

PRIMO POSITION

Having conquered Adelaide, the top-ranking franchise in this year's *BRW Hot Franchises* list is set for the next phase in its expansion. By **Simon de Bruyn**

Rank: 1

Name: Caffe Primo

Revenue: \$38 million

Growth: 139.06%

Founder: Dino Vettese

Tip: When expanding a business beyond its home base, be patient. It takes time to build the brand elsewhere.

PLACE A CALL TO DINO VETTESE, the founder and managing director of the pizza and pasta chain, Caffe Primo, and the first thing you will notice is the background noise. He might have taken a back seat in the day-to-day operations of the franchise to take care of administration and expanding the business, but Vettese is still very much a hands-on entrepreneur.

The approach has paid off for Caffe Primo, which began life at Adelaide's Tea Tree Plaza shopping centre in 1997. The franchise was placed fourth on last year's *BRW Hot Franchises* list with an astounding growth rate of 167.59 per cent.

Since then, Vettese has more than doubled the size of the business, adding 11 stores to bring the total to 19.

"A couple of stores already existed and all we had to do was rebrand them so we could capitalise on our own brand and on the strength of their already established business," Vettese says. "There are another nine planned to open this year."

Caffe Primo is pretty ambitious, especially as Vettese's plans for growth still centre largely on a tight Adelaide market. All of its stores are still in Adelaide and all but one of the new outlets will be there also.

In January last year, Vettese told *BRW* he was heading to the eastern states, primarily to take on Melbourne pizza and pasta chain La Porchetta. "I want to go head-to-head

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with La Porchetta. In think we do it a lot better," he said at the time.

Instead of the planned expansion east, Vettese spent the year building the Adelaide business and scouting out opportunities in Sydney and Darwin – with promising results. "We are getting closer [to starting] in Sydney and are looking for locations there at the moment," he says.

"In Sydney, Caffe Primo means nothing to shopping centre management and they don't know me from a bar of soap. But I think we will have set up in Sydney by the end of this year. I've been in Darwin recently and we've secured a location in the main street."

"Our expansion is all coming down to how far I can spread myself personally. I've been interstate 15 times in the past year."

To concentrate more on these aspects, Vettese has lured his son Mark, 21, into the business as head of operations. "He doesn't work for me, he works with me," he says.

Vettese says the business will move this year to a bigger office closer to the city and will increase its focus on lowering costs.

"We're in control," he says. "We have a new office and now we'll be able to concentrate on looking at the figures."

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Caffe Primo licences are sold only to owner-operators. In the past year, the average price has increased from \$450,000 to between \$500,000 and \$600,000.

Not all has been smooth sailing for Caffe Primo, however. The chain weathered some bad media coverage last August when a store manager moved a blind customer and her family to an outside area because she was accompanied by a guide dog.

Vettese dealt quickly with the incident by phoning to apologise to the customer, updating staff training procedures and adding donation boxes for the Guide Dogs Association in all of his stores.

Vettese dismisses speculation he is building up the franchise for a big sale. "I never would say nothing is for sale; that's a dumb comment," he says. "But I've brought my family into this, they're all employed."

"And it's not like we're not making money along the way and have to sell. I think we're going to be in this business for a long time."