

STARTING YOUNG

Staying with synergistic businesses

Successfully running a patisserie and a creative agency simultaneously, SMU undergrad Rayner Tan says he is considering extending the gap year he took in his studies to grow both businesses, reports **AUDREY TAN**



Italian connection: Mr Tan at De La Creme, which serves desserts and savoury food items. The idea for the patisserie came when he was learning to make gelato at Italy's Carpigiani Gelato University

UNDERGRADUATE Rayner Tan may be only 23, but the business student already has two companies under his belt – a patisserie in Siglap Drive called De La Creme and a new creative agency, Assassins Pte Ltd.

According to the Singapore Management University (SMU) marketing major, his businesses are doing well, and he is considering extending the gap year he took in his studies to grow both businesses.

"Many people – my family, friends, and even my school – are encouraging me to go back to study, but I'm not sure," he said. "It's ironic. I'll be going back to school to prepare opportunities for the future, but to do so now would take away the opportunities I currently have."

De La Creme is Mr Tan's first and main business venture. The business idea was conceived in January last year, when he was learning to make gelato at the Carpigiani Gelato University in Bologna, Italy. After his return from Italy in February, Mr Tan took five months to grow his passion for dessert-making into a viable business.

With the help of his parents, who were both recently retired at that time, Mr Tan sought advice from the relevant authorities, purchased furniture and equipment, tested recipes, gathered suppliers and launched his first range of cakes and macaroons.

Mr Tan also learnt to prepare his own recipes that "combine Asian flavours with French pastries", after attending a 1½-month crash course at the renowned culinary school Le Cordon Bleu, in Paris, back in 2009. His gula melaka macaroon, for example, combines coconut, buttercream and gula melaka, a local favourite garnish, into a creamy paste which comprises the molten centre of the macaroon.

Finding a good location was also crucial in Mr Tan's decision to start the patisserie. "We found the Siglap area to be very favourable as it was quaint and did not encounter too high levels of traffic," Mr Tan explained.

Its location in the heart of a housing estate was also a factor that Mr Tan took into consideration before opening De La Creme. He said: "I noticed that at that time, there were no patisseries in this neighbourhood. The nearest would be in the Tanjong Katong area, which is still quite a distance away."

Start-up capital for De La Creme was a hefty \$150,000 that was not subsidised by any grants or funding, and Mr Tan said the family hopes to break even within three years of operations.

The patisserie serves both desserts and savoury food items. Prices start from about \$7.50 for a slice of cake to up to \$16.90 for a pasta. The slightly up-market joint has a clientele base that consists largely of professionals, managers, executives and businessmen aged between 24 and 45. This is in line with De La Creme's target audience of the

middle to upper classes who are willing to "pay a premium for pastries"

The cafe rakes in an average of \$20,000 in sales revenue a month, which "barely covers costs", considering how only European ingredients are used in Mr Tan's confectionaries.

Food supplies – which Mr Tan pays a premium for – are what comprises the largest portion of monthly expenses, and can add up to about 55 per cent of total costs. The rest goes to paying for utilities, staff and telephone bills.

De La Creme has five full-time employees on its payroll, including Mr Tan, his parents and two other bakers.

Other revenue sources of De La Creme include ad hoc catering, corporate orders and outsourcing of its products to other bakeries in Singapore. Last Christmas, the cafe received some 250 orders for log cakes. With the cakes priced at \$69.90 each, Mr Tan said that "revenue was doubled during that month".

Now that De La Creme is about a year into business, Mr Tan is in the midst of planning for expansion for the patisserie.

While he is also keen on taking De La Creme overseas to Asian places such as Taiwan and South Korea, Mr Tan said that having franchisees in Singapore does not appeal to him. "People enjoy what we offer here. If we were to expand, I'm afraid of quality control. In terms of service staff, it might be difficult to manage too," he said.

But expanding overseas is different, Mr Tan said. He believes that sub-par franchisees abroad will not directly affect local business. "If our franchisee screws up overseas, at least our branding here will still be quite solid," Mr Tan explained.

As operations at the cafe have "stabilised" and are currently being supervised by his parents, Mr Tan is now investing more time into his other business, only going into the cafe for a few hours each day.

Assassins, a creative agency that does artiste management, marketing, public relations and music publishing, is Mr Tan's latest business venture that was launched in May this year together with local artiste Eli T.

Currently, the agency represents one artiste – Eli T himself – and is focusing on broadening its contacts and establishing business relations in Singapore and overseas. He hopes to rope in about five more artistes within five years.

"In the long run, I hope to achieve synergy between Assassins and De La Creme," Mr Tan said. "This way, for events hosted by Assassins, I can promote De La Creme for food catering. I definitely see Assassins as an event consultancy in the future."

But while Mr Tan's success story may seem heartening to young entrepreneurs, he cautions that having enough capital is important. He said: "The more you spend, the more you earn. If you are smart about it, that is."

'In the long run, I hope to achieve synergy between Assassins and De La Creme. This way, for events hosted by Assassins, I can promote De La Creme for food catering. I definitely see Assassins as an event consultancy in the future'

– Mr Tan