



KOUFU

Koufu serves up coffeeshop fare with a dash of futuristic flair

Self-ordering systems, tray-return robots, merged stalls and shared kitchens are some modern updates to a traditional trade.

FROM freshly-brewed drinks to its wide range of stalls, the humble coffeeshop is a quintessentially Singaporean icon. But even traditional sectors have to move with the times.

One coffeeshop in Tampines offers a glimpse of the sector's future.

There, patrons young and old decide on their meals on the touchscreen of a self-ordering kiosk, or on tablets at each stall.

A tall robot trundles past tables, pausing occasionally so diners can return their trays into the slotted racks of the robot's body.

Behind one stall counter, sievfuls of noodles spring up automatically from boiling water once ready, like toast from a toaster.

Mr David Yang (middle), 44, Koufu chief development officer; Mr Zhao Chun Yu (left), 34, floor manager; and Mr Andy Chua, 38, senior manager; at the company's "productive coffeeshop" in Tampines, which has a self-ordering kiosk and tray-return robots.

BT PHOTO: LIM YAOHUI

"At the end of the day it is still a very traditional industry, but we need to evolve and change to make it more fashionable, make it more attractive for the younger generation to want to join the industry," says Koufu chief development officer David Yang, 44.

"If we do not innovate, we will find it harder, as years go by, to attract talent."

Koufu's Happy Hawkers branch in Tampines, opened on May 20, 2017, is the company's first "productive coffeeshop", bringing together various innovations that are also in place in other Koufu outlets.

It is one of two coffeeshops under a pilot tender system by Spring Singapore and the Housing and Development Board, which encourages manpower-lean operating models.

"Running a productive coffeeshop is a heavy investment," admits Mr Yang. He estimates that the Tampines branch costs 30 to 40 per cent more to set up than a traditional coffeeshop, due largely to equipment.

But in turn, the labour-light set-up yields manpower savings of a similar magnitude.

A typical coffeeshop stall requires three to four staff, says Mr Yang.

If run conventionally, the eight stalls at Happy Hawkers would thus have needed 24 to 30 people, he says, gesturing to the stalls around him.

Koufu's approach was to merge stalls and have shared kitchens, such that staff can multi-task. Instead of being run by separate stallholders, the eight stalls are run by two operators and Koufu.

This is aided by the self-service system – from ordering and payment to collecting one's food – which frees up workers to concentrate on food preparation.

All this results in large labour savings. One operator runs two halal-certified stalls, which are manned by three workers per shift.

Another four stalls are run by a non-halal-certified operator, with just five workers behind the counters.

The drinks and dimsum stalls are run by two Koufu workers.

Amid a service industry labour crunch that shows no sign of abating, this manpower-lean approach can help the industry stay sustainable. "From this point of view, it does make sense to go down this road," says Mr Yang.

The multi-tasking and use of technology also allows workers to command higher salaries, he notes.

Deciding to embark on such transformation is only the beginning, however. What matters next is how customers react to this new-fangled coffee-shop model.

CHANGING TASTES

The biggest obstacle is posed not by automated noodle cookers or tray-clearing robots – quite literally, since their sensors mean that they do not get in the way – but by the self-ordering system.

Says Mr Yang: "The younger generation has absolutely no issues when it comes to technology. But the more mature generation will find it more difficult to accept."

For some older patrons, figuring out how to follow instructions on the touchscreens and ordering food can be an alien and daunting task.

"In the beginning, when we first started operating, we had aunties who had a fear of technology.

"Suddenly they needed to use technology to buy a coffee. It took us a long time to help them overcome this inner fear that they had."

Older staff, too, may take a while to get used to the new system. Although ordering and payment is self-service, staff must also be trained in the digital interface, as they have to help troubleshoot any issues customers may face.

One older coffee stall worker took almost three months to learn and adapt. Happily, once she got the hang of it, she was then enthusiastic in helping other staff.

Stallholders and workers also tend to warm up when they realise the benefits of the system, says Mr Yang.

The self-ordering system makes wrong or missing orders less likely.

And stallholders appreciate the self-payment, which takes place either through cashless means – from credit and debit cards to EZ-Link cards and mobile payments – or with customers putting their money into an automatic cash deposit box, which counts it and dispenses change.

"They like it because they won't give the wrong change!" quips Mr Yang. Not having to handle cash also makes it easier to maintain good hygiene, he adds.

GETTING BY WITH A LITTLE HELP

One factor that has eased Koufu's productivity journey is that the company does not have to go it alone.

Spring Singapore, for instance, helped to fund the tray return robots, which were developed with an external technology partner.

The robots are now doing their rounds at 20 outlets, and Koufu plans to eventually roll them out to all 48 of its food courts.

In general, firms which are keen to innovate can

find partners with whom to develop solutions – as Koufu has done.

“We usually have the big idea. Then we will tell them our big idea, then they think how to execute it,” says Mr Yang.

That is how Koufu is approaching the development of its new mobile application, scheduled to launch in May 2018.

It has an existing mobile app, developed in collaboration with DBS Bank. Launched in January 2017, it allows customers to pre-order and pay for their meal on the app before picking it up in person, thus avoiding long queues.

But the company wants to go further, says Mr Yang: “We needed something that is more tailor-made.” It is therefore working with a third-party developer on its own app, on which users can chalk up loyalty points, receive notifications of promotions, rate stalls and give feedback.

The app not only gives users greater convenience, but provides handy data to Koufu.

It reveals which stall tenants are more popular and have better customer ratings. Koufu can also use customer data to tailor promotions – for instance, if one frequents a particular stall, promotions involving that stall can be highlighted to that user.

LOOK TO THE FUTURE, PRESERVE THE PAST

Koufu’s productivity push has developed since 2013 or so, as it worked with Spring on various productivity projects.

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“The management started to look deeper and realise that in order to be competitive, you have to be innovative. We embrace technology, we don’t fear technology,” says Mr Yang.

Koufu is constantly examining its business processes to see what can be automated without affecting the customer experience too much, he adds. For instance, it is exploring the idea of using robots to clean the food courts.

Existing innovations are also being improved. The current tray-clearing robots, for instance, are now the third generation, boasting more sensors and louder “voices”.

And the layout of the self-ordering kiosk has been updated to make it more user-friendly, with changes such as bigger pictures of dishes.

Admittedly, the cost of investment in productive technology is still very high. But Mr Yang believes firms must change to survive.

“It’s inevitable that technology will play a very big part in the future coffeeshop. I foresee that cashless payments will grow very strongly in the next couple of years.”

Some productivity improvements have already started to gain a foothold in the industry, he notes.

“In the past, a lot of stallholders were very resistant to using automated equipment. But we have seen of late that more and more stallholders are willing to invest in this because they see the benefits.”

Similarly, coffeeshop and food court operators will have to come around to the idea of self-service, he believes.

“Some of my counterparts in the industry have said that they are quite surprised that we are so invested in technology. But it’s only a matter of time before they start realising that they have to do it as well.”

As the population ages, a lack of manpower will become an increasingly pressing challenge.

“If we do not innovate and be more productive, we will not be able to value-add to jobs.” And if operators cannot value-add to jobs, they cannot raise salaries.

Transformation is thus the only way to provide better – and better-paying – jobs, which in turn will help to attract fresh blood to the industry, both to run coffeeshops and as stallholders themselves.

For Mr Yang, embracing the future is Koufu’s way of protecting the past.

“We’re very keen to preserve this traditional culture,” he says, seated at a table in the pioneering Tampines productive coffeeshop while a tray-return robot does its rounds behind him. “We don’t want to see this industry go down.”



Easier, leaner and cleaner

EACH night, after the coffeeshop where he worked closed for the day, floor manager Zhao Chun Yu, 34, used to spend an hour carefully counting the cash takings from each stall.

But at Koufu’s Happy Hawkers branch in Tampines, cash payments are made into automatic deposit boxes instead of being manually put into a till. When Mr Zhao does his rounds at the end of the day, the counting has already been done by the machine.

“Now it’s much faster,” says Mr Zhao, who now takes 30 minutes to close up for the night.

Mr Zhao, who has been working in Koufu since 2013, appreciates how the “productive coffeeshop” at Tampines is easier to oversee.

Granted, like the stallholders themselves, he did have to learn about the computer systems in place so that he could help customers with basic troubleshooting. “Some uncles, aunties, we have to teach them how it works,” he says, adding that a common problem is customers putting coins in the slots for notes.

But for serious issues, he can always call tech support, he adds.

Technology has also made things easier for the cleaners he supervises. For instance, the tray-return robots which trundle past the tables – sometimes stopping with a cheery greeting – have resulted in

more customers clearing their trays.

The most he has to do is occasionally remind customers about the difference between the robots for trays from halal and non-halal stalls.

Senior manager Andy Chua, 38, agrees: “The cleaners are more cheerful because they have the robot to help them.”

Including the Tampines branch, Mr Chua oversees six Koufu outlets in the area.

He notes that other outlets require at least five cleaners, including dishwashers, whereas the productive coffeeshop requires just three.

Apart from their robo-helpers, the cleaners’ jobs are also made easier by a compact food waste digester which compresses and removes water from the waste, making it lighter and easier to dispose of.

Koufu plans to take this a step further by converting the waste to fertiliser, and putting it to good use locally, such as by offering it to the Town Council.

For his part, Mr Chua finds that with the productive coffeeshop’s cleaner environment, he rarely encounters hygiene issues during his spot checks.

This frees up supervisors and managers to focus on the bigger picture, he says: “We have more time to concentrate on food quality, variety, how to boost sales.”

The tray-return robots which trundle past the tables – sometimes stopping with a cheery greeting – have resulted in more customers clearing their trays. So, while other outlets require at least five cleaners, including dishwashers, the “productive coffeeshop” requires just three.

BT PHOTO: LIM YAOHUI