

Membership

survived 16 years in Vancouver's competitive restaurant industry. What's more, they've survived on one initial loan that was paid off in 2000 and haven't borrowed a penny, not even dipping into their line of credit, in the 11 years since.

Sixty per cent of new restaurants fail in their first six months, said Ian Tostenson, president of the BC Restaurant and Foodservices Association. Secret Garden's longevity is a sign of solid management and a solid concept, he said.

"If you have those two ingredients, that will withstand a weak economy," Tostenson said...

During the 2008 stock market crash, Kathy and Erin forced themselves to focus on listening to what customers wanted rather than panicking over reduced business.

"It's terrifying to do," Kathy said. "What can we give our customers that's affordable and easier for us to do?"

For a while, customers wanting to split sandwiches "was driving us crazy," Kathy said. "At lunch time, you have to have a certain amount that you take in." Erin and Kathy introduced a half-sandwich, side salad and soup plate which became their best-selling item.

The partners analyze sales daily and have a four-week turnaround on retail items such as tea pots, cups and saucers. That means keeping stocks low, and paying high prices to suppliers.

"We've looked at how much return we're getting for time spent on each area," Erin said. "Our food and high tea is definitely our top priority but retail creates an excitement in the store so it's important that we don't eliminate it altogether."

They've reduced their inventory of tea leaf varieties from 60 to 45, and are looking to winnow again. "I just read an interesting study on a survey at a department store - they served six samples of jam one day and 25 the next day," Kathy said. "People bought more jams when they had six choices rather than 25."

Minimum Wage

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By Mike Youds

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"B.C. Federation of Labour, I don't think, has anybody paid through gratuities," said Ian Tostenson, president of the B.C. Restaurant and Foodservices Association. "If you ask any server, a good server could care less about the minimum wage."

Servers will make two to three times in tips what the wage differential would pay, he said. They're more concerned that the restaurant is full.

"So it's really a non-issue for most servers because they have the benefit of tips," Tostenson said.

The federation [of Labour] says it has reports of breakfast and lunch staff being reclassified as liquor servers to keep their wages lower, even if they happen to serve a single beer.

Servers are reluctant to speak out about the issue for fear of losing their jobs, said Jessie Uppal, federation spokeswoman.

Although servers receive gratuities through tipping, they generally have to "tip out," meaning they must share those with non-servers who earn the higher wage. As well, those tips don't count toward holiday pay, maternity leave or severance calculations, Sinclair said.

"It's created two classes of workers in the same place." Those affected are mostly younger women, Uppal noted.

Uppal also challenged the contention that there have been job losses in the industry, a claim not borne out by statistics.

"Really, all we're calling for are regular, stable cost-of-living increases," she said.

Sinclair said cutbacks and policy changes mean the employment standards branch no longer actively enforces the rules. When violations are found, in cases where employees have been underpaid, employers must compensate them for a six-month period rather than two years as was previously done, he said.

Tostenson disagrees.

"I don't know why they would back away from that. I haven't heard that. I think there's a lot of pressure in the business to make sure they're doing the right thing." He also questioned whether servers are being reclassified to suppress wages.

"Any business doing that shouldn't be in business," he said. "Most play it straight." The wage differential helps to ensure new workers can be brought into the industry, a better option than the \$6 training wage that used to apply, Tostenson said.