



Jack's BLEND

Jack Groot owns JP's Coffee & Espresso Bar, On Track Coffee Consulting and the Midwest Barista School based out of Holland, Mich. E-mail your questions to jack@ontrackcoffeeconsulting.com with "Jack's Blend" as the subject line.

This month's column comes on the heels of stressful times. I'm sure many of you can relate to exactly what I am talking about. Financial stress.

I often wonder to what extent to share problems with people. Do I share them with only my wife? Do I share them with my best friends? Or with others I consider mere acquaintances? Do I share them with only my manager, or with my employees as well? Well, I guess this column gets me on the path to opening up to anyone.

There is an old Chinese proverb that says, "Better to light a candle than to curse the darkness". And I believe darkness is fear's greatest weapon. Once something is exposed to the light it can be seen for what it is. And often things that seem overwhelming in the dark turn out to be manageable.

When we opened for business, my wife and I started on a wing and a prayer; poster children for the term "boot strapping." We worked our tails off and paid off all of our debt in five years. A bank loan, a loan from my parents and a bazillion credit cards. Paying them all off felt great.

Shortly after that, we started a second business, which went well... for a while. And then in the time between opening the concept and realizing it wasn't doing very well, we franchised it. Oops. For the uninformed, franchising an idea takes money, lots of it.

We went back into debt to finance our new project. There was a franchise consultant's fee, attorney's fees, more attorney's fees (our consultant chose a bad attorney and we had to re-do all our paperwork), trade shows, staff and much, much more. After getting the franchise off the ground and selling a few stores, we were tired, tapped out and ready to call it quits. It wasn't our bag and we looked to sell.

It took a while, but we finally found a buyer. The number of buyers wanting a whole franchise system, and an untested one at that, are few and far between. We sold for much less than we had invested, but had little choice. Then the buyer, who has also recently gone through his own financial crisis, was unable to pay us the full amount.

We have our own obligations for our business, as well as for our past mistakes. I may not be able to pay off all my debt right now, but we are working on it and will pay off every dime someday. In the meantime, we must maximize our business.

What are the challenges you face in your economy? Has a large local manufacturer shut down operations or laid off large

numbers of employees, like they have around here in Michigan? Have your clientele decided that brewing coffee at home and cutting the latte budget is the only way to stay afloat? What can you do to tighten the belt?

We have begun what will be a one-year commitment to ourselves. We are committed to doing what it takes to get and remain healthy. Nothing is out of bounds. We are scrutinizing every expense, evaluating every item we sell and figuring out every way possible to get lean — profit margins for existing products, staffing levels, pricing, marketing expenses and more. We will eliminate things that are not carrying their weight and trim fat from every corner. Our new menu boards may be up even by the time you read this (with our modest price increase — the first in two years).

Hard times suck! But, they can also force you, if you are willing, to re-evaluate your business and everything in it. Maybe these hard times are exactly what you needed to kick you in the pants and force you to face some of the hard, ugly facts you've avoided for years. I know that is what it has done for me.

Let's get the ball rolling. E-mail me with one or two of your most-effective, cost-saving, expense-cutting, profit-increasing, business-saving ideas. Once I receive a few, maybe your ideas will be featured in an upcoming "Jack's Blend." Your ideas may encourage some to implement them in their own businesses. And you, in turn, will read ones from others going through the same hard times. Together we'll benefit, the coffee industry as whole will benefit and we can move on in business and life.

Who knows, maybe we'll say thank you to these hard times.



Jack Groot provides coffee and business consulting and training through the Midwest Barista School (MBS). MBS provides consulting, training and products to the coffee industry, including its recently released "Barista Basics" and "Latte Art" training DVDs. Groot also owns JP's Coffee in Holland, Mich. He can be reached at jack@jpscoffee.com with "Jack's Blend" as the subject line, or (866) 321-4MBS (4627).