



STANFORD SV-NJ CASE STUDIES of JAPANESE STARTUPS IN SILICON VALLEY

Motivation:

The Stanford Silicon Valley – New Japan Project case studies were motivated by the observation that there were few systematic analyses of Japanese startups in Silicon Valley. By gathering cases, we hope to identify useful experiences and lower the bar for new waves of entrepreneurs and startups from Japan.

Defining “Japanese Startups in Silicon Valley”:

We define the “Japanese startups in Silicon Valley” to be the for-profit business entities that satisfy all the following three conditions.

- 1) At least one of the founders held Japanese citizenship before or when the entity was established.
- 2) The entity is venture capital financed or potentially attractive to venture capitalists.
- 3) The entity has an office in Silicon Valley, which is defined to include the broader Silicon Valley, encompassing Santa Clara, San Mateo, San Francisco, Alameda, and Contra Costa counties.¹

Case Identification Methodology:

Cases were identified on the basis of being known to key Japanese ecosystem players in Silicon Valley, including academics, consultants, entrepreneurs, investors, venture capitalists, visiting fellows, and media. The selection bias is therefore against firms that are not known to the Japanese community in Silicon Valley.

Cases were also found through networking at events organized and hosted by Japan-related organizations in Silicon Valley.

Once firms were identified, SV-NJ researchers contacted them via email requesting permission for an interview with the understanding that it might be considered for a case write-up, contingent on approval and review of the case by the interviewee. The option was given to do an interview anyway for information purposes, even if the interviewee did not agree to have their case published.

¹ For a more thorough discussion of the geographical definition of Silicon Valley see: Kushida, Kenji. "A Strategic Overview of the Silicon Valley Ecosystem: Towards Effectively “Harnessing” the Ecosystem." <http://tinyurl.com/pxc6e3d>. 15 Mar. 2015. Web. 15 Oct. 2015.

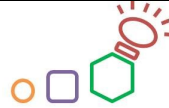
Interview Questions:

The interviews aimed to gather the following information: i.) the basic business of the startup, ii.) the background of the company and its existence in Silicon Valley, iii.) the human resource iv.) funding, v.) challenges and strengths identified by the management, vi.) key professional resources, vii.) key technological tools, and viii.) the founder's general advice for Japanese startups. Examples of questions asked included, but were not limited to, the following:

- What is your company's product, service, or purpose?
- What type of legal entity did you form, when and where?
- What is the company's succession history and plan?
- What are the company's ties to Silicon Valley?
- What was your initial funding source? Subsequent funding?
- When, where, who, and how of team founders?
- How does your company source new hires in Silicon Valley?
- Does your company have formalized plans for women to join your team?
- Are there women leaders at your company?
- Where did you find your initial employees?
- How do you characterize the team? (serial entrepreneurs, subsidiary, etc.)
- What are the expected market challenges in Silicon Valley?
- What unexpected market challenges have you encountered in Silicon Valley?
- What unique strengths does your team have to maneuver Silicon Valley?
- What skills does your team seek from outside of your company?
- What are the biggest challenges in managing cross national teams?
- What strategies does your company utilize to overcome international challenges?
- What other organizations are you affiliated with including corporate parents, corporate investors, VC firms, accelerators, incubators, government, NPO's, etc.?
- What professional service providers do you use? (Attorney, accountant, etc.)
- What technological resources does your team rely on? (SalesForce, Zenefits, etc.)
- What is your advice to those who follow in your footsteps?

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About the SV-NJ Case Studies Series: Japanese Silicon Valley Firms (Start-Ups)

The Stanford Silicon Valley – New Japan Project case study series investigates Japanese firms in Silicon Valley. The purpose is to understand each firm’s business purpose, its journey from Japan to Silicon Valley, human capital issues, business challenges and best practices, funding, and resources utilized. Information was compiled by interviewing leaders of start-ups based in Silicon Valley with one or more Japanese nationals as founders. The subject companies range from bootstrapped to fully funded companies with or without a presence in Japan, but all of which contain a technology element such that they are scalable enterprises. For more information or to refer a case study interviewee, please email SV-NJ Researcher Kei Ashizawa: ashizawa@stanford.edu.