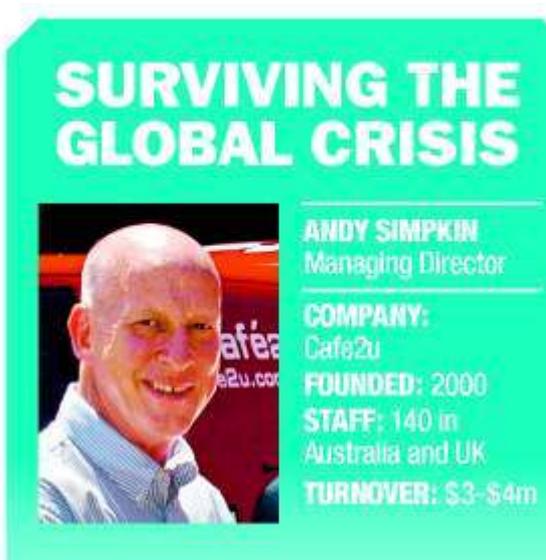




Sunday Telegraph
 Sunday 24/5/2009
 Page: 115
 Section: Making Money
 Region: Sydney Circulation: 653,000
 Type: Capital City Daily
 Size: 162.72 sq.cms.
 Frequency: -----S

Brief: CAFE2U



SURVIVING THE GLOBAL CRISIS

ANDY SIMPKIN
 Managing Director

COMPANY:
 Cafe2U

FOUNDED: 2000

STAFF: 140 in
 Australia and UK

TURNOVER: \$3-\$4m

THE concept of a mobile coffee vendor seems a bit “low rent” at first. It hardly appears to be a glamour job.

But when Andy Simpkin, managing director of Cafe2U, first started selling coffee to the franchisees, he realised they were on to something.

“They were finishing work at 1.30pm and going surfing,” he says. “And I thought, ‘Who’s the idiot here?’”

Simpkin bought Cafe2U from struggling founder John Greco in 2000 and has seen it grow to 140 local and UK franchisees, with a launch in the US imminent.

It was listed in the BRW top 10 fastest-growing franchises early this year.

“During a recession, flexibility is key. A lot of our franchisees are seeing businesses close down in front of them.

“If you’re a cafe that’s a problem. But, if you’re in a van, you drive to another location and find new customers.”

Cafe2U charges franchisees \$125,000 for the van, equipment and training, and guarantees that within two weeks the franchise will be selling \$500 worth of coffee a day.

“It is proving to be recession-proof not just because of the flexibility to move around, but because if you provide good coffee people are always prepared to

pay” Simpkin said.

“Our staff go to ‘non-traditional’ locations such as office parks and industrial estates and build up a regular round of customers. Most work from 6am or 7am to lunchtime, plus they go to occasional events such as concerts and festivals. We have a special events co-ordinator who splits these functions between the franchisees.

“This means we are operating for most of the time away from the traditional competitors such as cafes and in clear, blue waters. Other people have tried to copy our model, but we were first in and have managed to hold on to our business and continue to grow. We are adding four franchisees a month to our network.

“We put together territories based on databases of customers — you need 20 or 30 stops where you’d get 10 customers on average. At \$3 a coffee, that’s up to about \$900 a day. Our average franchisee earns about \$700 a day, which is a good living.

“We have all sorts of people working with us, from blue-collar workers to former white-collar professionals who have been made redundant and want to be their own boss, have a better lifestyle.”

— NICK GARDNER