



Benihana of Tokyo Harvard Case Solution & Analysis



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COMPANY'S BACKGROUND

COMPANY'S PROFILE

- in 1972 Benihana was basically a steakhouse with a difference

There are 15 restaurants of Benihana across the country (U.S)

Have 9 company-owned restaurants, 5 Franchised, 1 was operated as a joint venture

Fordd - service sales

In 1972, 15 restaurants of Benihana of Tokyo grossed over \$12 Million/year

OPERATIONAL PROFILE

Restaurants with hibachi profile table concept (the food was cooked in front of the customer by Japanese Chefs)

Restaurants decor is that of an authentically detailed Japanese country inn

Restaurants staff predominantly native Japanese

Restaurants hours of operation for the 15 units varied according to local requirements



COMPANY'S TIMELINE

STRENGTH

- Different from other Restaurants (Hibachi Table Concept)
- Detail Market reasearch before open 1st Reataurant
- Expenses cost for running reataurant go very low from normal cost

WEAKNESS

- Franchises Restaurants were bought by investors, none of whom had any Reataurant Experience
- Difficult for the American investor to relate to a predominantly native japanese staff
- Difficult to maintain control with a franchise than a company employee manager

OPPORTUNITIES

- Americans enjoyed eating in exotic surroundings
- People enjoyed very much watching their food being prepared

THREAT

- Several group imitated Benihana's operational system

SWOT ANALYSIS



PROBLEM DESCRIPTION

- **PROBLEM ON HOW TO EXPAND**

They are limited to open only 5 units a year for that was as fast as the two crews of Japanese carpenters they have that could work

Staff: Each unit required approx. 30 people who were all oriental

Cost factor: each new unit cost them a minimum \$300,000

For the decoration, they only used material 100% authentic which was imported from Japan to America and they would only use two of their Japanese carpenters to work. Their consideration: is it really worth it to do? Because they could reduce the cost tremendously by hiring the carpenter there and using available material

- Russ Carpenter (a consultant and editor for Institution/Volume Feeding Magazine) said:
What is Benihana really selling?
How do you hedge your bets?

Benihana's Process Flow



