

Right Staff Mix Is Baker's Secret Recipe

By hiring, training, and motivating good staff, the Beechworth Bakery gets results — without paying above-award wages.

Entrepreneur: Tom O'Toole

Company: Beechworth Bakery

Business type: Retail bakery

Turnover range: \$2M - \$5M per annum

Business history: Commenced 1984

Based: Beechworth, Victoria

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The Beechworth Bakery story:

Few retail, shopfront businesses win awards for “Most Significant Regional Tourist Attraction”. But Tom O'Toole's Beechworth Bakery, which serves 600,000 customers a year in a town of less than 4,000 people that is 270km from Melbourne, has won twice since 1995. There have been many other business awards too.

O'Toole credits his staff with his success. He says: “You can buy milk and bread anywhere, so why buy it from my place? It's because of my people. If you haven't got a good product then you shouldn't be in business. But it's my people that run my show. It's my people who invest their time, their energy and their imagination. Without them I don't have a business.”

O'Toole tells all his 60-plus staff that they are his number one customers. He says: “If I look after them, they will look after the customers.” But O'Toole does not pay his people big money: they are on award wages and there are no profit-share or stock-option schemes for staff. He motivates them by making Beechworth Bakery a fun place to work and giving staff the power to make decisions.

Tom says: “All my people are empowered. They all have a brain and I want them to use it.” The fun comes with regular dress-up days such as the annual Pyjama Day when staff all come to work in pyjamas. Or when they festoon the shop with banners and balloons to help promote local events such as the Celtic music and Jazz festivals.

Tom says: “My people are very good, [have] great team spirit, good interaction with everyone, but it's about hiring for attitude. They could have all the skills in the world but if they've got a rotten attitude, you are just wasting your time.”

O'Toole looks for enthusiasm in prospective employees. He says: “I want people who are alive, who have got a bit of enthusiasm, and I don't mind if they are a bit wacky but I want that consistency of the right attitude.”

Beechworth Bakery staff are trained using both in-house and external programs. Staff members

Key learning points:

Employee value. Your people are your biggest asset, your biggest cost, your biggest investors and your number one customers. Look after your people and they will look after the rest of your customers. Inject your workplace with empowerment and fun.

Who to hire? Hire for attitude, train for skills. An employee may be highly skilled, but that means nothing if he or she is not enthusiastic.

Training. Provide both in-house and external training to staff. If possible, send them to other cities or countries so that they have a broader perspective on their industry.

Feedback. Tell your staff what they are doing right, not what they are doing wrong. Give them positive feedback and give it regularly.

are regularly sent away — to Sydney, New Zealand, and even the USA – to learn what is happening elsewhere in their industry. O’Toole says: “They might want to stay in their little comfort zone but if they want to grow, they’ve got to go.”

O’Toole writes a regular in-house newsletter that is sent to every staff member. “It’s telling them they’re doing a good job,” he says. “I am always telling them these wonderful stories that I hear about my people. There is the odd bad one but I won’t tell them the bad ones – I keep to the good stories.”