

Supporting the creation of office where employees wish to visit Pioneer of office services

Founded in 1969, Daiohs Corporation is a leading office coffee service (OCS) company listed on the first section of Tokyo Stock Exchange. As a pioneer in office services specializing in B to B, Daiohs developed wide varieties of businesses including coffee and tea services, water services, clean care services, and regular cleaning services. The company's recent challenge is to support the creation of "bright smiling offices" by providing premium quality specialty coffee, high-performance air disinfectant and deodorizer, and latest model tea servers. We held an interview with Mr. Ohkubo, the president and CEO.



大久保真一
さん
株式会社ダイオーズ
代表取締役社長

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. 1969, entered family rice shop business. Changed the family rice shop in Tokyo to distribution supermarket business. 1970, started clean care business. 1977, started Japan's first OCS business. 1983, changed the corporate name to Daiohs Corporation. 1988, expanded its business to the United States. 2007, the company was listed on the first section of Tokyo Stock Exchange.

Editor:

What is the origin of the business idea which led your family's rice store into Japan's first OCS business through experiences in delivery supermarket and clean care business?

Ohkubo:

My origin of the business idea came from the experiences in business trip to the United States from age twenty-six to twenty-eight.

Although my first carrier in the advertisement company I joined after graduating from University was very fulfilling, I could not give up my desire to seek new business overseas. At that time, I was already married and had son. Therefore, I promised my parents and family, "after I come back from the United States, I will create number 1 rice shop in Japan."

My utmost goal was to find an idea to achieve the promise. The 2 years in the United States, was continuous days of discovery. Surprisingly, were various niche markets in the United States. My next step was to think how this niche markets could fulfil the needs of consumers in Japan. After 2 years of my business trip, my first new business was supermarket delivery. By utilizing the original bases of regular customer visits and delivery, our business was to deliver heavy items. I gathered young rice shops workers around Tokyo and launched this business. This ended up very successful.

Back then, rice shops had to be registered. Therefore, it was difficult to attract new customers. To continue our growth, we needed to diversify businesses. In the midst, we met Duskin's clean care business and joined its franchise chain. Our new business was B to B corporate market, which did not compete with our existing rice store. By specializing in this business, our growth accelerated and later became the foundation of our company.

Editor:

How did you create the B-to-B sales channel?

Ohkubo:

We gathered university students and asked to work as part-timers during their spring and summer vacations. At that time, Japanese company did not hire university student as part time workers. By offering basic salary plus an incentive, we were able to continuously attract students even from top universities. Their main roles were to deliver mats and various products. Student workers did very well and acquired many referral contracts. From the virtuous cycles, we became the top-selling company among 2,000 Duskin Franchises.

Office Coffee Service Business expanding from Japan to the world

Editor:

However, you challenged for even further success.

Ohkubo:

When Students start job hunting before graduating, I asked them to work in our company rather than becoming “one of them” in large companies, let’s work in developing company like Daihohs. Then develop your own successful company. I sold dream to university students.

Our next step was to find new needs which could utilize our BtoB network.

What came to mind was that in offices overseas, everyone was drinking regular coffee.

At this period, tea was the mainstream in Japan, but McDonald's started its business in Japan and drinking regular coffee gradually became a normal scene. Since I thought the culture of drinking coffee in office would soon arrive in Japan, I visited a company in the U.S. which is renowned as the father of OCS (Office Coffee Service) business. I absorbed their knowledge and launched the first OCS business in Japan. This business got on track three or four years later, when other competitors started joining. To create our one and only features, we built a factory capable for everything from roasting to distribution. This unique feature became the critical reason for success.

Editor:

Later, Daihohs entered the markets in the United States.

Ohkubo:

It took 10 years to finally succeed in entering. During that time, I traveled to the U.S. three or four times a year, and gradually deepened friendship and tried to figure out how to succeed in the United States. What I found out from my experiences was that in service industry, we need to respect the culture and values of each country. Therefore, I took the methods of M&A and purchased successful OCS companies and appointed them as core companies in the United States. Currently, there are 1,000 employees in the U.S., but there are only 1 Japanese employees, working in the administration department. We are assigning local employees as key members in charge of management.

Similarly, in Asia, Daihohs is challenging towards expanding business in ASEAN through joint venture with BtoB locally successful company. We are providing Daihohs brand products to companies with existing local network, which make it easier for them to accept our products.

Company welfare has become even more valuable in the midst of coronavirus

Editor:

Has the recent pandemics of coronavirus affected your business?

Ohkubo:

In the U.S., since employees disappeared from the offices from the recent lockdown, the numbers of employees drinking coffee have drastically decreased and sales dropped significantly. However, it is time of patience and endurance until the lockdown lifts and vaccines become widely available. In Japan, the number of people coming to work in metropolitan areas of Tokyo, especially workers at IT companies and large scaled corporations are low. However, on the other hand, the number of people at distribution center are increasing due to the sudden increase of demands in E-commerce. And more, the sales are gradually recovering mainly in local areas outside of metropolitan areas. The overall sales of office beverage department are coming back. In addition, we are doing other various BtoB businesses in Japan. As a result, the total sales of our business in Japan are about the same as previous year. Especially, the rental sales of our brand-new air disinfectant and deodorizer are rapidly increasing.

Editor:

Our recent pandemics must have changed how we think of working at office. I think it is changing into a place for gathering and communicating.

Ohkubo:

Yes, definitely. The number of employees at office are decreasing. However, my goal is to create a space where all employees feel happy to be at work. Currently, more companies are interested in spending their budget to create better office spaces



In the midst of the Coronavirus, more companies are seeking for better employee benefits. As a result, inquiries for premium coffee machines and specialty coffee are increasing.

A good cup of coffee will create a relaxed office space and an opportunity for communicating with your colleagues or manager.

You can work with ease if there are clean and clear work spaces. However, the more expensive the equipment is, the more costs and efforts are needed for maintenance. Our company offers an optional service to lease equipment and operates maintenance for all related tasks from cleaning, refilling water to disposing waste. These services are very appreciated for employees in general administration department, since they do not have to do these works instead.

Nowadays, the main concerns for members in general administration department are providing comfortable place for employees to work. We had a tea server in the past; however, we upgraded the machine to provide better service for our employees. We also set up a new cafeteria and installed a coffee server which can provide specialty coffee supervised by the world's no.1 barista. In addition, we are expanding regular office cleaning service business for small and medium-sized businesses, which is also well received.

Once the pandemic terminates and everything come back to normal, the demands of work spaces where people can boost their motivation will surely increase, especially in companies which value human resources. In order to create more motivations for members, employee benefits will become even more important.

Specializing on BtoB businesses and products which are necessity and accumulated continuously.

Editor:

I am surprised these business challenges are undertaken after carefully reasing the current age, market demands, and situations.

Ohkubo:

Our unique feature is that we specialize only on BtoB businesses with necessity products in which the sales could be continuously increased, following our corporate philosophy "Daiohs Understand New Market Demands Create New Market Trends." We will continue providing services on a regular basis. Our main business strategy is accumulation. For example, even on our product for example water, we do not offer one-way service. We provide the water server, collect the used bottles, and then recycle for reuse. We also rent out air disinfectant and deodorizer, undertake periodic maintenance, and replenish chemicals on a regular basis. We only offer recyclable and reusable products.

Editor:

As a result, Daiohs is approved to use the SDGs Japan logo.

Ohkubo:

Yes of course. We also established Daiohs Memorial Foundation, which is dedicated to social contribution activities such as providing scholarships to undergraduate and graduate students, assisting students from abroad, and providing subsidies to company researching on creating better office environment.



Editor:

Please give a message to people working on general administration department.

Ohkubo:

I think general administration department is a place that requires numerous hard works and has wide ranges of daily tasks from negotiations with outside parties to in house coordination. It is also a position which is difficult to evaluate since the results are not visible in numbers compared to sales department. However, needless to say, it is essential part in the company. We are now in the age of DX. (Digital Transformation) It is necessary to keep an eye on and question: "Is there any other way to finish this work." It is always important to think of an idea to shorten or automate each and every work.

In our company, we have assigned potential members who could think of a better idea to the general administration department. As a result, our works became very efficient. Our latest achievements are moving free address seats and creating paperless and digitalized documents, which reduced our costs.

If the efforts of general administration department connect to cost reducing and improving efficiency of the company, it will surely be appreciated and become indispensable. I would like everyone to take pride as a core member of the company. Please utilize your curiosity and dedicate yourself to daily work.