

CASE: 100 Yen Sushi House⁸

Sang M. Lee tells of a meeting with two Japanese businessmen in Tokyo to plan a joint U.S. Japanese conference to explore U.S. and Japanese management systems. As lunchtime drew near, his hosts told him with much delight that they wished to show him the “most productive operation in Japan.”

Lee describes the occasion: “They took me to a sushi shop, the famous 100 Yen Sushi House, in the Shinjuku area of Tokyo. Sushi is the most popular snack in Japan. It is a simple dish, vinegared rice wrapped in different things, such as dried seaweed, raw tuna, raw salmon, raw red snapper, cooked shrimp, octopus, fried egg, etc. Sushi is usually prepared so that each piece will be about the right size to be put into the mouth with chopsticks. Arranging the sushi in an appetizing and aesthetic way with pickled ginger is almost an art in itself.

“The 100 Yen Sushi House is no ordinary sushi restaurant. It is the ultimate showcase of Japanese productivity. As we entered the shop, there was a chorus of ‘irabai,’ a welcome from everyone working in the shop—cooks, waitresses, the owner, and the owner’s children. The house features an ellipsoid-shaped serving area in the middle of the room, where inside three or four cooks were busily preparing sushi. Perhaps 30 stools surrounded the serving area. We took seats at the counters and were promptly served with a cup of ‘Misoiru,’ which is a bean paste soup, a pair of chopsticks, a cup of green tea, a tiny plate to make our own sauce, and a small china piece to hold the chopsticks. So far, the service was average for any sushi house. Then, I noticed something special. There was a conveyor belt going around the ellipsoid service area, like a toy train track. On it saw a train of plates of sushi. You can find any kind of sushi that you can think of—from the cheapest seaweed or octopus, kind to the expensive raw salmon or shrimp dishes. The price is uniform, however, 100 yen per plate. On closer examination, while my eyes were raring to keep up with the speed of the traveling plates, I found that a cheap seaweed plate had four pieces, while the more expensive raw salmon dish had only two pieces. I sat down and looked around at the other customers at the counters. They were all enjoying their sushi and slurping their soup while reading newspapers or magazines.

“I saw a man with eight plates all stacked up neatly. As he got up to leave, the cashier looked over and said, ‘800 yen, please.’ The cashier had no cash register, since she can simply count the number of plates and then multiply by 100 yen. As the customer was leaving, once again we heard a chorus of ‘Arigato Gosaimas’ (thank you) from all the workers.”

Lee continues his observations of the sushi house operations: “In the 100 Yen Sushi House, Professor Tamura [one of his hosts] explained to me how efficient this family-owned restaurant is. The owner usually has a superordinate organizational purpose such as customer service, a contribution to society, or the well-being of the community. Furthermore, the organizational purpose is achieved through a long-term

effort by all the members of the organization, who are considered ‘family.’”

“The owner’s daily operation is based on a careful analysis of information. The owner has a complete summary of demand information about different types of sushi plates, and thus he knows exactly how many of each type of sushi plate he should prepare and when. Furthermore, the whole operation is based on the repetitive manufacturing principle with appropriate ‘just-in-time’ and quality control systems. For example, the store has a very limited refrigerator capacity (we could see several whole fish or octopus in the glassed chambers right in front of our counter). Thus, the store uses the ‘just-in-time’ inventory control system. Instead of increasing the refrigeration capacity by purchasing new refrigeration systems, the company has an agreement with the fish vendor to deliver fresh fish several times a day so that materials arrive ‘just-in-time’ to be used for sushi making. Therefore, the inventory cost is minimum.

“... In the 100 Yen Sushi House, workers and their equipment are positioned so close that sushi making is passed on hand to hand rather than as independent operations. The absence of walls of inventory allows the owner and workers to be involved in the total operation, from greeting the customer to serving what is ordered. Their tasks are tightly interrelated and everyone rushes to a problem spot to prevent the cascading effect of the problem throughout the work process.

“The 100 Yen Sushi House is a labor-intensive operation, which is based mostly on simplicity and common sense rather than high technology, contrary to American perceptions. I was very impressed. As I finished my fifth plate, I saw the same octopus sushi plate going around for about the 30th time. Perhaps I had discovered the pitfall of the system. So I asked the owner how he takes care of the sanitary problems when a sushi plate goes around all day long, until an unfortunate customer eats it and perhaps gets food poisoning. He bowed with an apologetic smile and said, ‘Well, sir, we never let our sushi plates go unsold longer than about 30 minutes.’ Then he scratched his head and said, ‘Whenever one of our employees takes a break, he or she can take off unsold plates of sushi and either eat them or throw them away. We are very serious about our sushi quality.’”

Questions

1. Prepare a service blueprint for the 100 Yen Sushi House operation.
2. What features of the 100 Yen Sushi House service delivery system differentiate it from the competition, and what competitive advantages do they offer?
3. How has the 100 Yen Sushi House incorporated the just-in-time system into its operation?
4. Suggest other services that could adopt the 100 Yen Sushi House service delivery concepts.