

Prashant Jain links Japan, India

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"It doesn't matter whether Japanese companies choose India or China for doing software development offshore. They tend to fail either way, because the problem is not in India or China, but in Japan."

At only 36, Prashant Jain, founder and President of Softbridge Pte Ltd, seems young to be making such judgments. But the India-born Jain has had wide global exposure in his life and career so far, working throughout Asia for tech companies from Israel and Japan, as well in the U.S. for a dotcom.

The problem Jain set out to solve when he founded Softbridge in Tokyo in June 2002 was the failure of Japanese companies to successfully move software development projects offshore despite crushing financial pressures to reap the cost benefits of doing so. We recently met with Jain and asked him to analyze this failure and describe his remedy.

- Why does offshore development matter to Japanese companies?

Major Japanese corporations must compete on cost globally. If their competitors are cutting software development costs drastically by shifting work offshore to lower cost countries such as India, they have to do the same to remain competitive. But offshore outsourcing of software is a big global trend that Japan has missed. Many major U.S. companies have opened development centers in India, but only a handful of Japanese companies have such centers there.

- There seems to be a big opportunity offering offshore services to Japanese companies.

There is, and my company initially targeted this market. We got projects, but they didn't go well. The Japanese lacked English skills and knowledge of the latest methodologies in software such as the Capability Maturity Model (CMM) which is a management tool becoming widely accepted worldwide. Japanese companies are not used to the normal level of bugs that occur in any software development and do not spend enough time and effort creating detailed project specs at the start, preferring rather to keep changing things as the project moves along. Yet they expect the price and schedule to remain unchanged. This may work well within Japan, but in doing complex IT projects offshore, with the barriers of language and distance, it is critical to get as much as possible firmly agreed in writing at the start, as Americans tend to do.

- How did you overcome these initial failures?

I decided to go after the core problems: lack of IT and international communication skills in Japan. First, we help Japanese companies bring to Japan bilingual software engineers from India with skills in the latest I.T. areas that can be applied immediately. We set up a program in India to hire skilled engineers and teach them intensive Japanese there before placing them at Japanese companies in Japan. Our engineers can participate in all project meetings in Japanese, which makes a big difference in how quickly they become productive and how much value they deliver to a client during a project. Nobody else except Softbridge is bringing in people fully trained in

Japanese language and culture.

Once our engineers have working relationships at the client, they can help that company deal with offshore software teams in India much better than the clients do on their own. With the human infrastructure in place to improve greatly the chances for successful projects, finally we are able to service the huge demand in Japan for offshore development.

- Tell us about your residential program in India.

To get maximum leverage from offshore development, the Japanese need to upgrade their skills in English, IT project management and the latest software technologies. So we have set up a residential program in India for Japanese companies to send their people to study English and I.T. for two to four months. Typically they send new recruits as part of their extended orientation period. Some send more experienced staff; a few months in India are a quick cure for the isolation and complacency that can develop in domestic-oriented Japanese companies.

- So why is your company headquartered in Singapore?

I have Permanent Resident status there. Also it is much easier to set up a company in Singapore, taking just a day there as opposed to many weeks in Japan. The government there is more supportive of venture companies in terms of tax policies and incentives. Singapore is a good base from which to extend my current business model, to offer Japanese companies engineers from countries other than India including the Greater China area.

- But your focus is India?c

India has recently gained favor in Japan due to concerns about China's handling of SARS and a general concern of concentrating too much country risk in China. Also IT management skills are much more advanced in India than in China, which is critical when you're dealing with large teams and complex projects. But we do not deny the importance of China and are building it into our model for the future.

- Pioneering a new service in Japan is never easy, even for Japanese people. Has being a foreigner helped in any way, or perhaps made it harder?

Japan seems very closed to new vendors; a lot depends on relationships. Early on I set up an Advisory Board of senior Japanese executives at larger companies, people I knew from my earlier career in Japan, and they have been immensely helpful in opening the doors at my first clients.

- How can you teach engineers Japanese so quickly? Most foreigners struggle to learn Japanese.

Hindi is actually closer to Japanese in structure than English is to Japanese. It's not so hard for Indians to learn Japanese.

- We'll take your word on that, Prashant. But we clearly agree that you have identified a key problem in Japan's IT sector, and we look forward to hearing more about Softbridge's progress. Thanks.

My pleasure.

Prashant Jain, CEO www.softbridge-s.com