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Family calling for Hall of Famer

Barry Taniguchi’s family values reach across generations

BY JASON Y. KIMURA

Being in the spotlight is not Barry Taniguchi’s style. He was a bit embarrassed about the attention he was receiving as the newest inductee to the HFIA Hall of Fame. There is little to nothing that the KTA Super Stores Chair of the Board and CEO will take credit for when it comes to accomplishments, instead pointing to a group effort, or laughing it off when others would consider him a financial whiz. “My grandfather was a very humble man,” says Taniguchi. “He felt, and we still feel...we don’t talk about ourselves.” An abiding family belief has been that actions, whether individually or through KTA, speak for themselves. Indeed, there are plenty of others who recognize the things Taniguchi has done throughout his career at KTA Super Stores and those that go far beyond the walls of the stores. What he does acknowledge are the family values that have shaped him, some of which have become even richer and more meaningful as he discovered things about his family’s history much later in life.

A 1965 Hilo High School graduate, Taniguchi played offensive lineman right guard for the football team. (He wasn’t nimble enough to be a back, says he, downplaying his role from the start.) However, KTA Executive Vice President Derek Kurisu says that Taniguchi was a standout student and active in student government. Taniguchi admits that his strongest subject was math, and that he easily related to numbers. He also participated in a lot of community service projects, discovering firsthand “the satisfaction one gains through helping others.”

That family value of helping the community started at least three generations ago. At the age of 17, Barry’s grandfather, Koichi Taniguchi, arrived in Hawaii from Hiroshima, Japan, on
January 14, 1907 seeking the opportunities America offered. His intention was to travel on to the San Francisco Bay Area, but he lingered in Hawaii for a while at the urging of a cousin. As fate would have it, anti-Japanese sentiment reached a peak during that time and immigration from Hawaii (and Mexico) to California was blocked on March 14. Koichi found work at the Heeia Sugar Plantation on Oahu, and Taniyo, the woman who would become his wife, arrived on July 8, 1913. The two already knew each other in Japan and married the next day. A couple years later, they moved to Hilo, where Koichi attended a school to learn English and bookkeeping. S. Hata, a wholesaling company, hired Koichi as a bookkeeper after he finished his courses.

Nineteen sixteen was a significant year for two reasons. It marked the birth of the Taniguchi’s first son, Yukiwo, and the founding of the first K. Taniguchi Store—a grocery and dry goods store Koichi and Taniyo started to support their son. They bought a two-story building on Lihiwai Street in Waiakea along the banks of the Wailoa River. The Taniguchis lived upstairs and ran their store downstairs in approximately 500 square feet of space. The rest is the stuff of Big Island legend.

Koichi strongly believed that he must help the community because without them, he wouldn’t be in business. For example, during the lean World War II years when food was rationed, the Taniguchis did their best to ensure no one went hungry. This included extending credit to many of their customers, some of whom eventually had their bills cleared by their children. Going beyond the walls of the store is a philosophy he imparted to his sons Yukiwo
Barry’s father, Tony, and Hidetoshi, who in turn, passed those values down. “We were brought up with that feeling,” says Barry Taniguchi, “It’s always stayed with me, and I’ve tried to promote that in my family.” Particularly rewarding to Barry is when he is able to help someone who is not proficient in an area become successful.

Barry is inextricably linked to KTA, but he didn’t always plan to come back to the business as a career choice, although at first, his path pointed in that direction. Beginning in 7th grade, he worked part-time at the courtesy counter and helped his dad Yukiwo on the weekends. Taniguchi worked throughout his high school years; working at the store became his first paying job when it became legal for him to earn a paycheck at age 15. He worked almost full-time at KTA when he went to UH Hilo, which was only a two-year college at the time. After transferring to UH Manoa, Taniguchi worked at Star Markets.

At first, Taniguchi majored in business management because he intended to work at his family’s business. Then he began to ace his accounting

KTA Super Stores
A Big Island Legend

Company name: The name of the store was changed to “KTA,” which was taken from the markings on merchandise shipments given at Hilo Harbor. Shipments to competitor K. Tahara Store were marked “KT,” while K. Taniguchi Store shipments were marked “KTA” to distinguish them.

1916: First store in Waiakea
1939: Keawe St. store in Hilo opens
1946: Waiakea store destroyed by the 1946 tsunami
1953: Keawe St. store becomes a supermarket
1959: Kona store opens (relocated in 1975)
1966: Puainako St. store in Hilo opens (headquarters)
1977: KTA becomes first supermarket in Hawaii with an in-store bakery
1977: KTA first to install UPC bar code scanners
1984: Keauhou store opens
1989: Waimea store in Kamuela opens
1990: Waikoloa Village Market opens
1994: Mountain Apple Brand launched
2007: 1916 brand launched

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classes and decided to change his major to accounting, a decision that took him down a different path. Taniguchi interned at major auditing firm Haskins & Sells (today Deloitte) and was hired as an auditor for their Hilo office when he graduated in 1969. Among Haskins & Sells’ Big Island clients were the sugar plantations and a few other companies, one of which was Realty Investment Co., Ltd. In his role as auditor, Taniguchi had recommended that the company have a controller, and at the beginning of his fifth year at Haskins & Sells, Realty Investment offered him the controller position.

Taniguchi relates that as controller for Realty Investment, he was able to see and experience a different side of accounting. As an auditor, he examined other accountants’ work; as head accountant, he now took the front seat and was in charge of creating the accounting work. Taniguchi also learned a lot about financing, which would come in handy later at KTA. He stayed at Realty for eight years, through 1981. Taniguchi then went to National Car Rental back on Oahu. He fully intended to continue his accounting career while remaining connected to KTA by serving on the board.

Then fate intervened. There once was a beloved employee at KTA Super Stores named George Matsumura. “He was everything you’d want in an employee,” remembers Taniguchi. “He was smart, insightful, a hard worker.” Back in his college days working at KTA, Taniguchi had spent a lot of time talking with Matsumura during the evenings when stores used to close early. When Matsumura would share his ideas on how to improve KTA,
Taniguchi encouraged him to tell his father Yukiwo and uncle Tony. Matsumura declined, telling Barry to share the ideas. He said, “You’re a relative, I’m not.”

Little did Matsumura know that the Taniguchi family believed that he could one day run KTA, and he may have become the heir apparent to the presidency; if he did, he would have been the first non-family member to take the helm. Tragically, Matsumura was killed in an auto accident in October of 1981. With a heavy heart and no heir to the leadership, Yukiwo asked Barry if he would consider coming back to the store in mid-1982.

At the time, KTA had gone through a reorganization of leadership titles, in which Yukiwo became the president of KTA, while his brothers Tony and Hidetoshi made up the rest of the executive team. Barry came back to KTA in January 1983 with the title of executive assistant. In 1986 the executive titles were again revamped. Yukiwo became chair of the board, and Tony president. When Tony passed away in September 1989, Barry was promoted to president. At the beginning of 2014, after years at the helm, Barry became chair and CEO, and his son Toby is now president and chief operating officer. (Taniguchi has five children: Tracy Watanabe, Toby Taniguchi, Terri Hayashi, Amanda Taniguchi, and Ryan Taniguchi.)

KTA has faced its challenges during Barry’s tenure. Many local competitors faced them as well and closed up shop due to competition from Oahu supermarket chains and mainland big box stores. When the economic bubble burst in the 1990s, KTA had to make adjustments. However, Taniguchi is quick to say that the success of the store hasn’t been through his leadership, but because of everyone working together.

“We can’t compete price-wise,” admits Taniguchi, especially with canned goods, “but we [focus on] customer service and local products in meats, deli, and produce.” You can be creative, he says, such as offering pastries with the local palate in mind. Visiting KTA’s produce section is an eye-opener; 95% of its leafy greens come from local farmers, to whom the supermarket chain has made commit-

ments. The only mainland produce you will find are items that are not grown in Hawaii. Forty percent of KTA’s beef is local, grass-fed beef. The stores provide local eggs and the milk is exclusively produced in Hawaii. KTA has been able to do this through partnerships with local producers who give them competitive prices.

KTA also launched two private label brands, “Mountain Apple Brand” and “1916,” both spearheaded by KTA Executive Vice President Derek Kurisu. Launched in 1994 to support local farmers and the Big Island economy after the demise of the sugar industry, Mountain Apple set out to use the highest quality products grown, processed, or manufactured in Hawaii. The 1916 brand was launched in 2007 to bring to consumers unique products from the mainland. The name is a tribute to Yukiwo Taniguchi, commemorating the year he was born, as well as the year the store was established. The brand features unique products from relatively small companies, but generally larger producers than Mountain Apple.

Through it all, Taniguchi hasn’t compromised his family’s values, especially when it comes to helping the community. Exceedingly humble, he calls himself just an “ordinary guy trying to do ordinary things to help ordinary people.” Other guiding principles include “try to put yourself in the other person’s shoes,” and “management is not the same as leadership.” The Taniguchi family values go deep, and their meaning has gone deeper still later in Barry’s life. Taniguchi has tried his best to uphold and honor the memory of his grandparents, Koichi and Taniyo. Koichi was such a humble man that Kurisu first remembers seeing him sweep the front of the store; some people thought he was the janitor. He devoted so much time and energy to the Kyodan (the Honpa Hongwanji Hilo Betsuin) that they wanted to make him president, yet he refused any title. Instead, Tony became Kyodan president-elect, but passed away, so Barry took his place, feeling it was a family calling. However, it became more than a calling, and it became a meaningful experience in giving back.

Kurisu relates that after Barry
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took a trip to Japan in 2010 and met his relatives, he came back a changed man. He learned a part of his grandparent’s story that he didn’t know before. His grandparents’ ashes had been taken to Hiroshima, where their graves were being cared for by an aunt. But when the aunt passed, there was no one to look after them, so the plan was to go to Japan and bring the ashes to a columbarium at the main Hongwanji temple in Kyoto. There, a bonsan would be able to watch over the ashes in perpetuity. When Taniguchi met his relatives in Hiroshima, they insisted on doing everything for him and his party. On the final night of their stay, they reluctantly allowed him to host. Taniguchi didn’t understand their extreme graciousness until he learned that after World War II, his grandparents had sent them care packages of canned goods and clothing that had been essential to their survival. They remembered his grandparents’ kindness from long ago, and were eternally grateful.

Taniguchi’s friends and colleagues say that what’s important to him are people, whether they are among the approximately 750 KTA employees or those in the community—and that he really cares. “He brings people together on his reputation of integrity and getting things done,” adds Kurisu, noting that Taniguchi not only knows how to bring out people’s strengths, but is also empathetic and compassionate. “He sets the example for others.” Many say that Taniguchi is a major catalyst for the Big Island’s economic development. Through KTA Super Stores, Taniguchi has created many endowments and donated hundreds of thousands of dollars to causes that make Hawaii a better place. He has not only committed considerable treasure, but has given his time and talent as well by serving on numerous boards across several industries and working with many service organizations. He has been committed especially to educational and health care causes. At the end of last year, Taniguchi was one of the founding members—and also became president and chairman—of Community First, a new nonprofit group that promotes preventive health through a set of wellness initiatives.

Taniguchi’s work and giving to the community has come with personal sacrifice. “My family put up a lot with me,” he says frankly, referring to his 12- to 13-hour days six days a week and 10 hours on Sundays. But his wife Sandy enjoys doing much on her own with the Junior Young Buddhist Association, Sunday school, and working with kids. Apart from his work and community activities, Taniguchi has simple tastes, with an occasional round of golf and spending time with friends. He’ll be enjoying some well-earned R&R at the HFIA Convention and is looking forward to it, but will be a little embarrassed by all the attention.
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