



Community Success Stories

L'Auberge de France

www.aubergedefrance.ca

Belleville, Ontario

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INTRODUCTION

This community success story case study is part of The Monieson Centre's Knowledge Impact in Society (KIS) Project, a three-year endeavour to connect academic knowledge with economic development needs in Eastern Ontario. This case study highlights best practices from a real business in Eastern Ontario. The KIS Project is funded by the Social Sciences and Humanities Research Council of Canada. For more information, visit www.easternontarioknowledge.ca

In February 2008, L'Auberge de France brought the world of French cuisine to the small Eastern Ontario city of Belleville. Under the direction of owner and chef, Jean-Marc Salvagno, this bistro and bakery has carved a unique niche in its community. This report highlights the business strategies that have helped L'Auberge de France develop into the local success story it is today; insights which will be of particular value to other new restaurants in small-town Ontario. In addition to identifying the key performance metrics that have led to the success of L'Auberge de France, the following report will focus on those areas that still require improvement. Jean-Marc Salvagno, the chef and owner of L'Auberge de France, must find a way to increase profitability and remain competitive in the highly price-sensitive restaurant industry. For Jean-Marc, the key to future success will be finding a way to drive volume and increase sales while still remaining true to his vision.

Industry Overview

With a population of only 50,000, Belleville, Ontario has a uniquely small-town feel. Its restaurant industry is essentially broken down into two main groups: chain restaurants/fast-food and privately owned bakeries, cafés and bistros.

The majority of Belleville's chain restaurants such as Denny's, Wild Wing and East Side Mario's are located on the outskirts of town, just off the 401, a major highway connecting Belleville to Toronto and Montreal. According to Jean-Marc, these restaurants provide the fiercest competition. Indeed, their large scale and recognizable brands give them a distinct competitive advantage. In addition, they are able to offer low to medium prices and huge portions which seems to appeal to many Belleville residents. Finally, their locations also present an obstacle for businesses like L'Auberge de France. Indeed, because they are removed from the heart of downtown they often draw tourists and residents away from the city centre – and away from local businesses.

In contrast, Belleville’s small, privately owned bakeries, cafés and bistros are clustered in the downtown core. Two of Belleville’s most upscale restaurants – L’Auberge de France and Capers – are located less than a block from each other. Although this would initially appear undesirable, Jean-Marc maintains that the proximity of other small businesses actually improves his bottom line and stimulates healthy competition. Indeed, more businesses attract more customers, which ultimately attract more sales. Sticking together might be the best way for small businesses to compete against larger franchises.

COMPANY OVERVIEW

L’Auberge de France entering its third year of business. Unfortunately, within a year of the business’ opening, Jean Marc suffered the great personal loss of the death of his wife and business partner. Forced to run the business on his own, he is now the head chef, lone proprietor and “heart and soul” of the company. It is without question that his passion, drive and culinary vision are infused into every aspect of the restaurant. Indeed, his traditional French training is evident in every dish he prepares – from duck and foie gras to flaky, fruit-laden tarts; every dish is Jean-Marc inspired.

L’Auberge de France is a hidden gem in downtown Belleville. Located at 304 Front Street, it operates as a bakery, café, gourmet food shop and upscale French bistro. In addition, Jean-Marc has even started offering evening cooking classes/demonstrations and the occasional live music night as a way to generate extra revenue and create awareness. The business is open from Monday to Saturday, but only serves dinner from Wednesday to Saturday.

Unlike many of its competitors, everything at the restaurant is made fresh daily by a select group of highly-trained and trusted chefs. In fact, Jean-Marc himself leads every dinner service and prepares the famous fresh croissants on Saturday mornings. Besides Jean-Marc, only two other chefs are responsible for the daily output of the restaurant. This exclusivity is partly the result of the restaurant’s size and partly the result of Jean Marc’s exacting standards. Going forward, he must determine if his existing strategy is sustainable given increasing costs and intense competition.

KEY SUCCESS FACTORS

An analysis of the business through discussions with management has revealed the following key success factors as fundamental to the restaurant’s success to date.

Leadership

The success of L’Auberge de France has been driven largely by the passion and leadership of the owner and chef, Jean-Marc. As a renowned French chef, Jean-Marc’s extensive experience has provided the business with a concise mission: to introduce the Belleville community to fine French cuisine. His attention to detail ensures the restaurant embodies an authentic dining experience and his passion is reflected in the extensive amount of time he dedicates to the restaurant. His passion is also contagious amongst staff and customers alike. Jean-Marc’s slow and steady approach to capturing the Belleville dining market has ensured manageable and stable growth for the restaurant.

Teamwork

L’Auberge de France’s success is also a result of the restaurant’s staff team. The restaurant’s small group of employees embodies many of the same traits as Jean-Marc himself. They are passionate and

knowledgeable about French cuisine, and committed to the restaurant's growth and success. The small team has been built through a selective hiring process to ensure all new members have adequate experience and are aligned with the restaurant's culture and values.

Value and Quality

The quality of the business' leadership and teamwork is complemented by the superiority of all its products. Its dedication to excellence is most evident in the authenticity and deliciousness of everything on the menu or available from the bakery and gourmet shop. Fresh croissants are baked every Saturday, along with a wide variety of artisanal breads and mouthwatering pastries. Cheese hails from as far as France, again to ensure the highest quality. Quality isn't left merely to taste; all dishes are prepared in the open kitchen for all eyes to see. Jean-Marc is the mastermind behind the creative and decadent menu. Overall, L'Auberge de France's price-value relationship is exceptional given the quality of the dishes.

Initiative

Before L'Auberge de France, fine French cuisine was relatively foreign to Belleville. In a community where the restaurant business is dominated by roadhouse-style chains, L'Auberge de France needed to actively create demand. With the understanding that they couldn't take the taste buds of Bellville by storm overnight, L'Auberge de France has been gradually cultivating interest. To do so, they have taken an active role in educating the community, and slowly evolving the menu to offer more exotic French cuisine. Spearheading initiatives such as 'Tastalicious' where the Bistro offered a \$35 set menu, and offering cooking classes, L'Auberge de France has attracted a dedicated and growing customer base and a thriving niche market for itself.

STRATEGIC OPPORTUNITIES

Analysis of L'Auberge de France's current success makes its growth opportunities all the more evident. While management has outlined various alternatives for expansion, a few options can be easily leveraged by the bistro's key success factors in the near future. Management has identified the high margins associated with "over-the-counter" items: cheeses, pastries, and lunch items available from the bakery and gourmet shop. The high margins of these products could allow for greater profitability if sales volume is increased. Sales of these items can be driven through L'Auberge de France's education of the community. As the appreciation for French cuisine grows, patrons are encouraged to prepare their own French inspired cuisine at home with the cheeses and bread available at L'Auberge de France. Opportunity for increased sales of these items also complements the restaurant's quality and authenticity values.

Outspoken customer demand for the use of L'Auberge de France for private functions also presents a viable market opportunity for the bistro. While the restaurant currently and frequently closes its doors to host private functions, this forfeits the revenue of regular customers. Given the available commercial space above the bistro, the conversion of this room for private functions will allow L'Auberge de France to serve both types of clientele simultaneously.

Other opportunities L'Auberge de France could pursue in future years include adding a patio, and opening other gourmet shop/bakery locations in downtowns of small communities similar to Belleville.

CONCLUSION

It is evident L'Auberge de France has developed a competitive niche in the Belleville restaurant industry. Its business model works to leverage its key success factors of leadership, teamwork, value and quality, and initiative. While the combination of these factors has been critical in the business' success to date, they will remain important for L'Auberge de France's continued success. All these success factors are relevant to other small businesses operating in similar economic contexts, and can be valuable to entrepreneurs when developing their own business models.