Chinese entrepreneurs need to think more like their Japanese peers. Rather than getting distracted by get-rich-quick schemes, they should focus on sustainable, long-term business development and top-quality products.
n island country lacking in natural resources, Japan has grown into the world’s second largest economy despite its overseas dependence on both ends of its industrial chain, buying raw materials and then exporting finished products. Over the past few decades, Japan has established itself as the leader in sectors including autos, electronics, and steel, and yet the country has never been a global leader in business management education. What, then, are the driving forces underlying the tremendous success in global competition enjoyed by Japanese companies?

Over the past few years, with this question in mind, I have visited many Japanese companies and talked with company owners, employees, researchers, and government regulators. What I have found is that Japanese professionals, whether senior managers or technicians, all focus on their work, doing their best to fulfill their specific job functions, and humbly striving to contribute value.

I am aware that maintaining too narrow of a focus can sometimes lead to rigidity and constrain creativity. Japanese companies are not often seen as innovators on the same level as their US peers, where companies such as Starbucks and Google represent a brand of innovation that creates whole new markets.

However, Japanese companies effectively leverage their meticulous corporate cultures to produce high-quality products and services that precisely meet customer needs. Japanese companies patiently build their global reputations on diligence and quality, whether world industry leaders such as Toyota or small and medium businesses in highly-specific niche sectors.

Meticulous focus is arguably the key factor accounting for the global success of Japanese companies, particularly in high-end manufacturing.

While the Japanese excel in diligence, Chinese excel in entrepreneurship. Over the past 30 years, since opening and reform, China has enjoyed unprecedented rates of economic growth and major leaps in wealth. Entrepreneurship, which seems to come naturally to many Chinese, has played a crucial role in this success.

Motivated to create wealth for themselves and for society, Chinese entrepreneurs have become a huge driving force in today’s economic growth. The convergence of China’s entrepreneurial spirit with the current focus on materialism in Chinese society has given rise to a group of wealthy entrepreneurs that will continue to grow rapidly in number and wealth over the coming decade.

This new class of Chinese entrepreneurs should be aware, how-
ever, that becoming rich is a different project than building a successful company. Although Chinese individuals may become wealthy, China and its entrepreneurs will not truly thrive until they learn to build and lead successful companies.

In contrast to their Japanese counterparts, Chinese entrepreneurs are often distracted and short-sighted in their approaches.

When top Chinese entrepreneurs get together, for example, they often discuss narrow topics such as the housing markets in Beijing and Shanghai and which new development project to buy. Some obsessively speculate about the direction of the Shanghai stock market and which stock to buy. Japanese and Western executives seem far less obsessed with this type of short-term distraction.

I see a similar pattern among Chinese entrepreneurs in terms of their personal time management. Despite their tremendous personal energy and their willingness to work long, hard hours, many entrepreneurs get bogged down in insignificant or short-term details rather than effectively prioritizing and focusing on long-term development issues. Without a larger vision, how can they expect to build companies with scale and strength?

With so much new wealth being created over such a short period in China, many Chinese are constantly thinking about job hopping or setting up their own businesses. How can companies find success when their employees focus more on “getting ahead” than on fulfilling their job duties?

China and its champion entrepreneurs are now competing at the global level. As we move past the energetic turbulence and rapid wealth-creation of our first 30 years, it’s time for China and its best entrepreneurs to consider the example set by Japan and its top corporations. For success on the Japan scale, Chinese entrepreneurs must settle down, overcome short-term distractions, and focus their boundless energy fully on building companies with scale that earn global admiration.