

time delivery system), restructure their production systems, etc. Even staff departments such as personnel, accounting or public relations are part of this T.Q.C. process.

Competitive Environment — Survival of the Fittest

The key word for all Japanese companies is "Survival of the Fittest". Japanese companies must work very hard to survive in a fiercely competitive industrial environment both at home and abroad. As noted there are more than 1.6 million enterprises engaging in "head to head" competition. Thus companies struggle for survival by means of innovation and rationalization of their production processes to create more value added products through constantly increasing R and D efforts.

Company Forever

Another trait of the Japanese management philosophy is that a company, once established, should exist and remain forever, or as long as it can survive. Excellent medium sized enterprises with which the Embassy's Technology Development Officers work on technology transfer generally have histories of 50-60 years. There are very few takeovers, acquisitions or mergers among Japanese companies. Management as well as workers, therefore, strive for excellence so as not to have their companies bankrupted or taken over by another company.

Emphasis on Personal Relationship

The last characteristic of the Japanese corporate milieu important to note is personal relationships. Personal contacts are most important in the Japanese business community. This applies both within and outside one's company. In Japan, business begins with identifying the key personnel of the company with whom to initiate business. Once contact is established, one must cultivate and maintain a warm relationship. To illustrate this point, Japanese corporations in 1990