

Entrepreneur Training Program - The first Entrepreneur Seminar Mr.Takeshi Kiroku, CEO of Huber. Inc

On Wednesday, August 26, the first Entrepreneurial Seminar was held with Mr. Takeshi Kiroku, CEO of Huber. Inc as a guest speaker.

Profile:

Joined SoftBank BB Corp. in 2004. In 2010, he took office as a director of sales and new business as a founding member of Yotsuba Production Inc. In 2013, he won the new



business proposal of Softbank Academia and engaged in the development of new healthcare business of Softbank as a business planner. In 2014, he left Yotsuba Production Inc. and became a project leader for a new business at Dentsu Inc. Founded Huber. Inc in Kamakura in 2015.

The Origin of Entrepreneurship

When I was a student, I worked parttime at GMO Internet, Inc., which had less than 30 employees at the time. I witnessed the company's growth and stock listing in an instant. After that, I joined Sony Corporation at the age of 20 with the desire to do game planning. The starting point is that "I have no choices but to become the president of the company to create what I really want to create".

In order to establish salesforce, I joined SoftBank BB Corp. as a temporary employee in 2004. Fortunately, I had a good sales performance and promoted to full-time employee. Two years after joining the company, I achieved the No.1 sales in eastern Japan and transferred to the planning department of the head office. Here, I was taught the foundation of my work under Mr. Haruba, the current vice president of SoftBank, and Mr. Baba, vice president of PayPay.

As I was good at setup work, I was often entrusted with office-like tasks such as events,

general meetings of shareholders, entertainment, etc., and I had opportunities to work close to the current chairman of SoftBank, Mr. Masayoshi Son. SoftBank was a company with a lot of changes and it suited a person like myself who gets bored easily. I was touched by Mr. Son's words and started my own business at the age of 32.

After running the first company for three years, I worked as a project manager at Dentsu Inc. as a freelance business planner.

In 2015, I founded Huber. Inc in Kamakura.

Trajectory of Huber.

We are a tourism venture founded in 2015. Currently, we have about 60 employees.

The company's recognition was increased since it was featured on TV Tokyo's "Dawn of Gaia". With Tokyu Corporation as a major shareholder, we promote open innovation in cooperation with airline companies such as ANA Holdings Inc. and infrastructure companies. We are also focusing on collaborative projects with local governments.

From the company's founding until July 2019, we mainly operated the guide matching platform "Tomodachi Guide Business" for inbound tourists, but now we promote our business mainly in regional public relations, operation of tourist information center, and online tour operation.

We intentionally increased employees in the middle of no monetization. I wanted to do philosophy-type management with members who agree with the company's philosophy. I hired a lot of interns because I wanted staffs brought up by our own company. In itself as I thought, many talented young employees grew up, and that is what Huber. is today, however, the guide matching platform of our main business was difficult for overseas marketing, and matching was not growing easily.

As the result that Tokyo was chosen to host the Olympic and Paralympic Games, Huber. was featured in the media and won business contests, funding proceeded with expectations, and corporate value continued to increase. However, the business was not really materialized, so we were in danger of going bankrupt in July 2019. Therefore, we stopped the platform business, which was unprofitable, and decided to focus on the

regional PR business and tourist information center management that were more profitable.

The turning point to get out of the slump was the encounter with Gotokuji's "Maneki Neko (beckoning cat)" as a photogenic spot in the guide business. As a result, in cooperation with Tokyu Corporation, we achieved an annual increase of 400,000 visitors along the Setagaya Line. Once the guide and the tourists acted together, they realized their "core values", such as whether they could find tourist resources. Huber. is not a business model that earns money from the commission like travel agencies, but we want to create a system where we can make money by making travelers happy.

Huber. is said to be a rare success story of open innovation. Open innovation is an initiative in which startups and large companies work together to co-create businesses and create new value. It looks like a reasonable effort at first. However, the reality is that there are differences in the nature of the two, and it is very difficult to cooperate. Although, since I worked for a large company until I was 32 years old, I understood the idea of a large company well. Thanks to that, we were able to keep this open innovation on track.

The secrets are...

- (1) Startups should have the strength of something that only their company can do
- (2) Its strengths should be an essential element of the medium- to long-term strategy for the large companies
- (3) The person in charge at the large company should be energetic ("Ikeike")
- (4) As the term "business co-creation" says, for the two parties to work together as equal partners, the necessary costs for business co-creation should be covered on 50/50 without relying on major companies
- (5) An endorsement for business co-creation should be given by the top management of the large company.

These are the most important things, after all. Startups with weak financial power would become like subcontractors without notice even they work on business co-creation with large companies. I think the key is how we can build fair relationships.

What Huber. Does

Operation of tourist information center for foreign visitors to Japan

As of spring 2020, it is being deployed at seven stores nationwide. We are expanding our stores so that we can provide uniform services nationwide.

Visit to Japan / Guide Marketing for Foreigners & Regional PR

It is possible to dig up the potential needs of foreign tourists by taking them out to unknown areas rather than to well-known destinations. One small awareness (primary information) has the potential to lead to economic effects of several billion yen.

In the case that we asked foreign visitors at the station and proposed a tour from Osaka to Totsukawa Village, Nara Prefecture, we succeeded in sending about 10% of foreign visitors, and about 40% of foreign visitors from Hiroshima to the San'in Region. Many of them commented that their visit to Totsugawa Village was "the highlight of their trip to Japan" in particular. The factors that attracted foreigners in Totsukawa Village were nature, just a life as it is, and animism.

We believe that the three reasons for the support of local governments and railways companies are the realization of a 10-40% actual customer service rate from the proposal, the experience quality of 100% customer satisfaction, and the "development of tourism resources" that has boosted the annual number of customers on the Setagaya Line by 400,000.

What's Important in Inbound Marketing

There are three challenges for inbound tourists' attraction.

1. Advertising is difficult to motivate, and AD ads for overseas are not efficient.
2. Localization is necessary because languages and preferences vary depending on where the tourists come from, but the number of countries is too large to make a profit.
3. Major travel agencies are targeted across the country, making it difficult to promote

specific areas. Low-profile areas have no choices but to make self-help efforts.

Huber.'s solutions include:

- Improve efficiency by appealing only to foreigners who are already in Japan and focusing the targets that are compatible with the region.
- In the present day of SNS heyday, “polishing experienced value × word-of-mouth triggering device” is important. Good word of mouth is a local asset.

Tourism with COVID-19 Pandemic - From Concentration to Dispersion

1. From Vacation to Workation

Due to the COVID-19 disaster, we cannot rely on inbound tourism for the next year or two. Traditional group travel in Japan is profitable and efficient, but it creates 3C's and fuels travelers' own fears. Attracting people from outside the prefecture extensively will also lead to a local backlash.

As the overall tourism industry declines, flat-rate multi-site living services for remote workers are steadily growing.

As companies' remote work measures became popular, about 90% of company employees were recommended to work remotely. In addition, according to the results of a survey conducted by The Yomiuri Shimbun, those who were negative consideration to traveling also said that they were positive about workation. About 80% of remote workers were interested in interaction with the community.

Local governments which are aiming to revitalize the economy have cited promoting resettlement and improving tourism consumption as important issues. In order to realize this, it is essential to improve the population involved, but the pandemic has made it favorable setting for the local and the city resident.

In response to changes in lifestyles and people's awareness, Huber. is considering providing a "Spokesperson with Enjoyment" that allows people to do public relations of the town while working remotely.

2. Fusion of Real and Online

Shibuya Ward, Airbnb, and Huber. collaborate to conduct 1.5 hours' online tours for 1,500 yen. It is a business with high review ratings from the participants, but the profit margins are very narrow.

On the other hand, we believe that selling "online tours × local products" can be the entrance to the journey because you can experience eating local products together within an online tour, so there is more UX (user experience) than you imagined.

An example is a remote trip in Ama Town, Shimane Prefecture. Though it is not our business, it is a model that combines online tours and merchandise sales, and of the 30 participants, more than 90% purchase oyster fillings for 7,000 yen. The experience of working together on an online itinerary and eating oysters across distances will keep a close relationship with Ama Town and the participants. It is expected that this will lead to a real visit.

3. Shifting to Face-to-Face Tourism

In the pandemic, it is very important to connect with local people and build relationships of trust.

Huber. has cultivated trust with the local community by allowing staffs to move to Totsukawa Village and participate in local life. That's why Huber. is able to continue its efforts in Totsukawa Village even in the pandemic.