



ETP

EXECUTIVE TRAINING PROGRAMME
EMPOWERING BUSINESS THROUGH UNDERSTANDING

January 2012 - Issue 1

The ETP is a European Commission funded programme providing European companies with the business, language and cultural training necessary for success in the Japanese and Korean markets.

History of the ETP

- ✓ 1979: European Commission establishes the ETP in Japan
- ✓ 1980: The first 21 participants complete the 18-month training
- ✓ 1993: The number of ETP graduates reaches 500
- ✓ 1995: ETP reveals that, on average, companies doubled their turnover with Japan within ten years of following ETP
- ✓ 2002: ETP is expanded to also cover South Korea
- ✓ 2006: ETP is adapted from an 18-month to a 12-month training
- ✓ 2010: The number of ETP graduates reaches 1,000
- ✓ 2011: ETP is re-launched after a short break, with a new brand identity and reviewed

In this first issue of the ETP newsletter, we are happy to announce the launch of the three new ETP training cycles for the period 2012-2015. The programme has been revised to ensure that it offers its participants the most up-to-date insights, knowledge and skills necessary to overcome business, language and cultural barriers in order to operate successfully in the Japanese and Korean markets. We are convinced that the tailored and high quality training at the prestigious universities of SOAS in London, Waseda in Japan, and Yonsei in Korea, and the unique opportunity to experience working in Japan or Korea during their internships, is an ideal headstart for ETP participants and their sponsor companies seeking to establish or expand activities in these countries.

Over 30 years ETP has gained considerable prestige and a reputation for vastly improving the ability of European companies to succeed in the Japanese and Korean markets. Growing the number of EU companies operating there, and their related turnover is a key strategic imperative for the European Commission. With the new challenges and opportunities in energy and construction sectors in Japan and the coming into force of the Free Trade Agreement between EU and Korea, ETP is certainly a relevant instrument in supporting EU companies' expansion in Japan and Korea.

You are welcome to visit our newly launched website (www.euetp.eu) to learn more about the programme, its detailed curriculum, and success stories amongst others.

Tung-Lai Margue
Director, Head of the Service for
Foreign Policy Instruments of the European Commission

ETP application process

As recruitment for the upcoming 2012 cycle of ETP gets underway, Thierry Fournier, Project Manager of ETP at the European Commission, explains how the process works and how candidates are selected.

ETP is open for business executives who are EU nationals and work for European companies with turnover above 1 Mio € and more than 5 people, and who are considering entering or expanding their business activities in the Japanese or Korean markets. Participants must apply jointly with the company they are working for by submitting an online expression of interest form which is available through the following link: <http://euetsp.eu/apply-now/cycle-2012-2013>.

Given the limited number of available places, the most promising candidates are invited to Brussels based on rigorous selection criteria, where they are interviewed and evaluated across a range of relevant skills. 45 candidates will be selected for the programme in Japan and 15 in Korea.

Applications are accepted until 31st May 2012 for the next cycle from November 2012 to November 2013.

Further details and information on the minimum requirements for EU executives and companies are available at <http://euetsp.eu/who-can-participate>

Did you know?

- ✓ On average, ETP participant companies' related turnover increases two fold and ETP alumni's salary increases by 350% within ten years of completing ETP
- ✓ More than 65% of ETP alumni proceed to become top executives within their companies
- ✓ To date, over 800 companies from over 20 different sectors, ranging from automotive to financial services, have sent their executives to take part in the programme
- ✓ Japan and Korea are the 6th and 9th biggest trading partners of the EU
- ✓ With 127 million inhabitants Japan boasts a huge number of consumers with considerable purchasing power
- ✓ EU-South Korea Free Trade Agreement, the EU's first trade deal with an Asian country, applies as of 1st July 2011

ETP COMPONENTS

Module in the EU



A 3-week intensive training course in the UK on the culture, history and civil society of Japan or Korea.

Organiser:

School of Oriental and African Studies, University of London.

Module in Japan or Korea



A 30-week business and language training course run by leading universities in Japan or Korea.

Organisers:

ETP Japan:
Waseda University (Tokyo).
ETP Korea:
Yonsei University (Seoul).

Internship



A 12-week internship in a Japanese or Korean company to apply the newly acquired skills and knowledge in practice.



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ETP participant interview



Participant name: **Eberhard Baehr**

Company and title: **Bayer HealthCare, Country Division Head, Japan**

ETP cycle: **ETP Japan 4 (1983 – 1985)**

'ETP gives you the chance to focus on language training and achieve a working level in Japanese, while giving you sufficient access to the business world'

Q. Professionally, what was the key benefit you gained from completing the ETP?

A. Communication skills in language and way of thinking, as well as business contacts.

Q. What did you find most interesting about the programme?

A. The programme uniquely combines language and business. It gives you the chance to focus on language training and achieve a working level in Japanese, while giving you sufficient access to the business world to familiarize yourself with business customs and to get valuable contacts in the business world.

Q. How do you think your company has benefited?

A. They got an employee who 'hit the ground running', being fully prepared for all things he would encounter in Japan and uniquely suited to bridge the gap in business culture and way of thinking between Japan and Europe.

Q. In your opinion what is the most interesting aspect of Japanese culture?

A. Coming to Japan relatively early in my career I was convinced that there was only one way of doing things, only one successful way of doing business: 'our way'. My most important learning was that both in life and in business there are 'other ways' and they can be successful too. So in short the most interesting part was and is experiencing the difference.

Q. Favourite Japanese food?

A. The attractiveness of Japanese food lies largely in its variety and seasonality, yet if you force me to make a choice, it would probably be Shabu Shabu.

Q. Most interesting place to visit in Japan?

A. Kyoto of course, Nara and Koya-san (if you like it a little more quiet) and Meiji Jingu, but also Roppongi and Shibuya for good balance.

Q. What do you enjoy most about living in Japan?

A. The fascination of a modern, highly advanced, yet still strange society. The reliability of both people and infrastructure. The safety of the cities.

Q. What would you say to someone considering taking part in the programme?

A. Do it!

Q. What advice would you give to someone who is about to relocate to Japan

A. Don't worry, you will never get lost in this country, someone will find you and take care of you. With the Yen being strong, Japan has become more expensive again, but you can buy everything. Be prepared that things might work completely differently from your past experience. You can be sure that they work somehow, you just never know how.



ETP case study: ECCO®

Products: **shoes**

Headquarters: **Denmark**

Number of employees: **20.000**

Years involved with ETP: **Initially 1980 and again from 2004**

How many employees have participated in ETP to date: **3**

Where did they perform their internships: **Shin-ei Corporate, Tomoe Trading, Achilles Corporation**

ECCO continues to sponsor the ETP because of the obvious benefits the programme delivers in terms of cultural understanding and language knowledge.



To date, 52 Danish participants have successfully graduated from ETP, sponsored by companies from various sectors ranging from healthcare and food to banking services.

ECCO has been represented in the Japanese market since 1982 with a Japanese partner who had the distribution and license production rights for the Japanese market. The Japanese market has for many years been one of the biggest markets within the ECCO Group but it has been difficult to implement global strategic initiatives and align it with the ECCO Group's overall strategy due to the partnership with the Japanese distributor being handled initially from the global headquarters and then from the regional headquarters in Hong Kong. The major challenges in this respect included language and cultural misunderstandings which were difficult to counter from a distance.

ECCO was introduced to the ETP programme back in the 1980's when the first ECCO employee participated yet many years passed without further involvement. In connection with the establishment of Asia Pacific regional headquarters for ECCO in Hong Kong in 2002 it was decided to actively engage in the ETP programme again in order to strengthen the partnership with the Japanese distributor. The objective for using the ETP programme was to gain a better understanding of the Japanese market and to strengthen the Japanese market's understanding of the ECCO Group – bottom-line to considerably strengthen communication with the Japanese market.

ECCO's experience with the ETP programme has been very positive during the transition phase over the past years where the company has moved from a distributor to a subsidiary based business model in the Japanese market. Indeed, ECCO's ETP participants from the 2004 and 2005 cycles have been a driving force in the implementation of this transition phase which would not have been possible without the language skills and cultural knowledge they gained during the ETP programme.

The most tangible benefit from the ETP programme was therefore the establishment of a Joint Venture with ECCO's Japanese partner which later resulted in the current ECCO subsidiary.

More generally, Japan is and will remain one of the largest economies in the world for years to come, with a very advanced consumer environment which will continue to present major opportunities for EU companies. ECCO is convinced that ETP will continue to deliver benefits in this context in terms of cultural understanding and language knowledge for EU businesses.

ETP success stories

ETP is a key enabler in a company's business strategy for entering the Japanese or Korean markets and it increases companies' chances of success. In three decades the ETP has a consistent record of delivering results for its participants and sponsoring companies, providing them with the tools they need to succeed in the Japanese or Korean markets.

Read the ETP testimonials at www.euetp.eu/success-stories



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EU trade with Japan and Korea

New export opportunities of between €20billion and €40billion a year by 2020 could emerge for European companies trading with Japan and Korea according to a report produced on behalf of the European Commission to launch the new cycle of ETP. This report maintains that if export growth from the EU to Japan and Korea follows growth patterns in non-EU exports over the last ten years, EU companies could enjoy significant new export opportunities by 2020.

According to the report, the vast majority of EU member states trade significantly less with Japan and Korea, on a per capita basis, than with Australia, another developed economy that is located about the same distance from the EU. Per capita, Japan consumes approximately €340 worth of EU imports per year, while the equivalent figure for Korea is €570. However, Australians consume a significantly higher amount of EU goods at €1,200 worth per capita. Besides tariffs on trade, this points to the importance of factors other than distance, such as culture, language and business environment in maximising trade and export opportunities.

If these barriers are overcome, the report maintains that within the next eight years:

- The six largest EU member states could each enjoy new export opportunities of up to €2billion a year.
- For EU states with a population of between 5 and 20 million, the value of new opportunities for exporters could be as much as €850million.
- For the seven smallest EU member states new opportunities for each country's exporters could be in the order of €100million.

Commenting on the research, Tung-Lai Margue, Director, Head of the Service for Foreign Policy Instruments of the European Commission, said, "The variation between EU exports to Australia versus those to Japan and Korea points to significant export opportunities for European businesses in these Asian markets. Over the past 30 years the Executive Training Programme has become a key instrument in supporting EU companies' expansion in Japan and Korea, helping them to understand business practices in those markets and overcome language and cultural barriers to successful trade relations."

"This report clearly highlights that, as two of the largest economies in the world, these markets offer a wealth of opportunity to European businesses. The ETP is uniquely positioned to enable European businesses to unlock the potential of these complex and idiosyncratic markets."

The report contains interesting insights on existing trends and trade opportunities for each of the 27 EU member states, and for the EU as a whole. A pdf copy of the report can be downloaded from <http://www.euetp.eu/pressroom>



The European Commission also funds a sister programme; the EU Gateway Programme. The EU Gateway Programme organises and funds Business Missions in high technology and design sectors for European companies to develop their businesses in Japan and Korea.

The Programme offers financial and logistical support, strategic preparation and a tailored search for business contacts. With support provided at every step of the way, EU companies are coached by a team of professionals in the business etiquette of these dynamic markets.

Find out more: www.eu-gateway.eu



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