

A taste of good fortune

Koufu has risen to become one of Singapore's largest food and beverage enterprises, report **CAO YE, WU BIN and XU KE**

IN SINGAPORE, one would find it hard to complete the picture of food court dining without including Koufu. As a one-of-a-kind, natural blend of the good old Singapore coffee shop tradition and the modern style of food court design and management, Koufu has risen to become one of Singapore's largest food and beverage enterprises, reporting \$100 million in turnover recently. Operating various food courts, stalls and coffee shops, Koufu has in five years become one of Singapore's most recognised brands. Lao Tzu once said: "The journey of a thousand miles starts with a single step." Pang Lim, founder and managing director of Koufu, took that first step as a kitchen helper.

Early hardship

Born and raised in a Chinese family, Mr Pang lived and breathed traditional Chinese culture and values. The early demise of his father and his witnessing of the hardship endured by his mother forged an exceptional streak of diligence in Mr Pang. At age 13, Mr Pang had started working as a kitchen helper, sharing the family's financial burden. As he grew up, Mr Pang became a street hawker, a vegetarian food stall operator, and then a fruit distributor. All these early experiences helped to lay the foundation for his later success in the food and beverage industry. Looking back, Mr Pang feels that every step he took was necessary and meaningful, and his every effort worthwhile.

Light of dawn

In his journey, Mr Pang is grateful to three parties who have helped him achieve success. The first is his younger brother and uncle who had backed him when he wanted to switch to the coffee shop business from fruit distribution. Mr Pang had been in fruit distribution for several years but had found the going falling short of his expectations.

The second party that Mr Pang is grateful to is the government. He explains: "In 1994, the government introduced the policy of selling shop houses at subsidised rates in order to help local enterprises."

This helped him build up his chain of coffee shops very quickly, hitting 56 outlets islandwide. Mr Pang then gained the informal title of "King of Coffee Shops".

Last but not least, Mr Pang is grateful to his wife, Hoon

Tien, who has been there for him through all the highs and lows of his journey. Whether it was the early hawker days or the now busy corporate life, she has never failed to encourage and support him.

New beginning

Mr Pang called his coffee shop business Aik Hua and it was doing well indeed. However, he detected a change in Singaporeans' lifestyle and tastes, towards greater dining comfort even when it comes to traditional hawker fare. To capitalise on this, Mr Pang boldly gave up Aik Hua, selling the entire business in 2002. And after six months of careful planning, he unveiled Koufu – the modern-style food court that we see all over Singapore today. Time has shown that Mr Pang had made the right call. Today, Koufu is a major chain of 29 food courts (including *halal* ones called Fork & Spoon), eight coffee shops, seven cafes, six fast food cafes and two shopping malls. It also has two franchise operations at Jakarta International Airport and Artha Gading Mall in Indonesia.

More branding

Koufu in Chinese means literally "mouth luck", or the fortune of getting to eat delicious food. As the name for a food and beverage chain, it certainly whets appetites. At Koufu, the fundamental concept is "Better Food, Better People, Better Life". Koufu has also made its mark in the local market by spreading its net far and wide, to cater to as many as customers as possible. While most coffee shops cater to the Malay/Muslim consumer by having one or two *halal* stalls on their premises, Koufu has gone one up with the Fork & Spoon Food Court, catering specially to the Malay market.

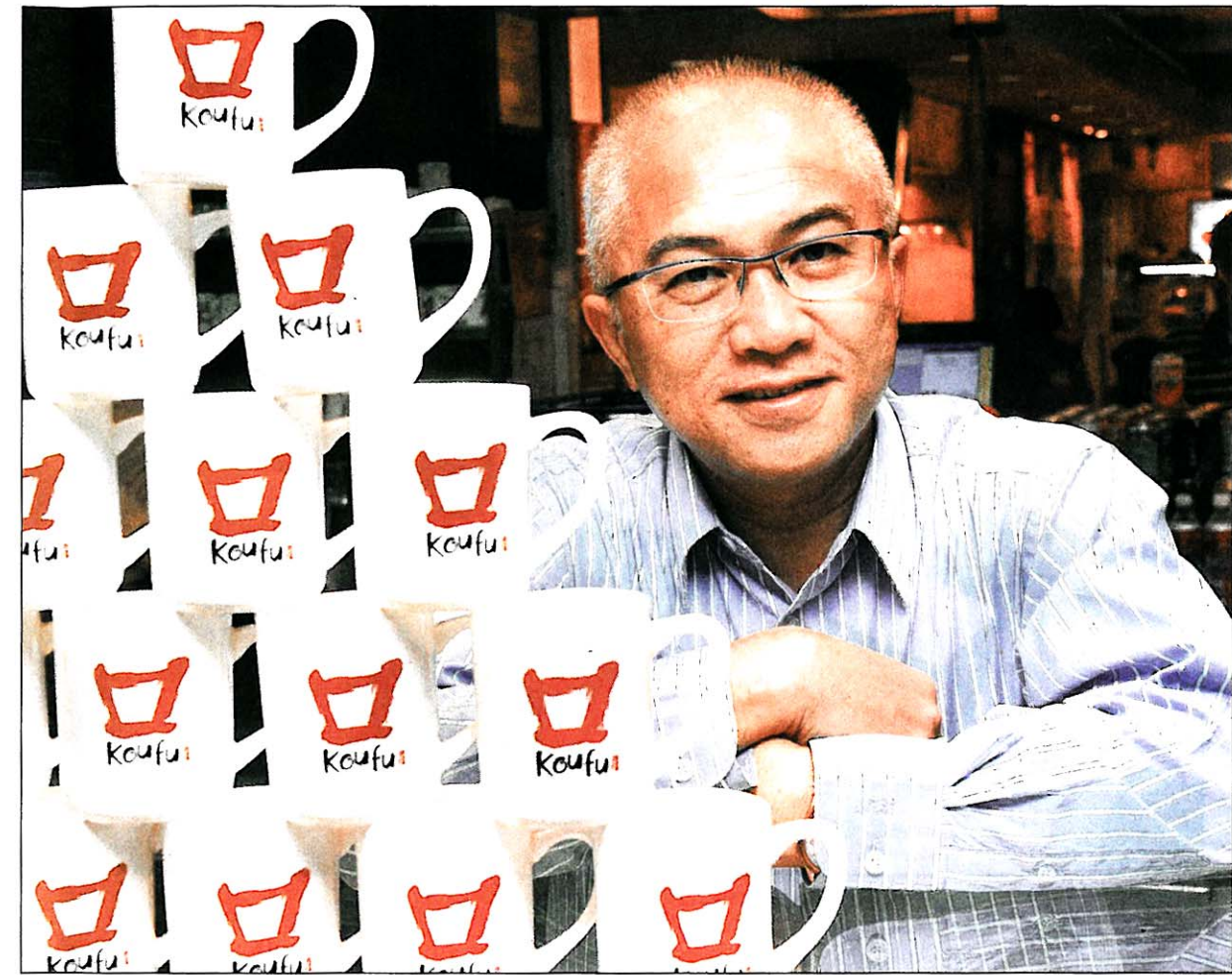
Koufu has also introduced VariNice, which offers cuisine that's not only varied but pleasing to the palate. Its Pick & Bite rejuvenates the traditional coffee shop concept by offering a comfortable dining experience in a cosy ambience, with the aroma of traditional coffee and *kaya* toast, half-poached eggs and home-made *char siew pao* or *lo mai kai*.

Besides running food courts, Koufu has gone into mall operation as well, operating Punggol Plaza and Fernvale Point. Marc Leoi, Koufu general manager, says that the group's venture into the real estate business is fundamentally to support the core business. "The food courts operating in those two malls, unlike others which operate at rented places, do not have to worry about being chased out due to competition for space."

The bottom line is cost efficiency and continuity in operations and management. Also, Koufu gets to package customers' shopping experience with its dining concept, all under one roof.

Looking ahead

Amid the current gloomy economic environment where many others are cutting or freezing headcount, Koufu is actually seizing the opportunity to expand. Growth has been so rapid that in just a couple of months, five new Koufu outlets have been established in various locations in Singapore. Mr Pang says: "The crisis has affected almost every industry, not sparing Koufu as well. But with



ARTHUR LEE

Inspiring story: Mr Pang feels that every step he took was necessary and meaningful, and his every effort worthwhile. He stresses the importance of character building when asked for words of wisdom

the help provided by our government, it has cushioned the impact of the negative effects."

In fact, Mr Pang has continued to look much further ahead. "The future of Koufu, 10-15 years down the road, lies in the hands of our next generation of leaders. To venture into high-end restaurants or to do more real estate businesses? This will all be dependent on the next generation of Koufu's leadership. We must therefore grow a group of talented leaders in Koufu and this group must have the capability of implementing Koufu's vision and concept further."

Parting shot

The inspiring story of Koufu and its founder has been featured in many newspapers and magazines. Many look to Mr Pang as the model of a successful businessman. When asked for words of wisdom, Mr Pang stresses the importance of character building. "Being an entrepreneur, you will have to face different problems each day. Sharpness of mind and the ability to always find ways to improve and excel are must-haves. However, they need to work harder on an even more important aspect and that is the nurturing of a good character: diligence, hard work, sacrifice, yearning for learning, positive thinking, honesty and dedication."

The writers are students of NUS Business School

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