<p class="MsoNormal" style="margin: 0cm 0cm 0pt;"><strong style="mso-bidi-font-weight: normal;">Building a Business Infrastructure in new Regions - <strong style="mso-bidi-font-weight: normal;">Japan<strong style="mso-bidi-font-weight: normal;"> (2004).</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;"><strong style="mso-bidi-font-weight: normal;">Desire for growth in Japanese market penetration, dissatisfaction with remote sales management from Canadian HQ, concern over margin given away to agents, and potential for impending new acquisitions led to a requirement to set up local operations in Japan for this PE backed $150m Canadian software vendor.</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">In 2004 management of the APAC market was passed to the EMEA division following their success in that region. There was a strong desire to grow revenue and profitability, especially for Japan as the largest potential market in Asia.</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">Stuart�s Operations responsibilities were extended to include APAC, and the head of EMEA sales & marketing was also given extended remit for that region. The two worked together to devise and implement a plan to increase Japanese sales and profit contribution. </p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">After meeting with the existing local agents it was agreed to terminate their contracts and set up an in-house operation. A Japan KK was set up and a local GM recruited. Stuart then worked with him to identify and secure offices, set up budget plans and reporting systems, and interface with the Corporate reporting infrastructure (which had no Japanese language capability). </p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">At the same time, Stuart negotiated exit terms and arrangements with the local agent, including transfer of product, components, IP, channel management, retail shelf space and support to ensure receivables. These were difficult negotiations with a very traditional large Japanese business, crossing significant cultural divides, but overcome with outstanding results.

New supply chain arrangements were made with third party production in Taiwan, at pricing negotiated to match costs in China, and warehousing/distribution of finished goods in Japan. An existing E-store and customer support partnership also had to be transitioned.</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">The creation of this infrastructure set the platform for Japanese revenues of traditional company products to grow by 50% in the next two years, and a successful acquisition of a major competitive product in that market which also experience significant subsequent revenue growth.</p> <p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">This case study demonstrates experience and skills in adapting to work successfully in one of the most culturally challenging environments for Western businesses, engaging with local business leaders to achieve difficult transition negotiations, and supporting the creation of a new and successful regional operation.</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">Please close this window to return to the main case studies page of the Opptic web site.</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p> </p> <p class="MsoNormal" style="margin: 0cm 0cm 0pt;">�</p>