



2nd FACTORY
GROUP

Customer service is first priority for 2ndFactory

Actual field tests of software application ensures they meet end users' needs



At first glance, it is a crazy question. Why would UX engineers staff a beach bar and a popular fried chicken chain? The answer: It's where the recipe for success starts for cloud-based IT solutions firm, 2ndFactory.

2ndFactory provides "synthesis consultation" – they are a one-stop shop for building business solutions encompassing design, service and technology. A great example of this is point-of-sales (POS) systems development.

The company believes that deploying UX engineers to fry up chicken and take orders at a beach bar, gives them the insight to develop a POS solution that gives small food and beverage businesses a leg up in a competitive industry through the technology developed by these engineers.

Companies in Japan are working to figure out how to be more efficient as they struggle to fill the gaps left by an aging workforce. Some industries are turning towards robots or other forms of automation, like the Hen na Hotel, or "Odd Hotel," in Tokyo who bills itself as a "robot hotel." It uses 140 different robots and artificial intelligence to serve guests. However, for other small and medium businesses, it is more practical to concentrate on making their current staff more productive and efficient by collecting data from intelligence devices to better understand consumer behavior and turn that insight into new ways to serve customers more quickly and identify new business opportunities.

2ndFactory founder Mr. Koji Ozeki believes that IT should be classified as a part of the services industry to provide a "comfortable experience for everyone, everywhere", and that his company's mission is to work together with his clients to create new value, both for businesses and lifestyles.

Today, this deep, first-hand knowledge of what a food and beverage business needs to succeed is the inspiration behind their cloud-based restaurant order management solution, QOOpa, with help from JavaScript UI controls in [Infragistics Ignite UI](#) and analytics from [ReportPlus](#).

I.T. that is about service

Ozeki started 2ndFactory in 1998, with the vision of IT teams that would also be service workers. In order to ensure that his firm's UX developers were creating applications that met users' actual needs, he started both a fried chicken chain and summertime beach bar so that he can send his firm's UX engineers there for work immersion to get on-the-ground exposure.

Ozeki cited another reason for setting up the restaurants other than testing the applications.

"Engineers who usually sit in front of a computer to create software for faceless customers they don't meet are made to sweat it out serving fried chicken," he quipped. "They also face the customers directly and have to say 'thank you' around 100 times a day. I believe this training helps to give them a customer awareness and grateful attitude that I think is essential for our company to thrive in the competitive IT world."

Training and producing human resources that can help contribute towards this end is part of Ozeki's "lifework." The company currently has around 50 staff.

Aiming to serve small and medium enterprises, 2ndFactory first launched QOOpa, a cloud-based ordering management solution for the food and beverage industry, in 2011. QOOpa allowed customers to download the app on their smartphones to make orders, or to order from the application on tablets or smartphones provided by the restaurant. Real-time data such as how many people occupied a seat for how long, what they ordered, even the weather, day and time of the order would be easily accessible to the restaurant.

"This means that small firms wouldn't have to invest in a dedicated POS register system like a large scale restaurant but can still have the same functions for a fee of just around ¥30,000 yen a month," said Ozeki.

However, the initial demand for the order solution application was low.

"We realized the product didn't match customers' needs. So we opened our restaurants to experience the customer's needs to get an idea of what should be improved," said 2ndFactory co-founder Yoshihiro Saito.

Making applicable applications

From the experience of setting up their own beach bar in 2013, the [SkyDream Beach Lounge](#), Saito's team in charge of revamping QOOpa realized that they had left out the needs of the restaurant management and had only thought of the aspect of taking orders from the restaurant customers.

"Internally, restaurant management also needs to care about cost, supply of ingredients as well as training of part-time staff. We also realized that while big restaurant chains has support from their headquarters to come up with new menu items to attract and keep customers, small scale establishments don't have that luxury, and have to rely on their chefs for new menu suggestions," said Saito.

Their biggest discovery from the hands-on experience was the importance of having a database or trend insights from the system so that the chef can see what the most popular items are to come up with new items on the menu.

In order to enable the functions required by the end users, Saito's team realized they needed richer data visualization and a more intuitive user interface.

"QOOpa has a table chart but that's not enough visualization for a lot of the data," said Ryuichi Chiba, business engagement manager for 2ndFactory.

2ndFactory integrated Infragistics' Ignite UI library into the system to provide rich UI frameworks and controls, including the Ignite UI DataGrid.

Adding a dash of versatility

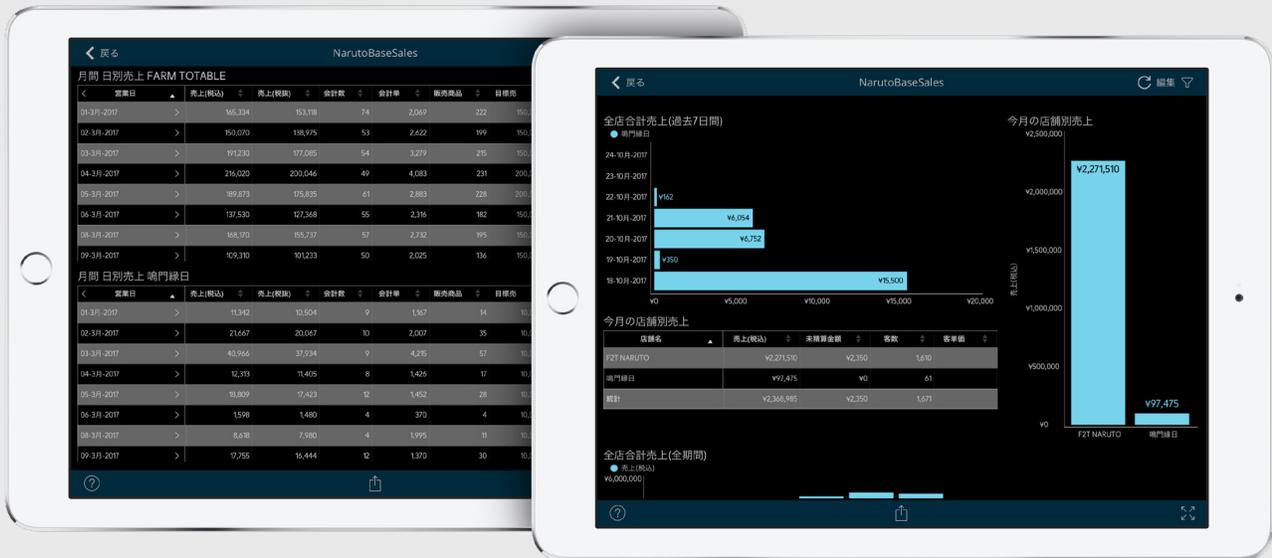
To help visualize the data from multiple perspectives, they integrated in Infragistics' ReportPlus dashboard creation application, so that restaurant managers could easily combine and present data sets. This allows them to see trends without having to write code, and to share the visualizations instantly via email or Microsoft PowerPoint, providing [true self-service business intelligence](#), explained Chiba.

Data can be accessed directly in real time, including Excel spreadsheets, SQL databases and cloud services including Microsoft Azure.

As a result, Ozeki could check the restaurants' data on a daily basis and suggest measures for improvement. Those improvements are swiftly implemented, and the changes are monitored for results.

Staff were also able to match their observations with actual sales data - such as peak sales timing for ice cream or customer flow based on the weather, and adjust the menu and inventory accordingly. With Ignite UI's grid library, input could be easily customized - from color to font - and the columns and rows easily pivoted for ease of view.

Previously, the user would have to scroll across the chart to see various data points but with ReportPlus' dashboards, multiple data sets are available in just one screen.



Another benefit of the ReportPlus dashboard is its versatility. For example, the beach bar that pops up for just a couple of months in the summer can quickly tailor the dashboard to see ordering data and customer trends, such as customer profiles - from families to couples or friends.

Other than day-to-day decisions, more long-term trends are being extrapolated. Saito added that from the data analysis, they realized that while they had been focusing in food, drink sales were actually the main driver of sales.

“We realized we need to focus more on the infrastructure for drinks in the next season, so this summer season we will be preparing more drink counters, not just one,” said Saito.

This Interview was held before the season of 2017, this fifth season, 2nd Factory added more drink counters than previous year at the beach lounge to maximize the sales.

The pop-up beach bar also acts as a showcase for 2ndFactory’s IT solutions for small and medium sized restaurants.

From Table to Farm

Following the success of its IT solutions for restaurant management, 2ndFactory is now looking upstream to the agricultural business, said Chiba. Like the rest of the world, they are trying to find ways to better use the food they produce, including “ugly” produce.

“Some of the farm produce may look odd but they still taste good. We’d like to be able to connect the source farms with restaurants via our cloud system, so that both sides can have a stable flow of demand and supply,” Ozeki added.

Hence, 2ndFactory set up [THE NARUTO BASE](#), a collaboration with local farmers in Tokushima Prefecture, Western Japan.

Products from this agricultural platform, such as branded local pork, are used in a restaurant “Farm to Table” inside of the base and 2ndFactory’s beach bars. They also continued to use ReportPlus in the restaurant to visualize data such as forecast and actual sales to support restaurant management

“The hope is to create a link between users of QOOpa and local agricultural industries,” said Mr Ozeki.

Second Factory is looking at linking customer management systems with robots serving customers to get a live grasp of situations in various restaurants via ordering, POS registry systems, and sensor devices that indicate occupancy. They can then feed that data back to the farms, connecting the in-store sales system with the physical operation of the food chain. They believe this, much like the time their UX teams are spending in the restaurants, helps both the restaurants and the farms that supply them to better serve their customers.

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