

Upping sticks

The decision by the Copenhagen restaurant chain Sticks 'n' Sushi to expand in London rather than across Denmark has plenty of operational logic behind it, John Porter discovers



"You need to be sure that the people around you are happy to pay for affordable luxury"

Even if "fusion cooking", both as a term and a concept, has become something of a cliché in the restaurant sector, when it is genuine the merger between the flavours and culinary traditions of two cultures be very exciting.

Few fusion concepts can claim more authentic credentials than Sticks 'n' Sushi, which opened its first restaurant in the Danish capital Copenhagen 20 years ago. The co-founders, brothers Jens and Kim Rahbek Hansen, took direct inspiration from their Japanese mother and Danish father to create a cuisine that combines the two culinary traditions. The family connection continued to the third founder, property director Thor Andersen, who is Kim's brother-in-law.

The menu is built around sushi and charcoal-grilled yakitori (skewered chicken), with a focus on shared platters and flavour combinations that give the food a very Scandinavian twist. Recognition of the brand's combination of respect for tradition with a strong flair for innovation and marketing came in March 2014, when Sticks 'n' Sushi was awarded the respected Hamburger Foodservice Preis, which recognises Europe's top operators.

With ten Sticks 'n' Sushi restaurants in Copenhagen, it might seem logical to have next taken the concept to other

Danish towns. However, the brand has instead adopted an international approach. Its first restaurant outside Copenhagen, opened in March 2012, was in the perhaps unexpected location of Wimbledon, South London.

A second London Sticks 'n' Sushi opened in Covent Garden, Central London at the end of 2014, with a third due to open in Greenwich, South East London in January 2015, and another in the Crossrail development at Canary Wharf, East London next May.

London dream

Kim Rahbek Hansen, the chain's chief executive, says: "We always had a dream of opening a restaurant in London. We visited frequently and realised that with the quality of restaurants around, if we ever were going to succeed we had to be good. So after almost 20 years of lots of hard work in opening ten successful restaurants in Copenhagen, we had enough courage to make our dream become reality."

Much of the day-to-day responsibility for converting that dream in the hugely competitive London restaurant sector has fallen to Sticks 'n' Sushi's operations director, Andreas Karlsson. Originally from Sweden, Karlsson spent 15 years with Wagamama, based in London, and

eventually becoming the brand's director of international licensing. He says: "I had a great journey with Wagamama, from restaurant management into operations, and I was involved in international development very early, helping to open restaurants outside the UK."

After he encountered the Sticks 'n' Sushi founders at various industry events, Karlsson was invited to join the business at the start of 2011, with a brief to identify London sites. He makes the point that the second biggest city in Denmark is over three hours by car from Copenhagen, making London barely less of a challenge in travel terms. More importantly, the Sticks 'n' Sushi team believes the brand itself works best in the cosmopolitan market of a capital city.

"The upside of coming to London is that you can plan to open more than one restaurant," Karlsson says. Compared to opening in a secondary city in Denmark, "the effort is smaller and the risk is less. Customers in London will always give you a chance. If you're good, which we are, then you have a good chance of getting them back in."

If the decision to open in Wimbledon raised any eyebrows, Karlsson makes the point that "in London, where do you start? You're joining a queue with many other operators for the best locations."

The Wimbledon site had been offices before Sticks 'n' Sushi took the lease, but its origins as a coach workshop meant there were double-height ceilings and plenty of scope for the brand's Swiss designer, Diener & Diener, to go to work, creating a 4,000 sq ft restaurant with 130 covers. "The space felt very us, although 3,000 sq ft is our sweet spot, so we had to gamble a little," Karlsson says.

As a relatively well-off area, in Wimbledon "the demographics are right for us, it resembles many locations we have in Copenhagen. You need to be sure that the people around you are happy to pay for affordable luxury. Our price point is higher than the usual suspects on the high street, although it's far less than at the top end in the segment, and we deliver a product that is very high quality. We had a relatively good start, we executed well, and could see the business growing."

The Covent Garden store has a similar number of covers, although with a narrow street entrance it is "a more challenging space", as well as having a more diverse and transient customer base.

Beyond the core

Greenwich will be different again, with the restaurant located in a Grade II listed building owned by Greenwich Hospital,

with 90 covers – "I need to find more seats," Karlsson concedes. The target customers will be similar to the Wimbledon demographic, which includes high-spending students and young professionals, families and business customers.

The wider choice of food takes the menu's appeal beyond the core sushi market, with its grilled skewers popular with male customers, and a strong sharing culture among groups who like to order from across the menu to try a wide variety of the food. The menu features imaginatively named suggested combinations such as "four-meal drive" for a sharing platter and "greenkeeper" for a vegetarian selection. The £90 top-of-the-range sharing platter is billed as "Monte Carlo food".

Spend per head is also greater than the typical high street operator, Karlsson says. "It averages about £30 across lunch and dinner, obviously higher the evening. For brands such as Wagamama, Itsu, Yo! Sushi and Carluccio's, it's closer to £20. We are at that next £10 step up."

The menu is unchanged from Copenhagen to London, with the commitment to sourcing fresh, high quality, local produce also exported. Where customers in Copenhagen enjoy salmon from Norway, in London it is sourced from Scotland, while the beef

is from a supplier in Surrey. Pork and lamb for the yakitori skewers is also UK-sourced. "We do have a central production unit in Denmark that makes many of our sauces and marinades, but we're as locally and responsibly sourced as we can possibly be," Karlsson says.

Executive chef Peter Nielsen, part of the business since the first restaurant opened in 1994, and now based in London, is playing a major role in ensuring that Sticks 'n' Sushi's authenticity is maintained. Nielsen is described by Karlsson as "our insurance policy, to ensure our food is always up to our highest standards."

All dishes are prepared freshly on site, and with Nielsen already training chefs for Greenwich, "our kitchen skill set comes down to the difference between us and other operators. The salmon comes in head and skin on, and it's all done by hand. We couldn't do it cheaper without taking away the pride and the craftsmanship. If you have that pride, it filters through to the guest. It comes at a cost, but that's why we're successful," Karlsson says.

Communicating this quality of product, preparation and cooking is vital to the brand's success, and is reflected in the high quality of photography and design in the menu and other marketing collateral. "When we first opened here, ○



Sticks 'n' Sushi co-founders, brothers Jens and Kim Rahbek Hansen





people had no real reference point. Initially, they compared us to Wagamama because we were a couple of doors down the road in Wimbledon," Karlsson says. "Those comparisons went away rather quickly, because our price point was higher, and rightly so, because the quality of our product is much higher."

Karlsson was able to focus full-time on the UK once the Covent Garden store opened, having previously divided his time between London and Copenhagen. "We now have 100 people working for us in London, and by the time we open at Canary Wharf it will be 200," he says. "We have lots of good people moving up into leadership roles."

Summing up the company's approach to recruitment, Karlsson says: "We're looking for people with small egos and big smiles, and if that culture doesn't start at the top, it won't be genuine." His view is that "in general, in Denmark and the Scandinavian countries customer service is not as good as it is over here."

The company's service and training manager, Ginn Carstensen, is based in Copenhagen, and works with front of house staff on all new openings. "She's a real bundle of energy, and a lot of

our success is down to her hard work." Karlsson says: "It's fairly easy, if you have the money, to find the locations, and to design and build a restaurant. That's a project process. The real deal is the people. The hard work starts when you come to operate the restaurant: if you fail to execute, you're dead and buried."

Last year saw Sticks 'n' Sushi's expansion programme boosted by an investment from the Danish venture capitalist Maj Invest. "They don't have a majority stake, and they are a sound VC who let us do what we do," Karlsson says. "The strategy is to continue steadily in London, opening one restaurant at a time, and between one and three a year."



Although the concept has translated well to the UK market, the reality is that the economics of trading in London are different. "Wages are very high in Denmark, while rents are very reasonable. Rents here are challenging, while salaries are lower a percentage of turnover than Copenhagen," Karlsson says. "Our GP is not as good here because we don't have the buying power that we do in Denmark."

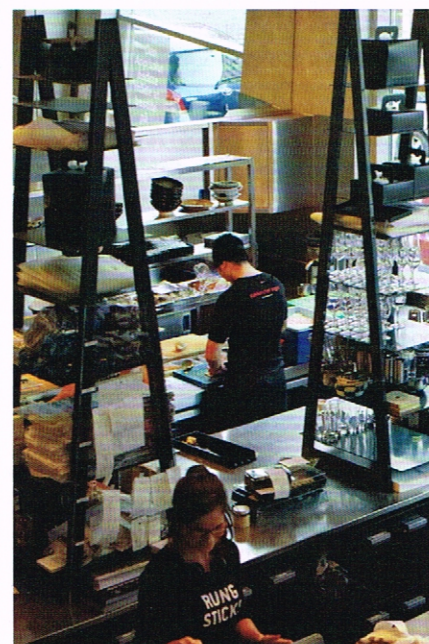
Cross-fertilisation

However, cross-fertilisation is bringing added benefits. The London restaurants offer a range of craft beers brewed especially for the business in Denmark, while the Copenhagen restaurants are now offering beers from Meantime Brewery in Greenwich. "The craft beer movement is interesting, and we don't want to offer what everyone else is listing," Karlsson says. "Meantime isn't really known in Denmark, and because we're opening in Greenwich it's a good story to bring it over to Copenhagen."

Looking ahead, a potential location for the next site beyond Canary Wharf is under consideration, and the more compact geography of South East England in comparison to Denmark means that towns such as Brighton, Oxford, Cambridge and Reading are potential candidates for Sticks 'n' Sushi sites. "We are also entering the German market within the next 12 to 18 months," Karlsson says. One impetus for further European expansion is that, although the Danish business is still seeing strong like-for-like growth, "in Copenhagen we might be able to do one or two more restaurants maximum."

Another area with potential for growth is takeaway, which now accounts "for between 7% and 9% of sales in Wimbledon, whereas in Denmark it's 45% of our annual revenue," Karlsson says. "We use third-party companies to deliver, but the majority of food is collected and nothing sits in fridges. It's freshly made sushi and the same quality as if you sit down in the restaurants."

The ultimate badge of quality and authenticity is the founders' mother, Keiko, who, at 88, still regularly eats at the restaurants. "She always has miso soup and rice, and if she says it's not good enough, we're in trouble."



Andreas Karlsson, operations director Sticks 'n' Sushi.

FAVOURITE RESTAURANT: "In Copenhagen, it's Sokkelund Café & Bar. They pay attention to detail in everything they do, with a genuinely passionate team who make you want to return after every visit. Their Tartar Burger is to die for. In London, it's Flat Iron – simple, good value, no frills and friendly."

BOOK: "8000+ by Goran Kropp, the Swedish mountaineer who cycled from Stockholm to the Himalayas, climbed Mount Everest and cycled back. Sadly, he died in a free climbing accident in 2002."

HOBBIES: "I support West Ham, play golf badly, and like fishing in the north of Sweden during bright summer evenings."