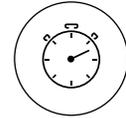Number of outlets grew from three to 18 in three years

35% decrease in backend costs due to moving servers to the cloud

IT setup for a new branch takes 48 hours, instead of three months

Japanese Restaurant Oshinei Finds Recipe for Growth with VMware Cloud

The demand for Japanese food was taking off in Thailand outside of Bangkok, and Japanese restaurant Oshinei was ready to bring its affordable meals to the provinces. But the lack of an IT team hampered its growth. Setting up the IT for each new branch was costly and slow. The badly maintained server often broke down, leading to revenue loss.

To fix the problem, Oshinei engaged Cloud HM, a VMware Cloud Verified partner, to migrate its servers to its enterprise cloud, which utilizes VMware vSphere®, VMware NSX® Data Center and VMware Cloud Director®. As a result, IT costs have gone down and Oshinei was able to grow from three outlets to 18 in three years.

Growth curtailed by lack of IT know-how

In 2014, when Oshinei Enterprise opened its first Japanese restaurant in Ubon Ratchathani, a second-tier city more known for rice paddies than shopping malls, only three in 10 Japanese restaurants were located outside Bangkok.

"We believe that good Japanese food should be available everywhere, not just in Bangkok," said Panot Kittiparsart, general manager, Oshinei Enterprise, which aims to make the cuisine accessible with its affordable all-you-can-eat menu.

Established in 2014, Oshinei Enterprise is a Japanese restaurant operator with 17 outlets in Thailand and one in Laos. Offering a buffet menu, it aims to serve quality and affordable Japanese food to customers everywhere, especially those outside Bangkok.

INDUSTRY
Food and Beverage

HEADQUARTERS
Bangkok, Thailand

ABOUT THE PARTNER
A VMware Cloud Verified partner, Cloud HM is the only local cloud service provider in the country to have a Tier IV data center. It offers infrastructure as a service, backup as a service and disaster recovery as a service.

VMWARE FOOTPRINT
VMware Cloud Provider™
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Over the years, the appetite for sushi and sashimi has shot up in the provinces, largely due to the growing middle class and the advent of social media. In 2020, despite the pandemic, the number of Japanese restaurants in these areas grew by 21% from 2019, far outstripping the 5.6% growth in Bangkok[1].

Oshinei was keen to tap into this rising demand, but four years after it launched its first outlet, only two more were added. Without an IT team, the company struggled to set up the backend infrastructure for the restaurants.

When opening a new branch, Oshinei would engage an IT vendor to procure a physical server and set up the point of sale (POS) system. This was time-consuming and expensive, and the poorly maintained infrastructure led to downtime that disrupted business operations.

It was also difficult for Oshinei to expand through franchising as it could not support the franchisees, who were mostly local business people not savvy in IT.

"We had a good business model but we just couldn't grow because of our IT handicap," said Panot.

Going to the cloud

In a bid to fix the IT challenge, Panot and his team searched on the internet for a solution and chanced upon Cloud HM, the only local cloud service provider with a Tier IV data center. It is also only one of two VMware Cloud Verified partners in Thailand.

"During our discussion, we saw how professional and competent the Cloud HM team was, and how well they understood our business needs," he said. "We were convinced that Cloud HM was the cloud expert that could help us grow."

Oshinei left it to Cloud HM to design and implement the solution, as well as collaborate with its software vendors. Cloud HM helped move the servers in the outlets onto the cloud infrastructure, which is built on VMware vSphere, VMware NSX Data Center and VMware Cloud Director.

"With our cloud expertise and business acumen, we functioned as their in-house cloud expert and laid the foundation for their new POS system to be on the cloud," said Benja Bencharongkul, assistant managing director, Cloud HM. "We're empowering them with a stable, highly scalable and affordable cloud solution that will enable them to expand the number of branches exponentially."

As Oshinei's trusted IT advisor, Cloud HM now takes care of the entire system through its managed services, which cover monitoring, backup and network security management. The multi-cloud provider utilizes VMware Cloud Director to easily spin up virtual machines and relies on NSX Data Center for network virtualization.

"It's given us tremendous peace of mind to know that our IT system is now in expert hands, and we won't have to worry about it anymore," said Panot.

Exponential business growth

Having a stable and secure cloud infrastructure has opened new opportunities for Oshinei to explore innovations that improve customer experience and employee satisfaction.

"We grew by six times in three years. It was only possible because VMware and Cloud HM have given us a cloud infrastructure that grows along with us. They are our secret sauce."

PANOT KITTIPARSART
GENERAL MANAGER, OSHINEI ENTERPRISE

For example, it recently rolled out an e-ordering app in some outlets, which helped improve in-person dining. Instead of ordering at one go, diners tend to place many separate orders with the waitstaff throughout the meal, due to the all-you-can-eat nature. Sometimes orders get left out, which leads to unhappy customers and frazzled employees.

With the new app, customers can peruse the menu, order food, check what has been ordered, and keep an eye on the pending items. Panot observed that this has freed up the waitstaff to be more attentive to customer needs, significantly improving both customer and employee satisfaction. A novelty in the provinces, the app has won Oshinei praise as an innovative and socially responsible restaurant operator during COVID-19.

More importantly, the simplified IT operations means it is now easier and faster for Oshinei to open new outlets.

[1] Jitpleecheep, P. (2020, December 16). Japanese restaurants take off in provinces. Bangkok Post.

"All we need to do is let Cloud HM know we're having a new branch, and they'll take care of everything," quipped Panot.

With the servers in the cloud, the time taken to set up the IT infrastructure in each new branch is greatly reduced from three months to 48 hours. Moreover, backend expenses in each outlet have gone down by 35%, as Oshinei no longer needs to purchase, operate or maintain hardware.

Now that IT is no longer a barrier to entry with Cloud HM managing the system, more franchisees have come on board too. As a result, the number of Oshinei outlets multiplied from three to 18 within three years.
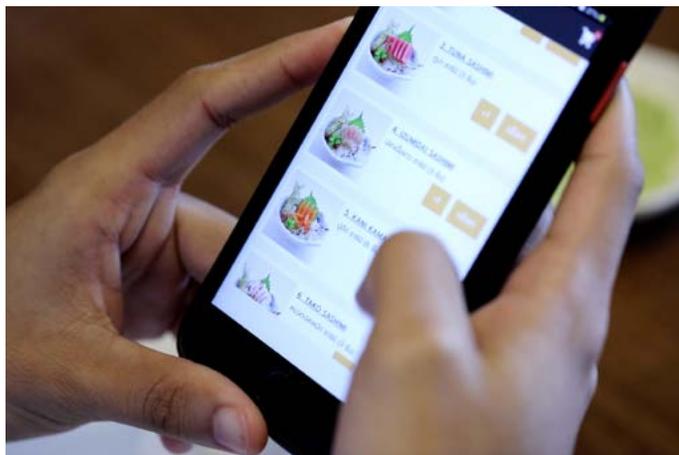
"We grew by six times in three years," said Panot. "It is only possible because VMware and Cloud HM have given us a cloud infrastructure that grows along with us. They are our secret sauce."

Looking ahead

Having experienced the benefits of digital transformation, Oshinei is keen to continue on the journey. Cloud HM is planning to introduce artificial intelligence, machine learning and advanced analytics solutions – all of which can be built on the cloud infrastructure – to the restaurant operator. This will enable Oshinei to understand their customers better and respond to them faster.

This is only the beginning and Oshinei has set its sights on more ambitious dreams – the whole of Thailand.

"We want to expand to all 77 provinces in the next five years," said Panot. "And we know we can achieve it with this recipe for success."

Japanese restaurant Oshinei grew from three outlets to 18 within three years, thanks to **#VMware** scalable cloud.