

Management Consulting 'with the Means at Hand'

Until he relinquished his position as CEO of a leading Japanese logistics firm, Günter Zorn had always been perceived as the 'black sheep' in his family having been the only member without its own enterprise. Perceptions would ultimately change, however. In April this year, the consulting firm z-anshin – founded by him – will celebrate its fifth anniversary; and five years of robust growth, to boot. As for the firm's recipe for success? Devising individual solutions for the typical problems often visited upon foreign companies operating in Japan.

Patrick Bessler spoke with Günter Zorn about his commercial experiences.

JM: Mr. Zorn, you launched your firm back in 2009 – it wasn't the most auspicious of times for Japan, was it?

Zorn: That's correct. But sometimes it's better to start a business under less favorable conditions. That way, things can only get better. At the time, and together with my Japanese partner, I basically launched my firm from my dining room. Yet today, we are a team of more than ten consultants servicing in excess of thirty clients. For us, the frequency of repeat orders is the best barometer of our clients' satisfaction.

These days, we cover a wide gamut of industrial sectors, too: from mechanical engineering, semiconductor manufacturing, chemical industry; service industry to building materials manufacturing; and from logistics firms to medical technology consumer and lifestyle, all of which are currently thriving.

JM: The majority of your clients are companies either based in Germany or in other German-speaking countries, and the client mix of SMEs and larger corporations is roughly equivalent. What kind of consulting services are especially sought after?

Zorn: We operate across many areas, which are similarly covered by the major strategy consultants: particularly, supply chain management, including ware-

housing and domestic transportation; business process optimization; and market research. Where the difference lies is that we are solely engaged at a domestic level and we follow an extremely targeted approach. For instance, we undertake specific B2B research for those companies planning to make acquisitions in Japan so as to identify Japanese partners. Unfortunately, it is not uncommon – and, indeed, it happens all the time – that, during the acquisition process in Japan, foreign companies behave rather like bulls in china shops and aren't shy about springing questions like "How much does your company cost?" on potential business partners. That's clearly not a prudent approach. We identify potential partners, conduct thorough analysis, and suggest an appropriate course of action. In so doing, forging contacts with the right people within organizations is indispensable. Moreover, these people needn't necessarily be the company president in every case. We have these types of contacts at our disposal.

Besides this, we also conduct specific customer surveys within the B2B arena. For instance, we asked one client's top ten customers about issues ranging from product quality to delivery accuracy. We went a step further, too, and also examined issues such as their globalization objectives, facts, which later impacted upon our cli-

ent's strategic decision-making.

Another important domain for us is executive coaching. In this particular area, we work extremely intensively with managers, and often over long periods. The content of the coaching is also customized to accommodate individual needs. A fundamental issue in the context of this program, particularly for newcomers, is the Japanese business culture.

JM: Could you give us an example?

Zorn: One instance springs to mind where a firm had selected a Japanese national for a C-level position. In terms of expertise, the candidate was well qualified, but the headquarter wasn't entirely convinced that he would fit in vis-à-vis other aspects specific to the role. Initially, he was to be employed as an acting director. I cautioned against this, however. Rather, we worked with him for two months, with particular reference to his outreach. Now, he holds the aforementioned position and does a fine job.

JM: For your business, what role do companies newly-engaged in Japan play?

Zorn: This has been an expanding focus of ours in recent times, a fact we'd originally not banked upon in view of foreign companies predominantly targeting China rather than Japan. However, over the last



“Many well-established companies **for the second time take a closer look** how their Japanese subsidiaries actually function.”



two years the launching of foreign start-up companies in Japan has increased significantly. Other firms in our industry confirm this trend, too. At the same time, many well-established companies all of a sudden, again are more closely scrutinizing how their Japanese subsidiaries actually function.

JM: In what way?

Zorn: Numerous companies which have been engaged in Japan for years, have structures in place that have grown organically – more often than not through mere happenstance and not at all as the product of a systematic approach. We dealt with one such case where the back office staff was larger than the front office. Such structures spawn unproductiveness, mistakes, and unnecessary costs.

These days, and with ever more frequency, even SMEs are starting to globalize their systems and to unify their business processes. What’s more, ‘procedural frictions’ may come to a head every so often: such as when a business practice, which works very well in Germany, proves less than ideal for the Japanese market when rolled out in Japan. A good example of this can be found in supply chain management. The Japanese still prefer customized solutions and, in such cases, we are enlisted as go-betweens. Standardizing procedures can prove very useful, but in Japan there are always cultural peculiarities that cannot be brushed aside.

Another issue, which has become more relevant lately, is cost-efficiency. In the past, Japan for the most part had borne a higher cost structure compared to other countries; as long as premium pricing could be achieved everything was okay. However, after a long period of stagnation and given the rises in competitive constraints ‘price’ has now become an important issue.

JM: How much can still be achieved in this respect?

Zorn: One shouldn’t generalize a situation. We don’t approach companies with preconceived notions and espousing generalities like “Let’s cut costs by 30 percent”, or something of that ilk. Rather, we will initially perform targeted analysis and then two options are available to us: either there is room for improvement or else everything is already top-drawer, in which case the status quo can be left in force. It is always possible to save a couple of percentage points here and there, of course, but that is often disproportional to the expenditure. We work ‘with the means at hand’, as we like to call it: in other words, we don’t just submit theoretical suggestions, but proceed in a practical, results-oriented fashion.

JM: Prior to your professional independence you held an executive position in a global corporation, enjoying all the financial trappings which came

along with it. Have you had any second thoughts about your decision to become a self-employed entrepreneur?

Zorn: Not at all. Previously, I made a good living and frequently took center stage. Between here and Singapore I used to keep three secretaries busy and always had someone at my disposal to delegate tasks to. Then, all of a sudden you are alone, left to your own devices and have to do everything yourself. That has been quite a novel experience for me. On the other hand, I’ve discovered that I can actually do many things which I would never have previously thought myself capable of. Or else I’ve just learned what’s required to do the job. There are many tasks that involve a degree of complexity which I’d previously been oblivious to. As a result, I have a healthy respect for them and for those who have to undertake them every day. ■

Günter Zorn is the Representative Director/President of z-anshin K.K. He has accumulated more than 30 years’ experience in executive positions, including, inter alia, his stewardship of a leading global transport and logistics corporation. In addition, he has held several public offices, including those of both ‘Präsident der AHK Japan’ and ‘Gouverneur of the European Business Council’.

Since 2009, **z-anshin** has supported companies in a number of different fields including entry to market, M&A including PMI, marketing and optimizing business processes. z-anshin boasts decades’ worth of experience in corporate executive management and in strategic business consulting.

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