

Independent eateries faring better in down economy

by [Geri Koeppel](#) - Apr. 17, 2010 07:41 AM
 Special for the republic

While many restaurants are bemoaning the lack of customers, closing their doors and putting off plans for expansion, others are seeing lines out the door and opening new locations.

An average of 2.5 percent of restaurants in Arizona close in a given year, said Steve Chucri, president and CEO of the Arizona Restaurant Association, but that number has doubled to 5 percent lately. Openings are running around 1 percent to 2 percent, though, and the industry is growing: Sales are expected to increase from \$8.45 billion in 2009 to \$8.6 billion in 2010. Most of the growth is from independent, not corporate, restaurants opening and expanding, he said.

Local restaurant groups such as Fox Restaurant Concepts and La Grande Orange added restaurants through the economic downturn, but so have several mom-and-pop places.

Tottie Kaya of Tottie's Asian Fusion saw an opportunity with location. Her original site at Thomas and Hayden roads in Scottsdale, which she opened in 2005 as Shanghai Palace, was packed regularly. When she found out Lincoln Village was undergoing a \$6 million renovation, she knew the traffic in the center would eventually increase and that she could attract customers. She opened Tottie's Asian Fusion 2 in August 2009.

Kaya urges other businesspeople to not overextend themselves financially. Reinvest in the business as you earn money; don't borrow. Watch where **your money** goes. Put in sweat equity. "I do pretty much everything myself to save money," Kaya said, including cooking six days a week.

She is a tireless word-of-mouth promoter, introducing herself to people at the surrounding businesses and resorts and giving out coupons. She also likes to meet and chat with guests, and she customizes dishes on request.

"She's very friendly," said Chittie Kang, a customer. "Customer service is very important to her."

Kaya's main advice for **small business owners**: "You have to have passion. You have to love what you do."

Steve Luko opened Crackers & Company Cafe in Mesa in 1988 with his wife, Veronika. They expanded there three times and added another Mesa store in 2006 and one in Tempe in December 2008.

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"A lot of restaurants, when they become successful, they stray off-course," Steve Luko said. "It's very important to remember who we came to the dance with."

Luko credits using fresh products, making everything from scratch, maintaining good customer service, hiring the best people and having great relationships with vendors as their main reasons for success.

"Surround yourself with good people," Luko said. "We have a highly skilled management team. We spend a lot of time in the interview and screening process."

Customer Murray McMillin said the "very polite servers" and cordial management are important to him, too, along with the quality of food and portion sizes.

Jay Wisniewski, who opened the original Caffe Boa in 1992 with wife Christine and added Caffe Boa Bistro in Mesa on Jan. 1, also said the right people are key.

"I've learned over the years to shut up and stay away and not try to micromanage everything," he said. "Hire talent."

He said Caffe Boa's ordinary income is up more than 15 percent since he hired local major-name chef Payton Curry in October 2009 to run the kitchens.

"He's brought them to a whole new level," said patron Lori Zunk, a fan of Curry's. "Caffe Boa's been a great restaurant for a number of years, but it just needed a change."

Wisniewski also saw a dining gap in east Mesa, where there were no farm-to-table restaurants and patrons were lined up outside the better restaurants along Power

Road. The demographics were good, and the down economy helped him land a great deal on rent, too.

Staff training, exceptional ingredients and more promotion, especially using social media such as Twitter and Facebook, also helped his numbers, he said. The highly regarded and extensive wine program has also raised the restaurant's profile: He and Christine are certified second-level sommeliers, and they're dedicated to training the wait staff to earn certification as well.

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