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Beyond borders: Japanese life sciences organizations evolving for global growth

Insights and learnings for Japanese life sciences organizations globalizing to fulfill growth ambitions

Foreword

Driven by domestic economic and industry-specific challenges, many Japan-headquartered life sciences organizations are looking at greater globalization as a catalyst for growth and innovation. Recognizing the unique characteristics of these organizations, Deloitte firms across key regions such as the United States and Europe offer tailored services supported by resources who understand the culture and know how to navigate between stakeholders and their needs across regions.

While the organizations may have different approaches and are at varying stages of their globalization journey, recent discussions with executives, both headquartered in Japan and outside of Japan, revealed common challenges.

This realization prompted Deloitte Japan, US, and UK to delve deeper, not only to validate these challenges but also to understand how organizations have navigated them and the lessons learned in doing so. Discussions were then extended to non-Japan-headquartered life sciences organizations and cross-industry Japan-headquartered organizations to see if there were insights that could be gained from their experiences.

There is no one-size-fits-all solution to globalize an organization. It requires a nuanced approach, tailored to the specific needs and goals of each organization. In this paper, experiences and leading practices are discussed to provide Japan-headquartered life sciences organizations with the tools and knowledge necessary to enable global success. The intent is to foster a deeper understanding of cross-regional and sociocultural dynamics and inspire confidence in navigating the complexities of international expansion. By embracing globalization, these organizations can unlock new opportunities, drive innovation, and achieve sustainable growth.

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Introduction

In an increasingly interconnected world, Japan-headquartered (Japanese) life sciences (LS) organizations are making significant strides in expanding their reach and growing their presence in international markets. In addition to growing revenue, this globalization effort aims to tap into varying talent pools, leverage international resources, and foster growth and innovation. The motivation for this international expansion is grounded in several key domestic factors.

Many years of economic stagnation and a weakened yen have impacted Japan's economic stature. In 2023, Japan's GDP ranking was overtaken by Germany, making Japan the fourth largest economy in the world.[1] Additionally, the Japan Ministry of Health, Labour and Welfare's 2016 announcement of aggressive drug-price revisions to decrease government health care spending further exacerbated the "drug-loss" problem.[2] This matter refers to the delayed entry of new drugs into the Japanese market due to cumbersome policies for market entry. These revisions deterred global pharmaceutical organizations from introducing their new, innovative drugs to Japan, further reducing Japan's share in the pharmaceutical market. While corporate reforms and recently introduced incentives aimed at re-encouraging domestic innovation have started to make an impact,[3] significant progress is still needed to reinvigorate the Japanese LS market.

Japanese LS organizations are therefore increasingly looking at markets outside Japan to drive growth. By adopting international perspectives and addressing unmet medical needs across the globe, they can achieve sustainable growth. This strategic approach could not only enhance their competitiveness but also help in building their reputation as agile and innovative industry players.
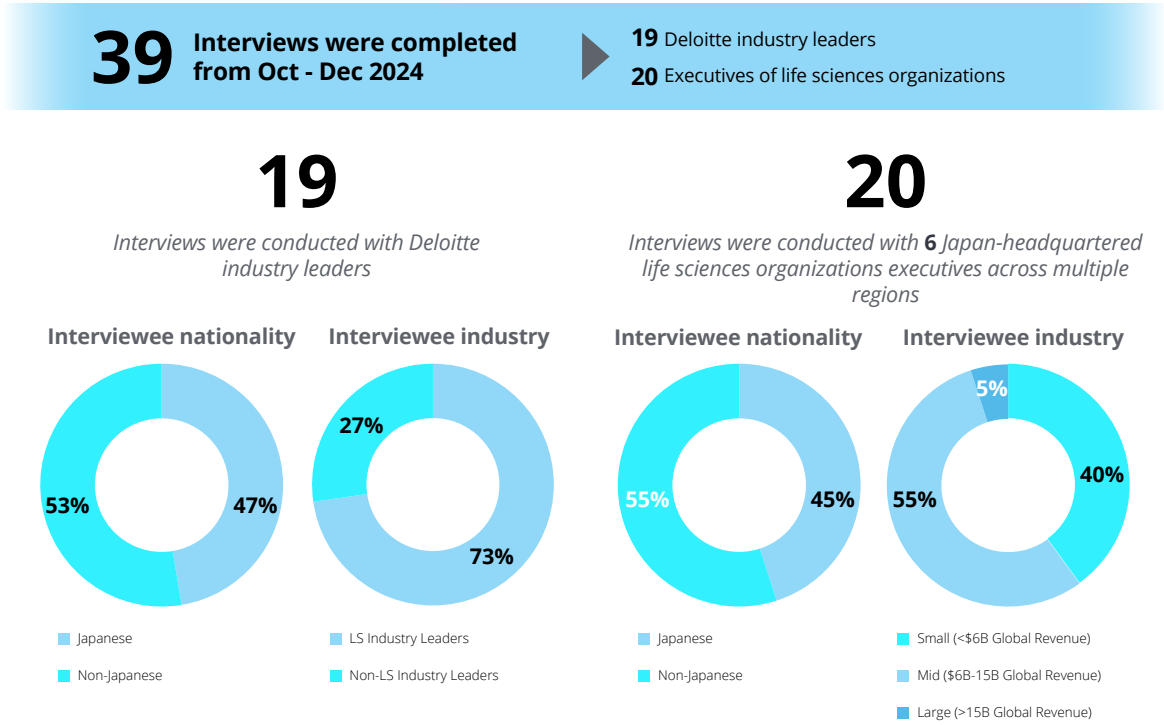
While these organizations are at different globalization stages, they face similar, often challenging choices. These include navigating sociocultural differences, overcoming language barriers, establishing effective governance frameworks for agile decision-making, as well as attracting, deploying, and retaining global talent.

In this paper, an overview of such choices is provided, along with actionable insights to help Japanese LS organizations in their globalization efforts. These insights are based on 20 interviews with executives from Japanese LS organizations and non-Japanese LS organizations, as well as 19 interviews with Deloitte cross-industry leaders (Figure 1) [see methodology in appendix].

Defining "Globalization"

Although most organizations have already established operations outside Japan, they typically begin with their affiliates functioning as standalone entities with only high-level oversight, and a limited or inconsistent set of brands launched internationally. As these organizations increasingly introduce global assets into the market to help address unmet medical needs, the standalone model may become less productive, inefficient, and riskier due to the lack of global standards and governance. Hence, there is a need to create and implement a more global governance model, along with global functions, processes, and systems, and to foster a corporate culture and common language to operate as a cohesive, unified entity on a global scale.

Figure 1: Interview participants and demographics

39 **Interviews were completed from Oct - Dec 2024** ▶ **19** Deloitte industry leaders
20 Executives of life sciences organizations

19

Interviews were conducted with Deloitte industry leaders

Interviewee nationality

53%   47%

■ Japanese
■ Non-Japanese

Interviewee industry

27%

73%

■ LS Industry Leaders
■ Non-LS Industry Leaders

20

*Interviews were conducted with **6** Japan-headquartered life sciences organizations executives across multiple regions*

Interviewee nationality

55%   45%

■ Japanese
■ Non-Japanese

Interviewee industry

5%

55%   40%

■ Small (<$6B Global Revenue)
■ Mid ($6B-15B Global Revenue)
■ Large (>15B Global Revenue)

Source: Deloitte analysis

Embracing a more globalized operating model

When Japanese LS organizations expand into new markets, they often initially use a decentralized structure with local affiliates operating relatively autonomously. Support functions such as finance and human resources (HR) are typically specific to each geography rather than globalized. While global headquarters set financial targets and fundamental objectives, the local affiliate has considerable leeway in making portfolio and operating decisions.
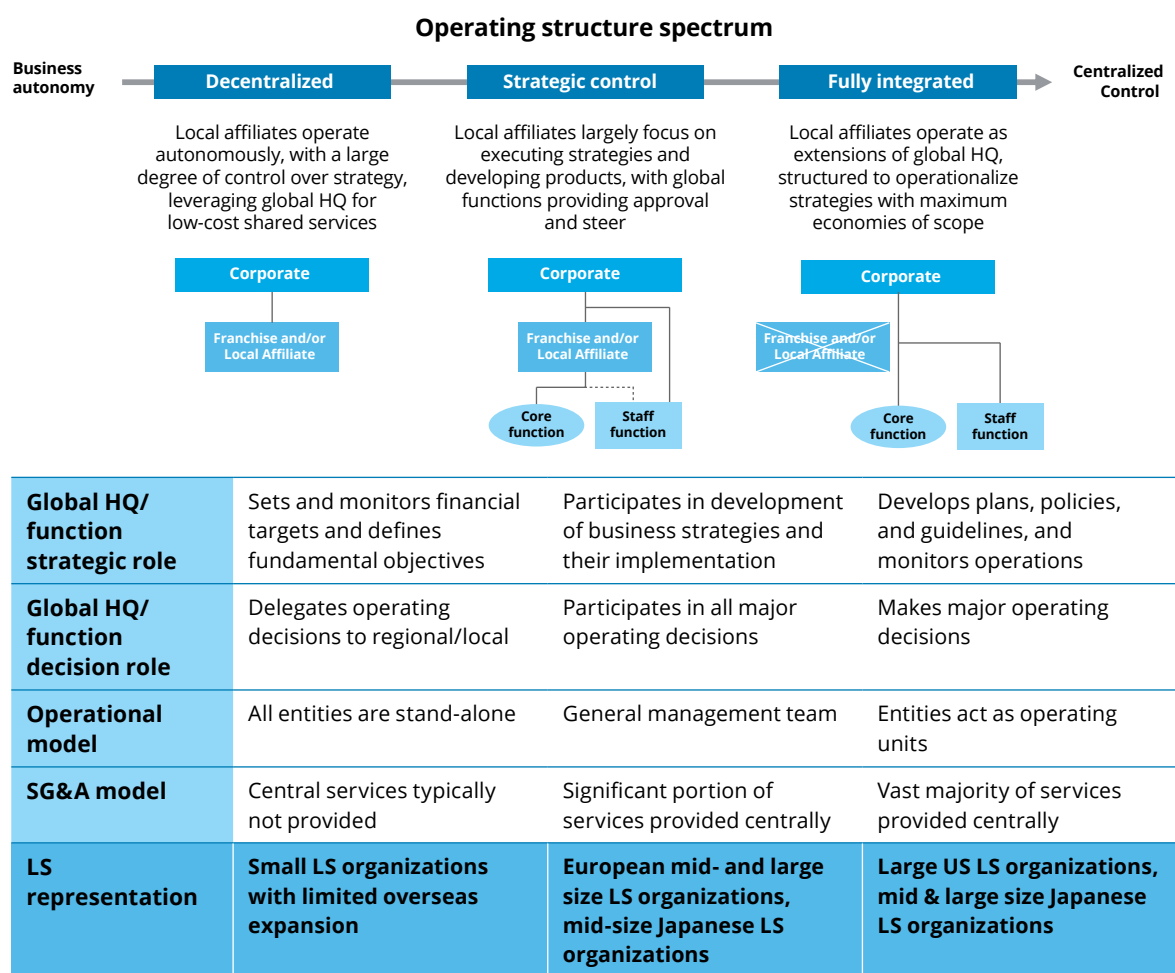
As organizations seek a more global approach, a decentralized structure may no longer be the best fit given the lack of transparency, standardization, and economies of scale. Instead, they may need a model with more centralized control. In addition, with constantly changing regulations and increasing global cyber threats, there is a need for standardized and globally managed regulations, compliance, and risk functions. Observations from large growth transformations across various industries have highlighted two distinct models to achieve this (Figure 2).

One model is the **strategic control** model. The product portfolio starts to become more consistent globally with support functions provided by globalized operations and shared services, especially for corporate functions such as HR, finance, compliance and risk, ideally standardizing technology, and IT system choices. However, go-to-market strategies and, in some cases, portfolio decisions are still heavily tailored to and driven by the management and specifics of the regional market. The interviews revealed that this model is primarily deployed by mid-size and large European LS organizations, mid-size Japanese LS organizations, and large consumer industry organizations.

Taking this one step further, in the **fully integrated** model both operational and market/portfolio decisions are made at the headquarters/centralized level, with local affiliates implementing these decisions in different markets. This model has been implemented by large US LS organizations with some adoption also observed among large and mid-size Japanese LS organizations.

It is important to note that while these two models represent an increasing curve of autonomy, maturing does not necessarily mean transitioning to a fully integrated organization. The interviews indicated that large, well-established global organizations, such as those in the consumer industry, deliberately choose to stay within the strategic control model due to vast differences in local customer needs requiring a regional or local go-to-market portfolio and entry strategy. For instance, Toyota realized that there is a strong appeal of specific types of trucks to American customers, so they shifted the engineering capabilities for this specific segment from Japan to US, bringing engineering intelligence, market, and talent closer together. Within LS organizations, the research indicates a tendency for the pendulum to swing between both models as organizations recognize the need for change based on their redefined strategies or changing circumstances.

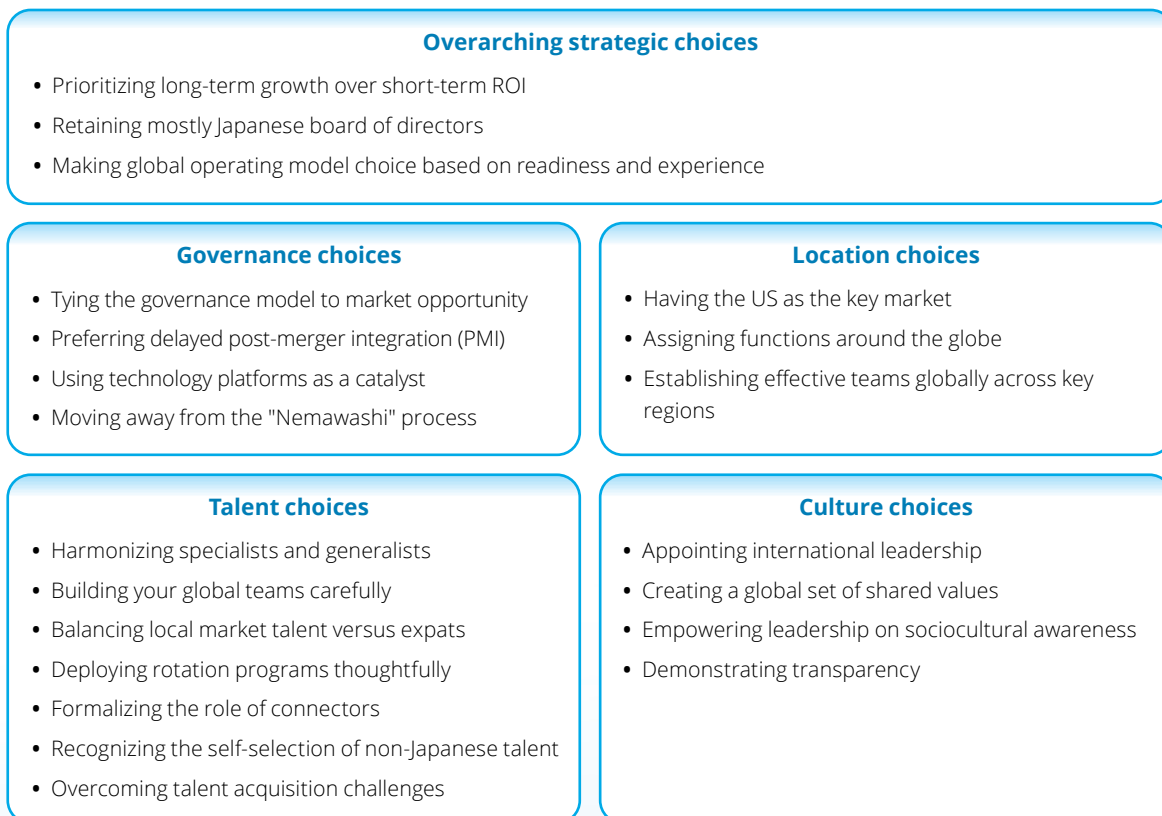Figure 2: Operating model options in the journey towards globalization

Operating structure spectrum

Business autonomy → Decentralized — Strategic control — Fully integrated → Centralized Control

Decentralized: Local affiliates operate autonomously, with a large degree of control over strategy, leveraging global HQ for low-cost shared services

Strategic control: Local affiliates largely focus on executing strategies and developing products, with global functions providing approval and steer

Fully integrated: Local affiliates operate as extensions of global HQ, structured to operationalize strategies with maximum economies of scope

	Decentralized	Strategic control	Fully integrated
Global HQ/ function strategic role	Sets and monitors financial targets and defines fundamental objectives	Participates in development of business strategies and their implementation	Develops plans, policies, and guidelines, and monitors operations
Global HQ/ function decision role	Delegates operating decisions to regional/local	Participates in all major operating decisions	Makes major operating decisions
Operational model	All entities are stand-alone	General management team	Entities act as operating units
SG&A model	Central services typically not provided	Significant portion of services provided centrally	Vast majority of services provided centrally
LS representation	**Small LS organizations with limited overseas expansion**	**European mid- and large size LS organizations, mid-size Japanese LS organizations**	**Large US LS organizations, mid & large size Japanese LS organizations**

Source: Deloitte analysis

Key insights on the strategic choices organizations make as they globalize

The journey toward globalization involves making important choices, ranging from an overarching strategic perspective to specific areas such as governance, talent, location, and culture. In many cases, these choices are interrelated. Insights from the conversations with the interviewees revealed that while the choices these organizations face may be similar, the depth and priorities assigned to them can vary significantly (Figure 3).

Figure 3: Key insights from benchmarking exercise

Overarching strategic choices

- Prioritizing long-term growth over short-term ROI
- Retaining mostly Japanese board of directors
- Making global operating model choice based on readiness and experience

Governance choices

- Tying the governance model to market opportunity
- Preferring delayed post-merger integration (PMI)
- Using technology platforms as a catalyst
- Moving away from the "Nemawashi" process

Location choices

- Having the US as the key market
- Assigning functions around the globe
- Establishing effective teams globally across key regions

Talent choices

- Harmonizing specialists and generalists
- Building your global teams carefully
- Balancing local market talent versus expats
- Deploying rotation programs thoughtfully
- Formalizing the role of connectors
- Recognizing the self-selection of non-Japanese talent
- Overcoming talent acquisition challenges

Culture choices

- Appointing international leadership
- Creating a global set of shared values
- Empowering leadership on sociocultural awareness
- Demonstrating transparency

Source: Deloitte analysis

Overarching strategic choices

- **Prioritizing long-term growth over short-term ROI:** Compared to non-Japanese organizations, Japanese organizations often emphasize maintaining long-term strategic control rather than prioritizing short-term returns on investment. This approach, deeply embedded in Japanese culture, focuses on making deliberate decisions aimed at sustainable, controlled growth while staying aligned with the organization's sociocultural values and business practices. However, organizations are becoming more attuned to meeting shorter-term financial gains and cost-saving measures driven by a surge in activist investors as a result of changes in Japanese corporate governance and today's economic environment. It remains to be seen how Japanese organizations will balance these priorities over time, especially as they increasingly globalize their businesses and need to realize economies of scale.[4]

- **Retaining mostly Japanese boards of directors:** Even if the senior executives are becoming more international at Japanese LS organizations, the Boards of Directors have remained primarily Japanese (Figure 4).[5] The Tokyo Stock Exchange has recently implemented corporate governance codes[6] encouraging organizations to increase the number of independent directors and international members of their boards, as well as the inclusion of diverse perspectives, experiences and values, similar to practices outside Japan. However, this has not yet led to significant changes in board composition, which may in some cases act as a brake on globalization. The combination of governance reforms, increased activist and broader investor interest and pressure may lead to Japanese organizations to evolve their practices in this regard.[7] Reviewing the current make-up of the Board of Directors against organization globalization goals may be beneficial as organizations try to reach shareholders and stakeholders outside the Japanese market.

Figure 4: Nationality breakdown of C-suite & board of directors across top 10 Japanese biopharma organizations
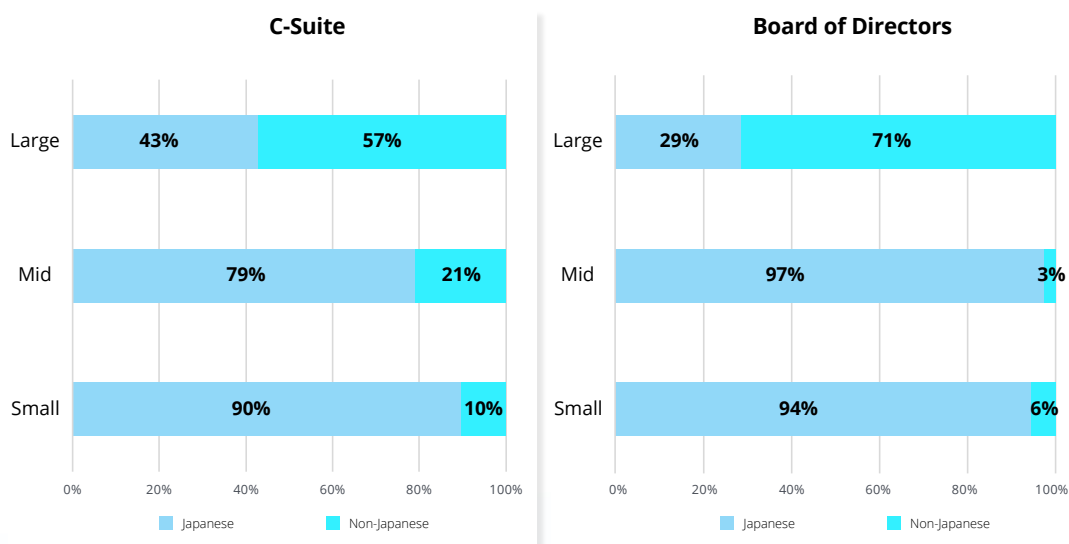
Legend: Organization size based on global annual revenue, Large >$15B , Mid $6B-$15B, Small <$6B

Source: Deloitte analysis

- **Making global operating model choice based on readiness and experience:** As Japanese LS organizations move toward a more centralized operating model, the choice between the previously explained strategic control and fully integrated organization models is often intentional. Organizations may alternate between the two based on their strategy and circumstances at a particular time. Organizations can move to a fully integrated model to increase standardization and control. However, they may revert to strategic control to allow for regional autonomy in key (and often larger) markets based on their learnings and subsequent shifts in strategic priorities.

  The interviews revealed that in such cases these organizations apply a tiering system, with the US often having the highest autonomy, followed by a lower level of autonomy for key markets beyond Japan, such as Germany and China, while other markets are fully controlled by the global model. The level of autonomy in these larger markets may extend beyond go-to-market strategies to include system choices based on local needs or an increased focus on and budget for competing for local talent while minimizing the use of global talent. This flexible strategy enables organizations to adapt to local market nuances while aligning with global objectives, optimizing both efficiency and effectiveness. Both models come with their strengths and challenges, which must be weighed based on individual organization goals, such as the level of ambition for growth and market share in a specific overseas market like the US, and the need for customization based on market-level circumstances, such as using a different customer relationship management (CRM) system to better fit the local customer engagement model.

Governance choices

- **Tying the governance model to market opportunities:** The interviews highlighted the importance of market opportunities and how these guide a function-specific governance model. By building functions and decision-making authority in the market where the opportunity exists, organizations can effectively capitalize on local opportunities. For example, one organization with a strategic goal to become a key player in the US decided to not only to have the business development function based in the US but also to give them decision rights over any global business development opportunity.

- **Preferring delayed post-merger integration (PMI):** During the interviews it was observed that post-transaction, Japanese organizations often grant significant autonomy to new acquisitions, particularly smaller, more innovative businesses. These businesses are often less hierarchical, offer better pay, and have solid equity plans in place. The integration into the global structure is typically gradual. This approach aligns with observations made across many LS integrations, not only by Japanese organizations, as a best practice to realize the maximum value from these innovative organizations.

- **Using tech platforms as a catalyst:** Implementing technology platforms across geographies and sectors (for example, enterprise resource planning (ERP), application management services (AMS), HR technology systems, and IT Service Management Systems) is not sufficient to drive greater globalization on its own. While organizations have varied ways of implementing such technology platforms, the maximum impact comes from first designing the global governance and operating model and then using the technology platform as a catalyst, consistent with these models. Organizations that use large technology implementations to force-align the global operating model often struggle to realize the full value from the platforms, requiring tail-end fixes that could result in delays, slower adoption, and hampered productivity and efficiency.

- **Moving away from the "Nemawashi" process:** As the leadership team and the next tier of management become increasingly global versus primarily Japanese, governance conflicts can sometimes arise due to the traditional Japanese Nemawashi working style, which involves building consensus and support before a decision is made (see sidebar, "Nemawashi" in Japanese Business Practices, for more information). For example, in the planning process, there can often be a conflict between the typically more top-down approach of non-Japanese leadership and the Japanese consensus-driven approach, which involves extensive consultation as decisions are being finalized and then aligns the organization more completely behind the final decision. Globalization often necessitates a more prescriptive approach, and Japanese organizations may need to start adapting to this top-down method. To help ease this transition, especially for Japanese leaders and employees, frequent top-down communications, and acknowledgment of how decisions align with strategic objectives and organization culture may be important.

"Nemawashi" in Japanese business practices

If Japan's business process known as Nemawashi is defined as merely gathering input and building consensus for decision-making, then the concept itself is familiar to non-Japanese organizations.[8] After all, networking, and alignment with leadership prior to making important business decisions are essential parts of Western business practices. The important difference lies in the target and purpose of this action.

While Western Nemawashi is done proactively with a small group of decision-makers and leaders to persuade and convince, Japanese nemawashi involves various stakeholders, including on-the-ground executors, with the intention of:

1. Adjusting until consensus is reached by all participating members, or

2. Redacting the initiatives if sufficient support isn't reached.

This approach can work well in a more insular business environment but can be challenging to maintain a leading position in a rapidly evolving global marketplace.

Talent choices

- **Harmonizing specialists and generalists:** Japanese employees tend to remain with an employer for life, and although this has been slowly changing, this concept is still highly respected. Career paths in Japan typically involve rotating across many different functions over times across the organization, creating generalists with broad networks, experience, and insights spanning various functions.[9] This approach is often used to develop leaders within the organization. In contrast, in the US and EU, career paths tend to stay within a specific function, with employees frequently switching organizations as they advance in their careers.[10] This results in specialists or individuals with deep functional knowledge, who may lack the broader perspectives gained from exposure to other functions and networks within an organization.

  Both approaches have benefits and drawbacks, which can cause friction in increasingly globalized organizations with international teams consisting of both generalists and specialists. The potential lack of understanding of each other's perspectives can lead to conflicts when deciding who is the most appropriate leader for a function. Specialists might feel undervalued under generalist leadership, while generalists may perceive a lack of broader perspective under specialist leadership. This situation requires a deliberate talent strategy that accounts for these two very different leader types. It also may require organizations to balance and alternate leadership choices across functions, foster strong communications, and educate management on maximizing the value of both types to complement each other in teams.

- **Building your global teams carefully:** Creating global teams requires finding talent with the right mindset to work across and with different cultures worldwide. Bringing top local talent from key markets into global teams can help support market acceptance while also helping to ensure they have the right functional competencies to serve across the regions. Some organizations struggle with this concept, preferring to retain key talent in the market and building global teams with less experienced employees or those primarily from Japan, who may lack the experience to support entities worldwide. Cultural training is important, and although it can be costly, investing in opportunities for teams and leaders from different countries to connect in person, get to know each other, work together, and build cohesive teams is invaluable.

- **Balancing local talent versus expats in key markets:** Rotating talent across key markets can foster a global mindset and help prepare future leaders. However, it's key to balance local talent and expats to drive business success. This requires establishing guidelines for leveraging the market knowledge of local talent versus the broader perspective and experience that expats can bring. For example, one organization significantly deprioritized bringing international talent into the US market to allow for more local hires with experience in the specific complexities of the US market, with the key goal to drive US market share.

- **Deploying rotation programs thoughtfully:** Global rotation programs, as described earlier, are often used to give Japanese employees broad global exposure. However, feedback from discussions during the interviews showed differing views on the purpose and effectiveness of these programs. Short-term assignments abroad for junior Japanese employees often result in limited integration into the local culture, reduced influence on the activities of the affiliate and global connectivity, and being confined to a monitoring role. Furthermore, when they return to Japan, they often revert to the traditional business culture, quickly losing any value from the functional and cultural learnings. This challenge could be overcome by being more deliberate upfront about their role upon returning to Japan and by implementing measurements and appropriate support to facilitate their reintegration. In contrast, participants interviewed expressed that moving senior talent overseas for longer periods and into specific roles had a much greater impact as they integrated more deeply and had clearer impacts on business decisions.

  There was also consistent feedback on the need to open rotation programs for non-Japanese leaders to spend time in Japan. Obstacles to this include linguistic barriers and the challenge of functioning in a potentially isolated environment. However, leading Japanese LS organizations are rapidly addressing these challenges by nurturing globally capable resources and creating a human capital structure that can benefit from these programs. Establishing a solid assessment program for identifying and integrating non-Japanese talent who align with the organization's cultural values and business objectives may be important for successfully incorporating global talent in Japan, regardless of the assignment's duration.

- **Formalizing the role of connectors:** Globalization requires talent to connect the dots across markets, understand different perspectives, and recognize the value of sharing to help grow and globalize the organization. When prompted, the leaders that were interviewed were able to identify individuals in their organization who function as connectors, and they considered these individuals to be invaluable. However, there was consensus that such connectors are rare, and their roles are often not explicitly defined, valued, or rewarded. There is value in formalizing the connector role by defining their responsibilities, providing incentives for connectors to facilitate collaboration and knowledge sharing across regions, and developing training and support programs to help connectors bridge cultural and operational gaps more effectively.

- **Recognizing the self-selection of non-Japanese talent:** Local executives in non-Japanese markets or non-Japanese global leaders in any market often self-select as organizations ramp up their efforts to globalize, meaning their personalities fit the Japanese culture and ways of working. While they may have stayed under the radar earlier on, we do see their tenure ending prematurely if their values do not align or fit with Japanese culture and ways of working as organizations increasingly globalize. Additionally, as the organization's operations are based on shared values deeply rooted in Japanese culture, employees at all levels will increasingly realize what it means to work for a Japanese organization. As a result, there's often a pattern where those who fit these values stay long-term, and even when they switch employers, they frequently move to another Japanese organization. Organizations can be more proactive about recognizing such talent earlier.

- **Overcoming talent acquisition challenges:** American and European organizations can benefit from a larger pool of English-speaking individuals who have studied in their home countries and share similar socioeconomic values. For Japanese organizations, finding talent with comparable backgrounds and cultural fit can be challenging. The distinct linguistic and cultural differences in Japan can make it difficult to find suitable candidates. Furthermore, the lack of brand recognition outside Japan, combined with budget constraints given the need for expensive organization awareness branding, makes it even more difficult for Japanese LS organizations to attract high-quality talent in key markets across the US and Europe.

Location choices

- **Having the US as the key market:** When Japanese LS organizations announce plans to grow their business overseas, they typically focus on the US as the key growth market given the size and extensive talent pool available. In making this decision, it is important to understand the implications of prioritizing the US market. This includes determining where to invest and developing targeted strategies to expand their business development and merger and acquisition (M&A) efforts in the US, sometimes even granting the US entity full autonomy in these decisions.

- **Assigning functions around the globe:** The interviews revealed common patterns among Japanese LS organizations in terms of preferred locations for specific functions. The research function, often seen as a competitive advantage and a source of pride, tends to be housed in Japan, while finance and HR are also controlled close to home. Given that the US is recognized as one of the key markets with a large talent pool, clinical development, IT, business development and M&A are frequently located there. The latter is often due to the need for inorganic growth and a lesser familiarity with US market needs and acquisition targets. Lastly, regulatory and commercial functions are most often housed in either the US or Europe.

- **Establishing effective teams globally across key regions:** Positioning the global function leader in one of the three key regions—Japan, the US, or the EU headquarters—and creating co-located teams at the Global C-suite and level below levels across these locations can enhance collaboration and decision-making within an organization. By situating key team members across these regions, organizations can leverage the unique strengths and perspectives of each area which, as mentioned, can help accelerate adoption by local markets. This approach can foster a more integrated and cohesive working environment, where ideas and strategies can be shared more efficiently and effectively.

Culture choices

- **Appointing international leadership:** One of the key components to achieving both growth and globalization is expanding leadership beyond Japan and Japanese leaders. Appointing non-Japanese CEOs and other members of the C-suite, along with their direct reports, can help globalize the organization and bridge cultural gaps through top-down communication and exemplary behavior. The interviews indicated that organizations that embrace this concept, ideally with leaders located across the key regions regardless of nationality, have accelerated the adoption of a global organizational mindset.

- **Creating a global set of shared values:** Integrating varying cultural foundations, beliefs, and values can be a major hurdle for Japanese LS organizations when expanding globally. The executives that were interviewed highlighted difficulties in reconciling ways of working and managing various, sometimes conflicting, cultures, norms, and attitudes across geographies. Most of the interviewee's organizations have resolved this by establishing a set of shared values that originate from Japanese culture and organization roots, but which are inclusive of global perspectives and shared goals. Some organizations have adopted this approach successfully through a strong global communication strategy, driven by top-down leadership and embedded in employee's daily activities. By fostering a unified organization culture that respects and integrates varied perspectives, these organizations can enhance collaboration and trust—and ultimately achieve international success.

- **Empowering leadership on sociocultural awareness:** Global teams are becoming increasingly more common, highlighting the importance of establishing an appropriate communication style for effective global operations. However, helping to ensure sociocultural sensitivity in international meetings remains a significant challenge. Having leaders who understand how to bridge sociocultural gaps can improve transparency and trust among employees. This may require training and experience-building for leadership, as well as assessing the sociocultural fit for the job.

  Organizations should foster a culture of open communication and information sharing and provide training on sociocultural awareness and global work dynamics. For example, understanding that some cultures are more direct than others, helping to ensure that each team member speaks up in meetings and appreciating that Japanese leaders often speak last, which is perceived as a strength. Culture training across markets can enhance collaboration, respect, and understanding across various teams, ultimately driving success in international markets.

- **Demonstrating transparency:** Japanese organizations can often exhibit less transparency in their operations compared to Western organizations, especially toward their international subsidiaries. This lack of openness can hinder effective communication and collaboration on a global scale, where information sharing is critical to success. Initiatives like "Ask Me Anything" CEO town halls can promote transparency and psychological safety, which can enhance trust and openness within the organization. This is increasingly important as safety, trust, and openness are difficult to organically grow when team members do not share the same location and sociocultural background. The important shift in mindset is to keep talent worldwide engaged and motivated. Without transparency, two-way communication, and a sense of accomplishment, retaining good talent can become a challenge.

Conclusion

The ongoing journey toward global expansion and integration offers Japanese LS organizations some considerable business upsides, but it can often be a complex and time-consuming process. Once an organization decides to embark on this journey, there are many choices to be made, each with its own set of consequences, which may differ from those encountered when focusing primarily on a Japanese product portfolio and organization.

There is no one-size-fits-all approach, especially given the unique characteristics of Japan-based organizations, such as their deliberate and thorough decision-making processes, a strong emphasis on harmonized social values, and a less aggressive corporate culture. While these traits make such organizations attractive to some potential employees, it's crucial that the talent within the organization both understands and embraces these values. If not, it may indicate a misalignment, and such talent might be better suited elsewhere, and companies need to consider this upfront in the hiring process.

The myriad of challenges that may be faced during this process often boil down to challenges related to talent and behavior which can underscore the necessity for robust program management that incorporates cross-regional and cross-functional stakeholder input and leadership. Effective top-down communication and the demonstration of desired behaviors are important to enable success. By fostering a culture that values thoughtful decision-making and social harmony, while also helping to ensure that the right talent is in place, organizations can navigate the complexities of global expansion and achieve sustainable growth.

Methodology

Position paper design

This paper provides perspectives on the unique globalization journeys that Japan-headquartered life sciences organizations (Japanese LS organizations) experience and offers some tools and knowledge necessary for global success. The aim is to foster a deeper understanding of cross-regional and sociocultural dynamics and inspire confidence in navigating the complexities of international expansion. The paper contains quantitative data from market research as well as qualitative data gathered through interviews and broader subject matter experience of Deloitte professionals.

Data collection

Quantitative and qualitative data used in the paper was gathered between September 2024 and March 2025. The following methods were utilized:

- **Internal interviews:** A total of 19 Deloitte cross-industry leaders, i.e., both life sciences and non-life sciences industries, were selected and interviewed to gather insights on challenges, solutions, and trends in the globalization of Japanese organizations. Insights from non-Life Sciences industry leaders were leveraged to analyze Japanese organizations that already have globalized.
- **External interviews:** A total of 20 executives from Japanese LS organizations were interviewed to gain insights from first-hand experiences with their organizations' globalization efforts. A mix of Japanese and non-Japanese executives, as well as a mix of headquarters and local office executives, were interviewed to help ensure a balanced range of perspectives.
- **Quantitative and market research:** A review of individual organization websites, annual reports, release notes, industry reports, academic papers, and internal Deloitte databases was conducted to supplement the paper. This review included examining various organization histories, globalization journeys, and case studies.

Data analysis

The data collected from interviews was transcribed, summarized, and categorized into the most prominent themes observed. The team used an interview guide and modified the questions and follow-up queries based on the insights gained throughout the interview phase, drawing from the unique experiences of the interviewees. The analysis focused on various layers of operating model choices: strategic, governance, location, talent, and culture choices. This categorization supported the development of the most relevant insights for Japanese LS organizations.

Validation

To help ensure the quality and reliability of the analysis, the following measures were taken:

- **Continuous improvement of interview prompts:** The interview questions were refined throughout the process to help ensure that the experiences of Japanese LS organizations were accurately captured.
- **Data diversification:** Varying sets of qualitative and quantitative data was leveraged to gather well-rounded data that could be cross-verified.

Endnotes

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