



LETTING TO LET BUSINESS

GO YOUR GROW

It's a big deal when your business grows to the point where you admit it should be able to run without you. Cheeky Food Group owner Leona Watson spoke to editor JEN BISHOP.

You may have heard Leona Watson's business story before. She quit her well paid job in telecoms marketing to start a business which combined her love of cooking, organising events and having fun.

Everyone loves a good career change story but Leona's is old news. She has built Cheeky Food Group, which hosts team building cooking class events, into a thriving small business with \$3 million dollar annual turnover. Now she's embarking on the next chapter in her business life: preparing to exit.

the world and his wife wanting to cash in on a cookbook, means the industry is exploding with competitors. "It could throw you a curve ball. Business could grow then dip. In my head I am constantly looking forward five years, never just now. When I recruit I'm thinking who can we take on now who can go on to drive and build the company?"

TIME TO EXIT?

The last year in business, her tenth, has been an interesting one. "I still love what I do, but that enveloping energy and drive I had in the first couple of years isn't quite the same and I'm honest about that. As an entrepreneur you're always looking for that next level to get your kick. We're getting 20 to 30 percent growth each year which is huge but it means I keep getting sucked back into the business to keep up, when I'd be like to be more outside it, working on it.

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INNOVATION & HUMILITY

The lessons she has learnt along the way aren't rocket science but they are things many small business owners might need a refresher course on.

"A lot of businesses think they're in a safe place and they don't need to keep learning. The business world has changed so much. Entry to competition is so much easier. If you don't keep innovating and evolving there is someone creeping up behind you, ready to steam roller right over you," Watson warns.

"I've also learned to have some humility, I'm not invincible," she says. "Nothing will kill off a business quicker than arrogance. In my earlier years there was a little bit of arrogance. These are lessons I've learned along the way."

Watson said the surge in popularity of cooking with shows like *Masterchef*, top chefs achieving celebrity status and

time. I've always said if someone else can do the job 80 percent as well as you can then give it to them and they'll pick up the rest. I'm at that point where if I had the right person I'd want to start handing it over."

BUSINESS GROWING UP

Cheeky is growing from small to medium, a tricky stage for many businesses. Watson knows she can't do it all herself so she recently brought someone from Price Waterhouse Coopers on board as a strategy partner. "We looked at what's stopping the company from growing and it's me. I'm spread too thin. I never wanted it to become all about me. It's not scalable."

Most business owners are cagey about admitting their mistakes, but Watson is smart enough to know you can learn the most from them. Her biggest was not having a solid shareholder agreement in place with the business partner she started Cheeky with. When she bought him out three and a half years ago, things were amicable but definitely not straightforward. When he later set up in competition to Cheeky, it was interesting.

"It was definitely a bit awkward at first, mainly for my clients being contacted by them, as they then phoned me wondering what was happening," she said. "But it settled down and competition is good for everyone. It wasn't a surprise. I was tipped off by my chefs that were approached by them prior to setting up."

She adds: "There is other competition out there too. It makes you not want to be anything other than number one. Wherever competition comes from, it's good. It keeps pushing you up and on. Just like the GFC, it makes you sharper. You chuck out every rule, do what you do differently and refresh your business model."



Cooking classes can be great for staff morale

MORALE AND RECRUITMENT

Workplace culture is something Watson's big on. Staff are involved in the recruitment process, having a say in picking their new colleagues. And to ensure cultural fit, the first stage towards getting a foot in the door at Cheeky when a job is advertised, is to leave a voicemail message telling her why you're right for the company. Some people panic, hang up and never get any further. The company motto is 'own it, do it, smash it'. "Nobody wants to be average," says Watson.

Going back to the early days when Watson abandoned her secure and lucrative marketing career, she says she never left it because she hated it. She just twigged that she was an entertainer and cooking might actually be a viable career. She did six months of cordon bleu training to establish her new skill set and dabbled in food writing before setting up Cheeky.

"The first year and a half we were just playing at it," she said. "We didn't really take it seriously. But then the focus on team building events really took off.

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Moving into proper business premises was an exciting but huge step. "It was a massive overhead," she says. "But the business grew up. We went from a lounge room to proper premises, we dressed differently, professionalism went up."

CHEEKY TODAY

Cheeky now has 10 full-time staff, 20 chefs and holds up to 400 events a year across Australia, New Zealand and the Pacific, from a few people to hundreds of them. At a recent event, there were 550 people cooking together simultaneously at the Melbourne Exhibition Centre. "It's sometimes a bit overwhelming when I stop and look around at what this has become," says Watson.

Having a coach, and now Price Waterhouse on board, has helped keep Watson honest, on track and self-aware. "I think coaches and mentors are really important. They push you. You don't realise you're setting your own boundaries but you could be doing even better. It's

a good way to protect your investment in the business and help you step up as a business owner." She is a member of the Entrepreneurs Organisation (EO) and at its meetings says: "It's always good to talk to someone who has been there and done it all before."

TEAM BUILDING AND SMEs

So as she's in the business of team building cooking classes, why are they worthwhile for time and cash-strapped small businesses? "Culture is key," says Watson. "It starts and finishes with you as business owners. Sometimes you'll have a great culture people have worked hard to create and then something goes askew, maybe a bad staff member, and that's when you need team building. You need to get people out of the office and break patterns of behaviour that creep in. In a smaller office environment everyone knows when something's up, even more than they do in a larger one. It impacts on everyone.

"On the other hand, team building is sometimes just a treat, some fun, as part of an incentive program or to say thank you. We're in the business of creating smiles. We just do it with food. It's hard to be bitchy or aloof when you're smiling," she says. "A lot of people hate the concept of team-building, a lot of people like it. There are definitely two distinct camps."

MOVING FORWARD

If Watson does manage to pull herself out of the business in the next year, she'd like to work on expanding the Cheeky brand with other products and services, all the while confident the business has got to a place where it can run without her.

"I need to do less to allow the business to grow," she says. "I'd be crazy to walk away from Cheeky completely. I don't know what else I'd do!" **DB**