs and elevators as well as voice output telling what to do next or which floor it is. Japanese shampoo bottles have notches on the sides for distinction from hair conditioner bottles and all milk

cartons have a groove on the top of the carton to show from which side the carton must be opened and to distinguish it from juices and other drinks. These Accessible Design principles are not only for the disabled, but they also take into account, for instance, the needs of children or left-handed people.

## **Conclusion**

Entering the Japanese design market is not an easy task, which is why we recommend you to get acquainted with books, journals, blogs, websites and other sources. During the course of this chapter, we have attempted to provide you with a brief introduction to the Japanese design market – mainly from the consumer side – while at the same time guiding you to external sources that could further expand your knowledge about the Japanese design market. Throughout this publication, we attempt to make our knowledge and insights explicit so that we might help companies and designers enter the Japanese market and understand the role design plays in Japan. Living and working in Japan, collecting empirical data from Hirameki, and studying Japan from a distance have been our primary sources for knowledge and insights. Whether you are a designer, student, or a manager somehow connected to or interested in Japan, we hope this chapter has shown you the importance of design in Japan. Design in Japan is ubiquitous and people are relatively aware of matters related to design (e.g. accessibility, aesthetics and so forth). Thus, design in the Japanese context should definitely be seen as a potential source for competitive advantages, as the consumers are so well aware of and interested in design.

## **Further reading**

Accessible Design Foundation of Japan: [www.kyoyohin.org/en/](http://www.kyoyohin.org/en/)

G-Mark: [www.g-mark.org/english/index](http://www.g-mark.org/english/index)

Japan Industrial Design Promotion Organization (JIDPO): [www.jidpo.or.jp/en](http://www.jidpo.or.jp/en)

Muji website: <http://www.muji.eu>

Pöntiskoski, E. & Serita, V. (Eds.), Hurme, S., Leikos, V., Mallenius, S., Rinne, T., Villberg, K., Yppäriä, N. 2009. Marketing Finnish design in Japan. Helsinki: Helsinki School of Economics (Available also online: <http://hsepubl.lib.hse.fi/EN/publ/hse/b101>)

Rakuten website in Japan (Japanese): <http://www.rakuten.co.jp/>

Rakuten website in UK: <http://global.rakuten.com/uk/>

Salsberg, B. 2010. The new Japanese consumer, McKinsey Quarterly.

# **PRACTI- CALITIES AND CULTURE**





- Japan has a relatively short history in foreign trade.
- Different rituals and codes are common in Japan and they are all part of showing respect to others.
- There is no need to mimic the Japanese - be yourself but remember to be polite and respect others.
- Remember always to nurture your relationship with a Japanese friend or a business partner. This is all part of establishing a trusted relationship.



# Practicalities and Culture

## Overview

Why is Japan such a difficult market to address? Due to the historical estrangement between Japan and the West, finding a common language in business negotiations can be a challenging task. Moreover, the Japanese societal hierarchy, gender roles and seniority system all differ from their Western counterparts, and these differences should be acknowledged when conducting business in Japan. This chapter will explore the common cultural and practical pitfalls of doing business in Japan, especially in the design context.

As the world's third largest economy Japan has been an attractive market for many Western companies for a long time now. However, the history of Japan's foreign trade is relatively short. Before the mid-19th century, Japan's Edo period enforced a policy of a "locked country" (鎖国、sakoku), a policy that forbade the crossing of the Japanese national borders for the Japanese people and foreigners alike. This policy has had drastic long-term effects to the economy and societal structure of this island country facing the Pacific Ocean. The Meiji Restoration opened the borders for trade and cultural exchange, which has paved the way for modern Japanese import and export. With Japan's limited exposure to the outside world before the 19th century, the Japanese market and industry have been stated to suffer from the "Galápagos syndrome", a term that describes the phenomenon of a product or a society evolving in isolation from globalization.

The relatively short history of Japanese foreign trade still affects global business practices today and Japan is considered as a challenging market for many Western companies. The Finnish mobile phone giant Nokia, for example, withdrew from the Japanese market in 2008, never having conquered a market share larger than 1 % in Japan, despite having a global market share of around 40 %. Similarly Rovio, the company behind the best globally selling iPhone App, Angry Birds, has achieved a market leader status in dozens of countries but is barely in the top five in Japan. These Finnish companies are not the only one facing challenges in Japan, there are many others who have experienced difficulties of the same sort.

While there is no single right answer to the question “how to enter the Japanese market?”, there are some common denominators we will share here. From time to time we will need to generalize in order to provide some useful guidelines, so the contents of this chapter should be regarded as a list of rules of thumb. Do not be afraid to bend the rules slightly to accommodate your personal communication style, as being comfortable and confident shows.

### **Scouting for new prospective partners**

Design companies looking to expand to the Japanese market will need an interface to Japan for their business. Hence, these companies will experience the importance of communication with several different stakeholders - customers, distributors, importers, suppliers, shareholders and governmental organizations to name a few. A good place to start building a network in Japan is to contact local embassies, design associations as well as trade and export organizations. Companies producing physical products will be interested in securing sales agents or an importer to start sales in Japan whereas companies producing services will be more interested in their Japanese customers. On the other hand, companies hoping to achieve thorough, long-term market penetration in Japan will most likely benefit the most from establishing a permanent sales organization of its own. However, this can be a risky investment that can also be challenging to manage.

Our previous research projects on Japan have shown that ensuring formal means of communication in Japan is extremely important, as you need to convince your customers that they can reach you as easily as they could a Japanese company. Furthermore, we also found that ambassadors and other high-ranking individuals can be utilized when gaining access to the Japanese market. We will talk a bit more about the importance of hierarchy later on in this chapter, but at this point it should be emphasized that communication and networking go hand in hand when it comes to setting up your business in Japan. In addition, knowing how to prepare yourself to business meetings is also crucial: to help you with this, we will now turn to matters related to business meetings in the Japanese context.

## **Business meetings**

Once you have set up a meeting with your possible future business partners here are some things you should know about business cards before stepping into the conference room. In the next sections we will cover other important issues, which are good to know such as small talk, dress etiquette and hierarchy in Japan.

## **Business cards (名刺、meishi) and protocol**

When leaving from a business meeting with the Japanese your pockets will be empty of your own business cards and full of cards of others. Although Japan is one of the most advanced nations technologically and in many other ways, business cards have retained their important role in social exchange. The ceremony of giving and receiving a business card has its own protocol and system, but why are business cards and the rituals behind them so important to the Japanese? In Japan, the business card is seen as an extension to the individual. The business card tells about your affiliation and rank in the corporate hierarchy. This information is used to determine the appropriate counterpart of the conversation as well as the level of respectful language (敬語、keigo) that should be used. Also, the rituals are part of showing respect to your counterpart in the meeting.

Next we will go through some of the basic rituals when handing your business card to a Japanese person and what to do when you receive one.

Give your business card facing up and towards the recipient holding it with both of your hands from the top corners of the card. Say your name at the same time when giving the card.

Remember to give your business card according to your rank in the company. The highest ranked person gives the business card last.

When receiving a business card remember to accept it with both of your hands ensuring that all the writing on the card is still visible.

Take your time looking at the card. You are expected to memorize the information.

Don't put the business cards you receive into your back pocket, but make sure to always have a cardholder with you. The business card symbolizes the other person, so show respect.

While the whole process of giving and receiving business cards in Japan is already in itself fascinating, we believe that best learning outcomes are achieved through real life cases. In a setting such as the Hirameki design exhibition, where design is the common denominator between different parties, this formal ritual was experienced to be more relaxed than expected. Many of the Hirameki participants took part in a training session organized by Design Forum Finland, where the formal Japanese way of exchanging business cards was demonstrated in detail. When meeting Japanese people in Hirameki, the Finnish designers often tried to obey the rigid norms learned in the training session, but noticed them to be a bit over the top. Moreover, many designers felt that the exchange of business cards with the Japanese is different in the world of design compared to other industry sectors. In fact, some of the Japanese visitors of the Hirameki design exhibition felt awkward when the Finnish designers were trying to follow the formal rituals by the book. As a foreigner in Japan, you are not expected to behave like a Japanese. Be as you are but pay extra attention to being polite and well mannered. Remember what your momma taught you and you'll go a long way.

### **Small talk and communication**

When the business cards have been exchanged, you will need to engage in a bit of chit-chat before getting down to business. This is probably the situation anywhere in the world, but in Japan this has much more importance than in the Western world. The relationship must be established before talking business and this

is done through ceremonies such as exchanging business cards and small talk. The common topics do not differ that much from your ordinary small talk in any other country (weather, sports, food, TV, etc.) but as in all countries the Japanese also have topics that should be avoided (such as World War 2, divorce, and historical relations to China).

When it comes to communication, both verbal and non-verbal, Japan is a tricky country for a Westerner with no prior knowledge about Asian or Japanese communication practices. While the things being said are important, often the things left unsaid can be just as critical. Also, getting a straight “no” answer from a Japanese is almost mission impossible, since in Japan giving a direct negative reply would result in the other person losing his or her face. In Japan, the rules of social conduct are strict but subtle so keep your eyes and ears open and read a little extra between the lines.

Since Japan can be a challenging place for foreigners in terms of communication, how do you avoid the worst pitfalls and mistakes? Below we have collected some suitable and avoidable small talk topics in Japan. In addition, we would like to offer the following tips for successfully communicating in Japan:

Silence is OK, you do not have to fill silence with nonsense.

Talk about positive current issues (weather, food, sports) and avoid negative and too serious topics (such as World War 2, divorce, and historical relations to China).

Intensive eye contact makes the Japanese feel uncomfortable - stare too long and people will think you are aggressive and intimidating; however, constantly looking elsewhere is overdoing it and people will feel you are not interested in them.

Be polite - there are three different levels of politeness in the Japanese language, so even if you are communicating in English, make sure to show politeness in your language.

Getting a direct answer in Japan might be difficult - try to look for clues that tell what the person wants you to understand from his/her message (i.e. “It might be challenging” roughly translates into “Not going to happen”).

Be yourself - as a non-Japanese you are not expected to know all the rules and norms inherent in the Japanese culture. So remember to talk about positive current issues in the environment you are in at that moment and make sure to keep your feelings (especially negative) away from the discussion and you are off with a good start.

### **Cellphones & Wi-Fi**

Since Wi-Fi and cell phones are nowadays an essential part of communication we will cover these topics next. Based on our empirical material and previous experiences, we feel that these aspects deserve more attention than they usually get.

In Japan, cellphones have been at the core of technology-based communication for a long time. They are also widely spread in the West, but ever since the 90's Japan has been light years ahead of the Western world when it comes to mobile technology and services. The Japanese were surfing the Internet with their mobile handsets already in the beginning of 21st century when the rest of the world was still focused on calls and text messages. For this reason, there is a considerable number of Japanese people who do not own a computer, since they have been using their handsets to access all necessary information on the web. Japanese cellphones have been using email from day one and the functionality to support SMS messages was not added until fairly recently. This is why most Japanese people will offer you an email address in addition to their phone number when asked for their mobile contact details. However, many Japanese people still have a separate email address for their computer so be sure to note which address you have received.

Japanese people appreciate privacy. Because of this they usually have their cellphones set on silent mode with the vibration function activated not to disturb others. Also, speaking on the phone in busses, trains and some other public spaces is considered rude in some parts of Japan. Thus, it can sometimes be hard to reach a Japanese person by calling his or her cell phone. It is not an uncommon sight to see Japanese people writing several emails with their handset while riding a train since this way they can communicate with their peers even when they won't be able to speak on the phone. When sending emails, Japanese people

consider replies that take longer than 24 hours to be inconsiderate. This also tends to mean that if Japanese people will not answer your email within 24 hours it is likely that they will not answer at all. Foreigners should keep these facts in mind although worrying about them too much is unnecessary since the Japanese are more forgiving towards outsiders breaking their rules.

Contrary to the Western culture, public Wi-Fi connections are hard to come by in Japan. The reason for this is mostly that the Japanese people are so accustomed to using their cellphones for most communications. While foreigners can utilize the data connection on their cellphones, it's best to avoid this since data roaming charges in Japan can be stellar. There was no wireless network available at the Hirameki exhibition and nearly all Hirameki participants were criticizing the event for the lack of a functional Wi-Fi connection. The people present had important emails to exchange, Twitter feeds to update and a wireless connection would have lowered the phone bills of the participants due to the availability of VoIP services like Skype. Even without the Wi-Fi connection, the Hirameki organizers would have been able to rally the troops by sending daily update emails containing the next day's schedule each evening but this chance was not utilized.

## **Dress etiquette**

No matter what time you are walking down the streets of Tokyo, you can quickly see what is the common dress code in the business life. What you will see is an ocean of Japanese business men (salarymen) and their female counterparts (office ladies) dressed very formally like clones of each other. In a corporate setting, major differences are not accepted in terms of dress code. As a relatively conservative culture, the common dress etiquette in the corporate environment is simple and formal.



How to look like a proper salaryman:  
Dark suit  
Dark tie  
Black leather shoes  
Hair as you like (not dyed)



How to look like an office lady (オーエル、oeru) in Japan:  
Black two piece jacket suit  
White shirt  
High-heeled shoes  
Fringe hair and shoulder length hair in a topknot



## **HIRAMEKI experiences**

The stereotypes described above were also introduced to the Hirameki participants before going to Tokyo and they were encouraged to dress formally. According to the interviews we conducted after the exhibition the atmosphere and the dress code was relaxed. The Finnish exhibitors wore what they usually wear in similar situations. Some Japanese corporate people visiting the exhibition were also dressed more casually with maybe assistants fitting the salaryman-look description given above. A few of the Finnish designers who had dressed more formally told us after the Hirameki that they were mistaken for company assistants because of their formal way of dressing.

Another example is from one of the authors of this publication whose Japanese friend worked in a marketing related company in Tokyo. The company had no dress code, which meant that the employees were wearing jeans with a jacket and a T-shirt to work. When addressing this friend about the lack of dress code the answer was: “in this field of business people tend to dress like this”. Thus, dress codes tend to be industry-specific.

From the Hirameki experiences and the example above we can conclude that even the Japanese and their conservative rituals and codes can be put aside in the design field and in more creative businesses. Furthermore, it might helpful to keep in mind that in the Western corporate world, employees are also to a large extent subject to dress codes and conventions (although they are less explicit than in Japan). So come as you are, but remember to think about your outfit in the light of the industry you are working in.

## **Hierarchy**

Hierarchy in Japan is a thing you do not want to mess around with. Although for most Westerners hierarchy rules might seem trivial and absurd, you cannot ignore them in Japan. Exceptions do exist, but do not count on them.

When contacting a Japanese company, try to find a contact person from that company corresponding to you in terms of your position in your organization (e.g. Project Manager <-> Project Manager, and President <-> President). It is unlikely that the sys-

tem is going to change for you, so in order to save energy and achieve the best results, play by the rules of the system.

As one of the Hirameki participants mentioned, Japan is ‘a gentleman culture’. Especially in a business context this holds true to a large extent. To be on the safe side, you should always start off with almost overly polite manners and adapt to your Japanese counterpart’s style as soon as you figure it out. Drawing on Confucianism, hierarchy is so inherent and explicit in Japanese culture and it pretty soon becomes apparent when one starts to study the Japanese culture, language, society, and history. Thus, we cannot sufficiently emphasize the importance of hierarchy in a Japanese business setting - ignoring it would simply mean that you can say goodbye to your potential plans of conquering Japan with your product or service.

In a business context, hierarchy is displayed through various ways: who speaks, how business cards are placed on the table, who is addressed, what kind of language is used and so forth. The authors of this book, for example, have attended meetings between high-ranking public officials during which we were neither spoken to or given any possibility to speak as we were there only to accompany the person actually attending the meeting. Another example comes from the Hirameki event itself: the Finnish Minister of Culture and Sport Mr. Stefan Wallin and Managing Director of Design Forum Finland, Mr. Mikko Kalhama, had to personally visit Living Design Center Ozone and ensure their management that the exhibition can be more than just ‘living and housing’ that have traditionally been Ozone’s main areas. Although this might seem like an obstacle, it can also be seen as an opportunity: with the right connections you can advance your case with giant leaps.

In conclusion, our guess is that hierarchy is displayed and adhered to differently across industries, so if possible, try to gather information about the industry you are situated in before you engage in any correspondence. Familiarizing yourself with the hierarchy and its role in business negotiations will certainly help you in avoiding the worst pitfalls.

## **Maintaining business relationships**

Japan is a perfect example of slow culture: no matter what your field of industry is, you should still be prepared to invest time when it comes to business negotiations in Japan. To make matters more interesting, actual deals are seldom agreed upon in a formal setting, but most often in smoke-filled izakayas (Japanese bars). While taking one's business partner to an izakaya or karaoke after, the actual meeting might sound trivial or pointless for a Westerner, in Japan these events are seminal when it comes to maintaining business relationships and signing those deals that really take your company to the next level. In this brief section, we will walk you through the basics of maintaining mutually beneficial business relationships in Japan.

So now you have met your Japanese business partner for the first time and you do not know how to proceed from here? Based on the interviews with the Hirameki participants, most of them, too, felt insecure as to what to do next, so you are not alone. As said before, slowness is ubiquitous in Japan, which means that you can seldom expect deals to be signed during the first meeting. However, when presented with a million dollar opportunity your Japanese business partners, like any other business partners, will surely aim at capitalizing on it. But in general, things tend to take long in Japan. The most important thing at this point is to keep communicating in one way or another with your Japanese business partner. Well, perhaps you should not use text messages or Facebook as your number one solutions (depending on the context), but instead we recommend using 'formal' means of communication: emails, phones, and even snail mail work extremely well if your company does not have a permanent presence in Japan. As a rule of thumb: while in Japan, be prepared to communicate with your client or partner on a face-to-face basis, and when outside Japan, utilize emails, phone, and snail mail. For example, a Finnish manager of a Finnish company's subsidiary in Japan - and a long-term resident in Japan - once told us that they had chosen their office's location in Tokyo so that they could be within walking distance from their most important customers. To conclude, no matter where you are in relation to your Japanese business partner, slowness and proximity are crucial.

Now that you have the confidence to communicate with your Japanese business partners and everything is running more or less smoothly (despite few blunders in the beginning), it is time to hop on to an airplane, enjoy the in-flight meal and entertainment, and meet your potential customer/partner face-to-face in Japan. Also like we mentioned earlier, the final agreement is often reached in an izakaya or after a wild night in a karaoke bar. So whatever you do, do not try to push your Japanese business partner to sign a deal in the actual meeting - trying to squeeze a decision in that context will not only make your business partner lose their face, but it also ensures they will not conduct business with you for a while.

Understanding how to maintain business relations with your Japanese acquaintances is easier if you place it in a larger context. In Japan, it is not only about business, but about developing a harmonious relationship between the involved parties. For example, it is considered polite if you show compassion to your business partner if their family member has passed away. The previous example from a Finnish manager aptly illustrates the importance of relationships and relationship management in Japan: relationships between companies are often highly personal and even if the person moves to a different position within the company or switches to another company, the relationship nonetheless remains.

At this point you have been communicating with your Japanese business partners on a steady basis, met up with them and exchanged gifts, and perhaps signed your first contract with them. Now what? As is the case with all relationships, you should always try to retain high level of politeness and spice up the relationship with occasional surprises. We are not advising you to dress up in funny or suggestive costumes, but it certainly pays off to send Christmas and birthday cards, for example, and every now and then treat your business partner with a gift that reminds him/her of your country.

In conclusion, maintaining business relationships in Japan takes time, but it certainly pays off as the relation can develop over time and last really long (sometimes as long as you are working!). Furthermore, maintaining close relationships can also provide you and your company with business opportunities that you would not otherwise identify or even be aware of. The

following tips will most likely help you in maintaining business relationships with your Japanese partners:

Be prepared to spend time in karaoke bars and izakayas with your Japanese business partners - refusing could be interpreted as you not wanting to work with them.

When you receive an email, a phone call, or a gift from your Japanese counterpart, be quick in acknowledging that.

Slow is ubiquitous in Japan - be patient when it comes to business negotiations.

Maintaining a business relationship in Japan is not only about business - placing things in a larger context will certainly take you far.

### **Why is it so slow in Japan?**

You have heard from everybody that it takes time to do business in Japan - you go back and forth and back again before getting anything done. This is something the Hirameki participants were expecting before going to Japan and this is something they have been experiencing after Hirameki. One Finnish design company we interviewed has a Japanese contact that had shown interest for many years already before Hirameki. The company representative had been to Finland and they had met several times discussing about the future plans. Business was never done and everything was left at the stage of discussion. The Finnish design company had another meeting in Tokyo during the Hirameki exhibition with the Japanese company representative and finally a step forward was taken. When we conducted the second interview about two months after the Hirameki, things had not progressed with the Japanese contact. This is an example of how slowly things happen.

Everything happens slowly in Japan but why? Basically it all comes down to one point - relationships. Would be easy to say building strong relationships takes time in Japan and therefore takes time to do business – correct; but why does it take such a

long time and why should there even exist a strong long-term relationship? Why cannot we just do business? This is how we Western people see business: who has the best prices gets the deal. This is the individualistic culture we are living in and taught to obey. In Japan the culture of collectivism means profits are not the only goal driving your company but the good of all, honor and respect to others. This might sound that we as Westerners are living in a Wall Street movie like world where Gordon Gekko is holding the gun and the Japanese live in the considered, perfect fairytale world. Of course it is not this simple, but this makes it a lot easier to understand why Japanese do business like they do. There surely is no shortcut to make things quicker but understanding some of the reasons behind the slowness should help you to be more patient.

Trust has to be accomplished before you can do business with the Japanese. This is because the Japanese will want to do business with you for years. They will want to make sure you are not in it for the quick money. This is a good thing for you when you know that they will not change you for another competitor immediately when your rival company has better prices. A thing you have to also remember is that Japan is an island nation that has only about 150 years of experience in foreign trade. This is why they are suspicious of foreign people and want to establish a trusted relationship before conducting any business.

As Westerners we are used to individuals making the decisions. Although the hierarchy is very steep in Japan decisions are not made individually by the highest ranking person but they are made collectively. It is the manager who makes the final bookmark on the contract but before this the case has to be discussed thoroughly in the company with all the people on many levels of the hierarchy. This takes time!

### **In Japan as a foreigner**

Japan is perhaps one of the safest countries to visit and live, but nevertheless foreigners working and residing in Japan may encounter some sort of racism or discrimination. Indeed, as an island nation, Japan is relatively homogenous and only approximately 1,5 % of the total population is non-Japanese. Although one can find right wing extremists shouting in their megaphones

in Tokyo and other major cities encouraging the Japanese government to kick all the foreigners out from Japan, a clear majority of the Japanese population does not have such a hostile attitude towards foreigners.

Attitudes towards foreigners in Japan should be approached from two levels: bureaucratic/official and individual. On the one hand, we have found that some of the public policies make it challenging for foreigners to establish themselves in Japan, and on the other hand, encounters with the Japanese people in various public places can be examples of rather explicit discrimination.

Numerous books and articles have already been written about attitudes towards foreigners in Japan, but here we would like to give our personal account on how it has felt for us to be foreigners in Japan. We believe that it is more insightful and interesting to read about personal experiences than about vague generalizations or claims that are based on statistics. But what we have written here should be taken with a grain of salt - our views and opinions expressed here are not supposed to be used as scientifically formulated claims, although we have partly utilized proper research methods to arrive at some of them. And to make it clear - although we as the authors of this publication are able to view Japan through a critical lens, we nonetheless love the country, its people, and their occasional peculiarities.

When walking in the streets of Tokyo, chances are you will not encounter foreigners that often. However, expats seem to have concentrated on areas such as Roppongi, Hiroo, Shibuya, and Shinjuku, and in these areas foreigners are relatively well accepted as long as they do not cause any trouble. In general, Japanese people are extremely friendly and polite towards foreigners, but these virtues should be treated with caution especially in Roppongi: if you are being surrounded by beautiful people and seemingly free champagne in a club, you might want to retreat from the situation as soon as possible. But no matter what, foreigners seldom encounter any problems in Tokyo as tourists - foreigners living in Japan on a more long-term basis, on the other hand, might experience frustration because of discrimination by Japanese people.

Looking back at the periods during which we lived and worked in Japan, there have been some cases where we felt discriminated or left out by the Japanese. On a more official level, for example,

going on a holiday from Japan requires more work than just buying the tickets and getting to the airport. As a non-Japanese living in Japan, you need to acquire a re-entry permit from the immigration bureau and that will make you a couple of thousand yen poorer. Luckily the documents you are required to fill in are in English and Japanese, but the whole process of going to the immigration bureau and back is a drag (at least in Tokyo it is basically in the middle of nowhere in Shinagawa). However, setting up a company is relatively easy in Japan - as long as you can read and write Japanese - and even foreigners can establish their own companies with a starting capital of as little as one yen. Although for credibility's sake you are suggested to invest a bit more in your new venture. Nonetheless, surviving the bureaucratic jungle in Japan will most certainly earn you a medal of honor and it is rather obvious some of the policies are there just to make foreigners' lives more difficult.

When it comes to life on a more everyday basis, living in Tokyo and Japan as a foreigner is relatively easy and discrimination tends to take place only in bars, izakayas, and other public places where the locals are mingling. One of the authors, for example, recalls one of his former supervisors telling a story about a person who was not let in to a bar just because he/she was a foreigner. Accounts like this are not unheard of but we have to remember that they also take place in Western countries, so in that sense Japan is no worse than any other country.

To conclude, living in Japan can be extremely wonderful no matter what your nationality is. However, there are challenges in terms of formal and informal discrimination that need to be taken seriously. There have been public discussions on some of the discriminatory policies, and Japanese companies and society are slowly, but steadily, opening up to policies that do not discriminate foreigners. The clothing company Uniqlo, for instance, recently announced that it would change its corporate language from Japanese to English. While this is easier said than done, it is clear that Japan is on a course that is going to make it easier for foreigners to live and work in Japan. However, informal practices are the ones that are difficult to change and it remains to be seen, whether these will change any time soon.



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# **TELLING YOUR STORY IN JAPAN**





- Japan is a world of visuals and stories.
- Japanese value the intangible aspects of a product, and in such market background information and stories behind the company and the product become important.
- Storytelling is a means to facilitate dialogue and create possibilities for people to identify with your product and your philosophy.
- When preparing your story, be sincere and authentic.
- Don't underestimate the value of focusing on Finnish qualities.

## Telling Your Story in Japan

*“Stories are the emotional glue that connects an audience to your idea”  
(Nancy Duarte, 2010)*

Human beings are natural storytellers. We understand, feel and learn through stories, and throughout human history oral stories have been passed from generation to generation. A good story inspires, entertains and engages the listener better than any other way of communication.

In this chapter we focus on storytelling as a way of communicating meaning. While the tangible design is the visual and functional side of the product, the story supporting your personal form language is the emotional basis of this entity. Your personal history and design philosophy is *The Story* that gives birth to your product and can, as we suggest, also function as a meaningful wrapping around it by adding personality and background for the product entity. Thus, what is important is that the story behind your design idea gets out there.

Drawing on experiences from Hirameki we will in this chapter discuss why being able to tell your, your company’s and product’s story in written, oral and visual form is of great importance when trying to penetrate the Japanese market. In addition, drawing on interviews with Hirameki participants and visitor surveys we will give you hints and instructions on how to go about preparing for and telling your story in this context.

### **Introduction: Storytelling then and now**

The history of storytelling is long, and many different and unique forms of storytelling have been developed throughout the human history. In Japan this is also the case [see history fact box on page 43]. Storytelling is not, however, something restricted to folklorists, but has for many years also been an area of interest within several different disciplines, and as a theory it has been applied to many different contexts. Among others, it has been studied as a practice or tool for organizational learning and identity creation. Storytelling in this context is a means for providing organizational insiders (and sometimes also the outsid-

ers) access to and knowledge about the organizational culture, management philosophy, politics and strategies. In marketing literature, storytelling has been seen both as a branding concept and as a tool or practice for internal and external communication. Storytelling has been largely seen as a tool to manage the gap between the company's strategic vision, company culture, and the corporate image.

Design can be seen as unison of function and form, the spatial shape and the functionality of an artifact. Form is not just style and aesthetics, though. As stated by Verganti (2003), it is one additional way of conveying the message to the user, the message of the emotional and symbolic value of the design. As we see it, storytelling can be a way to create and communicate this meaning, to facilitate dialogue, and create possibilities for people to identify with your product and your philosophy.

In brief, storytelling is about telling people what ticks you, what makes you excited, what drives you, what you value and what goals you have, while at the same time showing them why they should believe in your statements. The story gives your product a human face. It allows room for people to put themselves in your shoes, and makes it possible for people to identify with your product.

Building on the examples in Hirameki, we suggest that telling *Your Story* can support your design by:

Providing background information and context.

Facilitating a more personal communication with your audience.

Helping you to break the ice and overcome certain cultural barriers.

Giving your audience, user, buyer an extra experience.

Creating relevance and meaning.

Building trust to your product and you.

## History of Japanese storytelling

Biwa hoshi or “lute priests” is a form of storytelling developed and practiced between the 10<sup>th</sup> and 15<sup>th</sup> century. The performer, often blind and dressed and shaved like a Buddhist monk, played the biwa (Japanese lute) to complement oral stories about samurai adventures and battles.

In the 13<sup>th</sup> century, rakugo, meaning “fallen words” evolved as a comic story and entertainment form. Back then it was primarily targeted at the feudal rulers, but over time it became an entertainment form that all classes of society enjoyed. In this storytelling tradition, a seated rakugo artist uses facial expressions to accompany the story and awaken the imagination of the audience. Rakugo is still practiced in today’s Japan.

Told between the 9<sup>th</sup> and 14<sup>th</sup> century, setsuwa, literally meaning “explanation-talk”, consisted of so-called “true” oral stories, legend and anecdotes about particular events of social, moral and religious concern. The stories were characterized by being short, uncomplicated and often linked together.

Kodan is a storytelling form that focuses on historical narratives and stories about heroes. It developed between the 14<sup>th</sup> and 16<sup>th</sup> century as a method of teaching the samurai class, but during the Edo period it became more common-place and popular, and had its popularity peak in the 19<sup>th</sup> century. In this tradition, the storyteller sits at a desk, a shakudai, and tells the story while simultaneously creating a rhythm by hammering a wooden stick to the table.

Kamishibai meaning “paper-drama”, “picture-card-show” or “paper-theatre” was developed as a form of picture storytelling where oral stories would be accompanied by pictures and drawings. Kamishibai was practiced by monks in the 10<sup>th</sup> century Japan, as a tool or method to convey the Buddhist doctrines and tell moral stories to a largely illiterate people. It developed and took different shapes during the Edo and Meiji period, and had a major revival in the first half of the 20<sup>th</sup> century, where it during the economic depression in Japan became known as “the poor mans theatre”. Kamishibai is today considered as the direct ancestor to the modern manga and later anime.







## Today's Japan: Why telling your story is important

Anyone who has ever visited Japan, seen movies or pictures portraying Japanese streets, and witnessed the Japanese people's usage of public space will know that Japan is a world of images and stories. Contemporary Japan has been described as a "recited society" or "image society", where – as Michel de Certeau puts it – people walk "all day long through a forest of narratives from journalism, advertising and television narratives that still find time, as people are getting ready for bed, to slip a few final messages under the portals of sleep". In such a context you therefore need to make a larger effort to be seen, heard and recognized.

It is not about being the biggest or the loudest. However, in order to stand out from the crowd you first of all need to know where you are standing, *you need to know your audience*. As we have already indicated several times throughout the course of this publication, in Japan this is probably extra important. Japan Times, one of the leading English newspapers in Japan, claimed that the word Galapagos has evolved as an analogy for Japan and Japanese products. The word *gara-kei*, short for "Garapagos keitai" ("Galapagos mobile phone") was shortlisted as a word-of-the-year in 2010. The word refers to Japanese mobile technology market that differs from all other markets in the world. The analogy illustrates the fact that most Japanese products have been developed to fit and appeal only to Japanese customers. Thus, it takes hard work for Western products to appeal to and live up to the Japanese demands.

Some Hirameki participants told us how they took Japanese preferences in to account:

“ *Already when designing the products for the Japanese market we made sure to ask for their opinion about colours, sizes, Japanese standards and what kind of items might sell there.*

“ *We have prepared a meal for Japanese by paying attention to the special characteristics of their culture.*

Indeed, when looking Japanese markets at large and comparing it to other countries, we can certainly see it that it has its own very special characteristics. While recognizing this, it is, however, also essential to recognize the differences *inside* the Japanese consumer markets. In Japan, as in many other countries, people are increasingly looking for more individual and personalised brands and design items. In such markets the solid concept and all of the more intangible aspects of the product – such as background information and story behind the company and the product – become important.

### **Where should you begin: What could your story be about?**

A good story can open up opportunities, increase the recognisability of your company, or establish a connection with your customers and your products. Best thing about all this is that storytelling does not have to be complicated. The stories and the context of your design product and company are already there, really. You can try to think about memories related to developing your product and/or company, people you met and spoke to, things you have done and said, decisions you have made and why. Then try to develop and structure it so that it fits your audience, your goal and vision. The critical aspect is to select which one to tell, add structure, personal character and imagery to the story.

At Hirameki we had the pleasure of speaking to several designers and company representatives with interesting stories to tell. Based on extracts from a company presentation sheet, this is one example of how one Hirameki participant; a small-scale design company 'Saana ja Olli' went about telling the story behind their company:

“*Saana ja Olli as a company started in the autumn of 2008 as we retreated to a secluded cottage in Padasjoki, Southern Finland. During the week we spent in the forest by the lakes we drew our first print design. After receiving much positive feedback we decided to continue designing together [...] We bring forth the ecological benefits of the material in a modern way [...] Our goal is durable quality in the form of timeless and functional products. The aim is to consume sustainably and respect life, our environment and ourselves.*

Whether you are telling your story to an investor, a potential partner, a customer, or a friend, it is important to figure out what makes each of them tick. It is therefore always a good idea to get feedback on your products and presentation from Japanese people.

“ We found it very important to take the language barrier into consideration even though many of the people coming to Hirameki will properly be internationally oriented. We therefore decided to put extra emphasis on communicating with pictures... and the story behind our company, because we believe that storytelling is of high importance in Japan. (...) We did a great deal of market research and received some excellent feedback on our visual material and background story, so we feel pretty confident that we are on the right track...

One company representative also told us about a positive experience they had with telling potential customer the story behind their product design:

“ We were presenting a fire alarm that was designed to look like a hawk moth. A group of Japanese people did not find this very appealing and indicated rather openly that they did not like “bugs”... When we told them the story behind this product they reacted differently. We explained that a hawk moth is a rather rare insect and therefore stands out as a trophy among insect and butterfly collectors...we had the feeling that these people left with the feeling of getting something special...some extra value...

## PECHA KUCHA – AN ALTERNATIVE WAY OF TELLING YOUR STORY

*Pecha Kucha* is yet another way of communicating a story, an idea and open up for discussion. At Hirameki we arranged a Pecha Kucha night where we invited seven different Hirameki participants to speak about sustainability. They were allowed to choose the angle, focus and definition of sustainability themselves. The only demand was that the presentation would be done in accordance with Pecha Kucha format – 20 slides and no more than 20 seconds talk about each slide. All of the design companies provided wonderful presentations, all making slides dominated by visuals (pictures and videos) rather than text. One design company named mottoWASABI made a presentation revolving around “The 100 thing challenge” and how to find solutions to this. Pekka Harni, on the other hand, suggested that you could make furniture that could be molded and remolded to be useful over a whole lifetime.

### How about the Finnishness, then?

When preparing visual, oral or written material about your company you should not underestimate the value of focusing on Finnish values and qualities. During Hirameki our research team conducted visitor surveys, and among other things we asked the visitors to tell us what came to their mind when thinking about Finnish design. We received a little more than 100 replies, and almost as many different answers. Some of the most popular connotations revolved around simplicity, functionality, natural materials and nice colours. Also, other positive connotations were mentioned, such as quietness, user-friendliness, harmony, すなお (sunao) meaning frank and honest, and だいたん (daitan) meaning daring and bold.

One small-scale company told us how they had worked with the *Finnishness* in their product and company presentation:

“ It was important for us that the pictures would be sincere and tell a sincere story about Finland...”





*A good story both attracts and informs.*

Specifying their story about Finland they told us that:

“*In line with the wish of telling a true story about Finland, we chose photo-sites that were not overtly clean or well-trimmed. If there was an old car or tractor in the background it would be part of the picture. We want to give an unpolished and not too corny image of Finland since the rough edges are also part of Finnish life...*

The designers had furthermore placed copies of their company and design product story at their stand so that visitors could easily read them and if interested bring them back home. The designers, who had been received very well by the Japanese and had been very successful at Hirameki, told us in an interview conducted after Hirameki that:

“*We put some photos of ourselves in frames and our story was in a sense part of those photos and this worked really well because people passing by our stand recognised us from the photos. The photos became a basis for talking ...”so is there really that much snow in Finland?” (...)* We had also created postcards out of the photos to give away and we had sheets of paper with the story behind our company and products...these were translated to Japanese... we gave them to anyone interested ...it all worked very well...

### **Summing up: Let your story bring your design forward!**

As we have discussed in this chapter and elsewhere in this publication, Japan is a bit of a special case market in that most of the Japanese products are custom-made to meet the demands of Japanese consumers. What makes matters more complex is the fact that the Japanese market is highly competitive and many foreign companies are attempting to enter it year after year. Some succeed, and some fail, but we hope that by integrating storytelling to your Japan strategy will increase your chances of succeeding in Japan.

Using stories in design is about uniting ideas with emotion. It's about involving, inspiring and moving people. A good story



both attracts and informs. It promotes heritage and authenticity, and also communicates the function. Furthermore, a good story creates connections and reassures the potential customer or audience of a consistency between the design and the company values.

During this chapter we have presented the historical roots of storytelling in Japan and why stories are still so important in the Japanese context. From the design company's perspective, we have also provided hints on what you could do to prepare yourself for telling your story in Japan.

The story can allow you to connect with different audiences and perhaps help you overcome the first awkward moments of a business meeting.

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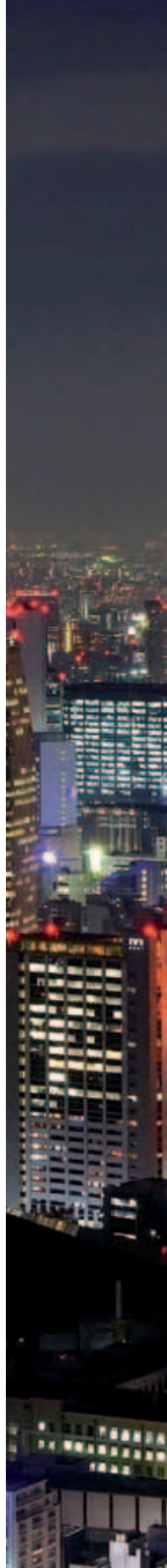
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# **HIRAMEKI - THE DESIGN PLATFORM**





- Hirameki is the largest Finnish design exhibition to date.
- A combination of business and design can yield interesting outcomes...
- ...if all parties involved know what is expected from them.
- When organizing an event like Hirameki, continuity is the key.
- Let people know your event exists! Communicate through many channels.

# Hirameki – the design platform

## **Introduction**

Hirameki Design x Finland, the largest Finnish design exhibition to date, aims to promote design exports and cooperative ventures between Finnish designers and Japanese companies. The event took place between late October and early November in the Living Design Centre OZONE, Tokyo, showcasing 64 different Finnish design companies, individual designers and design agencies. Produced by Design Forum Finland together with the Finnish Institute in Japan and originally devised by its Design Manager Sirpa Fourastie and Project Manager Hanna Punnonen this unique export platform incorporates aspects of a design exhibition and an export event.

In this chapter, you will learn about the distinctive characteristics of Hirameki, the challenges bridging the gap between design aesthetics and commercial ambitions can bring, what happened before, during and after the spectacle and how it could be improved in the future. So hold on to your seats and enjoy the ride otherwise known as Hirameki.

## **The spark that lit the fire - background**

Although seemingly two countries with little in common, both Finnish and Japanese people share the love for design. Moreover, the aesthetic taste and likings of the two nations seem to coincide. Japanese consumers are infatuated by the simple and timeless design of Finnish products. In fact, the way Japanese people perceive Finnish design crystallizes Finland's image as a country in their eyes: pure, ecological, long lasting and high quality. That being said, design is definitely one of the driving forces of Finnish cultural export to Japan. Finnish design has received a great deal of visibility in the Japanese design media, and brands like Marimekko, Iittala, Arabia and Artek are quickly turning into household names.

The will to deepen the long time cooperation between the two countries and advance Finnish design in Japan sparked the idea of Hirameki. The Finnish Institute in Japan has good rela-





*In principle, the exhibition in OZONE gives merely a face to the export platform.<sup>1</sup>*

tions with Living Design Center OZONE that offers space for design exhibitions. The two parties had an idea about having some form of collaboration. Design Forum Finland, a non-profit organization promoting Finnish design both domestically and internationally, was approached by the Finnish Institute in Japan in 2009, asking to lend their expertise for this project. With the rise of Asia in design markets, Japan had been a strategic market for Design Forum Finland and thus taking the lead in the project seemed natural.

Due to the fact that Hirameki was neither a design exhibition nor a trade show in the traditional sense but combined aspects of both, experts from different fields were needed to bring all the elements together. Design Forum Finland was responsible for the project management, working closely with the Finnish Institute in Japan, who provided information and contacts from Japan and made necessary arrangements there. A Japanese business consultancy, team CK, specialized in helping foreign businesses entering the Japanese markets was hired to cover the business side of Hirameki. One of their biggest tasks was arranging the matchmaking event for the exhibitors, finding contacts interested in potential cooperation with Finnish companies and designers. Internationally renowned Finnish designer superstars Harri Koskinen and Ilkka Suppanen acted as the curators of the exhibition, working closely with Design Forum to select the exhibitors, designing the exhibition concept and the exhibition architecture.

### **Neither fish nor fowl - the challenges of combining design with business**

As you may have gathered by now, Hirameki is not your average design exhibition. It's an extensive design export platform that not only promotes Finnish design, but also fosters cooperation between the companies and individual designers. The design exhibition in Living Center OZONE is the most visible facet of Hirameki, but beneath the surface there lays much more ambitious goals than creating an aesthetically appealing exhibition.

According to Design Forum Finland, the primary goal of Hirameki is to create an extensive contact network for Finnish design companies venturing in Japanese markets.



The Hirameki concept also entails other complimentary features such as showcasing Finnish lifestyle, introducing Aalto University as a novel university model and bringing forth Helsinki as the World Design Capital 2012. What really sets Hirameki apart from the rest of design exhibitions, though, is the strong commercial orientation.

“*During one of the kickoff meetings some of the participating companies asked us, if the words ‘commercial’, ‘sales’ and ‘marketing’ are appropriate to use within this context. Our answer was that they can and should be used.*”<sup>2</sup>

Hirameki aims to draw upon best of the both worlds - but as we will see later on, joining artistic integrity together with business ambitions is not always problem free.

### **Preparations for Hirameki**

Because of the grandiose scale of the export event (the biggest Finnish design export ever!), the companies had the chance to participate in export training seminar, introducing them to the distinctive characteristics of Japanese design markets and preparing them to face the potential challenges posed by the cultural differences. The export training seminar was well received by the participants; some utilized the material even in their internal training. The seminar was an eye opening experience and underlined the eccentricity of Japanese customs and drawing attention to practicalities. Whereas the vast majority participants agreed that the training was extremely useful and insightful, some of them felt that it was arranged too late as there was too little time to make adjustments or additional preparations for the exhibition.

Due to the numerous participants, with diverse international experience, resources and industry background, the needs and interests of the exhibitors varied from one end of the spectrum to another. To better tailor the concept to the exhibitors, they were divided between three categories: designer, design agencies and companies. Each category had its own price tag and different services offered. The participants were chosen by the curators and Design Forum based on their motivation and efforts to enter

the Japanese market. The curators also assisted in choosing the products on display. The selection criteria were questioned by some of the participants, who felt that the selection should be made based on more commercial or democratic basis. Some of the participants did not have the chance to meet the curators in person to discuss the exhibition, due to the tight schedule of the curators. Thus, more support on the product selection for the exhibition would have been needed. Suggestions included conducting a market research to see what kind of companies/designers/products fit the Japanese culture and lifestyle and what Finland has to offer in terms of design. Others proposed that the export event should be open for all of those willing to go, and be offered as a service provided by Design Forum.

Although the interest for the Japanese markets was there for the participants, the reasons behind participating in Hirameki varied. For some, the efforts to tap into the Japanese markets had a long history, and they saw Hirameki as a platform to finalize them. Others took it as a “fun trial”, to explore what Japan has to offer. This also showed in the amount of preparation the participants made for the event: some had made new products especially tailored for the Japanese markets, and others took it as any other export event. Many of the smaller companies found Hirameki to be a brilliant marketing platform, as they have limited resources to do promotion overseas themselves. Moreover, a collective effort with the support of organizations such as Design Forum and the Ministry of Employment and Economy would surely make a bigger splash than an individual firm’s attempt to make it. And whilst most participants had commercial intentions in mind, there were also some who came along just for promotion and visibility, and to support the common cause of promoting Finnish design.

“*The benefits from this kind of marketing effort [Hirameki] cannot be calculated one-to-one, there is always consequential factors involved. These exhibitions carry the message of the company, message of the designer and the message of Finnish design to the world. That is the purpose of events like these, not direct trade. Exhibitions bring contacts indirectly and advance the awareness of Finnish design. But if they are expected to bring back the money invested in them day after tomorrow, then one can just throw in the towel.*”

## **Acquiring contacts: We're not gossiping - we're networking!**

Despite the fact that nowadays we have a myriad of ways to communicate, the most effective way to form lasting relationships in the design industry is to do it the old school way: face-to-face, mano-a-mano. One objective most of the interviewed participants mentioned during our interviews were acquiring contacts, which Design Forum also mentioned as their primary goal. Depending on the participant, contacts such as potential manufacturers, importers, retailers, agents, architects, designers, and clients for different projects were mentioned. Most of the participants acknowledged that the business culture and decision making in Japanese markets is time consuming and were realistic about not expecting anything to happen overnight:

“ *I do not expect the Japanese to fall head over heels with my products right away, but I hope that there will be new beginnings [for business relationships].*

The participants with previous experience with Japan agree:

“ *If we have learned something from these meetings and conversations [with the Japanese associates], it's that everything happens in the slow lane.*

And sometimes, succeeding is the result of lots of hard work, perseverance and a bit of luck:

“ *After many years of fumbling, the pieces finally fell into place.*

The companies that had already done groundwork related to Japan hoped for this to be chance to introduce themselves in person to potential clients and perhaps make collaboration negotiations concrete, whereas those who did not yet have an agent or contacts to Japan hoped to plant a seed for further discussions. Moreover, networking with other Finnish design companies was also regarded as a valuable experience.

“ *... as a new player in Finland it is important for us to establish ourselves in the Finnish design community. We were not only venturing to Japan, but also sending a message within the domestic market, that we exist and are one of the potential players.*

## **Live and learn (and get inspired!)**

In addition to the business motivations, almost as important reason to take part was the learning experience itself. For many smaller companies with little international experience Hirameki is a benchmark for export events. Even though many of the things learned are market specific, there are some universal lessons to be applied to all internationalization attempts. For small companies, accumulating export know-how is essential as it adds to their readiness to expand to other markets. This can be done as simply and effectively as talking to other Finnish companies with experience from operations abroad. Who knows, exchanging experiences might lead to gaining insight, coming up with solutions or even collaboration ideas!

Learning from Japanese designers and firms was also intriguing for some of the participants. There are numerous fascinating phenomena in Japan to draw inspiration and learning experiences from, such as package and wrapping design of products, graphic design and branding strict minimalism and non-design into high end labels. And of course, being creative minded designers, always seeking inspiration wherever they go, just enjoying the unique atmosphere in Tokyo was seen a reason to go ahead with the decision to participate in Hirameki.

“ *We see Hirameki as an adventure.*

“ *Even if it's nothing more than a tourist gig, that's fine. It [the experience] will enrich us mentally and we will gain more influences.*

## **Rumour has it vs. first hand market response**

Many of the participants had heard that their designs are appealing to Japanese people, and feel a spiritual connection with the Japanese culture and aesthetics.

“ *Looking from the perspective of design, Japan is a place that feels like homelike as a spirit world.*

“ *Ever since our first designs came to the market, the feedback has been that Japanese people are nuts about our designs.*

Therefore, for the Finnish companies and designers, going to Japan to witness the reactions of the Japanese consumers, designers and media first hand was like seeking affirmation to their hunches. The participants were anxious to see how the preconceptions, stereotypes, information from various sources and reality meet. Many have commented afterwards that those face-to-face interactions with people, hearing their feedback and seeing their reactions in person have been the most precious experiences during Hirameki.

As for dealing with the Japanese people in a commercial context, the Finnish participants seemed confident. Most of the participants had studied Japanese culture, but their aim has been to understand the customs, not so much to adopt it fully. The participants thought that being humble, well behaved and friendly towards people works generally regardless of the culture. Some even said that mimicking the Japanese customs can create awkward moments as it may seem tacky to the party at the receiving end. There is confidence that you can go far with healthy common sense.

The consensus seems to be that Japanese people can be hard to interpret.

“*The surface of the water is calm, but there can be myriad of things happening underneath.*”

In addition to the market response, the participants are also interested in the structure and characteristics of the Japanese market. Questions like who are the key players, what are the different channels and who to approach, can rarely be answered without firsthand experience.

All in all, the Finnish companies and designers ventured into Japanese markets with realistic and curious expectations. Besides the commercial outlook for budding business relationships, there was also genuine will to experience Japan.

## **Few months after Hirameki**

Now that we have covered the expectations designers and companies have experienced in terms of Hirameki, let us now turn to look at how the different stakeholders experienced the actual





event. Since Hirameki was the biggest Finnish design export event to date, it was evident that a great amount of learning took place before, during, and after the event. During this section we will discuss the Hirameki participants' experiences from the following aspects:

- Business vs. design
- Communication
- Networking
- Project management

### **Business vs. Design – what are we doing here?**

Hirameki as an export initiative was unique in the sense that it aimed at combining exhibiting Finnish design with selling it, and therefore some of the participants regarded this as an extra facet that made matters more complex. Although most of the participants thought it was a good idea to combine a more traditional design exhibition with a commercial twist, there were those who questioned the commercial dimension and overall functionality of Hirameki:

“ I would like to develop initiatives like Hirameki to be more commercially oriented. How could we increase our sales through Hirameki? ”

“ The whole event was so massive and unfocused with so many diverse participants that it was challenging to keep things together. It would have been better to have a small scale event at a different location. ”

“ I wonder whether it might be a good idea to make separate exhibitions for those that work with design and those that work with the more technical industry. ”

In general, Hirameki participants thought the combination of business and design could yield exciting outcomes, but in reality seamlessly integrating the two facets was easier said than done. There are various reasons behind the challenges, but perhaps the most crucial one was the lack of 'intangible adhesive' (e.g. a story, concept or strategy) that would have bound the participants together. As the concept design aspect of Hirameki fell under the curators' responsibilities, it seems they did not



sufficiently communicate how the participants were linked to each other from the business and design perspective.

The six Hirameki spark colors were supposed to tie the different participants together – each spark representing different area or theme of Finnish design: black for authors and icons, white for light and thinking, green for sustainability and rethinking welfare, grey for design and industry, blue for Suomi, Finland and neon for attitude. Hirameki itself was said to be “the moment when one color changes to another, offers a new perspective and an opportunity to exchange views and design together<sup>3</sup>”, thus combining all the different sparks. The sparks themselves hold an inspiration for a more meaningful story – but the concept of the sparks was not consistently utilized in the event. The idea was not communicated clearly enough to the audience and the participants themselves felt disconnected with the concept as most of them were not aware of the meaning of sparks nor did they choose the color they represented.

“ I would say that they [the sparks] are more for entertainment. One can always come up with categories like that and that's quite okay, but personally I don't take it so seriously.

“ I have seen many divisions over the years. I can see how they are useful for planning a campaign, but personally I find them to be quite artificial. I wonder if categorizing things has more meaning in Japan.

The unique concept attracted a mixed audience: some of the visitors were industry people looking for business opportunities, while others were consumers eager to enjoy the aesthetics of Finnish design.

“ It was interesting to see that among the Hirameki visitors there were representatives from each age group and industry. There were corporate representatives, tourists, locals, students, and professionals from creative industries, teachers, and all sorts of people. It was an extremely wide-ranging audience.

## Why communication matters in Japan

In such large-scale initiatives such as Hirameki, it is important that communication – both internal and external – is both efficient and sufficient. For Hirameki participants, good communication can reduce uncertainty and ensure that everyone is on the same page, while for external parties (such as press, visitors, and companies) it is crucial that they know what is taking place where and when.

In terms of internal communication, it is important to make the communication roles clear: who communicates what and when. This gives predictability to people's actions. In hindsight, many participants thought that many of the biggest frustrations and problems could have been avoided by crafting a consistent communication plan already during the first steps of Hirameki. As a result, the communication problems followed throughout the event.

“ *Whenever something went wrong, it could be traced back to the lack of communication.* ”

No matter how well projects are planned ahead, there are just some things that cannot be foreseen. When sudden changes take place, they have to be communicated to all stakeholders. Different parties also have to know where to find the relevant information. The lack of Wi-Fi in the exhibition space made information sharing even more cumbersome. Numerous participants said that during the event there was often confusion about the schedule, which caused people running back and forth looking for venues for events. When information was shared, it did not always reach all the participants.

“ *We received information mostly through the grapevine.* ”

To make matters more complicated, the cultural differences between parties added its own twist to the events. The representatives from team CK found that it was often difficult how to explain oneself to the exhibitors – communication was made more complicated due to the stress and frustration caused by the lack of business culture understanding. Luckily the organizers from Design Forum Finland would help team CK to respond to

the exhibitors' questions and complaints. Design Forum Finland had its own challenges, too:

“ *We did not always understand what our partners in Japan wanted and meant...*

*...sometimes it felt that communication was not straight forward, or that we did not understand each other.*

“ *Things are presented in different ways in negotiations...*

*...even though both parties had positive and understanding attitudes, it could be sensed that we did not quite understand each other.*

When it comes to external communications and marketing – things get a bit tricky in a Japanese context. As a buzzing metropolis, there is an abundance of events taking place in Tokyo every day, from morning to night. In other words: Tokyo is a synonym for cultural heaven, where get-togethers for even the most underground subcultures are not bubbling under, but overflowing. In order to stand out from the masses, you need to be creative, prepared to get your hands dirty with work, and a bit lucky, too. And when things get unlucky, true professionals roll with the punches: when Hirameki's spot in the limelight was cut short because of a coinciding visit from the president of Russia, there was no use to cry over lost publicity, but to keep your cool and move on. The interest that the Japanese media showed towards Finnish design was reflected in many ways, one of them being a short documentary clip about Hirameki aired in Tokyo TV Business Satellite.

The exhibition architecture received praise from the participants, but one thing that aroused confusion among some of the participants, was the fragmented exhibition space. Whereas the structure of the physical space itself cannot be altered, it is possible to communicate through various visual elements and signs and tie the spaces together through the layout, thus guiding visitors discover all different areas of the exhibition. Due to the restrictions of the space, a whole room was left without balloons – decorative elements that marked the different spaces of the exhibitions. The space for Aalto University, which was on the 7<sup>th</sup> floor, separated from the rest of the exhibition was also hard to discover by the visitors.

## Finding the perfect match – networking and match making

When you as a designer, CEO, or export manager attend an export event or an exhibition with an entourage of your peers, what would you like to do in addition to increasing your sales, gaining market knowledge, and becoming inspired by the new context? If your answer is not “I want to network”, we strongly suggest you include that in your list. The importance of networking should not be underestimated when venturing on a market the size of Japan: joining forces with others can result to unexpected synergies and interesting projects. Later in this publication we will present one of our solutions to entering the Japanese market that draws heavily on networks and networking, but for now, let us see how Hirameki utilized the power of coming together.

As mentioned earlier, the primary objective of Hirameki was to help Finnish designers and companies form a network of contacts in Japan. This was also reflected in the expectations and ambitions of the Hirameki participants. During the event, some of the participants voiced their disappointment about the lack of opportunities to network, either amongst each other or then with external parties. The way different participants dealt with the situation varied between taking initiative and complaining about the situation. Organizing both formal and informal networking events before, during and after Hirameki would have facilitated acquiring valuable contacts.

Different events that took place in Hirameki, such as the opening ceremony, match making event, and the Aalto University fashion show were perfect networking platforms, but the feedback from the participants were that networking and promotion should have been facilitated more from the organizers’ side. Especially for the opening ceremony, where the most influential industry people were invited, it would have been beneficial to have the guests introduced to the exhibition.

“*In the opening ceremony they [the organizers] had not even mentioned where the exhibitions were and encouraged people to look around...absolutely odd.*”

“*The guests never had the chance to go around the exhibition...If the guests are very important people, they might not have the time to visit the exhibition the second time.*”

The match making event divided opinions between Hirameki participants. Others got valuable contacts, while others said the contacts introduced to them did not cater to their needs. This was also acknowledged by Design Forum Finland:

“*The best success and also the area of improvement were the match making and the usage of consultants... ..it is a challenge to have 64 participants from different sectors, to find matches for everyone and to have everyone feel like they gained something out of it. This is hardly possible, and surely there are ones who are disappointed as well.*

In general, the companies that got the most out of Hirameki, were the ones that were proactive and did their groundwork before the event. Although networking should have been facilitated and invested in more, it cannot be stressed enough that one has to take the initiative and make things happen. At the end of the day, everyone is responsible for their own success or failure.

“*Design Forum Finland and team CK cannot be blamed for everything, because one cannot assume that things happen automatically for us.*

## **Project Management**

In terms of roles and responsibilities, some of the Hirameki participants mentioned they had difficulties in finding the correct person from the organizers' side in OZONE if they had any questions or concerns. This meant that people overburdened Design Forum Finland's project managers with questions and comments, even though some of these could have been taken care of by other people involved in the practicalities side of Hirameki. To tackle this - as some of the interviewees brilliantly pointed out - it would have been a perfect solution to use a physical bulletin board to clearly communicate roles and responsibilities to the participants. There was also a suggestion to hire personnel especially to assist the exhibitors in practical issues, as well as dealing with the customer interface, helping out and guiding the visitors.

No one can ignore the amount of work done by the organizers of event, namely Design Forum Finland, had to do in order to pull

off a spectacle such as Hirameki. Vast majority of the exhibitors felt that the project managers of Design Forum Finland did their best managing the event and most of them were happy with their performance.

“ *One has to understand how small of a group of people was organizing the event. There was no big organization behind this.*

“ *Credit has to be given [to Design Forum Finland]. It has been such a big scale event, excellent work.*

“ *For once something radical took place and operations were taken to the next level.*

The project managers of Design Forum Finland were praised for their hard working, dynamic and youthful mindset, but there were also people who thought there should have been someone in the core team with extensive experience of Japanese design markets. Whatever the verdict might have been, the event was definitely a learning experience for everyone, especially for the organizers.

Some exhibitors criticized the performance of the consultancy group, team CK. The Japanese business consultants did not seem to have enough resources to deal with the workload caused by 64 Hirameki participants. The lack of resources thus resulted in miscommunications and false expectations as some of the Hirameki participants were anticipating more contacts than the small consultancy group could deliver within the given time span. Otherwise, the exhibitors gave thanks to team CK for being very professional and knowledgeable about the local business culture.

A representative from team CK explained how they had received sufficient business information of the participants from the curators less than 2 months before Hirameki. Moreover, they had only less than 3 weeks after sending the invitations to all the prospective contacts to follow up every single company that was invited. Having companies and designers from different categories, it was not realistic to arrange meetings for over 60 companies and individual designers in such a short time period. Some designers were easier to find contacts for, as they were more ac-

tive and communicated their needs by giving concrete names of Japanese companies they would like to have as their matches.

Based on our findings, the most critical frustrations related to Hirameki stemmed from the vague balance between business and design, lack of clear communications plan, the absence of formal and informal networking opportunities, and challenges related to managing such a large scale project. However, as we interviewed Hirameki participants, organizers, and external partners we were able to see that most of these challenges could have been avoided had participants' expectations been better managed. We wish to draw attention to the fact that all parties involved in Hirameki could have done more. The aim of this publication is not to criticize in hindsight, but instead we wish to offer our suggestion on how Hirameki could be developed in the future. As one of the exhibitors stated:

“*Comments and direct feedback should not be held back. This is a common interest to us all, and next time we'll do it better!*”

Despite the relatively critical perspective taken in this chapter, all of the companies did have some success in fostering business prospects in Japan. The vast majority thought that the event was worth the money, time and effort and would do it again. We have deliberately focused on the aspects that could be improved, instead of congratulating the organizers for a job well done. This is not to say that they did not do a good job, quite the contrary, a remarkable effort was made on their behalf in order to make this happen. It has to be kept in mind that organizers of this kind of event can only provide the platform and facilitate commercial activities to a certain extent, it is the companies and designers who create content and ultimately are responsible for their success.

### **JaBuPro x Hirameki – suggestions to improve Hirameki**

We will present our suggestions to how Hirameki could be improved in three sections. First we will offer advice on what could be done before Hirameki, after which we will move on to discuss how matters can be improved during an export event such as

Hirameki. Finally, we will give our suggestions to what could be done when the actual event is over.

In addition to this section, in the next chapter we will also offer one way to conduct business in Japan; the network model. As we see it, these two sections are complementary and we strongly suggest companies to reflect on how the network model and our suggestions to improve Hirameki could serve them. Finally, we would like to thank the people we interviewed for this project for sharing their thoughts and comments on how to improve Hirameki with us. We have incorporated them to the discussion below.

### **Before Hirameki – getting things started**

What could be done before major events like Hirameki to make sure the end result is perfect? The interviews conducted before the event produced interesting results with a broad range of thoughts, opinions and ideas on how to improve the Hirameki platform. The key insights can be summed up with the following points:

- Be sure to have firm Japan related experience and expertise within your Japan related project management team already from the beginning.
- Organizations in the Japanese context usually have ‘a face’ and therefore it would be important to have a high-ranking person or a celebrity to represent Hirameki.
- Name your event so that it reflects the characteristics your home country.
- Workshops well before the actual event would allow participants to craft their Japanese strategy.
- Clear price categories with clearly differentiated offerings in each category.
- Schedule, goal, strategy, contacts and practicalities, all relevant information in one guidebook.



Some Hirameki participants said they would have benefited from a project manager with previous experience in Japan. The companies that voiced this concern had a history in design business in Japan and they were aware of the need for local expertise. The view is consistent with that of the JaBuPro research team. Japan is a market that is especially sensitive to cultural and linguistic nuances and this is why familiarity with the target market is especially useful.

In Japan, many brands are supported in advertising by famous figures. One of the Hirameki participants suggested that collaborating with famous Finnish or Japanese celebrities would have provided the event with a face. Moreover, some participants felt that an event exporting Finnish design to Japan would stand out more in the target market with a Finnish name instead of a Japanese one. Finnish words are already used by Japanese fashion retailers, as Japanese people find the letters 'ä' and 'ö' to be exotic and cute.

Training of the participants before going to Japan was mostly carried out at lecture-like informative events and networking. Some participants felt they would have benefited more from a hands-on approach. One of the participants said that had each company joining Hirameki made a business plan for the event, the companies would have understood their position in regard to the exhibition better. Also, the Hirameki organization would have received precious information on the goals of the participants and could have thus created a spot-on match making event with the local organizing partner in Japan. The JaBuPro researchers believe that the workshop format is one good way to activate people in this respect.

There was a lot of discussion around the price groups of Hirameki before and after the event and there is room for improvement in this respect. While the lowest price was only a few thousand euros, the highest category cost several times this sum. Many participants mentioned that the extra floor space and PR visibility provided by a higher price class did not correlate as much with the actual sales as stand placement within Hirameki did. Some companies paying the high ranking sums were not able to attract as many visitors as the others due to the isolated location of their stand.

Since most participants listed the acquisition of new contacts in addition to sales as the top motivators of Hirameki, match

making events clearly play a significant role in export events such as this one. A simple and cost-efficient, yet powerful tool to enhance the smooth and effective flow at match making events in a foreign country is to bring the partner responsible for local match making preparations to Finland. In doing so it might make it easier to discuss the event directly with the participants one by one. In the case of Hirameki this was team CK, and the company did come to Finland before Hirameki to give a lecture about match making to the participants. This was certainly the right thing to do and this kind of collaboration should be taken a step further by offering one-on-one discussions or at least small group sessions with a limited number of participants in each discussion. Sessions like these would ensure that there is no miscommunication between the organizer and the participants about needs and goals. With a starting point like this the organizers can find suitable match making partners to the participants and thus improve the overall efficiency of the whole export event.

### **During Hirameki – increasing momentum**

Participants are slowly arriving to the exhibition site and the company leaflets are already waiting for them along with products and samples. What could be done in order to make the event a great success and to avoid the worst pitfalls? As we see it, getting at least these things right will get you far:

- Communication - let people know what happens where and when.
- Do not be afraid to incorporate a commercial twist to the event.
- People want to be connected - utilize social media to spread the word and make sure participants can get online on-site.
- People also want to network - stimulate formal and informal networking.

For an event like Hirameki to succeed, the organizers need to ensure the participants have access to information on what is

going to happen each day. We suggest that this could be carried out by setting up a physical bulletin board in the exhibition space so that people can easily see the schedule of the day as well as see what is going on if other communication means fail. In addition, the physical bulletin board should be complemented with an electronic one, so people can easily access the schedule also from their hotel rooms.

Since Hirameki was a combination of business and design, why not let it show? As long as it is made with style and taste, there should not be anything to be worried about. Perhaps one of the reasons we Finns are hesitant when it comes to commercializing matters is that we are humble, and as a nation we have never been seen as merchants. Breaking away from this habit can be challenging, we admit that, but if visitors are coming to the event in order to buy products and services, why not offer them opportunities to do so? Organizing a fashion show, for example, without proper introductions and information on where to buy the clothes is a no-go. Similarly it should be made possible for visitors to easily engage in business negotiations with participating companies and designers. In our opinion, it is not about putting a price tag to everything, but making it easy for the visitors to engage in commercial activities if they wish to do so.

But what about social media? How would you utilize it to let people know you are organizing an event exhibiting the best talents and products your country or company has to offer? Using social media services such as Facebook, Twitter, foursquare, and mixi (the Japanese equivalent to Facebook) could potentially expand your audience with hundreds or even thousands of people. In addition, social media services are an engaging and relatively cheap means for you to create dialogue with your customers, partners, and other relevant audiences to gain a better understanding of what is going on in Japan. But there is one potential pitfall: under no circumstances should one see social media as a free marketing channel, since that is not what social media is about. Instead, and especially in Hirameki's context, social media could be leveraged to spread the word on Hirameki in a way that makes the audience respond, providing continuous flow of interesting and relevant content. This could be done, for example, by revealing events from behind the scenes, giving out interviews of participants and so forth. Long story short: we believe that social media should not be overlooked when

organizing events like Hirameki or when you want to sell your products and/or services in Japan.

In addition to communicating with external audiences, it is also important to create platforms inside the actual event for companies and people to network both formally and informally. Based on our findings this aspect was perhaps the most important element our interviewees would have wanted to see more of in Hirameki. We could not agree more: being able to network with other companies and designers, brainstorming concepts and strategies on an ad hoc basis, and creating synergies are matters that could really take the event to a next level. Furthermore, organizing both internal (participants only) and external (participants + visitors) workshops inside the event would stimulate collaboration even further. We already saw a glimpse of this kind of activity in Hirameki, but both informal and formal networking should be explicitly mentioned as objectives for such an event. Other examples of networking could be field trips to companies, visits to local onsens, or nights out in the city – exploring the Japanese culture whilst getting to know one another.

### **After Hirameki – follow-up and next steps**

Now that the actual event is over, what should we do next? Remember that there are hundreds of events and exhibitions going on in Tokyo each year so it is important that people know that an event is part of a larger continuum and that they will not forget the hard work done by the organizers and participants. Furthermore, it is also important to bear in mind that for Hirameki to achieve impact on a broader scale, effort should be put into broadening the scope from the design field to the broader audience (i.e. consumers, politicians, media etc.).

In a country as big as Japan, you simply cannot assume that the audience remembers your company, brand, or products if you fail to do anything to promote yourself or your company. To prevent this from happening, we suggest that a database of all the contacts acquired during Hirameki be created and those that participated in Hirameki should have access to it. As the participants have already learned by now, sealing the deal in Japan takes a lot of time and effort, but it pays off to stay in touch with your newly found contacts. Even though nothing seems to

be happening, you never know when the window of opportunity opens, but when it does, you want to be remembered.

What companies decide to do with the database is up to them, but as we see it, it would be useful to choose those contacts that you wish to continue discussions and stay in touch with on a steady basis. As for Design Forum Finland, perhaps it could also benefit them to maintain relations based on this database.

Thus, our suggestions for what should be done after an event like Hirameki boil down to these three things:

- Relationship management – maintaining the acquired contacts.
- Large scale impact – making a splash at home and away.
- Continuation – keeping the spark alive.

In terms of relationship management, we would suggest the organizing party to construct a database of all contacts acquired during the event and all the participants would have access to this. In addition, ensuring that the broader audience knows what your event is all about, it is important to ensure that your event gains media coverage not only in Japan but also in your home country. And to make this happen, we suggest that the event should be put in a larger context (e.g. this event improves the visibility of Finnish design in Japan and that means more business for Finnish designers) - an export initiative that is partially funded by the government should always recognize its responsibility not only to the participants but also to the nation in general. We are not talking about patriotism here, but we as designers, researchers, and managers should acknowledge the fact that whenever we are funded by the public sector, we should somehow be able to show our gratitude.

Finally, continuation is crucial as it is nearly impossible to create a brand without any kind of longevity. Based on what we have witnessed and learned, there is a substantial demand for Scandinavian products in Japan and it would be a pity if we did not do anything about it. It would also be letting down the Japanese audience waiting for some kind of continuation. To conclude,

continuation in terms of the brand and content are essential - when it comes to the actual physical location, it would probably pay off to organize the event in a different location each year.

### **Conclusion - what was Hirameki and how could it be even better?**

With this publication we wish to participate in creating a positive spiral that grows as companies learn more about Japan and manage to get a better foothold there. In this chapter we have discussed the nature of Hirameki, how the different stakeholders experienced Hirameki, and how we could take it to the next level.

As a pilot project Hirameki was the biggest Finnish design export event to date and as such it was a great success. However, the initiative faced several challenges on the way and in this chapter we have attempted to make a coherent account of events by describing the successes and failures from organizers' and participants' perspectives. Furthermore, since we do not believe that constructive criticism alone can help people and companies to succeed; we have also offered our suggestions to how Hirameki could be further improved. Tokyo being the throbbing metropolis with abundance of happenings, events, and exhibitions taking place each day, it is important to focus on longevity. Without persistence and coherence, people (i.e. consumers, partners, and media) will simply forget that Hirameki ever existed. We do not want that to happen. We hope that our research helps to take the Hirameki brand to the next level, while at the same time giving encouragement for the participating - and other - companies to take the leap and enter the Japanese market.

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3. Hirameki. 2010. Hirameki Press Conference 12 October 2010, Helsinki

**NETWORK  
MODEL -  
WHY  
SUCCEEDING  
TOGETHER  
IS SO MUCH  
MORE FUN**







- Business networks became popular somewhere during the 1980s.
- However, they have not been applied to small and medium-sized enterprises...
- ...until now. The model presented here is tried and tested – and it works!
- LAWS: Learning, Agile, Win-Win, Scalable.

## Network model – why succeeding together is so much more fun

Entering the Japanese market alone can be a tedious and time-consuming venture. And, to be honest, it is going to take a long time no matter what. For companies such as IKEA and H&M, who possess huge amounts of resources and global supply chains, entering the Japanese market on their own has proven feasible, but what if you do not have access to similar resources? While it is certainly easier to enter the Japanese market when you already have a global supply and distribution channel at your disposal, there is a potential pitfall of missing out on perfect learning opportunities from other actors (be it partners, other companies, marketing agencies and so forth).

Indeed, setting up a network and leveraging its resources to help its members become even more successful takes time, but bringing it down can happen instantly. To help you navigate past the worst rocks, in this chapter we will present and discuss in detail a potential model for a network that is flexible, based on open information flows and trust, and potentially your option for reaping the best results from the Japanese market.

The network model we present in this chapter is not based on wild imagination or bureaucratic hogwash. On the contrary: it is based on empirical evidence obtained during Hirameki, visionary thinking, and the authors' experiences from working in such a network. While the authors have not tested this model in design industry, we believe that the industry most certainly would benefit from this model too, and below we will show you why.

### **The Network Model**

Before getting our hands dirty and revealing our best kept secret – the Network Model – let us devote a few paragraphs on describing how we will walk you through it and how we came up with this model. By discussing the model in detail we wish to challenge our readers to question our claims and to develop the model so that it fits their and their company's needs. As said previously, our aim with this publication is to help design com-

panies enter the Japanese market, but this model will certainly come in handy in other parts of the world, too.

How did this model come into being then? Where do we base our claims on? To be honest, the model was coined in a late-hour JaBuPro meeting in an office space some six floors above restaurant Nolla. But before you lose your confidence on us, please bear in mind that in order for this model to be coined in a meeting where beer was not an uninvited guest our team spent countless hours in the field and went through numerous articles and books on business networks. In fact, some of our team members are still involved in network-related research.

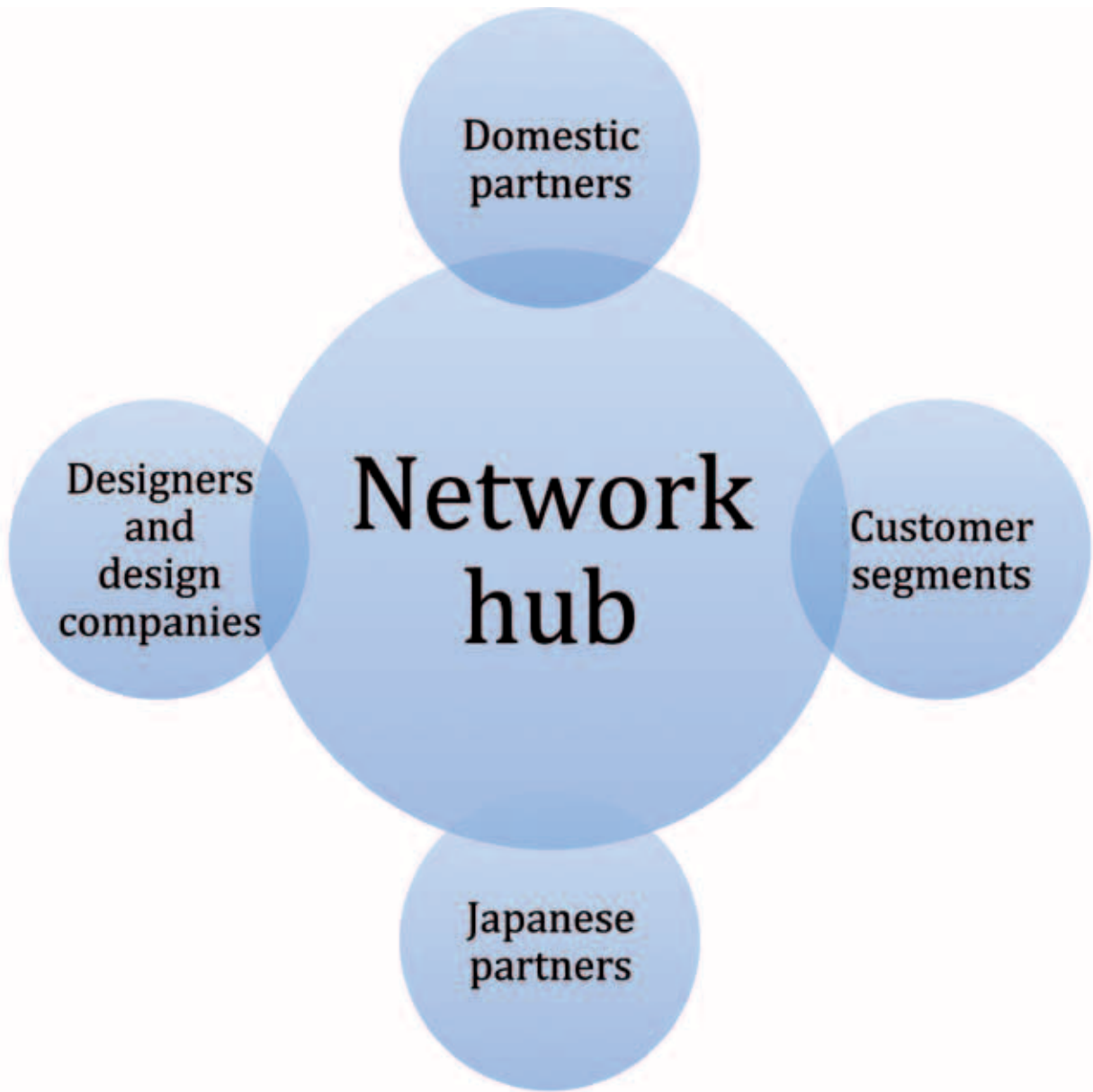
Long story short: the model itself was articulated in five minutes, but we have spent hundreds of hours honing it, studying networks and designers, and experiencing the ups and downs of networks on our own.

We have tested this conceptual network model with entrepreneurs, consultants, professors, colleagues, and friends and so on to ensure other people outside our project think this idea is cool and feasible. Whether this model actually turns out to be a success or a terrible failure depends on the actors in the network. However, we wish to be seen as researchers with high standards, implying that we would not be presenting our model and opening our thinking process in this publication if we were not certain that our model has what it takes to contribute to the success of the Finnish design industry.

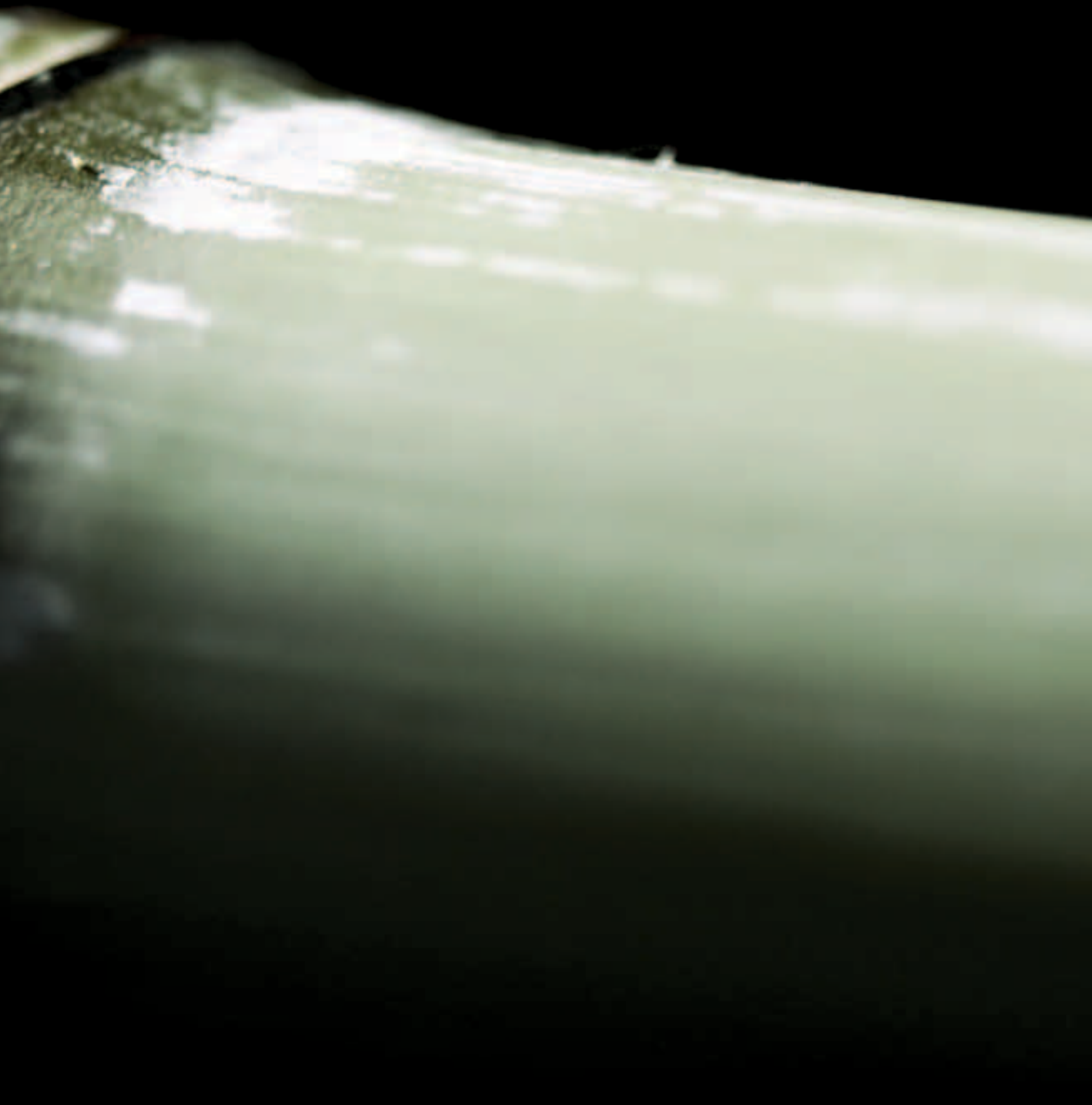
Having explained where our model comes from and why we think it is worthwhile to present in this publication, we now reveal the actual network model.

### **Designers and design companies**

Designers and design companies form the backbone of our model as they are the ones providing the products and/ or services that will be sold in the Japanese market. How these companies will be grouped will depend on their prior relations with each other, how well their internationalizing ambitions and products and/ or services fit together, and what they are expecting to gain from the network, to name just a few examples. This list should not be taken as exhaustive, since we believe there to be many other reasons for design-intensive companies to network. What should







*Think of it as the Finnish interpretation of keiretsu, if you will.*

be taken into account is the customer: the network should be set up so that it can best serve the target customers.

Traditionally networks have been organized based on the product line (products were seen to complement each other – shoes and socks, for example) and we believe this type of network will definitely serve some customers, especially in the B2B field. But what about the fast-paced world of consumer markets? According to recent research, networks are expected to become more and more agile and able to adapt to external changes. For more traditional networks, aligning them to match the changing customer demands can be problematic and slow. To counter this, we suggest that the networks should be aligned based on the needs of different customer segments (e.g. older people, urban families, kids, educated women).

### **The Network Hub**

Our model proposes that separate companies – or hubs – should be created to form the network's focal point. These companies would be co-owned by the companies and designers that operate in the same network and perhaps also by external investors. The main point is that these companies manage the sales and international operations for the products and/ or services that the other companies in the network produce.

The company that is created this way should by no means be seen as an additional company ready to milk the design companies dry. On the contrary: based on our findings, we believe this form of network to yield the best results when it comes to internationalizing Finnish design-intensive SMEs to Japan (or to anywhere else in the world, for that matter!). Most of the companies we interviewed before and after the Hirameki export event, for example, mentioned that they would like to network with other Finnish companies since companies manufacturing design products need designers and vice versa. So in this light our network model seems like a perfect solution!

“...[in Hirameki] there are a bunch of Finnish design companies present. We are very keen to see which one of them we could help.



“ We hope that the Hirameki event will be a good opportunity to get to know some of the very experienced Finnish design firms and designers and hear about their experiences.

But there is a potential challenge in this model that needs to be addressed before we go any further: finding the right people to run the hub. The people managing the hub should feel motivated by getting more challenging tasks and projects, and/ or increasing the status of Finnish design in the global setting. Or in other words: it does not help the hub nor the designers if the people in charge are greedy, abusers, or overtly ambitious. Thus, what the network requires is a group of people who are driven by continuous learning and passion to excel. This, we believe, creates a positive spiral where everyone involved with the network wins. Apart from the learning aspect and being able to work with what you love, we do not wish to promote this model as a shortcut to riches. However, we are looking forward to being challenged on the “getting rich” aspect!

Now we have the theoretical foundations for our model (as presented a few pages earlier), and the motivation for this kind of network (companies would like to network with like-minded companies and designers), but will it actually work in real life? After all, it is fair to question the effectiveness of this model given that we have not tested it in action.

Technically speaking that is true – we have not tested this model although we very much would like to see it in action. However, we do have experiences from working in such a network – the only thing is that it is not related to design, but to management consulting. The rules of the game differ between management consulting and design industry, but before you throw this book in the trash can, let us give you a few reasons why the basic mechanisms between design industry and management consulting are pretty much the same:

Both industries are knowledge-intensive.

Overhead costs (e.g. equipment, facilities) are usually small or nonexistent.

Reputation plays a remarkable role in winning and losing clients.

Solo consultants and designers are common in their respective industries and the dynamic nature of the industry makes it possible to have small and independent players.

### **External partners**

As our model suggests, there is no point for small and medium-sized companies to do everything by themselves, which is why we propose that some services should be bought from external partners. Without proper accounting, for example, any company would soon be in big trouble. But for small and medium-sized companies taking care of all kinds of practicalities and bureaucratic mumbo-jumbo can be a hassle and most importantly that time is away from the actual work – designing products and/or services that make people's lives better!

When it comes to entering the Japanese market, one thing has to be made explicit: never do it without partners who have prior experience in working with the Japanese. While partners taking care of accounting and logistics, for example, need not have any Japan specific knowledge, those who deal with sales and marketing should definitely have a strong background and network in Japan.

Based on our findings from the field and past experiences, we suggest that some of the support functions can be bought together for a cheaper, less painful, and a more productive business experience. Some of these support functions could be as follows:

- Accounting
- Marketing and communications (offline and online)
- Logistics
- Legal services
- Sales and distribution

For bigger companies buying the functions we listed above would be a no-go as they usually want to control everything and usually they have their reasons and resources to do so. But what about smaller companies with, say, one to twenty employees? Aca-

demographic research, our findings and personal experiences show that it can be cost-effective for small and medium-sized companies to buy some or all of these functions from external partners. One should, however, be careful not to buy everything from outside, as it might make it difficult to control your brand. Thus, caution should be exercised when outsourcing functions but the main point is that if you do decide to buy something from outside, remember to do it together with the rest of the network! One of the advantages in our model is that it is usually cheaper to buy services when it is organized through a network.

When it comes to more familiar countries (such as the Nordic countries, UK, and so forth) taking care of logistics, for example, on a one-time basis can be usually done pretty fast and easily, but what if we are talking about Japan where you need specific knowledge to avoid the worst pitfalls? Because of a relatively long distance (not only geographical, but also political, social, and cultural) and high customer demands, one does not want to take excessive risks when it comes to setting up sales and/ or operations in Japan. Thus, the advantages of our model come in extremely handy especially in situations where you need specific knowledge.

Thus, while it might be possible to do everything by yourself, you should always ask yourself whether you can afford to take risks that could be easily mitigated when operating through a network. Even though Japan has rapidly westernized after the Second World War, its own culture is still so pervasive that one simply cannot presume Japan to be a purely Western country.

In a nutshell, we argue for collectively buying support functions to the network for the following reasons:

- You can get them cheaper when you have more buddies with you.
- You get the expertise you require to take your products/ services to Japan.
- Using external services does not mean you would not be in control. On the contrary, as a buyer you are still in charge in terms of what is done and when, and your brand image should always be the main concern for your service providers

## **Customers**

What about the most important factor in the picture, customers? Without a sound – or potentially sound – customer base there is no need to set up any networks, so finding and characterizing the right customer segments is perhaps one of the most crucial tasks in this model. If network's customer base is undefined, fuzzy, or too diverse it might be challenging to create a product line that would serve them best. What we suggest is that the customers are mapped on a set of criteria (age, gender, lifestyle, values, consumption habits, rural/urban, etc.) and the networks would then be created to match the specific needs of each customer segment.

## **On Functionality, Structure, and Benefits**

So far we have focused on describing how our model would benefit design-intensive companies by drawing on previous experiences and insights from the field. But how exactly would it work? Furthermore, how could it help designers by making it easier to enter the Japanese – or any other – market? To summarize the model we will briefly describe how it would function and what its benefits would be.

### **How does the model function?**

In a nutshell, the model functions as follows:

Designers and design companies own the network hub.

The owner base can be strengthened with external investors, should the designers want that.

The company itself consists of CEO and sales people according to market potential and strategy.

Support functions (e.g. accounting, logistics, marketing etc.) are bought according to the company's needs.

The company buys the products/ services from the designers and design companies and delivers them to its Japanese customers.

From the designer's and design company's perspective, everything more or less stays the same: client projects go on as usual, prototypes are still constructed, and designers still attend fairs and expos. While participating in steering the network company might take up some extra time, the amount of time spent in doing so depends on the interests of the designers themselves.

What changes, however, is that the network company will order projects, products, and/ or services from the designers according to the market needs. The logic behind this kind of operation is simple:

A client from Japan orders fifty pairs of shoes from the network company:  $50 \times 60 \text{ €} = 3000 \text{ €}$

The network company orders the shoes from the designer:  $50 \times 50 \text{ €} = 2500 \text{ €}$

Basically the designer would still get the same price, but the network company would take its own share to keep it running. And since the designers own the network company, no money would be lost, but instead it would be invested in expanding the international operations.

When it comes to costs, on the other hand, the network company would cover costs related to its functions and needs. For example, it would take care of accounting and salaries, while logistics and such would be transferred to the end client.

### **Benefits – the LAWS principle**

To keep it simple, we have coined the LAWS principle to illustrate the benefits of our model. LAWS comes from the following benefits:

Learning.

Agile.

Win-Win.

Scalable .

## **Learning**

Networks are all about learning, and when the network is relatively small learning becomes even more beneficial. As we see it, learning can be both informal (learning through both negative and positive incidents) and formal (brainstorming sessions, advisory board meetings etc.) but the main thing is to structure the network so that its members can actively engage in discussing challenges, problems, ideas, and improvements.

Thus, the learning aspect is both a benefit and a requirement for the network to prosper and develop. While informal learning can be a tremendous asset, it should be pointed out that learning through formal means (e.g. meetings, wikis, and projects) forms the backbone of learning in this model.

## **Agile**

Business in today's world is about agility – global multinationals are aiming at aligning their operations so that they can easily switch their course if need be, but also smaller companies are actively networking to seek opportunities through them and to better position themselves to meet the needs of their customers. As some of our interviewees pointed out, it can be challenging for a small design company to produce enough products to satisfy the needs of a major Japanese department store, while on the other hand it does not pay off to produce only three pieces of one product. With these limitations, it is important for smaller companies to be agile by networking with other players to meet the demands of their customers.

What sets our model apart is that it enables participating companies and designers to organize their operations in such way that changes (whether strategic, operational, or structural) can be carried out fast and effectively. Since the designers and companies participating in the network also co-own the network company, it is possible to make rapid changes thanks to a lean organization mode.

## **Win-Win**

The model we propose is all about win-win situations: the designers win when the network company succeeds and the network company succeeds when the designers can focus on doing what they are best at.

In addition, on a more operational level, buying services collectively (logistics, accounting, legal counseling, marketing etc.) can also push down the costs, as the network has more bargaining power than its members if they operated alone.

Finally, the network can easily provide additional resources to its members if they, for example, require extra hands in a project they are involved in. Based on our findings and experiences, the ability to quickly draw on extra resources through the network is not only beneficial, but it also contributes to the learning aspect as designers get to their colleagues better.

## **Scalable**

Also related to agility, being scalable means that the operations can be expanded or decreased quickly. A Japanese customer wants to buy a project from you, but you cannot deliver it alone? Hire someone from the network to help you out or get an external freelancer. Or what if you do not receive any projects or orders from Japan in a while? Focus your resources on other projects or offer your help for other members of the network.

One of the problem points we identified during our investigations was that most of the companies and designers were not prepared to expand their business as it would imply either hiring more people or investing even more resources (both time and money). We agree that hiring people can be somewhat challenging and problematic as it is difficult to predict future demands and this can lead into a vicious cycle: no new recruits as future prospects are unclear and unclear future prospects as there are no additional resources to match potential increase in demand.

We claim our model to answer this problem by relying on a network structure that is easily expanded or decreased.

## A Brief Introduction to Networks

Some time during the 1980s companies and business people started to realize that operating and conducting business as an actor in a network would be cheaper, less risky, and more efficient than operating on your own. Network, however, is not a new phenomenon since it can basically be understood as a web of social relations. It can be argued that the moment people knew how to communicate with each other – and to form communities and tribes – marked the dawn of social networks and interaction. Networking and social interaction have become crucial aspects of our lives: so crucial, in fact, that the world as we know it would come to a halt if we suddenly were unable to communicate and network.

But when it comes to companies, matters get a little messier. Even though the basic principles behind networking are the same whether we look at individuals or companies, the trick with companies is that you have to satisfy both individual and company needs. When we as individuals network with other people we tend to have an agenda of some sort or another: either we want to know more about a certain topic (music, movies, stock investing etc.) or meet like-minded people, improve our social status, and so forth. These same drivers are still present when companies interact and network with each other. The thing is, however, that more often than not company-level and individual motives do not match. In fact, in some cases they might even contradict!

If you ask from an academic about the nature of business networks, he/she might give you a lecture on “the dynamic capabilities of interfirm networks” that could easily take hours. If you have ever experienced that, we as researchers owe you an apology. While it is undeniable that it takes time to understand what is going on in a business network, academics should be able to communicate their knowledge in a way that actually helps someone else than their colleagues in the very same ivory tower. This publication can be seen as an attempt to break away from academic jargon.

If you, on the other hand, ask from a practitioner – a hard-boiled business person – about business networks, he/she will most likely give you a half a minute elevator speech on why his/her company is the best partner to form a network with. While



this version of business networks might be easier to buy than the former, it is important to take both views into account: bridging the gap between practitioners and scholars yields best results as both views have their strengths.

What matters, however, is that you cannot conduct business without taking networks into account. Deals are made in social networks (networks between individuals), components are ordered through a business network (networks between companies and organizations), and new market opportunities are identified in LinkedIn and Facebook. Thus, no matter where you look at, we are surrounded by networks of various kinds, sizes, and purposes. However, it can be argued that the all-pervasive nature of networks has been tremendously boosted the moment we became aware of them. And to make things even more complex, business networks often *are* social networks.

Why, then, did business networks turn out to be so popular and so fast? Perhaps one of the main reasons was initially related to cost-effectiveness: it was easier to predict your supply and demand when you became a part of a network than if you served your clients and ordered material on a one-time basis. Business networks, it can be argued, drew attention from markets to networks.

But business network was by no means a new thing in Japan, for example, when they gained momentum during the 1980s. Japanese conglomerates, *zaibatsu* (pre World War II) and *keiretsu* (post World War II), have been operating as huge networks for many centuries now and some of the Japanese management concepts (such as Just-In-Time inventory strategy that was developed by Toyota) have been invented because of the keiretsu network structure made it possible. We will not get into further detail with keiretsu here, but for companies and entrepreneurs entering the Japanese market or collaborating with Japanese partners, getting to know the basics about keiretsu will certainly help.

This brief introduction to business networks is built on the following arguments and/ or assumptions:

Business networks emerged more or less during the 1980s.

Business networks *are* social networks.

Networks can mitigate risks, leverage resources, and enhance learning and information flows.

There are many opinions about the effectiveness of business networks, but usually it boils down to 1) how well companies work together and their goals match and 2) how well the network is able to adapt to external changes.

### **Why Such Model?**

Corporate world is filled with examples of alliances and networks breaking up because of one or more parties stealing material from others. Why, then, would this model be any different? First of all, the *model* is not evil, but individuals and companies can be. We believe our model to mitigate the threat of thefts of any kind because each of the participating companies and/ or individuals are working towards the same goal. Moreover, one actor's success does not reduce the chances of other actors in the network to succeed.

Secondly, according to our model, thefts are not possible because information is – by default – openly shared. While we do not wish to advocate naïve and overt information sharing between actors, we do, however, believe that transparent information sharing can help companies in better coordinating their actions.

Finally, all decisions taken within the network are – to a varying extent – coordinated between those who are actively participating in its development. According to our experiences from the field, this ensures that all decisions are discussed and analyzed before any actions are taken.

Based on the matters we have discussed above, it is obvious that our model works as it should in a perfect world. But the world we live in is far from perfect. This being the case, it is advisable to organize your company so that you do not have to waste resources in operations or tasks that you could easily combine with other similar companies. In addition to this, it is always much more fun and inspiring to work together in an environment where everyone feels that they are not being exploited but supported by each other! In that sense researchers, designers, and entrepreneurs are alike – as we found when we interviewed some of the Hirameki participants, working as

a designer/ entrepreneur can be sometimes a relatively lonely work. This applies to researchers, too: while most researchers are involved in various research projects, a huge amount of our time is spent alone in our offices, trying to finish manuscripts five minutes before the deadline.

### **How to Proceed from Here?**

As is the case in most things put on paper, they are easier said than done. It is easy to say that setting up a network is risk-free and a certain path to future success. Based on our experiences from the field and our studies, setting up a well-functioning network takes time and resources, but it certainly is worth a shot. Good thing about networks is that you can pretty flexibly reorganize, reshuffle, and rearrange it without too much of a hassle.

One more thing about the operating mode of the network: it does not have to be revolving around a separate company, but thanks to internet and global distribution channels, 'the face' of the network can also be an online shop. Setting up an online shop and collaborating with Japanese partners can help with easily reaching millions of potential customers.

Our goal is clear: to help Finnish designers become even more successful internationally. From this light, this publication can be seen as a manifesto that draws on our findings from the field during and after Hirameki. We hope that this publication helps in laying the path for Finnish design and designers to become remarkable players, both internationally and in Japan.

### **Further Reading**

Burt, R. S. 1995. *Structural Holes: The Social Structure of Competition*. Cambridge: Harvard University Press.

Hartley, J. (Ed.) 2005. *Creative Industries*. Malden: Wiley-Blackwell.

Lehtonen, M. & Kaislaniemi, I. (Eds.) 2010. *Nichi-Fin shoubai kyouryoku: 90 vuotta suomalais-japanilaista yhteistyötä (Japanese-Finnish business co-operation: 90 years of Finnish-Japanese co-operation)*. Helsinki: Finnish-Japanese Chamber of Commerce.

## Designer's and design company's toolbox for entering the Japanese markets

### Culture & Practicalities

If nothing else, make sure you have business cards and marketing material in Japanese – works as a nice icebreaker and helps your Japanese customers and partners.

Japan as a society stretches back thousands of years – approach Japan from a learning – not teaching – perspective.

There are numerous rules and norms inherent in Japanese culture – for your own sake, accept the fact that you are bound to break them at some point (Japanese people are rather forgiving towards foreigners so do not worry too much).

### Marketing & branding

Marketing your company and products through stories is highly recommended – combine associations and emotions with your product/service, and you are well on your way!

Try to find out what makes your Japanese customers tick – remember that what works in your domestic markets might not work in Japan.

Be prepared to customize your marketing communications when entering the Japanese market.

Getting media coverage in Japan can be a difficult and time-consuming task – but it pays off.

Japanese are huge consumers of mobile services – consider investing in mobile marketing.

## Partners

Choosing the right partners in Japan is crucial – devote time to find the partners you feel comfortable working with.

While it might be tempting to choose a Japanese partner that is fluent in English, make sure they are also competent in what they are offering.

In terms of your Finnish partners, make sure they understand what it takes to work with Japanese clients and partners.

Finding the right partner is not always enough – try to find a spokesperson inside the company who can speak for you and your company.

Remember to keep in touch with your Japanese customers and partners – you never know when the window of opportunity might open.

## Strategy

Expanding to Japan without a proper strategy can be disastrous – remember that you should be able to answer why you would like to have your products/services sold in Japan.

When dealing with Japanese customers and partners, remember that flexibility [a give and take relationship] is the key word.

Entering the Japanese markets with success is not something that happens overnight – be prepared to invest both time and money.

Approach your strategy from the customer's perspective – how would you serve your Japanese customers in the best possible way?

One of the key issues to keep in mind when entering the Japanese market is that in Japan the customer is king/queen.

## JaBuPro Tips

Jaakko's tip:

Good and very cheap place to eat: restaurant chain Matsuya. Can be found almost anywhere - look for the yellow sign with blue and red kanjis.

[www.matsuyafoods.co.jp](http://www.matsuyafoods.co.jp)



Rebecca's tip:

If you want to know everything going on in terms of Art and Design events and exhibitions in Tokyo check out Tokyo Art Beat:

[www.tokyoartbeat.com](http://www.tokyoartbeat.com)



Seppo's tip:

Some smaller restaurants, especially outside of bigger cities, may have unisex toilets. Men are standing by the urinals and ladies are walking behind their backs to the toilet cubicle.



Taru's tip:

Remember to wear a nice pair of socks. You never know when you have to take your shoes off!



Heidi's tip:

Design Festa - biannual art & design event with artists all over the world showcasing their designs, make unique purchases or just enjoy all the cool random stuff.



Miikka's tip:

Feeling adventurous?

Try Don Quijote discount stores - perfect souvenirs and extremely odd people.





Antti's tip:

Commuting in Tokyo can be an adventure - invest in Pasma or Suica card for a smoother experience. [www.jreast.co.jp/e/pass/suica](http://www.jreast.co.jp/e/pass/suica).



Rebecca's tip:

If you are in Tokyo during the Hanami season make sure to take a walk by the river in Nakameguro. It gets rather crowded, but the cherry blossom trees are at their most beautiful there.



Jaakko's tip:

Don't be offended if a Japanese person asks your age quickly after meeting. This time it's better to be old! The older you are the higher you are in the hierarchy ranking.



Seppo's tip:

Noren is a cloth hanging above the entrance of a shop or restaurant. If the noren is there, it means that the place is open and you may enter.



Miikka's tip:  
Tonkatsu Maisen - probably the  
best tonkatsu in whole Japan (Jin-  
gumae 4-8-5).



Taru's tip:  
Enjoy the variety of Japanese bentoo  
("boxed meal" or "packed meal"). But don't  
eat on the go – it's considered to be bad  
manners.



JaBuPro's tip:

Finding your way in Tokyo can be a hassle - make your life easier by investing in a Tokyo City Atlas.

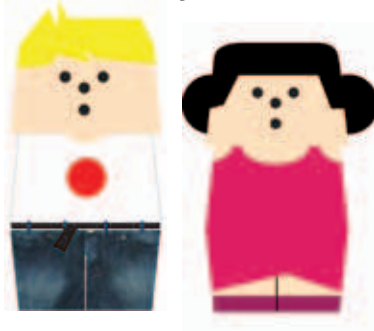


Heidi's tip:

Tokyu Hands is a great place to spend those rainy days, you can find anything from chemist supplies to killer party outfits - everything you need and did not know you needed. Check out the kitchenware section for mini doughnut makers and Hello Kitty muffin molds.



Jaakko & Rebecca's tip:  
If you are looking for vintage  
clothes & vinyls in Tokyo, go to  
Koenji and Shimokitazawa.



Rebecca's tip:  
Feel like trying the world's best  
sushi? Go to Midori Sushi, Umeg-  
aoka 1-20-7. 11am-2pm, 4:30-  
10:30pm (LO).



JaBuPro's tip:  
Wired Café in Shibuya crossing  
- free WiFi (Udagawacho 21-6,  
Q-Front 6F).



Seppo's tip:  
The famous Tsukiji fish market has re-  
stricted visitor access into the interior fish  
market, but 140 first visitors are allowed  
to follow the tuna auction. Be there 5:00  
in the morning.  
[www.shijou.metro.tokyo.jp/english/index](http://www.shijou.metro.tokyo.jp/english/index)



Rebecca's tip:  
Do yourself a favor and visit some  
of the numerous standing bars in  
Shimokitazawa and Nakameguro.



Miikka's tip:  
Hyperdia  
([www.hyperdia.com/en/](http://www.hyperdia.com/en/))  
- the world's most precise time-  
table and route search!



JaBuPro's tip:  
Need to draw cash?  
Try 7Eleven, post offices, or Citibank.



Heidi's tip:  
If you're visiting Tokyo in the summertime,  
make sure to pop in Harajuku Togo Shrine  
flea market on a Sunday. Fashionistas and  
sales people from brand houses are there  
to clean out their closets, and even if you're  
not after fashion finds, the atmosphere and  
great personalities are worth the trip.





Virpi's tip:  
Want to know what is going on in  
Japan and what to do while there?  
Check [www.japanguide.com](http://www.japanguide.com)



Seppo's tip:  
During rush hours, before 9:00 and  
between 17:00 and 21:00, some  
metros have cars for ladies only and  
they are marked on the platform.  
Guys! Do not enter those cars during  
rush hours.



Seppo's tip:  
Smoking in several streets of Tokyo  
is prohibited, go in a bar or look for  
a smoker's corner.



Antti's tip:  
Look here for WiFi spots in Japan!  
[www.freespot.com](http://www.freespot.com)



Rebecca's tip:  
Good Day Books in Ebisu has a  
really nice selection of Japanese  
literature (in English).  
[www.gooddaybooks.com](http://www.gooddaybooks.com)



Miikka's tip:  
For the best hipster music experience,  
try Bonjour Records in Daikanyama.  
[www.bonjour.co.jp](http://www.bonjour.co.jp)



## Conclusion

This publication should be seen as one perspective to how design companies can enter the Japanese market and what should be done in order to avoid the worst - and usually the most classic - mistakes. The advice we have offered should not be taken as normative, but instead we wish to challenge our readers to deepen their knowledge of Japan by going there and experiencing things as they really are.

What started as a research project aimed at getting new insights and empirical findings on how Finnish design companies can enter the Japanese market soon turned into a more practical toolbox that can help companies in avoiding the worst pitfalls when expanding into Japan. Although this publication is a rather popularized manifestation of our research project, we have not forgotten our roots as researchers.

In addition to this publication, we have submitted conference papers based on our empirical material and will also submit articles to scientific journals that are so popular amongst the academics. Nonetheless, this is to show that we have had scientific ambitions throughout this project and the data collected during this project has been collected by following the highest standards set by our research disciplines.

Getting back to the actual beef, will this book make someone rich or insanely popular in Japan? Maybe not. It takes blood, sweat, and tears to truly make it in Japan. Or you just need to be in the right place in the right time. Our goal, however, has been to have impact on a more local level. We know that the world, and especially Finland, is full of reports that are so grandiose no one knows why they were written. By writing a publication that aims at helping design companies and collectives more systematically getting their stuff out there, we hope that it serves as an example of convention-breaking research to politicians, managers, designers, and researchers. Instead of writing only to our colleagues in the academia, we would like to expand our audience by writing something that is not only useful, but also fun to read.

After reading our publication, we would like to hear what you thought about it. Also, if you feel like sharing your thoughts, comments, and opinions on Japan and/or design with us, you can reach us by sending email to [jabupro@gmail.com](mailto:jabupro@gmail.com).

Yours sincerely,  
The JaBuPro team

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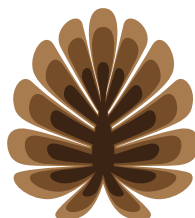
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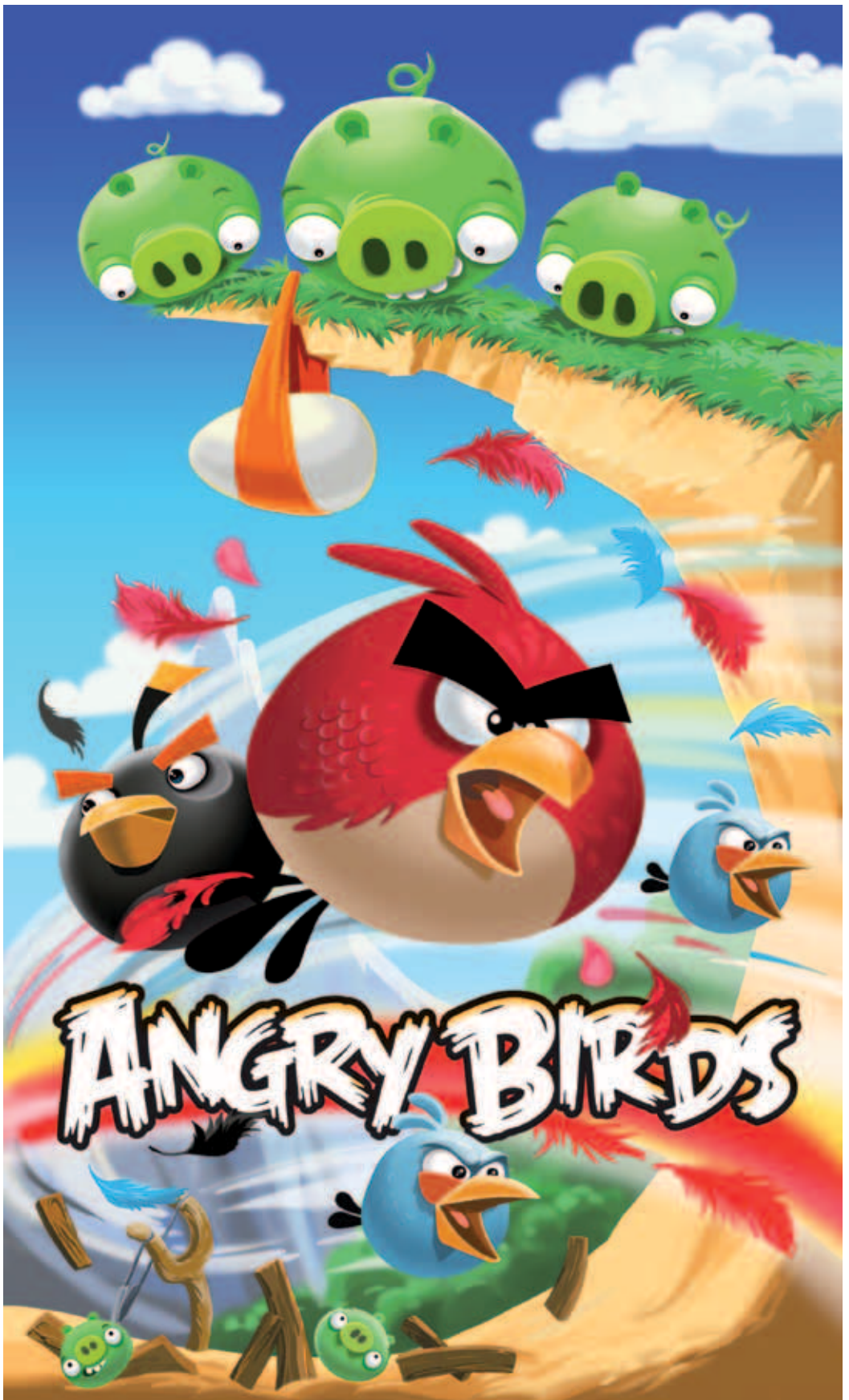
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JaBuPro (Japan Business Project) research team's *Doing Design Business in Japan: Experiences from Hirameki* provides you with hands-on tools and skills for successfully entering the Japanese design market or organizing a design export platform in Japan. Drawing on research conducted during Hirameki Design x Finland – an export initiative of Finnish cutting-edge design – this book illustrates why Japan is such an important market for design products.

Topics covered in this book focus on storytelling, practicalities and culture, design export platforms, and business models for entering the Japanese market. This book has been written for designers, design-intensive companies, students and researchers, and for everyone interested in Japan or design.