



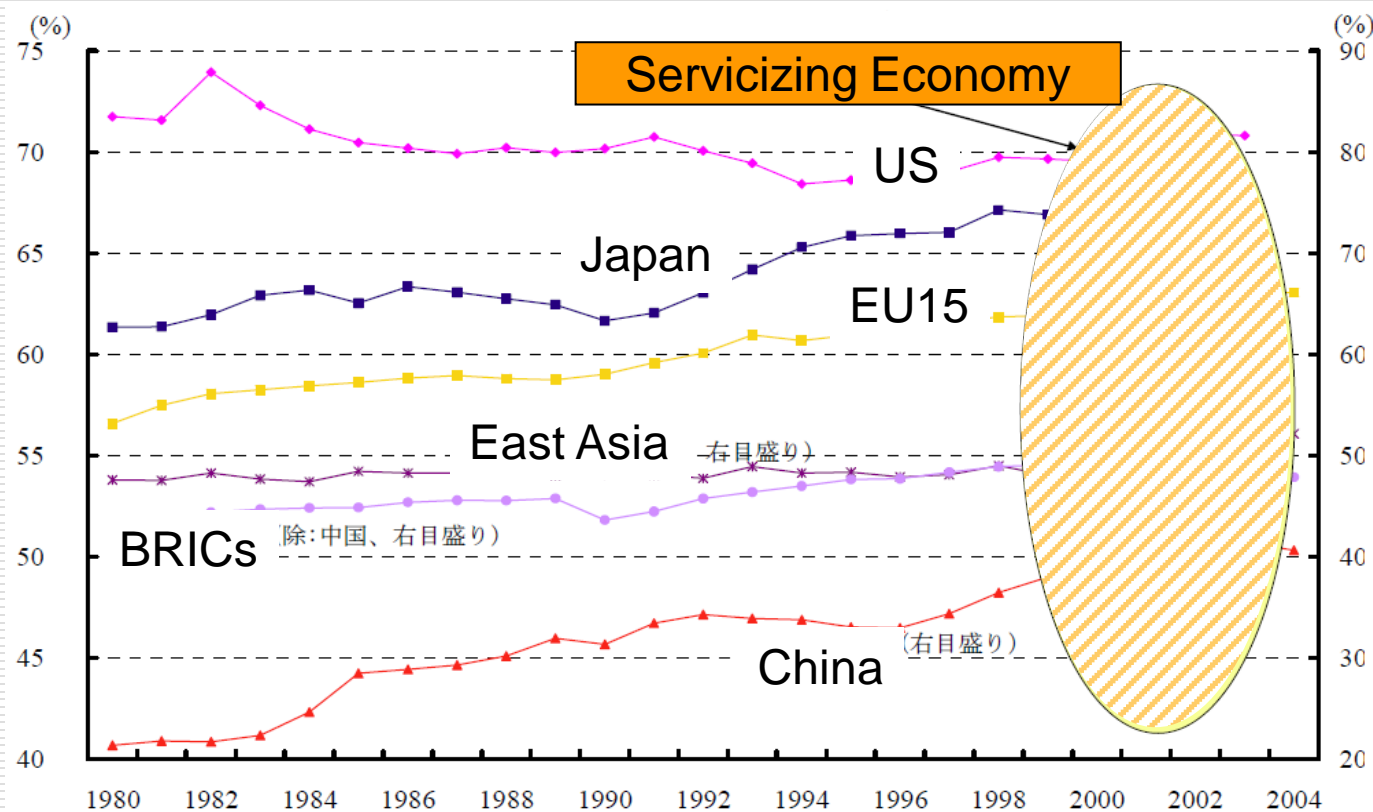
Theoretical Analysis of Creative Service Management and its Application to Global Businesses (Partially Extracted from the Original Proposal)

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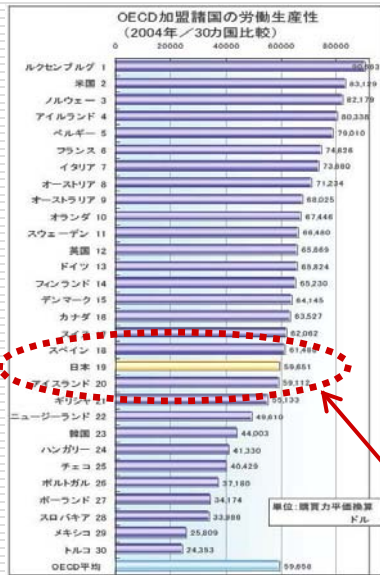
Servicizing Economy

- The ratio of service to GDP is getting increased
 - More than 70% of GDP in Japan comes from Tertiary Industries



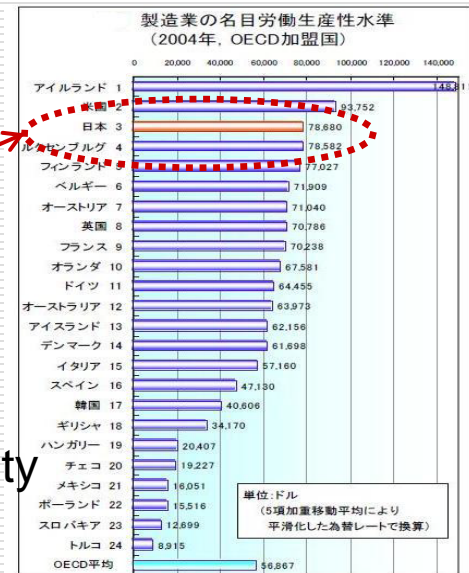
Issues on Servicing Economy in Japan

- High Quality, but Low Labor Efficiency in Service Business
- Japanese Creative Service needs cost & time



Comparison of Labor Productivity

Ranked High in Production Labor Productivity
 Ranked Low in Labor Productivity (Production and Service)



Research Question

- What are the Essential Innovative Features of Creative Service for Sustaining Growth ?
 - Is the Service Productivity Really Inefficient ?
 - Is It a Matter of Evaluation Criteria ?

Shinise [しんいせ] (老舗)

- A shop of long standing (usually, more than 100 years old) is a typical example of Japanese creative service
- Japan has more Shinise companies than any other country in the world.
 - About 20,000 Shinise companies (1.6% of total companies) are being operated in Japan
- Many small & medium sized companies
 - Annual revenue of 2/3 of Shinise companies is less than 300M yen (6.8M TL).
 - Many family-owned, private companies
 - Ex. Fermentation manufacturers (sake, miso, soy source, etc.) , Japanese hotels, retail shops

Historical Shinise Companies



Kongo Gumi, a construction company since 578 (more than 1,400 years old)
Built many shrines/temples, the Osaka Castle, etc.



Keiunkan, an Onsen Ryokan (Japanese hot-spring hotel) since 705, is the oldest hotel in the world.

Kyoto Shinise Companies

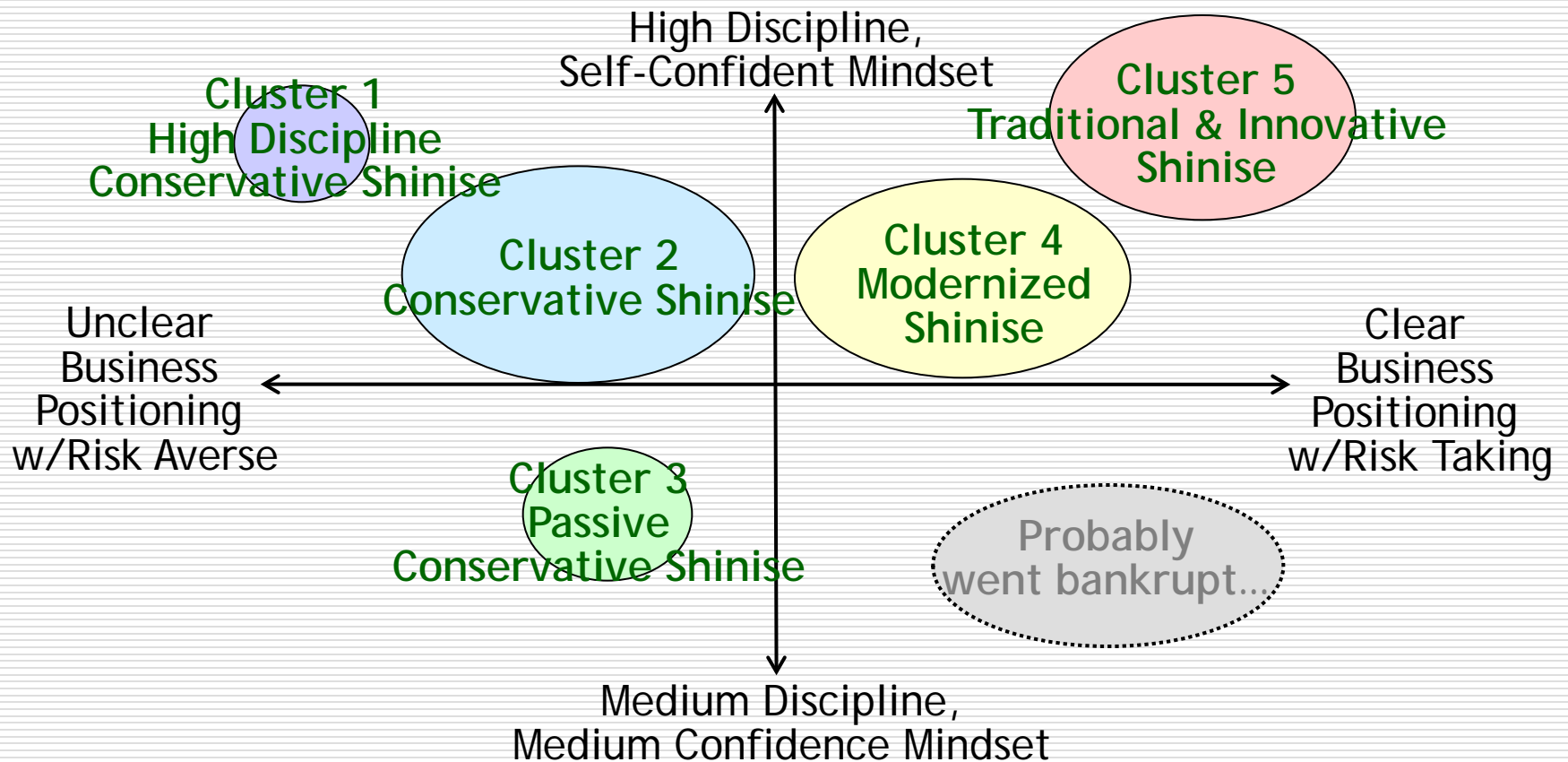
- Kyoto is the most appropriate place in Japan for Shinise companies to sustain their businesses
 - Kyoto is the city which has the highest ratio of Shinise companies in Japan.
 - About 1,000 Shinise companies (more than 3.6% of total companies located in Kyoto)
 - Their businesses are Ryokan (Japanese hotel), restaurants, liquor/food manufacturers, etc.



Reference: Hiiragiya <http://www.hiiragiya.co.jp/en/>

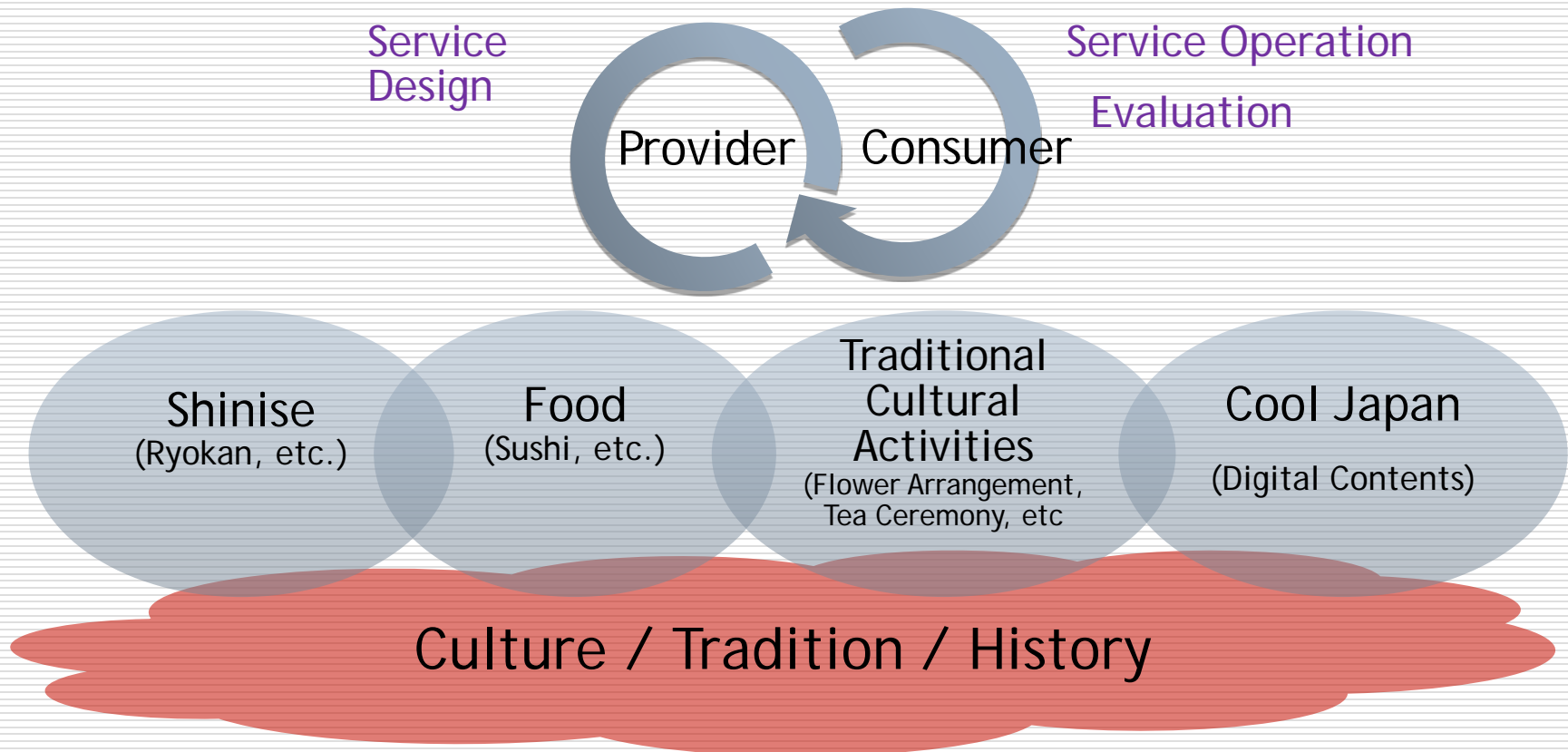
Shinise Clusters by Management Mindset

- There are five distinguished Shinise clusters depending on the types of management mindset.



Fundamentals of Japanese Creative Services

- Develop the Fundamentals of Sustaining and Developing Value of Services based on Culture



Characteristics of Japanese Creative Services (1)

□ Omotenashi (Japanese Hospitality)

■ Dialectic

- Interact between service providers and consumers to increase the sensitivity for understanding service value (i.e., service literacy)
- cf. Dialog -- Provide what consumer wants



- Accept people on the same side by respecting them, aiming at achieving the goal that there are no enemies nearby

Characteristics of Japanese Creative Services (2)

□ Wider Awareness

- Recognize the value of contexts

■ Knowing Process

- Focus more on the process and circumstances
- Create new tacit knowledge through the process

- cf. Knowledge -- Can be extracted by formalization and standardization, but the service level would be restricted



Uchimizu



Characteristics of Japanese Creative Services (3)

□ Long-term Trust Relationship

- Put emphasis more on the long-term relationship between service provider and consumer than the short-term profitability only

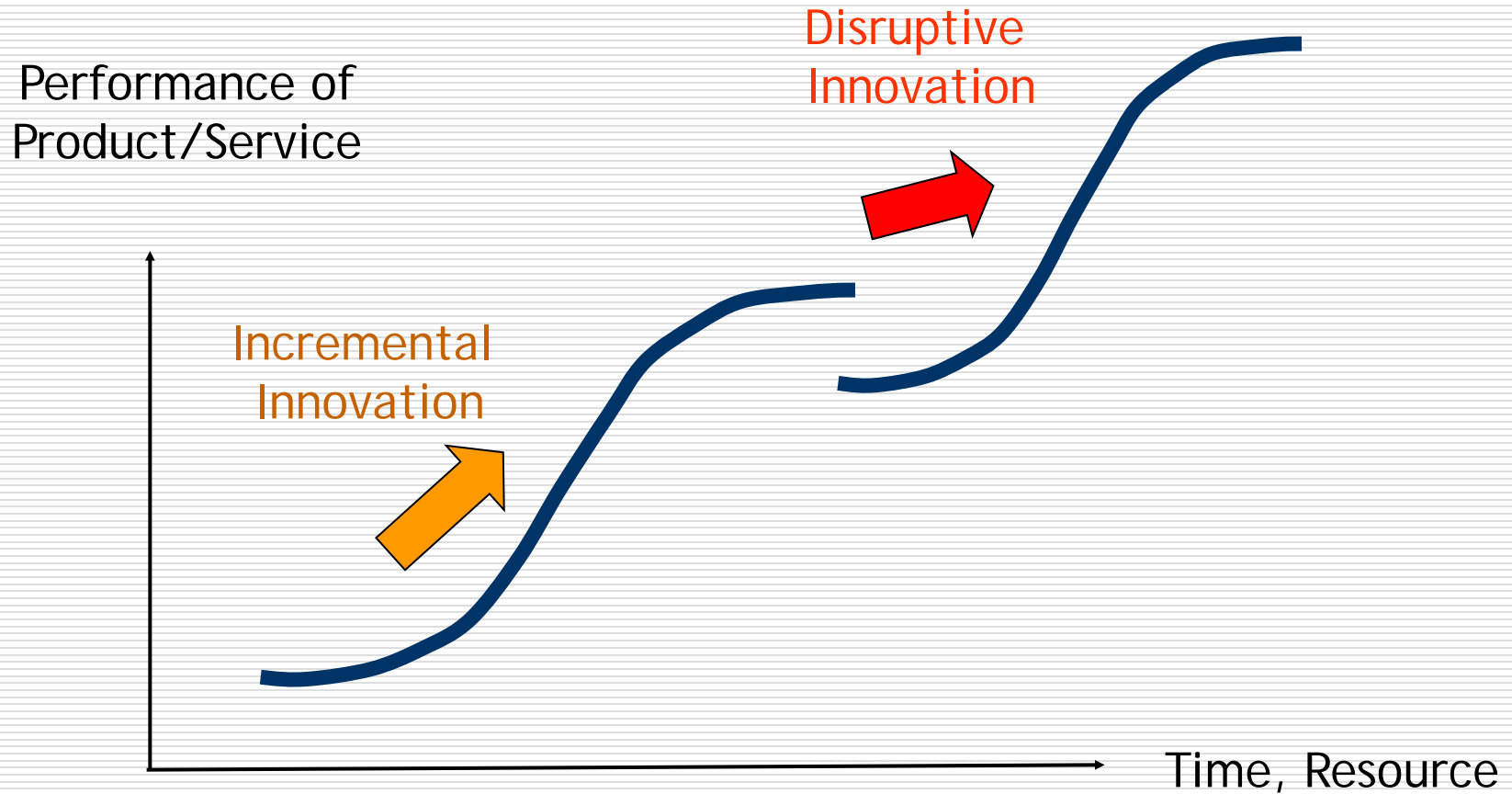


■ Duality

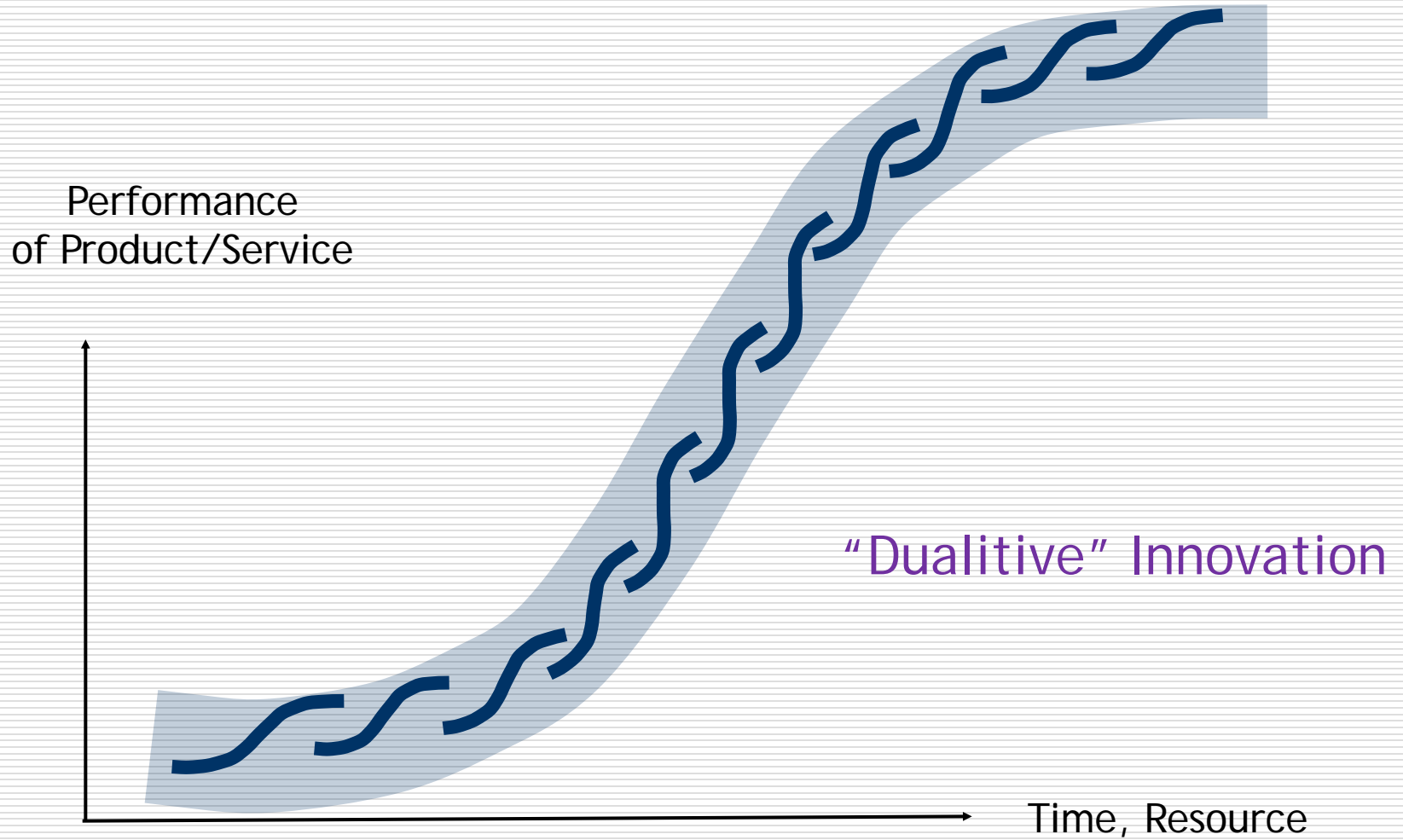
- Sustainable because of changing, and changeable because of sustaining (co-existence of contrary concepts)
- cf. Dualism - Distinguish contrary concepts with each other and may result in falling into short-term goal

Innovation Process

- Incremental Innovation & Disruptive Innovation -



Innovation Process to Sustain Japanese Creative Service



Example: Eirakuya (永楽屋)

- Eirakuya has been operated the business as a cotton fabrics merchant in Kyoto since 1615.
- However, their business was suffered after the World War II.
- After the marriage with a daughter of the former president, the current president, Ibee Hosotsuji, the 14th, reestablished their business. He has created the new businesses, e.g., designed cotton towels, maintaining the brand of Eirakuya.
- Eirakuya is a good example of the dualitive innovation.

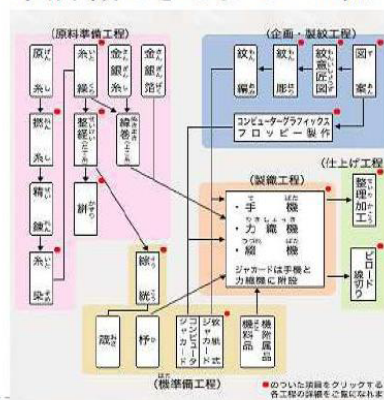


Collaboration with External Organization

- Kyoto Shinise Service is based on a kind of open innovation (distributed outsourcing basis)
 - Ex. Gion Business
 - Ochaya: Provide Place
 - Okiya: Educate Maiko/Geiko and Manage their business
 - Shidashiya: Provide catering service (Foods)

- Ex. Nishijin (Kimono textile industry)
 - Many small companies are involved in the manufacturing and distribution processes

<西陣織できるまでの工程>



<流通経路>

