



Keio Business School

Sushi Zushi Inc. 2010 (A)

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Alfonso (Al) Tomita couldn't contain his excitement. In a month, just before Christmas, he planned to open a new bar, Ziquid, targeting the over-30 crowd in his hometown of San Antonio, Texas. He was teaming with a longtime friend who worked as a producer at a Spanish-language TV station. Ziquid would be a completely new style of bar for adults. With the launch of a new business, Al was once again feeling like an entrepreneur.

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But amid his excitement, Al also felt some anxiety. He couldn't forget the warning of a university professor: "Most businesses don't fail because of a lack of opportunity. They fail because they are dazzled by all the opportunities they see and can't digest them." Actually, Al was overwhelmed by a range of problems, big and small, involving the operation of Sushi Zushi, his chain of seven sushi restaurants which boasted total annual revenues of \$19 million as of 2010. In the previous year, Al had hired experienced professionals to handle operations, human resources, and accounting and establish an organizational system, but he still felt as though the company was stuck in transition. He was aiming to expand the chain to 40 restaurants by 2020, but wondered whether he could do that by continuing the separation between the front-end operations (servers*) and back-end operations (kitchen staff). Sushi restaurants maintained a tradition of splitting customer tips between the servers and the sushi chefs. Professional servers from conventional restaurants, however, disliked the idea of getting only a small percent of the total tip. There were a host of other issues he was uncertain about in expanding his chain, among them the amount of data he would need to collect, and the frequency and timing of managing each restaurant in the chain.

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*called "waiters" in Japan

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Katsuhiko Shimizu (Professor, Graduate School of Business Administration, Keio University) prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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