

BUSINESS ENTERPRISE

PROFILE

Seasoned performer's grate expectations

A team-building cooking business keeps financially fresh by regular reviews of its business ingredients, writes Mark Fenton-Jones.

It might be marketed as a fun, interactive way for staff to bond but the owner of Sydney-based Cheeky Food Group's corporate team-building cooking classes is aware of the need to keep her seven-year-old company from going stale.

"Because our main market is corporates, we have to be a profitable company to serve them," says Leona Watson.

She established Cheeky Foods in 2002 with two chef partners, who have since left the business, and now owns the enterprise.

She says 95 per cent of turnover, which falls within the \$1 million to \$5 million band, comes from high-end, corporate team-building events. The business employs six full-time and one part-time workers, while drawing on five chefs once or twice a week for smaller events, and another 15 for bigger occasions.

After a strong performance in July and August, business fell by 25 per cent in November and December from the same period the year before.

But Watson has seen a resurgence and after revising her projections, expects business to be up 20 per cent in 2009 compared with 35 per cent the previous year.

The downturn has focused her attention on overheads.

"Now, more than ever, every



business should have plans in place to manage cash-flow variations – worst- and best-case scenario. The key is to do everything you can not to lose staff as it's costly to bring someone back (or worse, to rehire) when things pick up later," she says. "But even more disastrous in a small team or company is the negative effect on morale, which can easily affect productivity."

The business's full-time sales and marketing manager is voluntarily leaving to travel extensively but her position will be replaced with a part-timer and a "little bit of restructuring".

This month, Watson took her staff away for their second annual weekend conference at Newport Mirage on Sydney's northern beaches.

"Some people were saying it was

Cheeky Food Group's Leona Watson says 95 per cent of turnover comes from high-end, team-building events. Photo Jim Rice

pretty extravagant. But the thing is to spend your money well on things that make the biggest impact. Most companies my size don't do that.

"It's about picking what is going to make the biggest difference in your business – short and long term," says Watson. "It can actually reinvigorate your group rather than everyone going around all doom and gloom."

This year's conference included a brainstorming session in which staff were asked to review a business book and come up with two ideas, with a prize for the best presentation and idea.

"We brainstormed 15 different topics which we think – if we concentrate on [them] – will make a difference to our bottom line," explains Watson.

Among the ideas to be explored are time management, cost-cutting and customer relations. Watson says the aim is to send an email to staff every second Monday morning on one topic, which will be followed up by a staff meeting two weeks later to get employee views.

"The idea is to try and be better at one thing, so that after two weeks the good business practices become everyday activities and a new, learned behaviour," Watson says.

She also holds quarterly meetings with staff to ensure the

business is on course.

"I show everyone the figures. It's totally transparent," says Watson, who dismisses criticism about younger staff not being committed to their work.

"All you've got to do is involve people. They're smart. Why wouldn't you involve them?"

While the business has managed to trim costs, many overheads have increased, so Cheeky's emphasis this year remains on cost-cutting.

"We set out to reduce cost of goods for events without reducing standards. And we haven't," she says.

Watson started Cheeky Food Group with two partners and \$7500 after a successful career as a marketing consultant.

But her love of entertaining sent her to the Whitsundays to work on a yacht as a cook and tour guide, then to complete Le Cordon Bleu training.

The first years of Cheeky Group's life have not been without major changes of direction.

"For the first year and a half we were pretty much playing at it, working part-time and doing good cooking classes but not team-building ones.

"We were also doing a little bit of everything for everybody. We spread ourselves a bit thin until we decided to concentrate on team-building."

With hindsight, Watson says she would have got a coach at an earlier stage in the business's life to help her better understand running an enterprise.

"We got one 2½ years ago and it was really great because I was getting so bogged in the business as we got busier," she says.