

EXECUTIVE IMPACT

Executives on the Cutting Edge of Japanese Business

PM-Global

Creating Project Success



Entrepreneur
Association
of Tokyo

Tel: (03) 5336-9236

E-mail: info@ea-tokyo.com

URL: www.ea-tokyo.com

FEBRUARY 2006



Jim (Coach) Hunter

Revolutionizing Program Execution

How did a small Tokyo-based project management company reach the stage where they now enjoy 80% repeat business with some of the biggest names in the Japanese business arena?

It was only late in the last decade when many companies in Japan saw little if any need for outsourced project management (PM) services. But that attitude was rocked to the core when Y2K – the so-called “Millennium Bug” – drove thousands of companies the world over to purchase outsourced PM services to guarantee their Y2K projects were sewn up tight before midnight 2000.

Then, only two short years later, writes business reporter **Jonathon Walsh** in this report about a growing Tokyo-based project management company, the necessity of PM seared its way into the consciousness of the business community again.

As if by fate, the fiasco that surfaced in early 2002 resulting from the merging of three Japanese banks into Mizuho Holdings underlined the critical importance of PM. The prime cause of the glitches that plagued the launch of Mizuho was inadequate project management, says **Jim (Coach) Hunter**, Senior



PM-Global management team.

Partner of Tokyo-based PM company **PM-Global**. “There was more politicking going on among the three entities than project management. With proper project management using defined international guidelines, those kinds of problems do not occur.”

Enabling companies to experience project success

With more than 25 years in the I.T industry in many countries and a 3-year stint (1997-2000) as Senior Project Manager for an IT consulting company in Tokyo, Coach co-founded PMP-Japan with two other partners in June 2001. The company name was changed to PM-Global in 2005 to reflect its status as a rapidly growing global PM service provider.

Why are PM-Global’s services important for businesses? “It’s fairly common knowledge in Japan and around the world that people in organizations have trouble effectively and successfully conducting projects of any sort in accordance with requirements, scope, budget, and time frame,” Coach says. “So, our service is to provide the opportunity

PTO...

10-SECOND BRIEFING

INDUSTRY: Project Management Services

LOCATION: Tokyo, Japan

ESTABLISHED: June 2001

SENIOR PARTNER & REPRESENTATIVE DIRECTOR:

Jim (Coach) Hunter

COMPANY TYPE: K.K.

EMPLOYEES: 16 full time plus 6 freelance consultants

CORE SERVICES:

- On site Project Management
- Advanced Project Management Consulting
- International PMP Certification Training
- Custom Training Solutions
- Business Process Management
- P³ (Program, Project, Portfolio) Organizational Maturity



Coach conducting a JPMF seminar.

for these companies to experience how to succeed in projects.” PM-Global’s service in a nutshell enables clients to achieve, develop and maintain a competitive advantage with the timely introduction of new products. “The most important point here,” Coach emphasizes, “is the timing of the successful completion of projects. **Time to market is directly related to competitive advantage.**”

Growth through word of mouth, referrals

Business growth for the company, which now employs 16 full-time and 6 freelance consultants, has come through word of mouth and referrals from satisfied customers. “In my previous company, I created a large business network through the ACCJ and by working with various companies. When I launched my own company, I spread the word throughout that network and as requirements came up within the network, people started calling me.”

Staff growth has only recently occurred in 2004. “That was part of our strategy from the very start – slow organic growth to minimize overheads so that we would not bog ourselves down with debt and the stress of overheads. There is a driving strategy behind this –



PM-Global management team at work.

we have to have fun, and if you have the stress of overheads, debt and venture capitalists, you’re not having much fun.”

How does Coach keep staff motivated?

“We make sure everyone is having fun by holding team activities, monthly power breakfasts (the entire team is brought together for a half day event in a team meeting), then we have a very successful unique system called the **3C Program**: (Commitment, Cost and Compensation) – this program gives every team member the opportunity to be an *intrapreneur* – an inside entrepreneur and allows staff to pursue their career goals – sponsored by PM-Global – that are related to the company. For example, one team member is pursuing her undergraduate degree and we are paying for it. Another staff member wants to develop a new consulting service line, so we are sending that person to a special school and providing support.”

Fired the customer

Business highlights have included 80% repeat business with clients including Citigroup, NTT DoCoMo, Vodafone, NEC/ST, Aozora Bank, Yahoo! Japan, HSBC, Morgan Stanley, and many others; the completion of a major project with an international insurance company; the recognition of a senior PM-Global consultant by the Tokyo chapter of PMI; the creation of the English speaking professional PM group – JPMG Global SIG; and long-term sponsorship of EA-Tokyo and ICA (International Computer Association).

“Our participation in the EA-Tokyo organization has been one of our most successful sponsorships in Japan, for 2 reasons: EA-Tokyo’s diverse membership is an excellent resource pool and they have given us broader and deeper access to more industries and corporate executives than we could have accomplished on our own in the same period of time. And by participating in EA-Tokyo speaking engagements, workshops and other activities, I received extensive coverage throughout Tokyo via websites; broadcast emails; word-of-mouth campaigns and Fuji TV! This

KEY ACHIEVEMENTS

- Established long-term services relationships involving Project management consulting and training with major companies in Japan (including Citigroup, NTT DoCoMo, Vodafone, Aozora Bank, NEC/ST).
- Operated with zero debt since inception.
- Established business partnerships and alliances with international and domestic companies to broaden PM-Global’s capability bandwidth.
- Established global business relationships with organizations outside Japan.

“We now screen clients before we take them on.”

free publicity has enhanced PM-Global’s image and resulted in new business referrals and opportunities.”

Coach highlights a major project that became an important lesson. “In our first project, we actually fired the customer because there was too much stress. We walked away from that engagement because the customer did not allow us to bring value to the deal, take our advice or use our solutions.” What did he learn? “We now screen clients before we take them on just like they screen us – it’s a two-way street.”

What lessons did Coach learn the hard way when setting up his business, and how did he overcome them?

Working with Western managers –

“Western managers who come to Japan on short-term assignments, say from the U.S., expect their model, in terms of consulting rates and how consultants operate, to work. Well, the model is somewhat different here in Japan. We find it easier to work with Japanese management and long-term western management. In fact, it takes more time

PTO...

and effort to close a deal with short-term western management than with Japanese management and long-term, experienced western management.”

Dealing with management and staff in terms of long and short-term vision and strategy

– “The tendency is for people to look out for their next paycheck to put food on their tables. The challenge is to get these same people to understand that we can eat well now and pursue long-term visions. Our **3C Program** which provides every team member the opportunity to be an *intrapreneur* and allows staff to pursue company-related career goals – sponsored by PM-Global – helps them create their long-term vision so they create their long-term role in the organization.”

In the beginning, it was very challenging to exhibit confidence when meeting executives of large Japanese companies as a partner of a very small company “consisting of three guys and a laptop, and trying to convince these corporate moguls that we can help them.”

CASE STUDY

‘The Confidence Thing’

“That was probably the biggest challenge. We had the passion and faith in our capabilities, but sitting there and projecting that confidence in terms the executives could relate to was a challenge.”

What tools did PM-Global use to convince these large companies to do business with them? “One of the things that legitimized us was our long-term association with the international Project Management Institute. This is how we got our foot in the door along with our international certification as PM professionals. The other tools were our global PM best practices that Japanese executives were looking for to kick start them out of their long-term mode of practice. We were also well skilled at interviewing techniques, meeting with business executives and talking about their hot spots. Generally, our tools were *us*.”

Are you an 8 million yen consultant?

What key points do wannabe entrepreneurs need to know before starting a business in Japan?

- *Understand the legal aspects of doing business* – “They don’t need to be experts but they do need to create a legal structure as a matter of setting the tone for their business.”
- *Expect loose contract terms and conditions* – “For actual product or service contracts, the tendency [in Japan] is to keep the terms and conditions loose and in certain cases undefined. The attitude is, ‘We’ll define things as we go along.’ That is completely the opposite of what I am accustomed to, which is doing business with very finite terms and conditions. However, I have come to appreciate the Japanese way because it really deals with faith, relationship, and the spirit of the contract. However, you really need a certain level of defined terms and conditions.”
- *Understand business protocol* – ie: how to meet Japanese business people, what to expect in Japanese contracting practices, etc.

What key entrepreneurial qualities does Coach believe are crucial for entrepreneurs to run a business in Japan?

- *You need to be a people person* – “You’ve got to understand and believe that your people are your real assets, and your customers and external partners, suppliers, etc. are all people and you need to deal with them as such.”
- *You must understand that not all people belong in your organization* – “You will wind up with some people who do not belong in your organization. Don’t try to salvage something unsalvageable. The way you do that is you hire people for a 3-month probation period. You must be strong on this principle. Former General Electric CEO Jack Welch calls it the 70, 20, 10 principle: **70% of people are those you want to turn into cream, 20% are the cream, and 10% would be better elsewhere.** Not everyone is a superstar and some

CASE STUDY

Cultural Clash

“One of the things that surprised me in my first meeting with a Japanese company – before we had even started the relationship – was that they wanted to know detailed answers about our prices for products and services. In the U.S. that doesn’t happen – that’s not the first and most important issue. In the U.S., you first want to find out whether you are compatible and if your product is good. The pricing and costs are usually left to later meetings.” Why does Coach believe Japanese companies mention costs first? “That’s the way they measure you. They want to understand what kind of world you live in – are you an 8 million yen per month consultant or a 1 million yen per month consultant?”

“You’ve got to understand that your people are your real assets.”

people are non-performers, and in the middle of your organization there are people with incredible potential, and it is your job as a manager to develop that potential.”

Touching on **some of the biggest hurdles** he has experienced in running the business, Coach points to setting up back office operation with necessary **PTO...**



Coach presents at annual JPMF symposium.



Networking in Shanghai.

personnel, and adhering to Government regulations.

Operate with sense of highest quality

On a personal level, what were some of the difficulties Coach encountered as a foreigner doing business in Japan, and how did he overcome them?

Understanding Japanese business protocols, ways of doing business, and adapting to these protocols – to a point – “That means adopting to it as far as I needed to. From a personal standpoint, this was one of the hardest things. My Japanese business partner was key to the whole thing – he was my sensei and insisted I pay attention to Japanese protocol.”

We are not one-off service vendors to our clients; we become long-term services partners – “We go in and share the risk and participate in their success. That’s our fundamental strategy – to become key to our customers’ success. We are not in it just to provide services without some form of accountability.”

INSIDE INFORMATION

- Business growth came through word of mouth and referrals from customers and alliances.
- Slow organic growth minimized overheads.
- Understand the legal aspects of doing business.
- Understand that not all people belong in your organization.
- Share clients’ risk and participate in their successes.
- Do everything with a sense of the highest quality you can achieve.

The 3 most important lessons Coach has learned in business?

- *You don't have to do it alone* – “In fact, you should not be alone. Don't try to go it alone.”
- *Stay Focused* – “Do not forget your priorities and the principles behind why you are building your own business.”
- *Quality* – “Do everything with a sense of the highest quality you can achieve.”

The 2 things Coach would never do again in business?

- *Reneged on a promise* to an individual, customer or supplier.
- *Ignore Jack Welch's 70, 20, 10 principle.* “Don't try to salvage something unsalvageable. Be honest with your team.”

Future plans for PM-Global?

The company has recently completed their 3-year growth plan which includes pursuing business opportunities outside Japan, setting up more strategic alliances with other international companies, and developing PM-related products that automate aspects of their consulting services.

“Our new slogan is: ‘*Revolutionizing Program Execution.*’ This slogan addresses the global trend by corporate executives to manage their businesses as a series of continuous product-development and business-intelligence programs. Their programs are aligned directly with business goals and are executed as interrelated projects, rather than independently executed projects. The difference for the executive means huge cost savings; optimal use of corporate resources (including personnel); higher rate of project success; quicker time-to-market with new products and consistent achievement of annual business goals.”



Celebrating success and teamwork.

PM-Global

Creating Project Success

CONTACT INFORMATION

PM-GLOBAL K.K. ADDRESS:

8F Burex Kyobashi,
2-7-14 Kyobashi,
Chuo-ku,
Tokyo, 104-0031

TEL: (03) 5159 2151

FAX: (03) 5159 2152

E-MAIL:

coach@pm-global.com

URL: www.pm-global.com



EXECUTIVE IMPACT prepared by Business Grow

- Professional Editorial & Advertising Services
- Executive Interviews
- Corporate Writing, Editing
- Expert Insight & Corporate Newsletters
- Seminar Summaries
- English Media Advertising Solutions

www.businessgrow.net

Like to be featured in an EXECUTIVE IMPACT newsletter?

If you have an eye-catching success story you would like to share with EA-Tokyo members while promoting your business at the same time, contact Jonathon at info@businessgrow.net