

“THE EASIEST THING FOR YOU TO DO IS TO LOSE YOUR TEMPER. EVERYBODY CAN DO THAT. BUT IT’S NOT EASY FOR YOU TO OVERCOME YOUR ANGER AND THINK OF A SOLUTION. IF YOU CAN DO THAT, YOU ARE WONDERFUL.”

– Samuel Yik, founder, Dian Xiao Er



Samuel Yik’s recipe for Dian Xiao Er is to stir in technology solutions while maintaining a quality workforce **BY LEILA LAI**

INGREDIENTS FOR SUCCESS

TECHNOLOGY has been an integral part of Dian Xiao Er’s business from its very start in 2002, when founder Samuel Yik invested in S\$30,000 German-made ovens to automatically roast his ducks to perfection. However, one would be wrong to assume that he expects it to supplant the need for a quality workforce. On the contrary, he values his staff so much that although he happily explains the technology solutions the company is using and developing, he hesitates when asked to share how he creates a working environment where staff are eager not just to stay on, but also to excel in their work. “It’s my secret. Why should I share with my competitors?” he remarks.

He is persuaded to part with a few nuggets of information – paying higher than market rate, providing performance-pegged bonuses, ensuring that employees have career prospects and systematic training, and encouraging strong relationships among them to create a positive working environment – but eventually declares that he has shared “too much”.

“If you publish this and all the other *towkays* learn, I would have lost my competitive advantage, my edge over them,” he says. Instead, he prefers to talk about technology, especially with the recent government push for automation and tech adoption among local companies.

“In the past, I didn’t like to tell people that I’m using a machine, because people like charcoal, the old-school way of roasting. But recently, the government has been promoting and supporting, even giving us grants for these kinds of machines because they consider this automation. So I don’t mind telling people now,” he adds. “In the past, it’s a misconception that you must do it manually, then it’s nice. Now I’m more willing to tell people, no, with the high tech, it’s easier to achieve the tenderness that we would like.”

TOUGH START

Today, Dian Xiao Er draws over S\$40 million in turnover, but its early days were not easy. Four blows fell in quick succession after Mr Yik opened his first outlet in Chinatown: several staff quit the day after its opening over a pay issue; a project to repave the streets around his outlet started a month later and lasted one-and-a-half years; and the SARS and bird flu outbreaks

Photography: Veronica Tay, SPH Magazines
Grooming: Eileen Koh, using Kevin Murphy and Nude
Styling: Dolphin Yeo Wardrobe: Cotton polo shirt, duxex printed jacket and matching pants, from Dolce & Gabbana



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pummelled business on both the supply and demand sides.

“They came one after another. It was very challenging, and I almost wanted to quit,” Mr Yik remembers. He was encouraged by customers who urged him not to close shop because they liked the food, and he kept telling himself that he could not give up. “(I kept thinking) very soon, I will be through. Soon, it will be over. It was a kind of hope.”

His latest challenge is his expansion to China, where he opened a Shanghai outlet in August 2017. Even though the mall housing the outlet had not been connected to a metro station or fully occupied yet, Dian Xiao Er was popular within the first month and for the next two as well, *The Business Times* reported in November 2017.

However, Dian Xiao Er is up against Chinese competitors that have economies of scale and homeground advantage on their side. “The starting learning curve is very long, from finding the right supplier to staff. And if you price your menu the same as theirs, you’ll lose out because their cost will be lower than yours. Or, if in order to recover your costs, you price it higher, you lose the competitiveness. It’s always a struggle,” Mr Yik says.

Picking a second location to grow in scale is also tough as brands from all over the world are using Shanghai as the base for their beachhead

strategy, driving up rents. “There are people who use Shanghai just as a model only, but they are selling franchises in second, and third cities. So (if) the first one doesn’t make money, it’s okay. It’s like a marketing dollar. So, they give very good discounts. When you are there to compete with these people, you will lose out because their discount is very huge. So for us, we are also considering our first as marketing. Then when customers see us, they will know what our food is.”

TECH TOOLS

In Singapore, Dian Xiao Er boasts 13 outlets, and some of the technology solutions that Mr Yik has implemented include an electronic ordering system to make procuring fresh supplies easier. To improve efficiency, past sales data is analysed to estimate how many ducks each outlet should roast to meet its expected demand.

He also reveals that Dian Xiao Er recently invested in a central kitchen, despite his reluctance in the past to do so because of the additional costs and manpower that this would incur. However, he sees value in consolidating production of certain food items such as sauces to improve efficiency and consistency. The central kitchen is fairly small, so the majority of the dishes will continue to be cooked in the outlets, he says.

“We are not like a bakery where 70 per cent (of the work) can be done in the central kitchen. Fresh produce and the ducks have to be cooked here (the outlets), chopped here. Wok-fried things still have to be fried here. But certain preparations that machines and automation can do more efficiently, we let the machine do. After all, we are heeding the government’s call.”

Another area where technology has been key is in customer management, and Mr Yik sees plenty of room for the company to leverage it even more, especially in China. Dian Xiao Er has a membership programme that allows customers to easily keep track of e-vouchers, accumulate points and receive birthday promotion reminders. It is working on an app, which Mr Yik envisions will incorporate multiple features including a remote queuing system, games to help pass the time and award free gifts or discounts for longer waits, and promotions to entice customers who have not visited in a while to return.

“These are the technologies that really blew us away compared to the past 10 years, when you don’t have all these things,” Mr Yik says. “(In the past,) when the customer leaves your restaurant, it is like a drop of rain falling into the sea – you cannot find them. But now you can build your own community of fans, people who follow you and you can engage them.”

KEYS TO SUCCESS

For Dian Xiao Er, word of mouth based on trust in the brand’s quality food and service has been its best marketing strategy, Mr Yik says. “Safety is always first for us, including food safety. Our number one commitment to our customer is trust, in terms of food safety, in terms of nutrition. Although you don’t see my kitchen, by the quality of the food you will know that you can keep coming back with confidence and trust.”

He understands that happy staff are more likely to stay on and perform better, and so he takes care to cultivate a positive company culture based on values such as respect and teamwork. He sets an example by never scolding his chefs in the kitchen, and tells his teams in company meetings: “The easiest thing for you to do is to lose your temper. Everybody can do that. But it’s not easy for you to overcome your anger and think of a solution. If you can do that, you are wonderful.”

In addition, one of the first things new employees learn is not cooking or cutting, but self-respect. “A lot of people think, if I do something privately, like steal money, and people didn’t see, it’s fine. I tell them: You’re not living for other people. Even if other people don’t see, you yourself know,” Mr Yik says.

“Would you like a roommate who steals your money? You definitely won’t like to live with such a roommate. But how can you live with yourself knowing you’re not giving your best to your work? You don’t live for your boss, but for yourself. So you respect yourself and your work.”

As testament to the positive impact of such thinking in employees, he shares that the parents of younger employees who observed improved behaviour in their children have gone on to send their younger children to work at the restaurant too, to learn the same values.

Mr Yik says: “We know that when your mind is correct, your behavior, your action, the outcome, your habit – the result will be different. It all starts from a right values system, in each of our staff. We call it educating, because training is learning an external set of skills. But education can change someone from within.”

Given that it will be many years before Mr Yik’s 15-month-old son can take over the business, Mr Yik has put into place a succession plan built on a strong senior management team, and has been grooming his middle management as well. The business is already capable of running without him visiting the outlets daily to manage them – a task that would be impossible with 13 outlets anyway.

“These are people that have followed me for more than 10 years,” he says. “I don’t come to the restaurant but it will run by itself from the first thing in the morning to closing time. I still go down and talk to them but it could be just once a month.”

And although he doesn’t see all his staff often, they are among his top two reasons to keep working hard. “I want to raise the standard of living for my family, and take care of my staff. Since they have followed me for so long and they contribute so much to the success of the company, I would love to see them bring home more income,” he shares.

“Many of them have been with me for many years, and I’ve seen their kids go through university. Those (who have been with me) 10 years or more are very grateful to the company. So for us, besides creating jobs for them, we love to see that they have grown. You see their happy faces, it also keeps you going.” ■

