

# Heritage from an old town

A local kopitiam outlet has grown from strength to strength, writes **Aneeta Sundararaj**

IT'S the weekend and you're catching up with friends for breakfast. No one wants to spend money on an expensive meal, just chit-chat over some nasi lemak and teh tarik. While it's tempting to meet at a mamak stall, the weather is stiflingly hot and humid. Is there an alternative?

"We realised that Malaysians still love their mamak stalls," says Clarence D'Silva, 51, the executive director of OldTown Berhad.

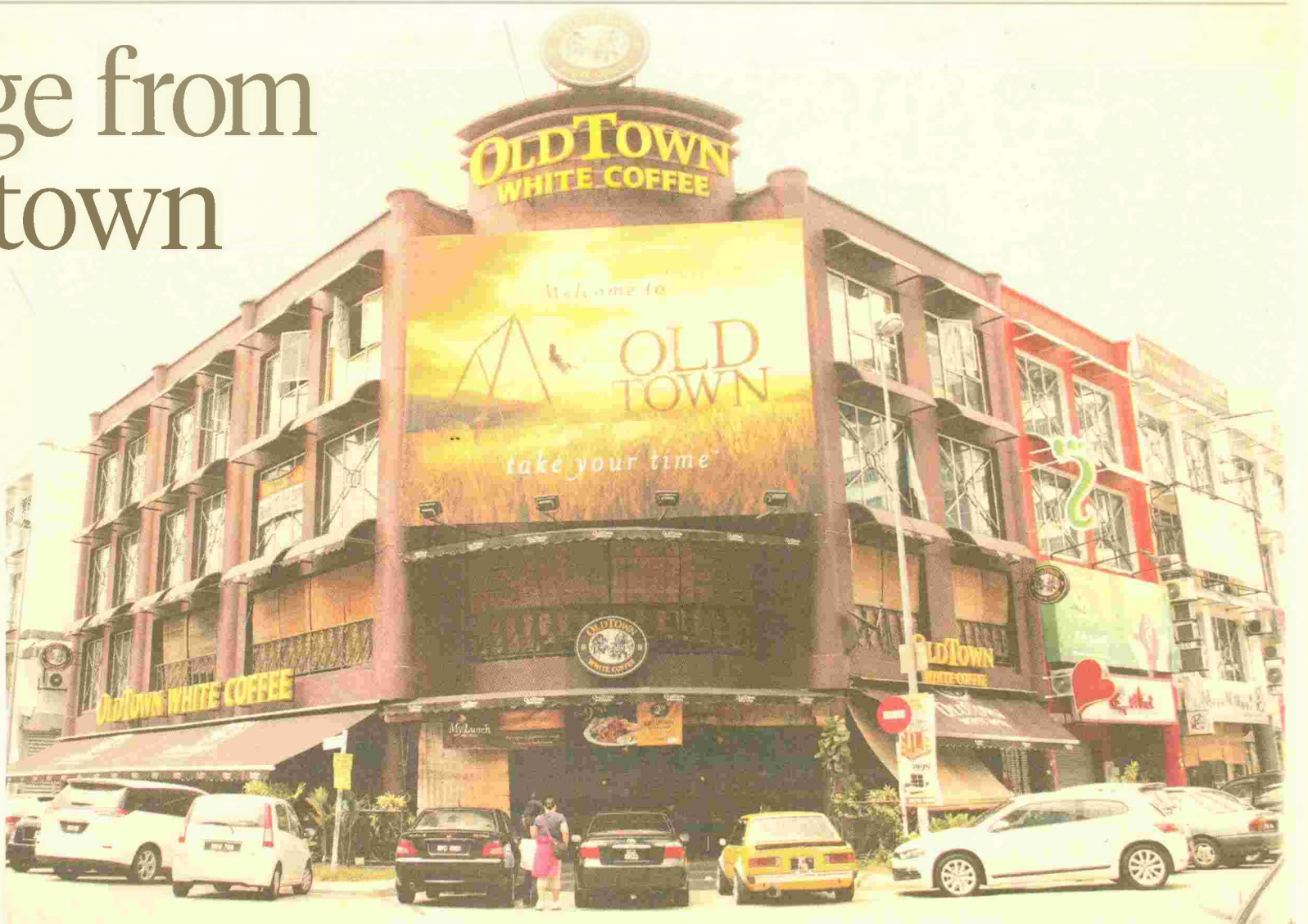
In a discussion with Wilson Beh, 37, the company's fourth franchisee, D'Silva adds: "What we've done at OldTown White Coffee is to provide a more upmarket alternative. It's a meeting place with affordable prices where locals, like businessmen or insurance agents, can still order roti bakar, curry laksa or coffee in a clean place with air condition."

OldTown White Coffee was established in 1999 in Ipoh. It has grown into a franchise giant and last year was named the International Franchisor of the Year 2012 by the Malaysian Franchise Association (MFA). This success, says D'Silva, is based on a unique approach that blends OldTown White Coffee's heritage of small town charm with innovative business practices.

D'Silva says that owner Andy Goh's grandfather discovered a way of roasting a mixture of coffee beans. Most people will only choose the Robusta coffee beans and often use caramel and butter to make up for the loss of flavour. But he chose to mix three kinds of coffee beans — Arabica, Robusta and Liberica. By mixing three beans, the aim was to get the best taste possible and use the least amount of caramel and butter.

Wilson adds: "The grandfather came from Hainan. The coffee shop he first opened in the late 1930s is still standing in Ipoh. Andy used to work in this shop. His grandfather used to rent part of the coffee shop out to another man. This man's grandson is Tan Sai Yap. After Andy returned from overseas, he started OldTown White Coffee together with Tan.

"What do you think the word



The Old Town outlet in Puchong.

'White' in the name refers to? Do you think it's referring to white coffee? Where milk is added?" D'Silva asks.

After a pause, he continues with a grin: "That is a misconception. Actually, it is the purity of the brew. The roasting process allows us to extract the purest of the coffee. In Mandarin, the character that denotes 'pure' can also mean 'white'. That's why the owners decided to use the word 'white' in the name."

## GOING INTO THE FUTURE

In 1999, Andy and Tan Sai Yap recognised the market sentiment, started a company and created a 3-in-1 option for this coffee. "They took it to medicine halls, mini markets and sold it directly to stalls," explains D'Silva. "When it became popular, that's when they decided to open their first cafe. This was in 2005."

Today, there are three concepts for OldTown outlets: the first is a generic concept.

Next comes the signature concept. An example of this is the latest outlet in MidValley. "These signature outlets are brighter and the menu has fewer items," explains Wilson. "It's more exclusive and the portions are larger."

The third concept is a kiosk. You will find one like this in KLCC where you can buy take-away items.

Looking around, D'Silva says: "This outlet in Bangsar South is a mix between a generic and signature concept. It's also our 100th outlet and the largest, measuring about 1,114 sq metres." He then points to one corner of the room. "The building looks modern, but you'll find little details that will remind you that the owners want to retain their heritage. For

example, look at these marble tables. You'll find these, those high-backed sofas and hanging lights in old coffee shops. The wood panelling is from recycled wood and there are also replicas of old fans." The discussion then focuses on its franchising method. "Franchising is relatively new in Malaysia and many people are sceptical because they're not aware of how it works," D'Silva states.

"We don't promise franchisees success. What we offer is an integrated system from the moment they sign up to when the business is opened. We help them minimise risks by providing training, products and support. This is only 70 per cent of any success we achieve. The rest depends entirely on the franchisee's entrepreneurial spirit."

He adds: "When someone wants to be a franchisee, I first ask them about their primary objective. If they say that it's to invest money, then I will advise them to go elsewhere. I need to see if they are being realistic. And I ask questions like, 'Can you afford to lose all this money?' or 'Are you going to borrow money?' or 'If you do borrow the money and the business collapses, can you pay it back?'"

Nodding, Wilson, who used to be a chef in Singapore, responds: "It was really hard in the beginning. In the first year, I didn't take any holidays at all. Sometimes, I didn't sleep for more than three hours a day."

This statement underlies what D'Silva looks for in potential franchisees — the owner must be willing to be hands-on. "I will walk around the cafe," says Wilson. "When I see a customer looking around, I know he's not happy with something. I will



Clarence Leon D'Silva enjoying a cuppa.

ask 'How can I help you?' before he starts to complain."

D'Silva adds: "This is why we have trained our staff to tell customers that something like mushroom chicken rice will take 20 minutes. I mean, if you come for lunch and we're busy, bear in mind that you will have to wait."

Agreeing that in business things never go according to plan, Wilson shares the following story: "Usually, people in a coffee shop will eat then pay later. But, what I found was that people would eat and forget to pay. So I told the staff to bring along the bill when the food was served. One morning, a family came for breakfast. They were dressed in shorts and slippers. The waiter brought the bill when the food was served.

A while later, another customer sat on the next table. He was dressed in long sleeve shirt and tie. The waiter served him, but forgot to give him his bill. This family became angry and accused us of treating them differently." Sighing, Wilson says: "Of course, I got scolded-lah."

D'Silva pacifies Wilson, saying: "I am more grateful when the customer complains, but comes back. I'm afraid of those who don't complain and won't come back."

Wilson nods. "Yes, if you take it as a complaint, you'll feel frustrated. But, if you take it as a comment, then you'll be OK. Customers want you to solve their problems."

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