

The International Forum

East Asian Forum



January 15-19, 2002
Tokyo and Kyoto, Japan

Agenda & Biographies

Wharton

The Wharton School
University of Pennsylvania

THE WHARTON INTERNATIONAL FORUM

EAST ASIAN FORUM

TOKYO, NAGOYA, AND KYOTO, JAPAN

JANUARY 15-19, 2002

ACCOMMODATIONS

Evening of Tuesday, January 15th

HOTEL OKURA

2-10-4 TORANOMON, MINATO-KU

TOKYO 105-0001, JAPAN

TELEPHONE: [81] 03-3582-0111

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Evening of Wednesday, January 16th

HORAI ATAMI-IZUSAN

750 IZUSAN ATAMI-CITY

SHIZUOKA, 413 JAPAN

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Evenings of Thursday, January 17th and Friday, January 18th:

THE MIYAKO HOTEL

KEAGE SANJO, HIGASHIYAMA-KU

KYOTO 605-0052, JAPAN

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THE WHARTON GLOBAL LEADERSHIP SERIES

Now in its thirteenth year, The International Forum brings together a select group of senior executives from around the world for The Wharton Global Leadership Series. It is held each year in North America, Europe and East Asia, and has helped over 600 senior executives from more than 250 leading companies worldwide to understand globalization and how it is affecting them and their business. The series of four-day Forums provides participants with an opportunity to test their thinking, examine their priorities and weigh their concerns with others with similar responsibilities from different industries and regions of the world. The Forums engage participants in an Active Learning experience where each person must contribute to the discussions. Each session provides maximum exposure to the ideas and experiences of both fellow participants and special guest resources. Throughout a four-day seminar, participants work through problems and are asked to produce and present practical, strategic solutions.

The Forums of The Wharton Global Leadership Series are held in cities such as Bruges, Stockholm, Philadelphia, Tokyo and Kyoto because the scope of each Forum emphasizes not only business-related issues, but also the cultural context in which to view them. Understanding culture is an essential feature of being successful in global business, therefore the program integrates culture and the arts, painting, music, drama, history, food and local custom to provide insight and understanding into the way things are done and the reasons why.

The participants of The Wharton Global Leadership Series come from over 20 different countries. Each is responsible for running a major business as chief executive, is about to assume this role or is responsible for the international growth of their company. The participants are joined by some forty guest resources who are leaders from government, business, science, technology, the arts and culture. Their role is to act as catalysts in the discussions by providing insights, experience and perspectives from the region in which each Forum is held.

THE WHARTON GLOBAL LEADERSHIP SERIES

North American Forum

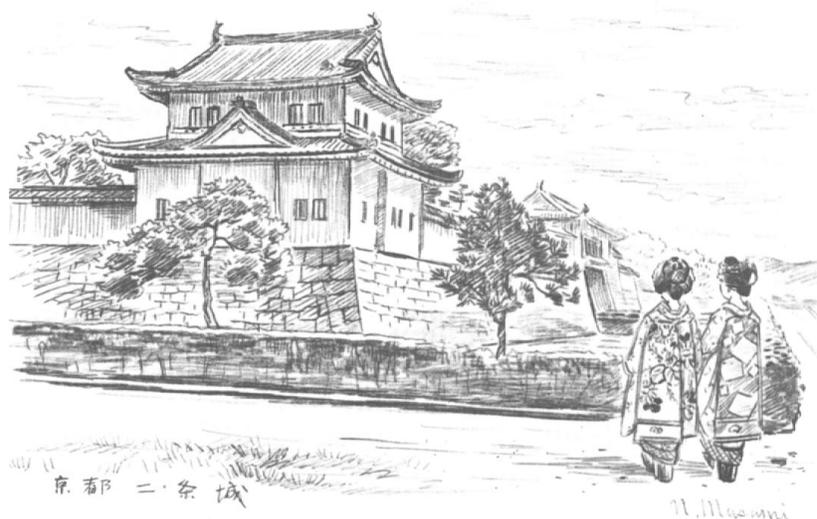
Philadelphia, USA,
September 5-9, 2001

East Asian Forum

Tokyo and Kyoto, Japan
January 15-19, 2002

European Forum

Stockholm, Sweden
April 23-27, 2002



THE INTERNATIONAL FORUM PROGRAMS FOR 2001-2002

Since 1989 The International Forum has been developing senior executive education experiences for global companies. Over 250 companies from around the world have participated in programs of The International Forum in the past 13 years.

The International Forum's emphasis has been on the many challenges and changes taking place in the world and how that influences the role of leader in a global company. The Forum integrates culture, history and values with the business, economic and political agenda of the sessions and experiences. In addition to The Wharton Global Leadership Series, The International Forum also designs and develops custom and open enrollment experiences around the world for the most senior members of a company's management team.

The International Forum maintains a large global network of over 1,000 resources and facilitators in business, politics, culture, history, arts and sciences and draws from schools around the world including University of Pennsylvania, University of Michigan, Princeton University, INSEAD, University of Tokyo and others for its faculty. The network of resources exists for the benefit of its members and as such executives who have participated at The International Forum draw on this as an information resource, for coaching and advice and for assistance with new markets and opportunities.

The China Forum

Shanghai, Suzhou, Hangzhou, China
October 23-27, 2001

Leadership Through Music

Stockholm, Sweden
April 21-22, 2002

THE PARTNER EXPERIENCE

The Partner Experience of The International Forum offers spouses of participants an opportunity to share in an active learning experience and cultural encounter. This specially designed program uses onsite visits and small encounter groups to help partners gain insight into a new culture. Drawing participants from a variety of countries, partners will share their own perspectives while encountering the people, places and ideas that make up Japan.

Partners of participants attend many of the sessions of The Japan and East Asian Forum. To enhance this experience, the partners share specially designed sessions with guest resources of the Forum to consider how cultural values, lifestyles, education and social values are changing as Japan enters the 21st century. They also discover new ideas and solutions that they can use to enrich their family, life, workplace, communities and organizations in which they participate.

Upcoming Partner Programs of The International Forum will be held at the following Forums:

Leadership Through Music *Stockholm, Sweden*
April 21-22, 2002

The European Forum *Stockholm, Sweden*
April 23-27, 2002



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INTRODUCTION TO THE JAPAN AND EAST ASIAN FORUM

The Forum in Japan begins with discussions of the key political, economic, demographic, resource and financial issues that are affecting global business, as viewed from the East Asian perspective. What are the most significant events and changes affecting East Asia, its markets and its prospects? What is the outlook for change and the implications for doing business in Asia? How is China's economic reform progressing and what will it mean for the region politically and economically? How is reform progressing in Japan and what is the outlook for the future of this large economy and society? How have recent terrorist and security incidents affected North American and European companies and how they do business in the region? How will Japanese and other East Asian businesses define the role for their global corporations and what can be learned from their perspective and approach?

Japan represents two-thirds of the Asian economy. Its continued financial crisis in its banking sector and the absence of struggling political leadership have been given as reasons for its difficulty in restoring economic growth. Yet Japan has some highly successful international companies in many industries. The ability of Japanese companies to continue to innovate, create superior products and experiences which focus on the end user and compete in new and creative ways despite the challenges, provides many opportunities for leaders of global companies to learn from different approaches. The Forum examines the ways Japan is attempting to reform its institutions and the reasons why some companies in Japan are remarkably successful.

The International Forum in Japan follows the 18th century Tokaido Road-vividly depicted by Hiroshige in his wood block prints-linking Japan's two capitals.

The first two days in Tokyo bring participants in contact with leaders and experts to focus on such issues as deflation, political change, deregulation and society. They meet executives from well known Tokyo companies before moving on to Nagoya, stopping overnight at a famous traditional Japanese ryokan and onsen to enjoy peaceful winter scenery during philosophical discussions about the future. In Nagoya, a visit to Toyota and other companies brings Forum participants in touch with Japan's success stories in quality, design, production and international marketing.

The final two days of the Forum are in Kyoto, Japan's ancient capital. Here participants meet with some of Japan's leading global high technology companies and visit the most specialized markets of Japan, taking advantage of Kyoto's rich culture to understand the ways of Japan, its heritage in East Asia and its role in the future of this region.



Station #17 on The Tokaido Road: Yui, by Hiroshige

INTRODUCTION TO THE JAPAN AND EAST ASIAN FORUM

Japan - A Historical Perspective

Japanese history, like Chinese history, is conveniently divided into historical eras. In China these eras are named after dynasties corresponding with different emperors and ethnic groups who led China through its over 3,000 year history (such as Tang, Han and Qing).

Similarly in Japan the eras are named after the seat of government (such as Nara or Edo) and more recently after the ceremonial name of the emperor. Unlike the linear chronology of western history which is recorded in centuries beginning with years B.C. or before the modern era and continuing up to this date, the Japanese and Chinese chronology implies the cyclical nature of history. Each era has a beginning point and ending point, reminding us that everything has its birth, its glory and its eventual demise and nothing lasts forever.

Jomon	10,000 BC - 300 BC
Yayoi	300 BC - 300 AD
Kofun	300 AD - 710
Nara	710 - 794
Heian	794 - 1185
Kamakura	1185 - 1333
Muromachi	1333 - 1568
Azuchi - Momoyama	1568 - 1600
Edo	1600 - 1868
Meiji	1868 - 1912
Taisho	1912 - 1926
Showa	1926 - 1989
Heisei	1989 - Present

(Source: The Old Tokaido - In the Footsteps of Hiroshige, Patrick Carey, 2000)

INFORMATION

The Hotel Okura Lobby

The International Forum Information Desk at the Hotel Okura will be located in the main-wing, in the hotel lobby at 5:00 - 6:00 p.m., on Monday, January 14, 2002.

The Forum Team is pleased to assist you or answer any questions about the program or our traveling destinations. Additionally, we will provide you with important logistical information about the events that will occur on Tuesday, January 15th.

If you will be arriving following the closure of our information desk, we will send your materials up to your room at the Hotel Okura.

Facsimile and telephone messages can be left at the Hotel Okura on the evenings of Monday, January 14 and Tuesday, January 15; and at the Miyako Hotel on Thursday, January 17 and Friday, January 18 at any time. During our visit to the Horai Onsen in Atami, please have facsimiles sent to the Miyako Hotel to be received by participants on the afternoon of January 17th.

Tuesday, January 15th, 2002

MORNING WALK

7:45 A.M.

Participants meet in the lobby of the Okura Hotel and walk to The International House of Japan for morning sessions.



Bamboo and Sparrows, Edo Period, 17th Century

 ISSUES FACING THE PARTICIPANTS OF THE
INTERNATIONAL FORUM

LEADERS :**Mr. Michael O. Alexander**

Chairman,
The International Forum

Ms. Nancy A. Doyal

President,
The International Forum

GUEST :**Dr. Gordon Redding**

Director,
International Forum;
Senior Affiliate Professor of Asian
Business,
INSEAD,
France

A challenge for The International Forum in Japan is to better understand the forces of globalization - to identify the similarities and differences among regions of the world and within East Asia itself - to understand the changes that are taking place and the implications they have for a global business. Which of these changes can be described as globally integrating forces such as communications, technology, and financial markets, and those that need to be differentiated on a regional or local basis such as culture, corporate structure, law, social change, and marketing? Successful organizational strategies reflect the different ways in which companies in East Asia, Europe and North America approach the functions of managing people, focus on the customer, financing, networking and strategic alliances, manufacturing, innovation and R&D, marketing, assessing performance and being accountable to stakeholders.

Globalization has brought with it the cross-fertilization of ideas and ways of doing things. Western business practice and shareholder capitalism, as a rational basis for the firm and its goals, has achieved widespread appeal, but it is doubtful that this also means full acceptance - especially among those cultures that have different reasons for the way they conduct their business.

Shareholder Capitalism in Japan and East Asia

The forms of capitalism that have emerged in Japan, Korea and among the ethnic Chinese communities in East Asia have different premises from the Anglo-American concept of shareholder capitalism. Themes that emerge from these forces are:

- How will Japanese companies respond to the pressures of free market shareholder capitalism? Will they adopt the concept of shareholder value while maintaining their traditional focus on the employee, customer and community? Which companies in Japan are likely to change and how will this be different for companies in Tokyo, Nagoya and Kyoto?
- In a world that “will never be the same after September the 11th”, which forms of capitalism are most likely to have advantages in a higher risk and uncertain world?
- How should companies organize international operations to recognize the cultures and values reflected in other forms of capitalism-particularly those in East Asia-when dealing with

ISSUES FACING THE PARTICIPANTS OF THE INTERNATIONAL FORUM

customers, employees, suppliers, competitors, alliances and the communities where they do business?

- In what ways can international companies help their managers to understand these different systems of economic behavior.

The Forum examines the different “forms” of capitalism that have emerged in Japan, Korea and among the ethnic Chinese communities in East Asia. Participants are asked to think about the reasons for these differences and in doing so will have the opportunity to meet, interview and visit with those who manage companies in Japan, Korea and other parts of East Asia.

Japan in Times of Change - Innovation and Reinvention

The process of globalization affects almost all businesses and most nation states - Japan is no exception. For some years, Japan has been undergoing the pressures of change brought about by globalization. As an island culture, it values its traditions, appearing to resist change. Yet Japan has demonstrated throughout its history that, with pressure to do so, it can respond well to the need for change. It has a remarkable ability to adopt foreign ideas into its own culture with great effectiveness. One example is the Japanese language, but there are many more. Japan’s record of reinventing itself and its institutions is exceptional; its leading companies illustrate this. Japan’s creativity comes in many forms, particularly in art and design, yet also in process re-engineering where it’s firms continue to innovate.

A theme of this Forum is Innovation and Reinvention. Participants will be asked to seek answers as to how Japan and Japanese companies have dealt with change and why they have continued to reinvent themselves and innovate. How can these lessons be applied to the strategic choices that must be made by leaders of global corporations?

Japan and East Asia

Japan’s heritage in East Asia is examined in the context of Kyoto, its ancient capital and center of culture. Kyoto was founded on the plan of the great city of Chang’an (Xian today), capital of the Tang Dynasty of China.

ISSUES FACING THE PARTICIPANTS OF THE
INTERNATIONAL FORUM

- How will Japan's relationship with China - political, psychological and economic - evolve in the future and what are the implications for the rest of East Asia and the world?
- How are Japanese companies seeking opportunities in China - as a source for production, a market for products and a base for R&D and development?
- What fundamental changes if any have occurred as a result of, or following the East Asia financial crisis? How will these changes be manifested in the future economic wellbeing of Thailand, Singapore and the Philippines? What will emerge from the economic and political courses set by Malaysia and Indonesia? What is Islamic fundamentalism likely to become in East Asia?

Learning from Differences

Just as no man is an island, neither does any country, company or people ever develop in isolation. Each of us learns from others, borrowing ideas and building on them with our own. From food to art to business, the nations of the world have been exchanging ideas for centuries. Noodles brought from China became pasta in the hands of Italians. Design concepts from Japanese woodblock print artists influenced Impressionism under the paintbrushes of the Europeans. American engineering reaches new levels of perfection in the automobile factories of the Japanese.

There are lessons to be learned from each other through careful observation of the social, cultural and business environments of others. What lessons can be learned from Japan?

Clues in the Landscape

In the course of this Forum, participants will hear, observe, experience and think about many different aspects of Japan. Some of these will be contrasted with other parts of East Asia, Korea and China in particular. The Forum provides these opportunities in the sessions and discussions, which are described in this agenda book, along with walks in the morning, visits to important sites and explorations to be conceived by the participants themselves.

A special task for the participants of this Forum is to think creatively about what can be learned from the ways of others, to observe differences in culture or in business practice which may

ISSUES FACING THE PARTICIPANTS OF THE INTERNATIONAL FORUM

provide new insights and, if adapted to one's own situation, may result in more effective ways of doing things. More specifically, by observing aspects of Japan's culture - its society, change, business, organizations, art, sports, architecture, community, government, etc.

- What can we learn about Japan that will improve our understanding and ability to relate to the Japanese?
- What can we learn that, if adapted to the way we do things "at home", would help us to better manage our lives, our companies and our communities? (For Japanese participants at the Forum, there is much to be learned from seeing the way that others view them.)
- What can we learn that will help us in leading a global enterprise to balance both global and local elements in the challenges and opportunities it will face?
- In what ways can an understanding of Japan and its position provide a context in which to consider the economic, political and cultural challenges facing the East Asia region and the future importance of China and East Asia to the rest of the world in future?



JAPAN'S ECONOMY, BUSINESS, AND THE ROLE OF GOVERNMENT

LEADER :**Ms. Nancy A. Doyal**

President,
The International Forum

GUESTS :**Dr. James Abeglen**

Director,
The International Forum,
Chairman,
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Tokyo

Mr. David Atkinson

Managing Director,
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Associate Professor of Politics and
International Affairs;
Director, Program on US-Japan
Relations,
Woodrow Wilson School, Princeton
University,
United States
Former Special Advisor to the
Ambassador,
Embassy of the US,
Japan

Mr. Peter Cundill

President,
Peter Cundill and Associates
(Bermuda) Ltd.,
Canada

Mr. Ernest M. Higa

President and Chief Executive
Officer,
Higa Industries,
Tokyo

The economic news in Japan has not been good for a long time. But as the rate of unemployment rises to 5.3% (from 3.2% in 1995) and as other macro economic statistics describe doom and gloom, there are the bright spots in Japan's economy for those who wish to see them. Despite a further dramatic drop in the Nikkei Index after September 11th, Starbucks Japan completed a very successful IPO, and many of Japan's high tech companies continue to lead their industries in markets around the world.

Prime Minister Junichiro Koizumi remains popular with the electorate. His efforts to restructure the Japanese economy, recognizing that there will be "no gain without pain", continue to face new obstacles. Mr. Koizumi has placed a cap on the government's public debt at \$244 billion but does so under pressure for more public spending to help the economy, especially job creation in the public sector and financing for small businesses. He needs to get his proposed budget passed by the Diet, overcoming pressures from special interests against such initiatives as cutting back on the Highway Trust Fund's traditional uses and redirecting it to broader social purposes, over the fierce objections of the construction industry lobby.

Deflation

Business in Japan is learning how to manage in a deflationary environment. Public spending power in real terms is flat but the nominal level of spending is declining by an estimated 3.7% this year. Prices are declining by close to 2% per annum.

Deflation presents problems for those with debt. People prefer cash to investments as prices decline and interest earned on savings is close to zero. Those on fixed incomes in an aging population see incomes reduced - forcing them to save more and spend less.

What happens to a business in deflation? How is it managed differently? As prices continue to drop, products must be adjusted, altered and produced at lower cost, sometimes requiring a restructuring of the business. However, as business seems to be contracting, new ideas, initiatives and creative new products appear on the market. Japan is providing examples that will prove to be competitive not only in Japan, but in foreign markets as well.

JAPAN'S ECONOMY, BUSINESS, AND THE ROLE OF GOVERNMENT

What can we learn from Japan's experience with deflation that might be useful elsewhere in the world?

Banking

Japan's banks are incapable of performing their traditional functions. Where do businesses get their financing? Who now provides the capital - particularly when needed to fund innovative ideas?

The banking crisis in Japan has persisted since the collapse of its "bubble" economy ten years ago. Is the banking situation now likely to cause a major financial crisis in the country with implications for the rest of the world? Japan seems to have negotiated this problem quite well for a decade, but at what long term cost to its economy? There is not full agreement on the estimates of bad loans held by the banks. The official number is 150 trillion yen. Goldman Sachs suggests that it could be as high as 237 trillion yen.

Part of the problem with bad loan recognition by the banks is that because the interest rate is so low-almost zero-companies have little difficulty in paying their interest and rolling over their debt. A bad loan is defined as one where interest is unpaid for more than three months.

Deflation does not help the situation. Approximately 85% of non-performing loans are related to real estate and construction. Distribution is also a major "bad debt" sector. The situation further deteriorates with deflation.

Mr. Shoji Mori, Commissioner of the Financial Services Agency (FSA), recently stated that: "I never exclude the possibility of public funds being used but at this stage even assuming the current level of the stock market and the idea that the banks will need to make more provisions after our new inspections, there is no need to discuss capital re-injections."

Japan's Foreign Policy and its Role in East Asia and the World

As Japan examines its needs for defense and the role of its military, are there important political issues looming?

JAPAN'S ECONOMY, BUSINESS, AND THE ROLE OF GOVERNMENT

Is Japanese nationalism on the rise? What do recent textbook revisions and visits by major leaders to wartime memorial shrines portend?

Japan's relationship to China is long and complex. The political and psychological issues are troublesome. However Japan has been a major and willing investor in China's recent economic growth. Japanese industries have seen the opportunities to do business in China and to take advantage of lower production costs in producing for Japan and world markets. An increasing number of successful moves to place production offshore in China are utilizing China's growing educated and technologically developed work force. Yet on the political level, Japan and China continue to have difficulty. Japan sharply cut its foreign aid to China, which constitutes over half of all the aid China receives, during the past year.

How are Japan's relationships with China, Korea and Southeast Asia likely to develop over the next five years? Will the heavy economic stakes that Japan acquired through investment after 1985 make a difference? What kind of leadership will Japan provide in economic and political terms? How will the rest of East Asia view Japan's efforts to change its military role in support of causes led by other countries?

Change and Deregulation

Japan has been undergoing deregulation, restructuring and change for much of the past decade. The magnitude of the challenge this presents has been compared to the Meiji restoration, at the middle of the 19th century, when Japan successfully reformed itself to meet the modern world. Why has Japan had such difficulty in bringing about change this time?

What successful deregulation has been achieved during the past few years?

Has the role of government changed in Japan? How have the relative roles of the bureaucracy and the politicians changed? Where is the power today? How have these changes affected business and the way business is done by both Japanese and foreign firms?

JAPAN'S ECONOMY, BUSINESS, AND THE ROLE OF GOVERNMENT

From where has leadership emerged? Has Prime Minister Koizumi, who clearly has inspired many in Japan, made a substantive difference?

From where is the pressure to change coming? Which groups in society? Where are the obstacles to change? What is likely to change? What will not?



Station #1 on The Tokaido Road: Nihonbashi, by Hiroshige

JAPAN AND EAST ASIA - THE DILEMMA OF FREE MARKET CAPITALISM

LEADERS :**Mr. Michael O. Alexander**

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Director,
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INSEAD,
France

GUEST :**Mr. Yotaro Kobayashi**

Chairman of the Board,
Fuji Xerox Co., Ltd.;
Chairman,
Kezai Doyukai,
Tokyo

For many years Japanese companies have relied on banks and other forms of financing for their operations, paying less attention to the shareholder. As Japanese companies have been listed on world stock exchanges, their financial accountability has conformed to the requirements of global capital markets. Nonetheless, many Japanese companies continue to view their board of directors differently, while some have added outside directors and adopted corporate governance practices that are more focused on the shareholder. In making these changes, many Japanese companies appear to be adopting shareholder capitalism. But is this a change that is mainly in form rather than substance? How far will Japanese companies go in adopting the premises on which shareholder capitalism is based? What new forms peculiar to Japan's needs are likely to emerge?

What is the best form of capitalism for Japan? What can the rest of the world learn from the values of Japanese companies and their experience?

Before addressing these questions consider the following as a context in which to discuss them.

Liberal vs. Coordinated Market Systems - Where Western Free Market Capitalism Meets Asian Values

The Asian crisis of 1997-98, although fading from the immediate memory, is nevertheless taking longer to get over than was first hoped. Much of the reason for this is the clash of values, which such a challenge brings to the fore. In Asia is a set of economies which largely played by their own rules in the expansive decades from 1960 to the 1990s, and then quite suddenly got heavily embroiled in the implications of a new set of rules. The new rules derive from the West collectively and are essentially the protocols for the running of liberal market capitalism Western style, specifically that of the US and the UK. The complex drama is being played out against a number of sub-plots, all of which have added difficulty to the finding of a resolution.

The first mini drama is the continuing sickness of Japan, and the apparent resistance of a monolithic infrastructure in the field of capital supply to come to terms with its apparent inefficiencies. The capacity of the system to shrug off the attempts at reform of a series

JAPAN AND EAST ASIA - THE DILEMMA OF FREE MARKET CAPITALISM

of prime ministers is, in one sense impressive, but at second sight dispiriting. It raises serious questions about the openness of the institutional fabric to learning and adaptation.

The second mini drama lies in the contrast between the extremely sophisticated structures and information systems of the West in the management of capital allocation, and the decades of experience in building the managerial skills to run such systems, against the very young and still simple financial infrastructures in many countries in the region. This is less the case in Japan, where lack of sophistication is not an issue, but another feature comes into play. In Japan, it is a matter of a different philosophy underlying the building of its economic system, and one which assigns less priority to the shareholder, and more to a communal view of economic obligations. This difference in fundamental societal values, and their affecting of economic systems, relates also to much of the rest of the region, and lies as a sub text below the continuing public debates about adjustments. It accounts for much of what the outside world sees as frustrating slowness in adopting “reforms”, a word so loaded with external superiority that it inevitably causes resentment.

The fundamental difference in the design principles used by these contrasting societies is that in the US/UK case, the pulling together of people, capital, technology, products and customers into a functioning economic system is done by the market itself. Free markets in capital, labor, management, ownership, and technology, ensure their being put together to yield a high level of efficiency. In the case of Japan (and other cases such as Germany, Scandinavia, Korea, Taiwan, Singapore) the pulling together is done not by the market, but by a coalition of interests coordinated by government, using employers federations, unions, banks, and business networks to work together in making the economy function. The end result of this second formula is also efficiency, but of a subtly different character, and suited to a different set of industries and products.

Thirdly, is the increasing realization that many of the miracles performed in the region, in terms of economic growth, had been dependent on the opening of access to western markets, and to the importing of western technology. In most cases this collaborative process has been managed to the benefit of both sides and because

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of this it is likely to continue as the platform for future growth. It coincides with the diffraction of world industry geographically, and with the radical restructuring of enterprise under the pressures of globalization, binding economies closer and closer. As some observers now claim, the future growth and recovery of Asia depends increasingly on these links. Again, here, Japan is an exception, having its own huge domestic demand, but it will still be caught up in the strategic implications of the shift in world industry structures. If the current US recession proves to be more than a short term phenomenon, then the slowing down of this longer term momentum can only be averted by looking elsewhere for expanding markets, and so at Europe or at the region itself.

Fourthly, there is still the factor of pride, and thus of the resilience of regional cultures. They did achieve miracles in historical terms, and they did so in their own way. They do not want to give that up, and will fight hard not to appear as if they have been given a lesson. Behind that is the fact that all business systems are products of their own cultures. The kinds of firms which represent them (the keiretsu, the Chaebol, the Chinese family business), the nature of the networks between those firms, and the nature of the management systems which keep their staff motivated, are all a result of their own societal history. Each society chose its own formula for development and they are all different. They built different kinds of institutions to handle the channeling of capital, the creation and allocation of human capital, and the building of social capital. These different aspects of the societal fabric are products of different fundamental beliefs in the culture about how life should be lived, and what civilization is.

It is sometimes argued that these systems will have to give way to the liberal market economies of the Anglo-Saxon West. But this ignores one important force supporting the retention of differences. The comparative advantage which some societies have, as for instance with OEM in Taiwan, worldwide technology branding in Korea, fashion goods in Guangdong, rests on the institutional fabric of those societies, in other words the particular way in which they find capital, human skills, and technology and put them together. That combination is both successful and magnetic in attracting business, and if that is the case one might expect to see those

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systems being strengthened, not weakened, so as to keep and enlarge on their advantage.

The Asian values debate is not about cronyism, or Confucius producing harder entrepreneurs, or asceticism. It is about the fundamental reasons for the conducting of economic behavior.

- Why does the firm exist?
- Does it exist, as in Japan, primarily to employ people; or as in Korea, primarily to build an economy with the government; or, as for the Chinese, to secure the future prosperity of a family?
- Or are these philosophical positions to be given up in favor of a societal subgroup called shareholders, even though that proposition is accompanied by all sorts of appealing and reasonable rhetoric about efficiency, democracy, openness, and participation?

The debate, not surprisingly, remains running, and, as some would propose, will never conclude.

The Choice for Japan?

What we see in Japan currently is an evolutionary phase which faces Japan with a standard evolutionary dilemma. All systems evolve and are thus always changing in some way. Very few are completely static. Japan has in the past reinvented itself dramatically, once in the early 1600s under Tokugawa “the father of modern Japan”, once during the Meiji Restoration in the late nineteenth century, and once post World War II when it turned to adopt commerce as its core *raison d’être*. Each of these major shifts was based on two features: firstly a capacity to learn from non-traditional sources; secondly a reservoir within the society of optional means of proceeding. It could, in other words, choose from its own ways of going forward and put together combinations of new (and possibly external) plus old approaches to take it to the next platform.

For this to work, there have to be available alternatives already embedded in the society, which, even if not obvious, can nevertheless be discovered. The dilemma Japan now faces, according to some observers, is that it has run out of those spare options. It has got itself locked into a system, which leaves it with few choices and little room to maneuver. As Alan Greenspan remarked recently, it is

JAPAN AND EAST ASIA - THE DILEMMA OF FREE MARKET CAPITALISM

as if Japan is a motor car proceeding on a long distance route without a spare tire.

The questions which arise from this contention are:

- What alternative ways of structuring and coordinating Japan's business system are currently needed?
- Are there mechanisms currently available in Japan which might be adapted and adopted?
- How Japanese would the end products remain, and thus more likely to be seen as legitimate?

The obvious fields in which to explore such questions initially are the systems of (a) capital allocation, (b) employment, (c) training and skill development, (d) innovation, (e) alliance building and ownership, and (f) managerial practices and structures. In a more general sense, there is also the whole system of connections between the industrial structure and the government.

DESIGN OF THE BRAND

LEADER :**Professor Hotaka Katahira**

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GUEST :**Mr. Hiroshi Tanaka**

Deputy General Manager,
Creative Director
Shiseido Company Ltd.,
Tokyo

Japan is a country in love with Brands. Not only have consumers in Japan coveted the most luxurious of brands from around the world in the form of handbags, clothing, cars and cosmetics but some of the best known brands in the world have been created in Japan. In addition to famous electronics and automotive brands such as Sony, Toshiba, Toyota, Panasonic and Honda there are those brands that stand for a variety of things at the same time. Brands such as Pokémon and Nintendo have revolutionized whole sectors of the toy and electronic markets worldwide and Hello Kitty, a brand owned by Sanrio has demonstrated that a brand can succeed even if it does not stand for anything at all. Hello Kitty is pure license and can be used on anything from towels, to plates to cars.

- How powerful is your brand and what does it mean to the marketplace, your employees and the communities in which you do business? What lessons can be learned from Japanese global brands?

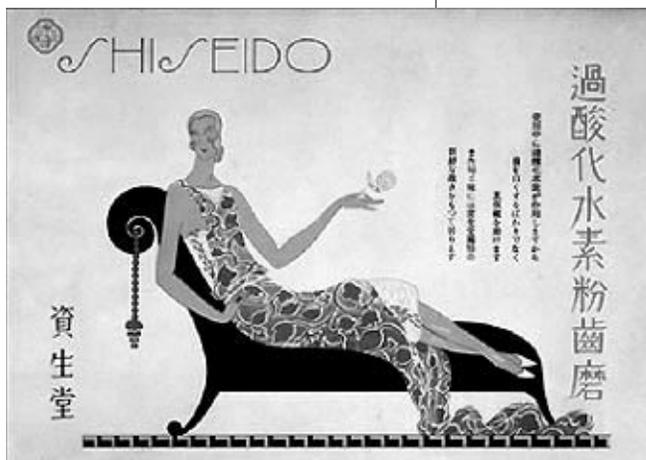
The Art of Design

The visual design of the brand and what it represents is as much a part of the image as the name itself. The value of Hello Kitty is in recognizing the cute little cat with a bow on her head, the Pokémon brand is best represented by cute little Pikachu - a small yellow ball of fluff. In fact, the design of brands, like the design of many things influences how we feel about things and how we act.

Shiseido

Advertising has illustrated how works of art in Japan are directed to the field of decorative art. Most of the historic murals of the

Azuchi-Momoyama Period, the Edo Period and, for example, Ukiyoe (wood block prints that influenced Van Gogh and Monet) were designs representing the sophisticated beauty of Japan. But these are not limited to paintings or wall hangings. Japan's art is found on everyday utensils as part of the message and the experience. The decorative arts carry their message in the design of kimonos, fans, porcelain and many other articles of everyday use. The famous wood block prints were a kind



DESIGN OF THE BRAND

of poster of their time - intended to relay a message. The ornamental nature of traditional Japanese art is also evident in today's designs. Shiseido, through its use of posters - which have won top honors around the world - communicate a message that to be beautiful and healthy is symbolic of good fortune. This is the framework for its use of design in advertising its personal care products.

While brands represent a road map to decisions in a cluttered marketplace, it may be more difficult to explain why we have paid extra for a product or chosen a restaurant to eat in because of its design versus its usefulness or usability. However, aesthetics and design are significant influences on how and why we do the things that we do. Product design influences what items customers buy, space design will impact productivity and morale in your office place, garden design can relax you or move you quickly from one place to another, it can create a feeling of inclusion or solitude.

In our daily lives design consciously and unconsciously manipulates us all. From airports to cell phones to brands, design influences the way we live our life and run businesses.



THE FINE ART OF KAISEKI

Kisso

By all definitions in Japanese cooking the Kaiseki meal represents the pinnacle of a cuisine which elevates food to a complex art form. Simply stated, the Kaiseki meal is one in which many courses are presented and where ingredients, preparation, setting and presentation come together to create an unparalleled dining experience. The formalized presentation of the meal has as much to do with aesthetics, religion, tradition and history as it does with the simple act of satisfying one's hunger for food.

In order to fully appreciate the subtle pageantry and artistry of the Kaiseki meal, it is necessary to understand the parts of this experience and how they exemplify for the Japanese a noble, cultural ideal.

Japanese Kaiseki cooking recognizes and demands a harmony in satisfying the need for nourishment of the soul, while feeding the body. The colors of the food, the serving utensils and the surroundings all must be balanced and pay homage to the bounties of the natural world. The food must delight the eye delicately, as a Japanese painting does, or a flower. The fragrance must be subtle, it should not "leap up", but be elusive and hard to place. If the eye and the nose are not charmed, then to a discriminating patron, the food simply does not taste good. To be a good guest at the Kaiseki table means paying special attention and savoring the food and ambience with a high regard for all the elements of the artform.

The ingredients of the Kaiseki meal will necessarily be chosen from only what is in season and available locally. The essence of the food service comes from the traditional Japanese Shinto beliefs regarding the primacy of nature. This belief is at the heart of Japanese culture-that nature is indeed the greatest artist. The chef pays homage to this belief not only in demanding for this cuisine what is most fresh, but also in his or her inventive art of cutting and peeling foods into nature's shapes. Thus, in autumn one thin slice of molded fish puree will be shaped into a maple leaf glowing with a subtle orange color, while in springtime rice will be garnished carefully with tiny cherry blossoms.

Design and display of food in the Kaiseki meal reflects the shapes of the natural world. As in nature, food displays contain contrasting elements of color, shape, flavor, consistency and texture, and are arranged and presented on plates and bowls of varying shapes and textures. Interestingly, repetition and symmetry is consciously avoided, perhaps because they do not reflect the

THE FINE ART OF KAISEKI

reality of nature, which is change.

Simplicity is another characteristic of the Kaiseki meal. To create a truly authentic Kaiseki meal one must indulge in a kind of game-an exercise in style, in which creation must involve beautiful effects from the simplest possible means. It would not be considered proper to go out of the way to get a Kaiseki ingredient-to send to another city for a certain fish or a different variety of vegetable. Local ingredients are of paramount importance. For flavoring of a dish, wild leaves would be preferred over cultivated ones. Also, in the Kaiseki meal, the main food element would never be overly sauced-this would “cover-up” its natural essence. The Japanese respect for nature is never compromised in a true Kaiseki meal.

Although simplicity of form is important, by no means is the content of the Kaiseki meal inexpensive. The ingredients used are quite often very costly. Also, although the trays and bowls may seem simple and unassuming, the simplicity of design and lack of ostentation is deceptive. Courses are most often served on beautiful handcrafted pottery and ceramic works of art. Kaiseki is one of the rare opportunities for a guest to touch, weigh and dine upon dishes which might otherwise remain locked in a glass case in a museum!

Sometimes the artistry of Kaiseki is dictated not only by style, but also by a consideration for a special seasonal occasion. For example, a menu may be created in September of *otsukimi*, or moon viewing, when the moon is especially luminous. Because the guests' attention will be focused elsewhere-on looking at the moon-the meal is chosen to enhance the experience, and at the same time remain unobtrusive. It might include, for instance, a bowl of *misoshiru*, brown as the earth, in which is floating a white circle of fish cake (*shinjo*)-echoing the moon.

Ultimately, what transforms the taking of food into a memorable experience is the spirit and thought. The true art of Kaiseki comes from a careful combination of materials, the right flavorings and seasoning, and the right heart. To create this harmony between meal and season, between food and its containers, between the flavor and texture of one food and another is no small task. To think out a menu perfectly, to choose exactly the right dishes, to carefully arrange the food, to serve the meal with smoothness and finesse, to make every moment one of harmonious refinement-that is the artistry of Kaiseki.



 THE CUSTOMER AS THE USER - MARKETING AND INNOVATION IN JAPAN

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When we speak of our customers, what image comes to mind? Is it an individual we know who buys our product, a face in a plant somewhere, a voice on the phone or a check or wire transfer to our account? Perhaps it is a whole group of faceless bodies, housed inside another building of offices, much like our own, or crowds of people rushing through a retail establishment. For the leader of an organization which is “customer focused” it is worth a pause to consider what and who our customer really is, what they look like, what their daily life is like and what your product or service does for them. What happens at a customer-focused organization, what action takes place at all levels of the organization?

For some companies, it has been more helpful to think about customers as “users” of products and services. The use of the word “user” implies someone who does something and who is active relative to a product versus the word “customer” which implies an inactive concept of a person or group of people that may be part of your mission statement and source for creating shareholder value.

The technology revolution has taught us many things, one of which is that successful products are designed with “users”, not necessarily “customers” in mind. The elements of products are developed so that people can interface with them easily and be more efficient because of the way the products have been designed. Consider products like the Sony Vaio flat screen monitor, the I-mode phone, the minivan, a Uniqlo store experience and how wine replaced sake and beer as the beverage of choice among young women in Japan.

Where does the action happen with your product or service? Where does the anxiety, the need, the physical movement, the hands on experience etc. of the user take place relative to your product and does it work properly for them?

In Japan, one can find many examples of products that have been designed to the smallest of details and well thought out so that each element contributes to the optimal experience for the user. Companies like Sony, Toyota, Kyocera, Uniqlo, Toshiba and others have designed products and experiences that consider first the user, then the customer. If the product works for the user, the customer will buy it.

THE CUSTOMER AS THE USER - MARKETING AND INNOVATION IN JAPAN

- What lessons can be learned from companies who have successfully considered their users as well as customers in designing and delivering products and services?
- How have they modified this for the global marketplace?
- What considerations are made in building and managing a global enterprise focused on these principles?
- How do these companies innovate? How do they generate new ideas and develop them into marketable products and services?

Japan has been through a recession for several years now, how are these innovative companies dealing with this challenge? How have they changed the way that they design product, organize their supply chains, source their raw materials and market to their end user to remain profitable and in some cases grow their business? How have they seen opportunity in this downturn and what actions have they taken to develop more relevant and valuable products and services for users?

ORGANIZATION AND PEOPLE

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It has been suggested that in recent history the purpose of the Japanese company was primarily to employ people and that its actions with respect to innovation, competition and growth was for the purpose of creating and sustaining a profitable enterprise over the long term, able to support the livelihood of individuals for their lifetime. How then in the current environment is the Japanese company dealing with the challenges and changes of the global marketplace for capital, which not only suggests, but also demands that the company exist primarily for its shareholders and as such that its profits be distributed accordingly?

- The stakeholder most affected by this change to global pressures, is the employee. What has happened to the employee-employer relationship in this regard?
- What are Japanese companies doing to restructure their organizations to address the growing demands of shareholder capitalism?

Changes are also taking place in the values and expectations of younger people. In many cases the choices made by Japanese companies may only be reinforcing an already destabilized and changing workforce. What are the expectations of the younger generation in Japan today with respect to career? How will this change the structure and organization of work, promotions, compensation and benefits in traditional Japanese companies?

Can Japanese companies continue to attract and retain young employees? What will happen to them if they cannot continue to do so? Who will young employees work for and where will Japanese companies successfully find talent?

Young women, many of whom have been educated outside Japan, upon returning home have found the structure and values of Japanese organizations to be too restrictive, discriminating and bureaucratic. Choosing not to pour tea, nor to leave their careers early to get married and have children - they have left traditional companies and joined foreign enterprises or started their own businesses. What role will this segment of Japan's educated and enterprising population play in forming the profile of Japanese business in the future?

- How are senior executives compensated in Japan? Is this changing? Will there be increased competition for talent at the CEO and top executive level as more Japanese companies adopt global standards for managing shareholder value?

ORGANIZATION AND PEOPLE

- What new employer-employee relationships are emerging? How are flexible work schedules, temporary and part-time employment opportunities being integrated more broadly into the workplace?

As Japan and Japanese companies incorporate the challenges inside and outside Japan and continue to consider different models for organizing their global enterprises, what choices and ideas will they implement and what can others learn from them?

STRATEGIES FOR A CHANGING JAPAN

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Japan has the reputation of being a difficult market to enter, highly competitive and presenting unusual obstacles to foreigners. It has been said by executives of European and American companies, that if you can succeed in Japan, you can make it anywhere. However, the challenges of succeeding in Japan should no longer be a mystery to foreigners. Many foreign companies have been enormously successful in Japan. It is also important to recognize that Japanese companies fiercely compete with each other for market share within Japan.

A highly competitive market in Japan has reinforced the need to provide high quality, innovative products at a competitive price. Japanese customers, commercial or consumer, have come to expect this. Japanese companies have a reputation for studying their customers' needs and seeking better ways to satisfy them - not only in Japan, but elsewhere in the world. Foreign companies who have failed to do this in Japan, have not done well. Perhaps it is because they do not realize that the Japanese are so diligent in their efforts to understand how their products are used - so that they can continually modify and improve them.

Japan is changing - in social, political and economic terms. Many of its industries have undergone deregulation, others are confronting this now. Japan's consumers continue to value highly the quality of the goods they buy. Aesthetics and innovation are important. However, brand name is not sufficient. Japanese consumers are increasingly aware of their choices on a world scale and seek value where it can be found.

The changes that are taking place in the Japanese economy with its highly competitive high-tech sector and new players in financial services represent different challenges to both foreign and domestic companies as they choose their successful strategy of the future.

The way that Japan is changing will affect how companies address the following questions:

- How will companies in Japan, domestic or foreign, attract the best people to work with them?
- How important is the image and reputation of the company in the Japanese market? What particular characteristics make the difference and how does a company best develop its image as an employer, service provider, producer of quality goods, etc.?

STRATEGIES FOR A CHANGING JAPAN

- Considering the high cost of doing business in Japan, how will this affect company strategies in the future? Increased sourcing of production from operations in China is a strategy. Will foreign companies in Japan do the same to supply the Japanese market? Will they also see China as a source for R&D investment in an increasingly educated China workforce?

What kinds of alliances, joint ventures, working relationships and other networking arrangements will be most important in Japan? Will these be necessary for:

- Distribution of products and services in the marketplace
- Obtaining the support of a new technology
- Working in partnership to supply global markets
- Achieving economies of scale in production or in marketing and distribution
- What are the important features of a successful alliance or partnership in Japan?
- What changes or new kinds of organization structure in management style will emerge in Japan?
- How do Japanese and foreign companies see their responsibilities as good corporate citizens in the future?
- How will the companies in Japan, foreign or domestic, communicate effectively with their constituencies in the future - employees, communities, the general public?

SUSTAINING THE TRADITION OF COMMUNITY - THE JAPANESE CITY

A short walk through the little streets of Roppongi and Azabu give participants insight into some of the limitations to dense city dwelling in Japan as well as how local residents have overcome the challenge of space and lack of privacy to build a sustainable lifestyle in one of the world's largest cities.

“The planning and design strategies that allow Japanese cities to be efficient are supported by an underlying set of values and practices with deep roots in Japanese culture. Except for the districts of the nobility and the samurai in traditional Japan, residential quarters have always been densely populated. A shortage of arable land gave highest priority to farming. The people's response was to build homes close together on less desirable land. As towns grew, tightly packed residential districts formed, encouraged by policies in the Edo period (1603-1868) that assessed taxes by the amount of street frontage a property enjoyed. Practices to accommodate high-density dwelling became embedded in the culture.

The contemporary city reflects attitudes towards privacy. While people in [other countries] achieve privacy through distance, in Japan screening with vegetation, walls, fences, shutters, blinds, curtains and frosted glass provides the visual privacy that people seek. The streetscape created in cities and suburban areas is visually enclosed and very private. In a context where paper walls separate rooms, the Japanese people developed a tradition of being able to close themselves off to exterior noise and activities, a skill that proves important in dense living environments.” (*An excerpt from The Japanese City: Sustaining a Tradition by Jill Grant, 1998.*)

- What challenges face Tokyo today that are also shared by other large cities in the world?
- How has the city managed these challenges?
- What evidence can you find as to how local residents and businesses have overcome some of these challenges (space, infrastructure, traffic, pollution, safety, privacy)?
- What insights does this walk through Tokyo give you about Japan and Japanese society?

JAPAN AND EAST ASIA

To 1185 Ancient Japan

- 607 First Japanese Emissaries go to China
(adoption of Buddhist religion, Confucian ethics, Chinese writing, art,
architecture and dress)
- 794 Japan's capital moves from Nara to Kyoto
- 1543 First European traders - Xipangu - arrive in Japan
(Portuguese, Spanish, English, and Dutch)
- 1549 First Christian missionary in Japan - Jesuit priest Francis Xavier

1615-1868 Edo (Tokugawa) Period

- 1638 Christianity exterminated in Japan
- 1641 200 year Japanese seclusion
- 1853 Arrival of Commander Matthew C. Perry, US Naval fleet
- 1868 Edo is renamed to Tokyo
Japan's capital is moved from Kyoto to Tokyo

1868-1912 Meiji Period

- 1894-1895 Sino-Japanese War
- 1894-1945 Japanese occupation of Taiwan
- 1905-1945 Imperial Japan**
- 1910-1945 Japanese occupation of Korea
- 1937 Undeclared war with China
- 1941 Japanese attack Pearl Harbor
- 1944 Tojo Government falls
- 1945 Post-war Japan recovery and
economic growth

DINNER 6 : 3 0 P . M .

Gonpachi

From the outside it looks like an imposing kura (treasure house), on the inside it feels like an enchanting mura (village). There is a cavernous interior courtyard with two-story-high ceilings, a wrap-around balcony with little wooden alcoves, lots of dark wood, stone block wall and projecting interior roofs over wood-slat booths. Japanese taiko and shakubachi music drifts overhead while waiters and waitresses in blue happi coats and checked bandanas scuffle by in thongs. The open kitchen is a festival shed where cooks turn skewers of meat over a long barbeque grill. The dining is country-style izakaya fare which includes yakitori, handmade soba and udon dishes and other delicious assorted items. One gets the feeling that this is one big theatrical space where dining is part of the show. Gonpachi restaurant is located at the Nishi-Azabu crossing close to the International House of Japan.

 CIVIL SOCIETY AND SOCIAL WELFARE IN JAPAN

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*The International Forum***GUESTS :****Mr. Jonathan Batchelor**Daiwa Anglo-Japanese
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Tokyo

The civil society of any country is often referred to as the set of institutions that exists outside of government, business and family composed primarily of voluntary, for non-profit organizations and foundations devoted to the civil and social needs of a society. They are private organizations serving a public purpose.

The development and characteristics of a country's civil society and organizations are greatly influenced by shared values, history and the political and economic structures in place. In former communist countries where government historically played the role of politics, business and social welfare, the establishment of a civil society to take the place of the government in issues of social welfare has been a long and difficult struggle. In part, the institutions in the civil society are created by individuals and groups of individuals in society who believe they have either the moral responsibility or the ability to solve social problems. If individuals in a society do not view this as either their responsibility or that they can in fact make this difference, they will neither create nor support the development of these organizations.

As societies grow and change, the need for private organizations serving public purposes evolves. In developed economies of the world we encounter organizations which deal with childcare, child abuse, spouse abuse, drug addiction, criminal rehabilitation, literacy, poverty, elder care, the environment, inner city reconstruction, disaster relief, education and cultural exchange, etc. Many of the social and economic challenges of these societies are too great for government to solve effectively and efficiently. In countries like the U.S. and United Kingdom, their cultures of association have enabled the rapid development of informal groups and organizations to deal with social challenges. In countries such as Sweden, Germany and France a closer relationship between social welfare efforts and the public sector have established elements of their civil societies. In China, where throughout history, families have taken care of themselves under the regime of an emperor figure, the civil society is emerging today in yet a different form.

- What are the characteristics of the "civil society" in Japan?
- What role do individuals see for themselves in solving the issues of social welfare and society in Japan today?

CIVIL SOCIETY AND SOCIAL WELFARE IN JAPAN

- What role is government expected to perform in this regard? How is this similar to or different from other countries in the world?
- How does civil society play a role in the success of Japanese companies?

Kobokan Community Center

The Kobokan Community Center, located in Sumida-ku, is a community based welfare center devoted to the care and support of children and families in the community. It is headed by a director and run by a staff of volunteers who deal with the welfare issues of the community as they arise.

“The Kobokan was founded (in 1919) as a Christian Settlement House. It provides day care nursery and after school programs for the people in the community. The Kobokan also has a children’s home located in Karuizawa, Nagano prefecture, which provides full-time care for children in need of special assistance. The Kobokan serves to strengthen the relationship between itself and the community through the availability of its services to all members in the community. The Kobokan believes that the people who go there find a volunteer spirit which they make a part of their lives, thereby leading to the creation of a new lifestyle.” -excerpt from “Door of Hope: Kobokan Community Center”

The Kobokan activities are divided into the 4 key areas:

1. Nursery School : Dramatic change in Japanese society and the effect on families has lead to a need for young child day care. Working conditions of young mothers has changed and necessitates the help of others besides family in the daily care of their children. Low immigration levels in Japan has resulted in a lower supply of nannies and babysitters, which are often found now in other developed countries around the world. The number of single parent homes have also increased making out of home child care even more necessary.

2. Children’s Home: Here children of all ages are taken care of by the Kobokan due to parent illnesses, disappearance and economic situation. The accommodation of older children in this program has increased due to broken homes and abuse which has lead to psychological problems, truancy and delinquency.

CIVIL SOCIETY AND SOCIAL WELFARE IN JAPAN

3. Independent Living Program: Kobokan recognizes the challenges to young people who have lived troubled childhoods when they seek to establish a life of their own either in school or work after living in a group home. The Mominoki independent living program helps young residents overcome the anxiety and worries about their future by providing a place to live and an extended family and support group sensitive to their needs and stage in life.

4. Community Activities and programs for the elderly:

The community activities are designed for all members of the community. After school programs are designed for children of all ages as is summer camp. The changes in Japanese society, as with many others, have taken both mothers and fathers outside the home to work. The ability for a young family to care for its elder members has become increasingly difficult. The basic policy of the government in Japan with respect to eldercare is the establishment of facilities to take care of special needs such as nursing homes and day care institutions. The Kobokan aims to provide an environment where an interchange occurs between generations and home care services to help the households of elder citizens. Luncheon clubs and calligraphy clubs are run by mothers and volunteers for the elderly members of the community. These activities are based on the traditional thoughts of “settlement houses” where personal connections to understand problems and help with them face-to-face is better than high level policies at dealing with daily human issues. As new needs are recognized, new solutions are implemented.

- How has this organization dealt with recent changes in Japanese society?
- What have been the most significant challenges that have emerged in society in the past five years? What different solutions have been pursued?
- How do social welfare organizations like the Kobokan coexist with government organizations and institutions that solve similar problems?
- What other groups and organizations are addressing social welfare issues in Tokyo? How are they managed and run?
- What can be learned from the successes of the Kobokan? What

CIVIL SOCIETY AND SOCIAL WELFARE IN JAPAN

can be learned from its mistakes?

- How do the cases addressed in the Kobokan Community represent what is going on in Japan at large?

Leadership

- What kind of leadership exists at Kobokan? How are people inspired and motivated?
- How are new ideas created and developed?
- What happens when people make mistakes? How do they learn from what they do and use it to fashion something better?
- What are their shared values?
- By what means do they measure their success?
- To whom are they accountable?

SOCIAL CHANGE IN JAPAN

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Many of the factors affecting social change in Japan are similar to those in Europe and North America: the population is aging, the role of women is evolving, education systems are being re-examined and the social contracts between employers and employees are being re-evaluated.

- How are these influences on society different in Japan than in other areas of the world? How are they changing the way Japanese and foreign companies develop and market their products? How are these changes affecting the structure of Japanese society and communities? Is Japan really experiencing a significant societal shift or are these trends only short-term phenomena which will not fundamentally change Japanese values and how companies do business in Japan? How openly are social change issues debated? What solutions are being sought?

Demographics

Japan has one of the highest percentages of older people in the world, with almost one in five - 26 million people - over 65. In 2000, Japan's fertility dropped to 1.34, the lowest since 1947 and far lower than the 2.08 needed to maintain a stable population. By the year 2020, almost 27% of the population in Japan will be over 65 years of age and only 15 % between the ages of 20 and 30. The number of Japanese is now expected to fall from 127 million today to 100 million by 2050, and only 67 million by the end of the century. If current trends continue, today's teenagers could face two and a half times the current rates of taxation and expect 30 % less in pension benefits just to keep the system afloat. The development of economies relies on both a population of spending consumers and employable workers to sustain growth. Japan is experiencing a decline in both groups which is only compounded by its resistance to accepting large numbers of immigrants who might be able to correct this trend.

- How will Japan bear the burden of an aging population and the economic effect of supporting it? Will Japan approach this challenge differently than Western countries and if so, how? What opportunities might it find to solving this challenge?
- How does Japan view its responsibility to its aging population? How do the younger generations view this responsibility? How is demographic change impacting today's relations between the older and younger generations?

SOCIAL CHANGE IN JAPAN

- What civil and social infrastructures exist today in Japan? How might they adjust to meet this challenge?

Changing Roles and Values

Some claim that Japan's values evolved from Confucianism through the Feudal periods, to the Meiji Restoration and manifested themselves in the hierarchical structures of post World War II corporations and institutions. These values respect hierarchy and filial piety. However, unlike the Chinese, the Japanese today have focused their primary loyalty on the corporation, rather than to their "emperor" and family. Is this true? If so, what are the implications as this relationship changes when companies fail and their employees must seek work elsewhere?

- Are values really changing in Japan? How have they evolved in recent years? What are the implications for Japanese business and the social structure of Japan?
- How are the Internet (intanetto) and technology influencing change in Japanese society? How might it cause a re-defining of roles, a flattening of hierarchies and eliminating intermediaries?
- How will the generation that has come of age during the recession-burdened 1990s be different from their parents, in terms of how they value entrepreneurship, individuality, and a different balance between work and family?
- How is Japan dealing with the potential collision between the evolving role of professional women in society and the traditional family structure? Are marriage, the childbearing years, and family life merely being postponed or are there some fundamental shifts in roles and family models? How have the Japanese managed these pressures?
- How has the role of the consumer evolved in the Japanese economy? What new choices do consumers have? How is this affecting Japanese lifestyles and quality of life?

Evolving Education Systems

In 2002, Japan plans to overhaul the public education system. Policymakers believe the current system has left students overworked and exhausted. Restructuring a failing system is viewed as essential to enable the development of problem solvers and innovators needed to help ensure Japan's future ability to compete.

SOCIAL CHANGE IN JAPAN

- How do the Japanese view and value education? Whose responsibility is it to provide education? Does this change as a person moves through life? How is this different than in other parts of the world?
- There is talk about the need for creativity in Japanese schools. Is this true? Or, does Japan have its own form of creativity and innovation?
- What will happen to the institutional structure of schools? The traditional high-pressure examination system streaming students to their future occupations as they apply for college entrance - will this remain intact if changes occur in the corporate-employee relationship?

Structural vs. Psychological Reform

It could be argued that Japan must discover the internal psychological reform it needs before it can make structural reforms in government or the economy. Is the reform proposed in the political system, the bureaucracy, the administration, the economy and society really likely to happen? If so, what form will it take?

- If Japan changes its society, will it become more open and assertive on the world scene?
- Which aspects affecting social change are having a lasting impact on the products that are produced and sold in Japan and the relationship that companies have with their employees? How will this play out for both Japanese and foreign companies operating in Japan?

LUNCH 11:15 A.M.

THE CENTER OF EDO - FROM SHIPPING TO TRAINS

The area around Nihonbashi was first settled after the Tokugawa Ieyasu established Edo as his headquarters in 1590. Soon after it became the center of Edo as ocean going ships brought food to the docks of Tsukiji and Shiba and unloaded their products onto smaller vessels which would make their way through the canals and waterways. The Nihonbashi square was a large fishmarket, the staple of the Japanese diet and gradually more and more businesses, traders, wholesalers and small enterprises developed the surrounding area. Nihonbashi, which means "Japan Bridge" also became the center of Japan when the Shogun set up an official agency to supervise the road system in Japan. Nihonbashi was selected as the starting point for the network of mileage markers throughout Japan. That point, Nihonbashi, also became the official starting point of the Tokaido Road.

Shipping remained one of the primary industries in Japan prior to the introduction of the railway system, but all that would change when in 1890 Mitsubishi purchased Marunouchi from the department of defense. Marunouchi was a former training ground of the military. When the Tokaido railway was completed in 1893 the heart of Tokyo moved finally from shipping and Nihonbashi to railways and Marunouchi.

Today, a stone replica of the Nihonbashi still spans the river at Chuo Dori. It is overshadowed by an elevated ring road, which casts its shadow across the canal and the old bridge. Covered with cars, buses, trucks and traffic congestion - the ring road is a reminder that before long, the automobile replaced trains as a preferred means of transportation for many in Japan - a symbol of progress and the city's attempt to evolve with change.

The Ginza

"The Ginza" is the premiere shopping and entertainment district, not only in Tokyo, but all of Japan. Located exactly halfway between Tokyo Station and Shimbashi Station, it is packed with high-class specialty shops, department stores, restaurants, bars, clubs and more.

The Meiji government, which came to power in 1868 after the Meiji Restoration, pursued modernization by borrowing from Western cultures. Japan's first railroad was opened in 1872 and ran between Tokyo's Shimbashi area and Yokohama. After the Ginza and its surrounding area were razed in a major fire that year, the Meiji government formulated a plan for a fireproof city, which called for reconstruction using Western-style brick buildings. Shimbashi Station was the heart of Tokyo then, and Ginza Street, which ran north from the station, achieved phenomenal development as a symbol of modern Japan.

It has been totally destroyed twice since then, once in the Great Kanto Earthquake of 1923, and again in the massive bombing of Tokyo in 1945. Nevertheless, it sprang back from the ashes on both occasions. The rapid economic growth of the 1960s brought prosperity to the Ginza, a district that the public has ever since regarded as a symbol of the ultimate in upscale fashion.

The heart of Tokyo has since shifted to the west, and the Ginza area has lost just a bit of its sheen, yet "the Ginza" remains synonymous with "high class," "sophistication," and "fashion."

An excerpt from Nipponia web site

THE TOKAIDO SHINKANSEN
THE WORLD'S BUSIEST HIGH SPEED RAILWAY LINE

LEADER :

Professor Hotaka Katahira
Professor of Marketing Science,
Univerisity of Tokyo,
Tokyo

GUEST :

Mr. Takao Watanabe
Senior Vice President,
JR Central,
Tokyo

The Tokaido Shinkansen or the new “bullet” train is one of the great examples of Japan’s post-war recovery in technology and infrastructure and is arguably the safest and most efficient high-speed transportation system in the world today. The Shinkansen started as Tokaido Shinkansen but it quickly spread over the country including its extension from Shin Osaka to Hakata (another 500 plus km) and the addition of new lines like Tohoku and Jouetu Shinkansens. Commercial service between Tokyo and Shin Osaka began in 1964.

The Japan National Railway (JNR) underwent division and privatization in 1987 and JR Tokai (Japan Central Railway) was established to manage the Tokaido Shinkansen, which is that part of the “bullet” train system that runs the 515.4 km between Tokyo and Osaka. In October 1997, JR Central listed its shares on major Japanese stock exchanges.

The Shinkansen departs from Tokyo station 11 times every hour and 285 times each day. The high speed Nozomi can reach a speed of 270 km/h and takes 2hrs. 30min to reach Osaka. It has a capacity of 1,323 passengers. During its entire history the Shinkansen has had zero fatal accidents and has an average delay per train of 0.3 minutes.

There are approximately 100 trains in simultaneous operation, controlled by the COMTRAC (Computer Aided Traffic Control) management system at a general control center. Mars 305, a Multi Access Reservation System, provides thousands of access terminals for ticketing throughout Japan as part of an integrated travel service system.

The Shinkansen story is one of continuous innovation, a search for quality, service and safety, while also breaking new ground on even higher speed rail systems. The high speed Nozomi was introduced in 1997. The 300x development project has reached speeds of up to 550 km/hr.

The experience of the Shinkansen raises some interesting questions about organization, mission, technological development, safety, morale and innovation:

THE TOKAIDO SHINKANSEN THE WORLD'S BUSIEST HIGH SPEED RAILWAY LINE

- As a onetime government owned organization, what challenges did it face in privatization? Were these similar to the experiences in Europe and North America?
- What does the Shinkansen (JR Central) consider to be its central mission? Who are its most important stakeholders? How does it measure its performance?
- How does the company inspire its people to innovate, learn, develop new ideas, ensure safety and service?
- What is the command and decision making structure? How would it respond to a crisis or unexpected disruption?
- What plans does Shinkansen have for the future development of technologies and systems? In Japan? Other countries?
- What can be learned about Japan from the culture of JR Central and the Tokaido Shinkansen?



Station #39 on The Tokaido Road: Okazaki, by Hiroshige

HIROSHIGE AND THE FIFTY-THREE STATIONS ON THE TOKAIDO ROAD

Japanese woodblock prints became popular in the West during the latter part of the 19th century and when this happened, it generated the attention in Japan and a much greater interest in this wonderful art. The brilliant colors influenced the impressionists. Van Gogh said, "I learned most of what I know from the Japanese. Woodblock prints originated as an art of the common people depicting beautiful women, Kabuki actors, courtesans of the pleasure quarters and the landscapes of Japan with people going about their lives.

Ando Hiroshige was born in Edo in 1797, the son of a fire warden. He was a student of the Ukiyo-e school but also studied Kano (Chinese style painting) and art from the realistic Shijo school in Japan. Hiroshige is famous for capturing the feeling and atmosphere of Japan's countryside-not the urban and industrial development of today, but the beautiful rural countryside that still looks much like it did in Hiroshige's time. His paintings of Japan's landscape at various times of the year were a strong influence for French impressionists, Monet, Pissaro and Whistler. But Hiroshige is most famous for his 53 prints that depict the 53 stations on the Tokaido Road-the great highway between Edo (now Tokyo), the seat of the Tokugawa shoguns and the ancient capital of Kyoto.

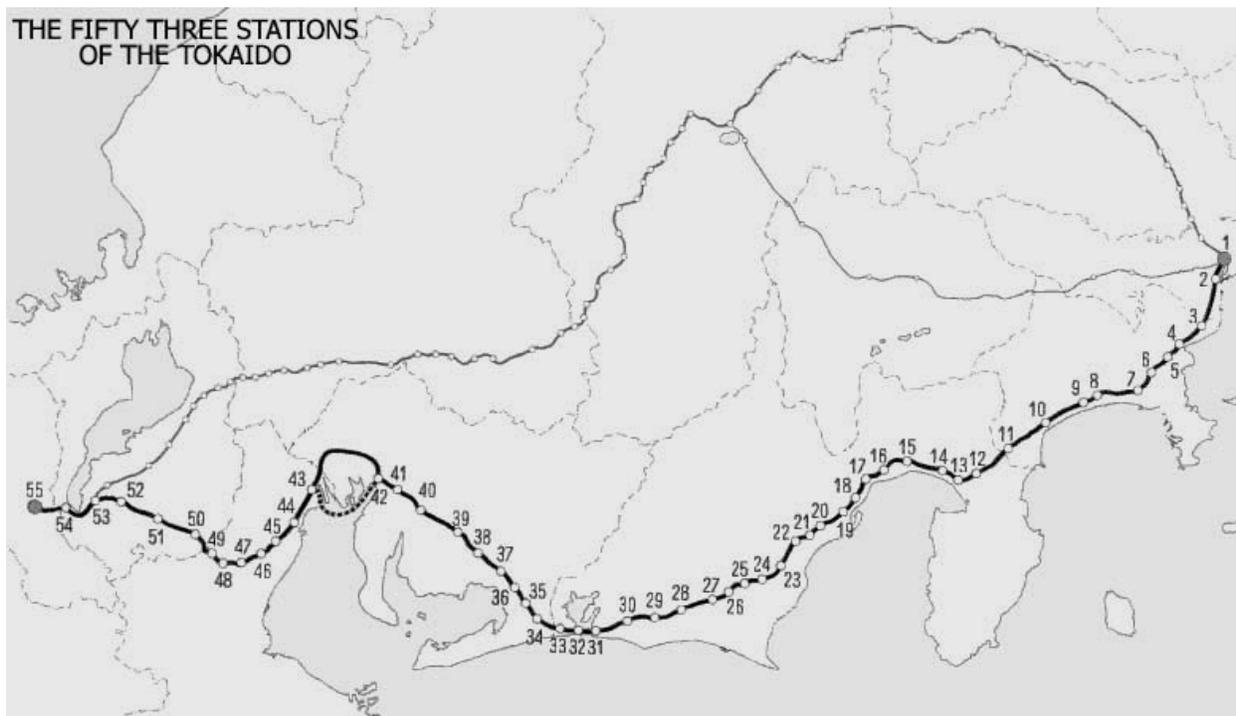
The Tokaido Road

The 53 stations along the Tokaido Road were designed as rest stops or stations that provided goods and services to travelers. As towns and villages grew up around them they were administered by feudal lords known as daimyo, who were answerable to the Tokugawa shogun for keeping the peace along the road. As Hiroshige illustrates in his woodblock prints of the 53 stations on the Tokaido Road, this was a well-traveled highway. Tokaido, meaning eastern sea route, was a line of activity between the great cities of Kyoto and Edo. Although Kyoto was the capital until 1868 and the emperor's residence, actual power in Japan was in the hands of the shoguns who resided in Edo. Towards the end of the Tokugawa shogunate the capital was moved from Kyoto to Tokyo. The character, kyo, which means "capital", appears in both names.

The origins of the Tokaido road reach as far back as the Nara period (710-794) when monks travelled the road spreading Shinto beliefs. Tokugawa Yeyasu revived the Tokaido Road in 1601 and made it his link between the military capital (Edo), spiritual capital (Kyoto) and by extension his Commercial Capital (Osaka). Like so many leaders before him as far back as the Romans in Europe - the roads were a means by which the leader controlled his subjects by being able to access them quickly and by limiting their privacy and ability to act undetected. The Shogun maintained that his Daimyo keep residences in Edo and that their wives and children would remain in Edo, even when the Daimyo had to return for long periods of time to their feudal domains. The Tokaido Road was not only used by the Shogun - it was also a commercial route where rice, sake and tea were sold and traded and where ideas were exchanged and developed.

The International Forum follows the same Tokaido Road-by JR bullet train-rather than on foot, starting in Tokyo (Edo) and concluding in Kyoto, Japan's capital from 794-1868. Hiroshige's 53 stations begin with a scene of the travelers' departure from Nihonbashi in Edo and conclude with the scene of the travelers' arrival in Kyoto on the Sanjo Bridge.

THE TOKAIDO ROAD



- | | | | |
|----------------|---------------|---------------|-------------------|
| 1) Nihon Bashi | 15) Yoshiwara | 29) Mitsuke | 43) Kowana |
| 2) Shinagawa | 16) Kambara | 30) Hamamatsu | 44) Yokkaichi |
| 3) Kawasaki | 17) Yui | 31) Maisaka | 45) Ishiyakushi |
| 4) Kanagawa | 18) Okitsu | 32) Arai | 46) Shomo |
| 5) Hodogawa | 19) Ejiri | 33) Shirasuka | 47) Kameyama |
| 6) Totsuka | 20) Fuchu | 34) Futagawa | 48) Seki |
| 7) Fujisawa | 21) Mariko | 35) Yoshida | 49) Sake-no-shita |
| 8) Hiratsuka | 22) Okabe | 36) Goyu | 50) Tsuchi-yama |
| 9) Oiso | 23) Fuji-jeda | 37) Akasaka | 51) Minakuchi |
| 10) Odawara | 24) Shimada | 38) Fujikawa | 52) Ishibe |
| 11) Hakone | 25) Kanaya | 39) Okazaki | 53) Kusatsu |
| 12) Mishima | 26) Nissaka | 40) Chiryo | 54) Otsu |
| 13) Namazu | 27) Kakegawa | 41) Marumi | 55) Kyoto |
| 14) Hara | 28) Fukuroi | 42) Miya | |

THE ONSEN AND THE RYOKAN IN JAPAN

LEADER :

Ms. Nancy A. Doyal
 President,
The International Forum

The traditional Japanese inn or ryokan offers a quiet rest for travelers on the Tokaido Road.

The International Forum leaves Tokyo by JR Kodama express (bullet train) for Horai Onsen, situated on the slopes of an extinct volcano overlooking Sagami Bay and one of the popular stops for shoguns who made their way down the Tokaido Road during the 18th century. Japan has some ten thousand thermal mineral springs, more than any other country in the world. The Horai ryokan is one of two thousand hot springs or nsens.

Horai is a traditional Japanese style inn. Each of its tatami mat suites is equipped with a square cypress wood bathtub where one can steam for half an hour before dinner. The Japanese desire for solitude and peaceful withdrawal from the stress in daily living is

fulfilled in a ryokan. Yet Horai's communal bath is a venue for philosophical discussion, sharing of ideas, and engaging in the search for new insights from members of The International Forum from around the world. This experience is reached after negotiating a steep covered walkway down to an ancient style bath house with slots and joints instead of nails and screws holding its cypress roof beams together above the granite tub brimming with water kept at a temperature of 108 degrees Fahrenheit. Reaching this point, you will experience the intellectual stimulation from discussion and the sacramental ritual of regeneration while immersed in the therapeutic qualities of the water.

In the care of Yoshi Furutani, the proprietor's wife, members of The International Forum enjoy fellowship, conversation, good food, the peace of beautiful views and even solitude.



DINNER 7:00 P.M.

Horai Onsen

 THE GLOBAL VILLAGE - CULTURE OF CIVILIZATIONS

LEADERS :**Mr. Michael O. Alexander**

Chairman,
The International Forum

Dr. Gordon Redding

Director
The International Forum;
Senior Affiliate Professor of Asian
Business,
INSEAD,
France

A close encounter with Japanese culture is an opportunity to reflect on what that culture implies for interacting with Japanese people as alliance partners, competitors, customers, suppliers, and perhaps employers or employees. It is also an opportunity to reflect on the broader issue of interacting between alternative systems of capitalism. Recent thinking on that topic now includes a field of analysis based on the comparison of “civilizations”, and it carries with it a strong implication that a society’s culture, and the institutions which turn the cultural ideals into action, play a major part in shaping the behavior of managers and organizations.

Here we are entering, most of us as outsiders, into a symbolic series of rituals deeply embedded in a Japanese notion of civilization: rituals of purification, complete openness, communal solidarity, connection with the natural world, fundamental equality, and pleasure derived from simple and accessible experience. In this context there is a chance to think through to what the experience tells us about other aspects of Japanese society, and especially about the Japanese worldview as it might be interpreted in organizational life. How much of the mindscape behind these rituals is visible in Japanese products, in attitudes to processes of economic exchange, in service standards, in competitive behavior?

If we find traces to link these cultural ideals to the “real” world of commerce, how might we make parallel linkages within our own cultural boundaries? What will they in turn tell us about the nature of economic systems? Are such systems embedded in societies to a point where they are distinct and not fully exportable? Are there common denominators, and if so how might we describe them and build with them?

Welcome to this anthropological excursion, and to the world of ethnography. And welcome to the core question: is there a global village or not?

**GOOD THINKING, GOOD PRODUCTS -
THE TOYOTA MOTOR CORPORATION**

Toyota City

LEADERS :

Mr. Michael Alexander

Chairman,
The International Forum

Professor Hotaka Katahira

Professor of Marketing Science,
University of Tokyo,
Japan

GUESTS :

Mr. Kosuke Shiramizu

Executive Vice President,
Toyota Motor Corporation,
Toyota City

Mr. Atushi Niimi

Director,
Toyota Motor Corporation,
Toyota City

Mr. Toshio Ohashi

Project General Manager,
Toyota Motor Corporation,
Toyota City

The world environment for the automotive industry has seldom been more interesting or challenging than the current situation. It has been in a period of globalization and consolidation and is likely to continue to be for a time into the future. More than ever it is confronted with the challenges of energy conservation, a clean environment, safety and transportation efficiency, while at the same time continually having to seek cost competitiveness. These are being addressed with new technologies, but as they are developed they will have to be rapidly commercialized in a competitive global business environment.

What will the automotive industry look like in five years time? How many major producers are there likely to be? Who will survive and why?

Will automobile companies be selling autos as their value proposition or will they be selling services which may involve almost giving away the automobile? To what extent is this beginning to happen today?

The Toyota Motor Corporation was founded in 1937 to establish an auto industry in Japan. Its motto is "Good thinking, good products." Today, it is the third largest producer of automobiles in the world (5.52 million vehicles in fiscal year 2001). It has the highest stock market capitalization among automobile companies. Sales for 2001 were \$106 billion(USD). Net income was \$5.4 billion. Toyota projects increased earnings for the first 6 months while its competitors continue to have problems. It achieved cost reductions of \$1 billion and its cash position is \$2.6 billion. Toyota's share price is at a 20 year low, at PE ratio of 20.7. The company has recently bought back approximately 3% of its shares. How much is the share price affected by the Japanese banks selling off their institutional holdings?

The company's forecast of sales for the US market is a decline of 1.4%. It holds a 9.3% market share in North America. However, sales for Japan are expected to increase by 1.2% and for Europe by 30%.

Globalization

Toyota's objective of a "seamless offering of high quality products around the world" involves knowledge and a set of rules on its

**GOOD THINKING, GOOD PRODUCTS -
THE TOYOTA MOTOR CORPORATION**

production system that are learned by all Toyota people. The challenge of globalizing the company is a formidable one and raises some interesting questions about how the company deals with the following:

- What are the most important objectives in Toyota's efforts to further globalize the company?
- How are the differences in culture and in market needs reflected in the company's products for different markets and how does this affect Toyota's production system?
- How does the company implement its seamless offering of high quality products around the world?
- How does Toyota determine what the users of its products need as it seeks to innovate and continually satisfy customers?
- How does the company attract and retain outstanding management talent on a worldwide basis? How important is it for non-Japanese senior managers to see their way to the top?
- How does Toyota see its strategy for China? As a source of production for Asia, the world, or for Japan? What are the company's expectations for the market for automobiles in China?
- Purchasing of materials and components represents approximately 70% of the cost of a vehicle. What are the company's strategies for global purchasing to ensure dependability of supply, quality, lead time and low cost?
- What are the most difficult challenges the company is facing - internally and externally-in globalization?

Cost Reduction and Competitiveness

Cost competitiveness is a key objective in today's market. What are the key strategies to achieve this? How does the company develop and manage its relations with suppliers or partners in design, production, quality, cost and efficiency?

Technology

Toyota recognizes that speed of new product development is essential to its success. How does it ensure the time to successfully commercialize will be as short as possible - for new products - for reducing costs?

GOOD THINKING, GOOD PRODUCTS - THE TOYOTA MOTOR CORPORATION

“Unless the automobile industry develops in harmony and prosperity with society and individual lifestyles, it will be impossible to preserve our stable long term growth”

HIROSHI OKUDA - CHAIRMAN, TOYOTA MOTOR CORPORATION

Toyota’s new technology initiatives have produced the gasoline, electric powered Prius, the first hybrid vehicle. 60,000 units have been sold worldwide. Work on fuel cells to power vehicles by conversion of hydrogen to fuel will eliminate exhaust emissions and conserve energy. What are Toyota’s plans? What are the company’s expectations for these new technologies and their acceptance and use in Japan and around the world?

What does Toyota see as the innovations and developments with the greatest potential for the future? How will these affect the automobile industry?

- What progress is likely on emissions?
- What progress on energy efficiency?
- What use will be made of ITS - intelligent systems?
- What will digital engineering mean for the future?

The Value Chain

Toyota produces automobiles, industrial equipment - such as forklift and materials handling equipment-and motor boats. It also provides financial services-auto loans, leasing, insurance, credit cards-as well as housing (living environments), and is involved in biotechnology and has a web site (Gazoo) for online purchasing.

- How does Toyota see its value chain evolving in the future?
- Will the company expand its financial services into other areas - loans, mortgages, investments?”
- How will Toyota put its \$2.6 billion cash to use?
- Toyota’s competitors have recently made some major acquisitions as the industry consolidates. How does the company view acquisitions as a strategy for growth?
- What is the company’s approach to joint ventures and alliances and what does it believe is necessary to make them successful?

Participants of the Forum visit operations of the Toyota Motor Corporation and meet with Toyota executives.

LUNCH 12:50 P.M.

At The Toyota Facility

KYOTO - THE OLD CAPITAL: CONTINUITY AND CHANGE

Kyoto was the capital of Japan for nearly eleven centuries from 794 to 1868, and it remains today the heartland of traditional Japanese culture and the repository of the social and spiritual heritage of the Japanese people. Home of the Imperial Court and playground of the old aristocracy, the city developed a rich and unique culture that is reflected today in the continuing traditions of music, dance, theater, flower arrangement, and tea ceremony. Unlike the other major cities in Japan, Kyoto alone was left untouched by the devastation of World War II.

Compared with Tokyo, Kyoto seems a hundred years behind - one of the last bastions of traditional Japanese behavior. Tile-roofed wooden neighborhoods still shelter a traditional way of life that has elsewhere all but disappeared in Japan. Here in Kyoto the enigmatic Zen rock gardens do not divulge their secrets easily, puzzling visitors now as they have for centuries - do the juxtapositions of sand and stone represent a complex Oriental cosmology...or are they simply random river rocks gathered by outcast day laborers...or both? Yet ancient puzzles are not to be outdone by modern ones - the brand new twenty-story "techno" train station and hundreds of neon and chrome pachinko parlors, amid which the "old" city of Kyoto now seems lost. What is there of relevance to be learned from a city as inscrutable as this?

With a population of nearly 1.5 million, Kyoto is Japan's sixth largest city. Apart from its long history and tradition, Kyoto boasts today of its efforts to establish itself as a center for the development of high-tech industries, claiming such global companies as Kyocera and Nintendo. The southern district of the city is well on its way to becoming Japan's micro-Silicon Valley. The Science Research Center located south of the city was designed with the aim of attracting more creative businesses to conduct research projects in the Kansai area. Increasingly, world conferences such as the International Conference on Global Warming are being held in Kyoto, bringing the Old Capital to the attention of the international community.

But the old customs do persist. Moon viewing parties still take place beside quiet ponds in autumn; cherry blossom viewing in the spring is still *de rigueur* for Kyoto townspeople; the nine-hundred-year-old Gion Festival goes on each July, and the complicated rituals of Chanoyu, the tea ceremony with Kyoto as the center of the major schools, are still observed by millions in this tradition-bound city. In the geisha quarters that still line the backstreets beside the Kamogawa River, exclusive restaurants serve *kaiseki* cuisine and elsewhere in the heart of the downtown area old-style inns, the *ryokan*, welcome visitors to quiet accommodations in the old Kyoto style.

Enough of the traditional Kyoto landscape remains to reflect the history and many of the social customs that lie beneath the surface. These are clues to understanding what lies beneath the surface of bigger cities like Tokyo that seem so very Western on the surface - and are not.

The 1200-year-old city of Kyoto is a living resource for understanding Japanese ways of maintaining social harmony in crowded urban situations, ways of incorporating the natural environment into small living spaces, and the historical circumstances that led communities to take responsibility for the safety of their own streets.

The push for re-development has caused controversy in Kyoto today, a city which now contains all the most garish elements of modern life - fast food chains and convenience stores on nearly every block.

KYOTO - THE OLD CAPITAL: CONTINUITY AND CHANGE

Historic preservationists protest. Another old house comes down. The city center once full of residents now suffers a decline in population and begins to look more and more like Tokyo and less and less like its once proud traditional self. And yet, is this not a metaphor for changes taking place throughout Japan, perhaps magnified in Kyoto, where enough of the past remains to remind us of what has been lost.

What clues to understanding Japan's past lie in the landscape that lies before us? A new generation of high-tech entrepreneurs is smiling on the streets of Kyoto, when dark clouds seem to hover over businesses in cities five times this size elsewhere in Japan. What unique combination of elements and events from Kyoto's past are giving impetus to the renewed economic success of companies in this most traditional of all Japanese cities?



Station #55 on the Tokaido Road: Kyoto, by Hiroshige

DINNER 7:30 P.M.

Minori-no-ma Room

 KYOTO SHINISE - REINVENTION, INNOVATION
 AND ENTREPRENEURSHIP IN JAPAN

LEADERS :**Mr. Michael O. Alexander**

Chairman,
The International Forum

Professor Hotaka Katahira

Professor of Marketing Science,
University of Tokyo,
Tokyo

GUEST :**Dr. James Abegglen**

Director,
The International Forum;
 Chairman,
Asia Advisory Service K.K.,
Tokyo

Business has a great tradition in Kyoto. Those firms that can be traced back for generations and which continue in operation are known as Shinise. There are more than a thousand of these in Kyoto today that have operated continuously for more than a hundred years. Many are highly successful as domestic and global companies, while similar companies exist in other parts of Japan. Kyoto seems to have been highly successful as an atmosphere of reinvention, innovation and continued growth.

Company Culture, Values and Organization

What are the reasons for the success of Kyoto's companies? Does the answer lie in the special culture that emphasizes the firm's concern for customers, society and the interests of those involved in the firm itself-as well as the pursuit of those things which are well known in the West as reasons for success-such as, maintaining the firm's good reputation and trust relationships, adopting new techniques, technologies and management methods as needed, and seeking value added businesses and high quality?

What kind of an environment creates such continuity in Kyoto's firms - their growth, profitability and size? The post war success stories of Kyocera and Omron were followed by many other Kyoto companies like Nintendo, Rohm, Murata Manufacturing, Horiba, Towa and Muratec. All have successfully pursued their technologies and provided value-added products to their customers around the world. Many of the Kyoto firms trace their lines of business to old industries in which they were involved - such as textiles, chemicals, pottery, games, paper and food - and have demonstrated amazing success in building on these strengths to produce new product technologies in ceramics, information technology, computer games, sensors and semi-conductors.

Are there certain factors in the culture and organizational structure that differentiate the Kyoto companies from those in other parts of Japan, such as the large corporations based in Tokyo? It would appear that the successful Kyoto companies are less hierarchical, indeed they have flatter organizations with empowerment of people, fast decision-makers and are dedicated to large investment in R&D. However, what will be the ingredients for continued successful growth and entrepreneurship among these companies and the new firms that will continue to emerge?

 KYOTO SHINISE - REINVENTION, INNOVATION
 AND ENTREPRENEURSHIP IN JAPAN

Company Site Visits:*Omron Corporation**Horiba Ltd.**Wacoal Corporation*

- Why have Kyoto's companies been so successful at re-inventing themselves and their businesses - sometimes over many generations?
- What makes these companies successful in foreign markets? How do they see their future as a global enterprise?
- What do they consider to be their reason for existence? How do they measure success in achieving their mission?
- Why have they been so innovative and entrepreneurial?
- How is the role of competition regarded?

Visits to companies of Kyoto

Participants will engage in discussions with senior management of Kyoto companies to understand how they approach such issues as organization, decision making, development of their people, technology, R&D, product development, creativity, financial structure, accountability and governance and their approach to the many other challenges and changes that face them, including the need to reinvent their businesses.

What can be learned from the high-tech companies of Kyoto, the products of a traditional business environment and a competitive climate in this old capital city? Many of the issues they face are the same as those that confront corporations everywhere in the world today, yet the perspectives and the solutions seem different and may provide some valuable insights on how these problems may be addressed.

- What do these Kyoto companies consider to be their main purpose in business?
- How do their attitudes differ from other parts of the world?
- Are the values they espouse viable in today's competitive global market place?
- If they continue to hold their values and purpose, will they be able to attract the best people, earn the highest financial return, achieve high growth and invest in technologies that will ensure their leadership in world competition?
- Change is affecting everyone and Japan is changing dramatically. How will this change affect these companies? Do they have certain advantages in addressing change? What are their key

 KYOTO SHINISE - REINVENTION, INNOVATION
 AND ENTREPRENEURSHIP IN JAPAN

strengths and what problems do they face that are most significant?

- How are these companies dealing with the changes that face them - in Japan and throughout the world?
- What can be learned from how these companies in Kyoto have addressed these issues?

Some of the topics to be addressed in discussions with company management will include:

- How the company determines success and in what ways it measures its progress towards its goals.
- The company's attitude to accountability, governance and transparency and how these might be changing.
- How does the company view its shareholders and the investor community - separately or as one and the same?
- The organization, decision-making and management style.
- The development of new technologies, new products, including R&D, innovation and creativity.
- The international objectives including strategies for East Asia.
- The development of people, skills, and management talent.
- Management of the work force, including changes in the life time employment system.
- Hiring, selection, promotion and rewarding of employees.
- Objectives for growth, including scale, strategic alliances and possible acquisitions or mergers.
- The company's relationship with the community.

OMRON CORPORATION

What today is Omron, a successful international corporation in high technology, began in 1930 when Kazuma Tateisi, its founder, started his business of manufacturing and selling trouser presses in Kyoto. He developed a new product, a knife grinder, and promoted its sales. Things really began to happen in 1932 when Tateisi developed a timer to allow an accurate x-ray photograph. The rest is history.

"At work for a better life, a better world for all."

- COMPANY MOTTO,
OMRON CORPORATION

 KYOTO SHINISE - REINVENTION, INNOVATION
 AND ENTREPRENEURSHIP IN JAPAN

Omron is well known for its research and development and innovation and produces new technology products in five key fields. These include:

- Industrial automation: advance factory automation systems, control components, systems equipment and advance networking technology.
- Electronic components: relays, sensors, switches for advanced electronics in safety, convenience, comfort in driving.
- Societal systems: automatic airport check-in processes, automatic ticket machines in railway stations, information display for highways, ATM machines and point of sale systems.
- Healthcare: digital blood pressure monitors, electric thermometers, body fat meters, and other medical products.
- Outsourcing services: In fields of energy conservation, food catering, accounting, logistics, distribution and advertising.

Omron recently introduced as part of its corporate governance a management philosophy directed at the following:

- Offer maximum satisfaction to customers
- Consistently accept challenges
- Focus on gaining shareholder's trust
- Respect individuals
- Become a responsible corporate citizen
- Maintain corporate ethics while promoting corporate activities.

Omron's sales are close to US \$6 billion, its net income is around \$220 million, and its shares are traded on the Osaka and Tokyo stock exchanges.

Omron recently announced production of the first hands-free mobile phone technology for automobiles with voice recognition and voice command functions.

HORIBA, LTD.

Horiba, Ltd. manufactures analytical and measuring equipment that is used to monitor automobile engine emissions, air pollution, smoke stack emissions, water contamination and other ecological hazards. The company is a leader in fundamental research on new

"Joy and Fun"

- COMPANY MOTTO,
HORIBA LTD.

**KYOTO SHINISE - REINVENTION, INNOVATION
AND ENTREPRENEURSHIP IN JAPAN**

materials and metals and in the quality control processes undertaken by industries in a variety of fields. Horiba also develops and markets products designed to improve productivity and increase inspection efficiency in the field of semiconductors and medical devices.

President and Chief Executive Officer Atsushi Horiba instigated a program, called Black Jack, which is a new medium-term management plan with the intention of providing the fastest delivery time in the industry. This is part of an ongoing company project to improve coordination among development, production and sales departments, which has yielded considerable operating cost savings and inventory reductions, over the past two years.

Horiba Ltd. was one of the first Japanese analytical equipment manufacturers to establish overseas operations and they believe that, "operating as a global organization is critical to survival in the 21st century." The company's motto for employees is "Joy and Fun" in the belief that "if we take interest and pride in the work that takes most of the active time in our lives...our satisfaction with life will increase and we will be able to enjoy our lives even more."

WACOAL CORPORATION

The Wacoal Corporation that exists today is the result of enormous foresight and determination of its founder Mr. Koichi Tsukamoto. As a lone survivor of his army company during World War II, Mr. Tsukamoto set out to change the world. His focus for this change was actualized when a revolution in Japanese fashion brought western clothes to the Japanese woman. Clearly this trend necessitated a change in the undergarment industry, and Mr. Tsukamoto began to build his corporate empire on this need.

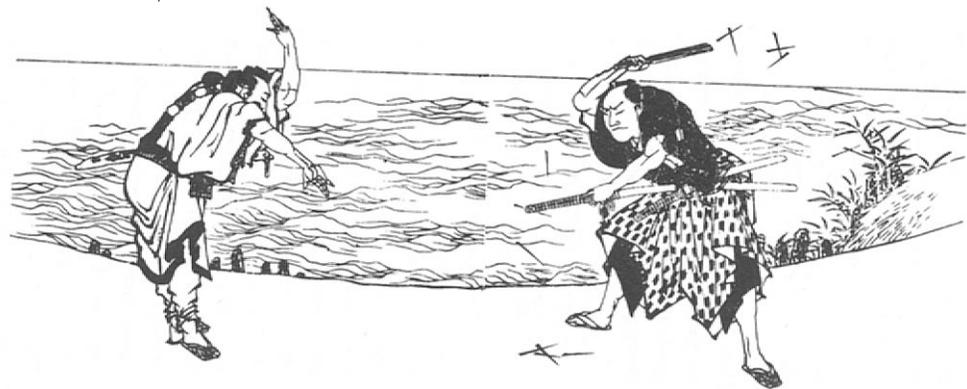
Today, through Mr. Tsukamoto's foresight in recognizing that undergarments were well on the way to becoming a dominant area of the fashion industry, Wacoal has expanded to become the leader in designer intimate apparel in the United States, Japan, Asia and Europe. The company is highly regarded in the industry for having the best fitting, quality bras in the world. As early as 1952 Wacoal hosted Japan's first underwear fashion at a department store in Osaka. Currently, Wacoal has the exclusive license for the Donna

**KYOTO SHINISE - REINVENTION, INNOVATION
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Karan Intimates and DKNY Underwear Intimates label. Primary customers include upscale department stores and specialty stores. Future plans include an entry into the retail market with a chain of stores it will name SPA.

With sales are close to \$1.32 billion, Wacoal's net income as of November 2001, was \$98.8 million. For the fiscal year end in March of 2001, Wacoal reported a 68% increase in net income. The company's lingerie segment - including garments such as contouring Shape Pants and the T-shirt Bra - accounts for more than 70% of sales.

A major focus of Wacoal Corporation is Customer Service. Their commitment to help women throughout the nation on the quest to find a bra that fits is best demonstrated by the "Silhouette Analyzer". Wacoal's development of an impressive technology system allows them to create undergarments tailored to the individual consumer. This technology has earned Wacoal a unique position in the undergarments industry. The "Silhouette Analyzer" is an advanced computer system that takes a woman's measurements and produces the dimensions to make the ideal undergarments for that specific woman. To perform this operation Wacoal employs specialists to assist customers on a regular basis wherever Wacoal products are sold. It is this commitment to quality that gives Wacoal the confidence to guarantee all of its merchandise.



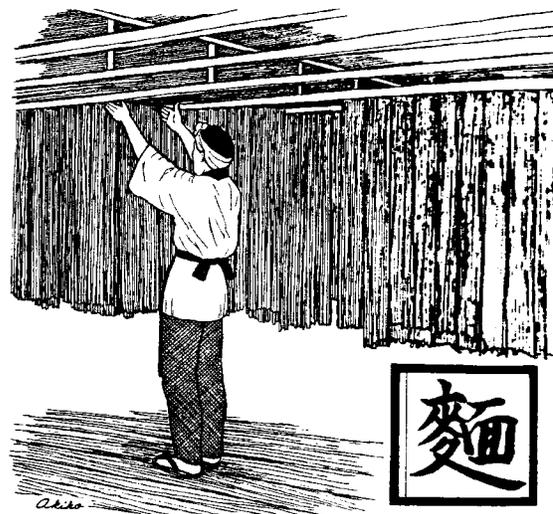
HOT SOBA NOODLE

Gontaro

Soba noodles are Japan's comfort food, par excellence. Everyone's neighborhood has a cozy soba shop in which to sit and slurp exuberantly (which is requisite) from a steaming bowl of hot noodle soup. Noodles are not, however, a Japanese invention. They originated in China, as did all noodle dishes, whether Thai, Korean or Italian, as legend has it. They are the ubiquitous lunchtime favorite of Everyman Japan. Something everyone has an opinion about; which noodle shop is the best, who makes them from scratch, whose broth is best, who still delivers them hot to your door.

Soba is the gift of choice for new neighbors when moving into a new neighborhood. The word soba means "buckwheat" in Japanese, but it also means "near", making these the perfect gift for the household on either side and the one across the street from your new abode. Soba noodles are long and narrow, a metaphor for the ideal neighborly relationship - may we know each other for a long time, but may the friendship be unobtrusive and discreet.

Noodle lovers in Japan are vociferous critics of their favorite food: the broth is too thin, too weak, and too strong; the noodles are too hard, too thick, too dark, and too light. People from Tokyo complain that Kyoto soba broth is too bland; Kyoto people complain Tokyo soba broth is too harsh. Either way, soba is acknowledged to be "good for you" and that is our hope for today's lunch. You be the judge.



 THE SEARCH FOR QUALITY AND CHOICE

LEADER :**Ms. Nancy A. Doyal**

President,
The International Forum

GUESTS :**Mr. George Fields**

President,
*Fields and Associates K. K.,
Tokyo*

Professor Hotaka Katahira

Professor of Marketing Science,
*University of Tokyo,
Tokyo*

SITE VISITS :

*Nishiki Market
Teramachi Street
Takashimaya Department Store*

Compared with their western counterparts, the Japanese consumer is very frugal and extremely selective. This in part has been driven by the prices of products in Japan, which have traditionally been kept high by a complicated system of suppliers and distributors. It is also due in part to the limitation of space in which to store many items. However, despite this, some of the most innovative product design and retail presentation has originated in Japan, only to be copied by global companies and exported to other markets around the world. The retail environment is extremely competitive and Japan has experienced enormous change in this area as it has moved from a market of numerous old family-run establishments in small neighborhoods to supermarkets and now superstores and malls.

This session of experiences involves first hand encounters with three different retail locations to observe consumer behavior, product placement, packaging, price, promotion, and transactions among Japan's consumers and retailers. In teams, participants visit one of three retail settings, Nishiki Market, Teramachi Street, and Takashimaya Department Store. Each team should consider the following questions:

- How are consumer tastes changing in Japan? What does this mean for product design, packaging and promotion?
- What influence is the Internet having on the marketing and distribution of products in Japan? How have the retail locations modified themselves to address this new technology?
- What effect has the recession had on retailing and how have they managed through it?
- How does the Japanese retailer define and deliver quality service to its customers?
- What role do the traditional markets play in community life in Japan? When they are replaced by modern shopping malls, how will this affect the community?
- Is the fast food concept relatively new for the Japanese or does it exist in other forms? What differences are there between these fast food outlets and similar chains in the West?
- What is the mix between local and global brands? Is there a wide-range of choice available to the consumer?
- What are the shopping behaviors of Japan's consumers? What are they looking for and what is most important to them in their decision to buy?

 THE SEARCH FOR QUALITY AND CHOICE

- Is there something unique about the layout of the retail space and product placement?
- What are the packaging characteristics? What is the range of variant and size, e.g. single-serve packets to bulk-sized packaging?
- What are the attitudes of sales staff?
- How do prices compare to what you experience at home?
- Does there appear to be a preferred payment method?

Nishiki Market

Nishiki-koji is a cobblestone street market that has been considered “Kyoto’s kitchen” for over four hundred years. Stretching five city blocks, the narrow passageway is lined on both sides with vegetable stalls, fishmongers, pickle shops, tofu vendors, and flower stalls. The merchants, many of whom still live behind their storefronts, deal in every imaginable (and some unimaginable). Kyoto delicacy: freshwater eels, handpressed sweets in the shape of plum blossoms and iris, hand-forged steel cutlery, miniature eggplant pickled in hot mustard, and regionally brewed sake.

The kaleidoscope of colors, sounds and smells comes alive each day and bustles with elderly shoppers, young housewives, and Kyoto’s finest chefs on their daily shopping trips to Nishiki. Many Kyoto people still insist on shopping everyday for the freshest ingredients.

Participants encounter the roots of this exuberant consumer culture to learn more about competition and community in traditional Japanese terms.

Some questions to consider:

- What are the aspects of this old marketplace that keep today’s savvy Japanese consumers thronging its streets each day?
- What are some of the unwritten rules for doing business in Japan?
- How do vendors and long-term customers develop trust and relationships? What are the important factors for a successful long-term relationship in the Japanese market? How is this different from or similar to relationships in Japan’s corporate world? How is this different from in other countries?
- How is quality defined in the marketplace? How is it delivered? How does the relationship between the vendor and the customer affect the product selection and the quality of the goods in the

THE SEARCH FOR QUALITY AND CHOICE

market? How is this similar to or different from the corporate environment in Japan?

Teramachi Street

The intersection of Teramachi Street and Shijo Street has been a famous quarter since the Momoyama period of the earlier 16th century. Since the medieval time of the Heian period, this intersection has been the home to festivals and performing arts. If you experience Teramachi today, it fits this reputation. However, the festivals of the past are hardly the means of amusement today. This narrow corridor is filled with the youth of Japan socializing around the youthful stores such as Uniqlo, vintage clothing stores, Internet cafes and video game facilities.

A study of the entertainment of Japan can be seen at Café Aspirin—named for the fact you need an aspirin after being in this rather loud video arcade. This four story orange building houses three levels of Pachinko, video games and an Internet Café. The team of Forum participants visiting this venue should note that each level has a different age demographic that corresponds with the music played, games to play, and the manner of the employee.

Further down, Teramachi street intersects Nishiki Market, offering a powerful contrast of the old versus new. Here the youth of Japan, that would rather eat fast food from First Kitchen restaurant collide with the older generation that would still rather buy fresh food everyday at the Market. Down the street, participants will encounter the Japanese retailing phenomenon of Uniqlo. Uniqlo is the leading brand of casual clothes for men, women, and children. Around the corner from a traditional market, Uniqlo stands in contrast as they have built much of their success on the principle of producing quality clothing that transcends age, sex, nationality and race.

Just above Uniqlo, is a vintage clothing store. In this environment, participants should observe, Japan's alternative youth culture, that breaks all the rules and stereotypes of Japan's obedient youth. The employees seem indifferent to the Japanese rules of customer service by paying attention to customers only when called upon by the customer. However, employees pay specific attention to the display of merchandise, true to form of Japanese retail institutions.

THE SEARCH FOR QUALITY AND CHOICE

From one end to the other this street exemplifies how the older generation and younger generation peacefully coexist and create many retailing success stories.

Takashimaya Department Store

Participants on this experience will observe the seven floors of Takashimaya Department store. “Takashimaya follows the Japanese model of department store where service is strongly emphasized, a number of sales and other staff ensure every customer is tended to properly, and there is meticulously displayed merchandise from clothing to food with beautiful packaging to carry away goods sold.” The bottom floor of food is the best example of these ideals. Every type of food from fruits to candy is displayed in this part of the store. Each individual counter has many uniformed workers to attend to your every need. The food at each counter is individually wrapped as though it was put together just for you. At one counter a sales person shows you the product, another is polishing the display case, another is wrapping the purchased merchandise and another is presenting the customer with the purchase.

The level of service and attention to detail is evident.

- What is the cost of this many workers?
- Does this level of customer service produce more sales?
- Why do white-gloved women bow at the elevators?
- How does this department store experience compare with one in your native country?

CONCLUSIONS ABOUT THE MARKETPLACE

*Miyako Hotel
Minori-no-ma*

Participants share with each other their observations of the marketplace and present them in multi-media format.

LEADER :

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President,
International Forum

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Mr. George Fields
President,
*Fields and Associates K.K.,
Tokyo*

Professor Hotaka Katahira
Professor of Marketing Science,
*University of Tokyo,
Tokyo*

 WHERE FREE MARKET CAPITALISM MEETS
 ASIAN VALUES

LEADERS :**Michael O. Alexander**

Chairman,
The International Forum

Dr. Gordon Redding

Director,
The International Forum;
 Senior Affiliate Professor of Asian
 Business
INSEAD,
France

GUESTS :**Mr. Philip Chen**

Director and Chief Operating
 Officer,
Cathay Pacific Airways,
Hong Kong

Mr. Ji-Suk Choo

Vice-Chairman,
Hyosung Corporation,
Korea

Professor Hotaka Katahira

Professor of Marketing Science,
University of Tokyo,
Tokyo

The questions posed here have large ramifications for the conduct of business across the cultures and economies of the region.

The Asian values debate is not about cronyism, or Confucius producing harder entrepreneurs, or asceticism. It is about the fundamental reasons for the conducting of economic behavior. Why does the firm exist? Does it exist, as in Japan, primarily to employ people; or as in Korea, primarily to build an economy with the government; or, as for the Chinese, to secure the future prosperity of a family? Or are these philosophical positions to be given up in favor of a societal subgroup called shareholders, even though that proposition is accompanied by all sorts of appealing and reasonable rhetoric about efficiency, democracy, openness and participation? The debate, not surprisingly, remains running, and, as some would propose, will never conclude.

Questions which arise for senior executives in companies which operate across these business systems are represented in these questions:

- How as a leader in your corporation are you going to think about meeting these differences in the managing of alliances, of competition and of people?
- How should you organize international operations to recognize the cultures and values reflected in other forms of capitalism—particularly those in East Asia—when dealing with customers, employees, suppliers, and the communities where they do business?
- In a world that “will never be the same after September the 11th”, which forms of capitalism are most likely to have advantages in a higher risk and uncertain world?

TAIKO

GUESTS:**Mr. Matthew Richards**

Coordinator of International
Relations,
Yasu Municipal Office,
Yasu

**Omi Mukade Taiko
Preservation Society**

Yasu

In a culture famous for its refined manners and sophisticated art forms—the tea ceremony, flower arrangement, and Noh theater—it is startling to learn firsthand that there is also a robust and boisterous side to Japanese culture. The pounding beat of Taiko drums in rural festivals throughout Japan reveal a glimpse of the power and energy that underlies the surface restraint.

Taiko drums were “messengers to the gods” in mountain villages that used them for centuries to summon Shinto spirits to annual festivals. The boundaries of a village were determined by the furthest distance from which the sound of these mighty drums could be heard. Farmers and foresters from fields and mountain tops were called home at day’s end by the sound of the drums. The sounds they produce and the vigor with which they are played are said to awaken the most ancient of human instincts—the beat of life itself.

Taiko players from Yasu, a small rice-farming district in the countryside not far from Kyoto “call out the gods” to watch over the participants of The International Forum as they experience Kyoto.

THE HIDEAWAY OF THE ARISTOCRATS

Shishigatani Villa

From its hillside perch on the edge of the Higashiyama Mountains, Shishigatani Sanso is a romantic Japanese setting for dinner. Shishigatani means, "Valley of the Deer", an area which was once a favorite haunt of aristocrats, warriors, and priests seeking retreat in one of Kyoto's best kept and most exclusive new hideaways. Sanso means villa, and with a breathtaking view of the city from its upper balcony, the architecture reflects the scale and rustic style of the gentleman farmer in a mountain village.

The relaxed atmosphere and folk decor pay homage to the renewed interest among young Japanese in discovering the diverse ethnic roots of Japanese culture: antique crafts, folk textiles and ceramics from Thailand, China, Korea and the Philippines. The building itself was saved from destruction, moved here from the countryside and reconstructed on this hillside, as a restaurant that retains many of the elements of rural living, while it provides an elegant setting for the inventively presented buffet sampler of Japanese and Asian style cuisine. Fine locally brewed barrel sake awaits the thirsty traveler at the top of the stairs.

*Picnic of the Household Dieties*

CHINA IN JAPAN

LEADER :

Mr. Michael O. Alexander
Chairman,
The International Forum

This morning participants set out early for Heian Shrine, one of Kyoto's most popular Shinto sites. Heian Shrine is a replica of the original Imperial palace of Kyoto, and entering its walled precincts is like stepping into the courtyard of the Tang Dynasty Chinese palace after which it was modeled. Built in 1894, the shrine commemorates the 1100th anniversary of the founding of city and is dedicated to the deified souls of the first and last of the Japanese emperors to reside in Kyoto enshrined here.

The city of Kyoto itself was patterned after the design of Chang An, the capital of Tang Dynasty China. The characteristic Chinese grid pattern of streets is still apparent in the city of Kyoto today. From the time the Japanese first encountered Chinese culture, they recognized it as the height of cultural achievement and strove to emulate it. By the eighth century when Kyoto was built, Japan had imported Chinese culture nearly wholesale, incorporating it into their own culture, where it was molded to fit Japanese needs.

The Japanese had no written language when they first encountered the Chinese earlier in the sixth century. They adopted the written Chinese language, and with it came the whole body of Chinese knowledge - political structure, religion, literature and art. Chinese written language can still be read and understood by people in many other Asian countries, like Korea and Japan, though their spoken languages are completely different. Many fine examples of Chinese architecture and other art forms are preserved in Japan today and elsewhere in Asia in countries that have kept such transmitted culture alive.

This morning's walk and discussion set the scene for understanding the strength of China's influence throughout Asia from centuries past and examines aspects of Chinese life and thought that still pervade the entire region.



JAPAN, CHINA, AND THE FUTURE OF THE EAST ASIAN REGION

LEADERS :**Mr. Michael Alexander**

Chairman,
The International Forum

Dr. Gordon Redding

Director,
The International Forum;
Senior Affiliate Professor of Asian
Business,
INSEAD,
France

GUESTS :**Dr. James Abegglen**

Director,
The International Forum,
Chairman,
Asia Advisory Service K.K.
Tokyo

Mr. Philip S. Carmichael

President, Asia Pacific
Lexmark International,
Tokyo

Mr. Philip Chen

Director and Chief Operation
Officer,
Cathay Pacific Airways,
Hong Kong

Mr. Ji-Suk Choo

Vice-Chairman,
Hyosung Corporation,
Korea

**GUESTS CONTINUED ON NEXT
PAGE**

China

If China were a train, we would admire its speed of travel and worry about control. China has continued to build momentum in its undertaking to reform its economy, and it has come a long way since Deng Xiaoping launched the efforts in the late 1970s.

Still, China is a country whose intrinsic caution, patience, and conservatism gave rise to such expressions as “The journey of a thousand li begins with a single step,” and “we will cross the river by feeling the stones.”

China is sprinting into its Olympic century, and it could not be more radically different from the tradition of “feeling the stones.” Just the infrastructure investment planned for the city of Beijing in preparation for 2008 is expected to top US\$32 billion. In the next five years there are also plans to continue construction on the world’s largest dam, build the world’s longest high altitude railroad from Qinghai to Tibet, build one of the world’s fastest trains from Beijing to Shanghai, and continue investment in highways, water treatment, environmental recovery and protection projects, and power projects.

China’s reform was launched with a series of dramatic regulatory changes. In China’s socialist market economy, the State continues to emphasize through policy and regulation major direct administrative control of major economic activities. Regulatory reform is a major force of change.

But other forces are driving change in China. In addition to regulatory reform, the state-owned enterprises themselves are facing up to commercial and market realities, and they are undertaking major changes. China’s imminent accession to the WTO has impacted the behavior of foreign investors and domestic enterprises, and finally technology change is a force of major consequence in China’s evolving business environment.

Chinese companies and Chinese consumers have a new sense of confidence now that has not been encountered in the region in recent history. Chinese enterprises seek foreign partners now in order to represent them in the complex Chinese domestic market. Companies like Alcatel have selected China to be one of its few

JAPAN, CHINA, AND THE FUTURE OF THE EAST ASIAN REGION

Mr. Bill Cook

Managing Director of
Administration,
Shin Caterpillar Mitsubishi,
Tokyo

Mr. Samuel Koo

Director, UNICEF Japan,
UNICEF,
Tokyo

worldwide research and development centers instead of joint venturing to transfer technology know-how to a local partner. Where ideas and know-how were almost exclusively flowing into China several years ago - innovation, ideas and know-how are coming out of China now in the form of products, services and competitive processes. Of increasing concern in Japanese companies is real competition from China in manufacturing and technological know-how.

While China's economic reform is impressive, it does have social and cultural challenges brewing that may ultimately explode. While coastal cities enjoy tremendous prosperity and growth, over 50% of China's population is still found in rural and undeveloped areas, where living standards and chances for improved livelihood are dismal.

Among the questions to consider regarding China, Japan and the region are the following:

- How will China's political and military posture evolve in the region if it meets more challenges to its "one China" policy?
- How will China behave in the region if it is unable to solve its own problems of demand for natural resources as well as the potential threat of social unrest and instability? Will it look for scapegoats outside China?
- What role will other countries play in the future relationship of these two powers?
- In assessing a strategy for the region - What approach should the global company take to China?

Japan and China

Japan's heritage is in China. From the time the Japanese first encountered Chinese culture, they recognized it as the height of cultural achievement and strove to emulate it. However, Japan's more recent history with China is fraught with difficulties. The 20th century left negative feelings in the minds of many Chinese and Koreans which may take time to heal despite the enthusiastic interest by Japan's companies and their investments in China.

What is the future of Japan's relationship with China - psychological, political and in business? The recognition by an increasing

JAPAN, CHINA, AND THE FUTURE OF THE EAST ASIAN REGION

number of Japanese firms of the potential of China as a source of production and of R&D, because of China's growing technically trained workforce, indicates a powerful trend for the future. What shape will this relationship take and how fast is it likely to develop? What will be the implications for Japan's economy, the international competitiveness of Japanese companies, and in what ways will it help China in its development?

East and South East Asia

Just a few years ago Southeast Asia was rocked by a financial crisis. Some Southeast Asians bitterly criticized western financiers for engineering to undermine the Asia success story and to "put Asia back in its place." Against such a backdrop of backlash, those considering potential business opportunities in the region have proceeded cautiously on both political and financial grounds. Looking forward, two central questions are: What has changed in East and Southeast Asia and what still needs to change?

To many global observers, the region most likely to surprise markets, investment and trade patterns and other well-laid plans is East and Southeast Asia.

- On the Korean peninsula, North and South Korea show some signs of moderating tension and an opening of commercial exchange; but with the world's greatest focused firepower still concentrated across a narrow demilitarized zone.
- On the Taiwan Strait, China and Taiwan have expanded their trade and investment (\$46 billion committed, over \$30 billion USD Taiwan investment on the China mainland). At the same time Beijing continues to build its missile and other military capabilities, and Taipei seeks to upgrade its defensive capabilities possibly including theater missile defense.
- On the sub-continent, India and Pakistan both have proven nuclear capabilities and burgeoning missile defense systems while they seek economic growth and development through new outreach to the global business community.
- Southeast Asia, while stabilizing after the Asia financial crisis, still begs the question whether reform has been sufficient to support long term recovery or whether there is now recovery without reform.
- In Indonesia, with over 200 million largely Islamic people, the tensions arising from the war against terrorism are still working

JAPAN, CHINA, AND THE FUTURE OF THE EAST ASIAN REGION

their way out and are not at all resolved. These are added to the longstanding tensions, which flow from the very visible success of the ethnic Chinese Indonesians. The history of Islam in East Asia is relevant as it was the Islamic traders from the Middle East who brought the delicacies and essentials for good living to Europe - and who later forced the Europeans, at the end of the 15th century, to explore a route around the cape of southern Africa to get their own direct access to the spice islands.

- Will the Islamic population in South East Asia be able to resist the calls of extremists to wage holy wars against America or other “enemies”? What are the underlying reasons for such demonstrations that occurred when 3,000 Malay muslims confronted the US Embassy in Kuala Lumpur in October this year? Was it only in opposition to the attack on Afganistan? Was it to object to the forces of globalization? Or was it because of fear, incomprehension and rage against the situation in which they find themselves?
- In China, the emerging predominance of the private sector, as the state sector declines, together with the stimulus of WTO, is making China the new “workshop of the world” for consumer goods, and the impact of this new competition on the region is still not fully felt.

In Thailand, Singapore and elsewhere in Southeast Asia, issues of this nature emerge in policy challenges, which remain unresolved:

- Have financial systems been recapitalized adequately and are they sufficiently transparent?
- How much will recession in the US and Europe hurt the slow recovery which Asia had been achieving before Sept 11?
- Is Beijing’s positioning of its currency, the renminbi, to trade within an expanded bandwidth, setting a stage for a de facto devaluation? If this happens, will it set off a new round of competitive regional devaluations, such as many feared following the outbreak of East Asia’s financial crisis?

Questions for Global Companies

What is happening in East Asia is still unpredictable, but Asians want to get out from under the direction of Europeans and Americans. East Asia is a very large region and its people are very diverse. It is unlikely that there will be a unified or common direction for all of East Asia to go. There are fundamental differences in perspectives and assumptions about human behavior, business objectives, society and even the ultimate purpose of life that Americans and Europeans take for granted. In such an

**JAPAN, CHINA, AND THE FUTURE OF THE EAST
ASIAN REGION**

atmosphere of uncertainty, how do companies approach the opportunities and risks of doing business in Southeast Asia today?

What are the important conflicts and issues - business and societal - across East Asia today? What is the process to resolve them? How are they fundamentally different from an American or European perspective?

How do multinational companies develop an infrastructure and strategy for such a diverse region with so many conflicting and sometimes fundamentally different views?

How do western executives working in East Asia learn to be effective in this region? What can they learn that will make them better leaders in other parts of the world?

Do the strategies differ greatly among those companies from Europe, Japan and North America? What evidence do they see that real and long-lasting change has taken place in Southeast Asia?

In what areas do they see the need for more change and reform in the future? How do they view the potential of Korea and North Asia? How does China figure in their global thinking?

LUNCH 12:00 P.M.

Miyako Hotel

 JAPAN'S HERITAGE FROM CHINA

LEADER :

Mr. Marc P. Keane
Landscape Architect,
Kyoto

Understanding Japan and its Ways Through its Landscape, Gardens and Other Spaces

From ancient China and Korea, along with a system of writing and the teachings of Buddha, there came to Japan in the 6th and 7th centuries a tradition of creating garden spaces that represented the mountain abodes of the immortals of Taoism, a philosophy that preached total harmony with the world around us. The gardens of Kyoto demonstrate this Eastern view of man's role as part, rather than master, of nature.

A distinctively Japanese style arose later on, however, when the aristocrats of the Heian period (794-1185), Kyoto's Golden Age, began to create gardens which combined a sense of native Wanderlust from the age of hunter-gatherers with a sense of "enclosure" that developed with the introduction of wet-rice farming culture. Mountains, rivers and the sea (all of which were within easy reach for the populace of this island country) were expressed in miniature so that from the comfort of the veranda an aristocrat could purvey his territory, elements of wilderness and control were held in a delicate, harmonic tension.

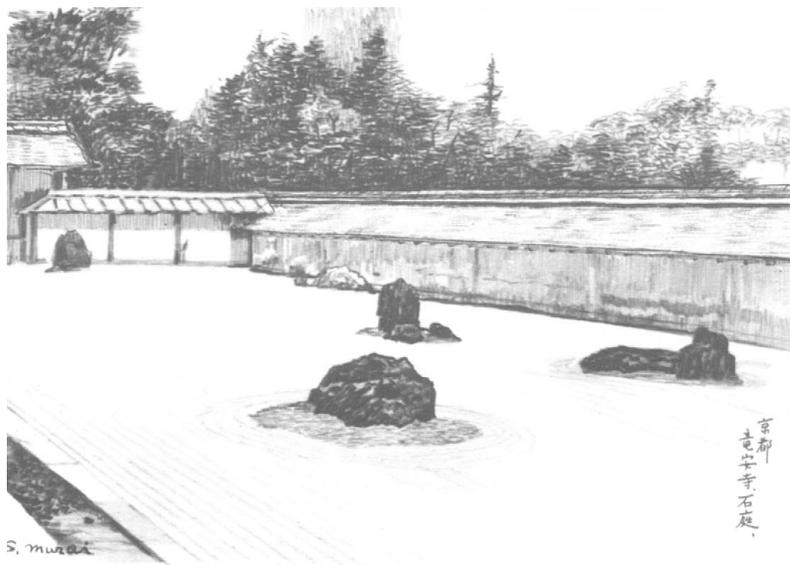
Within the Japanese landscape garden are clues to the cultural identity of the Japanese people. Cultural symbols, such as the presence of walls and gates, abound. One is continuously aware of being either on the "inside" or "outside" of a garden space. There is a certain abstract, almost ritualized quality about places of entry that seems to suggest that these designs may be grounded in something more than security or aesthetics. These enclosures seem like nothing so much as the physical embodiment of the social and psychological walls that are a part of Japanese society.

The torii at the entrance to a Shinto shrine is the very essence of a gate. It is after all not a gate, but a porthole - a threshold that separates the sacred area of the shrine from the world outside. The tea garden (or roji) is also designed to be a place of ritualized entry - it is not actually intended to be a garden at all, but a spiritually purifying passageway to ease the transition from the bustle of everyday life to the rustic simplicity and tranquility of the tea room. The garden gate to a private city residence is actually the first point of entry to the house itself, bringing a touch of nature and the four seasons into a crowded urban environment. The torii, the roji and the residential entryway - each provides a stage to enact a social

JAPAN'S HERITAGE FROM CHINA

ritual of entry. They are not like subway turnstiles, refusing entrance to those without a ticket or forcing a way of behavior on the user. Rather, they provide a physical reinforcement for emotions and customs that exist within those who enter and use the space.

- What do the landscapes, gardens and street spaces tell us about the Japanese use of form, creativity and spirit?
- What insights do they provide on the ways of communication in Japan?
- What do we learn about the effective use of space and other resources?



CONCLUSION OF THE FORUM

KYOTO - Its Treasures of History

Those participants who wish to visit some of the famous places in Kyoto will have the option of doing this for the remainder of the afternoon. A list of suggested places to visit in the city will be available with guides if desired.

PARTICIPANTS OF THE WHARTON
INTERNATIONAL FORUM IN EAST ASIA

Ms. Sonia A. Baxendale

Executive Vice President, Global Private Banking and Investment Management Services, *CIBC, Canada*

Mr. Jacques Bertrand

President, Barco Japan, *Barco, Japan*

Mr. Lars Bjerrek

Managing Director, *SEB Private Bank S.A., Luxembourg*

Mr. Gary Butler

Vice President, Europe and Asia, *Verizon Communications, United States*

Ms. Christine Croucher

Executive Vice President, Card Products and Collections, Retail and Small Business Lending,
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President, *Peter Cundill and Associates (Bermuda) Ltd., Canada*

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Mr. Edward R. (Jerry) Hall

Group Vice President, Operations, *Parker-Hannifin Corporation, United States*

Mr. Takashi Hayashi

Director, *Tokyo Electric Power Company, Inc., Japan*

Mr. Ken Ito

Corporate Vice President, General Manager, Document Systems and Service Development, *Fuji Xerox Co., Ltd., Japan*

Dr. Hariolf Kottman

Member of the Executive Committee, *SGL Carbon, Germany*

Dr. Amy Lam

General Manager, Asia Pacific, *Lexmark International, Japan*

Mr. James Lee

Vice President, Global Marketing, *Pfizer Animal Health Group, United States*

Mr. Jan Løkling

President, Business Partner, *Norsk Hydro, Norway*

Mr. Brian Shaw

Vice Chairman, Managing Director, *CIBC World Markets, Canada*

PARTICIPANTS CONTINUED

Mr. Ronald Slaats

Executive Vice President, *De Lage Landen Investment Services, United States*

Dr. Yasushi Sugimoto

General Manager, Financing Group, *Kansai Electric Power Co., Japan*

Mr. Jean-Marc Tilliard

Chief Executive Officer, *Unilever Foods España, S.A., Spain*

Mr. Nicolas Tissot

Senior Vice President, *Suez, France*

Mr. Pim Vervaat

Finance Controller, *Corus Colors, United Kingdom*

Dr. Norbert Wanninger

Head of Global Cash Management, *Deutsche Bank AG, Germany*

Mr. J. David Wertheim

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Participants of the Partner Experience are the spouses of the Participants of the Wharton International Forum in East Asia. They are invited to join many of the sessions of the East Asian Forum as well as specially designed sessions for Partners.

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Senior Executive Officer, Corporate Finance, *Mitsubishi Motors Corporation*; Director, *DaimlerChrysler Japan Holding, Ltd., Tokyo*

Mr. Matthew Richards

Coordinator of International Relations, *Yasu Municipal Office, Yasu*

Mr. Takashi Sawada

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Mr. Hiroshi Tanaka

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The faculty and facilitators of The International Forum are involved throughout the Forum and perform roles as moderators and leaders of sessions, team discussions and projects.

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Ms. Saiko Suzuki

Special Advisor, *The International Forum*

MS. SONIA A. BAXENDALE

Sonia Baxendale is Executive Vice President, Global Private Banking & Investment Management Services, Canadian Imperial Bank of Commerce (CIBC). CIBC is a full service financial institution operating primarily in Canada and the United States, as well as in the West Indies, Europe and Asia. Ms. Baxendale has held various leadership roles since joining the organization in 1992. Prior to her current position she was a Managing Director of CIBC World Markets, within the full service brokerage division. Ms. Baxendale currently chairs the Board of CIBC Securities Inc. and CIBC Trust Corporation as well as being Director of the Board of CIBC Trust Co. Bahamas Ltd., CIBC Bank & Trust Co. Cayman Ltd., CIBC Financial Planning Inc. and CIBC Investor Services Inc. Prior to joining CIBC in 1992 she held various positions with American Express Canada in the Consumer Lending and Gold Card business units. Her background also includes advertising agency experience with Saatchi & Saatchi where she worked on a variety of packaged goods and other retail accounts. Ms. Baxendale was most recently responsible for the development of the strategy and rapid implementation of bank and dealer dual employment for branch-based advisors. She is also responsible for a highly successful mutual fund business including the largest pooled funds program and the largest index fund portfolio in Canada. She was most recently recognized as one of Canada's Top 40 Under 40 for 2000/2001. Ms. Baxendale's education includes a number of industry specific designations as well as an undergraduate degree from the University of Toronto. Ms. Baxendale is married with three children - Cameron 6, Sarah 4 and Andrew 1 fi years.

MR. JACQUES BERTRAND

Jacques Bertrand is the President of Barco Group Japan. He has held this position since the beginning of 2000. Mr. Bertrand began his career at Barco in 1984, in the Creative Systems Department where he was a Product Manager. In 1989, Mr. Bertrand moved to Barco Graphics where he set up Agency Agreements outside of the European Community and North America. In 1993, Mr. Bertrand moved to Singapore where he became the Managing Director of Barco Graphics Asia Pacific. Mr. Bertrand is trained as an Electronic Engineer.

MR. LARS BJERREK

Lars Bjerrek is a Managing Director for SEB Private Bank S.A., Luxembourg. Prior to his current position, he was Deputy Managing Director and in 1999 he was Head of Private Banking for SEB. Mr. Bjerrek was Head of Commercial Banking (corporate department) for Skandinaviska Enskilda Banken Singapore Branch (1997-1998), Head of SEB Division (corporate division) for Skandinaviska Enskilda Banken, Oslo Branch, Norway (1994-1997), and Head of Marketing for Skandinaviska Enskilda Banken, Region West, Sweden (1993-1994). Mr. Bjerrek has held several positions at Skandinaviska Enskilda Banken in Gothenburg, Sweden. From 1991-1993, he was Head of Enskilda Securities, Deputy Head of Asset Management. He was Head of Private Banking (1990-1991), in Corporate Finance (1989), and was an Equity trader (1987-1988). Mr. Bjerrek received a degree in Business Administration Law from the Business School of Economics at Gothenburg University. He is married and has two children.

MR. GARY BUTLER

Gary Butler is Vice President of Europe and Asia for Verizon's International Group, he is responsible for maximizing the performance of the group through the integration of strategic and operational initiatives. Prior to the Bell Atlantic / GTE merger, Mr. Butler was Executive Vice President of Operations for TelecomAsia Corporation, a position he held since 1998. He was responsible for all network operations including design, construction and maintenance for the Bangkok, Thailand telecommunications operator. From 1994 to 1998, Mr. Butler was Vice President of Operations Assurance for Bell Atlantic, he was responsible for Maintenance processes, operating procedures and process control development. He also oversaw the Provisioning and Infrastructure processes at NYNEX and then Bell Atlantic at that merger's close. Mr. Butler joined NYNEX in 1987 and held various leadership positions in the Upstate New York region. In 1991, Mr. Butler became Director of LMDC / E-911 Provisioning, where he was responsible for provisioning support for New York including conversions to E-911. He began his career with Texas Instruments in 1984 as a Manufacturing Manager, responsible for the operations of two production facilities. Mr. Butler is a member of the West Point Society of New York and is a lifetime member of Who's Who of Global Business Leaders. He is also an active member of his community, supporting the Boy Scouts of America and the local Little League. Mr. Butler earned a B.S. from the U.S. Military Academy at West Point, and an M.B.A. from Golden Gate University. He completed numerous executive programs at various institutions including Duke University, Columbia University and the University of Virginia. Mr. Butler served in the U.S. Army from 1979 to 1984 as a Captain-Aviation, Fort Bragg, North Carolina.

MS. CHRISTINE CROUCHER

Christine Croucher is the Executive Vice President, Card Products, Collections, Retail and Small Business Lending for the Canadian Imperial Bank of Commerce (CIBC), one of Canada's largest banks. At CIBC, she has established a highly successful track record by vastly improving all key performance measurements through effective management of the business, the development of partnerships, and through international acquisitions. Ms. Croucher strategic vision and strong leadership have created a performance culture that is widening CIBC's dominant position in the Canadian credit card industry. Prior to joining CIBC, Ms. Croucher was Vice President, Credit and Finance, Canadian Tire Acceptance Limited, a leader in the field of high risk credit management and a subsidiary of Canadian Tire Corporation Limited, Canada's leading hard goods retailer. Ms. Croucher has also held various progressive management positions within BDH Inc., Hershey Canada, and Xerox Canada. Ms. Croucher graduated from McMaster University with a B.A. in Economics (1978) and from York University with an MBA (1982). She is also a member of the Certified General Accountants Association. Ms. Croucher is an avid trekker and enjoys running. Her most memorable treks include Kilimanjaro in Africa and the lost city of Machu Picchu in Peru, and she one day hopes to climb Aconcagua. As well as being a member of the board of directors for Visa Canada, Visa International, Advantex Marketing, and ACXSYS, Christine is also an active member of the board for the Women's College Hospital Foundation.

MR. PETER CUNDILL

Peter Cundill is President of Peter Cundill & Associates (Bermuda) Ltd. In addition, he is President of Cundill International Company, Ltd. and Cundill Yen Fund Ltd., Bermuda-registered off-shore mutual funds, and he is a Governor and Former President of Cundill Value Fund, a Canadian mutual fund. Mr. Cundill also provides investment advisory and other services to these and other clients through Peter Cundill & Associates (Bermuda) Ltd., Cundill Investment Research Ltd., Vancouver, British Columbia, and Peter Cundill & Associates, Inc., Santa Barbara, California. He is a member of the board of trustees of The Aspen Institute. Mr. Cundill's career in investment management stretches back more than thirty years. Mr. Cundill is a member of the Association of Investment Management and Research (AIMR), the Institute of Chartered Accountants of British Columbia, and The Canadian Institute of Chartered Business Valuators. His club memberships include the Albany Club of Toronto, Hillside Tennis Club, Montreal, The Metropolitan Club, New York, The Vancouver Club and the Vancouver Lawn Tennis & Badminton Club. Mr. Cundill graduated from Lower Canada College in 1956 and McGill University (B. Comm.) in 1960. In 1963, he became a Chartered Accountant and in 1968, he was certified as a Chartered Financial Analyst. His home base is in London where he has been residing for the past seventeen years.

MR. BERNARD DELOMÉNIÉ

Bernard Deloménié is Partner at PricewaterhouseCoopers for Africa and The Middle East(excluding South Africa). In this position, Mr. Deloménié is responsible for all activities of the company in the Hospitality and Leisure Industry for Europe, the Middle East and Africa. Mr. Deloménié has been with PricewaterhouseCoopers for 25 years holding a variety of positions. From 1976-1989, he developed and managed a network of offices of the former Coopers and Lybrand in Francophone, Africa. During that time he was able to establish offices in Morocco, Senegal, Guinea, Cameroon, Gabon, Central Africa, and Congo. From 1989-1992, Mr. Deloménié served as Partner in charge of all activities of Coopers and Lybrand in Francophone Africa, Indochina, and the Indian Ocean. From 1998-2000, Mr. Deloménié served as a Member of the Executive Committee of PricewaterhouseCoopers Central and Eastern Europe. He was specifically in charge of Corporate Finance Activities, and the Service Industries. Mr. Deloménié is a Chartered Accountant, MBA, and Statutory Auditor. He has completed training at The Harvard School of Business Administration in Leadership and Professional Services Firms, and is an E-business graduate from Darden University Virginia. Mr. Deloménié is also a member of the International Society of Hospitality Consultants, and an Advisor for The French Government for Foreign Affairs.

MR. EDWARD R. HALL

Edward R. (Jerry) Hall is Vice-President, Operations for the Hydraulics Group of Parker Hannifin Corporation. Previous to this position, Mr. Hall was the President of the Latin Group of Parker Hannifin. Previously, he was the Vice-President, Operations in the Hydraulic Group for Parker Hannifin Europe. In 1994, he was named President of this division. Mr. Hall joined Parker Hannifin in 1978 and has severed in management positions with the Filter, Pump and Hydraulic Valve Divisions. Mr. Hall is a graduate of LeTourneau College, in Longview, Texas, where he received a Bachelor of Science Degree in Industrial Engineering.

MR. TAKASHI HAYASHI

Takashi Hayashi is General Manager of the Engineering Department and Director of The Tokyo Electric Power Company, Inc. After joining TEPCO in 1967, Mr. Hayashi has mainly concentrated on bulk power system development, especially on the Metropolitan bulk power system projects. Mr. Hayashi is responsible for the overall facility planning of TEPCO's power system, including the planning of power source developments and bulk transmission systems. He also, supervises the Wheeling Service Center, where he is responsible for the retail wheeling contracts and the planning of the connection facilities to the suppliers. Mr. Hayashi has held a variety of positions since he has been at TEPCO he was General Manager for Planning for the Engineering Department (1998-2000), General Manager at the Kyoto Sales Office (1995-1998), Deputy General Manager for the Engineering and Corporate Planning Department (1993-1995), Deputy General Manager for the Engineering Department (1989-1993), Manager of the Power System Planning Department and the Engineering Department (1985-1989), Manager of UHV Engineering for the Engineering Department (1983-1985), Deputy Manager for the Power System Planning Department and the Engineering Department (1979-1983), Deputy Manager for the Planning Department at the Numazu Branch Office (1978-1979), he worked in the Power System Planning Department and the Engineering Department (1971-1978), he worked in the Planning Department at the Kanagawa Branch Office (1971), and he worked in the Transmission Department at the Kanagawa Branch Office (1967-1971). Mr. Hayashi received a B.A. in Electrical Engineering from The University of Tokyo.

MR. KEN ITO

Ken Ito is Corporate Vice President and General Manager of the Document Systems & Service Development Unit and Document Products Company at Fuji Xerox Co; Ltd. He is responsible for technology and product development of image processing, network services and document management software. Mr. Ito joined Fuji Xerox in 1971, and he first worked on the development of compression algorithms of facsimile transmission and the radio facsimile system for the South Pole Exploring Ship of Japan. After spending two years abroad, Mr. Ito returned in 1976 to join the team responsible for the development of the high speed facsimile. From 1977-94, Mr. Ito worked on the development of the Japanese Document System, Japanese typing, word processing, and printing. During this period, he also worked on the development of LAN- based document systems including filing, printing, communication, mailing, etc. In 1994, Mr. Ito became Director, then Senior Managing Director of Fuji Xerox Information Systems Co; Ltd. Mr. Ito received his B.S. in Control Engineering at the School of Engineering from the Tokyo Institute of Technology in 1971. In 1975, he obtained his M.S. in System Science at the Graduate School of Engineering at the University of California, Los Angeles and in 1976, he was a special graduate student in Electrical Engineering at the Graduate School of Engineering at the Massachusetts Institute of Technology.

DR. HARIOLF KOTTMAN

Hariolf Kottmann is a Member of the Executive Committee SGL Carbon AG. Dr. Kottmann began his career in the Central Research Department of Hoechst AG. Dr. Kottmann continued at Hoechst AG first as ahead of Organic Synthesis Laboratory and Head of Flourorganic Chemistry Group. In 1991, Dr. Kottmann moved over to the Chemicals Division of Hoechst AG, in this division he began as the Assistant Plant Manager in the acetic acid and acetic anhydride plant. He then moved into a role as the Head of Research and Development for SBU. In 1992, Dr. Kottmann moved to the Corporate Staff Department where he became the Head of Coordination Devisions, Central Service Department, Sites, and German Affiliates. In 1994, Dr. Kottmann moved into the Specialty Chemicals Division, first as the Head of Production Höchst South, then as the Hed of Production and Engineering. In May of 1996, Dr. Kottmann became a Member of the Executive Committee, Deputy Division Head, Vice President and General Manger, anf Head SBU Inorganic Chemicals. In 1997, Dr. Kottmann worked as a Member of the Executive Committee, Vice President and General Manager, Head of SBU Oxoproducts and Amines, Head of SBU Inorganic Chemicals and Managing Director of Celanese GmbH, all for Hoechst AG and Celanese. Dr. Kottmann became Executive Vice President, President of Chemical Intermediaries of Europe and Asia for Hoechst AG/Celanese Ltd. in July of 1998. Inn 1999, Dr. Kottmann worked for Celanese Ltd. as the Executive Vice President and President of Chemical Intermediaries. In 2000, he became President of Acetyls and Chief Technical Officer at Celanese AG. Dr. Kottmann received a degree at the University of Stuttgart in Chemistry and Biochemistry. Dr. Kottmann also received his PhD in Organic Chemistry from University of Stuttgart. Prior to entering the industry, Dr. Kottmann was an Assistant Lecturer for the Institute for Organic Chemistry, Biochemistry, and Isotope Research at The University of Stuttgart. Dr. Kottmann is married with a son.

DR. AMY LAM

Amy Lam is the General Manager, Pacific Marketing for Lexmark International Inc. Dr. Lam began her career as the Higher Department Officer for the Department of Special Techniques at The Laboratory of the Government Chemist in London. She held this position until 1987, when she moved to Shell Research Ltd., where she was the Team Leader of Modeling Techniques. From 1992-1994, Dr. Lam was the Business Process Auditor for Shell International Petroleum Co. Ltd. In 1994, Dr. Lam took the position of Trading Risks Business Manager for Exchange Clearing House Ltd. In 1995, Dr. Lam moved to Perkin-Elmer HK Ltd., in Hong Kong to become the Product Manager for Greater China. In 1996, she became Regional Manager, Greater China for General Electric-Plastics (silicones). Dr. Lam continued with General Electric Plastics as the New Ventures Business Manager in 1998. In 1999, she became General Manager, Pacific Supply Chain for General Electric-Toshiba (GETOS). Dr. Lam holds a Bachelors of Science degree in Chemistry from Newcastle University. In 1985, Dr. Lam completed her Ph.D in Spectroscopic Techniques. Dr. Lam is holder of the United Kingdom Johnson Book Prize, a holder of the Ridley Fellowship, and is a Member of the Chartered Institute of Management Accountant. She can speak Mandarin and Cantonese and has a working knowledge of Japanese.

MR. JAMES LEE

James Lee is the Vice President, of Global Marketing for Pfizer's Animal Health Group. Mr. Lee began his career at Pfizer in 1982 as a Product Analyst in the Marketing Research Pharmaceuticals division. He held this position until 1984 when he became a Senior Product Analyst in the same department. From 1985 to 1994, Mr. Lee held the following positions in the Marketing Roerig Department: Assistant Product Manager (Cefobid), Product Manager (Navane, Sinequan), Senior Product Manager (Diflucan), Group Product Manager (Zoloft, Navane, Sinequan). In 1995 Mr. Lee became Director, Team Leader in the Central Nervous System Group of the United States Pharmaceuticals Division. He moved on to become Worldwide Director and Group Leader of the Central Nervous System Group of Pfizer Pharmaceuticals Division in 1998. Mr. Lee earned a Bachelors of Science Degree in Management from State University of New York at Buffalo and an MBA in Marketing from New York University, Stern School of Business. Mr. Lee is also involved in many business and outside activities. He is on the Corporate Advisory Council of American Psychiatric Association, the Board of Directors of the New York City and a member of the National Business Advisory Council of the American Foundation for Suicide Prevention, on the Board of Trustees for the Postgraduate Center for Mental Health, and the Business Advisory Board of the National Alliance for the Mentally Ill.

MR. JAN LØKLING

Jan Løkling is the President of Business Partner for Norsk Hydro. Prior to his current position from 1995-2000, Mr. Løkling was Senior Vice President of Norsk Hydro Porsgrunn. From 1991-1995 he was Vice President of Norsk Hydro Rjukan. After that position from 1985-1988 he was Organizational Manager, Corporate Human Resources at Norsk Hydro. From 1982-1985 he was Manager of Office Administration. From 1971-1982 he was Systems Developer for Norsk Hydro Data. He received a Engineer, EDP from Bergen College of Engineering.

MR. BRIAN SHAW

Brian Shaw is the Vice Chairman, Managing Director and Head of Global Equities and Commodity Products for CIBC World Markets. Mr. Shaw joined Wood Gundy in 1985 and held a series of management positions in Institutional Equities before being appointed head of the division in 1997. He was appointed to Vice President in 1989 and a Director in 1992. In 2001, the US Equities Division (formerly Oppenheimer) was merged with Institutional Equities under Mr. Shaw's leadership. He was also employed in an investment capacity with a Canadian Chartered Bank. Mr. Shaw is a Chartered Financial Analyst and a member of the Toronto Society of Financial Analysts. He is also a Trader in Residence, Business Faculty at McMaster University and a Member of the Investment Dealers Association. He holds a Masters Degree in Business Administration and an undergraduate degree in Commerce from the University of Alberta.

MR. RONALD SLAATS

Ronald Slaats is Executive Vice President - Commercial Business Units for De Lage Landen Financial Services, Berwyn, PA, a leading international provider of high-quality asset finance products with a leasing portfolio of more than \$3.0 billion. He reports directly to the Chief Executive Officer of the company and is a member of the Executive Team. From 1998 to 1999, Mr. Slaats served as Chief Executive Officer of De Lage Landen Finance, Inc. in New York City. In this position, he expanded the company's European base, establishing a leasing volume of \$130 million in the U.S. within one year. Prior to that time, Mr. Slaats served as Managing Director of De Lage Landen Leasing GmbH in Dusseldorf, Germany, and earlier, as Commercial Director of De Lage Landen Factors S.P.A. in Turin, Italy. Mr. Slaats is a 1986 graduate of Catholic University, Faculty of Law, with a degree in Dutch Private Law. He is fluent in Dutch, English, German, French and Italian.

MR. YASUSHI SUGIMOTO

Yasushi Sugimoto is the General Manager of the Financing Group of the head office at Kansai Electric Power Co. Inc. Mr. Sugimoto started his career at Kansai Electric Power Co. Inc. in 1978 and has held a variety of positions. He was Deputy General Manager of the General Affairs Department of the head office (1999), Manager of the General Affairs Section of the Tokyo Branch Office (1997), Manager of the Budget Section of the head office (1996), Representative of the New York Office (1992), Assistant Manager of the Financing Section of the head office, Assistant Manager of the Accounting Section of the Himeji branch office (1987), Financing Section of the head office (1985), Legal Department of the head office (1983), Accounting Section of the Wakayama branch office (1981), Financing Section of the head office in Osa (1980) Kujyo Sales Office in Osaka (1968). Mr. Sugimoto received a Bachelor of Laws degree from Osaka University.

MR. JEAN-MARC TILLIARD

Jean-Marc Tilliard is the Chief Executive Officer of the Ice cream and Frozen Foods Division of Unilever Foods Spain. Prior to working in Spain, Mr. Tilliard was the Chairman of Operations in Turkey and Portugal for Unilever. He joined Unilever in 1974 and had several assignments beginning in the Sales and Marketing of food and moving into the Ice Cream and Frozen Foods organization. Mr. Tilliard studied Economics and Politics in the French University. His other interests include enjoying the "fantastic" Spanish food, skiing, motorcycling, and reading. Mr. Tilliard is married with two children, a boy of 21 and a girl of 16.

MR. NICOLAS TISSOT

Nicolas Tissot is a Senior Vice President in charge of the Suez Group Financial Planning and Control. He joined the company in 1999 and has managed the business control corporate team since June 2000. Prior to his current position he served at the French Ministry of Economy, Finance and Industry within the General Inspection of Finances, which is the senior audit and consulting body of the Ministry. Mr. Tissot has taught at a variety of institutions including Ecole Nationale d' Administration, HEC School of Management and Paris Institute of Political Science. He organized a series of public conferences about the ethics of globalization seen through the eyes of both businessmen and religious leaders. Mr. Tissot is an Inspecteur des Finances and holds a public administration higher degree from Ecole Nationale d' Administration and an M.B.A. from Ecole des Hautes Etudes Commerciales. He is married and has two children.

MR. PIM VERVAAT

Pim Vervaat is Finance Controller for Corus Colors, a business unit within the Corus Group. Corus Group is one of the world leaders within the metals industry and was formed in October 1999 when British Steel (UK) and Koninklijke Hoogovens (Netherlands) merged. Corus Colors supplies galvanised and painted steel to construction and consumer product sectors. Colors is a multi-site organization with plants in the United Kingdom (5), the Netherlands, France and Turkey. Head office is based in the UK. As member of the business management team, Mr. Vervaat is responsible for all the financial and IT activities of the business unit. He also serves as a member on the supervisory board of Yasan (Turkey), in which Corus holds a majority share. Prior to the merger Mr. Vervaat was controller of the business unit Hoogovens Packaging Steel, where he was member of the management team and responsible for all the financial and IT activities. Main operations were in the Netherlands with subsidiaries in Norway and Belgium. In this period he was member of the supervisory board of HPS Norway. From 1996-1998, Mr. Vervaat was finance director for Lips Group, world leader in ship propulsion systems. Lips was an independent company with its main operations in the Netherlands and sales offices in Europe, USA and Asia. During this period he served as a member on the supervisory boards of joint-venture companies in France, Italy and Greece. Mr. Vervaat was controller for the business unit Hoogovens Aluminium Distribution from 1993-1996, again responsible for all finance and IT activities. An international multi-site organizations of service enters and sales offices (head office based in Belgium), the business unit was responsible for the worldwide sales and distribution of aluminium products. Prior to this position, Mr. Vervaat worked for three years as an assistant controller at Hoogovens Aluminium Voerde, an aluminum smelter based in Germany. From 1987-1990 he worked in the central controlling department at the head office of Hoogovens Groep, based in the Netherlands. Mr. Vervaat holds a bachelors' degree in business administration (1987), graduated from the Erasmus Universiteit Rotterdam in Business Economics (1990) and received a postgraduate degree in Business Economics from the Rijksuniversiteit Limburg (1993). Pim is a Dutch citizen and is married with three children - Jasper (12), Fabienne (11) and Annelot (8).

DR. NORBERT WANNINGER

Norbert Wanninger is the Head of Global Cash Management at Deutsche Bank AG, the headquarters of Deutsche Bank. Dr. Wanninger joined Deutsche Bank as a management trainee in 1983. Apart from a short stint in Germany in 1991/1992 he has spent the majority of his career in Asia. In 1992, he became General Manager of Deutsche Bank in Hong Kong and General Manager of its Singapore Branch in 1995. Dr. Wanninger received a degree in Business Administration from the University of Munich. He is married and has two children.

MR. J. DAVID WERTHEIM

David Wertheim is Chief Executive and Deputy Chairman of Brunner Mond Group plc, a leading manufacturer and supplier of alkaline chemicals headquartered in the UK with operations in the UK, The Netherlands, Kenya, and South Africa. Brunner Mond was a leveraged buyout from ICI plc in 1991 and after listing on the London Stock Exchange in 1996 was taken private again in 1998. Mr. Wertheim is active in the business community of the North West (NW) Region of the UK as a member of the NW Business Leadership Team, the Bank of England NW Regional Economic Panel, the NW Regional Council of the Confederation of British Industry, and the Steering Committee for the NW Chemical Initiative. Mr. Wertheim is also a non-executive Director of the Prospect Street International Fund PCC Ltd., a high yield debt fund based in Guernsey. After completing his studies at the University of Pennsylvania in 1974, Mr. Wertheim worked for Sandoz Ltd. (now Novartis Ltd.) and Allied Signal Inc. (now Honeywell Inc.) primarily in the US in a range of progressively senior management positions. In 1986, he set up his own business, Commonwealth Investment Company Inc., to pursue leveraged buyouts in the chemical industry, completing the first in Australia-Penrice Ltd., in 1989. This company, (also an alkaline chemical producer) was sold in 1996. Mr. Wertheim holds Master's degrees in Natural Sciences (Biochemistry) from the University of Cambridge and in Business Administration (Wharton School) and International Finance & Economics from the University of Pennsylvania.

DR. JAMES C. ABEGGLEN

James C. Abegglen is Chairman of Asia Advisory Service K.K. He is an authority on Japanese industrial organization, author of ten books, including the pioneering work *The Japanese Factory* (1958) and the best-selling, *Kaisha: The Japanese Corporation* (1985). His most recent book is *Sea Change: Pacific Asia as the New World Industrial Center*. Dr. Abegglen has worked as a management consultant for more than thirty-five years, in the United States, Europe and Asia. He was a founding officer of The Boston Consulting Group, later establishing his own firm. He has been member of the faculties of Chicago, MIT and Jochi Daigaku. Dr. Abegglen serves on the Board and as Trustee of a number of Japanese and Western companies and institutions. His doctorate is from the University of Chicago, with post-doctoral study at Harvard University. First in Japan in 1945, after service with the 3rd Marines in the Pacific, he is now a permanent resident of Japan.

MR. DAVID ATKINSON

David Atkinson is Managing Director of Goldman Sachs (Japan) Ltd. and is responsible for companies in the banking/financial industry in Japan. Upon graduation from Oxford, Mr. Atkinson worked at Andersen Consulting, specializing in the Japanese financial industry, followed by two years as a Research Analyst at Salomon Brothers Asia covering Japanese banks. Mr. Atkinson graduated with an MA from St. Peter's College, Oxford in Oriental Studies (Japanese).

DR. JONATHAN BATCHELOR

Jonathan Batchelor is a recent graduate of the University of Nottingham Medical School and his most recent appointment was Surgical House Officer. During his time at The University of Nottingham, Dr. Batchelor held positions as the Medical House Officer at Queen's Medical Center in Nottingham and Surgical House Officer at James Paget Hospital in Great Yarmouth. In 1995, Dr. Batchelor was a volunteer at The Kobokan Community Center, in Tokyo, Japan. He has worked with a variety of age groups from pre-school to retirees in the following community activities: after-school clubs, nursery school, English lessons, and summer camps. Dr. Batchelor has returned every year since to help the center. He is currently in Japan on a scholarship awarded by the Daiwa Anglo-Japanese Foundation. After a year of Japanese study he will undertake research work in dermatology at the National Children's Hospital, Tokyo. Dr. Batchelor is fluent in Japanese and has a working knowledge of Mandarin and French.

DR. KENT CALDER

Kent Calder is the Director of the Program on US-Japanese Relations at Princeton University and Japan Chair at the Center for Strategic and International Studies in Washington, DC. He also recently served as Special Adviser to the US Ambassador to Japan, Thomas S. Foley. He has previously been a lecturer on Government at Harvard University and is the first executive director of Harvard's US-Japan Program. Apart from academic responsibilities, he has worked with the US House of Representatives Banking Committee, the US Federal Trade Commission Bureau of Economics and consulted for a variety of multinational firms. Dr. Calder's publications include *Strategic Capitalism* (1993), *Crisis and Compensation* (1988), *The Eastasia Edge* (1982), and most recently, *Pacific Defense* (William Morrow and Company, March 1996).

MR. PHILIP CARMICHAEL

Phil Carmichael is currently President of Lexmark Asia Pacific and Vice President of Lexmark International Asia Pacific operations. Based in Tokyo, he is responsible for all of the company's strategic and operational and P/L performance in twenty-two Asian countries, including Australia and Japan. Having lived in Asia for over 18 years and worked in the region for twenty-four years, he has spent his career helping U.S. high technology companies develop their business in Asia. Mr. Carmichael was Chairman of the American Chamber of Commerce in China in 1994 and 1998, a role which gave him the opportunity to make an important contribution to the development of US-Sino bilateral relations. Before joining Lexmark, Mr. Carmichael was Vice President and Regional Director for Asia at Rockwell International, a global electronic control and communications company. Key achievements in this time included launching a multimillion US dollar corporate identity program to boost awareness of the company in the region, overseeing a major facilities acquisition in China and consolidating the activities of five divisions in order to generate significant cost savings. From 1991 to 1996; he was President of EG&G Services Ltd, a unit of Fortune 500 EG&G Inc., a major scientific instrumentation, high technology equipment and components manufacturer, based in Beijing. During his five-year tenure, he started two high technology manufacturing joint ventures in China and Hong; built a nation-wide distribution network on the mainland and initiated the first private enterprise acquisition in China by a foreign company. Prior to this he worked for McDonnell Douglas from 1987 to 1991, serving as General Manager for Office and Trade Development in Hong Kong and China. While there, he implemented an aerospace buy-back program helping bring the entire MD80 aircraft program to profitability. Mr. Carmichael holds a Bachelor of Science in International Business Management from the University of Maryland Far East Division, and attended the University of Chicago 1990 MBA programme from 1996 to 1997. He is a fluent speaker of Mandarin Chinese.

MR. PHILIP CHEN

Philip Chen is Deputy Managing Director of Cathay Pacific Airways, Hong Kong. Mr. Chen joined the company in 1977. Prior to his current appointment in March 1997, Mr. Chen was the Chief Executive of Dragonair from 1994-1997. Mr. Chen was Regional General Manager Southeast Asia of Cathay Pacific, based in Singapore, from 1992 to 1994. The post covered thirteen on-line ports with a staff strength of over seven hundred people. From 1989 to 1992, he was based for almost three years in Beijing as the Chief Representative and General Manager of Swire China. The posting gave him a unique opportunity and the invaluable experience of becoming acquainted with many areas of China. Mr. Chen was also employed by the University of Hong Kong from 1984-1988, as a lecturer in charge of the Marketing module in the University's MBA program. He also pursued other academic activities. Mr. Chen is the Chairman of the Board of Airline Representatives and the Joint Council of Travel Industry of Hong Kong. He is a member of the Board of the Hong Kong Tourist Association and the Citizens Advisory Committee on Community Relations of the Independent Commission Against Corruption. He is also a member of the Council of the Hong Kong Institute of Education, Council of the Hong Kong University of Science and Technology, Governor of the Singapore International School Hong Kong, as well as a member of the Friends of Tsinghua Law School Foundation. Mr. Chen is married with one son and daughter.

MR. JI-SUK CHOO

Ji-Suk (Jay) Choo became Vice Chairman of Hyosung Corporation in January 2000. Based in Korea, Hyosung Corporation was formed in November 1998, by a merger of all 4 major companies of the previous Hyosung Group; Hyosung T&C Company, Hyosung Living Industry Company, Hyosung Industrial Company and former Hyosung Corporation. Before this assignment, Mr. Choo was Advisor to the Chairman, President of Hyosung BASF Company (50/50 joint venture between Hyosung and BASF AG) and Hyosung Ebara Environmental Company (60/40 joint venture between Hyosung and Ebara of Japan). Prior to Presidency of Hyosung BASF in early 1994, Mr. Choo served in various positions in LG Group companies; Executive Vice President of Lucky Development Co., Ltd. (presently known as LG Construction Co., Ltd.), Senior Managing Director of Lucky Advanced Materials Co., Ltd., in charge of the New Electronic Materials Division, Managing Director/General Manager of Lucky Development Company's New York Office, and Executive Director of Lucky Engineering Co., Ltd. (presently known as LG Engineering Co., Ltd.). Early in his career, Mr. Choo worked in the petroleum and ceramics businesses. In March, 2001, Mr. Choo was elected to be the Chairman of Korean Institute of Project Management and Technology (PROMAT), a non-government organization for promoting the knowledge and profession of project management in Korea. Mr. Choo is a past participant of The International Forum.

MR. BILL D. COOK

Bill Cook is Managing Director of Administration at Shin Caterpillar Mitsubishi Ltd., a 50/50 joint venture between Caterpillar and Mitsubishi Heavy Industries since the mid-1960's, with manufacturing facilities in Akashi, near Kobe, and Sagamihara, near Tokyo, Japan. Prior to March 2001, Mr. Cook was Manager of Product Source Planning at Caterpillar Inc. in Peoria, IL. This group was responsible for facilitating market access initiatives in developing countries, and starting up Caterpillar joint ventures, licensees, and technology transfer activities, especially in the CIS, India, and China. Mr. Cook joined Caterpillar in 1975 as an economic researcher. Four years later, he went to Caterpillar Brazil S.A. as Economic Consultant, where he evaluated developments in Brazil and their impact on business plans, production schedules, exchange rates, and pricing for Caterpillar products. From 1982-84 he served in investment analysis in the Corporate Accounting Department. From 1985-88 he was Assistant Manager of Products Control, where product development programs were managed at Caterpillar. From 1988-92 he served as Manager of Strategy and Business Development at Caterpillar Brazil. From 1992-1996, he was Product Manager for Caterpillar Agricultural Products. Mr. Cook earned his B.S. in Economics in 1975 and his MBA in 1985 from Bradley University.

MR. GEORGE FIELDS

George Fields is President of Fields Associates. He is Founder of ASI Market Research Japan and was its Chairman and Chief Executive Officer until 1993. He was also Vice Chairman of AGB Pacific, later Survey Research Group, now an A.C. Nielsen Company. On retirement from ASI, he became Visiting Professor of Marketing at The Wharton School during 1993-95, and is currently Professor of Marketing at the Graduate School of Management and Information at SANN0 College. Mr. Fields is fluent in both English and Japanese and has published in both languages. He most recently has published, *Leveraging Japan- Marketing to the New Asia* with Hotaka Katahira, of Tokyo University and Jerry Wind of The Wharton School (Jossey-Bass Publishers, San Francisco, 2000). He is the author of 11 books in Japanese, the most recent published in the Fall of 1999. Prior to accepting a position in Japan, he held executive positions in Australia with Unilever and others. Mr. Fields was voted Honorary Life Member of The Market Research Society of Australia, as recognition to its establishment. He helped establish Audience Studies Inc., Japan Branch (a fully owned subsidiary of Columbia Pictures Industries of the USA) in 1965, becoming President in 1967. He later acquired the company from the US parent, renamed it ASI Market Research and became its principal stockholder. Mr. Fields serves as Councilor for Japan Productivity Center for Socio-Economic Development, The Ishizaka Foundation (Keidanren); is Councilor, American Management Association, Japan Chapter and NHK International Broadcasting from 1992-96. He is also Governor, International Communication Foundation in Osaka. Additionally, he is Adjudicator for "Best Corporate Leader & Organization," 1998 and 1999, Toyo Keizai. He recently received the George Armani, Special Award for Media Commentary. Mr. Fields is an Australian citizen, born in Japan and educated in the Japanese system to the senior high school level. He graduated with honors from the University of Sydney with a Bachelor in Economics and received the Albert Oakes Memorial Prize in History of Economic Thought.

MS. SAKIE T. FUKUSHIMA

Sakie Fukushima is Representative Director and Office Managing Director of Japan in Korn/Ferry International's Tokyo Office. In 1995 she was elected a member of the worldwide Board of Directors of the firm. Her practice focuses primarily on placing executives in senior management positions in American and European multinational corporations operating in Japan. She joined the firm in 1991. From 1987 to 1990, Ms. Fukushima was a Consultant at Bain and Company, a major strategy management consulting firm, first in the Boston headquarters and later in the Tokyo office. Her clients included American, European and Japanese multinational corporations in a wide variety of industries. In 1986, she worked as a Summer Associate at the World Bank in Washington D.C. From 1980-1982, she was a consultant in the Boston headquarters of Braxton International, a strategy management consulting firm. From 1974 to 1980, she was an instructor in Japanese in the Department of East Asian Languages and Civilizations at Harvard University. She serves as Vice President of the Japan chapter of the Stanford Business School Alumni Association and is a member of the Board of Directors of the Japan Stanford Association. She is a member of the Japan Association of Corporate Executives (Keizai Doyukai). Her writings have appeared in various Japanese and English language publications, and she frequently speaks at seminars, conferences and television discussion programs. She is the author of *The Marketable Executive* (in Japanese) and is co-author of a book about business practices in foreign affiliated companies in Japan. She is co-translator (into Japanese) of *Japan as Number One: Lessons for America*, by Ezra F. Vogel and *On Higher Education: The Academic Enterprise in an Era of Rising Student Consumerism* by David Riesman. Ms. Fukushima was one of 13 Japanese women leaders invited to attend a lunch at the American Ambassador's residences hosted by the wife of former Ambassador Walter Mondale in honor of Mrs. Hillary Rodham Clinton on April 17, 1996. Ms. Fukushima was educated in Tokyo at Seisen College (B.A. 1972) and at the International Christian University (certificate in teaching Japanese, 1974). In the United States, Ms. Fukushima was educated at the Harvard Graduate School of Education (Ed.M., 1978) and at the Graduate School of Business Administration at Stanford University.

MR. ERNEST M. HIGA

Ernest Higa is the President, Chief Executive Officer of Higa Industries, which is a diversified company ranging from lumber, medical devices to fast food retailing. In 1990 he was named "Entrepreneur of the Year" by the Japanese semi-governmental organization, "New Business Conference". In 1997 he was recognized by Prime Minister Hashimoto and the National Police Force for his achievements as Chairman of the Safety Driving Association (a non-profit organization). In 1998 he was awarded by the Ministry of Agriculture for "innovation in the food industry". He is also a Member of Keizai Doyukai (one of the 4 major business groups in Japan), Board Member of New Business Conference, (semi-governmental organization to promote entrepreneurship), and International Board Member of Y.P.O. (Young Presidents Organization). Mr. Higa graduated with a Bachelor's degree from the Wharton School of Business at the University of Pennsylvania, and a Master's degree from the Columbia School of Business.

DR. JAY V. IHLENFELD

Jay Ihlenfeld is Executive Vice President of Sumitomo 3M Limited. Before moving to Japan in March of 2001, Dr. Ihlenfeld was Division Vice President and General Manager of 3M Performance Materials Division (1997-2001). Dr. Ihlenfeld also served for two years as the co-chair of 3M's General Managers Conference where he worked on areas such as leadership and change management skills with 3M's business unit leaders. Dr. Ihlenfeld has held a number of past positions at 3M including Business Director in Specialty Chemicals Products Division (1993-1997), Technical Director of Dental Products Division (1988-1993) and Laboratory Manager, Health Care in 3M Europe (1985-1988) . In this latter position, Dr. Ihlenfeld established 3M's first complete technical support organization for 3M's European health care businesses. Dr. Ihlenfeld received his B.S. in Chemical Engineering from Purdue University in 1974. In 2001, Dr. Ihlenfeld was named a Distinguished Engineering Alumnus of the Purdue University School of Engineering. He received his Ph. D. in Chemical Engineering from the University of Wisconsin in 1978. He is a past participant in the International Forum Global Leadership Series and the Bangkok Forum.

MR. MARC PETER KEANE

Marc Peter Keane is a Landscape Architect in Kyoto. After graduating with a degree in Landscape Architecture from Cornell University, he worked in New York City and Burlington, Vermont, for six years before moving to Japan. He spent his first two years in Japan as a research fellow at Kyoto University. Since then he has been creating and building gardens for companies, temples, and private individuals. He teaches a design workshop as an Adjunct Professor at the Kyoto University of Art and Design, and is a staff member of the Research Center for Japanese Garden Art at the same university. He is also the Chairman of Kyoto Mitate, a multinational society working to preserve Kyoto's historic environment. His books include, *Japanese Garden Design*, (Tuttle, 1996) and *Sakuteiki* (Tuttle, 2001). More about his work can be found at www.mpkeane.com.

MR. YOTARO KOBAYASHI

Yotaro Kobayashi is Chairman of the Board at Fuji Xerox Co. Ltd. as well as being Chairman of Keizai Doyukai (Japan Association of Corporation Executives). He serves on the boards of Callaway Gold Company, Xerox Corporation, Nippon Telegraph and Telephone Corporation (NTT) and American Productivity and Quality Center (APQC). He is also the Pacific Asia Chairman of the Trilateral Commission as well as being Chairman of the Aspen Institute of Japan. Mr. Kobayashi graduated with a BA from Keio University in 1956 and then an MBA from the Wharton School of Finance and Commerce, University of Pennsylvania. In 1984, he was awarded the Doctor of Humane Letters, Honoris Causa from St. Peter's College in New Jersey and in 1988 was the first recipient of the Morton J. Meyerson Award for Distinguished Service to Higher Education and International Understanding from the University of Austin. Additionally, he was awarded the Medal with Blue Ribbon from the Japanese Government in 1991, the Insignia of Commander First Class of the Royal Order of the Polar Star from the Kingdom of Sweden in 1995 and the Royal Norwegian Order of Merit from the Kingdom of Norway in 1997. In 1958, Mr. Kobayashi joined Fuji Photo Film Co., Ltd., from where he was assigned to Fuji Xerox in 1963. After working in marketing and planning departments, he joined the Board of Directors in 1968 became Executive Vice President in 1976 and then President and Chief Executive Officer in 1978. Since 1992, he has held the position of Chairman and Chief Executive Officer and was named to the Chairman of the Board in 1999. Mr. Kobayashi also serves as a member for several other Advisory Boards and Councils. He is a member of the Advisory Board for Booz-Allen and Hamilton Council on Foreign Relations and Stanford University Graduate School of Business. He is also an advisory Council Member for JP Morgan's International Council and Stanford University's Institute of International Studies, and is an International Advisory Panel Member for Singapore Technologies. Additionally, he is a member of the Board of Trustees at the University of Pennsylvania and Keio University.

MR. SHIGERU KOMORI

Shigeru Komori is a Professor at Jobu University, Graduate School of Management Information Studies and the Department of Management Information. Mr. Komori's research field is International Business Strategy, Management Information Strategy, and Corporate Leadership. He is active in the International Business Academy, Pan-Pacific Business Conference, and other academies of management and Japanese studies. He is also President of Cosmos International Inc., engaged in executive consulting in management of growing high-tech companies, Asian operations, and business development. Mr. Komori was Corporate Executive of Strategic Planning and Asia-Pacific Operations for Dialogic Corporation, U.S.A., a manufacturing company of CTI platform. He built the business from scratch in eight countries in Asia/Pacific and established a leading position in the industry. Previously he worked for U.S. Data Communication equipment company and a Japanese telecommunications equipment company, as Executives in Asian Marketing and Corporate Strategy. Mr. Komori also worked for IBM Japan and implemented a global information system for multi-national clients. He is a member of various management associations and international industry conferences. Mr. Komori has B.S. from Keio University and MBA from Harvard Business School.

MR. SAMUEL KOO

Samuel Koo is the UNICEF Representative to Japan and the Republic of Korea. Prior to his current positions Mr. Koo served as Senior Advisor to the Executive Director at UNICEF Headquarters in New York and concurrently as the Director-General/International he was responsible for running the new “alternative” television for the young people of Asia. His previous assignments included a stint as the Director for Special Projects at the United Nations and Deputy to the Under-Secretary-General for Public Affairs responsible for a broad range of advocacy activities with NGOs, parliamentarians, mayors, and television networks. He was also the Director of the UN 50th Anniversary Secretariat and Director of the UN’s Promotion and External Relations Division. Before his service with UNICEF and the United Nations, Mr. Koo worked for over 20 years as an international journalist, mostly with the Associated Press at the United Nations and Europe. Mr. Koo has received numerous awards including the National Order of Merit “Magnolia” from the Korean Government. Mr. Koo graduated from Korea University with a BA in Public Administration and holds an MS from the Graduate School of Journalism of Columbia University in Journalism. Mr. Koo is married to Myung-Wha Chung, a violin cellist and UNICEF’s goodwill ambassador in Korea, and they have two daughters.

MR. STU LEVENICK

Biography to be included in Addendum.

DR. EMIKO MAGOSHI

Emiko Magoshi is a Professor of International Management and Communication of Modern Culture at Junshin Women’s College in Toyko. She also serves as the Director of Japan’s Strategic Management Society. Dr. Magoshi has also been President of Inter Link Corporation since 1989. From 1992-95, she was a member of the working group on the globalization of the labor market and its social and economic impact at the Japan Institute of Labor. From 1991-96, she served as a lecturer at Sophia University and from 1996 - 2000, as an associate professor at Tokyo Junshin Women’s College. She was also a member of the Sugunami Municipal Council on the Visions for the 21st Century. She is the author of several works, including, “The White Collar Re-Styling”, “Foreigners in Japanese Corporations”, “Heartfelt Management for Equidistant Companies” and “Transcultural Management: Theories, Empirical Studies and a New Horizon” for which she received the Ansoff Award for 2000. Dr. Magoshi is currently hosting an NHK radio program on Management Communication. She writes regularly in journals and magazines and gives lectures to Japanese and overseas business executives. Dr. Magoshi graduated from Sophia University with a major in French and a minor in International Relations. Dr. Magoshi received a Master’s degree in Economics from Keio University, completed the Doctoral course in Economics at Keio University and received a Doctorate in International Management from the University of East Asia.

MR. TERUO MASAKI

Teruo Masaki is Corporate Senior Executive Vice President, Director, of the Sony Corporation. Mr. Masaki started working for Sony in 1971. In June 1988, he became Group Executive Officer. Mr. Masaki held various positions at Sony Corporation of America including Deputy Vice President, Executive Vice President and Chairman of the Legal Committee. Mr. Masaki was also Senior General Manager of the legal division and Deputy Senior General Manager. Mr. Masaki graduated from Waseda University School of Law.

MR. KENJI NOHARA

Kenji Nohara is the Executive Director of The Kobokan Community Center. The Kobokan Community Center is located in Sumida-ku, Tokyo. The center provides assistance to all ages from pre-school children to retirees through after school programs, English lessons, assistance for the elderly, and summer camps. Mr. Nohara has been with The Kobokan Community Center since 1978 when he began as the Vice-Director. Although his interest began as a young volunteer for The Kobokan after he completed his studies. Mr. Nohara graduated from The Tokyo Union Seminary in 1985. Previous to this, his education included The Japan Lutheran Theological College and Tokyo Mercantile Marine College. Mr. Nohara is a native of the Sumida-ku neighborhood.

DR. ALEXANDER PAUFLER

Alexander Paufler is Senior Executive Officer of Corporate Finance (Treasury and Tax) for Mitsubishi Motors Corporation. He is also Director of DaimlerChrysler Japan Holding, Ltd. Prior to his current position, Dr. Paufler was Senior Vice President of DaimlerChrysler Japan Holding, Ltd. He has also been Senior Vice President of Mercedes-Benz Japan Co., Ltd. since 1995, and President of Debis IT Services Japan Co., Ltd. since 1997. Dr. Paufler began his career with Mercedes-Benz Japan Co., Ltd. in 1990 as Vice President. Prior to this, he was Tax Consultant (Senior Manager) with KPMG Peat Marwick Tokyo from 1986-1990, and Tax Consultant (Manager) with KPMG Peat Marwick Frankfurt from 1985-86. Earlier in his career, Dr. Paufler was at Tax Department for Daimler-Benz AG and at the Tax and Audit Department for Coopers & Lybrand. Dr. Paufler received his PhD in Economics from the State University of Rheinland (in Duisburg) in 1983. In 1977, he graduated from State University of Saarland with an MBA and prior to this, he studied in the State University of Baden-Wuerttemberg in Tuebingen. Dr. Paufler's is married and has two children. His outside interests include watercolor painting, Karate and swimming.

MR. MATTHEW RICHARDS

Biography to be included in Addendum

MR. TAKASHI SAWADA

Takashi Sawada is the Executive Vice President and Chief Operating Officer of Fast Retailing Co., Ltd. Mr. Sawada joined Fast Retailing in 1997 as a Product Department Manager. In November 1997, he became Managing Director. Previous to his career at Fast Retailing Co., Ltd., he worked with Itochu Corporation in Japan. Mr. Sawada also holds a degree in Science and Technology from Sophia University.

MR. TADAO SUZUKI

Tadao Suzuki is President and Chief Executive Officer of Mercian Corporation. Mr. Suzuki is also the Chairman for Japan Synthetic Alcohol Co, Ltd., Chairman for Japan Wineries Association, Executive Director and Special Advisor for Nippon Distillers Association, Director of Japan Spirits and Liqueur Makers Association, Executive Director of Japan's Association of Corporate Executives, Director of Japan's Federation of Economic Organizations, and is a member of the board of councilors at Keio University. Mr. Suzuki graduated from Keio University where he majored in Economics and Northwestern University where he received a Master of Arts in Economics.

MR. HIROSHI TANAKA

Hiroshi Tanaka is deputy general manager and creative director for the international marketing department of Shiseido Company, Ltd. as well as a lecturer at the Musashino College of Arts. He has received numerous industry awards including: Prime Minister's Prize of the Midosuji Window Contest of Osaka (1983); Display Design Prize for Excellence (1982-89); First Prize Display Industry Award (1992); Display Design Prize for Excellence (1992) and the Display Design Grand Prix and Asahi Shinbun Prize (1994). Mr. Tanaka is a graduate of the Kahazawa College of Arts.

MR. TAKAO WATANABE

Biography to be included in Addendum.

MR. NOBUYOSHI YAMANAKA

Nobuyoshi Yamanaka joined Emerson Japan Ltd. as President in February 2000, after serving as President of Hitachi GE Lightning, Ltd. Prior to that he worked at Omron until 1987 and served as Department Manager, Strategic Planning Center, Information Systems Division. Mr. Yamanaka then moved to General Electric where he held several positions. He started at General Electric Japan as a Business Development Manager. He then moved to General Electric International as a Business Development Manager for Asia. After that Mr. Yamanaka became General Manager of Sales at General Electric Medical and General Electric's Plastics. Mr. Yamanaka was also President of the Auto Suture Division of Tyco where he was responsible for overseeing medical devices sales in Japan and other Asian countries.

MR. MICHAEL O. ALEXANDER

Michael Alexander started The International Forum in 1989. Three decades and several careers required him to travel the world doing business and he discovered the consequences of not understanding cultural differences. As the forces of globalization presented new challenges for leaders of international companies, he developed the Wharton Global Leadership Series as a unique learning experience for the most senior executive. This program is now running in its twelfth consecutive year. The International Forum grew beyond its origins and is today an active global network of leaders in business supported by experts in many other fields and disciplines from around the world. While helping executives to understand business in Asia, Europe and North America, by bringing them face to face with people they don't usually meet, he discovered active encounters with leaders in other, sometimes very different fields to be a rich learning experience. What emerged are the creative programs of The International Forum that involve learning by doing and integrating business with art, history, society, science and technology, music and culture. His career experiences, when considered at face value, hardly seem to prepare him for this kind of work. He started as an accountant. Finding it difficult to make any set of accounts balance, he sought ways to avoid such embarrassments and became Director of the FASB (Financial Accounting Standards Board) in the United States from 1978 to 1982 and Executive Partner at Touche Ross International during the 1980's where he was responsible for worldwide services in Accounting, Auditing, taxation and Management Consulting. During the late 1980's he tried his hand at international investment banking. His earlier career was mixed with experiences in computers, operations research, organizational development, and strategic planning. He wrote a book on Inflation Accounting and in 1976, the Government of Ontario, Canada, appointed him Chairman of a Royal Commission to study the effects of inflation on taxation, business, the capital markets, and the economy. Never the stereotype accountant, in 1969 he attempted to reform the accounting profession in Canada by forming Task Force 2000 and led a group of 200 young professionals from across Canada in a year long examination of the role of their profession and its future. While this did not change the accounting profession it was a useful learning experience. During the 1970's he led an innovative research group that developed accounting for social costs, the environment, and human resources, completing contracts for the US government and several corporations. His efforts to be a painter were not impressive and his musical abilities enabled him to play the piano accordion poorly and privately. But he is actively involved in building the Stowe International Music School which brings leading musicians as faculty and students from Asia, Europe, and North America together with youth from Vermont. The School and Festival is now in its fourth year. He travels the world extensively, meeting members of The International Forum community while dreaming up new ideas for yet another kind of learning experience for leaders in business. While at home in Stowe, Vermont, USA, he is difficult to reach in the mornings when he is usually downhill skiing, playing ice hockey or, in summer, hiking up a mountain with his two dogs.

MS. NANCY A. DOYAL

Nancy Doyal is President of The International Forum. Before joining The International Forum in 1997, Ms. Doyal was Vice President of Business Development and Strategy for Ameritech's Consumer Business in Chicago and General Manager of Credit Card Services. It was in this role that she came to The International Forum as a guest resource to give a perspective on the changes taking place in telecommunications. So inspired by the process at the Forum of learning from differences in trying to solve the many challenges that she faced as a business leader, Ms. Doyal re-connected with the Forum Directors and became part of their effort to build the enterprise beyond the Global Leadership Series. Now as President, Ms. Doyal works with her colleagues and friends around the world to create experiences that help leaders of global companies to understand what is changing in the world and what it means to them. As an artist she has understood the advantage of gaining inspiration and perspective from different places and people, and believes that this is a very important part of life and work. She is fascinated by what she learns from the people she meets around the world and finds the greatest satisfaction from seeing the linkages between history, business, art, and society. She could not imagine doing anything as interesting as what she does right now, nor creating something that has such meaning for so many people as the face-to-face Forum experience does. From 1992-94 Ms. Doyal ran her own firm which helped mid-sized companies and not for profit organizations develop direct marketing and customer database solutions. Before this, Ms. Doyal held several positions at American Express Travel Related Services Co. Inc. in New York. Earlier in her career, Ms. Doyal worked for Shiseido Co. Ltd. in Tokyo where she learned, among other things, about the challenges of distributing to the end consumer in Japan. At Blyth & Co., a Canadian tour operator she traveled around Europe setting up education experiences for young people, and at RBC Dominion Securities she immersed herself in selling treasury bills, commercial paper, fluctuating interest rates, and the boot camp of the trading room. She claims she learned a great deal about how the world works from this first work experience. Ms. Doyal received an AB from Smith College and an MBA from The Wharton School, University of Pennsylvania. She is a British citizen, born in Canada, and resides in the United States. When not travelling around the world, she is hiking, skiing, printmaking, or playing the piano with her two sons. Her biggest frustration: Life is too short and there are so many good books to read.

PROFESSOR HOTAKA KATAHIRA

Hotaka Katahira is Professor of Marketing Science, the Business Studies Department at the University of Tokyo's Graduate School of Economics. Professor Katahira, who became Professor in 1989, is also a Director of the Japan Institute of Marketing Science, a Founding Director of Executive Marketing Forum of UT, and a fellow of the World Economic Forum. Professor Katahira has written numerous articles and books, including *The Principles of Power Brands*. He most recently has published, *Leveraging Japan- Marketing to the New Asia* with George Fields of Fields Associates and Jerry Wind of The Wharton School (Jossey-Bass Publishers, San Francisco, 2000). He has also published a comprehensive positioning analysis software series, LOGMAP, and a brand health monitoring system, BEEPS. Professor Katahira has been a visiting professor at The Wharton School and the University of California at Berkeley. He has consulted many Japanese and non-Japanese firms including Honda, Nestle, NEC and Heinz. He received a BA from International Christian University, Tokyo in 1970, and an MA in Economics from the University of Tokyo in 1972.

DR. GORDON REDDING

Gordon Redding is Affiliate Professor of Asian Business at INSEAD and is based there at the Euro-Asia Centre. He is also Professor Emeritus at the University of Hong Kong, Visiting Professor at Manchester Business School, Senior Associate at the Judge Institute of Management Studies of Cambridge University and a Director of The International Forum. He is a specialist on Asian management and especially on Chinese capitalism, and he spent 24 years based at the University of Hong Kong, where he established and was Director of the Business School and its sister organization in executive education, the Poon Kam Kai Institute of Management. He also has long-standing relationships in executive and MBA teaching at Stockholm School of Economics, Duke University Fuqua School, ANU Canberra, University of Southern California and The Wharton School. Dr. Redding's research has focused on the understanding of Asian business systems comparatively and especially on the contrasts between Chinese, Korean and Japanese forms of capitalism. In addition, his work has included the implications for multi-nationals working in the region, and the operation problems of expatriate management. His main publications are ten books, including *The Spirit of Chinese Capitalism, Management Development in Asia Pacific and International Cultural Differences*, as well as approximately 100 academic articles. He is a consultant to large companies on matters connected with organizing for business in the Asian region and internationally.

MS. JENNIFER L. BERG

Jennifer Berg is a Manager with the International Forum. Prior to joining The International Forum, she worked for Catalyst Consulting Group, a management and technology consulting firm that provides strategic planning and change management approaches to its public and private sector clients. At Catalyst, Ms. Berg developed numerous comprehensive client deliverables such as business continuity plans for a major metropolitan school district, a strategic technology plan for a major metropolitan department of housing, and a reorganization initiative for a public sector human services client. Ms. Berg graduated from Beloit College, where she received a Bachelor of Arts in Political Science with Minors in European Studies and Environmental Economics. Ms. Berg also attended Palacky University in Olomouc, Czech Republic for four months, where she had the opportunity to travel throughout Central and Eastern Europe studying the economic, political, and cultural aspects of the region. Her outside interests include running marathons throughout the world, volunteering for Little Brothers Friends of the Elderly and the Leukemia/Lymphoma Society, and spending time with friends and family.

MS. PAMELA M. DYE

Pamela Dye is returning to The International Forum after spending some time playing at home with her two young children. She is Manager of the East Asia Forum. She is former Manager of The Global Leadership Series and has managed special Forums in Shanghai, China and Prague, Czech Republic. Most recently, she managed the Kyoto Partner Program in 2000. Before joining The International Forum in 1994, Ms. Dye served as Manager at the Center for Service-Learning at the University of Vermont, managing student internships and community service agencies. From 1991-93 she was Assistant to the Vice President of Sales and Marketing at Velda Inc., Killy USA in Vermont. Ms. Dye has also worked as a customer service representative at Skis Dynastar Inc. and as a High School French teacher. Ms. Dye received a Bachelor of Science degree from the University of Vermont in secondary education with a major in French and a minor in English. She spent a year studying at the Université de Nice in France and lived for two years in The Hague, The Netherlands. She speaks French, and has studied Dutch and Japanese. Her outside interests include camping, volleyball, biking and poetry

MS. SARAH P. SARMIENTO

Sarah Sarmiento is a Coordinator for The International Forum. Ms. Sarmiento graduated from the University of Illinois at Urbana-Champaign, where she received a Bachelor of Science in Consumer and Textile Marketing in May 2001. While in school, Ms. Sarmiento spent five months studying at CEGRI, an intensive Spanish language school, in Granada, Spain. Ms. Sarmiento spent two summers working for Nielsen Media Research in New York City. Her outside interests include traveling, any outdoor activity, and spending time with family and friends.

MS. MINAKO SHIMANUKI

Biography to be included in the Addendum

MS. SAIKO SUZUKI

Saiko Suzuki is Special Advisor to The International Forum. Ms. Suzuki is a graduate of Tokyo University. Following her graduation she moved to New York, where she lived for 15 years. During her time in New York she worked for The Dai-ichi Kangyo Bank, Nomura Resources Institute, and most recently for Japanese designer, Issay Miyake, where Ms. Suzuki was involved in coordinating the website. She now lives in Evanston, Illinois, with her husband Tatsuo who is attending The Kellogg School. Ms. Suzuki's outside interests include cooking, wine, traveling and skiing.

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ACKNOWLEDGEMENTS

Illustrations:

JAPANESE BORDER DESIGNS, THEODORE MENTEN DOVER PUBLICATIONS, NEW YORK, 1975

THE ART OF JAPAN, CHARLES E. TUTTLE COMPANY, RUTLAND, VERMONT

A GIFT OF JAPANESE COOKING, WEATHERILL, NEW YORK & TOKYO, 1996

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