

THE NEW FOOD PIONEERS

In the fiercely competitive UK food industry, a sluggish business can quickly be devoured. But *Director* met the leaders of five innovative companies that have achieved growth in a saturated marketplace

Words **Hannah Baker and Behiye Hassan** Photographs **Amit and Naroop**



"We don't have set menus – we work with our clients and are guided by what they like"

Paul Squire

Director Cook and Waiter
– providers of tailored private dining experiences

I've always wanted to work with food and was part of an event catering company before setting up my own business, Cook and Waiter, in July 2009. We lean towards the boutique end of the market, catering for private dinners of about 10 people, weddings – which can involve a few hundred – and large corporate receptions and dinners. Our difference is that we don't have set menus – we work with our clients and are often guided by what they like. Luxury products such as lobster or caviar are popular.

The business didn't need an enormous amount of funding to get off the ground. With a restaurant the initial cost of securing premises is high but we didn't have that. I scraped around for a few saucepans and a kitchen, and it slowly came together. Now I have a team working out of a large commercial kitchen in west London.

One of the biggest challenges was finding good, loyal staff. There are about 60 people on our books – they work as barmen, waiters, waitresses and chefs. They're so good it can be difficult keeping them interested and preventing them from slipping off and doing something else.

There have been notable changes to the industry since the launch. There are companies that have disappeared for financial reasons and there are new players in the market. Large corporates don't want to be seen spending big sums on lavish parties any more. But in the private market, especially towards the top end, people carry on regardless.

My proudest moment so far was having a couple of events running at the same time for the same client in different venues and everything running perfectly. It's so rewarding knowing you can do what you set out to achieve.

Turnover of work has doubled between year two and year three. My plan is to continue to expand but I will probably cap it at a certain stage. Smaller businesses are more personable and appealing because the customer can speak to the owner and enjoy a level of care that larger companies sometimes lose. My advice to anyone launching a food business is to make sure you've got enough starting capital to ease the pressure during the leaner months. Be clear about what it is you're delivering and who you're targeting.

www.cookandwaiter.com

"I was frustrated with the lack of authentic Peruvian cuisine in Britain"

Martin Morales

Founder Ceviche – a man on a mission to bring the food of his homeland to the UK

I was born in Peru and have been cooking for friends and family since the age of 10. I grew up on the coast and we ate ceviche [a spicy dish of raw fish marinated in citrus juices] and other traditional dishes. When I came to the UK, aged 11, I brought my culinary and cultural roots with me.

I launched my business out of a frustration with the lack of authentic Peruvian cuisine in Britain. I'd worked for large corporations, including Apple and Disney, but I had a desire to create my own business. In July 2010 I left Disney and embarked on a journey to launch my restaurant Ceviche. I set up a series of pop-up restaurants and supper clubs, which allowed me to try out the idea on a low-risk, low-funds basis. It was a huge success so my wife and I invested all our savings into the business. In February 2011 we sold our house and put everything on the line. Ceviche finally opened in Soho in March this year.

Creating the momentum for what is now becoming a wave of Peruvian cuisine coming to the UK has been extremely tough. Many people associate Peru with Machu Picchu, llamas and guinea pigs only, but through Twitter, our pop-up restaurants and now Ceviche, that's changing.

The food industry is very buoyant but it's incredibly competitive. For people who are trying to create something new it's really difficult. The recession has made it hard for people with new ideas to blossom but it's also made individuals like me more determined.

The appetite for our brand is strong. We've found another site and have earmarked locations for future restaurants. The plan was to set up a second site after 14 months and open sites three and four soon after that. But I think we have a strong case to expand sooner.

We're also working on a cookbook with Orion Publishing Group, which is very exciting. It will probably be released in late summer next year and will include more than 100 Peruvian recipes as well as the stories behind those dishes. It will also tell the story of the people behind Ceviche.

My advice to those starting out in the industry is to do something you truly love. Then find out if people want what you're offering and listen to feedback. But always follow your gut instinct.

www.cevicheuk.com





"I first tried bubble tea in 2005... and I knew it would be a blockbuster in the UK"

Assad Khan

Founder
Bubbleology
– bringing a
Taiwanese tea
craze to Britain

I've always had an entrepreneurial streak inside me and have always wanted to do something a little bit different. I first tried Taiwanese bubble tea in 2005 while working for JP Morgan investment bank in New York and I knew it would be a blockbuster in the UK.

It's a tea-based beverage with fruit flavours inside it, and at the bottom of the drink you have tapioca balls, which are soft and chewy with a warm gummy bear texture. You use jumbo straws to suck up the tapioca balls so you are drinking and chewing at the same time. I knew it would be something that the British public would love. I kicked the idea of introducing bubble tea to London around for a few years and then decided to launch Bubbleology in 2010.

Funding the business was a combination of life savings, sweat equity for branding and also angel investment. It was a very big die to roll but I didn't think for one minute that it was going to fail. Standing outside the first store in Soho and seeing the Bubbleology sign being lifted up and put on the shop had to be my proudest moment.

It was the culmination of the blood, sweat and tears that went into it. When the sign was up I thought 'you know what, I've done it'.

Taiwanese tourists love the fact that I've taken one of their iconic drinks outside Taiwan. Taiwanese tour guides ring my stores asking to come in and they will turn up in groups of 50 or 60. I even once went to Taiwan to get emergency supplies and was greeted by paparazzi.

We're growing at a phenomenal rate. By the end of 2012 our annualised 12-month turnover run rate will hit £2.25m. We have multiple launches going on across the world, with the Czech Republic and Kuwait opening three shops in the next three months. We're also aiming to launch two stores in Switzerland and four in Russia. It's a big operation.

We're all exposed to different ideas and concepts from around the world. We can expect to see new, innovative concepts that we might find alien start to penetrate the western world – bubble tea is one of those. If you want to start a food business my advice is plan, plan and plan. Create a sound financial model, make sure that model works, and then devise a sound business plan and execute it well.

www.bubbleology.co.uk

"Everybody wants to be a better chef and I thought, there's just got to be an easier way to do that"

Min Kim

Operations director Hello Fresh – turning people into better cooks at home

It's really easy to be passionate about food. There's been such a huge boom about eating well and cooking at home with fresh ingredients. Everybody wants to learn how to be a better chef and I thought, there's just got to be an easier way to do that at home, in your own kitchen without having to go to cookery school. So I launched Hello Fresh.

We're a weekly subscription fresh-ingredients delivery business. Each week we send you a box with everything you need to cook the nutritional balanced meals we have designed for you. You receive three to five recipe cards and we give you everything – except for salt, pepper, butter and olive oil – that you need to cook those meals. You get everything exactly measured to its proportion – so you don't have to go and buy a whole bottle of chilli flakes, for example. We funded the business with help from a large venture capital company in Germany – large internet incubators who have funded many successful e-commerce businesses. We launched in January.

The biggest challenge for us so far has been differentiating our products from more well-known brands. We want to highlight that we don't just send you a veggie box, we send you a box with fresh ingredients that you can actually cook and which is catered towards a specific recipe. Hello Fresh is not a grocery delivery but a lifestyle product because it's about eating better at home, with healthier and higher-quality ingredients. It really changes your food habits. There's an empowerment and ownership of what you eat and what you put in your body. There's much more awareness about sustainability and the provenance of food.

We recently won the HP Smart Business of the Year 2012 award. We applied for the social media category but ended up winning the overall award, which has to be my proudest moment so far. But we're looking to improve – for example, we will be trying to incorporate more customer choice into our recipes. I would also like to cater for specific food intolerances and allergies.

My advice to anyone wanting to start a business is always tell yourself that you can't possibly be the first person ever to have encountered a particular problem. Whenever you get stuck, take a step back and think there has to be a solution out there.

www.hellofresh.co.uk



"We wanted to give British farmers a retail platform for their great produce"

John Pallagi and Lee Simmonds

Co founders Farmison – the online gourmet food hall

John Pallagi, below right: We launched Farmison out of the frustration of trying to buy something from a reputable supermarket and finding we couldn't. We're an online gourmet food hall specialising in butchery, cheese and greengrocery. Lee and I scour the land to find the best-tasting produce and, with

the help of our chefs, bring it to consumers. Our meat is free-range British, and we try to offer a big choice. For example, we offer six, seven or sometimes eight breeds of beef at any one time on the site so you could buy six fillet steaks, from six farms with six different breeds.

We're funded through private investment. After we founded the company it took about six weeks before somebody was interested in putting funding in. But this year we've had many offers of investment. The biggest challenge we've faced is getting exposure and being able to express ourselves in a very competitive market with retailers that have huge marketing budgets.

But, still, we're forecasting £1m turnover in our first year. Our margins are coming into place because we've had a lot of investment in sampling and getting what we call the logistical machine oiled – so we're on target for all financials at the moment. We've just had a third injection of investment.

There are a lot of things to get excited about in Britain when it comes to food, but unfortunately there are probably not enough channels out there yet. We're hoping to be one of those key channels that can get these products into people's fridges and mouths.

Lee Simmonds: We wanted to give British farmers a retail platform for the great produce that they have. We've had to break down a number of barriers to make this happen, looking at who's in the marketplace, creating our own website and building the brand with a very small team of people. It's been a challenge all the way but we thrive on that.

The proudest moment for me was getting the first order, knowing that it all worked, getting it through the post and delivered to the customer's door. It's been great to see my own children getting excited when a delivery arrives. The most pleasing accolade of all is when our family sits down for tea and they know that the food is from Farmison. My children independently notice the quality and the taste.

We're going to extend the range by bringing in other sub-sectors over the next two years. We've got a clear passion to bring in pantry and cooking items – products that assist in the kitchen and complement what you've cooked. And we're going to bring wine and desserts into the mix – they're the final addition to the dinner party at home.

The advice we would give to others wanting to start a food business is to make sure you believe in what you're selling, especially when it comes to food. It's an emotional purchase – you're putting something into your stomach, so you've truly got to believe that it's good. ☐

www.farmison.co.uk

