

Beverage Service Association

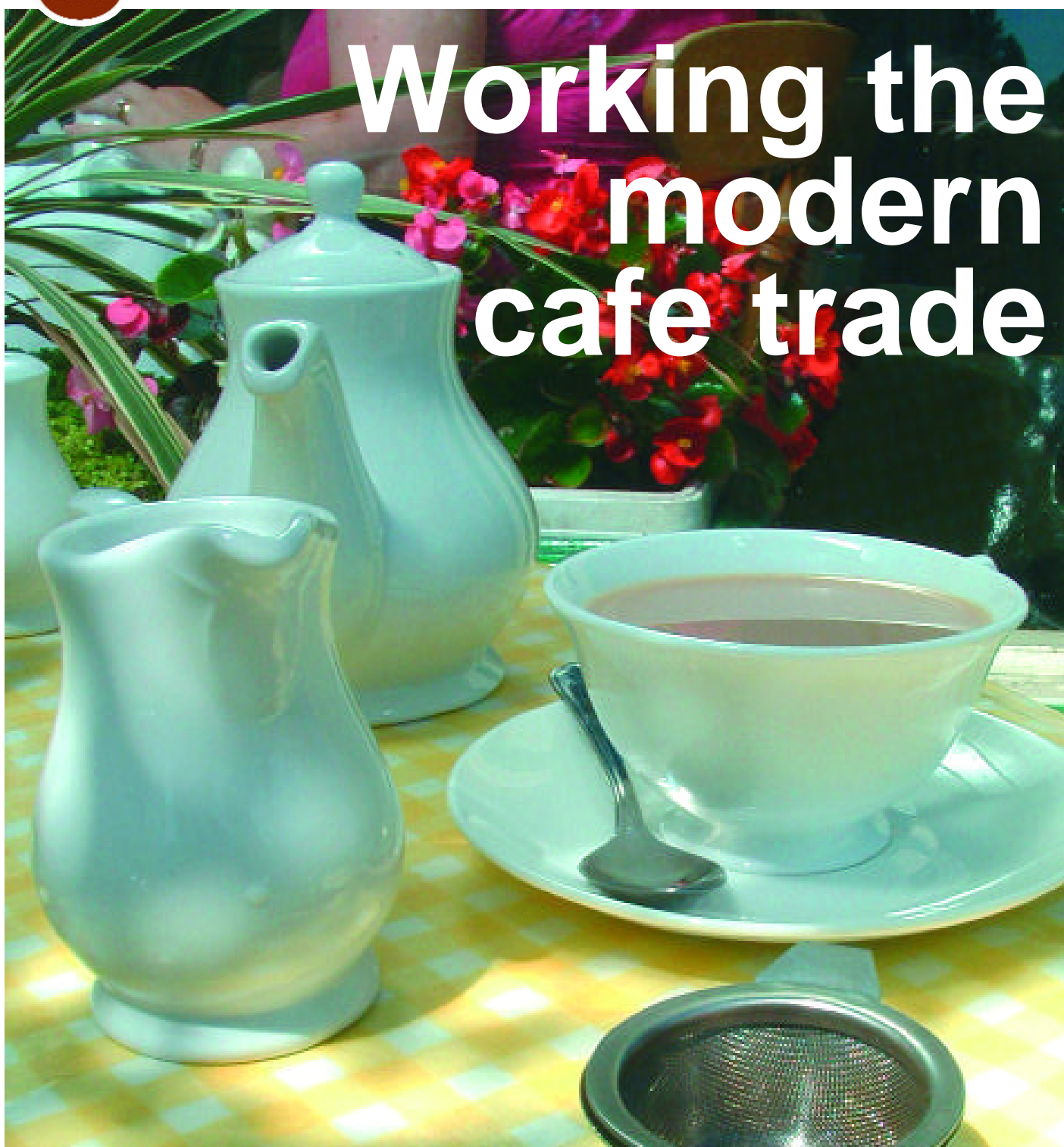
May/June 2008

in the cup

BEST PRACTICE IN BEVERAGES

£2.50

Working the
modern
cafe trade



Going for the dream...

As individual members of our association we are privileged to be working in a market which is still growing and should continue to grow according to Allegra's latest figures. Many of us are therefore in regular contact with potential new customers who are planning to open new cafes / teashops / café bars etc.

These people are usually full of hope and excitement but are lacking knowledge and experience of an industry that can often be a minefield for them. Oh, and more often than not they are already over budget before they even consider purchasing what is arguably their most important piece of equipment, their coffee machine!



We are therefore in a unique position to help those people along their path to success. We can impart our knowledge and experience to help them around the many potential pitfalls that they may face and give them a much better chance of long term success. Big responsibility. And if all goes well, we may get a new customer out of it. If we have done our job well, the customer will be better off through dealing with us and so shall we.

This edition of *In The Cup* will hopefully help suppliers, existing café owners and potential café owners improve their businesses. And once again we should all be mindful of our quest and responsibility to improve standards in our industry, an issue which is always at the top of the BSA agenda.

**David, Veal, Chairman,
Beverage Service
Association**

The pictures in this issue, apart from pages 4,10 and 11, are by Coffee House magazine.
The cover is of afternoon tea at the Hazlemere, Grange over Sands



15 REASONS

WHY YOU SHOULD JOIN THE BSA

The Beverage Service Association is a fast growing organisation catering to the needs of companies like yours. Benefits include:

1. Networking
2. Promotion of your company in BSA Pages of 'Café Business'
3. Annual Conference
4. BEVE Awards
5. CITY & GUILDS VRQ Barista Training
6. Discounted rates for top quality training courses
7. Use of BSA Logo
8. "IN THE CUP" BSA Training & Best Practices Magazine
9. 'Café Business' Magazine - monthly complimentary copy
10. Discount Purchasing
11. Preferential Advertising Rates in industry publications
12. BSA Website
13. Secretariat Support
14. Free Technical Helpline
15. Legislative updates



Beverage Service Association
in the cup
BEST PRACTICE IN BEVERAGES

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Welcome to the world of cafes. Now - why on earth do you want to do this? And where do you want to do it?

It is all very well to say that the major element of a successful café is location, but the second major element is almost certainly interior design... and conventional architects and interior designers are not going to be any help to you.

The entire café trade is agreed that an architect who has never worked behind the counter of a busy coffee shop will not have a clue on how to do it right. This is because the coffee house trade is different from anything else on the high street.

This is because, uniquely, café design is neither like a restaurant, nor like a fast-food takeaway, and most certainly is not like an old fashioned cafeteria. The major elements of design take account of a particular curious version of customer flow, in which the café trade has left the takeaway burger bars way behind in the science of customer management. Design also takes account of a very unique form of preparation, in which each drink is expressly made to order for the customer - hence the word 'espresso' - to a customer base which might be taking that drink to a table, and may just as readily be taking it out the door.

The best way of handling this to date is called 'the Starbucks method', and it relies on one person taking the order and the money, and another making the drink, which is then served several feet away from the head of the queue, thus keeping the line moving. Try this in an old fashioned cafeteria design, and your result will be spectacular disaster.

"The science of customer flow is something you must pay attention to, and there are great lessons to be learned from the large chains," confirm the Coffee Boys, who are trade consultants John Richardson and Hugh Gilmartin. "They play with customer flow and measure the results - even if your format is different, you need to go out and observe how their queues flow in comparison to yours... because you may have great coffee, but a slow queue will simply send the customer elsewhere."

It is lack of understanding in this, says the London School of Coffee, which means that professional restaurant designers can be a downright hazard to café operation.

"Architects do not understand the practicalities of working behind a café counter," says the LSC team. "We've seen architects plan the 'prep' area three metres away from where it should be, and design back counters with no understanding of how espresso equipment works - and when we've told them about all the equipment that needs to be put there, they say: 'you can't put all that equipment in, it'll ruin the look of the place!'"

"So it's very important to hire a designer who

Interior cafe design

Building from the inside



At speed in the morning rush - Oren's Daily Roast, New York.

"It is a different way of looking at retail design," confirms Angus McKenzie, managing director of Metropolitan Coffee. "In a coffee shop, your staff costs, as a percentage of your total costs, will be the largest chunk of cost in your business plan. You can't afford to be knee-deep in staff, so 'effective design' is aimed at how fewer people can achieve more. Therefore, effective design is something which links your activities - minimum legwork, achieving the maximum amount!"

"So, if your biggest food is going to be sandwiches and paninis, then it follows that you want the person reaching into the serve-over counter to be able to spin on a sixpence to the panini grill. A major result of good cafe design should be a low labour cost."

It is true that some old-fashioned kinds of café design simply do not relate to the modern coffee shop business. Typically, the old-fashioned system of café operation would have had the drinks machines on the back bar, and the staff would have turned their back to the customer to use them.

Now, even Starbucks has turned to new low-level espresso machines, placed with their backs to the customers, so that baristas work with maximum eye-contact at all times.

"This has been shown to be good for business," confirms Angus McKenzie.

"People like to be involved in the theatre of their drink being made, just as it has been shown that they prefer open kitchens to something which appears through a hatch.

"In these and many other ways, café design has been turned completely on its head."

BSA tip -
the space behind a cafe counter is dictated by what is going to be done there, not by what the architect thinks looks nice!

knows how a coffee house works."

Is this serious for a new starter to appreciate?

Is there room for more independent coffee shop owners?

There are virtually thousands of locations available all over the country. If you wish to take the figures from Allegra Strategies, the chains themselves have already over 3,000 outlets in the UK... but many players are more interested in the independent sector, which is extremely healthy. *Coffee House* magazine reports regularly the ructions in local council meetings over whether their high streets are now over-full with coffee shops, but Gerry Ford, the boss of Caffe Nero, has said repeatedly that the future lies in the provinces and that there is a lot of room yet in many small towns.

Gerry Ford recently told *Coffee House* magazine that there is still plenty of room. "People need not worry that the market is disappearing - this is a nice time for the market. None of the major areas is saturated - even London is growing for Caffe Nero, and the rest of the country is largely untapped." The trend now will be into the country, with family-welcome venues, he said. "The trend in food and beverages is moving away from pubs and towards the coffee-house, more family-friendly, reasonable gathering-points in which to take time out in your day. There is a population which sets out to seek a better cup of coffee. That is not opinion, it is a fact."

It is not just new start-ups in the cafe world who have trouble with their menus. Those who have been in the game for years occasionally need to stop and stand back and look at what they're serving - and it is astonishing how many cafe operators are willing to admit to having said: 'why on earth am I still doing that...?'

Essentially, you have two choices in serving coffee. You can serve filter coffee, which is relatively easy to do (even though some people can still make a mess of it!) Or you can serve espresso-based coffee, the lattes and cappuccinos which drove the coffee-bar revolution.

The massive rise of Starbucks in the USA was actually founded on both kinds - the coffee which got all the glory were the cappuccinos and lattes, but the absolutely vast percentage of Starbucks' coffee came from what the Americans call 'drip' coffee. In many British restaurants, and tea-rooms, filter is still the option; in coffee houses, espresso dominates.

The king now is espresso-based coffee, which includes cappuccinos and lattes. In specialist coffee-shops, these are made from powerful machines which cost several thousand pounds a time - but what is the strategy for the small-bar operator who may have to serve only twenty or thirty coffees in lunch or evening sessions, when the customer expects them to be really good ones?

If this is what customers want, what is the most economical way of making it? Espresso can't be ignored, because cappuccino is profitable - up to £3.50 in some places, while being based on seven grammes of coffee which could have cost 7p.

Now, the great art of making espresso requires the user to take seven grammes of coffee, pour this into the 'portafilter', which is the handle which goes under the water spout, and 'tamp' it - that is, press down until it makes a firm 'cake'.

There is a way around this. It is called the 'pod' system, and it involves something which looks like a circular teabag, with a very solid puck of coffee in it, and which is simply slipped into the holder. Pods were, at one time, scorned by the purists. Now they are accepted, and it is recognized that they have remarkably practical applications in foodservice - apart from the speed of use, it would be almost impossible to take a request for a straight espresso, then a de-caf, then a Fairtrade, then a flavoured one... they would have to change the beans in the grinder for each one. Using pods saves the trouble.

Probably Britain's most comprehensive supplier of pods is Cafeco, in Edinburgh, with a fascinating variety of Ethiopian, Costa Rican, Italian blends, decaf and extra-high caffeine.

Cafe food and drink

The menus...



Pic: Twinings

(What is extremely unusual is Cafeco's range of flavoured coffees - adding flavours to a latte is a love-it-or-hate-it matter, and is usually achieved by adding a flavoured syrup. Flavoured pods give a very quick option).

If espresso is so popular, then why is there still any market for filter coffee? The answer is twofold - partly, not everybody likes espresso coffee or frothy milky drinks. Second, and very important in the eyes of coffee connoisseurs, not all coffee is suited to espresso - the world's very finest coffees are just too delicate to be subjected to the relatively harsh treatment of an espresso machine. So, if you want to get a reputation for serving the world's best coffees,

BSA tip -

Don't ignore filter coffee for the following reasons:

- 1. The finest quality coffees may be too delicate for espresso***
- 2. Flexibility - a filter machine allows you to change your coffee regularly and/or offer a coffee of the week or month***
- 3. Speed at busy times - your queues may be reduced and customer service enhanced by offering people the choice of an espresso based drink with a delay or a filter coffee immediately***
- 4. Filter machines offer a good back up facility should you have a problem or a breakdown with your espresso machine***

and if perhaps you have aspirations to being a top-class tea room, you can do very well with simple filter equipment, or just cafetieres.

The only thing you have to watch is that you train your staff to make it properly - yes, it is possible to make a complete mess of a cafetiere coffee!

Nothing lets the majority of coffee houses down so badly as a poor tea offering - and the same applies to high-class tea rooms and top-class restaurants. The writer of this magazine recently went to a restaurant launched by one of the world's most famous TV chefs, and although the food was matchless, the tea arrived as a tea-bag flopping around in a cup.

Out-of-home tea is often awful, and indeed a Scottish newspaper has reported that 47 per cent of café customers north of the border order coffee when out of home, simply because the quality of served tea is so poor.

Certain tea snobs will tell you that a proper café serves only leaf tea brewed in pots, not tea-bags. That is not strictly true - it is quite correct that a great deal of mainstream tea produced in bags is of doubtful quality, but it is also true that several modern tea companies have devised new kinds of bag in which large-leaf tea can brew perfectly well. It is not a question of 'bag or no bag' - it is a question of the size of the leaf.

What tea should be offered in any serious café? It is generally agreed that the first four items of a standard tea menu are almost certainly an Assam, a Darjeeling, an English breakfast, and an Earl Grey. These are the teas for which the Tea Council has advocated that four cups a day is the ideal intake, in its Tea4Health campaign.

The really interesting part is in choosing what unusual teas can be added to win attention. It is only comparatively recently that green teas have come to prominence, followed rapidly by white teas, rooibos and chais, and fruit or herbal infusions. Real tea fans have known about these teas for years - it is just recently that they have become practical for the café to use.

Twinings recently said that customers are prepared to pay at least an extra 15 per cent for speciality teas, and Tetley has said that 80 per cent of those who now drink green tea arrived at it only recently.

One of the fast-growing items in retail is rooibos, which strictly speaking is not a tea at all. It is the 'red bush' of South Africa, the

needles of which are brewed to make a tea-like drink - it is apparently remarkably good for the body. Up until a few years ago, it was only imported by a couple of companies - but now the big brands have climbed on the bandwagon, which tells you something about the popularity of the drink, because they would only have done so if a proven market exists.

Chai is considered by many people to be 'the real tea'. In India, tea is brewed as a rich milky drink, with several added spices - it is quite remarkably refreshing on a very hot day. Chai was first offered to the café trade as a pre-prepared liquid, which could be brewed using steamed milk heated by the espresso machine, and now chai is so common that it can be found in bags and even as a powder.

Herbal and fruit infusions are a sector which has exploded on to the market in recent times - some do not actually contain any tea, even though they are often described as such. Fortunately, most of these are now all available in bag form, which makes it comparatively easy to present an impressively-wide menu of them.

The big secret is to present them carefully. If you are going to slop a cup with a teabag in it in front of the customer, then it will not matter how wonderful the tea is - the customer won't be impressed. By contrast, if you present your beverages carefully, it is now perfectly possible to brew good teas, even from bags, and satisfy your customers.

Food is an extremely difficult subject. The question of the importance of food to a coffee shop is a very fraught one indeed, and it comes back to the old problem of the geeks, nerds and fanatics in the espresso sector. Some of them actually do believe that a coffee bar should be just that - coffee. Food is secondary to such people.

However, in practical terms, it is accepted that snacks are an essential part of the café business, and it is noticeable that there is an ever-increasing number of bakers making their pitch for the café business.

This, according to the marketing director of the giant contract caterer Sodexo, fits in with what humans should do - "A lot is said about lunch as the main meal, but we find that the actual trend is of all-day grazing. That isn't unhealthy - we should eat every four hours, and grazing is far better than skipping breakfast and having one big meal a day. So a very big question is of how to make the food offer available for longer in the day."

There is one very clever strategy which has been taken up by some of the very best tea-rooms. It is the idea of the tea pairings menu, in which a tea is offered with the food or snack which matches it best.

The idea was pioneered by the Trenance Cottage tea room in Newquay, former winner of



Paninis and toasties - a profitable modern-day cafe staple, if you present them nicely

the UK's Top Tea Place award, whose menu paired Ceylon tea with lemon cake, Kenyan tea with chocolate cake, Darjeeling with meringue and cream, and curiously, Lapsang Souchong with coffee cake.

However, there is a new trend to take account of, says consultant Robert Henry of Another Cup. "In the last year, I have switched my advice on food. The trend now is clearly to local produce, and we now have several cafes who buy a lot from local farmers. You can't replicate the freshness of local supply, and farmers are often willing to negotiate. And the customer can be seen to gravitate towards local suppliers... so now, the best advice is 'look around you!'"

It's all very well to say that juice is a big market for the cafe operator - but to get the most out of it, and to do it most profitably, it helps to know exactly how big a prospect it is.

The latest report from the British Soft Drinks Association says that consumption of soft drinks in all grew by 3.6 per cent last year to, believe it or not, an average of 237 litres per person - that's about a pint and a half per person per day. Although carbonates still dominate the market, their low-cal and 'diet' versions grew to 61 per cent of the market, a new record showing 'a seismic shift' in consumer demand, says the BSDA.

That shift in consumer demand also showed itself in 231 new product developments being recorded by the BSDA last year, a figure which the association says shows just how much consumer interest is forcing producers to come up with new ideas.

Fruit drinks are no longer to be seen as a kids' market. Soft drinks in pubs are referred to as the 'adult soft drinks' market, and the Bottlegreen juice company says this is worth £93m and is growing by 5.9 per cent. At Belvoir Fruit farms, managing director Peverell Manners says that 97 per cent of people drink soft drinks while out socially, and that 43 per cent want a bigger 'healthy' choice (although 60 per cent never check the ingredients!)

This summer is likely to be the warmest year on record globally, say climate-change experts

at the Met Office - and this follows the news that 2006 was the warmest year on record across the UK.

So - what does that mean for the juice, smoothie, and cool drinks trade?

The smoothie and juice sectors have grown for two reasons - they are seen as refreshing, and they are seen as healthy. We now have 'detox' smoothies, 'cardio' smoothies, and 'anti-flu' and 'energy' smoothies. As a result, there are reckoned to be two dozen juice bar chains in the country, and even Butlins now has them onsite. Mobile juice and smoothie carts in shopping malls have been known to do £800 in a day.

The two concepts are slightly interchangeable - it is reckoned that eighty per cent of sales from a juice bar are actually smoothies, and the base for a smoothie is usually a fruit juice, so the two go together.

There is even an 'awareness week' - it is International Smoothie Week, which is largely the Big J brand's own promotion, and runs at the end of June.

Whatever you do, don't overlook the value of chocolate on the cafe menu. Hot chocolate used to fit into the menu simply as a third choice behind tea and coffee, but in recent years it has grown in significance - it has been suggested that up to 15 per cent of a cafe's beverage trade is now in hot chocolate.

Beside that have come some remarkable product advances, several of which have been led by members of the Beverage Service Association - Barry Callebaut is a world leader in the preparation of liquid chocolate for beverage use, Monbana is a specialist in flavoured hot chocolates, Marco Beverages have produced one of the newest liquid-chocolate machines for cafe use, and the Italian Beverage Company is a pioneer in the promotion of the relatively-new concept of chocolate drops for beverage use.

Chocolate is now a vitally-important part of the cafe menu, and the important thing to know is this - we are no longer talking about the very mild milk chocolate that Britons have traditionally eaten in bar form, or the fairly weak 'drinking chocolate' which we all know from childhood. Hot chocolate is now a serious, strong, commercial beverage.

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This is an absolutely true story. A cafe-owner had come to a supplier asking to be shown an espresso machine in use. The sales girl called the marketing manager, and asked him to demonstrate it. The marketing manager said to her, as an aside, that she might like to sit in on the demo, so she would know how the machine worked, so she could handle a demonstration herself.

Oh no, said the salesgirl. She preferred just to sell the machines from the pictures and descriptions in the catalogue - she didn't actually want to know anything about them! And the company involved in that true story is one of Britain's biggest suppliers of coffee and coffee machines.

It follows that a careful choice of supplier is a major asset in equipping a café. But how does the cafe owner know which prospective supplier to trust?

Machines are a major headache. It was once said by an American coffee expert that a café's coffee machine 'is like your mechanical heart - if it stops, so do you'. And yet, although a decent espresso machine will cost as much as a car, there is remarkably little guidance on how to select one, and certainly very little benchmark information in the marketplace to assist in the selection of a machine.

In Italy, the home of espresso, it is extremely common for a good espresso machine to be supplied on loan by the coffee roaster, as part of a long-term partnership between the roaster and the café. This is not the case in the UK, where most on-loan machines have been simple pour-over filter ones, although one notable manufacturer has predicted that the on-loan espresso machine is the trend to come, and a couple of coffee suppliers do now actually make such an offer.

In general, however, the café owner is on his own when purchasing the coffee machine.

If there is one major piece of advice on which virtually all espresso machine makers agree, it is this - whatever you do, don't buy a machine second-hand across the internet.

Early editions of one current 'how to open a café' instruction book actually did recommend that new starts buy their machines from E-bay - until the trade's news magazine *Coffee House* protested, and the advice was edited out. One of the very biggest causes of emergency service call-outs, say the espresso service engineer community, is that operators have bought machines over the internet, and then find themselves with no service back-up and no way of understanding how to use the thing.

Soner Yilmaz, MD of the Coffeehouse group, has been reported saying how shocked he is at the number of unsupported machines out in the field, and has demanded a CORGI-type service standard; Marco Olmi of Drury Tea and Coffee has memorably said that "some of the things we

Cafe equipping

Choosing your suppliers



Delivery time - a family turn up to unload their coffee beans at the processing plant

have seen on badly-sold machines would make your hair curl... probably quite literally if you touched them while they're plugged in!"

Lee Rushton of Espressocare in Lancashire has warned that: "the internet now allows a garage-run company in Scotland to sell a machine cheap to a cafe in Devon. This nearly always results in problems - eighty per cent of breakdowns are caused by sellers who know zip about the product." And Stuart Lee Archer of Pumphreys, on Tyne and Wear, told *Coffee House* magazine that "we are seeing, time and time again, cafes buying a coffee machine second-hand from E-bay. They soon come running to us to fix a machine which has been abused for years by someone else."

So what is the café owner's way of finding a reliable coffee machine supplier?

The suggestion by BSA member Angus McKenzie of Metropolitan Coffee is to politely remember who's in control - it is you, the buyer!

"The reassuring fact is that there are many good suppliers in this industry, whose existing customers will give them glowing reports. A simple thing to do, before you deal with any company, is to ask for three cafes in your area who already use their products or their training. If you receive anything less than a glowing report, you can safely move on... because there will always be a better supplier waiting."

Don't be frightened to ask a series of 'what

BSA tips:

1. Choose your supplier carefully
2. Choose a BSA member
3. Independent suppliers tend to offer better levels of personal service and flexibility
4. Don't look only at price; quality and service are just as, if not more, important. For example saving £10 on a case of 6 kilos of poorer quality of espresso beans will only make a difference of a penny per cup. It is better to pay that extra penny for a higher quality cup of coffee that you could arguably sell at a higher price
5. Make separate buying decisions for beverages and your coffee machine. These could be from the same supplier but don't get involved in a tie up deal for a coffee machine which you may regret later.
6. Choose a supplier who will help you make the right choices for your business, for example should you go with a coffee brand or

your own blends? Should you consider Fair Trade, Rainforest Alliance or other ethically-sourced products. What other commercial considerations are involved. Should you serve fresh leaf tea or a more practical commercial alternative?

7. A good level of personal service is invaluable - does a potential supplier come across as sincere? Do they do what they say? For example send quotes, samples and brochures that you have asked for. If they are not prompt and efficient at that then they may not be prompt and efficient at supplying you. Do you get the impression that they will go the extra mile? Do they have a tangible service ethos?

8. Can they demonstrate a good knowledge of coffee and tea and are they able to make sensible product recommendations to you?

9. Look at the website - this will give you a good feel for them.

if...' questions. What happens if my machine goes down? What happens if my grinder goes blunt? Will you help me change my water filter? These are the questions which produce answers that show a good supplier from an average one.

It really is, confirms McKenzie, the case that a retailer has a perfect right to ask for as much support as he needs in selling the manufacturer's product or using his services.

"Quite right. Don't lose sight of your own bargaining power, and don't be frightened to ask your supplier for support."

The supply of ingredients is less fraught, but complex. As a café operator you are almost certainly going to buy your coffee already roasted. But where from? You may buy from a distributor... but that distributor will almost certainly not have roasted the beans themselves. Don't be afraid to ask where their beans were roasted - if they reply with one of the acknowledged names like Masteroast, you know that there is someone with a track record behind them.

If you buy direct from the British roasting community, you will find it split into two parts - the 'industrial' roasters who churn through vast quantities of beans, and the artisan roasters, who may well be a one-man operation.

In this sector, a one-man band may not be anything to worry about - small roasters such as James Gourmet Coffee in Ross on Wye and Has Bean in Stafford have a reputation for quality and attention to detail which surpasses many major brands, and very often, these independent roasters have travelled the world to meet the farmers who grow their beans.

Reassuringly, between the tiny companies and the giant corporations sit several British middle-market roasters who have the ability to produce in significant quantity, but are still genuine coffee enthusiasts who want to see the cafe owner get the best service.

How do you tell a good coffee supplier?

When sourcing coffee, it is an extremely good idea to quiz a salesman about how much he can tell about the coffee he is selling. Ask him if he has 'been to origin' (visited a coffee plantation) or 'how long after second crack' his espresso beans were roasted, or to discuss the freshness of his coffee in terms of days. If he looks blank, call in the next one.

Always ask to go to a roastery, because you can tell a great deal about the quality you are going to get from the way you are shown round. Coffee roasters are, by nature, enthusiasts - there is little they like better than showing a prospective buyer their skill with turning green beans into brown ones. Even if you don't buy from them, you'll learn a vast amount!

Cafe staffing

Picking your team

You are not going to be able to run a café on your own. Yes, you may start with just you and a partner, but there is going to have to be 'staff' of some kind sooner or later. And if you want to make this café business work, then you have to take them with you.

So what is the secret to finding good staff for the coffee bar sector?

One of the best things to bring customers back is good, friendly staff, and by contrast, one of the biggest hazards to the modern café is poor staff. Some operators explain this by referring to the traditional staff churn in the hospitality industry, but the fact is that you do not have to put up with high staff turnover.

(Apart from anything else, it's expensive - Marriott Hotels says that a ten per cent staff turnover equates to a three per cent drop in income.)

Several influential people in the café business have now pointed out that 'barista', an espresso-coffee maker, is now recognised as a career path. This is a big change from the old café trade - in the old days, it was accepted that you might have to take on staff whose heart was simply not in the job.

In the modern café industry, being a barista is considered a relatively 'cool' and desirable occupation, so it follows that if you take staff who are willing to develop, and let them progress, you will have staff who want to stay with you.

(There is a slight hazard to this - there is a phenomenon called 'the rockstar barista', which is the barista who thinks his coffee expertise is just so wonderful, he becomes a complete hazard, rather like a celebrity chef who believes his own publicity... but if you are clever enough to train someone to that status, your own management skill is clearly good enough to handle it!)

So, where do good café staff come from?

One of the major chain operators has said that it gets many of his best staff from pubs - these are people who know the hospitality business, prefer the more sociable opening hours of a café, are tired of serving drunks, and aspire to something higher than McDonalds.

This means they are likely to have some initiative, which today is a much sought-after skill in the modern coffee trade.

A typical example comes from Ron Zemke, author of *Delivering Knock Your Socks Off*

Service, who says that customer satisfaction is measured not in minutes, but in certainty. What he means, in the modern coffee-bar trade, is that it doesn't matter if you have a queue - your customers will happily wait so long as they know you care that they're there, and will get to them soon.

This means that you can never hire the kind of staff who, faced with a queue, look resolutely downward - only hire staff who can make eye contact with all customers, even in a queue. Make sure that your actions say - 'I know you're there. I'll be with you soon.'

(One of the major operators, Krispy Kreme, has an emergency strategy for this - if a queue

gets too big, a member of staff goes smilingly up the line, handing out free doughnuts. It works a treat, but you must have staff with the right outlook to do it).

To help your staff develop this kind of thinking, one major tip is to take time out, perhaps an hour every two weeks, to discuss recent customer experiences.

If you have had a problem with some issue, the chances are that your colleagues are having the same problem, as well.

BSA tip -

Don't be frightened to recruit a barista and give them that job title. If that is not appropriate still try to appoint a coffee champion that is somebody who has a passion for coffee and will impart their knowledge and passion to other members of staff.

This will be critical if you are likely to be employing lots of transient and / or part time staff.

How do you know what the problems are? Well, Fred Smith, founder of FedEx, would go out in delivery vans as co-driver, and Bill Marriott, of Marriott Hotels, takes a turn at the check-in desk and empties ashtrays. If you get involved, you know the score.

There is a fascinating example of staff empowerment that came up in a customer survey recently. The customer ordered food and drink worth £3.50, looked for the £5 note she thought was in her purse - and could not find it.

She had change, about a pound short. She explained the problem to the assistant, who suggested that she just have the food, which she could pay for, and not the drink.

The customer waited slightly longer for her food than was normal. When the waitress delivered it, she apologised for the delay, and said that because she had taken so long, she was authorised to give a free drink as an apology.

Which meant that the unfortunate customer actually got everything she wanted, and everybody was happy. Will that customer ever go anywhere else for her coffee?

That's the kind of staff you look for!



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Nobody knows it all. Everybody running a cafe needs some advice sometime - but where do you find it? For the vast majority of independent cafe owners, the major source of information is their suppliers... who, of course, have a vested interest in talking about the products they want to sell. So where can independent advice be found?

Now, with the information superhighway, just about everything you want to know is available - if you know where to look for it. And true, there are a great number of internet forums you can visit. The world leader has traditionally been *coffeegeek.com*, but as the name suggests, this does tend to be very much for the coffee-snob end of the market, and many forums do suffer from being self-congratulatory and a little obscure.

And so, it may well be the traditional forms of information which can be of most use to the cafe owner: books and recordings.

A major source of helpful information for British café-owners is, unlikely as it sounds, in Michigan, USA. This is *On Track Consulting* whose founder Jack Groot came to consulting after making a success of coffee bars... it helps that he is a devoted Anglophile, and loves being in touch with the British trade. When Jack started his coffee-house, he wondered how he was going to learn all the best-practice he needed to know - so he took notes. He kept all those notes, and within a few years was able to produce his own CD of hints, tips, and best-practice in hospitality.

The first, and probably still the best book on operating a café comes from one of the pioneers. This is Sahar Hashemi, who discovered the American coffee-house scene and returned to form the *Coffee Republic* chain. She now tours the country giving speeches to business organisations about her experiences.

Her book *Anyone Can Do It* remains one of the classics of the coffee-house sector - she explains, in great detail, all her thinking before setting up the business, and gives a vast number of lessons learned from her early experience - and in many cases, she admits to horrifying mistakes, explained so that the reader can avoid falling into the same trap.

Admitting to mistakes is a major feature of the most recent great book on café operation, the highly-entertaining *Wake Up and Smell the Profit*, by the *Coffee Boys*, who are Hugh Gilmartin and John Richardson of Belfast. John has seen café business life from both sides, soaring success and absolute penniless failure, and holds nothing back, counselling readers to always remember the one most important thing in their business - profit.

To those who dream of running an idyllic country tea-room with roses round the door, this may seem an unnecessarily brutal approach. In

Business research

Where to go for help



Several of the available reference sources - from left, the *Coffee Boys*, the *Coffee Republic* book by Sahar Hashemi (centre), the *Starbucks* story, Jack Groot's CD from America (top) and the Don Clarke CD

fact, as John lists the trappings of failure, including the pity of friends, the contempt of bankers and the embarrassment of having administrators pick into every detail of your personal life, the value of his theme becomes clear - never ever forget that the point of the exercise is to make a living.

A little-known book which can be of great interest to the prospective café owner is *My Sister's a Barista*, by John Simmons, which is the inside story of Starbucks. As a good read, it has some fascinating insights into how the world giant grew the way it did.

One of the newest books is *How To set Up a Coffee Shop*, by Don Clarke. This is not of the modern espresso breed, and is more suited to the cafeteria style of operation - however, the most important part of the book is the 18 pages devoted to the writing of a business plan, probably the most exhaustive guidance on writing a business plan you're going to find, with notes also on CD.

Books aside, what of human help - are consultants of any use to the cafe owner?

The caution about how to choose sources of information is well-placed - many 'consultants' are really people who have failed to keep a management job in the beverage trade and been forced to go out on their own. You have to be very wary of advisors who can't demonstrate real hands-on café experience, says John Richardson.

"You can find loads of coffee machine suppliers who think they are qualified to advise on café set-up, but have little or no grasp of how a café works. Likewise, architects and designers view it all from an aesthetic perspective and tend to dismiss the operational realities of life behind the counter. And general catering equipment advisors also apply retail rules or restaurant rules, neither of which truly fit the cafe model.

"As for accountants... well, they now seem to see themselves as business advisors, which is generally the equivalent of asking your plumber to look at your house's electrics!"

There are however true hands-on consultants - the London School of Coffee combines the collected expertise of a range of experts from green-bean buyers to baristas, and offers courses on just about every beverage subject. The most popular is the two-day course on *How to Start a Coffee Shop*, led by Robert Henry, whose consultancy Another Cup has a training academy in Milton Keynes.

"I've been involved in cafes and restaurants since 1993, I've been around the world doing it, and I've designed cafes, coffee kiosks, and coffee-carts. What the café owner really needs in a consultant is broad practical experience - an advisor who can show you how to keep the tables clean, make sure you're not paying too much for your milk, act as a project manager and negotiate with the council for you... and tell you when your landlord's talking rubbish!"

A true consultant, he says, will give the client the other point of view - and if the cafe owner seems dead set on a disastrous course, will advise them not to do it and save their money. This, he observes, is a difficult thing for a salesman- advisor from an equipment company to do!

The great joy of being a consultant, says Robert Henry, is seeing cafe owners fulfil their dream.

"On our course, people realise they're not crazy - because they meet other people on the course, just like them, with the same dream of running their own cafe. One of the nice things about running our course is meeting so many people who have the same dream and the same ideal, and who go away enthused, and eager, knowing a great deal more and ready to realise that dream."



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Beverage Service Association
in the cup
 BEST PRACTICE IN BEVERAGES

This issue is brought to you by the Beverage Service Association with the help of these Patrons, all of whom believe that the trade deserves the best possible support from its suppliers

Opening up a coffee house is only part of the job. The second, and rather more important part, is getting people to know who you are, and to come in. And there is very little assistance in this available... so what do you do?

Do you think maybe you don't need to promote your café? Well, one of the world's great marketing gurus has devised the anti-marketing plan, called 'five ways to kill your business'. Among the warnings are – don't assume your customers will stay loyal, and don't ignore the opposition. Both can kill your business off quickly.

Any half-baked PR person can charge a fortune for telling you that you should contact your local paper for publicity. Well, there is rather more to it than that. These days, the local papers are getting a little more active - and indeed, within the last few months, two different local newspaper groups, in Hampshire and in Buckinghamshire, have run their own local cafe contests, through which readers are invited to vote for their favourite local coffee houses.

All very well... but how do you make sure you get mentioned in these things? For a start, enter a contest like the BSA's annual Bev-e awards - but you don't leave it there. You promote the fact locally that you're in for a national award... if you win a prize, so much the better, but even if you don't, you've already got the publicity!

What are good ways to make a café stand out? According to your preferences, you can get a sticker to promote the fact that you are dog-friendly (Tim Hume of the Red Roaster in Brighton has memorably said that he has had humans fight and urinate on the floor, but never dogs!), or you can be gay-friendly (the symbol is a rainbow flag), and it is possible to cater specifically for organisations which can be valuable customers. Typical is the Red Hat Society, now an international organisation for women over 50 - the name comes from the poem 'When I am an old woman I shall wear purple, with a red hat that doesn't go...', and tea parties are an essential part of their programme, so cafes which promote to them are welcomed. All of these can actually bring customers from far away, because people really do research venues of the kind they like when making a journey.

The concept of 'loyalty retailing' has always been known in the café trade, but in a fairly basic way - most typically, the card which is stamped at every purchase, until a full card gets a free drink. What most cafes have never heard of is coalition loyalty - this is the modern equivalent of Green Stamps, in which points for purchases are redeemed through a giant third-party organisation, which has the clout to offer bigger incentive prizes than any local retailer ever could do. The biggest online loyalty scheme, i-points, has 1.5 million registered members who buy from 300 partner retailers, and exchange them for a variety of rewards covering over 200,000 items. The scheme is expecting growth of 34 per cent for this year.

Cross-selling and cross-marketing is a wonderful tool, within the reach of the smallest café. A former Starbucks store manager has written that one of the big brand's most profitable items is its packs of whole roasted beans. This is not a clue to be missed - it does not follow that you always have to promote your brewed drinks, so

Cafe promotion

Marketing your cafe



Don't laugh – the Red Hatters, and other organisations like them are a valuable new revenue stream

remember to promote the add-ons.

Tasting sessions are a neat strategy. Graham Knight of the Period Life General Store in Nottingham has built up a clever diary of tasting events, which rotate across coffee, tea, chocolate and (new for this year) alcohol. The events are so well subscribed that he can now even charge for entry if he cares.

The fastest-growing method of corporate marketing communication with the consumer world is the blog. It will, if handled properly, provide a café with a form of list building which holds far more potential than a conventional database. However, the concept is still widely misunderstood, probably because the early image of blogs still

BSA tip

Despite excellent margins on tea and coffee, with all the overheads you will have, it is extremely difficult to make a living just from beverages. You must have another revenue stream.

remains - early blogs were, as American consultant Don Libey tersely recalls, 'written by crop-circle fans and weirdos writing about their personal experiences of cannibalism'. (And it has to be said that many blogs in the coffee trade still fit that description!)

The 'weblog' was conceived as a kind of online diary, in which people posted running accounts of their personal lives. The 'blog' moved into commercial life when people in business wrote personal diaries about issues they faced in their working days, and posted the entries on their corporate websites. Customers began to read these diaries, and began to respond - and a new kind of two-way communication between buyer and seller was born.

The big difference between a commercial blog

and an ordinary website, say the experts, is this - the traditional mailing list will reflect what a customer has bought in the past, but your blog gathers the possibilities of what your customer may buy in the future. Remember - even Starbucks has turned to asking its customers for suggestions online.

In more conventional terms, American beverage distributor Kate LaPoint always advocates the marketing value of the thank-you. She tells of the café whose owner made a point of sending handwritten thank-you notes to his top five customers of the day - the result was powerful. Other café owners say that regular customers deserve acknowledgement - 'thanks for coming in every day this month, please have a cake on the house!'

The equally-powerful opposite marketing strategy is the apology. As Jack Groot of On Track Consulting says, it doesn't matter how good you are, one day you're going to screw everything up in front of the customer. A wise tactic is to plan ahead for what you're going to do - and one BSA member, Simon Martin at Quickfire, has created the One Free Cup token, which can be handed out to encourage a customer to return for any reason, apology or promotionally. Jack Groot uses a 'sorry!' voucher for the same reason, and says it has saved him a fortune on conventional advertising. "The money other companies might spend on advertising, I spend in giving away free product - and I spend a lot less than they do."

One of the international café trade's top consultants, Bruce Millette of Oregon, devised the concept of 'friends', rather like the strategy used by theatres and arts organisations. Cafes invite local businesses in their immediate area to become 'friends' and issue a corporate discount card - it helps protect their coffee business from the mobile sandwich van prowling the business parks.

The staff uniform can have a remarkable promotional effect. When Barry Mortlock ran the Badgers tea-room in Llandudno, he dressed the waitresses in starched 50-style 'nippie' outfits. Not only did he achieve a vast amount of local and international attention, he began to get queues of applicants wanting to work for him. (An American variant is the coffee house in which the girl baristas wear bikinis, but that probably works best in California).

And the smallest room in your premises could hold the clue to your biggest marketing tactic. The annual Loo of the Year award is an extremely serious contest - the first British hotel to win the Loo of the Year award advertised its success in Japan and the US, and its tourist trade from those countries doubled.

Café owners who say they have worked on the marketing value of their toilets report that the effort has been worth while... not least for Mary B's café in Padstow, which hung works by local artists on the loo walls.

And sold one for £400!

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Staff at Coffee Centre, 3rd floor at York Waterfront, February 2007



Coffee @ L. Drepano South West Region/Winter 2007



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