

[NOTE]

Development Process of Cooperative Organizations in the Wholesale Trade of Industrial Food

Seiki Kiyono*, Mikio Satoh†

1. Introduction

In Japan, distribution channels for industrial food have been changed drastically and reformed along with expansion of the markets for food service and prepared foods. The word “industrial food” in this paper refers food stuff supplied for food catering services such as canteens of various organizations, restaurants and hotels. Many economic entities guide the distribution process; industrial food wholesalers are among them. Nevertheless, few studies have addressed distribution of industrial food compared to those that have investigated the distribution of food for home consumption targeting supermarkets. Industrial food distribution constitutes an additional black box in the study of food systems ¹⁾. Industrial food wholesalers can be classified roughly into “industrial food wholesalers for meal programs” associated with meal programs for schools or business places and “industrial food wholesalers for restaurants” for restaurants, hotels, and so on. Their business development comes more from expansion of “business conditions” than from expansion of “service areas” ²⁾. This tendency is more apparent in industrial food wholesalers for meal programs. They look to business cooperation through “service area” restriction.

This paper is intended to elucidate the history of business cooperation of industrial food wholesalers ³⁾, which is one of their strategies, to clarify its characteristics. This study specifically addresses the following three goals: (1) elucidate main streams of business cooperation by industrial food wholesalers; (2) examine the achievements and limits of cooperative purchasing by cooperative organizations to analyze the relationship between cooperative organizations and individual companies; (3) attempt to generalize the transition process of cooperative organizations based on these results.

* Akita Agricultural Experiment Station † Suisan Times Co., Ltd

2. Analytical view

The wholesale trade of industrial food is an enterprise that was engendered in the school lunch program, which spread rapidly after World War II. Business cooperation through various exchanges of managers has occurred from its initial stages.

Yahagi [7] pioneered a new frontier of research on retail business, marking the generation of innovation through interchange of managers and the dynamism of retail business in his study on retail business. On the other hand, this study identifies the source of dynamism in industrial food wholesalers from the view of cooperative organizations as a strategic measure to cope with change of the management environment; its movement is marked historically. At the same time, interchanging of managers, which was proposed by Yahagi, is verified specifically among industrial food wholesalers.

3. Major cooperative organizations and their development

Table 1 shows major cooperative organizations of industrial food wholesalers. These organizations were established on the basis of expansion of the industrial food market and industrial food wholesalers. Cooperative organizations can be classified broadly into “research organizations” and “economic organizations” based on the circumstances of their founding and aims. The former organizations mainly apply their efforts to management research and information exchange. The latter are cooperative organizations that are involved mainly in cooperative purchases and sales operations. However, these categories are growing borderless recently. This study elucidates and compares the development process of each cooperative organization from the viewpoint of the relationship to the change of management environment.

**Table 1 Major cooperative organizations of industrial food wholesalers
–focus on “industrial food wholesalers for meal programs”–**

Name	Founding
Nihon Kyushokuhin Rengoukai	1959
Kantou Kyusyokukai	1966
Japan Independent Food Service Companies Association	1980
All Japan Food Service Distributors Association	1980

(1) Nihon Kyusyokuhin Rengokai (abbr. Nikkyuren)

This organization was started mainly for economic operations in 1959 by seven industrial food wholesalers in the Chubu region for the purposes of purchasing and product development of foods for meal programs, mainly in schools. Kihei Aoki ⁴⁾, president of Meikyu Co., Ltd., took a leading role in it. Its predecessor dates back to 1953, established as a “Gathering for discussion of meal programs” by four interested parties including K. Aoki. Aoki explains the background of the formation of the organization as: “at that time, other companies often did not trade the items that we did. With that, we decided to form this organization for development of the business field, including trade guidance.”⁵⁾ At the time of the founding of Nikkyuren, industrial food wholesalers were not recognized very well socially. However, the organization has grown to national scope concomitant with the expansion of the school lunch program, through new enrollment of Izuhei Co., Ltd. (Takayoshi Izumi), Tamai Shoten Co., Ltd. (Yasuo Tamai), and Satoh & Co., Ltd. (Masaharu Satoh). These new members represent the leadership of their respective areas.

Back then, industrial food wholesalers had to “humbly ask the favor of” secondary or tertiary wholesalers for the purchase of products. Under such circumstances, Meikyu became a wholesale distributing agent to give member companies an advantage in purchase, thereby promoting intensive purchase and providing the background for its product development. In addition, Aoki fully demonstrated leadership in organizing too. He assigned “product development”, “information planning” and so on to core members mentioned above to enhance the ability of the organization. They started trading their “recommended products” in 1965 and “selected products” in 1969.

From about the early 1960s, industrial food wholesalers that mainly traded frozen food grew rapidly to gain a solid social status as a new type of business. The active recommendation and promotion of the cold chain system by the Science and Technology Agency also affected the business. The cold chain system was unqualifiedly a “distribution revolution” that excluded conventional wholesalers and encouraged direct dealing with manufacturers. Such movements enhanced the improvement of their purchase system with Meikyu as the wholesale distributing agent. Thereafter, the member companies that had achieved sufficient business growth began to purchase independently. Many member companies of the organization were leading industrial food wholesalers in their respective prefectures; that additional fact helped to make their independent purchases easier. This change became a

factor to transform the nature or the main purpose of the organization from economic operations to management research and information exchange, etc. During that process, Satoh, one of the leading members mentioned above, withdrew from the organization to establish another one that was intended mainly for economic operations (Japan Independent Food Service Companies Association) on his own.

The difference between Aoki and Satoh in their principles is evident in their discussion⁶⁾. When Aoki mentioned the future methods of industrial food wholesalers and Nikkyuren, he said “I do not think it would be enough only to expand their size. Nikkyuren should guide them to make satisfactory profits in the ranges to match with their sizes... (abbreviated)...the small company has their own merits... (abbreviated)...we must not let anyone drop out,” whereas Satoh said “Can we save all members? We have to choose productive companies.” In addition, their opinions on the practice of economic operations contrast markedly. Specifically, Satoh said that “when Nikkyuren is a business group worth 300 billion yen⁷⁾, it needs economic activities with a target set at 40% (of the market) or it would not function,” which implies that the core of the organization was still economic operations, whereas Aoki said by way of preface, “it has been obvious because an organization without economic activities is meaningless.” In addition, he offered an assessment that “(economic operations)⁸⁾ are difficult for a nation-wide organization. Those require sacrifice from someone. Moreover, the wide difference of companies makes them difficult. Disadvantaged members have equal rights and voices, and that fact makes the administration of the organization harder.”

(2) Kantou Kyusyokukai (abbr. Kankyu)

Two years after the founding of Nikkyuren, industrial food wholesalers who sold Nichirei Corporation frozen food in the Tokyo metropolitan area joined together to form the “Star Lunch Program Association”. Kishichi Yamazaki, one of the core members of the association, managed a supermarket (Miuraya Co., Ltd.) as his main occupation. He was trying to deal with the meal program market because of the concern that the sales of food for lunch boxes were decreasing drastically as a result of the popularization of meal programs for schools and business places. As a retailer, he was in the middle of “distribution evolution” in progress at that time. Yamazaki argued for the necessity of shortening distribution to preserve the characteristics of frozen food, to recruiting prospective member companies, and organizing. During that process, he encountered Fusao Tai, who was in a marketing company of Nichirei

then. This was destined to be crucially important for the development of the association.

In 1964, Kantou Kyusyokukai was founded for the purpose of cooperative purchase, members of the Star Lunch Program Association taking the leading role in initiating the operation of cooperative purchase. Later it was authorized by the Ministry of Agriculture, Forestry and Fisheries and became Kantou Kyusyokukai Co-op in 1966. This organization had a smaller number of member companies compared to Nikkyuren; their business size was smaller too. It developed the operation of cooperative purchase in the background that its main target was the school lunch program based on the project budget described below. It also had to rely on its “power of organization” because of the small scale of its member companies. Note that the achievements and limits of the cooperative purchase operation by this organization are also important subjects of business cooperation of industrial food wholesalers. Those will be discussed in detail in another section.

Later, the organization made efforts to form sister organizations with the intention to establish a national organization in the future. In the beginning, Tohoku Kyushokukai Co-op was formed in 1971, and then Chubu Kyushokukai Co-op in 1976, Chushi Kyushokukai Co-op in 1977, Kinki Kyushokukai Co-op in 1979, and Kyushu Kyushokukai Co-op in 1980 were formed one after another. For purposes including centralization of cooperative purchase operations of each Co-op, Zenkyuhan was formed. Moreover, the first distribution center of a cooperative organization of industrial food wholesalers was established in 1972.

(3) Japan Independent Food Service Companies Association (abbr. JFSA)

The prehistory of Japan Independent Food Service Companies Association (JFSA) can be traced back to the Saneikai, formed in 1962. It was soon after Satoh & Co., Ltd., with Masaharu Satoh as its leading member, pioneered the school lunch program, which was a new market then. Satoh says about the situation at that time that “the place for food consumption shifted from homes to schools; distribution changed along with that.”⁹⁾ However, food manufacturers had almost no knowledge of mass food preparation, especially the school lunch program. On the other hand, the company could not go far enough to motivate a manufacturer to request a new product to a manufacturer and have it produced. Annual sales of Satoh & Co., Ltd. were less than one billion yen at that time. In the event, Satoh appealed to fellow traders on the grounds of the social responsibility of the market and its possibilities. They took the school lunch program in Tohoku and Hokkaido as the major customer and

formed Saneikai. It was intended for a unique development; it began collaborative study on food for the school lunch program, preparing a model menu, and so on. Saneikai started as an association of volunteers, and gradually increased its membership. In 1965 it was reorganized into Kita-nihon Kyusyokuhin Rengokai. In addition, in response to action from the Nikkyuren, which had been organized several years previous to the Saneikai, the Kita-nihon Kyusyokuhin Rengokai joined Nikkyuren in 1967 as its north branch. As the vice president and chairman of the operations committee, Satoh achieved total control of business practices there too, and guided member companies along desirable paths of industrial food wholesalers, especially the enhancement of functions and intensification of information. Satoh's principles can be exemplified by his admonition that "we cannot stay reliant on the school lunch program; we should aspire to establishing independent management bases and becoming a company that can stand on its own." He also advised, "management that is completely dependent on manufacturers is wrong; we should seek improvement of the status of the industry on an equal footing with manufacturers." Moreover, his philosophy got more radical through a visit to industries in Europe and the United States. He continued to make appeals about the crisis of the industry: "with our mutual tendency to rely on each other, it is only a matter of time before this industry will be intensified and culled by larger companies or companies in other industries."

However, later there was a disagreement between the executive office, which aimed at fostering relationships and friendly discussion, and members of the north branch of Nikkyuren with Satoh as the center, who thought that business activities should be the main purpose. Satoh withdrew from Nikkyuren along with member companies to form the Gaishoku Ryutsu Rengou Hokubukai independently. With this as a turning point, they rapidly proceeded with measures for "breakaway from the school lunch program", whereupon they established the Hokkaido Frozen Food Distribution Center, Co., Ltd. (now JFSA Douryu) in 1974 for promoting cooperation of distribution, rationalization and efficiency among member companies in Hokkaido.

According to that trend, Japan Independent Food Service Companies Association (JFSA) was formed in 1980. At the same time, a business alliance was planned with the All Japan Food Service Distributors Association (JFDA), which was formed by industrial food wholesalers in the area from the Tokyo metropolitan area to east Japan. It is discussed below. Simultaneously, a future "plan for nationwide expansion" was announced. However, the

alliance with JFDA ended afterwards for reasons including its adherence to its nature of a social gathering, whereas its business activities hardly made progress. Notwithstanding, JFSA had gained a relationship of trust with manufacturers by its steady achievements of annual cooperative sales through Satoh's strong leadership despite its handicap of being a local market serving only Tohoku and Hokkaido. JFSA was converted to a joint-stock corporation as over-the-counter trading for the stock of Satoh & Co., Ltd. began in early 1991.

(4) All Japan Food Service Distributors Association (abbr. JFDA)

This organization was formed around the nucleus of Matsuo Co., Ltd. (Fumihiro Matsuo), which trades with restaurants and hotels in its major markets. Shortly before hosting the Tokyo Olympics, urban hotels of the international class opened one after another. In such an environment, the company established its status as a wholesaler of industrial food for hotels and restaurants.

In 1970, the "Rome Association" was formed with users and manufacturers as its members. The association was dissolved in 1980 to form a better one, the All Japan Food Service Distributors Association (JFDA). This organization aimed at establishment of a sales network of major industrial food wholesalers all over the country as an organization that was able to respond to the needs along with formation of nationwide chains of hotels and restaurants that were the main markets of the company. Specifically, its objectives were: (1) provide identical goods throughout the country, (2) provide identical prices throughout the country, and (3) provide identical services throughout the country.

Industrial food wholesalers that traded with the school lunch program as their main market had achieved a high market share in their area, but when the market was considered to include restaurants, hotels, and food services in general, their business sizes were not large at all. The school lunch program characteristically only ran 180 days (meals) in contrast with the food market demanding 365 days \times 3 meals. To make matters worse, the number of school children began to decline. Therefore, a management policy encouraging "breakaway from the school lunch program" was bound to arise. Nevertheless, in the market of food service, industrial food wholesalers (for restaurants) that had mainly traded dried foods and had started trading frozen food had been implementing formation and expansion of chain stores (improvement of business centers) in response to regional expansion of food services. Industrial food wholesalers for meal programs had urgent needs to acquire know-how to deal

with the food service market; also, the presence of Matsuo, who had experienced trade with urban hotel chains, was additionally advantageous. A voluntary organization was also beneficial for Matsuo to advance response to a wider area. Their incentives coincided to form a mutually supportive organization.

As a result of that background, most member companies aside from Matsuo were industrial food wholesalers for meal programs. The administration of the organization became the occasion to disclose Matsuo's know-how and to absorb and study it by necessity. This fact is one reason for the troubled achievements of cooperative sales of the JFDA brand products promoted by the association, although a comparatively large number of leading industrial food wholesalers in west Japan participate as member companies.

(5) Development process of cooperative organizations and interchange of managers by industrial food wholesalers

The following elucidates characteristics of respective cooperative organizations and compares them on the basis of their development. Figure 1 summarizes the development process of cooperative organizations by industrial food wholesalers. Cooperative organizations among industrial food wholesalers have been chosen as a measure of response to the change of three business environments that surround companies. The first stage can be characterized by the tendency that industrial food wholesalers initially aim mainly at improvement of their social status, the popularization of meal programs for schools and business places, and so on. In addition, manufacturers considerably influenced cooperative organizations at that time. Nikkyuren mainly traded the products of Nissui, and Kankyu those of Nichirei, making huge contributions to the channel formation of both companies.

Reforms of the second stage shifted the center of the industrial food market from the food programs for schools and business places that had existed until then to the food services that were centered on chain organizations. In addition, their organization was enhanced in response to changes. This stage includes JFSA led by Satoh & Co., Ltd., who had appealed and practiced "breakaway from the school lunch program" at an earlier opportunity in the industry, and JFDA led by Matsuo, who had been trading with hotels and restaurants and had started trading frozen food. Especially, members of JFSA led by Satoh & Co., Ltd. achieved that by withdrawing from Nikkyuren.

The third stage is being generated during the current process of reorganization of the

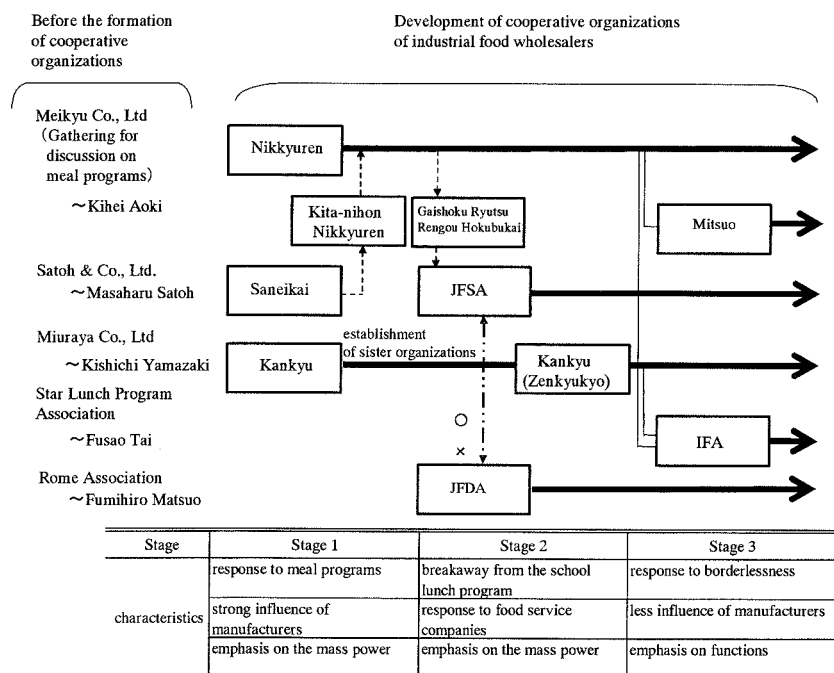


Figure 1. Development of cooperative organizations of the wholesalers of industrial foods

- Note : 1) ——— represents the main streams of major cooperative organizations.
 : 2) - - - - represents enrollments and withdrawals.
 : 3) ——— means that the leading member formed a new cooperative organization while remaining a member in the former one.
 : 4) — · · · — means the generation (○) and abolishment (×) of an alliance.
 : 5) See the text for the formal names of each cooperative organization.

industry. Its characteristics are discussed below. It intends the formation of cooperative organizations on bases including not only competitions among industrial food wholesalers, but also competitions with large wholesalers of commercial foods in the markets for prepared food and so on, and “functions” selected by end users downstream. It differs from organizations in the past that were based on “mass power”.

At the same time, in the transition of cooperative organizations of industrial food wholesalers, it is notable that management know-how was propagated through interchange of managers. As shown in Fig. 1, the development of major cooperative organizations can be classified into four categories. At the same time, interchange of managers by core members became a factor engendering changes in company tendencies and the new cooperative organizations. Firstly, there is Nikkyuren, led by Meikyu. It was the first industrial food

wholesaler recognized as such in Japan. Under its leadership by Aoki, industrial food wholesalers emerged in various places. Aoki made a huge contribution to industry development, disclosing to individual companies the know-how of dealing with frozen foods and marketing skills to respond to the meal program market that was accumulated through his own experiences, and exerting effort to information exchange through seminars and symposia. Moreover, the interchange also involved manufacturers of frozen food for industrial use, providing useful information and advice on product development to many important manufacturers at the time of their entry to the frozen food market.

Secondly, there is the stream of Kankyu running counter to the previous trend. Tai was a core member of the organization, along with Yamazaki mentioned above. He was in a marketing company of Nichirei and he had sold frozen food to end-users because it had been introduced to the market. Tai contributed to formation of Kankyu and its development because he encountered Yamazaki. By his activities to introduce sales know-how for frozen food and the market he developed to the member companies, he helped give birth to many industrial food wholesalers that were not associated with Nikkyuren. At present, Tai's influence is still evident in the fact that many of industrial food wholesalers in Kanto area started trading frozen food through their encounter with him.

On the other hand, the third large trend was led by Satoh of Satoh & Co., Ltd. Formation of business cooperation centered on Satoh arose because of the events of the early stages. Satoh gained association with Aoki in 1967 at the time of enrollment to Nikkyuren. He explains the motive of his enrollment as "the notion that the more energy you have, the better you can cope with the trend of the times,"¹⁰⁾ and he strongly hoped for the administration of the organization to focus on economic operations. Although this finally caused his withdrawal, he left a major influence on member companies during the period of his Nikkyuren membership. Sakuo Tominaga of Howdy Co., Ltd. recalls that time as one in which he was greatly influenced: "if we had not participated in Nikkyuren, our company would not have grown into a wholesaler of industrial food from one that had specialized in the school lunch program. I still remember even today that in a seminar of Nikkyuren, President Satoh of Satoh & Co., Ltd. was crying out for 'breakaway from the school lunch program,'"¹¹⁾ indicating his role as an "opinion leader" of the industry to deal with the food service market.

Finally, in contrast to the three mentioned above, Matsuo traded with the market of hotels and restaurants that were of a different nature from the school lunch program. He made a

great contribution to the response of the industry in a way that was different from Satoh's by disclosing the market characteristics, sales know-how, and product development to industrial food wholesalers who were trying to carry out a "breakaway from the school lunch program".

4. Achievements and limits of cooperative purchase operations

—A case study of Kankyu—

In reference [1], edited by the Ministry of Economy, Trade and Industry, the percentages of wholesalers that participate in a cooperative operation are compared by type of business. For the wholesale trade in total, the participation ratio in a cooperative purchase operation scored 39%, which was higher than their participation ratio in other various cooperative operations (e.g., cooperative acceptance of orders, cooperative delivery). Especially, the participation ratio of the wholesale trade of food and beverages in a cooperative purchase operation was 45.3%, which was the highest even by comparison with other types of business. The high percentage of participation in a cooperative purchase operation results from small business size in the wholesale trade of food and beverages. It is assumed that the situation is similar for industrial food wholesalers, which are the subjects of this study. This section enumerates the achievements and limits of cooperative purchase operations taking Kankyu, mentioned above, as the subject. The relationship between cooperative organizations and individual companies is discussed herein.

(1) Cooperative purchase operations and their achievements

In the business environment background mentioned above, the objective of the cooperative purchase operations of Kankyu was to shorten distribution channels by direct dealing with manufacturers. The operators not only practiced cost cutting through large-lot purchasing, but also comprehended market characteristics. A key person, Tai, had an experience in which he supplied frozen food to the Allied Occupation Forces¹²⁾ when he was in Nichirei. He had noted that the market of the school lunch program was based on the project budget and had a stable number of consumers; these facts reduced the "loss" of the food suppliers and made planning of cooperative purchasing easier.

Their cooperative purchase operations centralized trade contracts, sending and receiving orders, and payments in the association center to make the purchase conditions for member companies advantageous. At that time, manufacturers had fully equipped their production

systems only for frozen foods: the number of items they produce increased. In contrast, direct contracting between small industrial food wholesalers and manufacturers was extremely difficult, and Kankyu played an important part in it. In addition, Tai tried to derive benefits of cooperative purchase for member companies in development of private brand products as well as in the realization of the direct dealing with the manufacturers mentioned above. Specifically, he carried out original product development from the viewpoints of safety, prices, and efficiency in the cooking workplace with the help of school lunch program nutritionists and others. The organization conducted development and supply of canned fruits labeled with the number of pieces¹³⁾, and canned ketchup that was pigment-free and artificial-sweetener-free. These cooperative purchase operations of Kankyu made satisfactory progress. The number of its members increased and it attracted the attention of the industry, whereas its sister organizations were formed one after another, as described above.

However, the surroundings of the organization were changing radically. It responded slowly to food service companies that were growing rapidly from the mid-70s, and in the school lunch program with a constant decrease in the number of school children. Moreover, the oversupply situation that had become obvious also had a large impact on distribution. The cooperative purchase system formed in the time of mass marketing was also increasing the burden of member companies, whereas its benefits were decreasing. The centralized purchase system in Zenkyuhan was abolished (cooperative purchase by Kankyu is continuing). The contents of its operations today are centered on securing administrative costs for the

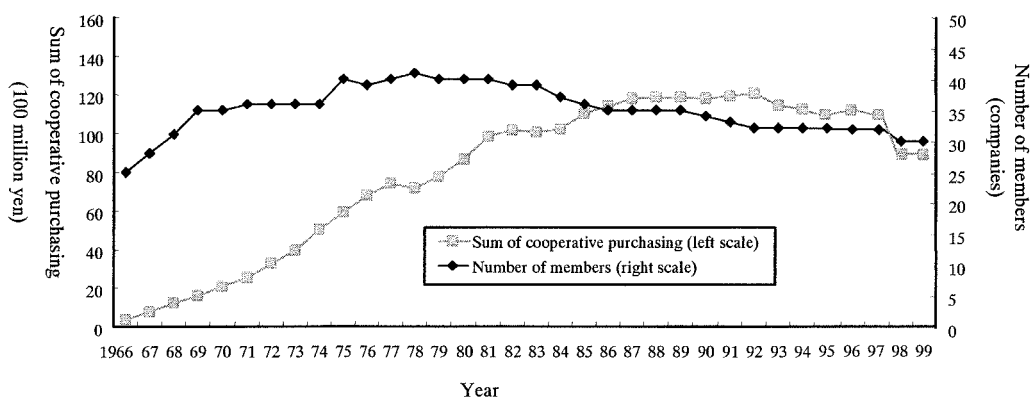


Figure 2 Transition of the cooperative purchase operation and the number of members of Kantou Kyusyokukai

Source: the internal documents of Kantou Kyusyokukai and The Frozen Food Times of Suisan Times Co., Ltd.

association and symbolic aspects.

Achievements of cooperative purchase operations of Kankyu are shown as the transition from its establishment to 1999 (Fig. 2). The total of cooperative purchasing of Kankyu grew steadily from approximately 350 million yen in the first year: it exceeded 10 billion yen in 1982. However, during this period, in 1978, the year-on-year growth rate turned negative for the first time, and the number of members peaked at 41 companies in the same year before declining thereafter. In 1980, the stagnation of the sum of cooperative purchase and decrease in the number of members became more apparent. These phenomena indicate that the turning point of the cooperative purchase operation of the organization was in the change in the market of industrial food starting from the late 1970s. Industrial food wholesalers were required response to the food service companies grew. The cooperative organizations JFSA and JFDA, which mainly aimed at the response to food service companies, were both formed in 1980. Cooperative purchase operations were late to respond to the change in the market environment, which can be inferred to be the main factor of the slump in cooperative purchase operations.

(2) Limits of cooperative purchasing operations

–Relationship between cooperative organizations and individual companies–

The delayed response to market changes caused stagnation of the cooperative purchase operations of Kankyu from the 1980s, whereas cooperative purchase operations themselves bear inherent inhibitory factors. Yahagi classified those inhibitory factors of cooperative purchase operations in retail business into: (1) difficulty in sharing a policy among organizations, (2) difficulty in reaching goals, (3) lack of a system for “risk sharing” to continue cooperative purchasing¹⁴⁾. These three inhibitory factors of cooperative purchase operations are examined here, taking Kankyu as an actual example. Firstly, there is a problem in sharing a policy among organizations. The policy of Kankyu at the time of its founding was to shorten distribution channels by direct dealing with manufacturers in the name of a “distribution revolution”. Member companies had common characteristics (business size and the main market) at that time. However, as the center of the industrial food market shifted from the meal program market to the food service market, they differentiated into two groups of companies: those that actively responded to the food service market and sought growth, and those that did not. In addition, many member companies had a strong nature as a family business for

reasons including the fact that industrial food wholesalers were a new type of business begun after the war. The wide difference in views within the organization arose among member companies: there were those that grew from a family business into corporations because of the increase in social recognition of industrial food wholesalers and the change in subject markets, and those that maintained their family business characteristics.

Secondly, in the background of the rapid expansion of the market of frozen food, especially frozen food for industrial use, manufacturers were increasingly motivated to enter the market. Many of these latecomers offered advantageous trade conditions individually (such as a reprieve on payment terms) to core members that had achieved company growth through cooperative purchasing to enter the market. In addition, the center of the industrial food market shifted to the food service market. Combined with the stagnation and decrease in the number of school children, it caused a persistent tendency of stagnation and decrease in the sales of member companies that targeted the school lunch program, making it difficult for them to achieve the goal of cooperative purchase operations.

Because of these changes in the environment, a third problem of “risk sharing” emerged. Especially, core member companies had to bear the burden of reaching goals and selling unsold articles. Note that the shares of the eight core members of the organization with 30 members in the total cooperative purchase became approximately 65-70%¹⁵⁾. This indicated the yawning the wide difference of companies. Moreover, because their form of organization was a cooperative business association (authorized and regulated by the Small and Medium Enterprise Basic Law of Japan), its principle of “one-member one-vote” complicated the administration of their organization.

Among inhibitory factors of cooperative purchase operations described above, the “non-competitive” aspects of cooperative organizations to protect the sales areas of individual companies should be emphasized. At the time of founding, member companies of the organization were mainly small business entities; however, the wide difference in the size of businesses was caused by introduction of the center systems of the school lunch program in respective regions from the late 1960s. Especially, the individual school lunch systems¹⁶⁾ prevailed in the inner city district of Tokyo. The wide difference between there and the neighboring prefectures became gradually apparent. However, the nature of the industry at the time of founding, namely sales areas originated from the influence of manufacturers, delayed the installment of branch offices of several member companies that had achieved growth,

resulting in insufficient development of sales bases to target restaurant chains and other outlets. The organization decided to abolish the sales area system among member companies on the basis of changes in the environment, but it further magnified the wide difference between companies. In addition, it resulted in amplifying the inhibitory factors of cooperative purchase operations mentioned above.

During this process, some core companies started to seek company growth through interchange of views with other managers while maintaining the relationship with Kankyu. That movement became more and more pronounced, diminishing the “feeling of unity” in the organization¹⁷⁾.

5. Principles of transition in the formation of cooperative organizations in the whole-sale trade of industrial food – a conclusion–

The development process of cooperative organizations by industrial food wholesalers was analyzed. Cooperative organizations can be identified as a strategic measure to cope with the change of business environment around individual companies. The following two points are indicated in place of the conclusion of this paper.

First, because of changes in the environment surrounding Nikkyuren and Kankyu that have been representative of the two major organizations since the beginning of the industry, their core members are developing new cooperative organizations as new movements today. Both of these major organizations have achieved their founding objectives. However, in Nikkyuren, the character of the organization changed from one aimed at economic operations to one centered on management research and information exchange. In Kankyu, adverse effects caused by cooperative organizations have appeared, such as emergence of the wide difference among member companies that persists through cooperative purchase operations; also, the sales areas of member companies are restricted. For these reasons, their leading member companies finally developed new cooperative organizations, namely the International Food-Distribution Association (IFA) and Mitsuo. As for IFA, the core members of Kankyu that have similar management policies and business size organize it. These recent tendencies, in combination with the withdrawal of JFSA from Nikkyuren as mentioned earlier, allow derivation of a transition pattern of cooperative organizations. Specifically, at the founding of cooperative organizations, they are administered smoothly because the member companies share management policies and have similar management styles (including

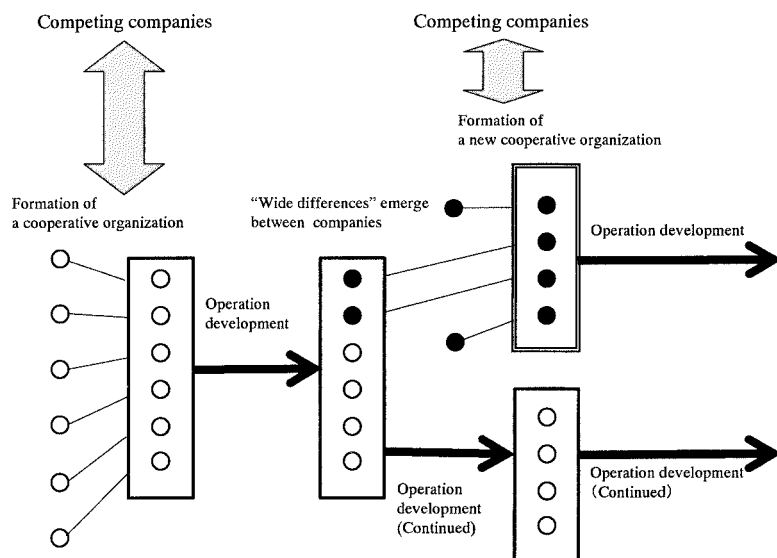


Figure 3 Transition pattern of a cooperative organization (model)

- Notes: 1) ○ and × represent companies with similar management policies and management styles (size of a business, main market).
 :2) □ represents a cooperative organization.
 :3) — represents operation development of a cooperation organization.
 :4) — represents participation of individual companies in a cooperation organization.
 :5) ↔ represents the “threat” or “opposing” relationships with competing companies.

the size of a business and main markets). However, various “wide differences” emerge among the participants as a result of ensuing operational development and changes in the business environment. Especially, companies that held leading roles rationally recognized reality and started other new cooperative organizations. Figure 3 generalizes this observation.

Secondly, characteristics of the new cooperative organizations compared to the conventional two major organizations can be identified as formation of business cooperation with an emphasis on “function” rather than on “mass power”. In the case of IFA mentioned above, they practice sharing of bonded warehouses to strengthen the trade of imported food and cooperative distribution. Industrial food wholesalers, and specifically those addressing meal programs among them, have achieved management growth by diversifying the business category of customers under the restriction on service area. However, in the circumstance of intensifying competition with industrial food wholesalers for restaurants and further with the

wholesalers of commercial foods, the expansion of the service areas remains an important problem in management. For that reason, from the view of the transition pattern of organizations, these cooperative organizations intend to deal with the problem through cooperation of companies that can cover wider service areas and complement each other.

Acknowledgement

The author thanks Mr. Fusao Tai (Manager of the Institute of Grocery Distribution) for his great help in preparation of this paper.

Notes

- 1) For research on the distribution of industrial food, for example, see references in Takahashi [6].
- 2) See Kiyono [2] for details.
- 3) The focus of this paper is on “industrial food wholesalers for meal programs”.
- 4) Honorifics are omitted in this paper.
- 5) Nihon Kyusyokuhin Rengokai [3] p. 49.
- 6) Nihon Kyusyokuhin Rengokai [3] pp. 49-54.
- 7) Total of values in 1988 when the discussion was held (total of the sales of 63 member companies at that time).
- 8) The author's note in parentheses.
- 9) Satoh & Co., Ltd. [5] p. 37.
- 10) Satoh & Co., Ltd. [5] p. 50.
- 11) Nihon Kyusyokuhin Rengokai [3] p. 41.
- 12) The Allied Occupation Forces at that time had budgeted for purchases three years in advance for daily food procurement. This fact also represents the United States' advanced logistics. From an interview with Mr. Tai.
- 13) There had been no indication for the “number of pieces” on canned goods up to that time. Needs in the workplace of cooking for the “number of pieces” labeling (from the aspects of working efficiency in the cooking place and so on) were received to develop private brand products.
- 14) Yahagi [7] pp.154-155.
- 15) From an interview with Mr. Tai.
- 16) There are two systems in school meal programs: meals are cooked in respective schools in the “single school system”, while meals for several schools are cooked in one place in the “center system”.
- 17) Sakaiya [4] discusses “the objective of the organization” and indicates the wide difference between it and “the objective of members”.

References

- [1] Ministry of Economy, Trade and Industry ed, Report on the Basic Survey of Commercial and Manufacturing Structure and Activity (Summary, volume 2), Ministry of Economy, Trade and Industry, 2001. Statistical data can be viewed in <http://www.meti.go.jp/statistics/data/h2c5sxaj.html>.
- [2] Seiki Kiyono, Business development process of the wholesale trade of industrial food, in: supervised by Masao Takahashi, edited by Masamichi Nakashima and Michio Iwabuchi, Company Behavior and Food System in Food Industry, Association of Agriculture & Forestry Statistics, 2004, pp.117-133.
- [3] Nihon Kyusyokuhin Rengokai ed, Thirty years of Nikkyuren, Nihon Kyusyokuhin Rengokai, 1991, 154p.
- [4] Taichi Sakaiya, The Rise and Fall of Organizations, PHP Institute, 1993, 326p.
- [5] Satoh & Co., Ltd. ed, History of Satoh & Co., Ltd., Satoh & Co., Ltd., 1985, 132p.
- [6] Masao Takahashi ed, Food System of Vegetables, Association of Agriculture & Forestry Statistics, 2001, 357p.
- [7] Toshiyuki Yahagi, Source of Retail Innovation, Nihon Keizai Shimbun, 1996, 329p.

【要約】

業務用食品卸売業における協業組織の展開過程

清野 誠喜*・佐藤巳喜夫†

本論文の目的は、業務用食品流通の担い手である業務用食品卸売業者の戦略手段のひとつである協業化を歴史的に整理し、その特徴を明らかにすることである。具体的には、1) 業務用食品卸売業者による協業組織の展開過程を整理する。2) 協業組織における共同仕入事業を対象に、その成果と限界と検討し、協業組織と個別企業の関係进行分析する。3) これらを踏まえ、協業組織の変遷過程の一般化を試みる。

業務用食品卸売業者における協業組織の大きな流れは、以下のような個別企業を取り巻く3つの経営環境の変化に対応する手段として選択された。すなわち、1) 黎明期における社会的地位向上の段階、2) 業務用食品市場の中心がそれまでの学校・事業所給食から、チェーン組織を中心とする外食企業へと移行する段階、そして3) 業務用食品市場における競争激化の段階、である。そして、こうした協業化の過程では、経営者間の交流を通じて経営ノウハウ等の伝搬・普及が図られてきたことが、その大きな特徴となっている。

関東給食会を事例とした業務用食品卸売業者による共同仕入事業に関する分析では、1) 組織間での理念共有の困難性、2) 目標達成の困難性、3) 「リスクシェアリング」の仕組みがない、ことなどからその成果は伸び悩んでいる。

協業組織を設立した当時は、参加企業に共通する経営理念やほぼ同等の経営スタイル（規模や主要マーケット等）により組織運営はスムーズに行われるが、その後の事業活動の展開や経営環境の変化により、参加企業の間に様々な「格差」が生じることになる。とりわけ、リーダー的役割を果たした企業ほどその現実を冷静に受け止め、新たな協業組織をスタートさせる、という歴史を繰り返してきた。また、近年の新たな協業組織は、従来のように「マス・パワー」を重視したものではなく、「機能」を重視している点がその特徴である。

* 秋田県農業試験場 † 株式会社 水産タイムズ社