

Chapter 4: Thailand



Theme of the Chapter: Networking & Mentors

- Think about how important networking is for business.
- Do you have a mentor (advisor, consultant)? What kind of person is he/she?

Section A: Let's learn about Thailand

Population	70 million (2019)
Land Mass	513,000km ²
GDP per capita	7,807 USD (2019)
Religion	Buddhism

The World Bank Development Indicators



Find Out More About Thailand

Choose one of the following questions and use the internet or the library to research about it in detail.

1. Research the historical relationship between Japan and Thailand.
2. Research the current relationship between Japan and Thailand.
3. Find out more about what kind of country Thailand is today.
4. Find out more about the culture and society of Thailand.

Thailand at a Glance

The country occupies the central part of the Indochina Peninsula and the northern half of the Malay Peninsula. It is bordered by Malaysia to the south, Cambodia to the east, Laos to the north, and Myanmar to the west. The southeast side faces the Gulf of Thailand. In the central part of the Malay Peninsula, Thailand faces Indonesia across the Andaman Sea and the Strait of Malacca to the west. The coastline of Thailand has many beautiful beaches, and the mountain scenery is spectacular. The abundance of nature contributes to the development of agriculture, fishery, and tourism. Tourism in particular plays a major role in earning foreign currency. Thailand has experienced political instability due to a military coup and the suppression of the pro-democracy movement by the military, and the military is currently in power. Diplomatically, Thailand is a member of APEC and ASEAN.

In recent years, Thailand has achieved high economic growth and has moved from being a low-income country to an upper-middle-income country. Thailand is located south of China and is strategically well positioned in Asia. Due to the high level of education of its citizens and low wages, many multinational companies, including those from Japan, have invested directly in Thailand and the country has become a base for exports to ASEAN countries.

In terms of the economy, Thailand relies heavily on international trade and cross-border business, which accounts for about two-thirds of its GDP. Exports include electrical products, auto parts, and food processing. Agriculture is mainly composed of small-scale farmers, and one third of the population is engaged in agriculture.

Most Thai people are Buddhists, and the national character is mild. For Thailand to achieve economic development, the World Bank has identified business upgrading, development of the financial industry, and revitalization of the labor market.

Section B: Let's Learn About Japanese Entrepreneurs Working in Thailand

Pre-Reading Discussion Questions:

1. Have you ever been to Thailand? When did you go? What was your impression of the country? What did you learn?
2. What do you know about the history of Thailand?
3. What do you know about Thailand?
4. Is there anything you would like to know about Thailand?
5. What kind of image do you have of Thailand?

Main Task: Read the following Cases 1-3 and answer the questions about the career paths. Don't forget to visit the homepage(s) listed at the end of each profile to learn more about the business.

Case 1

Ms. Hiromi KURIHARA Profile

After graduating from a junior college, Ms. Kurihara worked as admin staff and changed jobs repeatedly. One day, in her 30s, an acquaintance introduced her to a job selling Japanese products in Thailand. This was her first experience of going abroad. At the age of 35, she founded a health goods company called "Kenko Plus" selling Japanese health products in the Thai market.

Websites:

Kenkoplus <https://www.kenkoshop.co.th/>
Japanplus <https://www.japanplus.net>

After graduating from a junior college in Japan, Hiromi Kurihara worked as admin staff at a travel agency for three years. After leaving the travel agency at the age of 23, she repeatedly changed jobs over the course of 10 years. Her frequent changing of jobs was due to her drinking habit. In the midst of this life, she came across a book titled "Growing Rich" (成功哲学) written by Napoleon Hill (published by Sanno University in the Japanese edition)¹, which inspired her to dream of becoming a president of a company by the age of 35.

She read that book repeatedly as a tranquilizer and would write her goals and post them around her room. At that point, her vision for the future was vague and she had no idea what to expect. When she was just over 30 years old an acquaintance who was working in Thailand asked her if she would exhibit and sell Japanese pillows at a department store in Thailand. The pillows were priced at the same level as in Japan, but Ms. Kurihara was able to sell all the stock at the Bangkok department store. This experience was a turning

¹ In addition to *Sanno University Press*, other publishers such as *Kiko Shobo* and *Achievement Press* have published Japanese translations of the book.

point for her. In the following 10 months, she visited Thailand four times and continued selling Japanese products at the department store in Bangkok. At the same time, she learned Thai by listening to CDs every day, and as a result, she was able to understand Thai in about a month.

Later, when the pillow sales company withdrew from Bangkok, Ms. Kurihara decided to establish her own company and take over the sales of bedding in Bangkok. After moving to Bangkok, Ms. Kurihara began to participate in early morning study groups and through the Japanese people she met at the early morning study groups, she was able to connect with a Japanese consultant who was helping companies expand into Thailand. It was at this point that Ms. Kurihara began undertaking work on commission.

Ms. Kurihara started out selling bedding that was good for the body, but now she is selling products related to health at five stores, including department stores in Thailand. She is employing fourteen Thai employees to assist her.

She said that she always consults her mentor when making important decisions in business. She states that without the support of her mentor, Mr. O, she would not be where she is today.

Ms. Kurihara states that cash plays a major role in expanding her business because it allows her to further expand her business and seize new opportunities. In the long run, she would like her employees to be able to run the company autonomously.

She believes that the more income you have, the better because you can challenge yourself to do the next thing. If you can challenge yourself, you will be able to connect with people who share the same values. If you have money, you can expand your business further and get new business opportunities.

Ms. Kurihara has changed her lifestyle dramatically since coming to Thailand, and as a result, the quality of her life has greatly improved. Now, she wakes up between 3:00am and 4:00am and does her most important work in the morning. In the afternoon, she invests in herself by reading books or going to the gym and goes to bed at 8:00pm. She believes that her own troubled days in her 20s and early 30s have helped shape her future.

Her career anchor is “habits change lives.” Ms. Kurihara also encouraged her family to move to Bangkok after the Great East Japan Earthquake, and they are now living in Thailand after giving up the family home in Japan. Ms. Kurihara is very satisfied with her current life and job, but she dislikes competition in business and would like to live according to her own beliefs in the future.

Ms. Kurihara's Career Path

16-18	Attended a regular high school
18-20	Attended a junior college
20-23	Worked at a travel agency
23-33	Changed jobs repeatedly
33	Received an offer to sell Japanese pillows in Bangkok
35	Established KenkoPlus. Started selling Japanese health goods in Thailand
Present	Expanding her business



Questions about the Case Career Path

1. What kind of difficulties did Ms. Kurihara experience in her 20s and early 30s? Why do you think that was?
2. What role did the book *Grow Rich* play in her life? What books have had an impact on your life/way of thinking?
3. Describe a turning point in Ms. Kurihara's life.
4. Describe the role of mentors in Ms. Kurihara's business.
5. How has Ms. Kurihara's lifestyle changed and how did this influence her business?

Case 2

Mr. Keiji UENO

Profile

While studying at Waseda University, Mr. Ueno became interested in different cultures and decided to start his own business rather than work for a company. He developed a plan to open a restaurant and gained experience working for a restaurant chain in Tokyo. He moved to Thailand, where he opened his restaurant and Thai massage parlor. He said, "If you do what is normal in Japan, it will be highly evaluated and become a business overseas. My dream is to become a bridge between Japan and Southeast Asia."

Website:

At Ease: <http://atease-massage.com>

Mr. Ueno currently runs restaurants and related stores in Bangkok, Thailand and Hanoi, Vietnam. He became interested in other cultures when his uncle bought him souvenirs from his business trips abroad, and his sister traveled abroad a couple of times a year and studied Italian in Italy.

After graduating from high school, Mr. Ueno went on to study at the School of Education at Waseda University, but at the time he was not an enthusiastic student. During the spring vacation of his first year at university, he traveled from Chiang Mai to Singapore for a month while backpacking and continued to travel whenever there was a long vacation.

He worked part-time to save up for the trip. Many of his friends around him were determined to work hard in the corporate world and focused on job hunting, but he didn't have much of an image of himself. He didn't like that kind of atmosphere of corporate Japan.

Through the overseas trips he took, he began to think about starting his own business instead of working as a regular company employee. In his senior year of university, he made a clear plan to open a restaurant and began researching companies in the restaurant and food service industry. He decided to join an izakaya (Japanese style pub) chain where employees who had been with the company for five years or more could borrow up to 50 million yen to start a business. At the izakaya chain, he gained various experience ranging from customer service, kitchen, store manager, to regional general manager, and learned human resource management skills, and how to manage the finances of each store, etc. He left the company at the age of 28.

When Mr. Ueno was planning to open a restaurant while looking for a place in Setagaya-ku, Tokyo, a Thai businessman who was a friend of his father happened to visit his house. The Thai businessman pointed out that Japan's population was declining and that the

restaurant market was saturated, and recommended that Mr. Ueno open a restaurant in Bangkok, where the market was expected to expand in the future, rather than in Japan.

Mr. Ueno thought, "If I do what is common in Japan, it will become a business," so he moved to Bangkok at the age of 28 and started preparing to open his own business. Mr. Ueno set aside one year to prepare for opening his own business, and for the first six months, he attended a language school in Bangkok. At the language school he met many people who gave him advice on doing business in Thailand, especially his Japanese seniors. He spent the latter half of the year preparing to start his business, and one year after his arrival in Thailand, he opened a restaurant called "My Porch" in the center of Bangkok.

He supplemented his opening capital of about 18 million yen with his own savings of 5 million yen, loans from his father, and a friend of his father's (who was Thai) who gave him advice. He did not borrow from izakaya chains or financial institutions.

At the time he was thinking of opening a restaurant in Japan, Mr. Ueno had approached three chefs. However, two of them declined to work for him because the restaurant's opening location was changed to Bangkok instead of Tokyo. The remaining chef agreed to move and work in Bangkok.

Since the chef was better at Western food than Japanese food, he changed the style of food served at the restaurant from specializing in Japanese food to a mixture of Japanese and Western style. In addition, by locating the restaurant in a central district of Bangkok with a large Japanese population, the restaurant became a place where Japanese housewives could drop by for a casual lunch.

Wives of expatriates face a lot of stress in their life abroad. This restaurant became popular as a place for Japanese people living in Bangkok to relax. Sales were in the red for the first three months but were in the black from the fourth month. He was blessed with customers and things went well. However, he had one difficulty, that of securing local staff. He started recruiting Thai staff before he opened, but it was difficult to keep them. They would quit as soon as they realized the Japanese teaching methods were not compatible with their own way of learning and working. However, he managed to gather enough people together and was able to keep going.

In the second year, a Thai traditional massage store in the same area went bankrupt, and the owner of the store asked Mr. Ueno if he would like to open a Thai massage store. Mr. Ueno decided to take up the challenge and opened a massage parlor called At Ease. The massage parlor targeted Japanese people living in Bangkok, offering high quality, cleanliness, and advanced technology, and the receptionist could respond in Japanese and Thai. The price was about 10-20% higher than the average price of local massage parlors, but the store became popular and highly appreciated by local Japanese community.

In the third year, he decided to open a karaoke box for Japanese people next to the restaurant, which was again a success. In the fourth year, he opened a second At Ease store and the following year he expanded his business to selling sweets, but it failed and the sweets store closed that year.

In his sixth year, he did not expand his business, but used his time to travel in Thailand and neighboring countries to explore further opportunities. In his seventh year, at the age of 35, Mr. Ueno expanded his businesses into Vietnam and opened the At Ease store in Hanoi.

Mr. Ueno borrowed money when he opened the business, but he believes that one should not borrow money when running a business. The reason for this is that by renting a property and reducing the burden, if the business does not do well, it is easier to withdraw from the business due to the small initial investment burden. Mr. Ueno has decided to withdraw from the businesses he has developed that he judges to be less profitable. He also believes that profits can be created by starting new businesses with high performance. He is expanding his business every year, and with his experience, he believes that he can operate new businesses more efficiently than he had in the past.

There are many people who have helped him get to where he is today. For him personally, he would like to manage his time better and find a better balance between his personal and professional life. He feels that there is room for him to do better. The values and career anchor that Mr. Ueno holds are: "If you do it, it will happen; if you don't do it, it won't happen."

The Philippines and Indonesia are two countries that he believes have a lot of momentum and will grow in the future. He is planning to visit these two countries and would like to expand his business in the ASEAN region including them. He has a dream to set up a business in Japan as well, and in the long run he would like to become a bridge between Japan and ASEAN countries.

Mr. Ueno's Career Path

16-18	Attended a regular high school
18-23	During his college years, he backpacked from Chiang Mai to Singapore, aiming to start his own business
23-28	Worked at an izakaya as a full-time employee for five years
28	Opened My Porch, a Japanese-Western restaurant, in a district with a large Japanese population
30	Opened a massage parlor called At Ease
31	Opened a karaoke box
32	Opened a second branch of At Ease
33	Opened a sweet shop but it was unsuccessful, so he closed it
34	No expansion of stores, but took inspection trips to ASEAN countries
35	Opened a branch of At Ease in Hanoi, Vietnam
Present	Operates five restaurants and other related businesses



Questions about the Case Career Path

1. How did Mr. Ueno first become interested in going abroad?
2. How do you think Mr. Ueno's father's networking influenced him to start his own business?
3. Why did Mr. Ueno decide to work for an izakaya?
4. Mr. Ueno has been challenging new fields every year since his establishment. What new fields do you think he should expand into?
5. Explain the meaning of Mr. Ueno's career anchor.

Case 3

Mr. Toshiyuki ABE

Profile

Born in Oita Prefecture. After graduating from the Faculty of Commerce at Waseda University, he joined Lexus Sukhumvit (Toyota's luxury car brand, hereinafter referred to as Lexus). Became independent at the age of 29 and established a market research company. Currently based in Thailand, with an eye on expanding business in Southeast Asia.

Website:

ASEAN JAPAN CONSULTING: <https://www.asean-j.net>

Mr. Abe is currently the president of a consulting firm in Bangkok that specializes in domestic market research in Thailand. At the same time, he is also developing a support business for service businesses in niche fields.

Mr. Abe studied at the School of Commerce at Waseda University but audited classes at the School of International Liberal Studies while still a student. It was through those classes that he became friends with many international students from Southeast Asia. During his job-hunting activities, he was not able to enter the company of his first choice, but was able to get a job offer from his second choice.

Before he started working, Mr. Abe took a graduation trip to Southeast Asia to visit the families of international students he had met in his university classes. He met friends from Singapore, Thailand, Malaysia, and many other countries through his classes. In fact, he had never studied abroad or been abroad until he became a university student. He took advantage of his vacation and went to their hometowns to visit them as they invited him. From Jakarta to Kuala Lumpur, he toured several cities along the Pacific Ocean.

During his visit to Bangkok, he learned that Lexus was looking for a Japanese local employee, so he took the entrance exam and was offered the job. After much deliberation, and after receiving his father's advice he decided that it would be good for him to work in Thailand. At the age of 25, he started working as a local employee of Lexus in Bangkok.

Mr. Abe acquired marketing skills at Lexus and gained a lot of knowledge and experience in international business as the clients were presidents or executive level of top Japanese companies. Especially while working at Lexus, he learned how to succeed in business from executives of Asian conglomerates and American companies. Although Mr. Abe had no experience working in Japan, he learned Thai and English, business manners for customers, and how to manage human resources of local staff from his work.

Later, at the age of 28, he left the company and established his own company with his own funds of about 1.5 million Japanese yen (about \$12,000 at the time). At the time of interview, he employed five local Thai researchers to provide consulting services. As an

example of his current work, he said, "I conducted a study on the safety of elevators in major hotels in Thailand. This was market research to find out the actual quality of the elevators made by well-known companies. Some of the elevators of major foreign companies are not maintained properly" he said.

Since the widely reported elevator accident in 2006 in Japan, travel agents have started to place more importance on elevator safety as a choice of accommodation for travelers to Thailand. Therefore, Mr. Abe's company ranks the safety of elevators in major hotels in Thailand and reports the results to travel agents in Japan. Currently, his company has market research contracts with more than ten Japanese companies, and he uses his network in Thailand to provide his clients with the necessary information.

In the course of his market research work, Mr. Abe also supports companies in these niche markets. He said that he has done a lot of market research that other companies have not been able to get good results from. His company also does market research on pets, analyzing the size and growth potential of each market in areas such as pet laws, pet insurance, veterinary clinics, pet food, and pet playgrounds. The amount of money for market research is set at a reasonable level, and he receives referrals from banks and chambers of commerce. His company undertakes the research and analysis at a much lower cost than having Japanese staff who are not good at Thai or English sent to implement market research on site. Many of his clients become repeat customers afterwards. In recent years, Thailand has seen an increase in the number of companies entering the market, not only for manufacturing, but also for experiential and consumer services that Thai consumers will buy.

In recent years, Thailand has seen an increase in the number of companies moving into the country not only for manufacturing but also for experiential and consumer services that are bought by Thai consumers, such as major Japanese pharmacy companies, Japanese educational service companies, support companies, and hotels. In addition, since Thailand has already achieved a certain level of growth compared to other countries, more and more companies want to examine the negatives and risks to determine future market growth.

Against the backdrop of Japan's declining population, growing elderly population, and increasing number of vacant properties, more and more companies are developing real estate in Asia. In response to the overseas expansion of major Japanese real estate companies, there has been an increase in the number of inquiries from companies looking to move forward with projects such as real estate development, residential real estate, office real estate, and commercial land development in Asia. With a growing middle class, rising real estate prices, and an increase in real estate purchases from overseas, Thai companies and Japanese real estate developers are increasingly moving into the city.

Looking back at Bangkok when he first started working there in his twenties, Mr. Abe expressed his impression that the city used to be the "Detroit of Asia" for the automobile industry but is now on the verge of becoming a huge metropolitan area of Southeast Asia.

In addition to this, he said that he also conducted unique market research for Japanese driving schools wanting to expand their service into Thailand.

He also conducted research on hangover remedies. Unfortunately, the results were unique to Bangkok. Unlike the Japanese, Thai employees are more likely to miss work if they have a hangover. They don't force themselves to go to work with a hangover, so he found that the demand for Japanese style remedies was very low.

When he first started working, he didn't have any mentors. He loved books, so he read a lot. There was an early morning reading group that he often joined, and that's how he acquired most of his knowledge.

When he started his own business at the age of 29, he did not have a mentor to look up to as a teacher, but now he has met someone he would like to take as an example. To succeed in business, the most important thing is to "earn trust and be sincere," said Mr. Abe.

As a long-term plan, he is considering expanding his market research company to neighboring countries of Thailand. As for self-development, he mentioned learning the Thai language. He is still learning Thai and conducts daily business with local staff in Thai. He is also learning about the wealthy in Thailand, reading and writing books.

Mr. Abe feels that if he had stayed in Japan, he would have led a very ordinary life, but now he feels that he can discover various opportunities. Currently, he is very satisfied with his personal and professional life. He would like to continue to live in Thailand as a base, keeping his focus on income and growth.

Mr. Abe's Career Path

16-18	Attended a regular high school
18-22	Enrolled in the School of Commerce at Waseda University
22	Received a job offer from his second choice company
23	Before graduation, while traveling Southeast Asia as a backpacker, obtained a job as a local employee of Lexus Sukhumvit
26	Established a market research company with approximately 1.5 million yen in start-up capital.
Present	President of a market research company with an office in Japan



Questions about the Case Career Path

1. What does it mean to audit a class? What classes would you like to audit at university?
2. What do you think Mr. Abe learned from his graduation trip overseas?

3. What does “*Zaibatsu*” mean? Name a prominent *Zaibatsu* in Thailand and briefly explain about their activities.
4. How did Mr. Abe obtain funds to start his business? If you were setting up a business, how would you have obtained funds?
5. What kind of knowledge and skills do you think is necessary to work with the top management of a company overseas? Please write in as much detail as possible.



Section C: Deepen Your Understanding

Write a report/give a presentation on the following theme:

What are some ways that you can expand your network? Also, do you have a mentor, if so, who is it, how did you find him/her? If not, how do you think you can find a mentor? What kind of person are you looking for?

English Supplementary Reading

Anuman R., (1988) Essays on Thai folklore, Bangkok: Thai Inter-Religious Commission for Development & Sathirakoses Hagapradipa Foundation.
 Cooper, R. and Nanthapa Cooper, (1991) Culture Shock Thailand: A Guide to Customs and Etiquette, London: Kuperard.
 Mulder, N. (2000) Inside Thai society: religion, everyday life, change, Chiang Mai: Silkworm Books.
 Pasuk P and Chris Baker. (2000) Thailand: economy and politics, Oxford: University Press.
 Peleggi, M. (2007) Thailand: the worldly kingdom, London: Reaktion Books Ltd.
 Terwiel, B.J. (1991) A Window on Thai History, second revised edition, Bangkok: Editions Duang Kamol.
 Wyatt, D. (1991) Thailand: A Short History, Chiang Mai: Silkworm Books.

Japanese Supplementary Reading

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 The Daily NNA タイ支社編集部 『タイの華人財閥 57 家』 (株) エヌ・エヌ・エー。
 末廣昭他 (1991) 『タイの財閥』 同文館。