

[vol.3] Bookshelf of Shinichi Ohkubo, President and CEO of Daiohs Corporation

A book which encouraged Ohkubo to go overseas for business training and created the current business of "Daiohs".

**President and CEO of Daiohs Corporation
Shinichi Ohkubo**

Born 1941 in Asakusa, Tokyo. Graduated from Chuo University.
Chairman of All Japan Student Photography Association during University.
After his carrier in Advertisement Agency, went on business trip and studied the retail business of USA and Europe.
In 1969, entered family rice shop business. Changed the family rice shop in Tokyo to distribution supermarket business. In 1970, started clean care business. In 1976, changed the corporate name to Daioh Corporation. In 1977, started Japan's first OCS business.
In 1988, expanded its business to the United States. In 1983, changed the corporate name to Daiohs Corporation. In 2007, the company was listed on the first section of Tokyo Stock Exchange.



The SDGs 《Sustainable Development Goals》, proposed in 2015, have set out 17 goals and 169 targets to achieve a world where no one is left behind. The SDGs are becoming increasingly popular in Japan as well. In this interview, we have asked the leader of the company that are actively working on the SDGs to share with us one book title that influenced his or her faith of management.

Daiohs is a pioneer of office coffee service in Japan. For over 50 years since establishment, Daiohs has consistently specialized in BtoB business, providing Beverage Services such as coffee and water, and clean care services such as mats and mops, and Facilities Business services such as Daiohs Coverall. In this interview, we asked Shinichi Ohkubo, president and founder of Daiohs, about his life changing book which influenced his belief in management.



Author: Minoru Oda
Nandemo Mite Yarou (In English: Let's look through everything)

Publisher: Kodansha
Page: 458 pages
Published: July 11, 1979
Available on amazon.co.jp (Amazon Japan)

If I hadn't read this book, I wouldn't have had overseas training and the current Daiohs have never existed.



--- Please tell us about how you encountered with the book you chose this time "Let's Look through everything."

This book is the story of the author, Minoru Oda, who traveled to 22 countries in the US., Europe and Asia in his age of poverty. He wrote about what he saw and how he felt during his travel. The book was published in 1964, and at that time, going abroad was a dream, considering the price index of Japan. I was originally interested in going abroad but before, I was not confident enough to challenge on going abroad.

However, after reading a book which have pushed my back with the words "even if you don't have any money, you can travel around the world by relying on your idea". I still remember as if it was yesterday. As the title of the book says "Let's look through everything", and after I met this book, I decided to go abroad for business training. From the age of 26 to 28, I went abroad for the first time to study retail business in the U.S. and Europe from 1967 to 1969.

--- So this book led you to determine on going abroad. Mr.Ohkubo, did you go abroad by yourself?

At that time, I was married with a wife and a child, but I asked my parents to help me and decided to go abroad by myself. My family owned a rice shop in Asakusa, Tokyo. I managed to persuade them to go there, promising to make the best rice store in Japan after I returned to Japan. For this reason, during the business trip abroad, I was always thinking of an idea on how to grow my family's rice shop.

In the U.S., I worked at the headquarter of CGC, a joint purchasing supermarket. Sometimes I also had the opportunity to visit famous distribution professors and local companies.

During the training, I did not stay in any hotels, but stayed in homestays, so I could feel the real life abroad.

I can say that I wouldn't be where I am today without this experience.

I was able to gain a lot of business wisdom and hints.



The secret to achieving annual sales of JPY30 billion and no profit loss since the establishment.



--- After returning to Japan, you founded your current company, Daiohs, based on your experiences of training overseas.

I founded my family's rice shop "Komeya Ohkubo" (Rice shop Ohkubo) in 1969.

I learned from my training that a rice store should not only sell rice, but also change its business to meet the needs of its customers, which led me to start a "delivery supermarket" utilizing the mechanism of a rice shop, such as "asking the needs" and "delivery".

At that time, it was difficult to shop seasonings and oil since they were stored in glass bottles, which were heavy, bulky, and easily broken.

For such reason, the "delivery supermarket" service, which delivered such heavy and bulky items to each household was

well received. In order to further expand our business area, (since back then, the sales area of rice shop was limited), we became a member of Duskin. At that time, Duskin's business was mainly for households, but I changed its sales strategy for offices and as a result of expanding the sales network, we became the top sales among all Duskin nation-wide.

Taking advantage of this experience, we started seeking for our next business, which could be the core of our franchise business. Then, we found the Office Coffee Service, which became the groundwork of our current business of Daiohs.

--- Please tell us about the management theory of Mr. Ohkubo, who has developed varieties of businesses.

Daiohs has two main business pillars: the Beverage Business, including office coffee and bottled water, and the Facilities Business services, providing clean care and cleaning services. Both of these businesses specialize in "B to B and their businesses are all continuous and accumulating". Our unique feature of our business is that each of our service is contracted on annual basis.

Ever since founded, our basic policy is to generate profit from the start and maintain well balance of growth. To give an example, we have set the following as a management indicator: "Achieve 10% growth and 10% profit over sales". In the 52 years since the company was founded, our sales in Japan have never disclosed a financial deficit and in current fiscal year, sales and profits are at an all-time top record due to the sterilization and sanitation services provided by Covid 19 and the excessively rising demand for premium class office coffee.



Consistent commitment to sustainability from foundation.



--- So your company's continuous service to "BtoB business" is connected to current SDGs.

Recycling and reuse have been at the core of our business since 1969, even before the SDGs have been popular and we have been continuing as a matter of course.

In facilities business, all hygiene products such as mops and mats are collected on a regular basis and cleaned and laundered at the factory. Then, rented out again to customers.

In our water service, we use returnable bottles instead of throwing away after drinking. We fill the bottles with water and deliver them to our customers. As we precisely undergo machine maintenance, we will collect the returnable bottles, thoroughly clean them, recycle, and then reuse them.

From the very beginning, we have been building up an environmentally friendly business that reduces waste and recycles and reuses everything.

--- What kind of initiatives have you started since participating in the SDGs?

One example of our initiatives is "Global Daiohs". Since we are also developing business overseas; we are promoting global partnership to share mutual knowledge and expertise.

For further initiatives, we are focusing on diverse work styles. By introducing flexible time, work, and salary systems to make housewives and seniors easier to participate on working. This style has provided many potentials of labor styles for varieties of people to find what best suits their life style.

In 2015, we established the Daiohs Memorial Foundation (recognized as a PIIF (public interest incorporated foundation) on March 7, 2018). Through the foundation, we provide scholarships that do not require repayment not only to domestic students but also to international students from overseas. We hope to provide a sustainable education system by giving chances to people from all over the world, regardless of nationality, the opportunity to study in Japan.

--- Please tell us about your company's future vision for 2030, as you are working on various SDGs.

I believe that the SDGs are indispensable for human life. In this context, we need to address social issues and create a sustainable society while focusing on reducing the environmental burden by conserving resources through our BtoB continuous and accumulating service business model.

The corporate philosophy of Daiohs is to "understand new market demands", "provide best services at the most reasonable price", and "Daiohs profit is originated from our customer satisfaction. We apply this to our customer, our society, and ourselves." We will continue to work on management that utilizes the concept of the SDGs to create a company that can contribute to and return back to society.

Company Information

Corporate Profile

Company name	Daiohs Corporation	Established	June, 1969
Address	Sapia Tower 14th FL. 1-7-12 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan		
President and CEO	Shinichi Ohkubo	Capital	1,051 million yen
Business Description	<p>【JAPAN】</p> <ul style="list-style-type: none"> •Pioneer of BtoB Coffee service business in Japan •Tea service business providing varieties of tea, coffee, and water from a single dispenser. •Bottled water service business focusing on "purified water", the safest and most reliable water in the world. •Clean care business: Regular replacement and providing of entrance mats, cleaning mops, and other space sterilization and environmental hygiene products. •Daiohs Coverall business, which the franchise owners themselves, provide regular cleaning services with their expertise techniques. <p>【U.S.A】</p> <ul style="list-style-type: none"> •The largest U.S. office services business on the West Coast and the third largest in the U.S. <p>【ASIA】</p> <ul style="list-style-type: none"> •Beverage service business in Asia and ASEAN region 		