



# Brave new world

Faced by an unremittingly challenging period for the hospitality industry, cafe owners and operators have introduced bold new business models to secure alternative revenue streams. **Tristan Parker** speaks to the people behind four success stories and finds out how they've hit the ground running post-lockdown

**Owning and operating a cafe is always going to be a bumpy ride at points,** but no-one could have predicted at the beginning of the year just how volatile 2020 would prove to be for independent business owners.

As the coronavirus pandemic rippled out across the globe and UK national lockdown forced businesses around the country to shut up shop, uncertainty reigned supreme. The effects on cafes and coffee shops were immediate and drastic. A coronavirus impact study published by the World Coffee Portal in May found that 78% of cafe and coffee shop owners were worried about future business viability.

Short-term effects were, understandably, also a huge concern: 65% of owners said that 'immediate cashflow' was the issue that worried them most, while 50% cited an inability to pay rent as the primary concern.

When taking the raw figures into account, these worries seem even more justified. At the time of the survey – less than two months into the UK's lockdown – 46% of owners claimed the pandemic had already impacted their revenue by more than £50,000, and 30% estimated their figure to be between £20,000-£50,000.

With no-one sure when hospitality venues would be allowed to reopen – and pressed by mounting financial burdens – many cafe owners were forced to adapt to new ways of operating. For some, this simply meant offering takeaway-only or switching entirely to cashless payment. Others, however, went further,

expanding existing aspects of their business or trialling entirely new models and service methods.

One beacon of hope for the industry throughout lockdown was the UK's appetite for coffee and – crucially – coffee shops, which remained as voracious as ever. A survey carried out by hospitality and retail research consultancy Allegra Strategies at the start of May found that cafes and coffee shops were the 'social outing' venue that the public missed the most – by 42% of respondents, in fact, with only 'visiting family and friends' scoring higher.

Despite the cloud of uncertainty and fuelled by the nation's continued thirst for cafe culture, many success stories continue to emerge, thanks largely to the flexibility and willingness to experiment of innovative owners. Since cafes have reopened, some have continued to utilise the ideas and systems that helped their business through the closures, while venues that couldn't open during lockdown are now exploring previously untapped avenues, all to create sustainable new income sources.

And far from being short-term novelties or disposable gimmicks, some of these new approaches are continuing to provide a viable, visible boost to business alongside the traditional cafe operation – something that seemed unthinkable to many earlier this year.

We spoke to four cafe and coffee shop owners and operators whose strategies have proved successful, helping to maintain and even grow their business. All four offered valuable, practical advice for others thinking about how to reinvent their business in these challenging times. >

## DELIVERING THE GOODS

**Joel Falconer, co-owner of Oscar's, London**

Oscar's cafe in Ladywell, south-east London, started delivery services during lockdown, one for coffee and pastries, and a separate weekend option for breakfast ingredients and groceries

**During lockdown we were fortunate to have the support of our local community and customers, who were keen to support us in any way they could – that was really humbling and touching.** So, the idea of a delivery service came up quickly, but we wanted to work out a way of doing it that was sustainable over the long term.

We decided to set up a subscription service, to help people find a new weekday routine. That worked out really well. It allowed us to keep contact with regulars and keep active in the community, and eventually it allowed us to bring back some furloughed staff.

Delivery is a whole different operation. There were points where it seemed a bit chaotic, but we spent time thinking about structuring it and talking to customers. We quickly realised that doing an ad hoc delivery service wouldn't work, as we needed predictability, so we invited people to sign up for Monday to Friday morning coffee delivery with breakfast and pastries, with a minimum spend. Then we ran, cycled or scootered the deliveries to people in the local area.

It allowed us to build a routine, because we knew who we were delivering to each week, and we could plan to get hot coffee from

the machine to somebody's doorstep in under five minutes. It was challenging, but we didn't want to serve substandard products.

The service grew and grew, and we offered it for 11 weeks in total, until venues started to reopen. About halfway through lockdown we added a Saturday morning delivery service of fresh bread, pastries, baked goods, juices and ground coffee – all the things needed to make a weekend brunch at home. That went really well and we're continuing with that. People order through our webstore, which we set up during lockdown. When we opened for takeaway in June we were selling groceries that we stock anyway, and having that as part of our delivery offer is a really nice add-on to the business.

The logistics of delivery wasn't something we'd dealt with before, but once you start doing it you find a routine. We realised on day one that we needed to serve coffee in oversized cups, because if you fill the cup and then run or scooter with it, the coffee explodes! There were lots of those kinds of things we learned as we went along.

Although the deliveries weren't making anywhere near the amount of money we turned over from the cafe, it was the



only source of income we had for eight weeks. That was a lifeline, because there are plenty of costs that don't stop.

There are several things to consider if you want to start a delivery service. Really think about what you want to do in terms of your product range. It's too easy to offer things that aren't related to what you do. We had a clear vision of what people expect to buy from us, so our deliveries aligned with those products. Keep within the core values of your business and don't become a jack-of-all-trades grocery delivery, because then you realise the margins involved are very small.

How people order is important, so having the right tech set-up is crucial. If it's small volumes, you can do it over the phone or via

direct messaging. But once you reach a certain volume – and if you want to do it longer-term – having a software system is vital.

Look at insurance thoroughly, because a lot of policies don't cover private vehicles if you're using them for business deliveries. And don't underestimate logistics – everything takes longer.

But most of all it's about listening to people and understanding what they actually want, because you've got to be certain there's a genuine need for it. And remember that people are also incredibly keen to support local, independent businesses, because this whole situation has given people more of an appreciation of how fragile those businesses actually are. > [cafeoscars.co.uk](http://cafeoscars.co.uk)

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## GOING MOBILE

**Mike Glanvill, owner of Waddington Road Coffee and Kitchen, St Albans**

Waddington Road went mobile during lockdown when owner Mike Glanvill purchased a van specially equipped to serve coffee

**When we closed for lockdown, I thought I was going to lose my business, my house, my life savings – it was a tough few weeks.** Then we managed to get a local authority grant from St Albans City Council. That's when I came up with the idea of a coffee van, but I wanted something unique, not something generic. Luckily, I managed to track down and purchase an old Land Rover that had been converted for making coffee.

I got asked to be part of a weekly community market organised by St Albans Business Improvement District [BID]. The markets went down a storm. People queued for literally an hour to get a decent coffee from the truck and you realise they really miss those little luxuries.

We were there one day a week and it was great to generate some income, albeit only enough to cover one day's income normally. But

it enabled us to keep the business going, keep in touch with our customers and actually bring new clients on board.

There are a lot of challenges to think about with a coffee van. One big issue is obviously the cost – I was fortunate to have the local authority grant to help with that. Then, when I picked up the van I had to figure out how all the equipment worked, because the charity I bought it from didn't know how to use it. Then there's insurance, because while our shop policy covers public liability and employers' liability, it doesn't extend off site, so I had to take out separate policies.

Obviously, there's the extra packaging, too. Running takeaway only meant we were getting through a huge amount of disposable cups, and as we only use compostable or recyclable goods, that additional cost had to be factored in. Plus,



I had to buy more storage, because our storage space at the shop is very limited.

As shops opened up, trade in the community market started to reduce and it was phased out. We also opened the shop for takeaways. But to try and increase footfall in the town, the hospitality and retail community worked with BID again to create a mini-market on St Albans high street, to which I take the van every Friday. Having the van has massively increased our brand awareness, it's probably the best thing I've ever done in terms of marketing. We've had a lot of people come into the shop just because they've seen the van out and about.

If other cafe owners are looking at doing something similar, I would advise talking to your council about licensing. There's a misconception that you can get a van and just park it anywhere. You have to pay for licensing – there are different licences depending on whether you want a static pitch or to be mobile, and determining how long you can stay in various places.

Secondly, work out who'll be driving it. You need someone who's not only a trained barista, but can also drive the vehicle and

get insurance. You need to be over 25 to drive our van and most people at our shop who are coffee-trained aren't over 25. It relies on me being available to drive the vehicle, park it and set it up in the morning, and take it back in the evening. So, on top of running the business and working in the shop, you're trying to do that as well. There are lots of little things that can cause extra headaches if you don't think them through.

We generate income both from the van and the shop now, and the aim is to do more events with the van. We're looking at doing some festivals once things reopen properly. In the summer, our business is usually quiet, because we don't have outside space. Having the van means we can go out and operate elsewhere, which gives us another income stream.

In a funny way, it might be the best thing that's happened to the business, because it's made us take stock and it's given us opportunities. It's forced us down a route that will actually bring us better return on investment in the long term. > [waddingtonroadcoffee.co.uk](http://waddingtonroadcoffee.co.uk)

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## MAKING MORE OF RETAIL

**Peter Johnston,**  
**director of John Watt & Son**

John Watt & Son is a coffee roastery and tea blender in Carlisle. The business has several cafes, the oldest of which also offers a range of goods for sale

**The retail side of the business meant we were able to come through lockdown in a far better place than I would have believed possible when it began.** We're now in a reasonable position and that diversification, through retail, has been key to achieving that.

We sell 55 different leaf teas and around 12-15 blends of coffee that we roast ourselves. We also offer a selection of locally produced confectionery, jams, chutneys, hampers and a range of accessories – cafetieres and replacement parts, teapots, etc.

Over lockdown, a lot of customers made an effort to keep buying our products, placing orders over the phone, through our website, or by messaging us on Facebook. That loyal band of customers moved their trade with us into different formats. The retail side of the business is still running at 300-400% up year-on-year, and that only dropped ever so slightly when we reopened.

One thing we really noticed during lockdown was the desire for people to buy locally. The other thing we saw was the cooperation between independent businesses and local



traders, making sure that everyone could support each other. For example, we had a local veg box delivery service asking for some of our products to put in their boxes.

Making ourselves available for people to get packaged tea and coffee from was crucial during lockdown. It's also definitely increased our brand awareness. Local shops were stocking our products and people noticed our coffee on the shelves when they went into the local greengrocer's, for example. It's all part of how we've tried to develop the business, so that we're not reliant upon just our high street cafe.

One tip I'd offer to cafe owners thinking about increasing their retail element is to consider positioning of products. Treat your retail sales as impulse buys and make products available and visible when people go to the till.

Another idea is to have offers tied to your menu. We give a discount if people buy some of the coffee they've been drinking in our cafe to take home with them, which proves quite lucrative. Similarly, customers can buy jars of local jams and chutneys that we use in the cafe after they've had their meal. It's about highlighting those dishes.

Having a retail space doesn't really create more work, it just becomes part of your routine, like everything in the business.

We've evolved the process behind our web orders to make them less time-consuming. They're printed out and the products are selected and topped up during quiet points in the trading day, making use of that dead time.

We've put out items that I thought wouldn't stand a chance, but ended up selling really well, to the point where we had to order lots more stock! There is no right or wrong answer as to what the public are going to buy, so the advice is always be prepared to try something, because you never know what might work.

There may be a few simple requirements to think about – Trading Standards may check the weight of products if you're pre-weighing items – but other than that, it's mostly the same kinds of procedures you would apply to labelling products in your cafe.

When lockdown began, I looked at the stock we had and I didn't think we'd sell anything. In fact, we had to order in three tons of coffee over that period. So, although the cafe is the major revenue generator for us because we're a city centre site, the retail side has now become more important than ever. It's given us the wherewithal to be in a much better position than we might have been. >

[johnwatt.co.uk](http://johnwatt.co.uk)

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## TURNING YOUR CAFE INTO A BAR

**Louise Fleming, executive director of The Hub at St Mary's**

The Hub at St Mary's is a multi-use arts space, gallery and coffee shop in Lichfield. The coffee shop reopened as an outside space in July, operating as a cafe in the daytime and a bar at weekends

**The church building that we're in sits on Lichfield Market Square, so when there was talk of only allowing venues to open outdoor spaces during lockdown, we began thinking of that outside space on our doorstep.** The market square is owned by Lichfield City Council and the councillors were really keen to support local businesses, so we asked if we could use some of the space on non-market days.

We're an outside coffee shop during the day, and then on Friday and Saturday evenings we become more of a bar-cafe. It's a pilot scheme, really, with the permission of the City Council.

We didn't need planning permission or a pavement licence, because it's on private property, and because we're not putting up permanent structures, just umbrellas and gazebos. We also utilised the government's Business and Planning Act passed in July to make it easier for cafes and restaurants to use outdoor spaces, and it allowed us

to sell alcohol outside. Our outdoor space has much more of a continental-style bar vibe. Because we're not open every day, we've only got a bottle bar, so having beer pumps wouldn't work for us, but we still serve a lot of interesting beers, ciders, wine by the glass and alcohol-free options, plus tins of gin and tonic. We've also started doing 'jar cocktails', which come pre-made in little jam jars and are really popular.

There were a lot of practical things to consider. We had to do a full risk assessment, to be approved by the City Council. Then there was waiting for the Business and Planning Act to go through and liaising with the District Council about licensing.

We're using a QR code sticker on each table that people scan to get their menu. But we also print out single-use menus if people can't get the code to work. We even had to buy radios to communicate with each other, because we're upstairs and the bar outside is on the



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ground floor. Whoever's upstairs gets the drinks ready, whoever's downstairs communicates that, and we have a third staff member that ferries the drinks in and out. There's no glassware allowed outside, so we had to buy plastic glasses, plus measures for the wine and other bits. We just had to do a little revamp, basically.

We've joined forces with the Little Green Frog cafe around the corner, who've been serving Mexican street food for takeaway. On Friday and Saturday nights, our bar customers can order quesadillas or nachos, and the cafe brings it round, so that widens our offering. It's also good to partner with another local business, as it helps us both out.

If other cafe operators want to trial using their venue as a bar, I'd advise them to really think about what hours you and your staff can manage and be realistic, especially if you have a small team. Also think about safety. If you're operating outside, you

might need security if you stay open late. We're in the city centre and surrounded by pubs, and we didn't want to have to pay for security to manage crowds or anything like that, as we just wouldn't make enough money, so that's one reason why we close in the early evening.

Start small and don't try to do too much too fast, as you can always build up or change things. We've already changed our hours a few times since reopening.

Also make sure you offer some simple food or just nibbles, even if you don't want to do a full menu. That's really worked for us. The final thing is just to get organised beforehand, especially if you'll be working outside and you haven't done that before. Consider how you're going to communicate with all your staff, and just try to think everything through. [thehubstmarys.co.uk](http://thehubstmarys.co.uk)