

From Japan External Trade Organization (JETRO) San Francisco Office

June 2014

“How we can create ‘Common Business Eco-System’ between California and Japan”

Dear Sir/Madam in the California Business Community,

After recessing for several months, I would like to conclude the series of my open letters to the California Business Community with this edition.

JETRO held the Japan-U.S. Business & Technology Symposium on Feb. 10<sup>th</sup> this year. The focus was on how you can materialize opportunities for innovation, getting more involved with Japanese business, and economy.

For the full symposium, please visit the JETRO USA website at <http://www.jetro.go.jp/usa/usatojapan/jus2014.html> .

While we had various discussions, one of what we could find out is that you can be successful more easily than you thought by following the instruction/formula about the technicality of doing business in Japan. Through my experiences and observations during my tenure here in San Francisco, I am now very confident that Japanese and Californians share the fundamental value or principle of doing business, though the technicality is sometimes different from each other. As far as the technicality is concerned, we can learn and adapt more easily either by business experiences or education. We could say that Japanese business persons can learn many things fruitfully from what is going on in Silicon Valley in order to enhance their competitive edge in the global market place. Equally, many Californian professionals including the late Mr. Steve Jobs have brushed up their activities learning from Japan.

Another discovery was that in some cases Japanese regulatory framework changes more quickly than its counterparts in the United States. The procedure of the framework changes reflects various interests of stakeholders. It is very tortuous everywhere in the world except in the command and control society. In this sense, there is no essential or qualitative difference on this issue between our two societies. Reflecting these observations, I think we should be more confident about the

commonality of our two economies and the possibility to overcome technical differences.

One idea is to nurture the “Common Business Eco-System” between California and Japan, across the Ocean”. This so-called Business Eco-System may be the most important factor of Silicon Valley Dynamism that we rarely see in other parts of the world. Japan and California are close in distance. Japanese professionals are now very eager to get involved in innovative activities. At the same time, Japanese market is the most advanced in the world due to its highly matured demographic structure. Why don't you test and develop your new ideas in Japan or with Japanese partners for the forthcoming aging societies all over the world? Though this kind of ambition is not easy to attain, of course, it could be worth trying or at least thinking over if you are ready for the global economy. Why don't we take that first step?

Thank you very much for your kind attention.

I look forward to our next engagement.

Best regards,



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