

STONEPOINT GRADE SOLUTIONS IN JAPAN “NEMAWASHI”

An August 1, 2005 article in the Pacific Business News highlighted the need for patience and subtlety when doing business in Japan. A particular focus of the article is the Japanese concept of nemawashi. Loosely translated, nemawashi means “to dig around the root of a tree to prepare it for transplanting.” The concept of nemawashi blends a patient process of consensus-building and decision-making embodied in cultural desire to avoid confrontation while creating a successful outcome. As the article states, “*So much time is spent in nemawashi that foreign businessmen often become frustrated waiting for a Japanese company to make a decision*”. The concept and practice of nemawashi combined with the difference in language and basic business cultures further complicates and confounds the process.

StonePoint’s management has been participating in its current Japanese venture since 1997 but the entire team possesses extensive experience in this market. Our growing understanding of the business landscape in Japan has evolved and fortunately our Japanese customers and strategic partners have applied nemawashi and patience in further educating us. As a result, StonePoint now has deeper roots in Japan and we are well tended and supported by our strong business relationships.

From a beverage business perspective, StonePoint has also solidified its understanding of Japanese governmental and cultural expectations for ingredients, flavours, packaging, labeling and quality control. This knowledge combined with multi-language communication resources and strong international experience has allowed us to establish a “StonePoint Grade” for all potential Japanese projects. This standard is essential for StonePoint, our customers and our business partners to identify beverage products and concepts most likely to take deep root in Japan, regardless of how well established they are in other parts of the world.

Once an opportunity is identified, StonePoint’s management and research teams work through an exhaustive process, matching a product or companies strengths up against existing and potential challenges. If initial StonePoint Grade hurdles are cleared, a multi-phased research and development plan is presented to the potential partner.

Any company considering the prospect of entering Japan should look past the enormous market potential and learn more about the patience, commitment and strategies required to succeed.