

Japanese Society and Entrepreneur Development

- Is Japan not suitable for Start-up ?
- Can we Foster Entrepreneurs ?
- Entrepreneurship will be accelerated with good Training !

2003.2.12

Graduate School of Entrepreneur Engineering

Prof. Noboru Maeda, PhD

Global Entrepreneurship Monitor 2000

**GDP
Growth
Rate**

8%

7

6

5

4

3

2

1

*Is Japan really not good at
Entrepreneurial Activities?*

South Korea

USA

**Entrepreneurial
Activity Rate**

2000

0

2

4

6

8

10

12%

France

Sweden

Finland

Israel

Spain

UK

Germany

Italy

Denmark

Canada

Norway

Argentina

Australia

Japan

in Japan

Many Success of Start-ups & IPOs

1st Gen.

After War Start-ups

Manufacturing Business

SONY, HONDA, Kyocera

2nd Gen.

Guts Start-ups

Service Business

Pasona, HIS, NOVA

3rd Gen.

Internet Start-ups

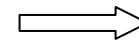
E Business

Softbank, Rakuten, Askul

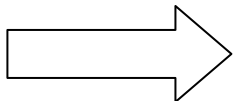
4th Gen.

High-tech Start-ups

R&D Oriented Business



?????



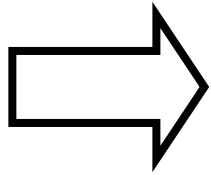
This is the Key Issue for Japan!!!

Why the Successors of Sony, Honda, Kyousera did not appear for 50 years?

No Suitable Culture for Star-ups ? !

Dislike to be the First Customer ? !

Big Corporations crush the Start-ups ? !



R&D Start-ups were not needed in the Catch-up Business Model Age !

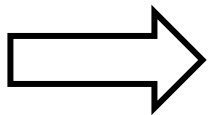
Collaboration of Big Co. & Start-up

Big Co.: “Innovator’s Dilemma” C.Christensen

Disruptive innovations are not suitable, because they follow big customers’ satisfaction.

R&D Start-up: “First customer” is badly needed to survive.

Big Co. and Start-up are in a Win-Win relation.



Unless Foster High-tech Start-ups, Big Co. will not grow.

Comparison of US, Germany & Japan

<u>Spin Off from</u>	<u>US</u>	<u>Germany</u>	<u>Japan</u>
University	many	many	very few
National Lab.	some	many	almost none
Corporation	many	few	few

2002 ~

2001 ~

Why many Spin Off and Success in R&D Start-up ?

Japan The Emerging High-tech Start-ups

IPO Successors:

*Majority :
Spin-off*

* IPOed

- INCS ... 3D CAD Die Molding** (Mitsui Metal)
- ***Thine ... System LSI for AV** (Toshiba)
- ***Future System ... System Development** (TKC)
- ***Cybozu ... Group Ware** (Matsushita Electric Works)
- ***Megachips ... Digital Image LSI** (Rico)
- ***Samco ... Thin Film Technology** (NASA)
- ***Yohzan ... System LSI for Cell phone** (Consultant)
- ***I I J ... Broad Band Communication Network** (JMA)
- ***Celartem ... High Definition Image Archives**
- ***Softfront ... Internet Telephony Technology** (BUG)
- ***Openloop ... Encryption** (BUG)
- ***Transgenic ... Knockout Mouse for Bio** (Shikibo Lifetec)
- ***Anges MG ... Bio Medical**
- ***EC One ... Software Parts** (Mitsubishi Cor.)

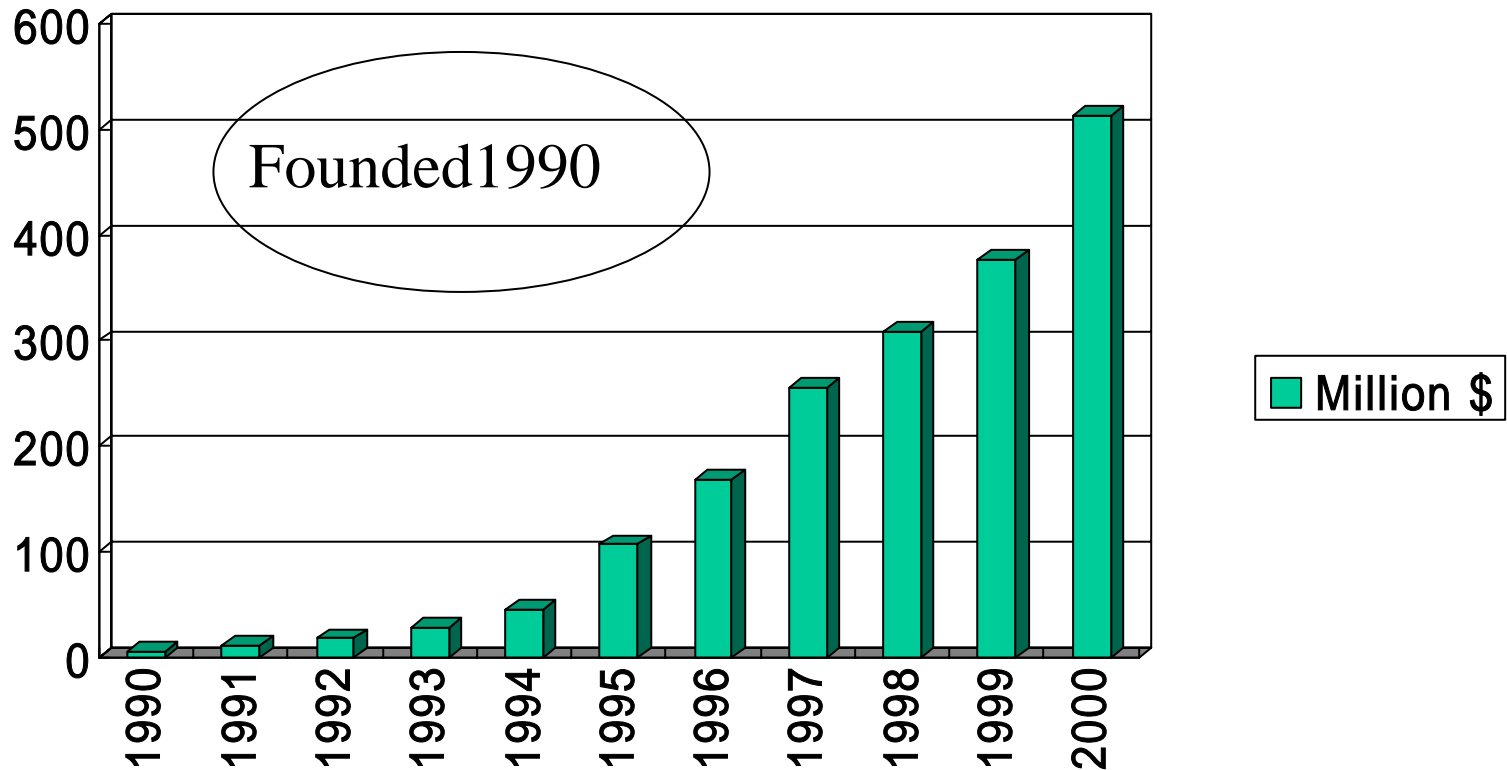
IPO Challengers:

And Many many others

- Optware ... Tera Byte Optical Storage** (SONY)
- Christague ... New LCD** (Hoshiden Philips)
- Millennium Gate Tech. ... DNA Chip** (Kinki Meiwa)
- Protein Wave ... Bio** (Sumitomo Metal)

MegaChips Sales Results

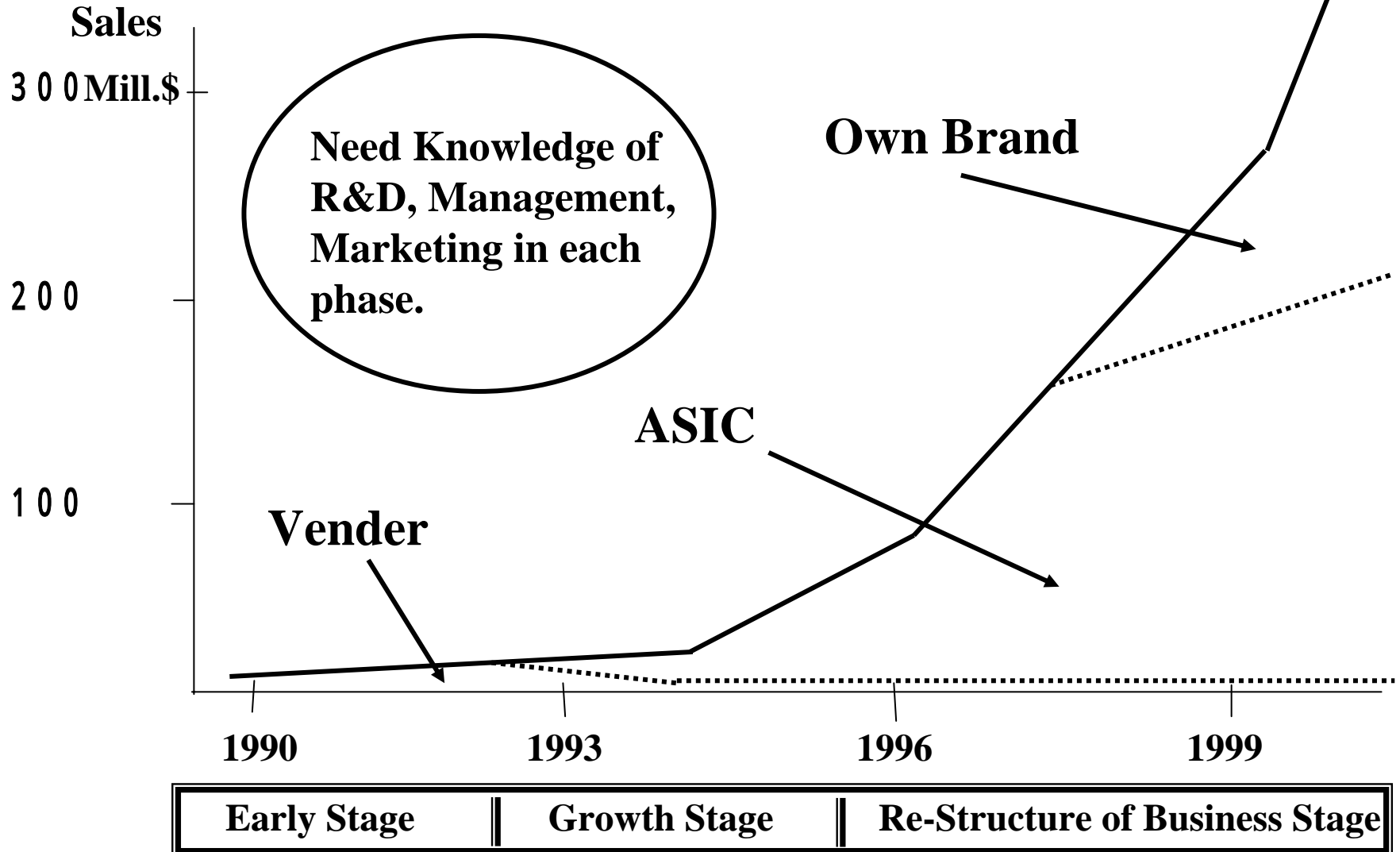
Over \$500 Million in 10 years



1998 IPO at New Market, 2000 Tokyo Market

MegaChips Growth Scenario

Phase Management for High-tech Start-up



Characteristics
of the Emerging Start-ups

- 1. Elite Engineer, Spin out from Big Co.**
- 2. Strategic Collaboration with Big Co.**
- 3. Profit from 1st year with Phase Management.**
- 4. Clever utilization of Government Fund.**
- 5. Early stage IPO for Investment and Recruit.**
- 6. Close relation with Professors.**
- 7. Global Collaboration from early stage.**

Why don't You Enjoy

The Very Moments of IPO

with Me.

Founder Dr.lizuka

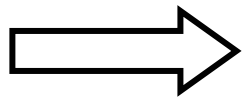


Come and get Stock Ooption.

Young Engineers' Comments to rush to IPO Start-ups

Priority

- 1 . Obtain Professional Business Skills in a Short time.**
- 2 . Attractive Stock Option.**
- 3 . Wife and Mother do not lose face because of IPO.**
(Japanese Culture)
- 4 . My friends are challenging. Why not me, too.**
(Japanese Culture)



Autonomy of each person is now working in Japan.

Fair Collaboration with Big Corporations

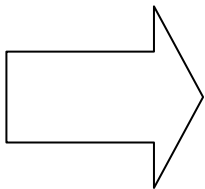
Equal partnership, and not as a Vender

* MegaChips (LSI)	: Nintendo
* Yozan (LSI, Communication)	: NTT- Docomo
* Real Vision (LSI)	: NEC
* CIS (Software)	: SONY, MicroSoft, Lotus
* I I J (Communication Network)	: Toyota, SONY
* Thein (LSI)	: Samsung
* Cybozu (Software)	: Oracle-Japan
INCS (Molding)	: Honda
ELYSIUM (3D CAD)	: Fujitsu
Lattice Technology (3D CG)	: Toyota, Mitsui
* TransGenic (Bio)	: Sumitomo, Yamanouchi

Recent Big Change of CEOs' Way of Thinking

NEC CEO Mr.Nishigaki Asahi Newspaper 2002.7.9

Too many Good Students come to Big Corporations.
It is not easy for all to use creative power in big corporations.
Intentionally, Spin good engineers off, and foster them.



**Big Co. Create Spin-off start-ups, and
establish Win-Win relation.**

Can we foster Entrepreneurs ? !

Chairman of Mega Chips Mr. Shindo

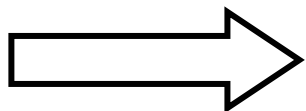
Start-ups have no One Pattern Success Formula, but do have Basics to follow.

Chairman of Horiba Manufacturing Mr.Horiba

To Create Start-up means to realize one's sense of values on a business.

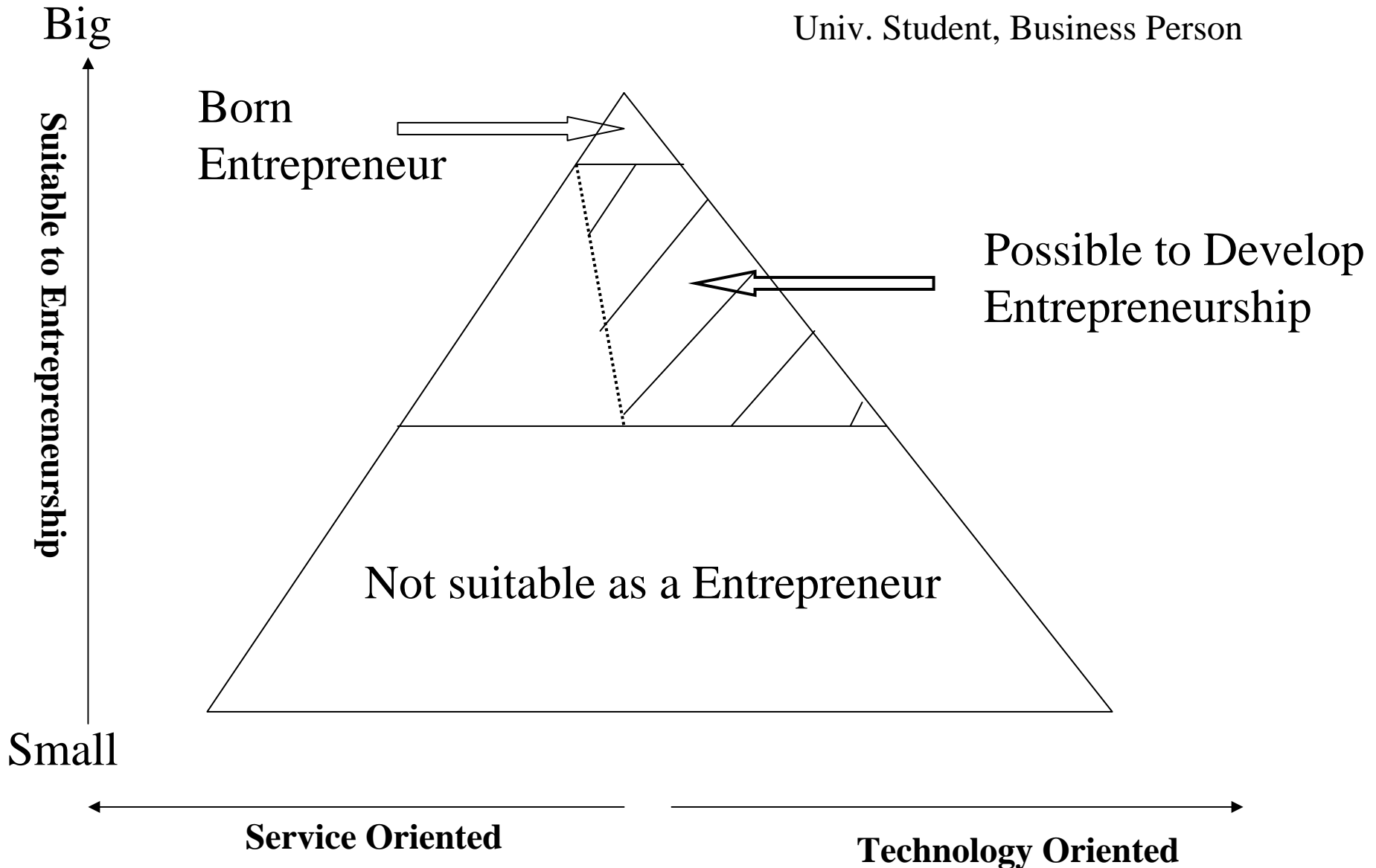
Representative of Globis Mr.Hori

The difference between Entrepreneur and Others is whether he or she Believes the Possibility of success or not.



Many things to Learn, and to Teach.

Target Area of Entrepreneurial Training



Entrepreneurial Training in University

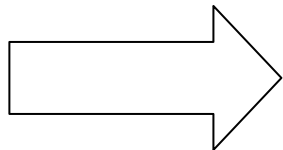
Entrepreneur Training

323 Univ. answered

Course ... **13 Univ.** (of which Graduate School 6)
(py7)

Lectures ... **111 Univ.** (of which Graduate School 53)
(py74)

Tsukuba Univ. March 2002 Report



Rapid Growth! Almost Zero some years ago.
But it is still quite a few compared to USA.

Curriculum sample

About 20 Students each year, 4 professors, 3 part-time Prof., 5 Guest Prof., 11 Lectures

Entrepreneurship

Business Management in practice

Start-up Marketing

Organizational Behavior for New Biz Dev.

Venture Capital

Enterprise Management for start-ups

Management

Presentation Skill

Innovation

Risk Management Technology

Management

Knowledge Creation and Communication

IPR Management

Economics for Industrial Systems

Global Business Partnership

Industrial Technology Policy

Special Guests, Founders, Big Corp. Executives etc.

* IPO ed

* Mr.Shindo Founder of Megachips

Prof.S.Nakamura, UCSB

* Mr.Sindo Founder of Celertem

Mr. Tamiya MD of SONY Univ.

* N. Loo Founder Etron, Taiwan

Mr.Hori CEO Kodak Japan

Dr.Weber Chairman Plasmaco

Mr.Ueda Matsushita Research Inst.

* Mr.kayama Founder EC One

Mr.Shima Komatsu Advisor

* Mr.Tsuji Founder Samco International

Mr.Sugino Mitsubishi Research Inst.

* Dr.Iizuka Founder of Theirn

Mr.Hasegawa, Founder of Global VC

Dr.Araujo Founder of Symetrix

Dr.Ochi SONY Advisor

Mr.Morimoto Chair. Kansai M'shita Car Ele.

Mr.Asahi Nikkan Kogyo

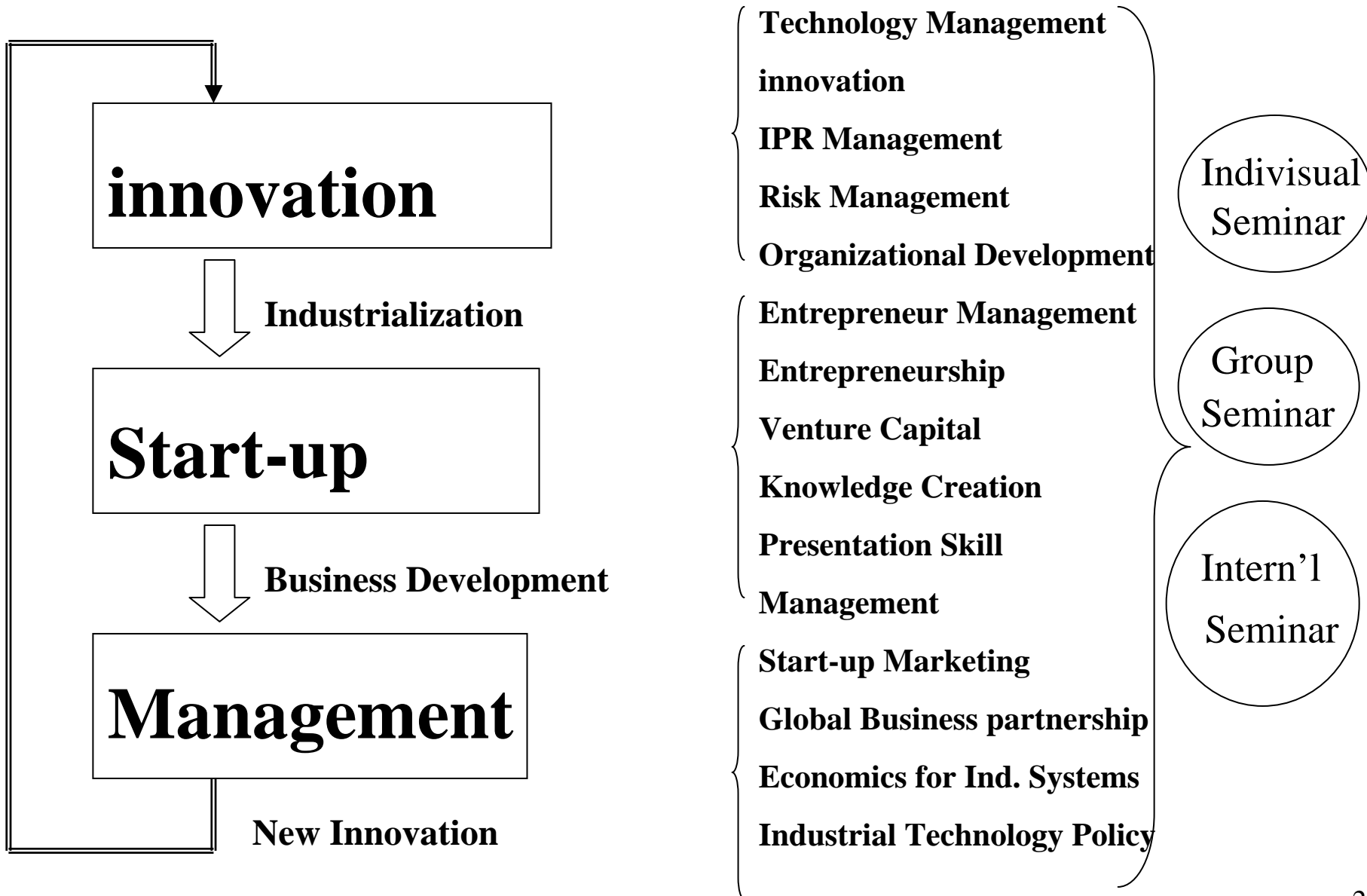
Dr. Dasher Stanford Univ.

Mr.Tanemura Founder of Core.

Mr. Koike Matsushita Semiconductor

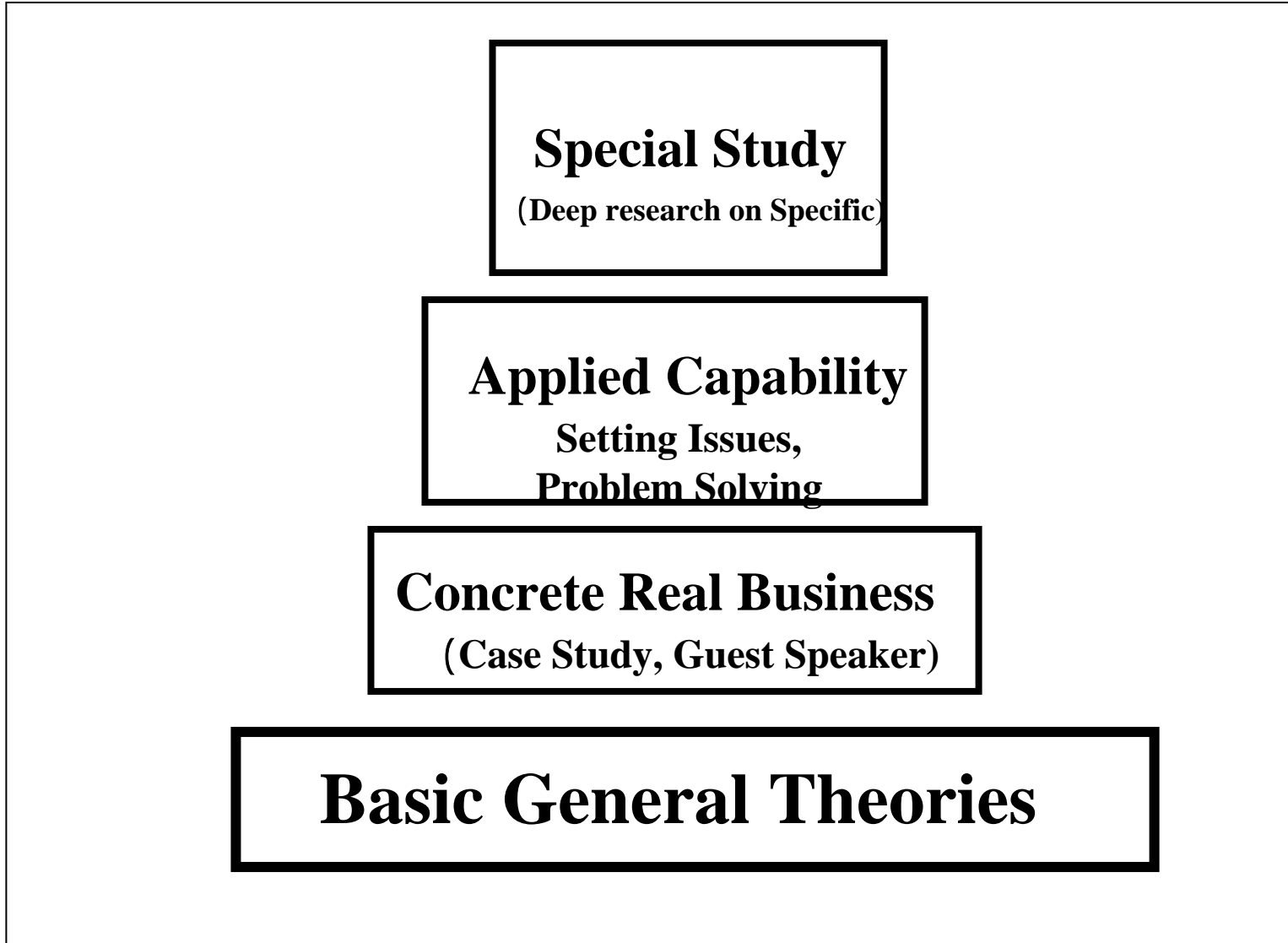
Mr.Nishi Founder of Asky

“Entrepreneur Engineering” Phase & the Curriculum



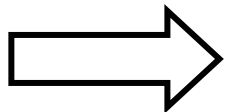
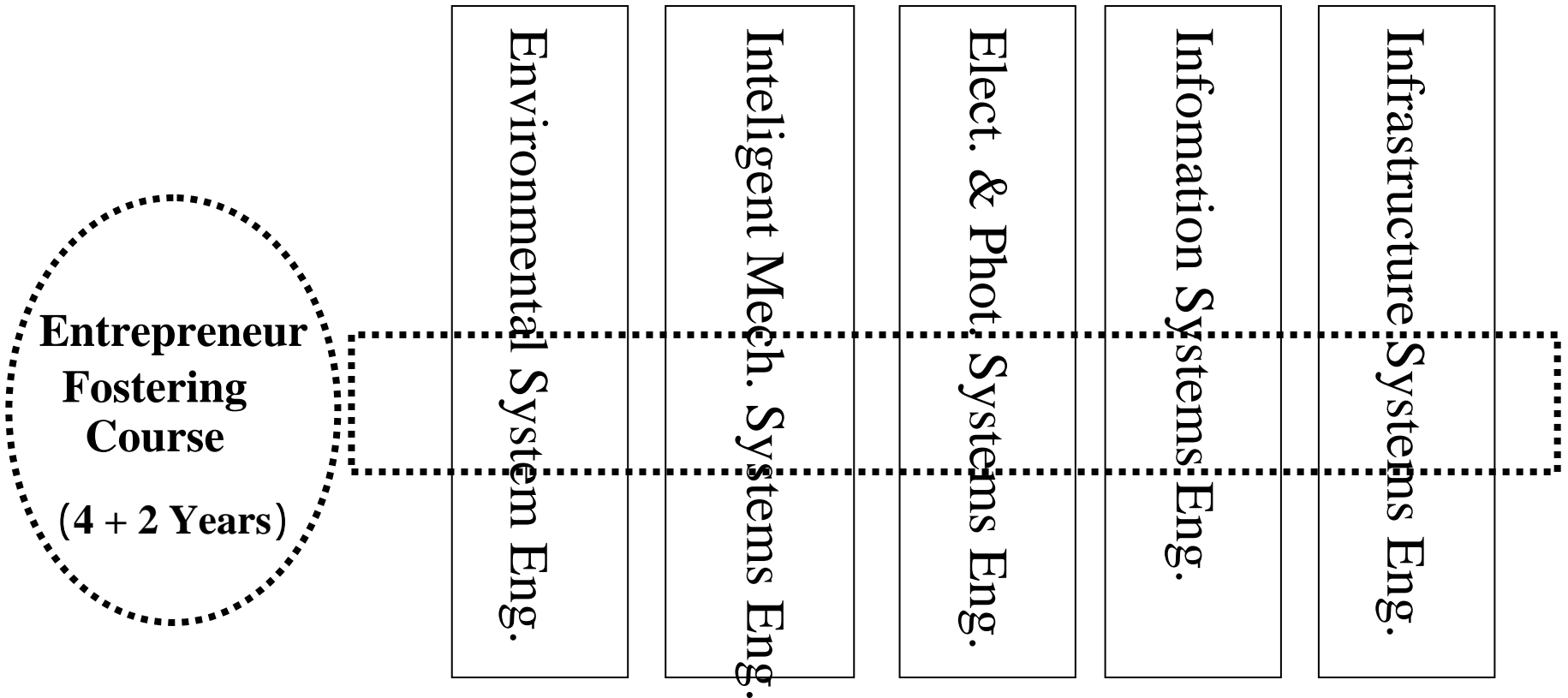
General Structure of Each Subject

Total 16 Subjects



Kochi Univ. of Tech.'s

New Challenge for Entrepreneurship Training



Foster Engineers with Entrepreneurship & Business.

Entrepreneurship Training for K-12 and High School

Prof. Ohe of Waseda Univ. has started Experimental Training for Kids in various areas in Japan.

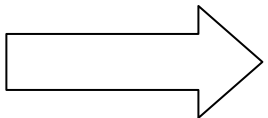
Tokyo Rika Univ. started Entrepreneurial Classes in Univ. for Kids.

Kochi Univ. of Tech. Started Entrepreneurial Kids School.

Kyoto Saikyo Comm. High School sets up Entrepreneur Course.

Kyoto High School Consortium started Internship to SMEs.

JTB created Start-up Training Overseas Tour for kids.



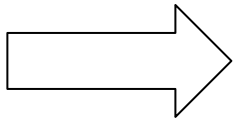
Emerging Entrepreneurship Training for kids.

This is really a recent phenomenon.

Japanese Society and Entrepreneur Development

Training to Foster Entrepreneurs
is Needed !

*All the Start-ups, Big corporations and SMEs
need change from Homogeneous Catch-up Business Model to
Entrepreneurial Business Model of Diversity.*



**The Age of Star-up, and Re-generation has come.
Training to foster Autonomous Individuals is Needed.**