

Telos PRIMOPLANO

Eriko Yamaguchi is the founder, President and designer of [Motherhouse Co. Ltd.](#)

Japanese. Her battle started in primary school when she was fiercely bullied, but instead of just taking it she decided to attend a judo dojo, and was ultimately admitted to the men's high school judo team. She won seventh place in the National School Championships. She then enrolled at the University of Keio to become a politician. While an intern at the Inter-American Development Bank of Washington she decided to learn more about developing countries and flew to Bangladesh. There she discovered jute, one of the coarsest, but at the same time environmentally friendly materials in the world, used for to make coffee bean sacks, and decided to turn it into beautiful bags. Another winning solitary battle she won by founding Motherhouse in March 2006 and opening her first store in Tokyo in August 2007. The company brand name was inspired by Mother Teresa, whose books she had read ever since she was a teenager and a person she respects deeply. Today she owes eight stores and Motherhouse bags are sold in all major shopping centres. In 2009, Business Week and Bloomberg crowned her Asia's Best Young entrepreneur. Eriko is 28 years old.

Editorial

Let's face it, when we buy a fair trade product we do it to feel good, to feel we're better persons. Although we buy it because we feel indebted to the person who made it, it always ends up at the bottom of a drawer. This is not the philosophy of Eriko Yamaguchi, a young and brilliant Japanese entrepreneur. When someone sees the jute bags made by Motherhouse, the company she founded, she wants people to shout: they're wonderful, I want one! without knowing what's behind them, who made them and where they're produced. A completely opposite philosophy compared to people's normal idea about fair trade, not to mention aid. Eriko wants to change the economic structure of what most people think: the products of developing countries must be really competitive on the market. Only then will production be sustainable and, in her words, "may bring many more smiles on people's faces than aid does". Fair trade has basically developed almost as a form of assistance, no-one ever bet on the beauty and quality of the products. Dambisa Moya, the young president of the Indo-Zambia Bank shares Eriko's approach; in her book "Dead aid", hot-off-the-press, Moya states that aid is the main cause of the African tragedy. Many stories back up this theory, but Eriko didn't simple try to understand and acknowledge it. She did something about it: she didn't try and hide where the products were produced, far from it. Bangladesh doesn't have a good reputation regarding quality production, and often the country of origin tag can easily be removed. Instead Eriko, with her developed and almost natural awareness about corporate responsibility, firebrands "made in Bangladesh" on the leather parts of her bags. She does it to encourage employees and make them proud of their work, and their country. We had to tell this story of excellence: what's more, we shouldn't forget that the company's business is booming, in fact from 2006, the year it was founded, to 2008, sales have exceeded 1.5 million dollars, and are still growing. Above all, the working environment is unique in Bangladesh: the employee have a high quality of life, the supply chain is sustainable, and nowhere are children used in the factories, except when they're with their mothers at work. Proof that business and corporate responsibility can march together and be reciprocally beneficial.

Mariella Palazzolo

Eriko Yamaguchi. Beautiful Luxurious and Fair. Oxymoron or reality?

Telos: Everything started from your passion for politics and your internship at the Inter-American Development Bank in Washington D.C.. Your story is fascinating and it is a valuable example of the fact that success and social responsibility can be achieved with the right amount of willingness and intelligence. Could you please tell us what happened during that trip to Bangladesh and right after?

Eriko Yamaguchi: I went to Bangladesh for the first time when I was 22 years old, during the senior year at Keio University. Bangladesh is supposed to receive a lot of aid from international organizations; however, it was obvious that any of aid really reached poor people: images of an abyss of poverty leaped out at me simply during a walk. I asked myself where all the aid ended up and, to figure it out, I decided to live there. I had lived in Bangladesh for two years. The answer to my question turned out be easy: corruption. I soon realised that aid is useless and I decided to choose entrepreneurship to help in putting an end to poverty. At the same time, I did not know how to do it and I did not want to return to Japan before finding the right way.

A matter of pride: I put aside all objections, concerns for my safety, and even a little homesickness. It took almost a year to find the way: I decided to make high-fashion and high-quality handbags here, leveraging local resources and people. I wanted to sell fashion products from developing Countries in all over the world. Fashion as a tool to change the world! I eventually came home with 160 jute handbags made by local artisans and designed by ... me. They had a huge success, sold at \$ 80 each and therefore I decided to launch Motherhouse.

What was the biggest challenge you faced at the start of your entrepreneur's dream?

The biggest challenge for me was to produce "high-quality" products for the Japanese market. Japanese consumers do care a lot about quality. What I needed was not only excellent design, but also excellent materials, working environment, and production. It was really a big challenge for a college student in her early twenties, with no experience in fashion industry. I went through many failures and frustration, and even betrayals by people I used to trust, but I have never given up.



My work in Bangladesh and Nepal is neither humanitarian aid or charity. I see it as an endeavour in which people can believe and for which they can be proud. It is an endeavour that brings a smile to the face of more and more people. And I do not want Motherhouse to stop growing.

I have always believed my project was possible. I could make a difference.

The biggest challenge in Bangladesh has been to build a relationship of trust with workers. I am full of good will, I said to myself ... they will respond properly. But things went not exactly like this: I was too much personally committed in the factory. I had to learn to delegate and give proper credit for the results and at the same time to reach tangible goals: it was the only way to gain confidence. We produced the bags and we managed to sell them. Only in this way I succeeded in getting credit. The words, the promises, the projects would have been useless efforts: they would not have joined in what I were asking. All would have been a nonsense, something lacking its vital essence. People in Bangladesh are living day to day, and things that might happen the next day are much more important than what could happen in a year. The bags are sold out! are the only words that make them happy. I accepted their contingency, their points of view and values. This was the only way to communicate. Advices, selfless help for their future ... they do not understand and cannot afford it.

You are an active and consistent blogger. What are the advantages of this kind of communication? is it still vital or is it going to be superseded by other means?

I believe that the relationship with customers should be based on a mutual communication, rather than on one-way advertisement. It is usually difficult for me to communicate with customers directly since I am used to stay in Bangladesh almost half of the year to manage the production site. The blog proved to be the best way to keep an open channel of dialogue. After all, it is an instrument I am quite familiar with, as I kept a diary in my childhood and I started to use the blog as a means to communicate with my family. My clients encourage me to continue because they find it friendly and natural. It could not be otherwise: I am not a good writer, and I can only rely on spontaneity. *Be natural* is my motto, even in business.

In your books *The naked life* and *The naked life 2* you explain your views on a new way to make business. So how does your business differ from, say, fair trade or aid programs?

The definition of fair trade applies to producers, while our priority are consumers. This is the biggest and most vital difference between fair trade and our business. We make products for customers, and if customers like our products, they or their friends will buy our products again: This is the only way for us to employ more people in Bangladesh and, now, also in Nepal. First comes the customers, everything else, such as gain and prosperity, will follow. At the same time, we groom the workplace and the quality of life we try to ensure to our employees. But without pietism or a sense of doing good: if the job is well done there will be again in the future and success is guaranteed.

While browsing the Internet looking for information on you we found out that you are the chosen hero of many young people. You are very young, your adventure has just started. What will your next challenge be?

I am now 28. I am not going to spend the rest of my life in Bangladesh, Nepal or Japan. I want to go in other Countries to expand our production. There are different types of managers, some point to certain business, others are aggressive, others aim to the organization of work: I want to be the one who plants the seeds in a Country and see the plant grow, bloom do fruits.

I want to see things from a global perspective. My next challenge is also related to marketing: I wish to sell our products in Europe, in the US, in other Asian Countries and beyond. It would be great to start it from Italy. We are looking for a partner in these days to start marketing in Europe. I do not want limits to thinking and planning.