



palate pleasures

Time is money ... or is it timing!

One thing for certain is that we live in uncertain times. Interest rates in freefall, banks and major companies going bust, 'voluntary' redundancies all around us, long-held investments deemed worthless in this volatile market.

And then there's the ominous spectre of climate change projected into the future – even if we don't believe – this summer's extreme weather cannot fail to exacerbate the pervasive and contagious aura of doom and gloom.

It's only natural, in such economic circumstances, for business enterprises of all sizes to batten down the hatches and steel themselves for a challenging and unpredictable financial year (or several). We simply don't know what is ahead – how bad it's going to be, and how long it will last ... after all, no economic analyst predicted the extent and prolonged damage that this credit crunch would cause.

The buzzwords seem to be 'proceed with extreme caution'. Downsizing and ultra-conservative budgetary constraints are the order of the day. Luxury is out and frugality is in. The 'Fashionista' has been usurped by the 'Recessionista' – a new hybrid creature who discards her Louis Vuitton bag for something cheap and cheerful from Vinnies.

Similarly – long lunches are 'out', and a sarnie from home at the desk is 'in'. Anything non essential gets cut; we are no longer just saving our pennies for a rainy day – the rainy day is now.

A tad depressing, isn't it? Maybe so, but clever business decisions can still protect us from harm. Now is the time to harness those moments where hay is made in the sunshine, more than ever – it always has, and always will be simply about supply and demand. When there is a demand, we need to find ways to maximise our gains.

In many industries this is manifested by a premium paid by customers during periods of high occupancy. For example, it goes without saying that your flight is going to be far more expensive when the plane is almost full, than if it is almost empty. Ditto that hotel room.

Let's call it 'commercially driven capacity planning', with incremental price rises as supply diminishes. It's a way of spreading returns and costs in industries which experience extreme fluctuations in trade over the course of a financial year.

Hmm – extreme fluctuations in trade? That

sounds like (you guessed it) – the restaurant industry!

Sorry everyone, but I can feel a John Laws moment coming on. Why is it that we unquestioningly accept paying hundreds more for the same ticket on the same flight just because it is a busy flight, or \$300 for a poky little room facing an air shaft just because it's the Christmas holidays?

But then, we get VERY upset if a restaurant, booked to maximum occupancy, dares to offer a set menu, two course minimum or holiday surcharge for example. Let's go back to airlines and hotels for a second ... product and operating costs are exactly the same, however your timing dictates the PRICE?

As restaurants, we cater to those very same people at the same times, we experience the same unbelievably volatile fluctuations. We, in the same way, store reserves from busy periods in a way that sustains us through the lean times.

Those seats in the restaurant are simply worth more when they are in high demand, just as real estate is and your experience may be different than one that is outside peak times.

And once the doors are open, the clock is ticking – which is why a restaurant needs to have more than one sitting in a night sometimes (again – supply and demand!). It's also why we may get a little peeved when the last table is still sitting there an hour after everyone else has left. Staff members are waiting for someone to leave, labour costs are piling up, and profit margins are tumbling down.

Yes, we are indeed in the business of hospitality, but there is a point where the night is over and it's time to go home.

Other businesses keep strict hours of business – let me cite the example of Coles. Hours of operation recently reduced and would not let me in at 9:50pm in anticipation of a 10pm close. Ditto banks and post offices, not to mention pubs!

People do expect some leeway with food and beverage and often get it – but if we do accept a late table when the kitchen is about to close, we would tentatively hope for a consideration of costs incurred to remain open by the said customers ...

Times are tough, and it calls for business owners to be tougher in order to survive. Prudent scrutiny of profit maximisation techniques and operational costs is the order of the day. Now, more than ever – every little bit helps!