

Overcoming the challenges of a new business

Delwyn Houston likes a challenge, but even she stretched her abilities on her latest venture.

Delwyn and her husband Brett bought Tauranga cafe Kitchen Republic in July this year.

They were aware of issues that needed to be addressed, but having previously run a successful motel business, they had a good business understanding and knew how to initiate change, so were excited about the opportunity to run their own business again.

However, with no hospitality experience “whatsoever” they quickly found that the intense workload was all consuming “24/7”.

Challenges were apparent from the start. They had to quickly and successfully rationalise stock levels and implement new procedures and systems for staffing levels, rosters, ordering, costing, timesheets, a payroll and an accounting system.

“Also recording and monitoring of key financial indicators needed to be developed and implemented as you cannot control what you do not measure,” Delwyn says.

They were keen to move forward, but unsure how to successfully initiate change in a café business that had been running as it had for some time.

“We knew we had to get it right first time,” Delwyn says.



The couple are not ones to back down from a challenge or the type to take a “she’ll be right” attitude, so, after advice from their real estate agent and bank business manager, they decided to seek mentoring support.

Their search led them to Tauranga Chamber of Commerce Business Growth Team Business Mentor Manager Gayle Hardie, who said she had “just the man for the job”.

That man was John Norton from Business Mentors New Zealand who Delwyn says has given her the confidence she needs to implement the new procedures and other system changes.

“We would not have been able to move forward as successfully without his help,” she says. “He’s definitely been the man for us”.

Delwyn says implementing a Strategic Plan was top priority.

“In order for me to bring about change I needed to take small steps. John suggested we go down this road and we’re still getting there.”

The need for a sound business plan also became apparent. John says while the couple had focus, they needed to put it down in writing so they could see the cafe develop and concentrate on what they felt was urgent.

“They needed to get a grasp of costs and other areas they weren’t sure on, concentrating on the bread and butter side of the business ensuring that the bricks and mortar were in place before thinking about expanding.”

John’s advice has been diverse - ranging from the importance of costing individual items, working out food cost percentages and profit margins to rolling ice-cream effectively.

“No one had thought to roll ice cream the way we do now and it’s been a huge time saver,” Delwyn says.

While John is the driver in the relationship, Delwyn says he doesn’t come up with all the answers. “He makes us think about things. We might come up with the ideas but he’s the one that asks us how we plan on implementing those ideas”.

She cites the day, on John’s advice, they were sitting back and observing the interaction between staff and clients, when she noticed an elderly lady holding up one of their glasses as though it was dirty. Delwyn, who admits she is fastidious about cleanliness, was mortified. “Even though the glasses were clean and had been through the steriliser, they had become cloudy from use and it made me realise we needed to get new ones.”

It was one of many invaluable lessons John has passed on that has made a huge difference to the success of the business.

“We’ve successfully implemented all of the procedures and systems, optimised costs and are a lot more selective about what we buy now, so financially it has made a huge difference,” Delwyn says.

They realise they are still on a learning curve, but now know they are heading in the right direction.

“We like to get things right from the start, but we’re still doing little step changes, so it’s a work in progress.”

Delwyn says she enjoys café life – but it changes.

“It’s like a rollercoaster – you love it one minute and then the next you realise you need to do another change.”

She strongly recommends that any new business owner seriously consider using a business mentor to help them understand their business, develop a strategic and business plan, prioritise the actions they need to do and act as a sounding board for ideas.

“It is one of the best investments we have made.

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Our highly motivated mentors are accomplished business experts who transfer their business development knowledge, skills and experience to their mentees. Mentors provide a sounding board offering advice, support and an independent perspective to their assigned business owner or manager guiding them to realise their potential.
Our Business Mentoring Service provides 12 months of confidential one-on-one advice for owners of small and medium-sized businesses who want to grow - or need help to solve specific business challenge. The Start-up Business Mentoring Service provides six months of accelerated mentoring for people who have a new business idea or are looking for help with starting a new business, while our Community Mentors provides specialist mentoring support designed for community organisations, not for profits, social enterprises, NGOs and both registered and unregistered charities.