



MONTHLY NEWSLETTER FOCUSING ON JAPANESE CONSUMER CO-OPERATIVES

# JCCUNews

Japanese Consumers' Co-operative Union

#### Relief support activities of CO-OP Insurance & the Health Co-op

The medical Co-op has sent many medical experts from across Japan to support the victims, despite the Co-op's own extensive damages. More than 400 volunteers consisting of doctors, nurses, public health nurses, occupational therapists, pharmacists and clerks were sent to the stricken areas.

Regional Co-ops undertake the delivery of medical supplies from medical support logistics center located in Niigata.

CO-OP Insurance Consumers' Cooperative Federation (JCIF) had trouble putting things back in order because the violent shaking of the earthquake knocked down the money chest, cabinets and other office equipments. Normal work started on the 14<sup>th</sup> March and on the 15<sup>th</sup> an advanced team consisting of three staff were dispatched to Sendai to assess the damage to the victims.

Since then JCIF has put a system in place to deal with consolation payment and processing for insurance claim.

Although damages caused by the earthquake and tsunami are not covered by Co-op insurance, a small consolation payment is delivered to victims to express co-ops condolence.

This activity is mainly focus in Tohoku region for now but later would be extended to cover areas in Ibaraki and Nagano prefectures.

The support has enabled us to demonstrate Co-op's capabilities and caring side, during this greatest disaster in Japan



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## JCCU's dedication to help victims of the earthquake and tsunami and support recovery of co-op business



Kazuhiro Yano Managing Director (CEO)

I would like to extend my deepest sympathy to the victims of the earthquake occurred in March 11.

Since the earthquake, all the sections in JCCU and its affiliated companies, together with the member Co-ops, have struggled to help the disaster-stricken area, with a huge support of suppliers. The situation of the damage is complied and shared with staff and member coop through JCCU information plaza.

I want to pay tribute to all of the staff for the effort they have made since then.

At the stricken area, some co-op staffs and their families suffered a great deal while some lost their lives.

JCCU distribution centers in Iwanuma and Inzai were damaged greatly and many products were lost. The total amount of financial damages on Co-op's facilities and products has yet to be estimated.

#### **Relief Activities**

JCCU already sent 500 trucks loaded with relief supplies, including products and materials, amounting to ten thousand items in total. Our members and suppliers have contributed to enable us sent oil, tents along with JCCU regular products.

In the stricken area, even when the logistics centers and information functions of JCCU, member Co-ops and other outsourcing company became dysfunctional, Co-ops have never stopped helping the victims with relief supplies.

Currently our primary importance is to overcome the current difficulty in Co-op products' procurement. We temporarily ask our manufacturers their best cooperation while searching for some replacements. What will be needed in the midterm run may be a relocation of manufacturers and the review of the products' spec.

We ask the members to accept products shortage and/or to set upper limit on order amount.

In JCCU's closing account in 2010, cost for the relief supplies and their delivery are expected to reach over 500 million yen.

The damage on the facilities and products in Iwanuma and Inzai will reach to 500 million yen, too. More than one billion gain and loss as a result will preclude our refund to the members. The total amount of damage is yet to be calculated, it is certainly a huge amount.

In the JCCU's business plan in 2011, budget will be a lump-sum estimation supposing costs for long-term support and influence of the environmental change by the earthquake.

The 2011 plan in the suffered Co-op will be a business recovery budget. JCCU will support them with all possible means.

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# To inform Co-op's challenge!

The public relations and external affairs headquarters issues a press release almost everyday. More than 300 earthquakerelated issues were released from Co-op until March 30, including 250 from the member Co-ops, 28 from JCCU and 7 in the TV news. 'Akira Ikegami's immediate report 2; to answer the questions about earthquake' by TV Tokyo widely broadcasted Co-op's challenges which received a good reputation on the Internet.



JCCU task force meeting

#### Store support in Miyagi Co-op

~A report from the first support unit~

Started on March 19, JCCU staff has been sequentially dispatched to help the stricken area. The first support unit consisting of ten was sent to Sendai. Since then, ten to fifteen people in a unit have also been dispatched. The sixth unit left on April 3 with each unit staying for one week.



Relief support group from JCCU



#### Comments from task force staff to the stricken area

#### Mr. Taira Machida, from Co-op Clean Co. Ltd.

1. How was the situation at the stricken area?

I visited two co-op stores in the suburb of Sendai, Yaotome and Akaishidai, which didn't get serious damage from the earthquake and the tsunami. The external appearance of the stores was rather normal than I had expected. The streets and houses in the vicinity didn't seem much different from the usual. However, some parts of the infrastructure in the stores had been destroyed making it difficult for normal operation thus denying members from getting the needed assortments to buy. It is only recently that business operation has normalized. The police had to strengthen the night watch due to the zonal security deterioration.

2. Our support on site

We helped operational management, such as stacking, display and shelf arrangement. Most of the tasks that we were put in charge were not much different from that of our daily store operation. However, there were some extra tasks with the stores in the stricken area, such as replacement of the store shelves distorted by the earthquake, inform customers about the special rule 'one item per one family' and to display irregular products.

#### 3. What we felt and have learned

I stayed in a place with no water, gas or electricity. Among these shortages, the most severe was absence of water, which was essential to drink, wash the dishes, take a bath, and use the rest room. I could realize how lucky we were being able to use water freely in our ordinary life.

As someone living in well-regulated society, I also have learned what crisis management was. In the stricken area where the needed information was hard to get, infrastructures were destroyed, and the situation was unclear, all of us had to accept one's self-responsibility. With no official managements, we had to manage not only ourselves but also people around us, by having a wider view to grab the situation.

## Mr. Ikuhiro Iwamoto, from the quality management department

We left Tokyo on March 19 for Sendai. The next day, Mr. Morishita from the quality management department, Mr. Miyamoto from the delivery service department and I, were dispatched to help Nishitaga store.

It was amazing to see many members queued waiting for the store to be opened.

We organized the crowded shoppers by given them numbered ticket to enter the store, while arranging the shopping baskets.

On the second day we got two 4-ton trucks from JCCU loaded with food items. We sorted them out and put them on the store shelves for sale. However it didn't take that long for the shelves to be empty even though some customers complained about the price, and limited quantity of assortments. On the third day, some easy-to-cook products were well sold.

The experience that I had from this support activity adds to my judgment of handling members for limited supply of food items in crisis.

What impressed me most was the self-devotion of Miyagi Co-op staffs. Their situation was same as the victim. They also needed groceries, some of them had lost their family and house, had to live without any infrastructures, had to come all the way to the store by bike, however irrespective of this they wholeheartedly gave the necessary support services to the victims. I could feel that all of the staff of Miyagi Co-op was so positive to provide food to the members indicating their great commitment in supporting member's life.

At the worker's lounge, some part-timers brought food from home and shared with other staff members in a real spirit of mutual help.

Some members also purchased goods that were donated to some evacuation centers. I could realize the sense of togetherness to recover, from all the people in Miyagi.

As a staff of JCCU, who barely have the chance to see members, this visitation was a good chance to experience Co-op's existence and philosophy of mutual support.



Members formed a line waiting for store opening



#### Victims home visit activity (the case with Miyagi Co-op)

At the earthquake stricken areas co-op staff visited victims to check their safety and to look for ways to help. Two staffs to a household and the area covered was Shiogama a suburb of Sendai. Co-op delivery truck was used in this exercise. Members who were visited showed great appreciation towards the hospitality that co-op has given.

One of the victims commented: "I am so glad to be visited in such time of pain and depression. Thank you so much". All victims that were visited made similar comments.

"They further commented that Co-op is the only organization that could offer such an assistance in situations like this. I am very glad that I am a member of co-op."

During the visit co-op supplied relief goods to the victims and encouraged them to fall on co-op when need arises.

Members who made order for home delivery goods kept asking the staff what was going to happen to the ordered goods before the earthquake. When it was going to be possible to place the next order?

The victims expressed their profound appreciation to co-op for the visit and the condolence presents.



Staff visits to a victim's home

#### JCCU holds welcome ceremony for new employees



Mr. Yano (Managing Director/CEO) giving a welcome address at the ceremony

JCCU held a welcome ceremony at its headquaters in Tokyo on Monday April 4 for its 16 new employees. The Managing Director/CEO Mr. Kazuhiro Yano gave a welcome note and presented the new recruits appointment certificates that enabled them to become fully staff of JCCU. He congratulated them for joining JCCU.

In his address he made it clear to the new employess that they had joined co-op at a time co-op is going through an extremely tough situation.

The Managing Director touched on the massive earthquake and tsunami, both larger than any in Japan's recorded history, that have brought untold damage to the Tohoku region, and impact the entire country.

He talked about the damages to co-op facilities explained member co-op and JCCU's approach towards restoration. He mentioned the immediate formation of a task force to coordinate relief activities, supplying of essential comodities to the stricken areas, the use of member co-op's delivery trucks to assist the supply chain and JCCU's plan for the revitalization of co-op business in the stricken area to restore victim's life.

The managing director called on all staff to activelly involve in this restoration exercise, reminding them that as co-operatives it is time to demonstrate the spirit of "Helping each other" and "Supporting each other" with the "Spirit of cooperation" and "Democratic governance" since co-op was born at the time of such a state of emergency.

The question is how co-op could cope with this crisis which has occurred a year before the International Year of Co-operatives (IYC 2012). The significance of existence of co-op would be tested and lead to the future of co-op.

In a closing note the managing director advised the new employees to be vigilant, enthusistic and work in the spirit of cooperation.





Mr. Yano presenting appointment certificate to a recruit





Group photograph of 2011 new employees

# "Free supply of rice bucket"

Pal System Tokyo (Edogawa center)

As part of Pal System Federations effort to link the community, it pursues the supply of free rice bucket which enables the kindergarten, the day nursery, and the elementary school kids to practice rice planting.

Moreover, the federation organizes study session with the schools together with dispatching a lecturer. This activity is part of "Food-making of one million people" agenda of Pal system in compliance with the demand from the school

The Co-op wants to teach the process of growing rice to children, developing their interest in rice cultivation.

Edogawa Center conducts regular visits to the schools to offer advice that serves as an encouragement to the school kids.

This agenda of "Bucket rice plant" does not only allow school kids to grow rice but also makes people's connections in the region bear fruit



Head of Edogawa center, Mr. Ryoichi Kigata (left) and Ms. Tomoko Kondo chairperson of the south Kasai committee.



Appearance of rice plant grown in elementary school.

#### Japanese Young Co-operators visited Consumer Co-operatives in Singapore and Vietnam

Eleven Japanese Young Co-operators visited FairPrice in Singapore and Saigon Co-op in Vietnam. It was their first time to visit the two co-operatives in the Southeast Asia countries.

The purpose of the study tour was to expose the young staffs into a different cultural environment to learn new ideas that could help expand their vision to carry co-operative business to the next era.

Prior to leaving Japan, an inauguration ceremony was organized where participants received briefings about the countries and the co-ops to visit.

They were divided into groups with each group given a specific action plan to embark on during the trip.

In Singapore, participants received lectures about the outline of FairPrice and the lifestyle of Singaporean multi race community at the FairPrice Training Institute.

Each local store has to realize what would best serve the needs of the different races in the community.



They also visited an eco-friendly store of FairPrice, which was opened in 2009 to gain insight to the store-type recycle activity.



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In a summary, participants' embraced FairPrice corporate strategy of aiming at the stabilization of commodity prices and agreed that it directly connects with the customer's life. Participants were also impressed about the advancement of universal service provided at FairPrice facilities. The story about female managers was also appreciated.

#### In Vietnam,

At the headquarters of Saigon Co-op, lectures were given on; the outline of the organization, the vision and the business plan for 2011 and Saigon Co-op's cooperation with the university for personnel training.



A visit to the 4<sup>th</sup> Co-op Mart Store was made. Here participants learnt about freshness of perishable foods, customer service, store cleanliness and delicious food court

Comment from participants; just like FairPrice, Saigon Co-op also contributes to price stabilization which is essential to living. Again, Saigon Co-op grips the current Vietnamese needs compared with the rival stores.

There are a lot of women executives in Saigon Co-op indicating a gender balance, which is good to learn.



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