

LVA REPORT



L-R: Seamus O'Hara, Bill Kelly, Michael Sheary, Gillian Knight, LVA Chairman Alan Campbell, Martin Potts, LVA Vice-Chair Ronan Lynch, and Bill Wolsey.

Embracing *Change*

The outlook for the Dublin economy and the on-trade across Ireland is increasingly positive. **Leah Leslie** reports back from *Embracing Change: Driving Your Business Forward*, a recent conference hosted by the LVA, exploring the future of the Irish publican landscape.

In these accelerating times, customer needs are changing and competition is intensifying. It's becoming increasingly critical to consider the long-term future of your business to survive and thrive. In October, the LVA assembled an impressive line-up of speakers, each one exploring a different topic or challenge that Irish publicans face today.

Future Of The On-Trade

Kicking off the discussion was Bill Wolsey, the managing director of Beannchor Group. Wolsey opened his first bar in Bangor, 39 years ago. Today, the Beannchor Group is one of Northern Ireland's largest employers in the hospitality business, with over 750 employees.

"In the 40 years of my time in the pub industry, the last 15 years have moved the

fastest," Wolsey observed.

Going forward, and with the rise of the healthy lifestyle trend, millennials and Generation Z are drinking less than previous generations. Like smoking, heavy consumption of alcohol is on the decline. Pubs, therefore, need to think ahead and adapt to make their premises as appealing to the next generation as possible, which is why Wolsey recommended the winning formula of high-quality food-serving bars with good music that offer lightning-fast wi-fi.

Wolsey also noted that most 15- to 35-year-olds want to know the purpose of your business. They care about the impact it has on the environment, how your business helps the local community, and where you source your produce. To compete with likes of Wetherspoon's, Wolsey advised that the best

way to ensure the future of your pub boils down a simple idea: "Do better. Offer more."

The Future Of Pub Food

With more than 25 years' international experience in the food and beverage industry, Martin Potts, managing director of Synergy Prochef, has an eye for upcoming food trends.

Echoing Wolsey's research, Potts believes that pubs need to better cater to alternative diets. This means offering customers the choice of more than one vegetarian option, as well as gluten-free and vegan alternatives.

As consumers are becoming increasingly food aware, more people are adopting a flexitarian lifestyle. At the same time, Potts argued, "the big menu is dead. It's outdated and not profitable."

Other popular current food trends that he observed in the pub food industry include Middle Eastern cuisine, sharing plates – "but only if they're done well" – preserving, pickling and fermenting food, premium burgers with plenty of options, and Asian cuisine. With the cheap cost of airfare, customers today are better travelled than ever before, and are therefore sampling a wider



range of international food. Pott concluded that authenticity is the way forward, as consumers will know when exotic meals are prepared badly. Customers today demand traceability, provenance, and a bit of storytelling behind their food.

Finally, Potts warned pubs to always include allergen warnings on their menus.

Recruitment

Navigating the tricky process of hiring, LVA HR advisor Gillian Knight has seen it all. Knight has extensive experience in the recruitment field and offered words of wisdom on how and where to source skilled candidates, as well as tips for cost-effective candidate screening and interviews.

“What is the cost of poor selection?” Knight mused. “Time, money, claims, litigation, high turnover, incompetence, and low morale, to name a few.”

Knight recommended asking yourself, foremost, “What am I trying to sell?” Once you’ve narrowed this down, research the type of person most capable of pushing this idea or product, and always put effort into writing job specs that will attract the right candidate. Inserting pre-interview questions into job ads can also help weed out unsuitable candidates who don’t pay attention to detail or meet the basic requirements. Knight recognised that recruitment agencies, though costly, can be useful for attracting specialists, however, she maintained that most recruits can easily be found online for free, through websites like Indeed, Jobbio or Jobs.ie.

One method that Knight highly recommended was asking candidates to demonstrate their cooking or pint-pulling skills during a trial interview, as well as pre-screening people first by phone or video call before meeting in person.

Developing A Food Business

Next up was Michael Sheary, the founder of award-winning burger joint BuJo, Dublin 4. BuJo is a chef-led counter-service, and the only burger-focused restaurant in Ireland and the UK to hold a three-star rating from the Sustainable Restaurant Association, due to its exceptional eco-friendly practices.

“People don’t buy what you do, it’s why you do it,” revealed Sheary, who, along with his friend, was inspired by the birth of their daughters – “in the same hospital, on the same day!” – to leave behind a legacy of which their children would be proud.

Together they went on a research mission, travelling across America, sampling food and studying menus from every drive-through, kiosk, food truck and restaurant they passed. Using this fast-casual dining model, combined with the expertise of renowned gourmet chef Gráinne O’Keefe, BuJo was born.

“We believe craft is great for beer, and the pub is still a major ‘untapped’ consumer-led opportunity.”
– Seamus O’Hara

Sustainability is central to the heart of the business.

“We wanted to do the right thing – it’s a careful balance,” Sheary explained, “Sustainability is in our DNA.”

Sheary acknowledged doing the right thing is rarely cheap. BuJo uses renewable energy and compostable certified packaging, which costs an extra €10,000 annually. It also aims to source produce as locally and ethically as possible, following a “birth-to-burger” mindset for producing high-quality, grass-fed beef. “Quality,” Sheary added, “is remembered long after the price is forgotten.”

Customers today value transparency, so Sheary recommended sharing stories behind your food on social-media platforms like Instagram – such as photos from a recent trip to the farm – so they, too, can be part of the journey. Sheary also believes in future-proofing your business by utilising agile technology, such as adopting innovative ordering systems. BuJo, for instance, uses pagers that beep when your food is ready to be collected from the counter.

Craft Beer: Where Next?

Carlow Brewing Company founder Seamus O’Hara is confident that craft beer has considerable potential to keep growing. Carlow Brewing Company first opened its doors in 1996 and has since become one of the largest craft breweries in Ireland, exporting its ever-evolving range beers to over 25 countries.

What defines craft beer?

O’Hara characterised it as “local, independent, provident, flavoursome, diverse, and with an interesting story to tell.”

Where does craft beer sell best?

“The pub environment is still the most attractive setting to consume craft beer,” O’Hara explained, “where 65% of all beer sales occur, making the pub the best place now to capture the growing market opportunity”.

O’Hara believes that craft beer is a value-added opportunity for Dublin’s pubs, due to the higher price (and therefore higher profit) margin compared to standard beers. He foresees craft beer as being part of the mix in upgrading and upselling premium beers to customers as part of the food-pairing trend.

Domestic consumption reveals strong growth for the Irish craft beer market, at 3%

in 2016 (five times higher since 2012). O’Hara predicted 2018 figures of domestic consumption to further rise, to 4%.

To participate in the growth segment of beer, O’Hara urged publicans to commit to increasing visibility of the craft beers they have on offer. This could include displaying them prominently on shelves, menus, chalkboards, glassware, social media, and on tap, alongside top brand name beers. If not, customers won’t become familiar with the newer craft beer brands, meaning: they won’t sell, and confidence is lost.

With the release of his Falling Apple Cider, O’Hara recognises that there are also opportunities in the emergence of craft cider.

Customer Service, Profit

Last to the podium, although certainly not least, was speaker Bill Kelly, the fourth-generation owner of family-run Kelly’s Resort Hotel & Spa in Wexford. The hotel is renowned for its excellent customer service and loyalty among its guests, who return year after year.

“Success,” Kelly defines, “is not measured in the number of bookings, but the number of repeat bookings.”

The number-one reason for losing customers? According to World Travel Survey, 68% answered an ‘attitude of indifference shown to the customer by some employees’.

“Consider the lifetime value of customers,” Kelly added. “One small, bad interaction can have a lasting knock-on effect to your business.” He advises, “Give passion, love and care to every customer who comes through your door, and they will be loyal.”

These positive interactions can have a powerful ripple effect, where “loyal customers tell 12 people on average about the hotel,” Kelly shared, “and over 20% would go out of their way to recommend the hotel to a friend.”

Consider the lifetime value of a satisfied customer – s/he can become your apostle, spreading word of your business. Kelly’s customer-focused structure seeks to generate business from existing customers, which costs, by his estimate, around five times less than generating business from new customers. In effect, those small, daily ‘wow’ moments between staff and guests can result in invaluable word-of-mouth marketing that budgets can’t buy. It’s essential to keep employees motivated to continually build good relationships, and to take a hands-on approach by all, whether you’re the top manager or front-line staff. “They are an essential link to the customer,” Kelly reminded us. “Trust them.

“Customer retention is influenced by staff retention,” Kelly concluded. “The staff, more than anything else, give the hotel its personality. As managers, we can get the physical product right, but only the staff can bring people back again and again.”

