

Chapter 7: Vietnam



Population	98 million (2019)
Land Mass	331,000 km ²
GDP per capita	2,107 USD (2019)
Religion	Buddhism (Mahayana Buddhism)

The World Bank Development Indicators

Overall Theme of this Chapter: The Value of Work Experience in Japan

- Let's think about the importance of gaining work experience in Japan.

Section A: Let's Learn About Vietnam



Pre-study about Vietnam

Choose one topic from the following list and research it in more detail on the Internet or at the library.

1. Research the historical relationship between Japan and Vietnam.
2. Research the current relationship between Japan and Vietnam.
3. What kind of country is Vietnam today?
4. Research the political system, culture, and society of Vietnam.

Vietnam at a Glance

Vietnam, officially known as the Socialist Republic of Vietnam, is a socialist republic located in the eastern part of the Indochina Peninsula in Southeast Asia. The capital is Hanoi. It is a member of the Association of Southeast Asian Nations (ASEAN). The language is Vietnamese, and the currency is the Dong.

The country was colonized and controlled first by France and later by Japan during World War II. After the Second World War, the country was divided into North Vietnam (communist camp) and South Vietnam (capitalist camp). In particular, the economic development of Ho Chi Minh City, the largest city in the south, has been remarkable. Sixty-six percent of the working population is engaged in the primary sector, but in recent years the secondary and tertiary sectors have been growing rapidly. In recent years, the tourism industry has grown remarkably and has become an important source of foreign currency. The main export items are crude oil, clothing, and agricultural and marine products. The country is the third largest exporter of rice in the world after India and Thailand. It ranks first in the production of cashew nuts and black pepper, accounting for 1/3 of the world's production. It is also a major exporter of coffee, tea, rubber, and fish products.

The Kinh people (Vietnamese) account for 86% of the population, but more than 50 ethnic minorities also live in the country. Most of the population are Buddhists, but there are also Christians (Catholics) from the French colonial period.

Section B: Let's Learn about Japanese Entrepreneurs Working in Vietnam

Pre-reading Discussion Questions:

1. Have you ever been to Vietnam? When and where did you ask? What are some of the most memorable things about Vietnam?
2. What do you know about the history of Vietnam?
3. What kind of image do you have of Vietnam?
4. Vietnam, especially Ho Chi Minh City, is said to be experiencing remarkable economic development. What do you think are the reasons for this?

Main Task: Please read the following cases 1-3 and answer the questions about the career path. Also, don't forget to go to the website(s) listed at the end of each profile to learn more about the business.

Case 1

Mr. Tomohide KAKIYA

Profile:

Born in Fukuoka Prefecture, Japan. Graduated from the Department of Electrical Engineering and Computer Science, Faculty of Engineering, Kyushu University, and the Graduate School of Systems Information Science and Electrical Engineering, Kyushu University. Currently, he is the CEO & Founder of Scuti Corporation in Hanoi, Vietnam.

Website:

Scuti Corporation: <https://www.scuti.jp/>

After completing graduate school, Mr. Kakeya worked for three and a half years from 2005 to 2008 at Canon's optical technology laboratory in Utsunomiya City, Japan, developing interchangeable lenses for single-lens reflex cameras.

In 2008, he moved to the industry's leading Internet advertising agency, SEPTENI Corporation, an advertising agency for Google, Yahoo! He joined the Development Department (later the Business Development Division), where he oversaw developing applications for managing and optimizing advertisements.

In 2012, at the request of a company that was setting up a software development subsidiary in Hanoi, Vietnam he was dispatched to set up the subsidiary and serve as the representative until 2015, when he was requested to return home. The number of employees at the local subsidiary was about 50 when he left.

In 2015, he started his own company, Scuti Corporation, which provides offshore development services in Vietnam specializing in the PHP programming language. Since he was a foreigner in Vietnam, he borrowed funds in his partner's name to start the company. The company has 14 employees: 11 engineers, one business development manager, and two back-office staff.

He is the eldest in his family with two younger brothers. His father worked as a system engineer and photographer for a while. His mother is self-employed, but his upbringing suggests that he was not overly influenced by entrepreneurship. Originally, he had a strong desire to be independent and go abroad.

Mr. Kakeya stated that at Canon he had three supervisors: a chief engineer in training, his immediate supervisor, and a senior engineer. These people guided him in the company. Yet currently, he doesn't have a clear mentor, but he does have fellow managers and entrepreneurs whom he consults when he needs help.

His professional network consists of the management of the local subsidiary and the client company. The industry is IT-related and a subsidiary of a local corporation. His personal network is mostly work-related, except for the people he plays tennis with at weekly matches.

Since he became an entrepreneur, he never thought of taking time for anything other than entrepreneurship. Currently, he is satisfied with his decision to become an entrepreneur, although not with the results, so he rates his job satisfaction at 4 on a scale of 1-5, life satisfaction at 3, and an overall satisfaction rating of 4.

As for his work experience in Japan, his experience at SEPTENI was beneficial, but Canon was in a different industry and was a large company, so the only thing that was beneficial from that perspective was the business etiquette training for new employees.

His personal motto is "Create your own opportunities and change yourself with the opportunities," as stated by Mr. Hiromasa Ezoe, former president of *Recruit Co.*

As for the decrease in income he experienced when becoming an entrepreneur, it has decreased to 1/8 of what it was when he was working as the president of the Japanese subsidiary. His current income is \$800/month because he intentionally keeps it to a minimum. He used 1.5 million yen of his own savings in Japan and Vietnam as startup funds. When he started his company, he didn't consult with anyone. His current concern is only that his cash flow still isn't quite stable.

Mr. Kakeya's Career Path

18	Entered Department of Electrical Engineering and Computer Science, Faculty of Engineering, Kyushu University
24	Completed Graduate School, Faculty of Information Science and Electrical Engineering, Kyushu University. Worked at Canon's Optical Technology Laboratory (Utsunomiya)
28	Moved to the Internet advertising company, SEPTENI Co.
32	Dispatched to Hanoi, Vietnam as a representative of a local subsidiary and to start up a new subsidiary
35	Became independent. Started Scuti Corporation
Present	Continues his business



Questions about the Career Path

1. What kind of work do you think Mr. Kakeya did at the advertising company before he changed jobs? Please research and explain the duties of the advertising company.
2. What abilities do you think are required to make an overseas subsidiary successful? Please answer using your own ideas.
3. Why do you think Mr. Kakeya decided to start a business in Vietnam instead of returning to Japan? Please explain the reason.
4. How did he obtain the funds to start his business?
5. Please explain the meaning of Mr. Kakeya's career anchor.

Case 2

Ms. Megumi KATSU

Profile

Born in Gifu Prefecture. Married to a Japanese husband who works for a travel agency. Studied at public elementary, junior high, and commercial high schools in Gifu Prefecture. Graduated from Waseda University, Faculty of Social Sciences (age 22). Currently CEO and Chief Producer of More Production Vietnam.

Websites:

More Production: <http://morevietnam.com/>

Personal: <http://katsumegumi.com>

After graduating from university in 1999, Ms. Katsu started working at the Nagoya TV commercial production company Image Box in April of the same year, where she oversaw planning TV commercials for two years until 2001.

After resigning from the company, she enrolled in a photography school in Tokyo taking evening classes and worked as a temporary staff member during the day. She took a one-year leave of absence from school in March 2002.

In 2002, she went to Vietnam on a student visa to study Vietnamese at Vietnam Normal University. She obtained a certificate of completion for the short-term program from the university.

After completing the program, she decided she wanted to stay in Vietnam, so in January 2003, she started working part-time in the travel department of a travel agency, APEX International (headquartered in Ho Chi Minh City). Her work consisted of general office work such as travel arrangements and customer service.

Six months later, in August 2003, she was hired as a full-time employee. She had always wanted to work on a magazine to do photography and video work, so while she was at the travel agency, there was a vacancy in the editorial department of the company's free paper called Sketch. The paper provides information about Vietnam to Japan. She decided to pursue her dream and took on a dual role working in the travel department and on the free paper. As the free paperwork grew, she became the manager and publisher of the company's Hanoi editorial department, which started out with just one person, Ms. Katsu, and eventually grew to about 15 members of staff.

She continued to work in this capacity until 2013, when she returned to the travel department due to personnel issues within the company. At that time, the chairman of the company encouraged her to start her own business. A Vietnamese female friend who had worked with her at Sketch and whom she had known since first arriving in Vietnam when they lived together, suggested that they start a business together, so they established More Production in 2013. Her friend became her nominee to enable her to establish a business in Vietnam.

More Production currently has 15 employees. In addition, she also opened a café called Annan Parlor to get information from the ground about what people are interested in. The cafe has seven full-time employees and two part-time employees.

More Production's business includes planning and production, advertising policy and publication in advertising magazines, negotiation and coordination with advertising agencies, social contribution projects, planning and sales of Vietnamese souvenirs, and operation of Vietnamese cafes. In addition, it also launches and manages Vietnamese Facebook, provides planning and contracting agency work for advertisements in local Japanese free newspapers, provides web marketing services, and conducts events.

Ms. Katsu said that she didn't have a mentor in her first job but currently her mentors are her Vietnamese co-owner and her husband. Her professional network includes people connected to the sponsorship of an in-flight magazine in Vietnamese Airlines, people involved in picture books, relations with the Japanese Chamber of Commerce and Industry in Vietnam (where she is a board member), *Inamonkai (Alumni Association of Waseda University)*, and Professor Tsuboi of Waseda University (whom she met through her work translating Japanese picture books into Vietnamese). She also has connections with public institutions, working women's associations, and prefectural associations. As such, networks in her personal life are deeply integrated with her work networks.

Ms. Katsu feels that job satisfaction is the most important aspect of her life. She stated that her experience of working in Japan was beneficial for her future career. Her motto is "Always Smile" as she believes that a little bit of happiness is more important than a lot of happiness, and she is always trying to create a comfortable working environment for those around her.

She is not concerned about the decrease in income. Her focus is on doing what she enjoys. She raised \$50,000 to start More Production and \$40,000 for the café. The café is profitable and paying dividends. She now understands that her work in setting up the Hanoi editorial department of Sketch was the foundation and preparation for her future career. At Sketch, she took sales from \$2,000 a month to \$40,000 so she was able to gain a lot of experience in how to work with advertisers.

After founding More Production, she hired all her staff from scratch. She didn't consult with anyone about starting her business. Although she believes that the encouragement she received from the chairperson of her previous company and the suggestion to start the business from her co-owner were the main reasons driving her decision.

Currently, she is highly satisfied with her work and her life, giving her situation an overall satisfaction rating of 5 out of 5. She credits her husband's presence to providing her with emotional support when starting the business.

As the number of staff members in her company has been increasing, her concern is to ensure the stable management of the business to guarantee employment for the

employees. Ms. Katsu is mainly in charge of sales, and although her work is increasing, there is no one who can do the same job. Staff personnel, accounting, payroll, etc. are handled by her co-owner. They have a close and trusting relationship with Ms. Katsu in charge of expanding the business, while her co-owner oversees everyday management.

Ms. Katsu Career Path

22	Graduated from Waseda University, Faculty of Social Sciences. Worked at Nagoya TV commercial production company Image Box
24	Enrolled in a photography college (evening) in Tokyo; took a leave of absence in March 2002. Worked as a temporary worker during the day
26	Learned Vietnamese through a short-term study abroad program at Vietnam Normal University
26	Worked part-time as a temporary staff member in the travel department of APEX International, a travel agency
27	Hired by the company as a full-time employee. Worked both in the editorial department of the free newspaper Sketch and in the travel department. Participated in the launch of the company's Hanoi editorial department
37	Became independent and established More Production Vietnam
38	Opened the cafe Annan Parlor
Present	Expanding her businesses



Questions about the Career Path

1. What do you think Ms. Katsu learned at her first job after graduating from university?
2. Why do you think Ms. Katsu worked as a temporary staff member during the day and went to a vocational school at night?
3. How do you think Ms. Katsu increased the circulation of her free paper? Use your imagination to come up with a sales strategy.
4. Explain why Ms. Katsu started her business.
5. Describe the things that you think are important to Ms. Katsu in her work.

Case 3

Mr. Hidenori KIKUCHI

Profile

Graduated from Tokyo Denki University High School, Electronics Department. Graduated from Aoyama Recording School Vocational School. After graduation, started working as a mixer and sound engineer for concerts. Also has experience teaching at a vocational school. Currently, he is the General Manager of FLYOUT Planning and Executive Vice President of CLS ENTERTAINMENT CO.,LTD (former CLS VN Co., Ltd).

Websites:

CLS ENTERTAINMENT CO.,LT <https://clsupport.vn>

Facebook of J-Pop festival [TOUCH] <https://www.facebook.com/TouchFes>

FLYOUT YouTube <https://www.youtube.com/c/FlyoutPlanning>

Mr. Kikuchi has been involved in recording work since he was a student at a vocational school. After graduation, he became interested in live sound production and began working for a sound company in Aoyama, Tokyo, at the age of 20.

After working at the above company for about two and a half years, he was transferred to the sound department of an affiliated company, an entertainment production company, where he worked for three and a half years from the age of 22 to 26. He oversaw sound production.

When he was 26 years old (1991), he founded FLYOUT. His business includes sound, lighting, and publications. The company was founded in Gaienmae, Tokyo, and has since moved twice from Aoyama 3-chome to Kotto-dori in Omotesando. The company currently leases the property to another company and has an office in Roppongi and a warehouse in Yashio City, Saitama Prefecture. The company has around 18 employees.

In March 2005, he founded CLS (Comfort Life Support), initially in Japan at the age of forty. The purpose of establishing the company was as he said, "to do whatever it takes to make a good company." When he was teaching acoustics at a vocational school, one of his students was from Taiwan, and when he had a chance to work in Taiwan, he had an experience of being helped by his student. This experience led him to establish CLS. From his experience in Taiwan, he realized that having an interpreter would help him work better and that it was possible to start a business overseas.

In 2007-8, he founded a company in Taiwan, and the following year, he established a company in Hong Kong (a concert production company CLS Entertainment). The purpose of establishing the company in Taiwan was to obtain a license. He was interested in doing something that no one else was doing, so he initially imported and sold Chinese tea.

The impetus for the establishment of the company came from the Taiwanese student who gave him a gift of tea every year that was not sold on the market. He wanted to know how the tea was produced, so he was taken to the fields where it was grown and learned about

the many kinds of tea he had never seen before.

Later, while stocking those teas, he began to receive consultations for events, and simultaneously worked to introduce Japanese musicians to overseas audiences while also selling tea.

Recently, Japanese people have become more interested in foreign countries through food and tourism. However, the best way to appeal to the younger generations in Southeast Asia is via pop culture. Japanese companies are trying to target employees of Japanese subsidiaries and wealthy Southeast Asians, but the real fans of Japan (and where potential revenue is) are the younger generation who are thinking about learning Japanese. As such, Mr. Kikuchi believes that starting a business that appeals to this demographic is more effective. He has been working with this idea in mind since 2006.

However, when Japan-China relations worsened, Mr. Kikuchi moved to Vietnam in 2013 and founded CLS VN Co. Ltd. and changed the name to CLS ENTERTAINMENT CO.,LTD. The company organizes anime festivals and contracts out event planning. Holding an event requires taking on the risk of losing money at the same time as finding sponsors. Currently, he can judge whether or not it will succeed as a business. This is based on his experience, the overall balance of work, and his track record in Japan as well as overseas. For Japanese companies entering the overseas market, he believes that his experience in employing foreigners can give him a unique advantage as he can market himself as a sound, lighting, and image company that knows how to work effectively with local staff.

Mr. Kikuchi is also involved in directing motor shows, and there are many things that can be done easily in Japan that cannot be done in developing countries. He has a niche business. By assisting in this area, he can connect the requirements of the Japanese side with the technology of the local side. It is the presence of a conduit that makes the work go well.

Mr. Kikuchi did not have a mentor in his first job because his colleagues were also his rivals and says he doesn't have a mentor at present either. As for work and personal life, he believes that his work life is his personal life, and he doesn't need a private life because there is no time to play (or waste time) when he is away from Japan and abroad.

In his professional network are specialists in various industries, various event planners, and music industry employees, etc. No matter what industry he can network and prefers to meet real specialists and likes to interact with people who have experienced all kinds of failures, not only people who have repeatedly experienced success. He can learn much through his networks.

Now, he rates his job satisfaction as 3 out of 5, life satisfaction as 3, and overall satisfaction as 3. As for job satisfaction, Mr. Kikuchi believes that there is absolutely no such thing as job satisfaction because the culture is different in Vietnam and Japanese standards do not apply. In foreign countries, a score of 100 cannot be achieved using

Japanese standards. However, he believes that his desire to do a good job will result in satisfaction in his personal life.

Mr. Kikuchi believes that his experience of working in Japan has been very beneficial. His career anchor is "Never lose faith in your core." What he wants to do in Southeast Asia has not changed since he first moved there; his aim is to be authentic and to transmit the things that he sees and feels with his own eyes to others. That's how he lives and works. For people to understand Japan, he wants them to see the original Japan. Only the real thing can be attractive, so he wants to convey the authentic Japan to non-Japanese people to help them experience the real Japan. He will continue to "Touch and Try," that is his philosophy.

At present, his main concerns are how to manage his company and human resources. There is a way of working that is unique to Vietnam, and it is a challenge to manage work with people whose culture is incompatible with that of the Japanese.

Mr. Kikuchi's Career Path

20	Graduated from Aoyama Recording School. Worked at the sound production company <i>Laplant</i>
22-26	Moved to the sound department of Geion, Inc. and worked there for three and a half years
26	Founded FLYOUT Inc.
40	Established Comfort Life Support (CLS) in Japan
42-43	Founded CLS Entertainment in Taiwan. Founded CLS Entertainment, a concert production company in Hong Kong
48	Established CLS Vietnam in Ho Chi Minh City, Vietnam
Present	Changed the company name to CLS ENTERTAINMENT CO.,LTD and expanding the business



Questions About the Career Path

1. Mr. Kikuchi describes his business as in a "niche business." What is a niche business?
2. While teaching at a vocational school, what kind of encounters led Mr. Kikuchi to do business in Taiwan and Southeast Asia?
3. Mr. Kikuchi has no special language training. How do you think he conducts his business in Vietnam?
4. What are your thoughts on the future of Mr. Kikuchi's work?
5. Mr. Kikuchi stated that the way of working is different between Japan and Vietnam. Other than language, please introduce at least one cultural difference between Japan and Vietnam and explain it in your own words.



Section C: Deepen your Understanding

Write a report or prepare a presentation on the following topic:

Think of a business you would like to start in Vietnam. What kind of experience in Japan would be beneficial for you prior to starting your own business in Vietnam?

English Supplementary Reading

- Alpert, W.T. (ed.) (2005) *The Vietnamese economy and its transformation to an open market system*, London: M.E. Sharpe.
- Berger, M.T. and Borer, D.A. (eds) (1997) 'The rise of East Asia: Critical Visions of the Pacific Century', Routledge, London. (Chapter 5 - Vietnam)
- Curley, M. and Hiebert, M. (1998) 'Chasing the Tigers: A Portrait of The New Vietnam', *The Pacific review.*, Vol 11(1), pp 142-149.
- Fforde, A. and de Vylder, S. (1996) 'From plan to market: the economic transition in Vietnam', Westview Press, Boulder.
- Gainsborough, M. (2002) *Changing political economy of Vietnam: the case of Ho Chi Minh City*, London: Routledge Curzon.
- Quinlan, J.P. (1995) 'Vietnam: business opportunities and risks', Pacific View Press, Berkeley.
- Rodan, G. et al (eds) (2001) *The political economy of South-East Asia: conflicts, crises, and change.* chapter 7.
- Tran, B.N and Pham, C.D. (eds) (2003) *The Vietnamese economy: awakening the dormant dragon*, London: Routledge Curzon.

Japanese Supplementary Reading

- 地球の歩き方編集室 (編) (2020) 『地球の歩き方 ベトナム 2021-2022』地球の歩き方。
- 福森哲也他 (2010) 『ベトナムのことがマンガで3時間でわかる本』明日香出版社