![Japan·Inc — BUSINESS · TECHNOLOGY · PEOPLE]

Published on *www.japaninc.com* (http://www.japaninc.com)

Home > Archived Magazine Article

Archived Magazine Article

Back to Contents of Issue: May 2000

[When we offered our intern Miki the chance to pitch us story ideas, thinking she deserved some writing clips for her hard work, she looked horrified. A few days later, she came back with an idea that made us horrified: she would profile her dad! It sounded like a bad idea, but all turned out well. -- Editors.]

A native of Tokyo, Yoshi Noguchi has spent about equal time on both sides of the Pacific. The tech bug bit him in the 70s -- he was a young sales rep for IBM then -- and he's been involved in technology ever since. After Big Blue, dad worked for StorageTech, and later he founded CaliPer, a maker of computer peripherals. Now dad spends his days as chairman of EpicRealm, a Dallas-based software firm developing "global commerce exchange," which he says reduces the download time of graphics, streaming video, and other rich media types. He hopes to take the company public on the US Nasdaq within the next year or so.

Yoshi Noguchi
CEO, InterBusiness Corp.

What makes him right for this magazine is that he's also president and CEO of InterBusiness, a consulting firm focused on e-commerce and business strategy for Japanese and US companies. Dad and partner Bob Kelley are also setting up a fund -- TransPacific Ventures -- that will invest in Japanese subsidiaries of US-based Net companies whose products are a good match for the Japanese market. The fund will encourage local VC investments and eventually take the subsidiaries public on Mothers or Nasdaq Japan.

In addition to all this, my father sits on several companies' boards (Business Engine Software, MarketHistory.com, Upstanding Systems, to name a few), so whoever says the Japanese work ethic is a thing of the past hasn't spent much time at the Noguchi household in the past 20 years.

In February, my dad gave a keynote at the Nikkei BP Net&Com21 conference in Tokyo. (Nikkei is the Dow Jones of Japan, its main publication being the *Nihon Keizai Shimbun*.) The speech, on how the more established e-commerce scene in the US relates to the still-nascent one in Japan, attracted significantly more attendees (800-plus, standing-room only) than presentations by Keiji Tachikawa, president and CEO of NTT DoCoMo, and Kiyoshi Ohta, executive vice president of Nomura Research Institute. -- Miki Noguchi [Following is a brief email interview.]

What aspects of "the Japanese way" are you critical of in relation to e-commerce?

1. There is a tendency for a Japanese founder of an Internet business to be the president of the company even when he is not qualified to be the president. Many times founders may be good chief technology officers but do not make good presidents. But just because he is the founder, he automatically becomes the president. At many successful Internet companies in the US, the founders are not necessarily CEOs.

2. In the US, competent professional managers are willing to leave their successful careers at large, established companies to run startups, whereas in Japan, there is only a small pool of professional managers who are willing to make the change.

3. There are many life-style companies, but not many companies with big business scenarios.

4. Founders tend to worry more about control of the company, wanting to maintain over 50 percent ownership. In Japan, not many founders think about enlarging the size of the entire pie; instead, they worry about the size of their slice.

5. The whole infrastructure to take Japanese companies public is still underdeveloped. The supporting professional service businesses -- angels, VCs (from early stage to late stage), attorneys, CPAs, ad firms, PR firms, recruiting firms, et cetera - are not well developed yet.

Still, there's a lot of cash in Japan ready to be invested in businesses. They just can't find quality deal flow. As a result, many junk deals are expected to go IPO this year on Mothers and Nasdaq Japan, which is good neither for the investors nor the companies in the long run.

Do US firms take Japan and Asia into account when forming their business strategies? Many American companies think of the Japanese and the Asian markets as an after-thought to their business plan. This is frequently evidenced by the fact that many American-made software products are not double byte enabled and must go through major modification to handle Kanji characters. [See related story] If the software was developed with double byte capability from the outset, the localization process would become much easier, benefiting the customers in Japan and the software company itself.

When you make your first million, will you buy me a Porsche? Absolutely not ... when you make your own first million, you can buy yourself a Porsche.

Note: The function "email this page" is currently not supported for this page.

Source URL (retrieved on *Jul 30 2010 - 19:00*): http://www.japaninc.com/article.php