

While a sea of industry newbies take their superannuation and open up their very own cafe as a 'fun retirement' option, Angela Vithoulkas of Vivo Cafe proves that success in the foodservice industry rides on the back of years of hard work and the ability to adapt and evolve. **Anthony Huckstep** investigates.



A living, breathing success

In vivo - Latin for 'within the living' - is an experimentation using a living organism. If an experiment was undertaken on Vivo Cafe on Sydney's bustling George Street, it would reveal the perfect living, breathing example of a highly successful cafe business - a model many operators should aspire to emulate.

It is a 180-seat monolithic beast serving more than 2500 punters their takeaway coffee, breakfast, lunch or dinner each day. Of course that doesn't diminish the attention to detail, high standards and belief in 'quality by quantity' of owners and siblings Angela and Con Vithoulkas.

Since 2005, Vivo has claimed numerous accolades including City Of Sydney Business of The Year, City of Sydney Cafe of The Year and NSW Cafe of The Year, while co-owner Angela Vithoulkas was named 2007 Winner of the Telstra NSW Women's Business Owner.

It's astonishing for a business that might have never been.

Vivo Cafe wasn't dished up on a silver spoon to the Vithoulkas siblings. Although they were born into a family who worked in the foodservice industry, their success is a result of a 26-year partnership, doing the hard yards and gaining invaluable industry experience.

"We have always been in food in one way or another and no two businesses have been the same. This would be probably our 15th business," admits Angela.

"What we tended to specialise in was buying rundown businesses, doing them up, then selling them. We'd improve the look,

the service, the food and then build the good will and sell it. Generally in this industry that's how you make money; you don't make money on the journey."

But Angela and Con have been 'bitten by the maturity bug' and as the noughties approached they started focusing on a business to build and keep.

"That happened with one of our businesses called City Grind in the late '90s. We were there for six-and-a-half years - we'd never stayed anywhere that long."

"I realised we had stumbled on the right time to start doing things, and stay in a business. People were still drinking out of a foam cup because coffee wasn't important yet, but food was."

Con and Angela bought a tiny little site that was originally a jewellery shop. The jeweller had converted it into a cafe that was 'completely non-functional', but it had a really great position.

"That business was my first taste of how branding and marketing can affect your business. I had no idea what I was talking about; I just went with my gut instinct," she says.

Anything that wasn't nailed down she stuck a brand on. She also went to great lengths to create a 'loyalty' with her clientele based around offering a point of difference through coffee - something yet to emerge in the scene.

"In those days, you could only get foam cups, and take-away coffee wasn't really a part of our culture in the sense that it is now. I couldn't get paper cups here back then in

small quantities, so I went to Chicago to find paper cups."

Angela and her brother converted the little 40-odd seat cafe into a monster space that could seat 250 people. It became an oasis for inner city workers looking to escape the office hustle and bustle and get some sustenance in the process.

"Once I started to experience the effect of branding - people stopped calling it the shop or the coffee shop and they started to refer to it by name - I realised I could create a following and a strong loyalty."

Of course the problem for Angela and Con was that they were used to buying, fixing and flicking businesses. This was the first time either of them had become emotionally attached to their business, and it took its toll on both of them.

"Up until then it was all dollars and cents, build the business, get rid of it and don't leave an identity. You will leave a little piece of yourself if you're not careful, and it makes it harder to sell too if you are a part of the identity."

When they sold the business in 2002 the emotional attachment was so strong that she swore blind she'd never work in the industry again.

However, just 45 days later, Angela and her brother Con went for a walk to the city where they came across what is now the Vivo Cafe site.

"We walked in, sat down and it took what felt like 45 minutes to get served. We kept sitting there saying, 'but this is the best position in the city, surely.'"

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The business wasn't technically for sale – though according to Angela "everything is for sale at the right price".

In 2003 the pair bought the business.

"I came to a complete brick wall when we bought this business (Vivo Cafe)," she tells. "I had my first experience with inheriting staff with a bad attitude – one of the reasons the business wasn't doing well."

"It was the first time I'd ever moved into a business and had to get rid of the customers too! Most of them would come in and sit around and do nothing. For the first six months I was the most hated person on George Street. The staff hate us too, but if you stay strong then the business evolves into your vision; you get new staff and you build a customer base who believe in your business."

"But that's not easy. Corporates' have three months to deliver on a project, and I've got 30 seconds in my takeaway coffee queue to change your life. If I don't, you'll go down the road to another cafe. But we live for that kind of pressure."

A part of developing the Vivo brand and creating a completely new experience to win

over customers has been an epic \$1.5 million renovation of the huge site – and they didn't even change the kitchen.

The front of house underwent major structural changes which actually decreased the seating from 250 to 180. They've also installed three coffee machines to cope with the 120kg of coffee beans they go through each week.

"It was the only way I could change my business model to move forward to where I saw the industry was going to go," explains Angela.

"So it's been an evolution and a revolution because we've done things here that might not be obvious to the eye. I sacrificed the seating, and some people might think that's crazy, but I could afford to do that because of my fast turnover. What I needed to do was bring the food to the customers with a huge display to attract their eye."

"In my mind you aren't a cafe unless you cook a la carte too, but we needed to also offer that immediacy of food through our 'to go' food."

The display area delivers a powerful visual aspect that draws customers in and



also sends a message that they can grab their food quickly and go - imperative in the city market.

"We also had two different levels in the building, so a lot of the money went into making the whole place one level, so to the naked eye the place suddenly looks massive, even though it's smaller than what it was."

Vivo had so many requests for the a la carte menu 'to go' before they set the new system up, that it interfered with their lunch service. So to ease the workload in the kitchen during lunch, they offered all the a la carte food in the display as well for those customers that want that kind of food, but wish to take it with them.

"We also took a radical turn and ceased our corporate catering," explains Angela.

"That might sound crazy, but I can't compete with every man and his dog in the city. Every little place has a big sign on their door: 'Corporate or office catering'. Any little place pretends they can do catering, but they do cheap and nasty and they charge cheap prices - we can't compete.

"We were carrying debt - 30/60/90 day accounts from corporate catering gigs. You can budget for that and deal with it, but you are operating on extremely low profit margins. You have to have chefs and office people for the coordination and follow-through of it. All for one of the least cost-effective parts of the business."

Angela has streamlined the business towards all the positive and profitable aspects, and focused more intently on making those areas even better, more defined and more profitable.

Those areas include takeaway coffee, breakfast (6am start), lunch (11am-3pm), and dinner (5pm- late), but Vivo Deli is open all day. With over 2500 customers a day the

momentum never ends until the doors close each night.

At Vivo, they also treat each service as its own entity to ensure maximum productivity and profitability out of each.

For breakfast, Vivo cooks everything to order using organic eggs, artisan breads, and delivering quality at an affordable price.

"I know I can impress a customer easier at breakfast than I can at lunch," explains Angela.

"We can compete a hundred times more effectively against a breakfast market than the other markets. But producing a breakfast a la carte is hard work and the easiest one to screw up. You get an omelette wrong, you start again. You can only go as fast as your eggs are cooking.

"Hardly anything at breakfast is cold. You might get a table of 10 and you can guarantee everyone at the table has something different. Crispy bacon, brown toast, soft poached - not runny. 'I'll have white toast but can you cut the crusts off'. It's endless."

Versatility is important, especially with such a high turnover of custom.

Angela explains that a smart operator will approach their menu from a business perspective by factoring in any menu variations customers may ask for. People who need gluten free food for instance already have options on the menu to choose from.

"We have no carb and low carb food too for the same reason. The choice is already there for the customer, so the chances of them altering the dish is reduced."

"But the truth is that coffee and chicken are the ingredients of the city lunch trade," she says.

"We do about 750kg of chicken a week. You put chicken in bread and you'll sell it. You put chicken in pasta and you'll sell it. You put it in salad you'll sell it. It's a no-brainer.

"We have a warm chicken and pumpkin salad, and we do a cold variation of that to go. It's no carbs, low fat, protein with vegetables. We've stumbled upon a dish that feeds everybody, especially men you'd think might veer away from salads."

"At the end of the day the business needs to make money and the menu needs to reflect what my clients want."

Having an alcohol license has helped fuel the appetite of city-dwellers and workers too, and has also helped Vivo transgress into the dinner market.

"Dinner as a cafe in the city, well - it's a different set of competition. Those restaurants in the city aren't open in the day time, so we are competing with a new market at night."

"That was a real challenge because we had to identify new customers, and then my staff had to adapt. Did we have to look different? Did we need different food? We had a lot more questions than we had answers to. We're very conscious of not being too arrogant by saying this is what you should have."

What they deliver is somewhere nice and reasonably priced, offering good food and good service. It isn't trying to compete with the chefs hat category, but offers consumers the chance to get a steak or sandwich and a glass of wine, but with some boundaries.

"I don't want people coming here and getting a glass of wine each and a bowl of chips. There's no point having our doors open. We recognised we needed cheaper dinner menu offerings to deal with the perception of the pricing from the lunch trade, but we still need them to spend money to justify opening.

"So we'll get a table of four - one will have a steak and spend \$27, one will have a deli pasta, one will have satay chicken sticks and one will have a prawn casadilla. It's the eclectic mix of customers that makes me believe I was right.

"It's not the local Chinese restaurant or a fine dining restaurant - Vivo is cafe giving people what they want at a good price."

On the back of this success, Angela and Con now have a Vivo Cafe at World Square on George Street, and Angela is now called upon to speak at corporate functions offering her secrets to running a successful business.

"We're not known for our business skills normally. We're known as chefs, baristas and sandwich hands. So to be able to pass on my knowledge to other fields makes me really proud of what we've been able to achieve so far," she says. "If you don't evolve and listen to your customer you may as well pack your bags and get out of town. The last man standing always wins." Indeed. ●