

# The recipe of success for no-frills dining

From a single eatery with 9 workers, Dian Xiao Er overcomes challenges to expand into a chain of 12 Chinese restaurants with 400 staff

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**R**OASTED with a myriad of herbs and spices, Dian Xiao Er's signature dish, the herbal roast duck, is a feast for both the eyes and the mouth. The chain of Chinese restaurants came about 15 years ago when its founder, Samuel Yik, identified a gap in the Chinese casual dining market and set up Dian Xiao Er.

Since then, the brand has been working its way through the stomachs and hearts of its customers with its no-frills approach to quick and affordable Chinese dining.

To emphasise the importance of good service, the name Dian Xiao Er, meaning "waiter" in Mandarin, was chosen to symbolise a resting stop for customers to enjoy a meal. This also adds a personal touch in creating a friendly atmosphere for customers to interact and build relationships.

Mr Yik, together with his wife Eliza Gunawan, managed all aspects of the business together. While both the personalities differ, the husband and wife duo say they complement each other's strengths and weaknesses.

For instance, the outspoken Mr Yik would take charge of external business matters, while the detail-oriented Ms Gunawan would handle the company's internal management matters. This has allowed Dian Xiao Er to grow from strength to strength in the past 15 years.

Initially starting out as a single branch in Chinatown with just six kitchen crew and three service staff, the beginnings of Dian Xiao Er were not always rosy. The restaurant was severely understaffed and employees had to juggle multiple roles.

## Deeply rooted in traditional values

Furthermore, just one year after business operations commenced, Singapore was hit by the Sars outbreak in 2003, which affected many businesses. However, Dian Xiao Er managed to survive these challenges through strategic business positioning, as well as efficient business operations. Today, it has expanded into a chain of 12 restaurants



"Most restaurants are just a restaurant, but our restaurant is more like a family," says Mr Yik (centre), seen here with Dian Xiao Er chefs in the midst of perfecting the restaurant's signature dish, the herbal roast duck

around the island that employ close to 400 staff.

From its humble beginnings to Dian Xiao Er becoming a household name in Singapore, Mr Yik has remained the company's key driving force. Previously an accountant, he decided to venture into the food and beverage industry as he wanted to pursue the freedom that is commonly associated with entrepreneurship.

Mr Yik is a firm believer of traditional Chinese values. He weaves these values into his leadership and management approach and they are reflected in the culture and familial environment of Dian Xiao Er. The tenets he lives by are to place others before self – honesty, integrity and maintaining harmony.

He prioritises his employees' growth by placing a strong emphasis on their character and career development.

"I am responsible for their well-being, including their income, their jobs, and their welfare. I have to provide them with prospects and learning opportunities so as to help them recognise their value," he said.

Honesty and integrity are values he believes every single employee should embody at work. Such values are demonstrated through relationships among employees, as well as with customers and suppliers. He says that Dian Xiao Er is committed to running an honest business by serving customers food of the "highest safety and quality standards".

The value of maintaining harmony is also key to Mr Yik's running of Dian Xiao Er. His strong advocacy for harmonious relationships among all stakeholders – the employees, management, suppliers and customers – has earned trust and helped the business to grow.

During festivals such as the Chinese New Year and Winter Solstice, employees are able to enjoy sumptuous meals and celebrate festivities together as a family. There are also quarterly recreational events organised for the employees to foster a harmonious culture and a close-knit community within the company.

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our restaurant is more like a family," says Mr Yik. To continue progressing ahead, it is crucial for Dian Xiao Er to ensure that employees feel a sense of belonging at work.

## Innovating the way forward

Traditionally, dining at Chinese restaurants is usually a lengthy affair with long waiting times. Adopting a then-unprecedented no-frills casual dining concept, Dian Xiao Er focused on maximising the table turnover rate by minimising serving time.

Furthermore, every outlet adopts a different interior design concept using a variety of elements for a rustic feel. Staff uniforms are also designed with the image of a "Xiao Er" in mind.

Besides its famed herbal roasted duck, Dian Xiao Er's menu features other sumptuous dishes. These dishes are inspired through chef competitions held quarterly at all outlets, aiming to enhance the creative mindset in chefs and encourage them to innovate. On top of developing new menus, the strengthened camaraderie between chefs is also an added bonus resulting from the competitions.

As the local arm of the business stabilised, Dian Xiao Er began to explore expansion opportunities in foreign markets. This process was mainly driven by Dian Xiao Er's vision of taking the Singapore brand and its food overseas as a globally recognised icon.

After casting its net wide in search of an ideal foreign location, Dian Xiao Er eventually decided on Shanghai's Changning district as a metropolitan city was more likely to accept foreign dishes. Moreover, positive feedback from its mainland Chinese customers in Singapore affirmed its decision to expand into Shanghai. Penetrating the Shanghai market was a major breakthrough in Dian Xiao Er's growth plans and will pave the way for further expansion in the future.

## Formulating the recipe for success

Recognised as an SG50 Featured Entrepreneur, Mr Yik lives by his favourite quote "Fall seven times, stand up eight".

In his eyes, every successful venture is built upon a good idea. However, one can

never rest on their laurels in running a business as he reiterates: "No business idea is perfect. Through dedication and perseverance, you will be able to sustain your competitive advantage."

As for his emphasis for any business to thrive on a sustainable financial plan, he says: "Cash flow is like the blood in every business". A clear positioning strategy is also vital to differentiate the business. In the case of Dian Xiao Er, it aims to appeal to the mass market.

For those who choose the road less travelled and start their own businesses, Mr Yik's advice is to learn how to redefine difficulties and setbacks as opportunity, for this is the guiding philosophy that has made him the entrepreneur he is today.

Formulating the recipe for success is never easy, but with the right ingredients – dedication, perseverance and a clear positioning strategy, he looks well-equipped to lead Dian Xiao Er towards a new phase of growth.

■ The writers are students from NUS Business School



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