Interview of Mr. Deepak Anand, Director, JETRO (Japan External Trade Organization) for Global Connector:

Deepak Anand (Anand): Born and bought up in North East India near Darjeeling, graduated from Jawaharlal Nehru University (JNU) Delhi, in Foreign language as a Japanese language specialist. In the initial stages worked with M/s Satyam software solutions Pvt. Ltd, M/s Wipro Limited, and M/s AXA insurance, Bangalore. Then moved to Japan, worked on short term project of large Japanese Electricity generation company, M/s Shinsei Bank and later worked for six months in Singapore on the offshore assignment of Shinsei Bank. Later got the opportunity to work with JETRO and moved back to Bengaluru, India. Here we can help many companies parallelly and support their entry into Indian market, joined in 2008. Since then I am a part of JETRO Bangalore, I have been working in Indo-Japanese field and I'm working as a bridge between Indian and Japanese companies.

Kogure: Very interesting. What is your impression on Japanese, which might have changed over time.

Anand: Yes, personally feel that Japanese attitude also has evolved significantly in last 20 years. While I have been assisting many Japanese companies in Bangalore, I realized that their decision making becoming faster day by day and they are more flexible now compared to earlier days. They have started realizing that the methodology they have been adopting in Japan may not work in India, until they show some flexibility.

Kogure: It's very interesting that you see the changes. Our decision making is getting faster and we are able to adjust it.

Anand: During 2008 and 2009, lead time required to decide the plant location in India used to be two to three years. But now a days I feel that they usually finish these kinds of feasibility study within one year. Technology is changing quickly, so until unless you move fast, you cannot match with the pace of other countries.

Kogure: How about the mindset of the Japanese when they establish business in India? Are they rude or very nice to Indian people? Do they start realizing Indian power to change?

Anand: Japanese are always nice and disciplined people. The difficulty for Japanese people to work with Indians is the working style / culture, which is entirely different. Japanese are very

systematic and follow proper workflow which is defined by the company's headquarter. But in India, we are very flexible in approach. The Indians want flexible work culture and they want independency in processes, but Japanese are process oriented people and strictly follow the process. That's why when they come to India, making Indians working in the same pattern is quite difficult, then clash happens.

Kogure: I think the agile way is the recent trend in IT development or software development. However, Japanese are very much favor of waterfall model.

Anand: Japanese emphasizes on error free product. Japanese emphasize lot on documentation, proper recording is needed for each operation, so that anybody can be replaced. Indians still have to learn a lot from Japanese on how to keep proper documentation. But in India, laws have many amendments within a year itself and you have to change your process every time as per the new guidelines. I believe that Japanese also have started understanding this fact.

Kogure: Do you feel that the mindset of Indian people also changes working with Japanese? Do they learn also from Japanese how to work?

Anand: Yes, my personal point of view, it is good for me because it has made me more disciplined. Due to the basic cultural difference, we give equal priority to both our family and work. If any trouble happens in family, obviously the more priority go to the family. I have worked in the extreme condition in Japan. Japanese people prioritize their work over family, even if something happens in their family. Sometimes Japanese expats who come to India without knowing the Indian culture, they try to enforce the same kind of strictness within their organization, that is where the clash start happening.

Kogure: Exactly, yes.

Anand: In some of the cases, In India, I have seen that the disturbances in Japanese factories happen because of all these minor things. We say it is minor but for Japanese could be major problems. However, I think now Indians also start understanding how to deal with these kinds of situation. Indians agree and say 'OK'. In general, hardly they say no. But just for the sake of saying they say "Ok we will follow whatever it is".

Kogure: I leaned that Indian people try to respect those who give instructions, so they don't give immediate 'No'. However, many people in Japan do not understand that kind of mentality. Let

me ask you another question. We Japanese do not really express our feelings and opinions in public, because it is sort of rude. People do not understand what Japanese are thinking, so I heard many non-Japanese saying "We have to ask what Japanese are thinking but they do not tell their opinion. It is very difficult to make them speak in a meeting". Is it easy for you to communicate with Japanese or you have some special skills to draw out their ideas?

Anand: In every country, people have their own behavior and you can't change that easily. I feel that Japanese are good listeners and also very good question seekers. One side is trying to figure out the problem and another side is to try to address it by understanding your approach, then they try to bridge the gaps. However, Indians are very much result oriented and not process oriented. We wait for a final product to come or an intermediate product to come and then we seek clarification from the Japanese side, whether it is OK or you need any modification. But Japanese believe in intermediate reporting, so Japanese start asking many questions. When you ask too many questions, Indians get fed up.

Kogure: That is very true. I have seen this kind of conversation many times. Let us suppose we have to deliver something by next summer and we only have six months. We plan our schedule backwards from the deadline, this we call "backward planning". I understand that Indian people are not so used to this backward planning. What is your observation about this?

Anand: It is true. What happens in the countries like India, because of external or internal factors, the process often deviates from the originally planned way. In India family concept is wider, even relatives are included in a family. If my relatives have problem, I have to be with them physically. If your "cousin brother" is getting married, he wants us to come one week before his marriage. Japanese might think why you have to attend the marriage and you require one week off, what is the need of that. That's why in India we believe in a basic guidelines, where we can adapt changes when situation demands time to time. But in Japan, where changes do not happen frequently, people believe in meticulous planning and proper preparation.

Kogure: I see. Let me ask you another question. To keep the quality high, some Japanese believe that you need to plan meticulously. For example, Toyota, everything is systematic and defined. They need people to follow all the processes. But it might not be good for other companies which has less name. Where is the balance point between following the Japanese process and being more flexible in Indian way?

Anand: There is always a middle path. The head office should monitor the situation, but how

things should be done has to be decided by local office (like subsidiary in India). I feel that is the best. When you try to impose without knowing the local factor then it is very problematic. Large companies, like Toyota, can wait and manage because they have resources and cashflow. SMEs can't wait for longer period, then it becomes very difficult to manage their business. Many companies which are leaving India, primarily smaller companies is due to this reason.

Kogure: Exactly, Yes. I have seen many cases, especially smaller companies have problem and always say, "India is so difficult" "we try to do some training, but they do not follow and some people quit" "the turnover ratio is very high, so we cannot really trust them anymore".
Do you see any secret how to Japanese make a successful business in India?

Anand: Some companies like Yuken kogyo in Bangalore, they are into machine tools and hydraulic pumps. They are Japanese SME basically. They formed a joint venture with an Indian company, and they have been operating in Bangalore since 1980s. This is one of the most successful joint venture cases in India. Their business is growing because Japanese headquarter just support the local team. If the local team say that we require these kinds of things, Japanese headquarter supports them. Because they want results, Indian local team takes the responsibility. Strong point of Japanese companies is technology. Japanese can contribute most in terms of technology. Indian side is expert in marketing. That is how you can complement each other.

Kogure: Yes, I understand. I think Japanese problem is that we think that we should follow the way we make success in Japan.

Anand: That is one of the biggest hurdles. What I suggest is to get into yourself to local ecosystem. Primarily, what I have seen now a days, the easiest way for service sector companies is to acquire a company or buy some equity in local company and gradually improve its processes and improve profitability. Both the companies grow parallelly. The second methodology would be for hard-core product-based company who deal with some product, say for example, machinery. We understand you cannot sell machine at two times or three times higher cost compared to Indian companies. Again, in that case you can form a way of partnership in India, invest some equity into the local company, transfer the technology. Then gradually improve the products. This is one of the best methodologies or process I feel that Japanese companies should look at.

Kogure: That is very interesting. So, after merge and acquisition, improving the local companies' methodology is better than just jumping in and creating very expensive Japanese machines.

Anand: Yes, because, what happens any overseas companies come with the buffer time of three years to establish their business ideally. The best way is to get into the local ecosystem like acquiring some stakes in the local company. They catch up the local demand, gradually you will start transferring your technology. You use their platform to sell your high-end products as well. This process works very good manner.

Kogure: But you know the problem with the Japanese, they are so sticky to their technology and they feel like their technology would be stolen by somebody. They are very hesitant to give some technology. That is why they want to create their own factory and company.

Anand: Earlier technology replacement time was almost five to ten years. But now a days, technology is changing every two to three years. But global companies are innovating and giving many products to the market. That is why I said that if you are unable to bring in new products, it is equally important for you to get into any market through indirect route and gradually introduce your own technology by utilizing their ecosystem.

Kogure: Yes, I agree. I want to ask you the last question. I want to tell Japanese people, how to make business successful in overseas? What kind of advice you would give to a typical Japanese who do not have much experience of overseas assignment or who become a boss of Japanese company in India?

Anand: The best advice is to try to be local wherever you go. If Japanese adapt themselves to the Indian culture and Indian working culture, their company is extremely doing good. Japanese should understand that if they have to expand business into Indian market, then the minimum they should do is to give respect to the local people. Indians are your customers, so you have to understand what exactly they want. Therefore, adapting yourself to the local culture is always the best possible way.

Kogure: I see. Thank you. That is exact words I am using, "respect the local, respect the culture and respect the people". I think that apply not just to between Japan and India but apply to many other counties as well.

Anand: Our Indian system is basically different. We want to earn money and make our life too, but our foundation of the society is always very spiritual. Therefore, we will not die for money, our social objective is rather different and we are very balanced people because we do not run after money. Japanese should also learn from us how to balance work and society together. We

can share this know-how with Japanese and Japanese can help us in understanding in new age technologies, so that we can complement each other.

Kogure: Yes, exactly. I once saw the world happiness ranking. I do not know how exactly they studied, but Japan was not as high as we expected. As you said, Japanese people work hard and get money, but no time for family and no time for holidays. On the other hand, Indian people are better in balancing between work and life. That is the strong message to the Japanese which we should look into it.

Anand: I have seen many Japanese were changing in India. They are taking back that memory to Japan, and one day, their headquarter should adapt the same methodology, because those who learn both ways, they can have mutual respect for each other.

Kogure: That is a good message you mentioned that we both need to complement and support each other in different ways. Thank you very much, Anand san.

Anand: It is great to see you.

Tips: For successful business
1. Keep in mind the local culture and respect to the local people
2. Form a partnership or invest some equity into the local company
3. Complement each other, with Japanese technology and good marketing from Indian side