

# crust

Gourmet Pizza Bar

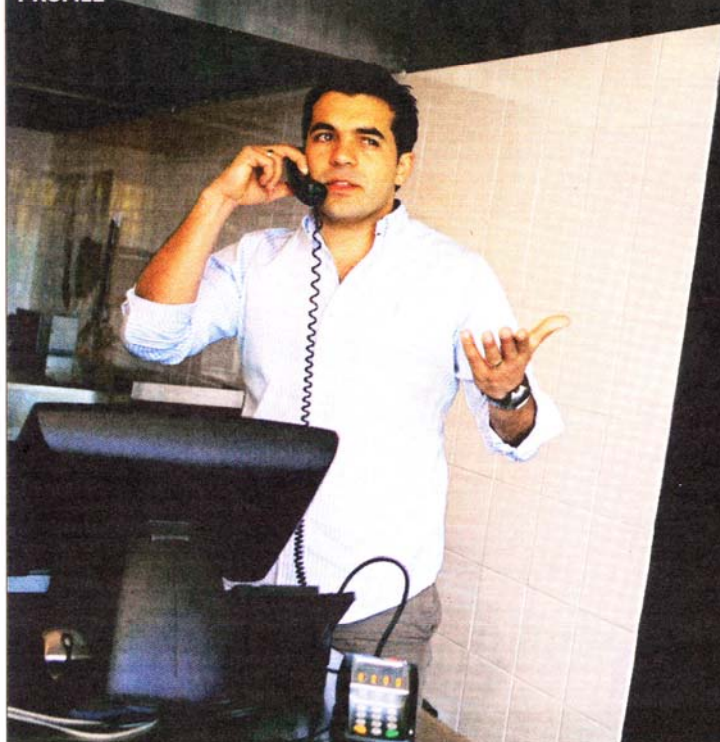
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## BUSINESS ENTERPRISE

### PROFILE



## BUILT ON A FIRM BASE

Family support and an appetite for risk turned a humble pizza shop into a national franchise, writes **Mark Fenton-Jones.**

**C**osta Anastasiadis had been in Europe for only two years, pursuing a professional football contract with the English football league, when a phone call from home sent his career in a completely new direction.

The 20-year-old discovered that his parents were being forced to sell the family home to pay off debts accumulated on their south Sydney hotel business. So he came home in October 2001 to help out his parents.

"We had a beautiful place in Coogee [a beachside suburb]," he says. "We grew up there and after we sold, we ended up living with my grandmother in her three-bedroom semi in Marrickville."

For a while Anastasiadis helped out his parents with a new wood-fired pizza operation in their hotel, but he was getting an itch to try out his own business ideas. Reluctant at first, the family eventually agreed to lend support.

"The last thing they wanted to do was listen to me, but it came to the point when mum got ill, where they had no choice," he says. "We had a little bit of money left over from the sale of our home and we decided - we were always believers in cash flow - to do something."

Although Anastasiadis had been overseeing the pizza business at the hotel, setting up a new, similar food business was not an automatic decision. The choice was between a takeaway gourmet pizza bar or a fine-food deli with takeaway food. After much discussion, the decision was to go with what he knew.

"I wasn't prepared to take any more risks," he says, adding that other considerations influenced his decision. His mother was ill, and his father continued to manage the hotel, which - although producing

a positive cash flow - had "never been a great earner", according to Anastasiadis.

"It was more out of desperation, as opposed to having this fantastic concept to revolutionise the pizza industry in Sydney."

Starting with a \$70,000 budget, Anastasiadis negotiated a lease on a small 40 square metre store in the inner-Sydney suburb of Annandale and opened the first Crust Gourmet Pizza Bar.

On a tight budget, the store relied heavily on his extended family, as he pulled in brothers, sisters and cousins to staff the store, a tactic not without its challenges.

"We come from a big ethnic family and everyone is very opinionated, everyone set in their ways, and you can have the clash of the Titans. The advantage I had was that I was the oldest in my family, so my younger brother and my younger sister did follow my lead." By the end of 2002, the first store was turning over up to \$15,000 a week, and he set about opening a second store in Richmond, Melbourne, with a business partner. This soon became four family-owned stores.

In 2005 Anastasiadis decided to take a risk, putting the Annandale store up as collateral to develop a franchise model and lay the foundations for fast growth.

"It was a huge risk, but I was 26 at the time, so made the decision that I was young enough to take the fall if it didn't pay off," he says.

**One thing I really took from working with my parents was the importance of a clear strategy and having good systems in place.**

Costa Anastasiadis

"Potential franchisees had already been showing interest even before the franchise system was established.

"When you actually have other people coming to you and approaching you to set up a store to become part of this family, I thought, 'How do I cope with this?', because it was happening frequently. We were getting a lot of emails, a lot of calls and the only way we could do it was by franchising the system."

Over nine months, consultants in the franchise industry analysed the business to see if it could be franchised and what processes would have to be put in place to achieve that goal.

The business now has three company-owned stores and 15 franchise stores across Sydney and Melbourne, and has recently established a master franchise in Brisbane. A year ago, the chain had seven to eight stores. Turnover is more than \$11 million a year.

Despite taking a different direction from his parents, Anastasiadis admits he learned a lot from them.

"One of the things I really took from working with my parents was

Costa Anastasiadis wasn't sure what to do when people began inquiring about franchises. Photo Jim Rice

the importance of a clear strategy and really having good systems in place.

"We're a franchise now. We've spent a lot of money developing a franchise system and we've put all this money into an operations manual.

"Even small businesses can be successful if they've got an efficient system: the local sandwich bar, the local charcoal chicken shop."

Married, with his wife expecting their first child this September, Anastasiadis is happy with the transition from store operator to franchisor.

"Working nights in a pizza store, and owning a pizza shop can be very difficult for a family man," he says. "It's a great gig for a single guy."

Asked for the best advice he's been given over the past seven years, he says: "Not to make decisions based on emotion is probably the best advice I've been given."