



Come on Japan, get with the program



YOSHIKAZU TSUNO/AFP/Getty Images

Japanese businessmen and women cross the road in Tokyo. Startup culture, while popular in many parts of the world, has yet to take hold in Japan.

by *Sally Herships* (</people/sally-herships>)

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Founding a startup today has become the stuff of [TV](http://abc.go.com/shows/shark-tank) (<http://abc.go.com/shows/shark-tank>) and movies around the world. There's even a startup podcast about, you guessed it, startups, that can provide twenty-somethings who were not too long ago eating Cheetos in their dorm rooms while guzzling red bull, the opportunity to brush the crumbs off their hoodies, break out their best Vans and ask billionaires for millions. But in Japan today, founding a tech company is not what you might call super popular.

Silicon Valley appreciates a good failure. The Japanese — not so much.

“People have the mentality of failure as not being an option. And if you fail, they will face social rejection,” says Toshi Yamamoto, CEO and founder of software company [ChatWork](http://www.chatwork.com/) (<http://www.chatwork.com/>).

When he was launching his company while still in college, says Yamamoto, he was constantly questioned. “All the time. They call me crazy – why do you do that? Why don’t you go to a large corporation? Or, why don't you work for the company?” he says.

And while Japan’s prime minister Shinzo Abe is pushing hard to reverse the country’s economic slump, when it comes to tech and innovation, Japan is still behind — Especially reluctant, it would seem, to embrace the culture of start-ups.

Imagine, says [William Saito](https://www.google.com/search?q=william+saito&ie=utf-8&oe=utf-8) (<https://www.google.com/search?q=william+saito&ie=utf-8&oe=utf-8>), special adviser to the cabinet of Japan and its prime minister, two moms of recent college grads. One from Stanford, and one from Tokyo University. The Stanford mom would be proud to say her kid was going to work at a startup. But if the Tokyo University mom found out her young grad was going to work at a startup, the attitude would be more along the lines of "Oh no, poor guy. He couldn't get in to Mitsubishi."

Says Saito, "Factories are still humming ... the government works relatively well. Crime is relatively low." What's changed, he says, is "kind of a disease." The country has lost confidence, leading to less risk taking, fear of failure and ultimately, a lack of innovation.

The Japanese place high stock on what's called enryo, or restraint and reserve, says Heather Russell, the American-born founder of [Rinkya](https://www.rinkya.com/en) (<https://www.rinkya.com/en>), a website that provides online auction services for Japanese sellers on [Yahoo auctions](http://auctions.yahoo.co.jp/) (<http://auctions.yahoo.co.jp/>) which has trumped eBay to become the go to auction site for Japan.

"The reason why we even exist," she says, "is because Japanese sellers refuse, most of them, to ship outside of Japan."

Instead, Russell's company, Rinkya does it for them.

"You don't understand it – right? You cannot comprehend why they would not ship outside of Japan," she says. "In another country, it's about, 'Ok, well, if you have the money we'll go ahead and we'll ship anywhere, we'll do anything,'" she says. But not in Japan. "You could offer them one hundred times the cost of an auction, which we have done before. And they'll be like, 'Oh sorry, I don't want my item leaving the country.'" She continues, "They might have a confrontation, or they might have a problem, and so they just would rather not enter the realm of that being a possibility than, ship outside of the country."

Even teenagers in Tokyo, cultivating sulky looks and dyed hair, only smoke their cigarettes in designated smoking areas. Jaywalking is not cool. Trains are mostly silent – many riders are far too polite to talk on their cell phones. In Japan, you just want to fit in and avoid conflict. And that means not starting a company that could tank.



Smokers in Tokyo using a designated smoking area for cigarette breaks. Whether it's lining up politely for the subway or waiting for street lights to change (no jaywalking please!), the Japanese, at least in public, tend to be rule followers. (Sally Herships/Marketplace)

The cultural divide is so sharp that even new tech companies that do manage to make it off the ground can have trouble gaining traction with business partners more comfortable with Japan's traditional ways of working. Says Arnab Gupta, an independent consultant for healthcare and social infrastructure, who's spent much of his working life traveling between Asia and the United States, "There's a difference in commitment, and there's a difference in how fast things get done."

Take the traditional Japanese business email. "It starts off talking about the season," says Gupta. "It goes on about all these other things," and after meandering on for quite a bit more, "Finally there's like one line that is topical, which is like the reason why the mail has been written." But, he notes, that lengthy electronic mail is a much less successful strategy in the startup workplace where preferred communication is much likely to be trimmer. And more akin in style to something along the lines, or line of, "Like yo, let's get this done fast."

Then there's the issue of the level of dedication to the company expected from employees. Traditional companies, notes Gupta, will have dinner, or drinks in the evening, as well as other events and personnel will most likely be expected to attend. But again, different corporate strokes, for different folks. "I've seen cases where startup founders don't want to go to them," he says. "They feel that it's perfectly fine to just call them up and say, 'I'm sorry, but I've got other things to do so I can't make it.' And the shacho, the president, will be like, 'Is that like a form of a dis?'"

But, says [Allan Bird](http://www.damore-mckim.northeastern.edu/faculty/b/bird-allan/) (<http://www.damore-mckim.northeastern.edu/faculty/b/bird-allan/>), a professor of global business at Northeastern's D'Amore McKim School of Business, despite all of this, it's important to note that Japan is highly entrepreneurial, just in its own way.

"Within the context of a group," he says.

The Japanese, says Bird, like consensus — working together. So Japanese startups are more likely to occur from within the warm embrace of a big company with resources to share. [Sharp Electronics began](http://www.sharppusa.com/AboutSharp/CompanyProfile/SharpAndTechnologyHistory.aspx) (<http://www.sharppusa.com/AboutSharp/CompanyProfile/SharpAndTechnologyHistory.aspx>) in 1912 with a snap belt buckle, then, in 1915, introduced the Ever-Sharp, a mechanical pencil. Nissan was spun off from a mining company. All thanks to the power of the group.

"People misconceive — they think they do it as teams, but they're groups," says William Saito. "The Japanese are bad at team work," he says. "In team work, everyone is equal." Whereas in groups, "the communication and messaging is one way, very top down."

You can see the problem right at the source. Or, really, the source code. When programmers, working on those hot new apps, crunch out lines of text they include comments — sort of digital post-it notes meant to help team

members navigate their way through all that Java or C++. Even genius programmers from Stanford need collaboration in order to succeed. But in Japan, the willingness to do just that can be very tough to find. Instead of helpful messages, says Saito, comments left by a Japanese programmer, accustomed to working solo, may be more likely to send a message like "Do not touch this code or I will kill you." Notes Saito, "source code is very telling. You can tell the personality of a country this way. This is the one thing that is really holding back Japan."

If you're a company and you know all this, instead, take advantage and make an entrepreneurial pivot. Change your strategy to adapt to the culture. If you can teach the Japanese to work in teams, he says, the Japanese will outdo you.

But be prepared. There's kotoba no kabe, the language barrier. And then of course, there's venture capital; another problem that translates in any language. Notes Bird, starting a startup in Japan can be four times as expensive as in the U.S.

And all of this culture and cash, or lack of it, leaves the country stuck in a kind of perpetual cyber-catch-22.

"In part, there aren't more startups because there isn't more venture capital," says Bird. "And if you ask why isn't there more venture capital, it's because there aren't more startups. You can see how that gets to be a problem."

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About the author

Sally Herships is a regular contributor to Marketplace.

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