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public, private sectors
against disease



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A student from The American School in Japan plays football.

— Page 25

BRANDI GOODE



**"Health
makes Wealth"**
page 8

Hometown: Lake Charles, Louisiana

Languages: English; Spanish; a smattering of French, Japanese, German

Years in Japan: Five; relocated to Manila in May 2016

Years in journalism? Nearly 10

Most memorable interview?
Rick Perry, governor of Texas, for *The Journal*

One change you would like to see in Japan by 2020? Significant improvement in the ratio of women to men in leadership roles

Thoughts on the importance of print journalism and its future?
Nothing can replace the look, feel, and entertainment of a magazine. Plus, what would people read at the beach or during takeoff and landing if print were to vanish?

What are you currently reading?
Americanah, by Chimamanda Ngozi Adichie

C BRYAN JONES



"Fast Food"
page 12

Hometown: Birmingham, Alabama

Languages: English, Japanese, Russian

Years in Japan: Twenty

Years in journalism? Eighteen

Most memorable interview?
Astronomer Seth Shostak

One change you would like to see in Japan by 2020? Greater acceptance of diversity in gender and ethnicity

Thoughts on the importance of print journalism and its future?
More important than the delivery medium is the journalistic process, something often lacking online. This aspect of print journalism will always remain critical in a world where anyone can publish.

What is one surprising thing that people may not know about you?
I am a classically trained bass trombonist and played professionally for seven years. I have performed with many famous artists including Yo-Yo Ma and Emanuel Ax.

MAXINE CHEYNEY



**"Women
for Women"**
page 16

Hometown: Nairobi, Kenya

Languages: English, French, Kiswahili, and Creole

Years in Japan: One

Years in journalism? Four

Most memorable interview? A friend of the late Loughborough alumni, Lisa Lynch, who became an editor at 26. Her story is one of the reasons I stayed in journalism.

Who inspires you? My grandmother. She was the definition of a strong independent woman.

One change you would like to see in Japan by 2020? Something that really grates on my nerves is excess food packaging. I would love to see fewer non-recyclable plastics being used.

What are you currently reading?
The Color Purple by Alice Walker

One surprising thing people may not know about you? I enjoy combat sports, especially when I'm put in a difficult position that I have to fight my way out of.



custom media

www.custom-media.com

Publisher
Simon Farrell
simon@custom-media.com

President
Robert Heldt

Editor-in-Chief
Christopher Bryan Jones

Studio Manager
Paul Leonard

Graphic Designers
Michael Pfeffer
Ximena Criales

Client Services Director
Sam Bird

Client Services Manager
Joy Fajardo

Marketing Manager
Megumi Okazaki

Advertising Sales Director
Anthony Head

Account Managers
Andrew Williams
Reiko Natsukawa
Edvard Vondra

Business Development Director
Kotaro Toda

Project Coordinator
Yoshiki Tatezaki

Media Coordinator
Kiyoko Morita

To advertise or subscribe:
accj@custom-media.com

Editorial:
editor@custom-media.com

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Daiwa Azabudai Bldg. 6F
2-3-3 Azabudai, Minato-ku,
Tokyo 106-0041

Tel: 03-4540-7730

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HEALTHY AND SMART



Christopher Bryan Jones
chris@custom-media.com

Our January issue of *The Journal* focuses on education and health, as Japan leads the way in innovation and research.

FUNDING MEDICINE

Technology and scientific advancement has allowed humanity to conquer many diseases, but there is still much more work to be done. The “Big Three” infectious diseases—HIV/AIDS, malaria, and tuberculosis—remain a threat to millions around the world. And many tropical diseases are neglected because of the cost of research. The Global Health Innovative Technology (GHIT) Fund, launched in Japan, has adopted a novel approach to fighting disease by leveraging the principles of product development used in the private sector for public purposes. On page 8, we talk to GHIT CEO BT Slingsby and others about what the Fund hopes to accomplish.

EDUCATION TECH

Smartphones, tablets, apps, and platforms such as learning management systems are changing education—not only for children but for corporate training and lifelong learning. Japanese companies and schools are innovating through partnerships both at home and abroad, working to boost the adoption of education technology—or EdTech—in Japan. On page 20, we hear from many of those working in the field about their projects, tools, and why education must be a lifelong process.

HELPING WOMEN

Lifelong learning is also key to meeting Prime Minister Shinzo Abe’s Womenomics goals. Keiko Maruyama is doing her part to help women looking to start their own business and find a better work–life balance. As founder of Womanet Academy and Consulting, she trains women in the areas of marketing, sales, and IT. On page 16, Maruyama talks to us about what moved her to found Womanet, the social issues she wants to address, and the importance of creating opportunities.

FOOD TO GO

Although work and study are important, we all must eat. But finding time to visit your favorite restaurant—especially for lunch—isn’t always easy. At the end of September, Uber Technologies, Inc. made this task a bit easier by bringing UberEATS to Tokyo—and the service has already expanded beyond the initial delivery area. On page 12, we talk to Uber Japan President Masami Takahashi, as well as some local restaurateurs, about their early experiences with UberEATS in Tokyo.

CELEBRATIONS

As 2016 came to a close, a number of celebrations dotted the calendar. We have recaps of the Charity Ball: A Black and White Gala (page 40) and Chubu’s Champagne Ball and Awards Evening (page 45), with lots of photos from each.

I hope that you had a wonderful holiday season and the new year is off to a good start. Here’s to a great 2017!

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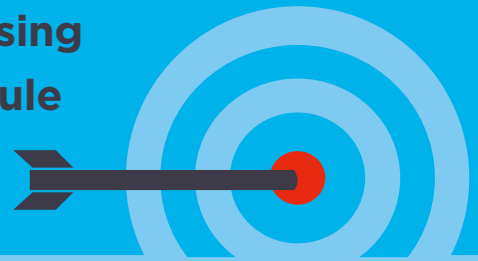
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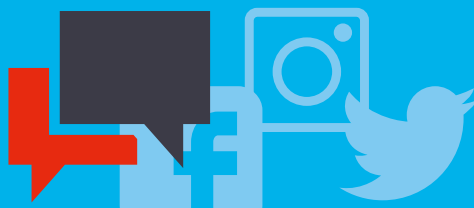
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The Japan News

by The Yomiuri Shimbun

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The Ministry of Land, Infrastructure, Transport and Tourism announced a design
competition for car number plates. Participants are asked to design a background
that reflects the vision of the Tokyo 2020 Olympic and Paralympic Games.*

* Translation of original content in Japanese



Sallie Krawcheck, [influencer](#)
CEO and Co-Founder of digital
investment platform Ellevest

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have had that great opportunity if I had
accepted any of those earlier good-to-
very-good opportunities. So, do the great
work, go against the grain, and have the
confidence to wait for the fat pitch.



PHOTO: RA2STUDIO / 123RF



HEALTH Makes WEALTH

Japan-based fund unites public, private sectors to fight infectious disease

By Brandi Goode

PHOTO: GHIT FUND

Japan has a long legacy of scientific excellence and leadership in global health programs. The country introduced discussion of infectious diseases to the G8 Summit's agenda in Okinawa in 2000, a move that paved the way for the establishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) two years later. Today, Japan is the fifth-largest contributor.

Infectious diseases, particularly those termed the Big Three—HIV/AIDS, malaria, and tuberculosis—have been an international priority since the establishment of the United Nations' Millennium Development Goals in 2000. Many healthcare-oriented nonprofits, such as the Global Fund, aim to eliminate these threats that are so prevalent in the developing world. One such organization, the Global Health Innovative Technology (GHIT) Fund, has adopted a novel approach to fighting disease.

Launched in Japan just three-and-a-half years ago, GHIT was founded on the principle of open innovation—also referred to as product development partnership. This approach to research

and development (R&D) facilitates tie-ups between Japanese and international entities from the public, private, and civil/nonprofit sectors to streamline drug development.

ORIGINS

The Bill & Melinda Gates Foundation is among the nine founding partners of GHIT. Hannah Kettler, senior program officer, Life Science Partnerships at the foundation, commented: "The Global Health Innovative Technology Fund is a unique partnership model that brings together the government of Japan and private funds, and leverages Japan's industry and academic expertise to fight infectious diseases in developing countries.

Public-private partnerships like this are essential to developing new global health tools, and we are thrilled to support the important work of the fund."

The United Nations Development Programme (UNDP) is also a founding partner. Dr. Mandeep Dhaliwal, director of the HIV, Health and Development Group, said: "It remains important that governments scale up their investments in promoting innovation in new medicines, vaccines, and diagnostics—as well as the building of resilient and sustainable health systems in low- and middle-income countries—so that universal health coverage and good health and well-being can be attained for all. UNDP salutes the vision and leadership of the government of Japan in supporting both innovation and access to health technologies."

GHIT's founders also include the Ministry of Foreign Affairs of Japan, the Ministry of Health, Labour and Welfare, and five Japanese pharmaceutical firms: Astellas Pharma Inc.; Daiichi Sankyo Co., Ltd.; Eisai Co., Ltd.; Shionogi & Co., Ltd.; and Takeda Pharmaceutical Co., Ltd. The fund was conceived in a conversation

The “**Big Three**” infectious diseases are an international priority



HIV/AIDS



Malaria



Tuberculosis

1/7 
people worldwide
are already infected

3/7 
people worldwide are at risk of
developing **infectious diseases**

between GHIT CEO Dr. BT Slingsby and Dr. Tachi Yamada, a US physician who envisioned “Japan’s first truly international nonprofit.” At the time of founding, Slingsby—who was involved with the project from day one—worked for Eisai, where he developed new business models for R&D and oversaw market access in the developing world. He possesses both a strong business background—having aided numerous start-ups in Japan and the United States—as well as medical expertise, with a Medical Doctorate from George Washington University.

Slingsby described the origins of the fund, which are rooted in business practices, namely leveraging the principles of product development used in the private sector for public purposes.

“Our internal management practices reflect those of the private sector, affecting how we define strategy, structure the organization, etc.; this is one of the reasons we have grown so quickly,” he said. By September 2013, GHIT’s first year of operation, the fund had logged \$8.8 million in investment into novel R&D using Japanese innovation. By March 2016, the figure had risen to \$96 million.

Affiliate Partner GlaxoSmithKline K.K. (GSK) took part in the GHIT Fund as one of the first global pharmaceutical companies to contribute to Japanese research and development to fight neglected diseases around the world. “GSK is a science-led global healthcare company and has three world-leading businesses that research, develop, and manufacture innovative pharmaceutical, vaccine, and consumer healthcare products,” Communications Division Head Yukimi Ito told *The Journal*. “We wish to contribute to innovations originating from Japan as the company is committed to widening access to drugs, so that more

people can benefit, no matter where they live in the world or what they can afford to pay.”

Merck, the world’s oldest pharmaceutical and chemical company, said that there are two important relationships with GHIT—one as a leader of a consortium developing a new pediatric formulation of praziquantel, a drug used to treat parasitic worm infections, and more recently, its role as an affiliate partner. As this collaboration will expand investment into research and development for neglected diseases worldwide, it perfectly aligns with Merck’s contributions to improving the health of underserved populations.

“As a partner of GHIT, we are part of a network of global and Japanese partners with proven excellence in global health,” Head of Corporate Communication Japan Ritsuko Shibagaki told *The Journal*. “This represents an important aspect for our current and future programs on infectious diseases, considering that our operating model is based on partnerships and collaborations with leading global health institutions and organizations. By joining forces with GHIT, our overall ability to provide the most vulnerable populations with suitable health solutions should increase.”

50-PLUS PROJECTS

Investments managed by GHIT are stringently selected and monitored to ensure that product development milestones are met and donor dollars are not wasted. All 50-plus projects currently in its portfolio include drugs, vaccines, and diagnostics for malaria, tuberculosis, and neglected tropical diseases such as Chagas. According to UN figures, three in seven people worldwide are at risk of developing infectious diseases; one in seven are already infected.

Multiple investments involve partners from the United States. Currently, one of GHIT’s top-funded projects to fight malaria brings together the expertise of Eisai, St. Jude Children’s Hospital in Memphis, Tenn., and Swiss nonprofit Medicines for Malaria Venture (MMV). The product under development is a single, multi-component drug that would cure an affected patient after just one exposure to malaria, and provide substantial post-treatment protection from reinfection. Each partner has a well-defined role: Eisai will handle manufacturing of the pharmaceutical ingredients; St. Jude’s will manage the project and carry out initial studies at its facility; MMV will oversee the next phase of studies and define the drug protocol.

Discussing the product development partnership model of R&D, Slingsby explains: “Products to treat infectious diseases are not naturally generated by the market. That is why we exist. A lack of profit [for pharmaceutical companies] necessitates a public-private model to propel R&D in this space.

“The science is also very difficult. Maybe a company has the technology to develop an effective malaria treatment, but has no skilled scientists in that field; thus, we facilitate international partnerships. Or perhaps a research institute needs funding for a promising venture; we can provide that. These links define the virtual health/open innovation approach.”

Shigetaka Komori, chairman and CEO of Fujifilm Corporation—a GHIT partner—applauds the open innovation approach. “The Ebola crisis reinforced for us both the urgent need for global health innovation as well as how effectively industry and the global health community



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can mobilize together to create and deliver new solutions. Partnering with the GHIT Fund helps us engage even more meaningfully in global health over the long term, enabling us to leverage our history of innovation,” he said.

GSK’s Ito said, “Our commitment to open innovation, widening access, and transparency is aligned with the vision of the GHIT Fund and we believe this partnership will certainly add value to the research and development initiatives from Japan.”

A pillar of GHIT’s mission is providing products that are “accessible and affordable to the poorest of the poor.” Founders believe that improved access to healthcare in the world’s poverty-stricken nations will have a direct impact on the economic potential of such countries. Healthy citizens are better prepared to innovate and work; thus, health makes wealth.

Ko-Yung Tung, senior counsellor at Morrison Foerster LLP, serves on the Board of Directors at GHIT. As previous general counsel of the World Bank, Tung oversaw the establishment of the Global Fund. He notes how GHIT is particularly valuable in its provision of grants to R&D projects addressing neglected tropical diseases, which are not pursued by commercial pharma companies. Morrison Foerster is a sponsor of the fund, providing legal services and advice in accordance with its pro bono mission to help those who are marginalized.

“GHIT is a unique public-private partnership that is vigorously supported by the Japanese government as part of the third arrow of Abenomics. Though it’s been in existence for only three years, GHIT has already shown impressive results,” Tung told *The Journal*.

“From 1995 to 2004, a total of 1,556 new drugs were approved in the US. Only 1.3 percent of these new treatments were developed to fight infectious diseases in developing nations,” explained Miyoko Tanaka, director of communication and public affairs, Medical Company, Johnson & Johnson K.K. “We envision a world where everyone has the means to be healthy and can thrive. We are committed to using our capabilities, expertise, resources, and partnerships to fulfill our role in making the world a better, healthier place for generations to come.”

Tanaka added: “We hope that our partnership with the fund enables the organization to continue investing in new, innovative technology for neglected

diseases, as well as promising candidates that have recently entered clinical trials, or will eventually enter late-stage trials.”

None of the fund’s managed products have hit the market yet, but several are in later stages of development such as clinical trials. Within the next few years, Slingsby said, we should see the launch of some exciting new technologies. In the private pharmaceutical sector, vaccines and treatments can take a decade or more to go to market. GHIT strives to get its products into the hands of people who need them most within five to 10 years.

SCIENCE POWERHOUSE

Apart from its open innovation approach, GHIT is distinct in its close collaboration with the Japanese government. In addition, each investment (grant) application must include at least one Japanese and one international partner. Projects may include as few as two or as many as six partners.

Because it is a matching fund, every dollar committed by the government is matched by donors, be they private-sector companies or civil foundations. Tung highlights how, at the 2015 G7 Ise-Shima Summit, the Japanese government specifically named GHIT as an important initiative in a joint declaration on global health. It also doubled its funding commitment to projects fighting disease in the developing world.

“The Japanese government has always been very committed to global health and international cooperation, seeking to approach problems through innovation. Innovation comes from science, and Japan is a science powerhouse. The

potential for innovation is enormous here, but it’s questionable how much that has been realized in healthcare products; that is our role at GHIT. The government’s decision to invest in R&D specific to global health is rather novel, yet has become a prominent pillar of current government policy,” Slingsby adds.

The Japanese government’s investment in the GHIT Fund is a direct realization of the country’s 2013 Strategy on Global Health Diplomacy, which is closely linked to the Healthcare and Medical Strategy, launched the same year.

Kumi Sato, president and CEO of COSMO PR and American Chamber of Commerce in Japan Chairman Emeritus, serves as an advisor to the fund. Her company, which focuses on the healthcare field, supports nonprofits such as GHIT with similar missions.

“Global health is a concept that was, until recently, relatively unknown or misunderstood. Given the importance of the topic, we wanted to be part of efforts to build the awareness needed for GHIT’s success. This is one of the reasons why I am personally excited to be involved with this organization,” Sato told *The Journal*.

“As one of the first funds of its type in the country, GHIT demonstrates that the government recognizes the importance of this kind of new collaborative model, and gives Japan the ability to deploy investment into the field. In fulfilling a purpose previously unmet here—a public-private partnership designed to tackle the most complex challenges of global health—GHIT serves as a catalyst for substantive change, and the results of that change will speak for themselves.” ■

PHOTO: GHIT FUND



Global Health Innovative Technology CEO BT Slingsby speaks at the 2016 Annual Partners Meeting in Tokyo.

On September 29, Tokyo became the 34th city to offer UberEATS, the food delivery service from Uber Technologies, Inc., the company better known for ridesharing. Originally called UberFRESH, the service launched in August 2014 in Santa Monica, Calif., as a simple option in the main Uber app. Since then, it has grown into a standalone offering that is disrupting the food industry just as Uber disrupted transportation. But the move into Tokyo is different.

REVERSE APPROACH

Unlike other cities in which UberEATS operates, Tokyo lacks an established Uber infrastructure. That's because, under Japanese law, the ridesharing service cannot operate as it does in cities such as San Francisco, New York, and London. In Japan, private drivers are not allowed to transport paying passengers. This makes Tokyo a unique experiment for the company because it cannot leverage the brand recognition it enjoys elsewhere. In other cities, UberEATS builds upon a familiar experience. In Tokyo, the service is essentially starting from scratch.

"Things have been slightly different here," Uber Japan President Masami Takahashi told *The Journal*. "Regardless, we have been pleased to see the incredibly high level of enthusiasm for UberEATS in Tokyo since day one."

FAST FOOD

Uber's culinary spinoff comes to Tokyo

By C Bryan Jones



PHOTO: UBEREATS

David Plouffe, senior vice president of policy and strategy at Uber Technologies, Inc., sees a reverse approach for Tokyo. At an American Chamber of Commerce in Japan (ACCJ) event on November 2 at Tokyo American Club, Plouffe told *The Journal*, “When ride sharing is embraced here, people will try it via the food app, which is the inverse of other cities.”

Whether ride sharing will be embraced in Tokyo remains to be seen. Although some services operate in the city—such as UberBLACK, the company’s luxury option, and UberTAXI, which allows riders to use the Uber app to call licensed cabs—the Uber experience known elsewhere is not available here. For that to change, the government must choose to rethink regulations.

FOODIES

Could food open the door to greater awareness and use of UberBLACK and UberTAXI? Perhaps. For now, however, the company is focused on connecting restaurants with diners.

“Requesting a ride through Uber and ordering a meal are two very different experiences,” Takahashi explained. “We want to ensure that every Uber interaction is seamless and easy. By building a standalone app dedicated to UberEATS, it allows us to create an experience that’s tailored to discovering food options and ordering meals with the same simplicity as ordering a ride.” Diners place their order and pay through the UberEATS smartphone app. The courier receives their delivery fee from Uber.

This concept has proven popular so far. More than 150 restaurants and 1,000 couriers signed up prior to launch. Sixty percent of these restaurants had never done delivery before.

Among those are Soul Food House. Opened in August 2015 by David and LaTonya Whitaker—natives of Georgia and Mississippi respectively—the comfortable Azabu-juban restaurant feels like someone’s home in the Deep South. Once customers taste the authentic Southern food, they want more; but visiting Azabu-juban isn’t always practical. So, demand for delivery was building.

“We had thought about doing delivery before, but didn’t know how to get it logistically done,” explained David Whitaker, who sat down with *The Journal*.

Soul Food House is now sending out 5–10 orders per day, but that isn’t the only benefit. “It helps in that, with those orders, if they are ordering for someone else who didn’t know about the restaurant, then it’s still advertising,” explained Whitaker. “That pushes where we can be all the time.”

If they are ordering for someone else who didn’t know about the restaurant, then it’s still advertising.



PHOTO: UBEREATS

In fact, some diners see the menu in the UberEATS app and then come to the restaurant for the atmosphere.

HoneyBaked Ham, the famous US franchise with a location in Toranomon, is another early adopter. “We estimated we could get more sales because of their PR power,” said manager Hidefumi Tosaki. “UberEATS is more familiar to American people, who are more likely our customers. It is easy to get more orders, and it provides nice PR for our brand.”

INDEPENDENT FUTURE

Like the Uber ridesharing service, UberEATS is rooted in what has become known as the sharing economy. The term has been widely used since 2010, but has gained broader public awareness over more recent years. In its 2015 white paper *The Sharing Economy*, PwC defined the concept as allowing “individuals and groups to make money from underused assets.”

While the term may be unfamiliar, the service being provided is not.

As Paul Kraft points out, “With the high population density, independent food delivery has been a mainstay in Tokyo for many years—mostly by those with their own fleets of delivery motorcycles. Uber is trying to circumvent this system with their service.” Kraft is director of Nespresso Professional and chairman of the ACCJ Food and Agriculture Committee.

At present, UberEATS is a nascent idea. But could a future Tokyo see independent couriers replace the company-owned fleets?

Tosaki, whose store is located just outside Kamiyacho Station in Toranomon, thinks the potential of income generation in business areas may attract couriers and fuel adoption. “We have more customers in business areas because more foreign businesspeople work there. They tend to be familiar with food delivery,” he explained. “So, the independent couriers have more delivery locations in the small business area. That means they could deliver the food in a short time and make money more efficiently.”

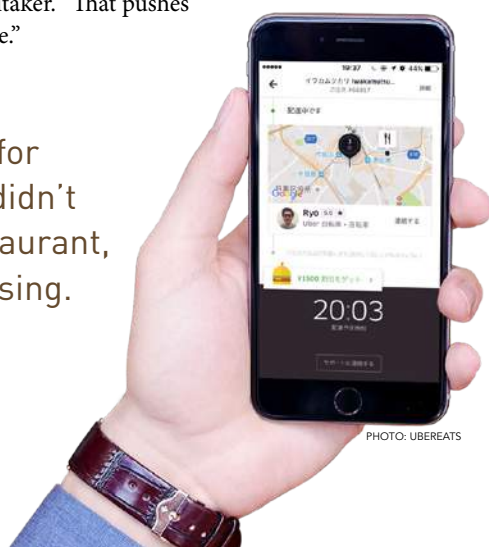


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PHOTO: UBEREATS

BRANCHING OUT

At Soul Food House, Whitaker sees an opportunity not only for the couriers but for his own business plans. “In the long term, if it becomes something that is profitable and can be splintered off into a different division, I can create delivery branches to make sure we can serve more of the city or area.”

This idea ties into one of the challenges of the UberEATS model: delivery radius. The Tokyo metropolis is huge, and while in theory a dish could be delivered clear across the city, in what condition would the food be when it arrived?

To address this, the service launched in Tokyo with a limited 36-square-kilometer geographical area that included the Shibuya/Ebisu, Aoyama/Akasaka, and Roppongi/Azabu areas of Shibuya and Minato Wards.

“We aim to expand the service area to other neighborhoods of Tokyo over time,” Takahashi told *The Journal* in November. “Gradual geographical expansion like this is common to how we operate in cities around the world.”

As the year ended, Takahashi’s words had already come true. On December 12, it was announced that orders could be placed from parts of Shinjuku, Setagaya, and Chiyoda Wards, an area that includes Shinjuku, Yoyogi, Sangenjaya, Shimokitazawa, Yotsuya, and Ichigaya.

More than 150 restaurants
and 1,000 couriers signed up
prior to launch.

REGULATION

As UberEATS and similar food delivery services grow, the question of food safety will, too. Is regulation inevitable?

Asked if the government will step in, Tosaki said, “They might have to. Because they are independent, they might need to obtain a license for food safety, or be registered with the government.”

Whitaker agrees. “For health reasons, they would have to start regulating more.”

But as Kraft explains: “While there are many regulations surrounding the industry, enforcement is not as strict as in other countries. Although the Japanese government has traditionally been very strict on documentation, such as labeling and licensing, actual enforcement and inspection of kitchen facilities

has been very low. Moreover, it is left up to the individual wards of Tokyo to set regulations and enforcement. It is because of this that I doubt there is much actual enforcement of food delivery businesses.”

OLYMPICS AND BEYOND

In addition to expanding into more areas of Tokyo, UberEATS is looking ahead to the Tokyo 2020 Olympic and Paralympic Games, which the company sees as a possible catalyst for acceptance of the sharing economy.

“We are as excited as the rest of the country about Japan hosting the Games,” said Takahashi. “It means an influx of many millions of foreigners by 2020, many or most of whom will be accustomed to using ridesharing and food-delivery apps in their home country. We want to be part of the government’s plans in ensuring the success of the Games.”

Takahashi also predicts that ridesharing services will help authorities manage the mass movement of visitors who will descend upon Tokyo in 2020, citing Rio as an example. “We saw in Rio during the Olympic and Paralympic Games that 15% of all foreigners who visited during the Games used Uber. We can only imagine how much demand there’ll be during the Tokyo Games.”

Of course, these visitors also need to eat. Access to some of Tokyo’s most popular dining options through an app might just be a game changer.

“We will continue the dialog with our restaurant and courier partners to make sure that the relationship continues to be a win-win-win for all sides. ■



PHOTO: UBEREATS

Women for Women

Keiko Maruyama does her part

By Maxine Cheyney

Photos by Keiko Maruyama

Womenomics is a prime part of the sociopolitical agenda of Japanese Prime Minister Shinzo Abe. The need to address female participation in the workforce—and how to enable and create an environment for them to use their knowledge and skills effectively—has been highlighted by Abe. One mother who began to take decisive and independent steps to address this before Abenomics took flight is Keiko Maruyama, CEO of Womanet Academy and Consulting.



“In 2011, we experienced the Tohoku earthquake, and I had a sort of awakening,” Maruyama told *The Journal*. It was at this point she realized that she wanted to contribute more to Japanese society, and spend more time at home.

“There must be more to life than working like a robot on a nine-to-five basis,” she pondered. She decided to leave her sales job at a large information technology (IT) company to find something more “meaningful.” One of her main concerns was work-life balance, with her family being an important driver for wanting a change in lifestyle.

WOMEN IN IT

She identified a key area—one that has been under much discussion in Japanese politics—in which she could contribute her skills and knowledge in marketing and sales.

Maruyama, age 48, wanted to help other like-minded women in the IT industry, and help enable them to go out on their own. The mother of a 10-year-old boy understood that IT is notoriously an industry and discipline in which women are scarce. This was how the idea for Womanet Academy and Consulting took root.

“I wanted to know what was happening in the local area [Yokohama], so I went to a lot of seminars and spoke to a lot of women,” she explained. “One day I picked up a brochure for Yokohama Social Business School, and I applied.” She attended the school for three months as part of a free program provided by the City of Yokohama.

There she met other women who wanted to solve social problems in Japan, particularly how women can manage both family and work. “It was a new world to me,” she said, adding that she learned social businesses, how to solve local issues, and how to build an NPO as part of the course.

Maruyama explained that many of the women she met “have the goods and services, but they don’t know how to sell them.” And here lies the premise behind her work.

Once she had discovered that there was a need for training in IT, marketing, and sales, Maruyama established Womanet Academy and Consulting in May 2012, to help women who want to solve social problems.

“We provide a wide range of web skills,” she said, with a focus on how to use social media and other web-based





tools. “We provide business seminars collaborating with accountants and lawyers,” she added.

She said that many of the business seminars provided by the government are held at night. Womanet offer seminars during the day, and offers childcare options, allowing women to attend without needing to find someone to look after their children.

When asked if she faced difficulties when starting the company, she explained: “There were no real struggles. I had some doubts, but in my first year I noticed a big demand for our seminars, and we did quite well.” She said this was in large part because she was not providing a product—just her knowledge and services.

CONSIDERATIONS

Maruyama explained that she has four main components to consider when running the company. “It is important to really listen to women’s concerns and provide solutions,” she said, explaining that a focus on quality customer satisfaction is key.

Secondly, “We have to keep it positive and fun,” she explained. “We try to communicate with attendees, and they can ask anything they want in seminars.” She said this contrasts with some government-held seminars, in which communication can sometimes be one-way. Maruyama wanted to allow for dialogue.

Of course, she said it is key to stay up-to-date with the latest technologies and practices and share these with women who attend the seminars. “I try to attend global events,” she said, adding that she would be going to WAW! (the World Assembly for Women) 2016 in Tokyo on December 13–14. Hosted by the Ministry of Foreign Affairs, the two-day conference addressed changing work styles, leadership by women, and how women can contribute to peace and security, some of the issues that Maruyama is tackling through her business. The conference was attended by a host of international leading women, including Instagram COO Marne Levine, who highlighted the benefits of technology to women in the workplace.

“We hope to expand all over Japan,” Maruyama said. Currently, Womanet Academy and Consulting operates mainly in Yokohama and Tokyo, but she hopes to offer services in more rural areas—especially those lagging in IT knowledge.

She hopes for some kind of collaboration with the government—a pertinent point following WAW!, where the role of technology in allowing for flexible working lives was a key focus. Working with the government was a key part of actually taking action.

“I am establishing a new sharing-economy business,” she explained, hoping to support women, particularly housewives who have work skills and a background in IT. “We will retrain them with the latest information in marketing and IT.” In a wider sense, she hopes to help activate business in local areas, and to provide opportunities for women who have retired or have just had children.

EMPOWERING WOMEN

Globally, manufacturing jobs are in slow decline, and turning to IT is important for women looking to further their careers. “We need to create our own new opportunities,” Maruyama said.

IT is a sector that Maruyama believes is especially significant. “You don’t have to be living in a metropolitan city to have a career,” she said. “You can work from wherever you live.” This flexible style of working, she feels, is key for women with children to continue a career while they also “support family, in the traditional sense.”

Another societal issue that Maruyama is looking to address is the declining birth rate. She feels that tapping into women’s potential is key to making up for a struggling workforce.

One of her central focuses is creating opportunities for women to find their independence. This, she said, will happen through learning management skills, “which can help make them independent, no matter what the future may bring.”

Already, Maruyama has achieved milestones with the company. Womanet Academy and Consulting was recognized for its work by the Gender Equality Cabinet Bureau in June 2016, and continues to help many women with its services.

Her advice to women looking to start their own business is to “set your target audience.” She explained that it is crucial not to target such a wide audience at first. Instead, be specific.

“Womanet teaches women that failure is not such a bad thing, but usually a stepping-stone to success! Who better to help women than other women?” ■

There must be more to life
than working like a robot
on a nine-to-five basis



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GLOBAL EDUCATION

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Internationalizing Japan's universities

By Takashi Kurokawa, Nikkei staff writer

The campus of the Japan Advanced Institute of Science and Technology (JAIST) is about as cosmopolitan as it gets in Japan. More than half of the students at this graduate school hail from elsewhere, making it something of a shining light among the country's universities.

Of the total 819 students, 445 are not Japanese. There are 33 nationalities making up the international student body, with China, Vietnam, Thailand, and India topping the list. The school has 172 students from China, making them the largest foreign group.

That was not the original intention.

Set up as a graduate university without an undergraduate division in Nomi, Ishikawa Prefecture, JAIST chose to focus on information science and materials science, and began accepting postgraduate students from national universities throughout Japan in 1992.

However, within just a few years, JAIST began having difficulty attracting students as Japan's leading universities started placing greater emphasis on their own postgraduate programs.

In search of new opportunities, the school began accepting postgraduates from other countries. To attract bright students, the university hosted a symposium in India, and started holding interviews and conducting entrance exams. Tapping the networks of its faculty proved another effective way of bringing in overseas students.

By 2004, the university had 142 foreign students on campus, and the number has grown ever since.

In 2014, the education ministry selected JAIST for its Re-Inventing Japan Project, which provides financial support to programs run by Japanese universities that foster globally active individuals and internationalization in higher education.

INDIAN ENGLISH

JAIST's program supported student exchanges between Japan and India for about 20 people in both 2015 and 2016, with stays of up to three months. It now has an extraordinarily high percentage of foreign students for a Japanese science and technology university.

"India has so many college students, and now some of the highest-achievers are coming for postgraduate studies here," explained professor Kohki Ebitani, who heads the university's international student support center.

"The common language in the lab is Indian English," said professor Noriyoshi Matsumi, who conducts research on batteries. All five

postgraduates doing their doctoral programs in his lab are overseas students: four from India and one from the UK. "We joke that the guy from the UK is the one with the English accent," he laughed.

Matsumi runs his lab with assistant professor Raman Vedarajan, who is also from India. Back when Vedarajan was a postdoctoral fellow, he conducted research on batteries under Matsumi at Nagoya University. He then returned to India, but two years later came back to Japan to join Matsumi when he moved to JAIST. "In Japan, once you have formulated a research plan you can study it intently," Vedarajan explained.

Surabhi Gupta, a University of Delhi graduate, is in the first year of her doctoral program in Matsumi's lab. "I came to Japan because I wanted to do cutting-edge research, and part of me wants to stay here," she said.

The international makeup of JAIST is stimulating the Japanese students as well. Takahiro Yonezawa, who is working on his master's degree in another of the university's laboratories, stayed for a short time at the University of Delhi and came back from India inspired. "The enthusiasm of the researchers there was irresistible, and I am now determined to play an active role in the world as a scientist."

JAIST Vice President Minoru Terano said, "Our hope is that when foreign postgraduates move back to their home countries they will serve as bridges to Japan and act as good partners when Japanese companies expand into their areas. Of course, we would also like for them to live and contribute as engineers and scientists here in Japan." ■

Graduate students from India study lithium-ion batteries and other subjects at JAIST.



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SMART LEARNER

Startups, venture capitalists, and teachers disrupt education

By John Amari



IMAGE: JACEK KITA / 123RF

With the advent of Internet-based and mobile technologies, a new generation of innovators in education technology—or EdTech—is disrupting the education sector.

Pioneers, startup founders, venture capitalists, and educators are introducing new methods of learning and training. In doing so, they utilize smartphones, tablets, and apps, or platforms such as learning management systems.

At the same time, they incorporate elements such as analytics, big data, and automation to optimize productivity and personalize learning.

The result? How, where, and when we learn—as well as the pace and quality of learning—are being challenged and changed. There is a shift from teacher-focused to student-centered education.

STARTING UP IN JAPAN

US-headquartered Knewton, Inc. entered the EdTech market in Japan in 2015.

Speaking to *The Journal*, Knewton Japan Managing Director Akira Tanaka said: “Our core product is a software service to realize an adaptive platform. We also have a consultation service. Together, they provide adaptive products to publishers and educational institutions.”

Knewton’s platform has a recommendations component with real-time suggestions based on a learner’s personal proficiency. An analytics element adds transparency to a learner’s progress via personalized data, and an insights service gives content creators a “big picture” snapshot of performance.

In Japan, Knewton has partnered with Zoshinkai Publishers Inc. (Z-kai), the holding company of Z-kai Group and the leading provider of distance-learning services

and publisher of text books and reference books. A group company, Z-kai Educe, has a large network of classrooms and courses to prepare students for entrance exams.

“For 85 years—since the company was established in 1931—we have been providing many different courses, tailored to various needs, to nurture people from kindergarten to students sitting for university entrance examinations,” Z-kai CEO Takaaki Fujii told *The Journal*.

Since July 2015, Knewton has partnered with Z-kai to enter the English-language learning market.

“Z-kai are very good partners for us. We launched our first course with them, called Adaptie,” Tanaka said.

Adaptie is a self-learning program for language students planning to sit for the Test of English for International Communication (TOEIC), a certification in Japan for English learners.

“Its strength is that it corresponds to all levels and topics. Teaching materials have had fixed levels until very recently, and were divided by each target score. But Adaptie responds to target scores by setting learning achievement levels for each problem,” Fujii explained.

More products, Fujii and Tanaka said, are in the works, especially in the areas of academia, corporate training, lifelong education, and K–12.



CODERS AND MAKERS

Silicon Valley-based startup Make School is also making waves in Japan's EdTech industry via partnership with Z-kai. Established in 2012, the school offers courses and curricula on how to use programming to build and launch products such as apps, co-founder Jeremy Rossmann told *The Journal*.

Through its collaboration with Z-kai in Japan, the school has created curricula and short-term courses for writing code, learning how to clone and test existing software, and learning how to make mobile app platforms.

"[Through our partnership with Make School] we aim to have the students acquire abilities that are required as 21st century skills through learning programming while using English," Z-kai's Fujii said.

"During the summer break in 2016, we had 20 students in a classroom in Tokyo's Akihabara district. We are looking to have weekend and afterschool courses, and are gearing up for a more substantial winter and summer program for 2017," added Rossmann.

In future, the partners hope to provide fulltime classes, online learning programs, and programs for schools in a variety of subject areas.

Many experts say Japan lags the United States when it comes to EdTech penetration.

BRING YOUR OWN DEVICE

For Adam McGuigan, head of school at Kyoto International School (KIS), an effective way to ensure tech-enabled education is to have a flexible EdTech policy across all subjects.

"We don't have a standalone computer lab, or a single specialized information and communications technology (ICT) teacher. Our approach is to ask: is there an ICT tool that we can use to enhance the learning experience for students? If the answer is yes, we use it."

Since 2015, KIS's middle-school learners have enjoyed one-to-one programs based on the concept of bring-your-own-device (BYOD), an approach that allows students and educators to use any private device to gather, manage, and share educational content. Classes on "digital citizenship" are at the core of the school's EdTech policies.

Christine Kawano Usyak is a homeroom teacher at KIS. She is also an Apple Distinguished Educator, a qualification managed by Apple Inc. that prepares teachers to be users and advocates of the tech giant's suite of EdTech tools.

In practice, Usyak relies on a mix of tools. Her go-to devices include smartphones, Chromebooks, and Chromecast, a digital media device that can broadcast images, video, sound, and webpages from a phone or computer to a television screen.

DIGITAL CITIZEN

Seisen International School (Seisen) in Tokyo, a provider for the K-12 segment, has also embraced the EdTech revolution.

A social sciences teacher at the school, Nathan Gildart prepares students for the future by emphasizing positive digital citizenship.

"We have a one-to-one strategy that teaches something called '21st Century Skills'—which is similar to what used to be called 'Citizenship,' but adapted to life in the Internet age, where we all have digital identities."

"We teach kids to do research, to synthesize information, to make presentations, to think critically, to think of online safety and security, including issues like cyberbullying. The

difference today is that we use a variety of technological tools, rather than a blackboard and chalk."

Gildart is a Google for Education Certified Trainer and an Instructional Technology Coach. Such qualifications allow him to support teachers wishing to apply technology in their teaching

using EdTech tools created by Google.

Apps within Google's teaching platforms (called G Suite for Education) optimize and centralize software for presentations, scheduling, and documentation. Smartphones, iPads, Chromebooks, and mobile apps are also commonplace devices and tools used at Seisen.

CORPORATE TAKEOVER

In addition to K-12 and academia, the corporate world—especially employee training—is undergoing change.

"We have been the innovators in eLearning since 1999 and provide full learning management systems (LMSs), ePortfolios, content repositories, learning analytics, and mobile technology," Ian Smissen told *The Journal*. Smissen is a senior consultant at D2L Corporation (formerly, Desire2Learn).

D2L also provides "services to aid in strategy and implementation of new learning programs like competency-based education and learning analytics initiatives," Smissen added.

Nathan Gildart speaks at the 2015 EdTech Team Kobe Summit at the Canadian Academy, Kobe.



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About 80 percent of the company's customers are in K-12 or higher education (split 50/50). Corporate clients—a fast-growing segment for the company—comprise the rest.

In the corporate sector, D2L is expanding its services “beyond compliance to facilitating learning—from leadership development to training sales people to sharing knowledge and collaborating,” Smissen explained.

“We help companies increase employee engagement through learning, and by providing a range of new learning experiences that include video, social, and game-based learning paths. This variety of experiences is what companies want to use and what employees expect,” he added.

Headquartered in Canada, D2L has operations in North America, Latin America, the Middle East, Asia-Pacific, and Australia. The company is looking to expand operations into Japan.

RISING STARTUP

A relative newcomer to the learning management service space, Japan-based Coursebase Inc., which was incorporated in 2012, is also seeking to disrupt the corporate learning space.

“We are a learning LMS provider. Our Software as a Service (SAAS) platform is used to manage the workflow of training,” explained John Hideyoshi Martyn, who is co-CEO and co-founder of Coursebase.

“Companies use our single-page SAAS applications to manage their workflow: from creating training courses or content to assigning it to managing submissions to generating reports.”

Via the company's LMS, users can share documents, audio, video, and images; there is also a component for analytics, which provides personalized data and insights.

Users are typically trainers and learners in legal, human resources, management, and compliance departments of companies, while clients hail from the tech, legal, retail, and finance world.

FEAR FACTOR

Many experts say Japan lags behind the United States when it comes to EdTech penetration. They give a variety of reasons for this.

Teachers here may worry that innovation will render their jobs obsolete, said Seiko Koike, content integration analyst at Knewton. A conceptual misunderstanding about EdTech tools—which are intended to increase efficiency and outcomes, not replace teachers—may be at the root of such sentiments, Koike added.

Allison Baum, a managing partner at venture capital (VC) firm Fresco Capital, agrees. “For an EdTech startup to succeed in Japan, you need people with experience in education, but not so much that they are stuck in their ways.” Fresco Capital has 17 companies in its EdTech portfolio worldwide, including Make School, who they connected to Z-kai for Make School's entry to the Japan market.

The amount of red tape in Japan surrounding the approval procedure for new technologies in public institutions—which can take between 18 and 24 months—is also a concern, said Martyn from Coursebase.

“For a startup that needs to ramp up revenue within 12 months, that is just too long,” he explained.

In addition to red tape, a lack of financing within the public sector is also a problem for startups in the EdTech space in Japan, James Riney pointed out. Riney is the country head of 500 Startups, a Silicon Valley-based VC company that counts Coursebase in its portfolio of companies.

FIRST-MOVER

Despite the challenges, all the experts said EdTech has a lot of scope for adoption and growth in Japan and around the world, and agreed that Japan is well placed for the EdTech revolution.

Alec Couros, an expert on EdTech and associate professor of educational technology and media at the University of Regina, in Canada, said: “A trend that is emerging is for just-in-time [systems] and assessment, and the merger of Facebook-like platforms with social metrics and EdTech tools or LMS systems.

“The ‘gamefication’ of learning, which creates a competitive atmosphere for study that will likely increase user engagement, is also a growing trend.”

“Japanese place a lot of value on education. There is a lot of competitiveness among schools, students, and companies for the best talent,” Knewton's Tanaka said.

Fujii from Z-kai was of the same sentiment, and added: “We think that EdTech will continue to expand in Japan. There is an ICT policy intended for the introduction of digital devices, digital textbooks, etc., in 2020.

“And even if the timing or scope of those initiatives will not progress as planned, we think the overall trend will be unchanged.”

Ultimately, necessity may be the mother of adoption, with the realities of the modern economy being the spur for change.

“It used to be that once you had a degree, you got a job related to that degree, and you worked in that position for the rest of your life. But the reality is that technology is changing so fast that you have to re-educate yourself every two years.

“And there will come a time when people realize that education is not just K-12. It is also university education and job training; it is about getting ready for employment, finding it, and growing within a given career,” said Baum. ■



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International schools go beyond the core

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Ballet Club at Saint Maur International School

Academics still holds a prominent place in a child's schooling, and good grades are needed to access higher education and future employment. But, extracurricular activities also have a crucial role in a child's education.

In step with societal changes and child development research, curriculums have seen myriad changes over the past few decades. International schools are at the forefront of these changes, catering to a kaleidoscope of students.

BALANCE

"We are all born as great natural learners," said Robert Thorn, secondary principal of Aoba-Japan

International School. "The transition from being a great natural learner to being a learner within the constructed world often comes at a price to the former—natural learner dispositions are often damaged or suppressed by traditional education." This is why he believes that extracurricular activities are so important to a child's education.

One system that addresses a child's needs beyond academics

is the international baccalaureate (IB), which includes a component called "creativity, activity, service" (CAS). This added dimension exposes children to wider activities that are important in forming well-rounded students.

In Japan, the IB curriculum is followed by many international schools, and extracurricular activities outside CAS are also greatly encouraged. Alternatively, The American School in Japan (ASIJ) provides a curriculum that is guided by US and internationally recognized curriculum standards, also allowing for a wealth of co-curricular activities spanning all grades, from Early Learning Center through high school.



Mathletics, Cricket and Cooking Club at Saint Maur International School



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These extracurricular activities help students develop the right disposition and attitude toward learning



Elementary school tea ceremony at ASIJ's Japan Center.

The Osaka YMCA, an IB-accredited school, offers a range of clubs for different age groups. “Clubs are vitally important at all age levels,” explained John Murphy, principal at Osaka YMCA International School. “[Students] develop not only physically and mentally, but also have multiple opportunities to develop social and self-management skills, which are part of the IB program,” he added.

Areta Williams, interim head of school at The American School in Japan (ASIJ) told *The Journal*, that ASIJ’s co-curricular program provides more than 100 co-curricular activities to “engage students with their passions.” She added that these activities promote a “healthy, active lifestyle,” whilst the curriculum itself means a more flexible program allowing students the “opportunity to be self-directed in following their passions.”

On the other end of the spectrum, these activities simply offer solace from the pressures of work and school.

Timothy Matsumoto, secondary school principal at Saint Maur International School et École Française de Saint Maur, echoed this sentiment: “In the IB Full Diploma Program, extracurricular activities are not seen as extra but a necessary curricular aspect to counterbalance academic pressures, to gain valuable experience, and to apply knowledge and skills to various contexts.”

EVERYDAY SKILLS

Personal development is not always found in a lesson and being part of extracurricular activities helps foster growth in both creative and social arenas.

Director of Admissions Rob Smailes, at the Canadian Academy in Kobe, highlighted the importance of extracurricular activities for self-discovery. The Canadian Academy has a broad extracurricular program

spanning elementary school, middle school, and high school. Activities in elementary school include sports, reading, cooking, crafts, young scientists, and writer’s workshops, as well as organizations such as the Boy Scouts and the Brownies.

The program changes once the students reach middle school, where “activities become more organized,” including team sports and service-orientated functions. This continues in high school with additions such as Model United Nations, Young Entrepreneurs’ Club, and service-oriented groups such as Animal Refuge, Tohoku Team, and Kansai International.

“Our students understand that they are in a position to make positive change in the lives of others,” Smailes said. Fostering this character trait “develops the whole child and enables them to see how they can help others,” he added.

Challenging students to step out of their comfort zone is another key driver behind extracurricular activities. “The children enjoy being challenged both physically and mentally,” the Osaka YMCA’s Murphy explained. Clubs offer children an opportunity to “interact with peers outside the regular classroom and promote flexibility, open-mindedness, creativity, risk-taking, and social skills—all of which are transferable to later life,” he added.

Not only do children savor the reward of progress, they enjoy the opportunity to find and cultivate passions. Matsumoto said, “Students can challenge themselves as much as they like, and enjoy progressing to the next level.”

Ultimately, these extracurricular activities help form attributes that enable young people to “function well in the constructed world,” said Aoba-Japan International School’s Thorn.

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ASIJ senior Britt Sease recently signed a national letter of intent to run track for the University of Arkansas.



NEXT LEVEL

Looking ahead to tertiary education, Matsumoto explained that universities and colleges—particularly in the United States—are “interested in students’ commitment to and passion for the activities which they find most fulfilling.”

However, Thorn pointed out, “The importance of extracurricular activities in the college admissions process can be measured best by depth rather than by breadth: one or two activities in which the student is totally engaged, rather than a wide range of activities with only casual interest.”

In addition, these extracurricular activities help students develop the right disposition and attitude toward learning. Thorn says this means “university entrance and/or other pathways will take care

of themselves.” He added that joining these clubs and activities also provides “an insight into the applicant’s character, which cannot be expressed in grades or test scores.”

It’s a fact that one’s resume cannot simply be a list of grades and degrees. In modern society, employers look for more in young people. Introducing children to extra activities at a young age—and helping them find other passions—significantly adds to their ability to grow into the adult world.

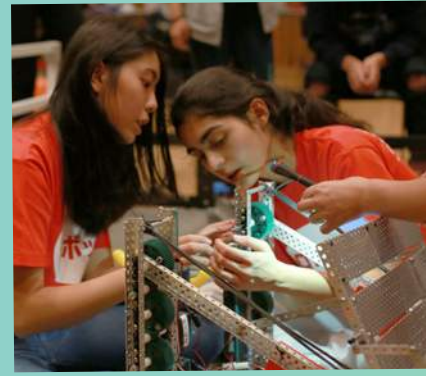
Sometimes it is extracurricular activities that enable students to pursue their talents. “Our student athletes regularly win both local and international competitions, with several graduates [having earned] athletic scholarships at the college level,” Williams explained.

As an example, the ASIJ News blog tells the story of student

Britt Sease, who will run track for the University of Arkansas in 2017. Beyond sports, other club activities have led students to pursuits later in life. “Ample opportunities for music, drama, and visual arts are also available at all age levels, and range from large-scale musicals, choir, orchestra, and jazz to intimate theater performances and movie making,” Williams said.

The balance is creating the kind of education that caters to the child as well as the wider world. In an increasingly globalized society, competition later in life is greater even though opportunities are wider. Allowing children to find their specific passions, as well as preparing them earlier in their schooling for later years—or as Thorn calls it, “an unknown future”—is the challenge that teachers and schools face. ■

Being part of extracurricular activities helps foster growth in both creative and social arenas.



ASIJ’s annual VEX Robotics Competition, the spring musical, and gymnastics at ASIJ’s Early Learning Center in Roppongi Hills

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SETTING THE RIGHT GOALS

After 14 years in sales at Inficon, a provider of world-class instruments for gas analysis, measurement, and control, 2014 graduate Naomi Kumagai decided to set personal long- and short-term goals. "I was thinking, over the next three years, to either keep doing sales as a professional or change direction to management," she said.

Her boss at the time told her that, if she wanted to be a successful woman in their field, she needed a good education. So she decided to get an MBA from McGill University.

WHY MCGILL?

Kumagai highlighted the global reach of the McGill program, from its eclectic mix of international students to the opportunities within the program to work elsewhere—even to go on the Study Trip to the home campus in Montreal.

McGill has a widely respected reputation—another element that appealed to her—and the quality of the program was a key factor. "I learned a lot of different skills. I can understand all of the business and financial aspects of my work now. We had a lot of team projects at McGill and there were people with different characters," she explained. "I learned how to deal with everyone to bring out their highest potential." These skills transferred directly to her current role and have been key to her workplace success.

She also highlighted the ability to consider issues from different perspectives when solving problems. As she explained, although challenges arise in her role as president, "I encountered harder things during my MBA and now I can get through anything."

MCGILL AND BEYOND

Kumagai owes some of her success and ability to deal with endless change, sleepless nights, and hard work to the MBA course.

"Without change, we cannot grow," she said. "It was a good challenge for me to become the business unit manager first." She achieved more than 10 percent growth for Inficon Japan after just two years, and in the third she was named president, becoming the first woman to hold the position with Inficon globally.

Her journey was not without its challenges. "As a woman, there is a ceiling, but you can't break it in one day; it takes time," she explained, noting that many were shocked by her quick rise to the position, especially in a technical field. "But I try to just listen, and think I can also do it."

Many of her fellow MBA graduates have gone on to better jobs and positions. "Most of my classmates were very ambitious, high-energy people."

Her advice to anyone considering an MBA at McGill? "Don't hesitate, just jump in and you will reach your goal." ■


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The Power of Branding

An interview with Matt Nicholls

What is the state of the bilingual recruitment market in Japan?

Nicholls: It's an extremely interesting market, very different from the UK where I worked in recruitment for 10 years. At RGF, we typically deal with multinational firms. A high level of Japanese proficiency tends to be a minimum requirement for most positions. As a result, both candidates and clients tend to be bilingual Japanese. It's a highly competitive market with candidates in short supply.

How do recruitment businesses differentiate themselves?

Most recruitment businesses don't have a unique selling point. Success, therefore, tends to boil down to the quality of people you employ and how well you train them. Most recruitment firms use the same client and candidate sourcing methods.

How important is branding?

It's one of the few areas in which recruitment firms can really set themselves apart. Japan, in particular, is an extremely brand-conscious country, where big, established brands tend to be trusted more than others.

Does RGF benefit from being part of the Recruit Group?

Yes, being the bilingual division of well-known Japanese enterprise the Recruit Group gives us a huge competitive advantage, given its high profile and heavily advertised brand. It's especially useful in candidate sourcing. The best candidates tend to be extremely picky about which agencies they entrust with their next career move. At RGF, our professional approach combined with the power of the Recruit Group brand means that we represent the best candidates on the market. ■



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Japan policy updates translated
from *Keizai* magazine

DIET DAILIES

PRIME MINISTER'S OFFICE

CONCERNS OVER TRUMP PROTECTIONISM

With the victory by Republican candidate Donald Trump in the November 8 US presidential election, the future of the world's economy has become less transparent. Concerns have increased that, should protectionism emerge, the volume of foreign trade will decline. This would adversely affect economic growth for Japan and the world. A certain unnamed think tank announced that Japan's GDP might fall by more than 1 percent. On November 14, the Prime Minister's Office announced that positive GDP growth was achieved in the July–September quarter, the third consecutive quarter in which growth was realized. Domestic demand, such as investments in factory equipment, etc., remained weak. With Trump's victory and the resultant higher risk to the world economy, the government is likely to seek structural reforms or high wages to boost consumption and buttress domestic demand.

To protect employment and industry in his own country, Trump has advocated

that the United States disengage from the Trans-Pacific Partnership, saying he would make an announcement to that effect “on the day I take the oath of office.” Products from countries with large exports to the US, including Japan, Mexico, and China, may see an increase in duties on their goods.

The Japanese industries most likely to be hit hard are automotive, electric machinery, and related exports. In 2015, US imports of manufactured products accounted for about 13 percent of total world trade on a value basis, making the United States the world's top buyer.

The research arm of Daiwa Securities noted in a report that if protectionist actions are taken by Trump, it would have the same—if not greater—effect than the Lehman Shock of 2008, which saw Japan's GDP fall 1.12 percent. This resulted in declining stock prices, appreciation of the Japanese yen, and deceleration of economic growth worldwide.

Following the government announcement of GDP performance, Economic Revitalization Minister Nobuteru Ishihara emphasized at a press conference that “Japan must advance innovation and structural reforms” through such measures as “revolutionizing work methods to improve productivity.” Ishihara said he will seek greater efforts between the bureaucracy and private sector to push growth.

MINISTRY OF INTERNAL AFFAIRS AND COMMUNICATIONS

MINISTRY OBJECTS TO NHK FEE PLANS

In anticipation of starting service in the near future, NHK is currently testing round-the-clock distribution of programs via the Internet. The question of service fees has resulted in a “spitting contest” [sic] between NHK and the Ministry of Internal Affairs and Communications.

Public interest in the new service is said to be high. In a regularly scheduled press conference on November 9, NHK Chairman Katsuo Momii began by telling reporters, “We will set up a pricing system on our own.” But following a cabinet meeting held two days later, Internal Affairs and Communications Minister Sanae Takaichi threw cold water on Momii's remarks, saying, “The Ministry will determine the specifics of the system's design following deliberations by a panel of experts.”

Momii raised the issue that “Funding might be needed to distribute programming simultaneously as TV broadcasts, and we have incorporated estimates into our funding plans.” In other words, NHK intends to determine its future fee structure on its own, splicing its Internet contents with the fee it currently charges subscribers.

One reason the ministry is concerned with the new Internet service is that, with added revenues from viewers, NHK will become “bloated.” The group of expert consultants is in agreement with the ministry that data distribution and management will require expanded supervision. The experts have been debating three main themes: changes in the broadcasting law to recognize simultaneous Internet distribution; a revised system for charging fees for Internet distribution; and reinforcing governance of NHK.

Takaichi was quoted as saying, “Nothing has been decided, such as if simultaneous distribution will be conducted on a 24-hour basis. Nor has it been decided who will bear the related costs of the service.”

“We will continue to discuss the three themes until we can come up with a satisfactory system,” she emphasized.

From this, it's clear that the ministry is choreographing the plans, engaging in deep design and forethought by adopting a carrot-and-stick approach that will offer NHK simultaneous netcasting while engaging in tighter supervision. ■



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- 1 ACCJ Executive Director Laura Younger with ACCJ President Christopher J. LaFleur and his wife at the Charity Ball held on December 3 at Hilton Tokyo in Shinjuku.
- 2 ACCJ-Chubu Vice President Chris Zarodkiewicz received a certificate of appreciation for leading the 25th Anniversary Walkathon, the most successful fundraising in the event's history, at the 11th Annual Champagne Ball and Awards Evening on November 18 at Hilton Nagoya. (page 45)
- 3 ACCJ-Kansai proudly held its fifth annual Awards Ceremony on December 9, at the Hyatt Regency Osaka. The chapter recognized the great effort and valuable contributions made by members in 2016.



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The Road Ahead



FROM THE BOARD

By Christopher J. LaFleur
ACCJ President

I am honored to serve once again this year as President of the American Chamber of Commerce in Japan (ACCJ). Building on our major accomplishments of last year, I look forward to working with both new and incumbent members of the Board of Governors, and with all our members, to seize opportunities and meet the new challenges we will face in 2017.

Among those challenges will clearly be changes in US government policy on a variety of issues affecting member interests. The US president-elect and his senior appointees have very clearly signaled that the incoming administration will adopt new approaches to trade relations with economic partners. At the same time, early indications—including those received during our DC Doorknock in November—are that the new administration intends that relations with key partners and allies remain strong and new initiatives will be undertaken to promote free and fair trade, and to bolster US economic growth.

Meanwhile, the Japanese government and private sector leaders have been proactively reaching out to the new US leadership, even as they move ahead on Japan's own structural reforms—including

passage of reforms predicated on the Trans-Pacific Partnership (TPP). On balance, the outlook for US business in Japan in 2017 remains positive.

In 2017, effective advocacy will clearly be one of our main priorities. Your Chamber will be working to ensure the concerns of our members are taken fully into account in both Washington and Tokyo. Even though we can no longer count on early realization of the TPP, there are many beneficial provisions in that agreement. As the new administration builds out its trade policy, we will be urging that it find ways to secure those benefits for US businesses operating in Japan as well as to address other challenges US businesses face here. We will also continue encouraging the Japanese government to implement—as rapidly and thoroughly as possible—the full range of structural reforms already proposed by the government, as well as initiatives we believe would further enhance the prospects for increased growth in Japan.

I will be aiming to further strengthen the value of Chamber membership in other areas. Now that our new website has been launched, we have a stronger platform for growing the Chamber's

digital presence. The ACCJ website will become the home for exciting new initiatives such as the Director Database, the Women in Business Resource Library, and the Education Task Force Internship Program. We will also create space to better showcase the achievements of our members.

I also look to ensure the Chamber is more fully meeting the increasingly diverse needs of our growing membership. I plan to propose several new task forces and a new membership survey system to better assess the needs of all members. We should further strengthen support and services for our Japanese members. Additionally, we must continue advancing towards our goal of having women in at least 30 percent of our leadership positions by 2020. As more than half of those elected to join our Board this year were women, I am happy to report that we are well on our way to achieving that goal.

The continued leadership, activism, and engagement of ACCJ members will remain the key to achieving our objectives. I look forward to working with all of you to successfully meet the challenges of this new year. ■

THIS MONTH'S FEATURED VIDEO:

2016 ACCJ CHUBU WOMEN IN BUSINESS SUMMIT: A STUDENT'S PERSPECTIVE

Ami Koketsu, a student at Aichi Shukutoku University, shares her experience at the ACCJ-Chubu Women in Business Summit.

Visit <https://www.youtube.com/user/AmChamJapan> and subscribe today!



Spectacular Charity Ball

By Barbara Hancock

In a classy evening that would have made Truman Capote proud, the American Chamber of Commerce in Japan (ACCJ) Charity Ball: A Black and White Gala commemorated the 50th anniversary of the famous 1966 Black and White Ball. The elegant affair took place at the Hilton Tokyo in Shinjuku, with 330 members and guests in attendance. From the sparkling wine reception to the sumptuous meal coupled with world-class entertainment, it was a night to remember—all while raising funds for local charities.

“The entertainment may be the best I’ve heard,” said Lance Gatling, president, Nexial Research, Inc. “Steve Gardner and his group were excellent, complete pros with a broad mastery of the various genre, leaving me wanting more.”

The Hilton Tokyo did an amazing job with the menu, harkening back to the 1960s with dishes such as Beef Wellington and Baked Alaska, as well as great wines chosen by our members at the Charity Ball Wine Taste-off in October and incredible beer provided by DevilCraft. The entertainment also brought in many of the elements of that legendary event 50 years ago with songs from *Moon River* to the dance tunes that originated with the Detroit Funk Brothers.

Tokyo FM announcer Kamasami Kong, who provided the opening narration, said: “The food was delicious and beautifully presented by the attentive hotel staff, and the musical entertainment was just the perfect touch for this event. All in all, everything was perfectly planned, coordinated, and executed—lights, sounds, auction . . . It was a night of pure enjoyment!”

Co-emcee Janica Southwick Sims added: “The ACCJ sure knows how to throw a great party! Thanks to the hard work and careful planning of the Charity Ball Committee, it was an unforgettable evening. This year having the wine tasting really made the dinner something to look forward to.” ■

Barbara Hancock is director and vice president of MediaSense K.K., and chair of the ACCJ Charity Ball Committee.



The Black and White Gala raised ¥9 million for these charities:

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1 From left: ACCJ Committee Coordinator Tohru Okamura; Erick Kish, commercial attaché, Digital Economy and ICT Team, Commercial Section, US Embassy Tokyo; Adobe Principal Worldwide Evangelist Jason Levine; and Adobe Business Development Manager Kaori Uno at Inter BEE 2016, held at Makuhari Messe on November 16.

2 ACCJ President Christopher J. LaFleur presents William Bishop, chair of the ACCJ Healthcare Committee and Medical Devices and Diagnostics Subcommittee, with a Special Achievement Award for many contributions over more than 26 years as an ACCJ member and leader.

3 Mie Kitano, co-chair, ACCJ-Kansai Business Programs Committee, presents a certificate of appreciation to Kimiko Bokura, founder of Mindful Leadership Institute, SIY Certified Trainer, for her presentation at the ACCJ-Kansai Speaker Event "Introduction to Mindfulness: Discover Google's Mindfulness Training" on November 25 at Procter & Gamble Japan K.K. in Kobe.

4 At the Joint Chamber Bonenkai 2016 held at the Embassy of Canada in Japan (Tokyo) on December 8.

5 Nancy Baldwin, senior consultant at H&R Consultants K.K.'s Relocation Division, and Yoko Shinobu, office manager, Hilton Plaza West, Servcorp Japan K.K., at the ACCJ-Kansai's 12th Bella Nova Night on November 11, at The Place Kobe. It was a great opportunity for female professionals to build their network, share experiences, and have delicious food and drinks.

6 Attendees celebrate after rocking the dance floor at the 11th Annual Champagne Ball and Awards Evening on November 18 at Hilton Nagoya. (page 45)

7 The ACCJ-Chubu Aerospace Industry Subcommittee hosted the annual Bowling Bonenkai on November 25 at Sport Nagoya.

UPCOMING EVENTS

Please visit www.accj.or.jp for a complete list of upcoming ACCJ events or check our weekly e-newsletter, *The ACCJ Insider*.

• JANUARY 19

Women in Business Committee
Lunch Session: Next Steps


• JANUARY 31

ACCJ-Kansai: 2017 New Year's Party at
ANA Crowne Plaza Osaka

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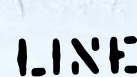
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It's a Party, So Have a Ball!

By Deryk X. Langlais

The 11th Annual Champagne Ball and Awards Evening, presented by the Chubu Chapter of the American Chamber of Commerce in Japan (ACCI) and Tokai Japan Canada Society (TJCS), was held on November 18 at the Hilton Nagoya. This year's theme was "Nagoya's Sister Cities" and featured Mexico City, Nanjing, Turin, Sydney, and Los Angeles.

Dressed to the nines, ballgoers stepped out of the elevator into the reception area to the lively sounds of mariachi band Los Cuates, delicious Mexican-themed hors d'oeuvres, and, of course, flutes of Champagne. At the far end of the reception area, this year's Red Carpet Sponsor, Maserati, had one of its gorgeous cars on display.

After guests were seated, the evening kicked off with a video highlighting the featured sister cities, after which we moved into the awards portion of the evening.

Kicking off the party with a multilingual comedy sketch and *kampai* were Stephen Kovacsics, principal officer at the United States Consulate in Nagoya, and Chenier

La Salle, consul and senior trade commissioner at the Consulate of Canada in Nagoya. I acted as emcee for the evening, and I'm happy to report that I managed to get through all of the introductions without mangling any of the names.

The Sister Cities theme continued in the dinner portion of the evening. In addition to the food choices from the two different buffet lines, there were four special booths set up with prawns, dim sum, risotto, and California rolls. In addition to great food, dinner provided additional opportunities to move around the ballroom for conversation and networking. During dinner, we enjoyed the traditional Chinese instrument sounds of Chang Bin Niko Enso Dan. Again, this year, drinks were included in the price of admission.

As dinner wrapped up, the night was just getting started. The talented and fun party band, The Unit, managed to quickly get the dance floor filled and hopping. After working off some of the calories from the excellent dinner, we took a break to

hold the always-popular charity raffle. Proceeds went to the Chubu Walkathon and children's charities. Thanks to our generous sponsors, many winners went home happy, and the luckiest left with two business-class tickets to Hawaii from Delta Air Lines and two tickets to Guam from United Airlines. I encourage everyone to plan to attend next year's ball.

Winners and losers then continued to boogie until it was time to wrap things up. We had a lot of fun, making new friends and strengthening relationships with old ones. We also raised money for charities, giving back to our community. On behalf of the Living in Chubu Committee, I'd like to thank our generous sponsors, our great host Hilton Nagoya, and, of course, every attendee, without whom there would be no Champagne Ball. Please make plans to join us for next year's event. It'll be a ball! ■

Deryk X. Langlais is vice chair, Living in Chubu Committee

PHOTO: REKO WHITFIELD



Chris Zarodkiewicz (right), ACCJ vice president-Chubu, and Britt Creamer, governor-Chubu, presented the Leader of the Year Award to Felix Busch (center), vice chair of the Business Program Committee.

ACCJ Vice President-Chubu Chris Zarodkiewicz was given a special award for his "25 in 25" Initiative, which helped make this year's 25th Annual Chubu Walkathon such a smashing success, raising ¥25 million for worthy charities.

This year's other winners were:

- ACCJ-Chubu Leader of the Year: Felix Busch
- ACCJ-Chubu Volunteer of the Year: Erik Olson Kikuchi
- TJCS Hagiwara Award recipient: Fumiyo Masui

Many thanks to all the honorees for your dedication to the Nagoya community.

The Case for Alternative Investments

And the benefits of risk

By Maxine Cheyney

The hedge fund industry has a notoriously muddled reputation. Since the 2008 global financial crisis (GFC), many investors have been averse to the prospect of risky investments, and the lucrative nature of hedge funds has taken much criticism.

On December 8, William J. Kelly, CEO of CAIA Association, presented his thoughts on the changing investment landscape during a luncheon at Tokyo American Club. He explained the value proposition of alternative investments, looked to clear miscommunication in media, and clarified misconceptions about the industry.

PROBLEM WITH TRADITION

In the current economic landscape, which hosts negative interest rates, how does the regular investor guarantee—with only a limited chance of loss—a reasonable return?

“We’ve got an overheated 60–40 investment model, and a lot of people have forgotten the value proposition of alternatives,” Kelly began. The investment model, which consists of 60 percent assets in equities and 40 percent fixed income, is described by Kelly as a “riskier place to be.”

The idea of fixed incomes guaranteeing a rate of return is an asset allocation that does not allow for the ebb and flow of a volatile marketplace. This traditional model is one that Kelly believes no longer works in the current market.

Referencing Howard Marks’ book *The Most Important Thing*, he explained: “When other investors are unworried, we should be cautious.

When investors are panicked, we should turn aggressive.”

This is where the value of alternative investments comes into play. “The biggest risk an investor faces is drawn-down risk, and if I look at the value of alternatives—if they are sold right—it can soften down some of those edges,” he said.

GOING ALTERNATIVE

To emphasize the advantages of alternative investments—and specifically hedge funds—Kelly focused on the pension crisis that swept the United States following the crash of 2008. Pension funds had been considered relatively low-risk, but this all changed when there was insufficient return on the money companies and the government had reserved for pensions.

“Fewer workers for retirees—it’s a horrible value proposition,” Kelly stated, addressing the aging of society that is consistent throughout the countries that are members of the Organisation for Economic Cooperation and Development. Kelly said that governments are continuing to head toward a point at which they won’t be able to fund pensions. Perhaps the answer lies in hedge funds.

However, this “comes full circle,” he explained, to some of the challenges that practitioners have in

the alternative space—particularly hedge funds.

With this massive funding deficit, Kelly said, “they’re saying ‘I’ve got to find this return somewhere,’ let’s turn to hedge funds. And when the hedge funds perform like they were supposed to perform, they are very disappointed because they are thinking ‘these high-octane vehicles need to give me 12 to 14 percent.’ This is simply not reality.”

This is where the widening dispersion of performance return comes into play. The rate of return is dependent on the hedge fund, and the dispersion of return has greatly increased with more alternative investment options.

There is currently monetary intervention across the globe, he explained, with “massive balance sheets being created by central banks,” and the money from an investor’s standpoint is “flooding in to the equity markets, so you have massive price appreciation; and this is not sustainable.”

Before the GFC, you could get the offsetting benefit of low correlation between asset classes, but now this is “much less true,” Kelly said. The correlation of equities with other assets has gone up, so there is a benefit there; but “not nearly what you had before the GFC, which underscores all the more reason you’ve got to think about alternative sources of return.”

One of the main issues is that people have cash, but no one is willing to invest.



William J. Kelly, CEO of CAIA Association, on the changing investment landscape, at Tokyo American Club.

PERCEPTION OF HEDGE FUNDS

Looking at the media coverage that hedge funds have received, Kelly explained that this negative and misunderstood exposure is creating a problem with public perception: “We’ve got to take a stand. If we don’t, the press is going to keep hammering, and the value and concept of alternative investment is not going to be understood.”

Ultimately, the public sector has put money in hedge funds to try to achieve a higher rate of return, with the idea that increased risk will lead to increased reward. But hedge funds have not been able to support this. He highlighted unrealistic expectations as being a continuous problem that is not helped by media coverage.

One of the misconceptions of alternatives, he explained, is they “are high-octane, high-return vehicles that really make high returns.” But, he added, “if you buy alternative [correctly], it’s meant to dampen down the volatility; and I think some of the criticism for alternatives has been— just after the GFC and more recently—they were yielding 3 percent on average, and investors are very disappointed with that.”

BE A SOPHISTICATED INVESTOR

He told the audience that a portfolio should include inexpensive funds that track the market rate of return, and

remaining allocations should be put in alternative investments portfolios that can outperform the market.

Each hedge fund has a very different risk profile, and under certain circumstances you are not appropriately rewarded for your risk exposure. Because of this, it is vital that you do proper due diligence.

“When the press writes a headline [such as] ‘the average hedge fund returns are not very good,’ they are right—the average is not very good. But the dispersion of returns from the top to the bottom is massive,” he explained. “To throw the entire asset class out makes very little sense.”

He said that there is still a tremendous amount of cash not currently in the market. “A lot of

investors are sitting on the side saying ‘I don’t know what to do.’ This is basically mattress money, and if it stays in the mattress, inflation—at no matter what level you are—is going to kill it.”

He concluded that it is crucial to be “clear about your investment process and try to understand the allocator’s return expectations.” It is here where people—talent, clear communication within the investment space, sound ethical standards, and setting minimum standards of professionalism in this industry are imperative. ■

Maxine Cheyney is a staff writer for *The Journal*.



ACCJ Alternative Investment Subcommittee Co-Chair Frank Packard presents a certificate of appreciation to William J. Kelly.



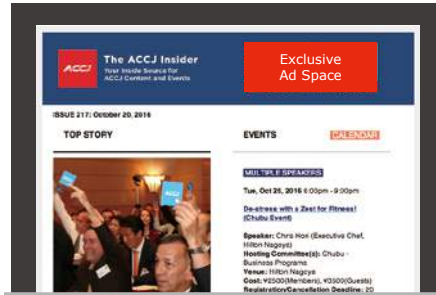
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Good Credence

How the SEIRS model can help

Many experts share a common problem: our customers cannot tell, even after purchase, whether we've done a good job. Translators, attorneys, doctors, educators, and other knowledge professionals are prone to this problem. Economists say that we're selling "credence goods." Credence goods are products and services that cannot be evaluated even after purchase.

Because purchasers cannot directly assess quality and true cost, they must find an indirect method of evaluation. For example, a second translator may be hired to perform a "back translation," or a second accountant may be hired to audit a first. But not all purchasers want to hire two professionals to do the same job. When cost is an issue, price, certification, or reputation may be used to decide among alternatives. Higher-cost professionals may be assumed to be more trustworthy. Those with certifications may be seen as better than those without. And the same product from a company with a better reputation may be valued more.

Exactly how much does reputation matter? It depends. (As a mathematician, this is always the answer I give when it comes to real-world problems.)

A mathematical model can help us answer this question. Luis Cabral of the Stern School of Business wrote an excellent primer on a game-theoretical model of reputation for experience goods, which *can* be evaluated after purchase.

For credence goods, a different model is needed. An epidemic model is useful here. Epidemic models are used by epidemiologists to predict the spread of disease in the population, but such models can be applied to



By Chad Musick, vice-chair,
ACCJ-Chubu Business Programs
Committee and operations manager
of ThinkSCIENCE K.K.

other problems. For example, videos that have gone viral are often studied in this way.

Let us consider the SEIRS model. In this case, potential customers begin in a susceptible state (S). They will be open to purchasing your product in this state. When they encounter your product, they have been exposed (E) and might spread your reputation but not purchase. Just as it may take multiple exposures to catch a cold, a potential customer may need multiple exposures before they will seriously consider a purchase.

In epidemic models, the ease with which the infection can spread from one host to another is its infectiousness. When we apply this to businesses, improved reputation will increase the chance that an exposure will lead to "infection" (I): that is, purchase or recommendation to others.

The three key factors in the spread of a disease (or video, news story, etc.) are the network (how likely exposure is), the infectiousness (how likely exposure is to result

in spreading), and the removal (R) factor. A highly infectious disease that immediately kills or immunizes those who catch it will not spread far: all potential carriers will be removed from the population.

In the business context, R represents many factors, among which service is under our control as sellers. Because purchasers of credence goods cannot directly assess quality, customer service is critical: a bad experience will both damage overall reputation and immunize others from purchase.

The final "S" in the SEIRS model is (again) susceptibility. Customers who have a bad experience—whether our fault or not—will sometimes give us a second chance.

The SEIRS model also suggests how to improve reputation while building sales. Opportunities that expose us to potential customers in a way that highlights expertise are going to be the most effective. This is because they target both the "E" and "I" steps. Educating potential customers, cooperating in the establishment of industry standards, and being vocal about what a good company/professional looks like in your industry will improve your exposure and your reputation.

As an added benefit, improvements to an industry typically increase the cost of entry, which reduces competition. In selling credence goods, this often results in overall improvement of quality because the competitors that are kept out are those least likely to provide good quality. ■

Because purchasers cannot directly assess quality and true cost, they must find an indirect method of evaluation.

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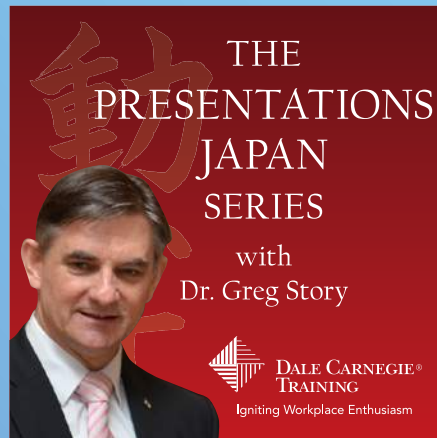
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