

# Changing Ways of Living and Working

In the midst of the COVID-19 pandemic, the Japanese government has requested that we voluntarily restrain our movement and our contact with other people. The use of telework and telemedicine has expanded rapidly as a result. Having been through this experience, how will our ways of living and working change in the future?

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– What direction should companies take in the future?

**Kazuhiro Higashi**

NIRA Executive Vice President / Chairman and Director, Resona Holdings, Inc.

Keywords...Penetration of IT utilization, value unique to online services, breadth of choice, ease of access, level of detail of information, convenience, improved quality of life, changing lifestyles, optimum combination of online and offline, path to corporate survival

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COO & CTO, Mirai Translate, Inc.

Keywords...Remote work, significance of gathering together at a company, communication within organizations, synchronous and asynchronous tools, sharing of information, fostering trust among employees

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Interviewer :

Shota Watanabe(NIRA Research Coordinator, Researcher)

Ayumi Kitajima (NIRA Research Coordinator, Researcher)

About this Issue

# Changing Ways of Working and Living Against the Background of the COVID-19 Pandemic – What Direction Should Companies Take in the Future?



**Kazuhiro Higashi**

NIRA Executive Vice President /  
Chairman and Director, Resona  
Holdings, Inc.

The COVID-19 pandemic has completely transformed the world. The number of cases worldwide exceeds 14 million, and there are approximately 25,000 cases in Japan (as of July 21; WHO / Ministry of Health, Labour and Welfare). In Japan, a state of emergency was first declared for seven prefectures on April 7, 2020. This was later extended to the entire country. Responses were therefore demanded in relation to services and working styles that involved person-to-person contact. Amid a situation in which it was difficult to carry out a wide variety of activities as usual, including economic activities, medical care and education, the use of IT for such purposes as telework, online education and telemedicine (the effectiveness of all of which has long been extolled, but the introduction of which has not progressed), has taken off all of a sudden.

What type of changes has the current crisis actually produced in our lifestyles and our working styles? And how will our lifestyles, our working styles, our sense of values, and the way companies are operated change in the future? In this edition of *My Vision*, we discuss these questions with five managers of companies that provide services that are at the cutting edge of these issues.

## Online services are not simply an alternative

Amid restrictions on conventional face-to-face services in order to prevent infection, the introduction of online services is proceeding apace. Our interviewees in this issue are all in agreement in stressing that online services are not merely an alternative to face-to-face (offline) services. Online services provide added value that allow them to surpass offline offerings in terms of breadth of choice, ease of access, and level of detail of information.

Alexander Farfurnik, the Representative Director of Tenki Japan Co., Ltd., tells us that the advantages of e-commerce (EC) are an overwhelming range of choice and the appeal of lower prices. In Japan, EC has up to the present been no more than an alternative to shopping in brick-and-mortar stores, but in future, reproducing the various types of enjoyment that consumers experience when they go shopping will be a new theme for EC.

Changes are also occurring in the consumption of events and leisure activities. Yuji Ueda, CEO of Gaiax Co. Ltd., a company that has established services including online experience-based classes and press conferences, stresses that “[...] having tried out experiences that they have only previously had in real life online, people have realized for the first time that there is a convenience and enjoyment that can only be had online.” He tells us that up to the present, value has been ascribed exclusively to actually meeting with others and experiencing things in the same place, but people have come to understand that in reality it is possible to share experiences online, and to realize the convenience of having restrictions such as distance and time removed. If we become able to easily share experiences with others without leaving our homes, our lives will no doubt become richer.

It is also likely that there will be a significant change in the nature of medical care. It seems that quite a number of people have been able to receive medical care from doctors with a sense of security during the current crisis precisely because they were able to access telemedicine. Seigo Hara, the CEO of MICIN, Inc., indicates that “There has been a significant change in the patient’s sense that face-to-face consultations are the greatest source of safety and security.” In addition, Dr. Hara tells us that telemedicine may have the potential to change the concept of medical care that we have held up to the present. Most people only visit a hospital or clinic after they begin to feel ill. Dr. Hara indicates that using telemedicine, daily monitoring will make it possible to implement medical care at the appropriate timing. If it enables patients and doctors to exchange information with each other, telemedicine will be extremely significant.

As indicated above, people are discovering new value in online shopping, experiences, and medical care. They have begun to realize that rather than continuing to insist on conventional “face-to-face” services, the use of “non-face-to-face” services that connect them remotely online will actually increase their quality of life.

### **Telework will change the way companies operate**

Thinking about working styles has also changed significantly as many people have had their first experience of telework. The interviewees in this issue point out the significance of people’s realization that telework functions more effectively and is more convenient than anticipated. Yoshihisa Aono, President of Cybozu, Inc., points out that what is happening at present is the diversification of work venues, and that “The next thing that effort should be focused on is the diversification of work times, enabling people to flexibly change the times that they work.” Mr. Aono emphasizes the fact that in future, if potential work venues and work times become more diversified, and we realize more flexible working styles, constraints will be lifted from workers who were previously constrained by place and time, and it will become possible even to work in a rural area while employed by a company in Tokyo.

Daisuke Torii, COO & CTO of Mirai Translate, Inc., points out that when the number of people working not only from home but also from rural areas and from overseas increases, systems enabling open communication will become essential. It will be important to use not only “synchronous” communication tools such as online videoconferencing, but also “asynchronous” tools such as E-mail and chat apps, which allow the decision-making process to be recorded as text data and shared among staff members. Even if staff members are scattered throughout the world, each one will be able to decide for themselves what is correct based on the shared information, and to take responsibility in proceeding with the job. There are in fact an increasing number of companies that are making telework their standard mode of work.

These transformations in our lifestyle will no doubt become part of our lives even when the pandemic is over. Until now, Japanese companies have prioritized offline approaches in the areas of customer response and organizational management. However, in responding to the COVID-19 pandemic, many people, including the management class that was previously considered to look down on digitalization, have experienced a lifestyle that incorporates the use of online services such as EC and telework, and must therefore have gained a sense of its significance. Companies will be required to incorporate this shared experience as shared company knowledge, and to embody it in all aspects of corporate activity. Finding the optimum combination of online and offline as quickly as possible and responding effectively using both will be the path to corporate survival.

Kazuhiro Higashi is a NIRA Executive Vice President, Chairman and Director, of Resona Holdings, Inc., and Chairman and Director of Resona Bank, Limited.

# Towards E-Commerce That Increases Consumer Enjoyment



**Alexander Farfurnik**

Representative Director,  
Tenki Japan Co., Ltd.

There are those who claim that consumption via e-commerce (EC) is booming as a result of the pandemic. However, it is not increasing sufficiently to offset the decline in consumption in brick-and-mortar stores. Certainly, the situation is providing an opportunity for seniors who have not previously used EC to commence using it, but consumption expenditure per person is declining.

The excellence of EC is the fact that it offers an overwhelmingly great range of choice. People living in Japan are easily able to make purchases from small stores in Paris, for example. You can purchase a wide variety of products from more stores than you could possibly visit, all without leaving your own home. Prices are also a major source of appeal.

Because the store management costs such as rent and labor expenses that must be borne by brick-and-mortar stores are significantly reduced in the case of EC stores, customers are able to purchase products cheaply. Members of the younger generations will be the future users of these services.

Because it is possible to shop at brick-and-mortar stores no matter where one lives in Japan, managers have not been able to escape from the outdated idea that purchasing goods at these stores is the “primary” mode of shopping, and purchasing online is merely “secondary.” In China, by contrast, young people in their 20s and 30s are managing large EC companies and actively investing in EC. Marketing using artificial intelligence (AI) is commonplace. Consumers are analyzed from every perspective, such as age, gender, family structure, hobbies, and past purchasing behavior, and products that might be of interest to them are promptly recommended. If similar technologies are introduced in Japan, it will be possible to obtain more accurate data concerning products that are of interest to specific strata at a more appropriate time. In reality, however, China has a considerable lead on Japan.

Currently numerous companies are taking up the challenge of developing “shopping experiences” using technologies such as the IoT, AI, virtual reality (VR), and mixed reality (MR). Consumers are already able to click on items that they want to buy while window shopping in virtual stores online. By nature, shopping offline (in brick-and-mortar stores) is not an activity involving only the purchase of goods, but also an activity entailing sociality. How to “translate” the various types of enjoyment that people experience when they really go shopping into online shopping will be a major focus for the future EC industry. Eventually, it will no doubt become possible to buy products from the home with a more real experience of “seeing” and “feeling.” And additionally, the technology will advance to the point that IoT devices will one day judge the contents of our refrigerators, and order automatically for us. There is no doubt that the experience of “consumption” will change dramatically for all of us in the future.

Tenki Japan Co., Ltd. is a company that leverages its strengths in the areas of e-commerce marketing technologies in order to contribute to the growth of e-commerce businesses. Mr. Farfurnik has been active as a serial entrepreneur, and has originated five start-ups in China since 2004. The fifth of these, Xibao, provides services to the Alibaba Group, and was listed on the stock exchange in 2015. Mr. Farfurnik moved to Japan in 2016, founding Tenki Japan in order to focus on the Japanese market. He has a deep knowledge of languages and cultures, and is proficient in Russian, Hebrew, English and Mandarin. In Japan, he communicates in Japanese.

# A Sharing Economy That is Robust in the Face of Change



**Yuji Ueda**

CEO, Gaiax Co. Ltd. /  
Representative Director, Sharing  
Economy Association, Japan

Some people think that the sharing economy (the sharing of goods and spaces with others) is in danger of disappearing. However, in reality, the popularity of the online experience-based sharing economy is actually increasing. For example, Gaiax holds online events, runs experience-based classes and press conferences, and hosts an online job-hunting service. Of these, the online job-hunting service is attracting a great deal of attention, with the number of student users, initially 800, now exceeding 2,000.

I believe that these online services will not end when the coronavirus crisis is over, but will continue into the future. This is because having tried out experiences online that they have only previously had in real life, people have realized for the first time that there is a convenience and enjoyment that can only be had online. For example, a home cooking class taught by non-Japanese cooks, called “Tadaku,” allows students to easily search for the teacher that suits them best and study in the comfort of their own homes. If the student makes a dish at home, they can also enjoy it with their family. As another example, if residents of rural Hokkaido hold “fortune-telling meetings,” it is difficult to attract customers, but if they go online, the audience will not be put off by travel time or transport costs, and the target customer segment will be significantly expanded.

The reason that sharing economy companies are thriving is that they are responding to changing needs and demands and rapidly transforming their businesses, as in the case of my company’ s efforts to become more “online.” The essence of the sharing economy is the provision of platforms for matching services. That is, “Matching people with these needs with people who provide these services” is posted on Internet “bulletin boards.” If a business owner wants to transform their business, they simply prepare a modified platform for the new business on the Internet. What makes this possible is the fact that the company does not hire a service provider, but rather has the service provider use the platform. In particular in times of profound social change, such as the current pandemic, conventional organizations that have employees cannot respond to the changes occurring. Platformers are expanding their business by focusing not on the details of services, but rather on where the demand is.

Gaiax Co. Ltd. is a company whose aim is to solve social issues through the utilization of social media and the sharing economy. Its mission is to connect people with people, thus creating new “connections.” The company develops a variety of BtoB and CtoC businesses, including ride sharing services and workspace sharing services. It actively supports entrepreneurship among employees, and 60% of new graduates will establish a business. Following graduation from Doshisha University, Mr. Ueda joined a company that provided venture support, before establishing Gaiax in 1999. He is also the Representative Director of the Sharing Economy Association, Japan.

Expert Opinions

# The Use of Telemedicine, Expanding as a Result of the COVID-19 Crisis, Will Be the Foundation of the Next Generation of Medicine



**Seigo Hara**  
CEO, MICIN, Inc.

With the spread of COVID-19 infections, two patterns have demonstrated the essential value of telemedicine. The first of these is that people who believe that they may be infected, and hence do not visit a medical facility for an examination, are able to receive medical care from a physician by using an online service. The other is that telemedicine enables people suffering from chronic diseases such as lifestyle diseases to receive treatment without concern over the risk of infection from a visit to a hospital or clinic. There has been a significant change in the patient's sense that face-to-face consultations are the greatest source of safety and security.

In addition, by offering a different *type* of “safety” and “security,” telemedicine holds the potential to change the existing concept of “medical care.” Conventionally, we have visited hospitals or clinics only after we have started to feel unwell. However, the use of telemedicine will enable a type of medicine that provides treatment at a more appropriate time by catching subtle changes and signs through constant monitoring. For example, the blood pressure of hypertensive patients will be recorded daily, and both the physician and the patient will monitor the data. As another example, the patient could photograph their oral cavity (a difficult area to examine) using a smartphone, and send the image to the physician from their home, offering a better image than could be seen with the naked eye. This would make it possible to examine and diagnose daily changes, and (depending on the illness) the affected area, in greater detail than is the case in face-to-face consultations. For the patient, this experience of being connected to medical care on a daily basis would offer a greater sense of security.

There are three main challenges involved in realizing this “new medical care.” The first is the problem of technologies and mechanisms. This is the development of technologies and mechanisms that enable, for example, auscultation and palpation to be performed online and blood tests to be taken at home, making it possible to obtain the necessary and sufficient information for diagnosis. The second is the linking of the current easing of restrictions on telemedicine to a permanent easing, from a regulatory perspective. And the third is, in addition to achieving understanding among patients, deepening understanding in particular among the various relevant personnel of large hospitals, and realizing more widespread use. In the future, if the exchange of medical data between doctors and patients becomes more common, we can expect more widespread use of the so-called personal health records (PHR), which allow patients to hold their own data and use it for prevention and treatment. Telemedicine will also play a role as the foundation for this next-generation medicine.

MICIN Inc. provides the telemedicine service “curon.” This service enables reservations to be made with medical institutions, medical interviews to be conducted, payments to be made, and arrangements for the delivery of drugs to be completed online using a smartphone. Dr. Hara graduated from The University of Tokyo's Faculty of Medicine, and took an MBA from Stanford University. After terms with companies and institutions including the National Center for Global Health and Medicine, the Health and Global Policy Institute and McKinsey & Company, he founded MICIN Inc. in 2015. He was also involved in formulating proposals for medical policy in Japan in 2035 with the Ministry of Health, Labour and Welfare's Health Care 2035 Executive.

# Diversification of Work Venues and Times



**Yoshihisa Aono**

President, Cybozu, Inc.

While the use of telework had not previously made significant progress, the COVID-19 pandemic has seen large numbers of people experiencing this mode of work. The merits of not having to commute or sit through long meetings have been widely recognized, and psychologically speaking, without doubt for many people human relationships have become simpler, and the increased time spent with family has enabled them to feel a deeper sense of happiness. The disadvantage of this working style is that it is more difficult to obtain the type of information that can be compared to “noise”: the information that is all around one in the workplace, and which the worker picks up from being present there.

The phenomenon that is occurring at present could be called the diversification of work venues. The ability to choose one’s own home as a work venue has increased, and working styles have diversified. The next thing that effort should be focused on is the diversification of work times, enabling people to flexibly change the times that they work. If the diversification of work venues and work times proceeds, and flexible working styles become available, work would become easier for people who previously felt constraints, and it would even be possible to work in a rural area while employed by a company in Tokyo.

“Systems,” “tools,” and “culture” will be essential to advancing flexible working styles. Naturally, it will be necessary to create in-house systems and prepare tools for the sharing of information, but ultimately, changing the company culture will be the key to feasibility. If a company has a system of childcare leave, but male employees do not take childcare leave, there is a problem in the company culture, and management will have to make the necessary decisions in order to change that culture. In the future, there will be increasing polarization between companies able to offer these types of flexible working styles and companies that cannot, and this will affect the hiring of human resources.

With the future diversification of working styles, the long-standing “unipolar concentration” of Japan’s population in Tokyo will likely change, and there will be a return (or “flowback”) to the nation’s regional areas. However, people who work for companies in Tokyo and are thinking of living in a rural area will not want to return to an older way of life. They will want to use IT judiciously in order to realize a lifestyle that balances happiness and efficiency. It will be necessary for each of Japan’s local governments to interpret this message correctly. The first thing that local governments should do is to introduce IT to their own procedures. Procedures in relation to the COVID-19 special cash payment demonstrated a clear distinction between local governments that responded well and those that responded poorly, depending on the degree to which they had progressed in introducing IT. Introducing IT to a company does not necessarily require a large investment or specialized human resources. Against the background of the COVID-19 pandemic, many people have experienced the ease with which videoconferencing services can be used; similarly, the problem in relation to the introduction of IT is only one of motivation. There is a strong possibility that the degree to which the introduction of IT has progressed will lead to some regions being chosen by those leaving the cities and to others not being chosen, resulting in a polarization of regional municipalities.

Cybozu, Inc. develops, sells and operates groupware and develops, sells and delivers methods to enhance teamwork for companies. The company provides a variety of services based on the concept of “Creating a society brimming with teamwork.” Following graduation from the Information Systems Engineering Course of Osaka University’s School of Engineering, Mr. Aono joined Matsushita Electric Works (now Panasonic), establishing Cybozu in 1997. He has also served as an external advisor on the promotion of work-life balance to the Ministry of Internal Affairs and Communications, and as a specialist member of the Information and Communications Council of the same Ministry’s IoT Policy Committee.

# Fostering Trust With Open, Decentered Organizations



**Daisuke Torii**

COO & CTO, Mirai Translate, Inc.

Many people have had no choice but to work remotely as a result of the COVID-19 pandemic, and I am sure that the majority of them have found that nothing went wrong when they did. Large numbers of people experiencing remote work at the same time provides us with a tremendous opportunity to reconsider the meaning of “gathering together at the company.” It is possible that preconceptions regarding the way an organization should be will crumble away all at once, and there will be major changes in the future in a variety of aspects of organizations, such as working styles and the hiring of human resources.

As the number of people working remotely not only from home but also from regional areas and overseas increases, how to ensure communication between staff members will become a significant issue for organizations. As the essential nature of communication changes, effective utilization of IT tools will be indispensable in responding. There are both “synchronous” and “asynchronous” tools (Note). Not only the introduction of synchronous tools such as videoconferencing services, but also the ability to make effective use of asynchronous tools such as E-mail and chat apps is the key to success in utilizing dispersed working styles like remote work. Asynchronous tools assist in recording important information as documents and sharing it with all staff members.

The creation of this type of open communication system will make it possible to increase the transparency of decision-making and foster trust among staff members. One of the reasons that remote work has not achieved full penetration up to the present is the fact that people were anxious that they would not know what was happening in the office while they were not there. Asynchronous tools help to eliminate this anxiety. In that sense, it is necessary to consider the language used to communicate with overseas members of staff. If Japanese is used extensively in exchanges between overseas subsidiaries and the head office in Japan, overseas staff will experience considerable stress. Using a chat tool to automatically translate Japanese into English and allow the conversation to flow is a positive plan in this case. Text information can be shared with team members overseas in real-time. If the necessary information and decision-making processes are shared across the language barrier, even if team members are dispersed throughout the world, they will be able to decide for themselves what is correct, and proceed with the job on their own responsibility.

(Note) “Synchronous” refers to communication tools that function in real time, such as telephone calls. In this category, online videoconferencing services (Zoom, etc.) are currently attracting attention. They fulfill the important role of enabling the direct communication of feelings and emotions, and allow the other party’s reactions to be observed and their agreement to be confirmed. “Asynchronous” refers to communication tools that do not require an instantaneous response, for example E-mail or chat tools such as Slack. Their particular advantage is the fact that information is saved in the form of documents, allowing it to be shared by staff members.

Mirai Translate, Inc. is a company that provides text translation services for companies and voice translation API services for vendors. The company’s vision is to make machine translation the new lingua franca to bring new life and work style across different languages. Following graduation with a Ph.D. from Graduate School of Informatics, Kyoto University, Dr. Torii joined NTT DOCOMO, Inc. He was involved in the analysis of large-scale data using machine learning as a forerunner to the role of the data scientist. He has been engaged in the development of technologies for the natural languages processing at Mirai Translate, with a focus on machine translation, since February 2015. Dr. Torii has since become involved in the company’s overall management, becoming its CTO in January 2018, and its COO in December 2018. He is a Doctor of Informatics.

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