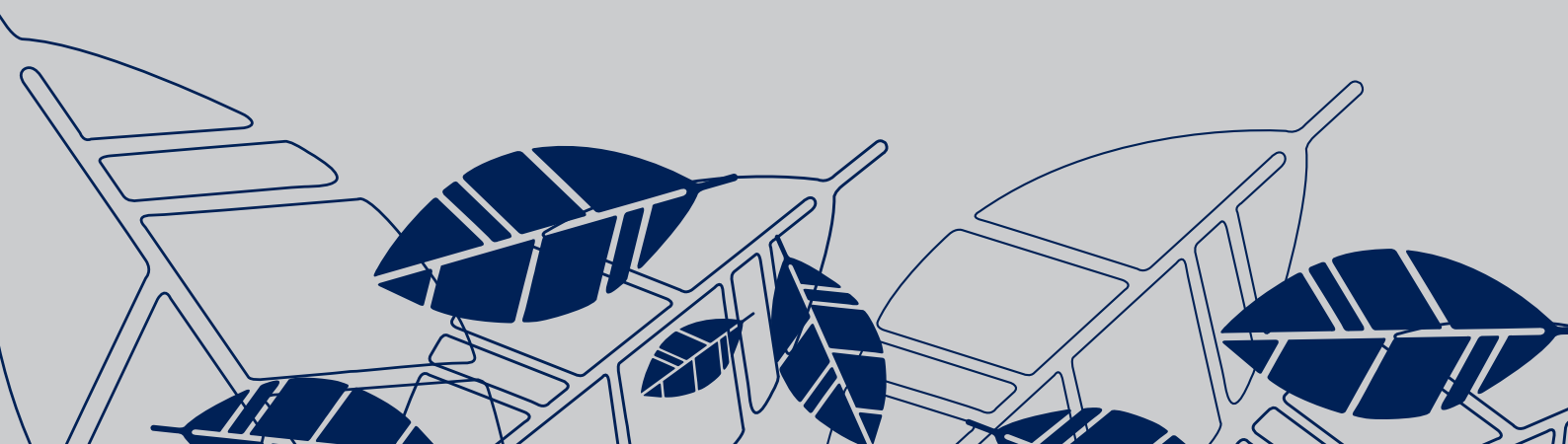


FINANCIAL YEAR

14 | 15

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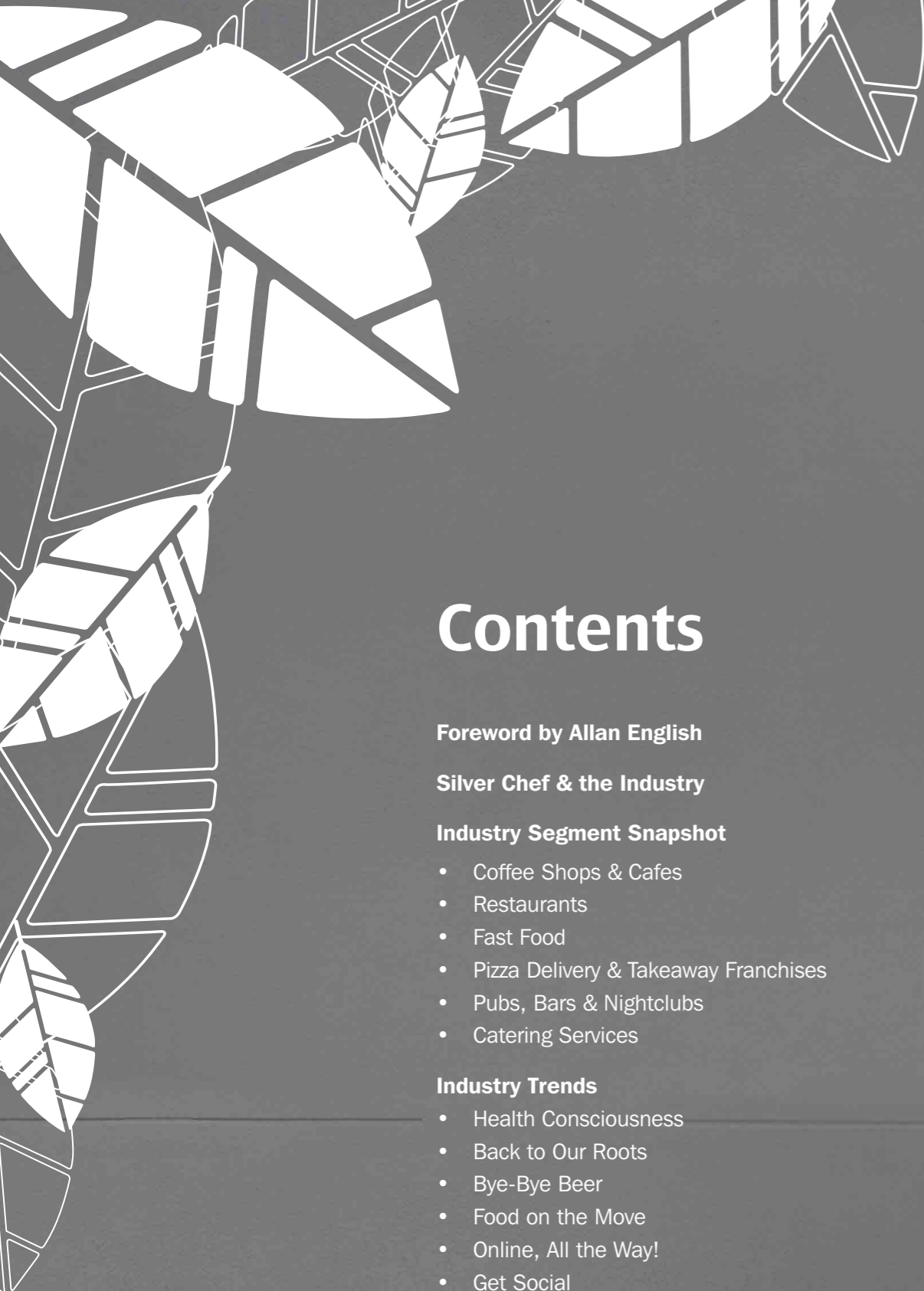
Hospitality Industry Success Index



Maximise industry trends
and turn challenges into
opportunities that drive growth.



silverchef
hospitality equipment funding
your recipe for success



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Foreword

Dear valued members of our industry,

Over the course of the last five years, the Australian hospitality industry has certainly had its fair share of challenges, most notably due to the Global Financial Crisis (GFC) back in 2007-08.

Prior to the GFC rearing its ugly head, industry owners and operators often borrowed heavily from traditional banks and lenders to acquire equipment at inflated prices. Not only was their hard-earned capital tied up, they were also locked into long-term leases.

When the economy hit a severe downturn, banks and lenders froze support, leaving owners and operators in crisis mode. They struggled to repay their debt in the face of falling patronage numbers and with depreciating equipment on their books. As a result, the industry took a big hit, with many forced to shut up shop. Although the Silver Chef Rent-Try-Buy® finance product helped to protect our clients from the brunt of the damage during this time, it was a confronting reminder to us all highlighting what we stand to lose if we don't protect ourselves.

The hospitality industry worldwide is undergoing a significant transformation, and a business' ability to adapt to changing market conditions will be a key driver of future success. The competition bar has been raised, with some sectors of the industry reaching saturation point. The message is clear: shape up or ship out. Understanding the shifts in consumer behaviour and identifying (and acting) on key trends will allow you to turn initial challenges into rewards that will drive growth.

What attracts people to hospitality?

Our clients often tell us it's their love of food and a desire to challenge themselves, coupled with an intrinsic wish to make others happy by what they create, that draws them to hospitality. Their customers' satisfaction underpins everything they do, for without them, a business cannot succeed.

So, what do customers want?

Read on to find out about emerging trends you need to be aware of, and tips to grow your business and make more profit. Information and invaluable insights for this report were taken from specialised industry reports from IBIS World, a leading Australian research company, as well as data from 7,503 hospitality businesses and 202 detailed surveys with Silver Chef clients in the industry.

Finally, a big thank you to everyone who contributed to this report, as we couldn't have achieved it without you. Please feel free to recommend this report to anyone you think will benefit from this information.

Happy reading!

Allan English
Founder & Acting Chief Executive Officer
Silver Chef Limited



SILVER CHEF AND THE INDUSTRY

**90%
SUCCESS
RATE**

Silver Chef customers fare much better than the industry average, with 9 out of 10 customers surviving at least 12 months of trading.

OVER
55
ACCREDITED
FRANCHISES

Silver Chef has accredited over 55 franchises such as Crust Gourmet Pizza Bar, Domino's Pizza, Donut King, Brumby's Bakery and Michel's Patisserie.

Every store from one of our accredited franchises is eligible to generous amounts of pre-approved funding.

Hugely successful franchises often prefer to fund their equipment through Silver Chef to protect their cash flow and to help get the best franchisees on board.

MORE THAN
20,000
AUSTRALIAN
HOSPITALITY BUSINESSES

Nearly a third of our customers operate in regional areas of Australia, from Airlie Beach to Albany, and Yarra Glen to Yass.

Rent-Try-Buy was specifically developed for the industry, by people in the industry. It's unlike anything else on the market and caters to the unique challenges and nuances of the hospitality industry. Over 20,000 Australian hospitality businesses choose Silver Chef to help them succeed. Find out what you're missing!

2.16
CONTRACTS

Our customers typically have an average of 2.16 contracts.

Didn't find everything the first time you financed your equipment through Silver Chef? No worries. Under your 12 month master agreement, you can top up your equipment for free!

AVERAGE CONTRACT
\$21,245.40

Our average customer has financed equipment worth \$21,245.40. Ranging from complete fit-outs and turnkey projects to a flexible stop-gap solution, Silver Chef's Rent-Try-Buy® has your needs covered.

**HOT
50**

With several Silver Chef customers featured on *The Weekend Australian's* recent Hot 50 Restaurants in Australia List, it just goes to show that Silver Chef isn't just for start-ups or small businesses.

See the full list [here](#)



INDUSTRY SEGMENT SNAPSHOT

What are some words that come to mind when you think of the Australian hospitality scene? Dynamic, ever-evolving, crazy, exciting, inspirational... The list is endless! With so many changes, it's important to keep your finger on the pulse and know what's happening in our industry right now.



REVENUE \$269.6
\$4.2 billion million
PROFIT 6,613
businesses

Annual Growth 2009-14: 5.3%
Annual Growth 2014-19: 2.5%

Pulse Check: COFFEE SHOPS AND CAFES

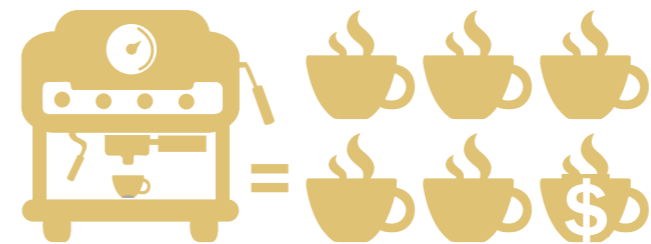
While some parts of the world are still playing catch up, Australia is miles ahead in the quality coffee stakes! We can thank our European counterparts for their influence on our nation's coffee culture.

Australians' penchant for quality has filtered (pardon the pun) down to the coffee we drink. According to Roy Morgan research, Aussies are showing no signs of kicking caffeine to the curb, with the average coffee drinker consuming a whopping 478.4 cups a year!¹

Backed by our industry's love of quality coffee, this industry segment was better supported during the GFC. This is because coffee is perceived as an affordable luxury, which means that even when times are tough and consumers have less discretionary income to spend, they're still highly likely to keep buying it.

\$10,000

Coffee set-up is yours for
just 5 cups of coffee per day



Every cup after is pure profit!

¹ The brew crew: Australia's heaviest coffee drinkers - Roy Morgan Research. 2014. The brew crew: Australia's heaviest coffee drinkers - Roy Morgan Research. [ONLINE] Available at: <http://www.roymorgan.com/findings/5470-brew-crew-australias-heaviest-coffee-drinkers-201403060304>. [Accessed 31 August 2014].

² Australia's Coffee Obsession . 2014. Australia's Coffee Obsession . [ONLINE] Available at: <http://www.smh.com.au/executive-style/strive/are-we-a-nation-of-coffee-snob-20130527-2joro.html>. [Accessed 31 August 2014].

Silver Chef funding is a no-brainer, especially when you're starting up. It's a much more flexible and affordable option than a bank loan, for example.
– Timothy Burstow, Findos Cafe QLD

Two-hatted Sydney chef, Giovanni Pilu was once quoted as saying: "There is nothing worse than bad coffee. If you finish a sensational meal with bad coffee, what do you remember? The bad coffee. Life is too short for bad coffee."² And as a society of self-proclaimed coffee snobs, we can relate.

This industry segment is still in its growth phase, however with a low level of capital required for set up, and minimal barriers for entry, competition is intense between market players – and there are a lot of them! With this in mind, it's more critical than ever to keep your customers front of mind and understand what they want.

Intense competition also tends to drive prices down as operators compete for customers, forcing business owners to focus on other areas to increase their profit margins. Typically, most operators focus on reducing wastage and staff wages (trending towards casual work arrangements), and increasing operating efficiency by replacing faulty, old or outdated equipment. Using a funding option that specialises in flexibility at its core, such as Silver Chef, allows operators to protect cash flow and keep capital in their name.

Pulse Check: RESTAURANTS

The restaurant sector (like most of the industry) took a dive when the GFC struck. Thankfully, the industry has come back with a vengeance with an annualised growth of 5.6% over the last five years.³

While some of this growth can be attributed to recuperating losses after the GFC, in part it's also due to shifting social patterns in consumer behaviour. With busier lifestyles, more work and less play time, consumers are looking to restaurants for the answer, along with the added convenience of saving time with food preparation and clean up!

Reality television cooking shows, like *My Kitchen Rules* and *Master Chef*, and rising profiles of celebrity chefs splashed across mainstream media have positively put the Australian hospitality scene in the spotlight. Major supermarket chains like Coles and Woolworths have pounced on this growing opportunity by teaming up with celebrity chefs Heston Blumenthal (Coles)⁴ and Jamie Oliver (Woolworths)⁵ to create special recipes and pre-packaged meals.

For restaurants Australia-wide, this means greater knowledge and skill sharing opportunities between operators and consumers. As layman knowledge, understanding and appreciation increases, there's a greater need for consumers to know what they're eating, how it was made and where it comes from.⁶ It's not just about the food though; consumers are focused on the experience as a whole, and décor, ambience, and customer service are highly valued.

Silver Chef kept in contact throughout the funding application process and followed through as promised. It was simple and easy!

– Roberto Lo Conte,
Sorano Restaurant WA

³ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at:<http://clients1.ibisworld.com.au/reports/au/industry/default.aspx?entid=2010>. [Accessed 31 August 2014].

⁴ Heston for Coles. 2014. Heston for Coles. [ONLINE] Available at:<http://www.hestonforcoles.com.au/>. [Accessed 31 August 2014].

⁵ <http://www2.woolworthsonline.com.au/Shop/Seasonal/Jamie-Oliver>

⁶ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at:<http://clients1.ibisworld.com.au/reports/au/industry/industryoutlook.aspx?entid=2010>. [Accessed 31 August 2014].



REVENUE **\$11.4 billion**
 \$1.0 billion PROFIT
 8,360 businesses

Annual Growth 2009-14: 5.6%
 Annual Growth 2014-19: 2.3%

\$20,000

Combi Oven is yours for just 2 main courses per day



Every meal after is pure profit!



REVENUE **\$749.7**
\$15.3 billion million **24,600**
PROFIT businesses

Annual Growth 2009-14: 3.0%
Annual Growth 2014-19: 1.5%

Pulse Check: FAST FOOD

The last five years have seen a dramatic shift in our fast food and take-away industry: traditional, high-fat fast food has fallen in revenue, while premium and healthier options gain increasing popularity with consumers. This rise in health consciousness in society has spawned a flurry of new operators entering the market, offering higher quality, and healthier options with less fat, sugar and salt content. This segment also faces intense competition from supermarkets offering healthy options for pre-prepared meals for added convenience.⁷

With only a modest increase in venue numbers over the last five years, this industry segment is considered to be saturated and at a mature stage.⁸ In a bid to boost revenue during this same period, business owners clung to marketing promotions like a life raft, with offers such as 'Buy two entrees, get one free' and 'Half-price meals' available at every opportunity. Unfortunately, this strategy of always discounting the product simply served to sacrifice profit margins, and ultimately reduced a customer's average spend.

As consumers place an increasing importance on health and wellbeing, venues that compliment traditional fast food options with premium quality ingredients will reap the benefits. Often these premium quality products attract a higher price point that consumers are more than willing to pay, which assists with supporting profit margins.

This is my first time in the industry and Silver Chef has made it a dream. The funding application was the easiest thing I've ever done in business - I cruised through it.

– *Leanne Wroe*
Poona Takeaway and Grocery QLD

⁷ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at:<http://clients1.ibisworld.com.au/reports/au/industry/default.aspx?entid=2005>. [Accessed 31 August 2014].

⁸ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at:<http://clients1.ibisworld.com.au/reports/au/industry/default.aspx?entid=2005>. [Accessed 31 August 2014].

Pulse Check: PIZZA DELIVERY AND TAKEAWAY FRANCHISES

Operating within the fast food sector, Australia's food franchising market has boomed over the last five years, and better yet, it's still in its growth phase. Franchising is incredibly different in structure to other businesses: 'operators provide branding, marketing, administrative support, training and other services to franchisees in return for annual royalties and marketing fees'.⁹ The industry is highly concentrated, with four major players dominating the Australian pizza market, owning an estimated 95.3% of franchised pizza stores: Domino's, EBA Pizza Holdings, Retail Food Group and Yum! Restaurants Australia.¹⁰

This sector displays an inherent knack for first identifying and then capitalising on shifting patterns in consumer behaviour, namely that of health and a growing fascination with premium, quality ingredients. Franchises that have positioned themselves as healthier alternatives to more traditional options have performed well. Gourmet and speciality pizzas have drawn consumers in, and also encouraged new players to enter the market.¹¹

When it comes to consumers of takeaway franchises, there's one thing that's always top of mind: convenience. Technology and social media have become a focus and investment for major industry players. The way in which businesses and consumers interact is radically changing, and those that capitalise on these opportunities will reap the benefits. Domino's Pizza certainly paved the way in this space with clever social media campaigns and smartphone and tablet applications to speed up the purchase process.¹² Others have since followed suit with similar online platforms. Allowing customers to order, pay and provide feedback online have proven to be major catalysts for industry growth.

This industry segment has always had (and always will) a reasonably high cost of labour. A typical pizza franchisee spends roughly a quarter 'of their annual revenue on wages and associated labour costs'.¹³ While technology has helped to automate some processes, labour is still an intensive cost to franchisees. Franchising and licensing fees and marketing levies also eat into their profit margins.

This sector can require a substantial level of capital, which reduces the pool of potential franchisees considerably. One of the main capital requirements for a franchise is kitchen equipment, and this cost has grown over the last five years.¹⁴ Successful franchises such as Domino's, Crust and Subway have funded their kitchen equipment through Silver Chef to save capital, protect cash flow and avoid having depreciating equipment on their books.

As all franchisors know, business performance hangs on franchisees replicating the original business idea exactly, down to its systems, layout and equipment models. Franchisees who assume a well-known brand alone will guarantee a profit are making a significant error in judgement. Finding the right franchisees for your brand is pertinent to your business' success.

⁹ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at: <http://clients1.ibisworld.com.au/reports/au/industry/default.aspx?entid=5250>. [Accessed 31 August 2014].

¹⁰ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at: <http://clients1.ibisworld.com.au/reports/au/industry/default.aspx?entid=5250>. [Accessed 31 August 2014].

¹¹ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at: <http://clients1.ibisworld.com.au/reports/au/industry/default.aspx?entid=5250>. [Accessed 31 August 2014].

¹² 2014. [ONLINE] Available at: <https://www.facebook.com/Dominos>. [Accessed 31 August 2014].

¹³ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at: <http://clients1.ibisworld.com.au/reports/au/industry/industryoutlook.aspx?entid=5250>. [Accessed 31 August 2014]. at: <http://clients1.ibisworld.com.au/reports/au/industry/industryoutlook.aspx?entid=5250>. [Accessed 31 August 2014].

¹⁴ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at: <http://clients1.ibisworld.com.au/reports/au/industry/industryoutlook.aspx?entid=5250>. [Accessed 31 August 2014].

REVENUE **\$1.2 billion**
PROFIT **\$106 million**
14 businesses*

Annual Growth 2009-14: 6.1%
Annual Growth 2014-19: 3.2%

*multi-food franchise operators



**Pulse Check:
PUBS, BARS
AND
NIGHTCLUBS**

The introduction of gaming machines into many venues during the mid-1990s led to a surge in growth for this industry segment. However, mounting opposition and new legislation changes to mediate regulation are expected to stunt growth for this revenue stream.¹⁵

While there are still many pubs and clubs in suburbia where you can pop down for a pint or two, these venues are no longer the darlings of the market. Changing consumer tastes leading to a steady decline in beer consumption, coupled with rising property and rent prices and strong competition from independent pub operators have put pressure on this group.

However, there are a lot of positives and opportunities for this sector, which is undergoing a transformation at the moment due to long-term structural changes. More flexible and accommodating liquor licencing laws in Melbourne, Sydney and Perth have seen the small bar scene explode in popularity, particularly those with refined food and beverage offerings.¹⁶

I've got a couple of businesses and I've used Silver Chef for both of them. We're looking to expand aggressively in the future and we will be approaching Silver Chef for a lot more equipment funding.

– Dale White, The Public Brewery VIC

\$10,000
of equipment is yours for
just 4 beers per day



Every beer after is profit!

With government regulation, licensing fees and operating costs (in particular high rent and labour) eating away at profit margins, business owners must focus on increasing business efficiency (i.e. with better or different equipment), and investing in their future growth without negatively impacting on their cash flow or capital. A key trend among successful players has been to fund their equipment, furniture and custom items with flexible options available to them at any time, not just at the end of the agreement term, such as Silver Chef. Diversifying your product offerings to include craft beers, ciders and quality food will also help get more customers in the door!

REVENUE \$1.1 billion
\$16.2 billion PROFIT
3,691 businesses

Annual Growth 2009-14: 2.2%
Annual Growth 2014-19: 1.6%

¹⁵ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at: <http://clients1.ibisworld.com.au/reports/au/industry/default.aspx?entid=448>. [Accessed 31 August 2014].

¹⁶ Small Bar Fly | Buzz'n round Australia's Best Small Bars - Sydney, Melbourne, Brisbane, Perth, Adelaide. 2014. Small Bar Fly | Buzz'n round Australia's Best Small Bars - Sydney, Melbourne, Brisbane, Perth, Adelaide. [ONLINE] Available at: <http://www.smallbarfly.com/>. [Accessed 31 August 2014].

Pulse Check: CATERING SERVICES

From the moment I contacted Silver Chef to when the equipment was delivered, I was extremely happy. It was quick, seamless and the communication was very good.

– Ann Johnston,
The Office Cafe and Catering SA

The GFC was tough, but the last couple of years have seen profit margins for the catering services sector improve. A rise in consumer confidence and increase in discretionary income has helped of course, coupled with growing demand from key sectors including airlines, mining companies and government departments in particular. Extra spending money for consumers also means they're more comfortable purchasing food prepared by caterers in airports, hospitals and at major cultural and sporting events.

Research indicates a shift in consumer behaviour towards a preference for consolidating services with suppliers. Growth is forecast to continue at lower rates until 2019 as the industry matures and fewer growth opportunities emerge for industry participants.¹⁷ In line with this trend, some of the larger companies in the market have taken to diversifying their services, adding catering to their core business, which is usually security, cleaning or building maintenance.

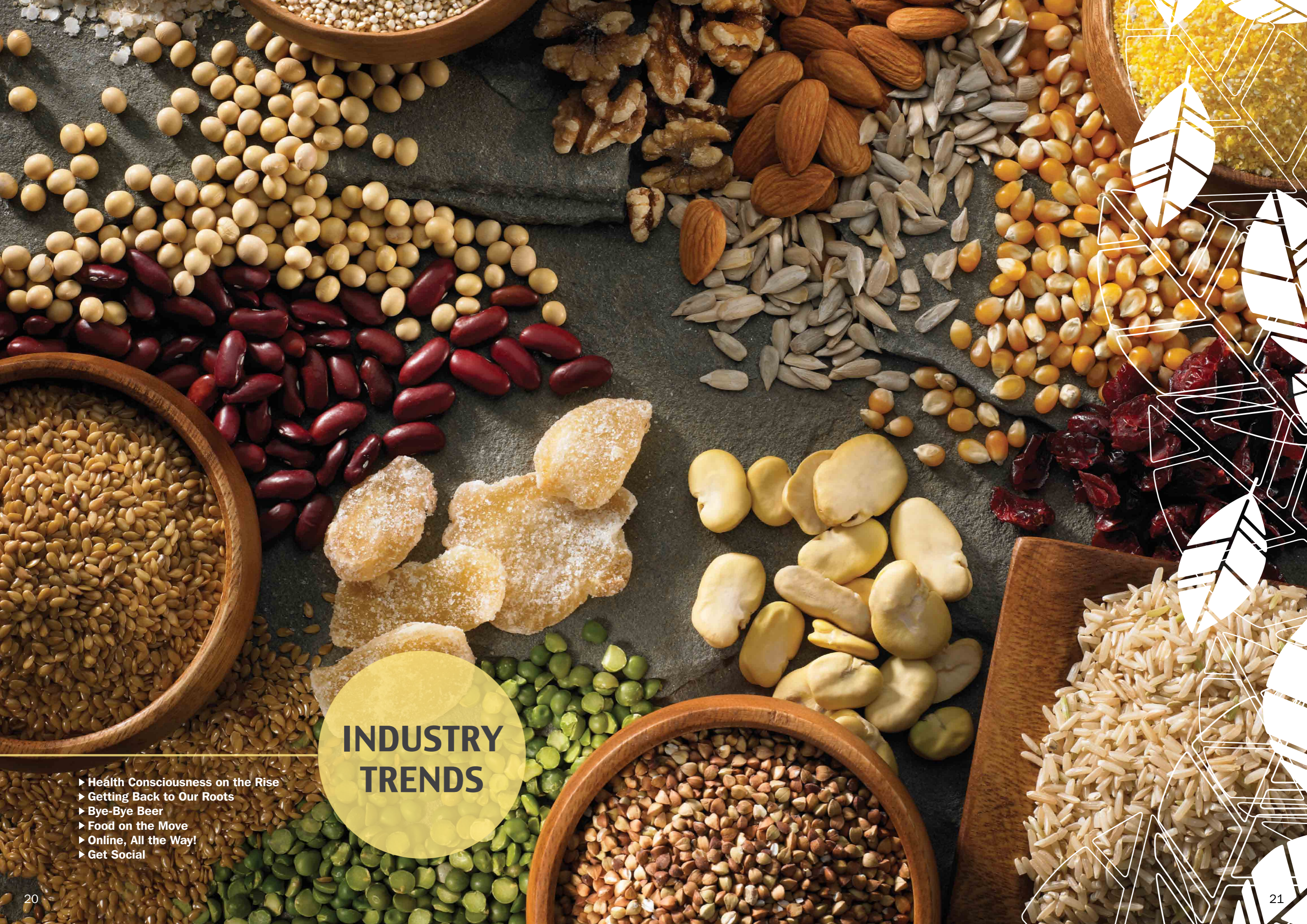
It's quite easy to get into this industry, with very limited entry barriers and not much capital required for set up. On the flipside of the coin though, this means competition is intense. With businesses in this segment typically operating on low profit margins, there has been a real push to keep costs under control. Staff wages and reducing wastage have been key areas of focus, with this trend forecast to continue over the next five years.¹⁸

REVENUE **\$520.8**
\$5.9 million **1,479**
billion PROFIT businesses

Annual Growth 2009-14: 3.6%
Annual Growth 2014-19: 2.1%

17 Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at:<http://clients1.ibisworld.com.au/reports/au/industry/ataglance.aspx?entid=1815>. [Accessed 31 August 2014].

18 Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at:<http://clients1.ibisworld.com.au/reports/au/industry/ataglance.aspx?entid=1815>. [Accessed 31 August 2014].



INDUSTRY TRENDS

- ▶ Health Consciousness on the Rise
- ▶ Getting Back to Our Roots
- ▶ Bye-Bye Beer
- ▶ Food on the Move
- ▶ Online, All the Way!
- ▶ Get Social



INDUSTRY TRENDS

Health Consciousness on the Rise

Australians are becoming increasingly concerned with the nutritional content of what they eat, with many making a concerted effort to choose healthier options. An abundance of information on clean eating, Paleo diets and super foods has made its way into mainstream media and social acceptance,¹⁹ changing our eating habits faster than you can say, “Just the coconut water and activated almonds for me, thanks”. For business owners, this means keeping a close eye on which of your products sell the best, or look to diversifying your menu to include some healthier options. Why not run a promotion asking for your customers’ valuable feedback in exchange for a discount or freebie?

The health trend is forecast to continue, but it’s not just food undergoing an overhaul in venues Australia-wide. Our habits are also expected to shift towards more outdoor activities, eating healthier and consuming less alcohol.²⁰

Getting Back to Our Roots

On the whole, Australians are becoming increasingly fascinated by where their food comes from and the techniques used to process it. The sustainable eating philosophy has garnered mainstream acceptance, sparking a myriad of speciality venues to pop up on the scene and encouraging established businesses to expand their food and beverage offerings to accommodate. As technology progresses and lines of communication open, consumers can now literally read about the specific farm that produces the milk they drink.²¹ And guess what, they love it! Using locally sourced, seasonal ingredients will definitely score you brownie points with your customers.

Bye-Bye Beer

Australia’s ageing population (with older citizens typically consuming less alcohol) has seen a palpable shift in attitude towards alcohol consumption.

According to the Australian Bureau of Statistics, beer consumption has been falling for the better part of a decade, now reaching its lowest recorded levels in more than 60 years.²² This trend is forecast to continue as consumers show preference for quality products and a diverse offering.²³

19 Eat Drink Paleo | Delicious Paleo Recipes For Everyone. 2014. Eat Drink Paleo | Delicious Paleo Recipes For Everyone. [ONLINE] Available at:<http://eatdrinkpaleo.com.au/>. [Accessed 31 August 2014].

20 4307.0.55.001 - Apparent Consumption of Alcohol, Australia, 2012-13. 2014.4307.0.55.001 - Apparent Consumption of Alcohol, Australia, 2012-13. [ONLINE] Available at:<http://www.abs.gov.au/ausstats%5Cabs@.nsf/mediareleasebyCatalogue/8EC1516064FDA974CA25772F001F6C69?Opendocument>. [Accessed 31 August 2014].

21 More Australians shopping for fresh vegetables at farmers’ markets, ‘local’ food trend grows | Australian Food News. 2014. More Australians shopping for fresh vegetables at farmers’ markets, ‘local’ food trend grows | Australian Food News. [ONLINE] Available at:<http://ausfoodnews.com.au/2014/03/24/more-australians-shopping-for-fresh-vegetables-at-farmers%E2%80%99-markets-%E2%80%99local%E2%80%99-food-trend-grows.html>. [Accessed 31 August 2014].

22 4307.0.55.001 - Apparent Consumption of Alcohol, Australia, 2012-13. 2014.4307.0.55.001 - Apparent Consumption of Alcohol, Australia, 2012-13. [ONLINE] Available at:<http://www.abs.gov.au/ausstats%5Cabs@.nsf/mediareleasebyCatalogue/8EC1516064FDA974CA25772F001F6C69?Opendocument>. [Accessed 31 August 2014].

23 Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at:<http://clients1.ibisworld.com.au/reports/au/industry/industryoutlook.aspx?entid=448>. [Accessed 31 August 2014].

INDUSTRY TRENDS

Food on the Move...

The food truck revolution, which began in the sunny city of Los Angeles and is now a permanent (so to speak) fixture in many cities around the world, is starting to get a firm foothold on Aussie turf. Brisbane, Sydney, Melbourne, Canberra, Perth and Adelaide have all jumped on board this trend, with mobile vendors popping up everywhere.²⁴

This trend is predicted to continue, particularly as operators vie for a limited number of premium location spots. The truly competitive nature of the hospitality industry has caused us to think outside the box for answers. Mobile food vans are still considered a niche market in Australia at the moment, and offer operators more freedom to experiment with food menu options and locations. Another great benefit, of course, is that your rent costs a lot less!

Online, All The Way!

48% of Silver Chef customers do not currently allow mobile bookings for their establishments.

To their credit, the take-away and fast food sector has really taken mobile-based ordering applications in their stride – and done it well. The added boost of convenience has resonated well with this sector's core demographic, often younger, tech-savvy consumers.²⁵ The way in which operators and consumers interact is quickly changing, and businesses that react to this changing behaviour will be more successful. This will continue to trend as smartphone uptake reaches saturation point over the next five years.²⁶

Get Social

Businesses often forget that social media isn't just a tool to inform customers about business updates or share funny memes. It isn't just a source for customers to find your menu or when you're open. Social media helps to create hype around your business as a brand and helps you to project your brand onto potential customers. It's also a two-way street; think of it as a dynamic, free (or low cost) way to interact with your customers and keep your finger on the pulse. Want to build some excitement around a new menu item you're about to launch? Tell Facebook about it. Own a mobile food van and want to get the word out about where you'll be tomorrow? Tell Facebook. Interested to hear what your customers think of your updated menu? Ask Facebook (yep, still the same answer).

After a while, you'll start to build a following (known as promoters), some of whom will re-post, re-tweet or share with their social networks. The other piece of advice to share with you is that the key to its success is in consistency. Make sure you do it regularly otherwise customers won't know when to check in for updates and will quickly lose interest.

If the thought of creating a Facebook page for your business, or setting up and running a blog makes you squeamish, check out our **free downloadable tools** or you can outsource or delegate to someone else to manage.



²⁴ The Food Truck Scene | Le Cordon Blog. 2014. The Food Truck Scene | Le Cordon Blog. [ONLINE] Available at: <http://www.le-cordon-blog.com.au/the-food-truck-scene/>. [Accessed 31 August 2014].

²⁵ How apps are changing fast food | Computerworld. 2014. How apps are changing fast food | Computerworld. [ONLINE] Available at: <http://www.computerworld.com/article/2487774/mobile-apps/how-apps-are-changing-fast-food.html>. [Accessed 31 August 2014].

²⁶ Market Research Reports & Analysis | IBISWorld AU . 2014. Market Research Reports & Analysis | IBISWorld AU . [ONLINE] Available at: <http://clients1.ibisworld.com.au/reports/au/industry/industryoutlook.aspx?entid=448>. [Accessed 31 August 2014].



LOOK AFTER YOUR FINANCES

A whopping 92% of Silver Chef customers were on or over budget for fit-out and set-up costs.

Whether it's a local fish & chip shop or a fine dining restaurant, every hospitality venture can benefit financially and strategically by using Silver Chef.

Capital is king in business, and with cost blow-outs forcing an average of 44 small Australian businesses to close their doors every day,²⁷ it's critical to safeguard your capital and keep your cash flow positive.

27 Herald Sun. 2014. No Cookies | Herald Sun. [ONLINE] Available at: <http://www.heraldsun.com.au/news/victoria/average-of-44-small-businesses-closing-their-doors-each-day-according-to-australian-bureau-of-statistics-data/story-fni0ft3-1226692393716?nk=724916d9d2c3a696b6eb896c3f6bae5c>. [Accessed 14 September 2014].



A SMART BUSINESS DECISION

Remember, it's the use of the equipment – not the ownership of it – that makes a business successful.

Our equipment funding benefits:

- ✓ 97% industry approval rate
- ✓ Save your capital & protect your cash flow – let Silver Chef buy your equipment for you. Don't have depreciating equipment on your books!
- ✓ Adapt easily to market conditions – upgrade or purchase whenever YOU need, not when your contract runs out
- ✓ Increase your competitive edge and capitalise on industry trends – take advantage of 5 flexible options & our short-term agreement
- ✓ Tax friendly – 100% tax deductible, low weekly payments

Don't fear the unknown. Don't doubt your passion. Just be prepared! Opening a hospitality venture is incredibly exciting and we're here to back you every step of the way.

Silver Chef has nearly 30 years experience providing flexible equipment funding to the Australian hospitality industry. We are passionate about offering our customers an alternative to traditional finance options. And with a 75% nett rental rebate in the first year, plus the option to buy, upgrade or return, freedom and flexibility have never been simpler.

Cost Breakdown on Popular Equipment Pieces

	Average Cost of Equipment	Weekly Rent	Purchase Price at 12 Months	Nett Weekly Cost of Ownership*
Refrigeration - Freezer	\$2,445.44	\$28.22	\$1,589.54	\$3.30
Coffee Machine	\$5,565.80	\$64.22	\$3,617.77	\$7.50
Refrigeration - Other - e.g. underbench	\$2,833.37	\$32.69	\$1,841.69	\$3.80
Deep Fryer	\$2,758.12	\$31.82	\$1,792.78	\$3.72
Dishwasher	\$3,799.03	\$43.83	\$2,469.37	\$5.12
Grills	\$2,101.02	\$24.24	\$1,365.66	\$2.83
Coffee Grinder	\$1,328.80	\$15.33	\$863.72	\$1.80
Refrigeration - Upright	\$2,586.96	\$29.85	\$1,681.52	\$3.50
Display Cabinets/Bars	\$3,202.76	\$36.95	\$2,081.79	\$4.32
Display Bar - Cold	\$3,745.26	\$43.21	\$2,434.42	\$5.04
Range Ovens	\$3,960.85	\$45.70	\$2,574.55	\$5.33

All prices include GST

*After tax deductions

DID YOU KNOW?

- ▶ Silver Chef approves an astounding 97% of customers? We'll do everything we can to help you realise your dream, whether you're opening a small cafe, or taking your third venture on a franchised outlet. We will always look for ways to approve you, and we're there to back you every step of the way.
- ▶ 67% of our customers took less than 6 months to open, from concept to completion.
- ▶ 41% of our customers come from a non-hospitality background (media, finance, entertainment industries, etc.)
- ▶ 60% of Silver Chef customers are looking to expand their business over the next 12-24 months.



TAKE TIME TO CELEBRATE SUCCESS

Although life can get crazy and sometimes you just feel like you're rushing from one thing to the next, it's important to take the time to recognise hard work and celebrate success.

The Weekend Australian has just released their pick of Hot 50 Restaurants for 2014 and our team at Silver Chef were overjoyed to learn that some of our customers made the cut.

This is an amazing achievement for everyone on the list, and we feel incredibly humbled just to be involved. We hope their decision to use Silver Chef to fund their equipment (enabling them to protect precious capital, boost business efficiency and capitalise on industry trends) has helped support them along the road to success. It just goes to show that Silver Chef isn't just for start-ups, but a smart business decision made to earn you more profit.

HOT 50 LIST

Bistro Dom – Adelaide CBD, SA

With a wine list created by sommelier Matthew McNamara, Bistro Dom has a decidedly French influence and was set up in 2008 as a classic European bistro style establishment.

www.bistrodom.com.au

Berardo's Restaurant & Bar – Noosa Heads, QLD

Berardo's, situated on Noosa's famous Hastings Street, is dedicated to providing the ultimate fine dining experience.

www.berardos.com.au

Wills Domain – Yallingup, WA

Wills Domain Margaret River has an on-site restaurant, art gallery and cellar door. This multi award-winning 60 hectare estate winery is located on Abbey Farm Road in Yallingup, Western Australia.

www.willsdomain.com.au

Ethos Eat Drink – Hobart, TAS (named Hottest Restaurant TAS)

Ethos, located in Hobart, boasts a self-described progressive meal that showcases the best of the seasonal small batch offerings that arrived at the venue that same day. Ethos focuses on helping their customers understand and appreciate where each of the produce comes from.

ethoseatdrink.com

Da Orazio – Bondi, NSW

Think traditional Neapolitan, 100% handmade pizzas that are left for 48 hours to naturally rise before being cooked in their wood-fired brick pizza oven.

daorazio.com

And not far behind, in equal 51st place we would again like to recognise and congratulate the following Silver Chef customers...

Nomad – Surry Hills, NSW

Fish Face – Double Bay, NSW

Garagistes – Hobart, TAS

Moon Park – Redfern, NSW

So please, take the time to step back and appreciate your achievements. It'll help you stay focused and on track to achieving your targets.





WHAT OUR CUSTOMERS SAY...

Silver Chef is much more flexible in terms of funding full, customised kitchen fit-outs. A bank, for example, might fund a combi oven but may be reluctant to fund the exhaust canopy and other elements of the fit-out.

— Pasquale Franzese, *Regent Hotel Rockhampton QLD*

Silver Chef funding is a convenient way to start up a business if you have limited funds to spend and gives you the freedom to use the money elsewhere in the business.

— Nora Thamthanakorn, *Nora Cafe VIC*

Silver Chef funding gives people starting out some options, rather than having to make a massive financial outlay.

— Stacey Morton, *MDS Tailored Catering QLD*

Everyone at Silver Chef who I've dealt with has been super-efficient and friendly and answered all my questions in a nice manner. I've understood what's happening every step of the process and it's made it very easy.

— Nonie Dwyer, *Nonie's Food NSW*

When I need something, Silver Chef gets it done straight away. It's hassle-free, quick and painless.

— Giorgio Sannino, *Brooklyn Bar & Grill WA*

Everything is going ahead! Without Silver Chef's help, it wouldn't have been possible. We appreciate the fact that Silver Chef is there to help people like us, with limited funding options, to start a business.

— Anthony and Jae-Marie Cooney, *Tony Pepperoni's Pizza 'n' Ribs QLD*

OPPORTUNITY INTERNATIONAL AUSTRALIA

Our team at Silver Chef are passionate about their philanthropic work, in particular, our support of a charity called Opportunity International Australia. This not-for-profit organisation was founded in 1971 by two visionary leaders who were inspired to take action by their encounters with people living in extreme poverty.

The team at Silver Chef feel a special affinity to this organisation, most notably because just as we provide a unique model of equipment funding to help our customers succeed, Opportunity was one of the first not-for-profit organisations to recognise the benefits of providing small business loans as capital to those working their way out of poverty. When these people from very poor communities in third world countries, establish businesses through an Opportunity International loan, they often set monumental changes into action improving the lives of many people within the villages in which they live.

For clients around the globe, these transformations take place every day – beginning with loans as small as \$60. Opportunity provides small business loans, savings, insurance and training to people working their way out of poverty in the developing world. Clients in over 20 countries use these financial services to start or expand a business, provide for their families, create jobs for their neighbours and build a safety net for the future.

Silver Chef has helped 418,013 people out of poverty through Opportunity International Australia, with the intent of one day helping 1.5 million people.

To find out more about this inspiring organisation, [click here](#) or visit www.opportunity.org.au

ABOUT SILVER CHEF LIMITED

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Silver Chef is Australia's only dedicated hospitality equipment financier. With nearly 30 years' experience, every day we provide flexible hospitality equipment funding based on our customers' individual and business potential, through our unique Rent-Try-Buy® Solution. Since the company's inception in 1986, we have helped more than 20,000 customers fulfil their hospitality dreams.

Whether you're a small start-up, takeaway shop or café, or a large restaurant or hotel looking to renovate or expand, our solution is suited to your needs. The flexibility in our offering allows you to preserve your much needed working capital, and gives you the freedom to run your business the way you intended.

Silver Chef partners with Opportunity International Australia to provide people living in poverty with small business loans to help them start or grow their own business. This initiative is also personally supported by Silver Chef's founder Allan English, through the English Family Foundation.

Silver Chef Limited is an Australian Securities Exchange-listed company (ASX Code: SIV) focused on commercial hospitality equipment funding.

Silver Chef Limited

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