

Hairdressers Fashion a New Business Culture

A new chain of hairdressing salons in Miyagi Prefecture, northeast Japan, is not only providing work for some of the hundreds of stylists who lost their jobs after the disasters of March 11, 2011, but is also rebuilding a rapport among the stylists, their customers and local communities, and helping to transform the old-style business order. **Rob Gilhooly** reports.

The sign above the central Ishinomaki, Miyagi Prefecture store is as bold as the name it promotes is felicitous. Sporting large white block capital letters that pop out of a red background, it spreads across the front of the 130-square-meter store to form a conspicuous landmark in a city that two and a half years ago was devastated by one of history's biggest earthquakes and tsunamis.

The name, "Rapport," was chosen with great deliberation by Hayase Wataru, a former executive at a global hairdressing chain who, following the March 2011 disasters in Tohoku, made an equally bold statement of intent.

Hayase quit his position at Paris-headquartered Mod's Hair and relocated to the northeastern Miyagi Prefecture city to help rebuild an industry he believes holds a key to the revival of small and medium-size communities in the devastated region—the hairdressing business.

Before the disasters, Japanese companies were a deeply ingrained part of the nation's social fabric—"places where people worked like robots for a third of their lives," says Hayase, 37, who hails from Gifu Prefecture.

"But after the disasters of March 11, something changed and it was all about connecting minds and hearts and keywords like 'bond' and 'cooperation.' While I primarily wanted to create workplaces for stylists affected by the disasters, I also wanted to build places that would facilitate a rapport between stylists and their customers and communities, and build the foundations for a different kind of business culture and society."

Hayase admits that immediately following the disasters his mind was not

entirely in Tohoku, but 300 km away in Tokyo, where he was in charge of store development and marketing at Mod's Hair Japan. The magnitude 9 quake had caused havoc even in the Japanese capital, bringing extensive damage to several of the company's outlets, he says.

"There were burst pipes, collapsed ceilings, shattered windows ... not to mention the rolling blackouts," he says in reference to the energy saving measures that were officially imposed as a result of the nuclear accident in Fukushima that was also triggered by the disasters. "Without hot water there are certain services a stylist cannot offer and this reduced revenues by one-third. Tohoku simply was not a priority."

It was only after he had begun to absorb the tragic images of the disasters aired on national news channels a few days later that Hayase paused for thought. "I began to question my values regarding work and my *raison d'être*," he says. "Mod's was already raising funds for the disaster victims, but I knew such donations, while undoubtedly important, are only ever a temporary fix. I wanted to do something more long-term, something

that would make use of my business acumen, something that would help the industry and change our mindset."

Hayase began honing his entrepreneurial nous in 2000 when he opened an express hair styling and makeup salon that primarily targeted cash-strapped brides-to-be. Seven years later and still only thirty, he was skipping a company operating thirty stores nationwide and employing 200 staff.

It was then that Mod's Hair Japan came knocking, but there was zero resentment when four years later he told the company, which operates over 300 salons in sixteen countries, of his desire to move to Ishinomaki. Indeed, it was with loans from Mod's—and a further 400 million yen startup grant from Mitsubishi Corp.—that Hayase was able to open up his first Rapport Hair salon in Ishinomaki just three months after the disasters.



The central Ishinomaki, Miyagi Prefecture branch of the growing Rapport hairdressing salon chain



Stylists who lost their salons during the March 2011 disasters at work in one of the Rapport Hair Group stores in Ishinomaki

Two years on, and he has unveiled a further six stores in Miyagi Prefecture providing work for more than seventy staff, the majority being local stylists whose own businesses were washed away by the March 11 disasters.

"In Ishinomaki alone between 200 and 300 salons were destroyed, meaning up to 600 stylists were left jobless," says Hayase. "Without prompt support many of them would be lost to their communities as they would either quit or move away to larger cities. Hair salons are a cornerstone of any community and this inspired me to open salons that these stylists could share. I wanted to do something for the industry, but also something that would contribute on a social level as well."

Families First

Most Rapport salon staff are females with traumatic tales to tell from that fateful day in March 2011. In addition to losing their businesses, some lost family members, including children. About one third of them continue to commute to work from temporary shelters.

"Before joining Rapport I had a tendency to look back and relive the terrors," says one, who works at the company's Ishinomaki store and asked not to be identified. "Now work keeps me busy and I feel more optimistic."

While many stylists were careful to keep hold of their scissors after the disasters, many lost other equipment such as driers, PCs and, most importantly, customer directories, the stylist says.

Hayase, who in February was the recipient of the Tohoku disaster recovery award at the 2013 Japan Venture Awards.

Hayase's unique business model allows staff to work as much or as little as they like, meaning those with children are not compelled to work at weekends or after 3 p.m. He has also installed a day-care room in each salon, allowing staff to bring toddlers to the workplace and have them looked after by professionals free of charge.

"Originally I thought of having guardians take them to an external day-care facility, but since the disasters, mothers are reluctant to let their children out of their sight, and indeed many say they would not work if it meant doing so," Hayase says. "So this in-store system seemed the best solution."

Hayase has also created what he believes is a foolproof salary system whereby staff are not paid a fixed monthly wage, but a percentage of the takings. Average monthly customer numbers across the group's seven stores is 800, and take-home pay is about 1.5 times greater than staff earned at their pre-disaster jobs, he adds.

"Each staff can tailor their schedule to suit their needs and the emphasis is on the importance of the family," says Hayase. "The most satisfying thing is that so far nobody has quit."

Hayase aims to open thirty stores in the next three years in the disaster area. What's more, in the belief that the model

can have much wider applications, Hayase will open his first store outside Tohoku in Gifu Prefecture this fall.

"There are 1 million people in Japan who hold hair stylist certificates, but only 400,000 are in active employment," he says. "Many not working are mothers with children that the industry has failed to accommodate in the past. The Rapport business model tackles this and a number of other social issues head on."

Hayase believes that Japan's business community will need to do more to similarly engage the female population if it is to overcome some of the economic and social woes that persist. "I believe

rebuild-



Hayase Wataru, founder and CEO of Rapport Hair Group Co.

we are standing at a crossroads and that the money-making mentality that has existed previously has to change to one that supports communities," he says. "I truly believe that the old-style order of play—economy, individualism, society—is about to be reversed. That's the direction I believe the world is heading, and Japan must follow."

Rob Gilhooly is a photographer and writer who has been based in Japan for fifteen years. He has contributed to publications worldwide including *Time Asia*, the *New York Times*, the *Guardian* and the *Australian*.