

From 1985 to Today: Making It Here, There, Everywhere



In 1985, brothers Kaku and Toru Makino founded Today in Santa Monica, Calif. Ten years later, Hans Kim and wife Unhui were planning on investing in the seafood market, which was ready

to boom. In the process of researching different restaurants, Unhui saw potential in little Today. After conferring with consulting firms, the Kims beat out several potential restaurant buyers and together became Today's sole investor. Now, Hans has become the CEO of a 26-restaurant strong – and growing – Today. Under his direction, Today has become an international chain. However, the Makino brothers retained 51 percent of the profits and power.

"There were a lot of arguments at the time," said Hans. "How many years do we need to return our investment?" [My

wife and I] invested more money opening new stores. But the founders did not want to open a number-two restaurant. Then we negotiated and bought the restaurant."

After changing hands, Today went through major transformations. The Kims immediately spread Today throughout Southern California. Their focus on that part of the state was principally due to the large Asian population, their main group of patrons. In 1999, they opened their first non-Golden State Today in Hawaii.

"We are marketing through the Internet," said Hans. "We do newspaper [ads] too. We use 2 percent of the sales for marketing."

Despite the success in the states, Kim had larger aspirations for his company.

"A lot of our customers demanded Today open in other countries," recalls Hans. "In 2002, we decided to invest in several different countries like Korea and Hong Kong."

That same year, he opened his first overseas Today in Hong Kong. According to Kim, "Hong Kong is our gate to the Chinese market. We decided to open in Hong Kong first because, in Hong Kong, there is a lot of competition. I needed to prove that [Today] is strong enough to expand to Asian countries. We found a really competitive country. We took a lot of risks. The Hong Kong market is not easy [to survive in]."

But the franchise was optimistic. According to Kim, no one else in Hong Kong served sushi like Today.

"The people love to try new cultures," said Kim. "Not only in the United States, [People in Hong Kong] love fusion-style sushi, new tastes. People like to try new concepts. We added hot foods to the Hong Kong menus. Every menu in every location is a little different. We also try to approach and satisfy local demands. We serve our

basic items and never changed the key menus but we changed other things. It's easier to approach the market."

Not long after Today opened in Hong Kong, tragedy hit – the SARS epidemic of 2003. Any other new restaurant would have folded under the pressure. And many did. Several Hong Kong restaurants closed because their customers were unwilling to leave their houses, thus creating a lack of restaurant business.

"A lot of restaurants were closed all over Hong Kong. We never closed," said





Hans. "We served Kim Chee. Korean Kim Chee helped SARS. I don't know how. But the Kim Chee will help prevent SARS. I did some article in the Hong Kong newspaper and people started coming. Though business was bad in Hong Kong, we survived and lived strongly."

After weathering the potentially disastrous storm, Todai had proven that it could withstand the pressures of a rapidly fluctuating market. Naturally, they began looking for additional foreign opportunities. Currently, Todai has their eyes set on Beijing. They plan to open two restaurants in 2008, just in time for the incoming rush of Olympic participants and fans.

"We've researched this market for more than five years. We had several competitors we found that copy Todai's

concepts," Kim said. "We already started a business in South Korea. We opened last year. We make \$1.3 million per month. But in Beijing, our [restaurant] size will triple that – 43,000 square feet. We project our sales to be \$2 million per store each month. Every night will be packed because there will be meets and such."

However, the recent safety breaches of food products from China have caused grave uneasiness in Hans.

"We're concerned about Chinese products. That's the main concern. We have to import from other countries. [Most restaurants in China] use local products. The import tax is very high: 34 percent. That's too high. We, however, will try to import. We have to show them different products."

Their willingness to spend the extra money shows how ethical the business is. Todai's priority is to bring in better, safer products for their customers. Their high standards also apply to the quality of their chefs.

"We hire and we train [the chefs]," said Hans. "Our corporate chefs graduate from 4-year colleges and then graduate from culinary schools. That's the basic requirement. They have to have at least experience of seven years. Some have had 20 to 30 years."

With their standards, it is no wonder that Todai is a successful chain. Nevertheless, success does not come without the help of others.

Kim attributes some of his success to the advice he has received from others. "I listen to advice from everyone," says Hans. "I listen to the customers."

He also stated that the most important



part of his success is the intangible aspects of running a restaurant. "The most important is people," said Hans. "The staff, the customers – what is intangible is the most important. Company values, staff powers and customers are the intangible. The customers love our restaurants and create our brand name."

Kim believes that Todai's customers are loyal to them because of their honesty. "[Show them] what you are serving," says Hans. "How you are serving the food. That's why we have open kitchens now – it allows the customers who like to see, to see. Sanitation is so important. We handle raw fish. That's why we have open kitchens and SOP – Standard Operation Program."

Obviously they are doing something right because this franchise has grown into a multi-million dollar sushi chain. With the right investment, the right mind for business and the right wife, Hans Kim is creating an international sushi empire.