5 Mistakes to Avoid When Opening a Cafe

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Many individuals, not necessarily entrepreneurs, dream of having their very own cafe. There is a riveting component to the idea. In my career, I've come across numerous people who are exhilarated by the mere thought of the opportunity. Unsurprisingly, I've also come across quite a few with decent savings, family money or disposable income who decide to transform that dream into a reality. The hard truth tends to surface a few months after most of the investment has already been injected into the project.

When considering this investment, understand that it is common nowadays for brands to be judged by their online presence and following. Potential customers primarily notice what the business wants them to see via social media and what their influencers choose to promote. Since décor and ambiance impact first impressions, the most "Instagrammable" cafés are often added to many must-visit lists. As with many UAE cafe startups, it seems somewhat justifiable for business owners to have that tendency to splurge on interior design and branding. But at what cost?

Initiating social media hype before a business opening is always a good idea but know that overnight success is a myth. Many new owners tend to get a false sense of security and are prone to slack if they notice their establishment is booming during the first few months. Consumers are curious enough to play into the hype of a new cafe with at least one visit, and they will come with high expectations, so be prepared for diligent follow-throughs and keep in mind that hype alone is

short-lived.

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The clock officially starts when a customer walks through the establishment’s doors for the first time. An immediate success means that a customer departs highly impressed with their experience and is keen to return. Conversely, if their overall experience is anything short of satisfactory, there is a higher probability of their negative feedback spreading.

Our research into the UAE’s cafe and restaurant trends in 2019 revealed that only one in 12 people would post about their positive experiences online without being encouraged by the establishment. However, an unhappy customer would talk about their negative experience to an average of eight people. We also discovered that one in three people would post about their negative experiences online. A staggering 82% of patrons will not return to a café or restaurant if they experience erratic customer service or food and beverage quality inconsistencies.

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With all that in mind, it seems prudent that your launch includes some vigilant and progressive strategies. In a market that may be perceived as oversaturated, we have witnessed the hardships and the demise of many enthusiastic entrepreneurs who have underestimated the demands of launching and maintaining a cafe in the UAE.

Here are five common mistakes I have witnessed firsthand and some opinions to consider before you embark on your journey.

1. Overestimating your location

Considering the investment of launching a cafe, it’s safe to assume that you have done your due diligence and quantified the expenses and returns based on your location. But pay close

attention to all tangible aspects of the property such as visibility, foot traffic, customer parking, surrounding noise, local clientele and local competition. If there are a lot of similar establishments nearby, how are they performing throughout the day, and how will you stand out at your particular location? Additionally, consider the limitations of your space and future neighborhood developments.

Over-predicting revenue partially due to the wrong location for your particular brand can be a costly mistake in terms of time and money.

2. The blatant carbon copy strategy

Customers are seemingly tired of the constant interior design replicas, in many cases here, exact copies of menus and dish styles. Aesthetic elements of successful establishments are frequently copied. This practice, without restraint, will lead your customers to compare you directly to your inspiration models.

When it comes to the overall design of your space, start with your menu at the forefront. This approach helps you plan equipment and exact space requirements – including the workflow of the kitchen and behind the bar. You'll quickly find that the menu is more relevant to your space than the aesthetic is.

Find your niche and establish credibility through your offering or individuality while ensuring your space's highly efficient workflow layout.

3. Neglecting your staff

Considering customer service is at the heart of hospitality, it's surprising how often the "wrong" staff are in customer-facing roles. Having to bring their 'A' game to every shift,

many staff are just not made for hospitality, and your customers will notice. Many employers favour quantity over quantity by hiring subpar staff with lower salaries rather than attracting highly competent and efficient staff with a better salary offer.

Ensure a comprehensive human resources plan and aim to hire the right people. Personality wins returning customers in the hospitality business. An inherent willingness to learn, coupled with core competencies, will ensure that your staff steers your business in the right direction.

4. Choosing inadequate suppliers

As an owner, you should involve yourself in the supplier selection process, and before you formalize any commitment, source out genuine testimonials and references. There is nothing worse than premature stock depletion, delayed deliveries or receiving poor ingredients when you are trying to run your business. The cheapest options tend to be just that for a reason. A lapse in your supplier's quality control means your business reputation suffers. This purchasing strategy is not the most sustainable option.

Be aware that side deals or hustles are a thing. Certain suppliers can not only sway the selection process, but many also have their ways of deliberately increasing the ordering frequency. Being actively involved in the UAE cafe industry for over a decade, I've frequently witnessed such unethical practices.

Work with suppliers who have achieved their integrity through experience and reputation. Identify individual representatives that want to understand your business and that has your interests at heart. These suppliers do exist.

5. The early inconsistencies

You can limit daily inconsistencies with the appropriate leadership and teams appointed and by ensuring stringent policies through detailed operating procedures and regular training. Well-appointed management should ensure that detailed checklists and recipes are accessible and diligently followed by all staff.

Customer incidents must be logged and included in daily discussions with the team. Through regular open communication and team encouragement, any shortcomings can be a powerful training tool. Keep your team happy and motivated, and remember that superior customer service, product quality and consistency will leave less room for failure.

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Final thoughts

An owner's involvement in their own business is an irreplaceable personal touch. Many customers feel a sense of belonging and appreciate the soul of a cafe with a present and active owner. It's imperative to understand your daily operations and engage with your early customers to establish rapport. Build on your patrons to learn what sells and what doesn't.

Be aware of your competition while being ready to evolve and innovate. Adding new items to the menu or replacing the non-sellers keeps things fresh and exciting for your guests. Ultimately, have detailed measures to ensure your business will be executed and delivered consistently from day one.

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