First taste

In the 90s, PHC Restaurants revolutionised Cyprus’s casual dining scene. Fast forward to 2016 and it is showing no signs of slowing down anytime soon.

The dining scene in Cyprus has evolved considerably over the past three decades. When PHC Restaurants was formed in the early 90s CEO Lysandros Ioannou observed that there was no real tradition of culinary arts in the country. He explains this was due to three reasons. Firstly, the prevalence and customary act of cooking at home. Secondly, the fact that—historically—most people could not afford to eat out at a café or a restaurant on a regular basis. And thirdly, the constraints placed on the importation of raw materials prior to Cyprus’s association with the European Union which occurred in 2004.

"The restaurant, catering, and culinary arts offerings in the Cyprus market were very, very basic," Lysandros explains. "The first stepping stone for us at PHC Restaurants was to come in with an organised brand like Pizza Hut which had experienced great success in its home country and abroad. This was the very first food chain-style restaurant to enter the country. It opened up a host of new opportunities, allowing other brands to follow suit. For example, McDonald’s came in five years later and we have now brought in Taco Bell, KFC, Burger King, Caffè Nero, and Catercom, just to name a few.

"So the first turning point for the industry in Cyprus was really when Pizza Hut came into the country in 1991. It was kind of a case of execution-driven strategy and having the right idea at the right time. In retrospect I have to say..."
EXECUTIVE INTERVIEW

It was a good idea because that was the first international brand to be launched in Cyprus. It heralded a completely new era in the restaurant business. From there I made it very clear that the motto for PHC Restaurants would be to lead the way in this food revolution.

Following on from that, the business started to introduce more firsts to the Cypriot community. Food delivery services were brought in—a national customer service centre was launched, and the Wagamama chain—which serves Asian-style cuisine—was opened.

Lysandros believes that the next milestone for PHC Restaurants will be its move outside of the casual restaurant sector and into more sophisticated dining options. "Historically, we evolved from fast food to cafés and casual restaurants," he explains further. "Now we’re making the next step into what we call the ‘casual plus’ offering, by bringing in Jamie’s Italian by Jamie Oliver. We have come a long way from the non-existent restaurant sector and into more sophisticated dining options."

The key to the company’s success so far, Lysandros says, has been to put a strong focus on developing a distinct and winning culture. That was the first thing he instilled in the business, and it is something that still rings true today. "It was initially my professional priority and I am very proud to look around at the kind of people we have with us all this time later," he shares. "Particularly the people who have grown out of their roles as team members in the kitchen, doing deliveries, or on the floor as waiters, and moved into more senior positions. We supported them through university and moved into more senior positions. We supported them through university and moved into more senior positions."

"Having the right culture is instrumental for performance over the long term, especially in this part of the world. We have a wonderfully rich history in Cyprus and at the same time we are blessed with beautiful weather and scenery here. This all helps us to remain positive and upbeat. A focus on performance, hard work, and positive thinking is what has helped us to differentiate from the norm and to achieve fast growth and better results than our competition."

As well as supporting its internal network of employees, Lysandros adds that it has been critical to maintain robust relationships with its supply chain and partner alliances. "We have a huge list of partners and suppliers who helped us get to where we are today. They may not be on the frontline but it is fair to say that we wouldn’t be anywhere near where we are without them helping us. We work closely with all of the brands that we represent in Cyprus, and that has been necessary to get to this level of expansion and performance. The local supplier network has also been very supportive in making all of the adjustments and investments required to comply with the requirements of all the different brands."

PHC Restaurants has undoubtedly worked hard to establish its solid position in the Cypriot dining scene; however, despite its proven track record of success, there have been a number of challenges it has had to face along the way. One was trying to build critical mass in a relatively small market in the early days. With a population of just under 1 million people, Cyprus wasn’t an easy place to tap into, but Lysandros explains that this was overcome by ‘pushing expansion to the limit’. The business now operates 37 Pizza Hut franchises and this is the highest penetration when compared to any other market in the world.

"We have come a long way from the non-existent restaurant offering in the late 80s and early 90s, to where we are today with a full spectrum of choices for the consumer.” — Lysandros Ioannou

Helping Brands Travel Further

"IFL is proud to have collaborated with PHC for many years during its impressive development of major brands in food service. PHC’s professionalism and values are outstanding. It is evident it is truly committed to the success of its partner brands." - Ray Horton, Managing Director, IFL

IFL has been helping brands grow their businesses on the international stage for 20 years. Supporting restaurant brands and their franchise partners launch in new countries, retailers introduce new products and manufacturers to export their products globally.

Managed procurement, to in house global logistics, ingredient compliance, labelling, health documentation, customs compliance and much more – IFL have been providing trust, reputation and peace of mind whilst helping to protect brands, grow and small achieve growth and sustainable supply.

Less Logistics, More Services
Another difficulty for PHC Restaurants was to effectively navigate the complexities that came with operating so many different brands in unison. Furthermore, working to build a professional and high-performance team in an environment that was culturally and geographically not the centre of business development presented its hurdles. “Most of the businesses in this part of the world are small agencies or family-owned and -run businesses,” Lysandros notes. “This does not always allow for the best mindset—which we are after—when it comes to strong performance and putting the environment first. We dealt with that by focusing on developing our people within, by fostering a performance culture, and by demonstrating to both the existing team and to potential candidates that the benefits of operating this way were endless. We wanted to highlight the excitement of this style of culture versus more traditional ways to our team.”

Finally, 2012 to 2015 were difficult years due to Cyprus’s economic situation. It was emerging from a dramatic recession and things were tough. The environment has since stabilised and Lysandros is very optimistic about what 2016 and beyond has in store for the business. This year PHC Restaurants celebrates its twentieth birthday and it has grand plans for its future with a vision to open 100 restaurants by 2020. A 25-year-old company is a pretty old company in this part of the world, so it was very motivating for the team to realise that we have more room for growth over the next five years than we have ever had before,” he says. “This is even despite the perception out there that was once you reach a certain level of maturity in a business you will inevitably plateau, or slow down. We do not believe that will be the case with PHC Restaurants. The growth will come from continuously investing in and growing our base brands, which include Pizza Hut, KFC, and the other brands that we have been running for years now. Then on top of that we foresee that the biggest growth will come from our new brands like Wagamama, Caffè Nero, and Burger King, which we launched a few years back. They are already very strong and successful and there is great room for expansion. “To bring an iconic brand like Jamie’s Kitchen into Cyprus is going to be incredible. That will open up an entirely new channel for growth and we have a pipeline of fresh ideas and opportunities that we are ready to implement in the next couple of years.” Overall, I believe we are at the point where we are organised as one of the best companies in the country. Our aim is to become the best company overall, or one of the best companies overall, in Europe. To achieve that we will have to focus more on the things that we can do better, rather than the things we are already good at.”

From a growth point of view we have seen how building a strong culture works and we want to keep focusing on that. We will continue to encourage positive thinking and energy, and a passion for results. I believe that will get us to the point where we will achieve our 2020 vision. The key part of that is to more than double the size of the PHC Restaurants, and that will be in sales, profits, and the number of restaurants that we have. Ultimately, we believe that this vision is possible and that we will be able to achieve it by 2020.

“A 25-year-old company is a pretty old company in this part of the world, so it was very motivating for the team to realise that we have more room for growth over the next five years than we have ever had before,” he says. “This is even despite the perception out there that was once you reach a certain level of maturity in a business you will inevitably plateau, or slow down. We do not believe that will be the case with PHC Restaurants. The growth will come from continuously investing in and growing our base brands, which include Pizza Hut, KFC, and the other brands that we have been running for years now. Then on top of that we foresee that the biggest growth will come from our new brands like Wagamama, Caffè Nero, and Burger King, which we launched a few years back. They are already very strong and successful and there is great room for expansion. “To bring an iconic brand like Jamie’s Kitchen into Cyprus is going to be incredible. That will open up an entirely new channel for growth and we have a pipeline of fresh ideas and opportunities that we are ready to implement in the next couple of years.”

Overall, I believe we are at the point where we are organised as one of the best companies in the country. Our aim is to become the best company overall, or one of the best companies overall, in Europe. To achieve that we will have to focus more on the things that we can do better, rather than the things we are already good at.”

From a growth point of view we have seen how building a strong culture works and we want to keep focusing on that. We will continue to encourage positive thinking and energy, and a passion for results. I believe that will get us to the point where we will achieve our 2020 vision. The key part of that is to more than double the size of the PHC Restaurants, and that will be in sales, profits, and the number of restaurants that we have. Ultimately, we believe that this vision is possible and that we will be able to achieve it by 2020.

To bring an iconic brand like Jamie’s Kitchen into Cyprus is going to be incredible. That will open up an entirely new channel for growth and we have a pipeline of fresh ideas and opportunities that we are ready to implement in the next couple of years. Overall, I believe we are at the point where we are organised as one of the best companies in the country. Our aim is to become the best company overall, or one of the best companies overall, in Europe. To achieve that we will have to focus more on the things that we can do better, rather than the things we are already good at.”

From a growth point of view we have seen how building a strong culture works and we want to keep focusing on that. We will continue to encourage positive thinking and energy, and a passion for results. I believe that will get us to the point where we will achieve our 2020 vision. The key part of that is to more than double the size of the PHC Restaurants, and that will be in sales, profits, and the number of restaurants that we have. Ultimately, we believe that this vision is possible and that we will be able to achieve it by 2020.

A World of Fresh Choices!

Amalthia is the largest imports distributor on the island of Cyprus. We offer a vast array of products, and supply a wide variety of produce to traders, including wholesale markets, hypermarkets, supermarkets, small and medium grocery stores, cruise ships, hotels and restaurants. Amalthia has a strong global presence and has earned great respect from both its suppliers and customers. The 3rd family generation has joined Amalthia, complementing the company’s traditional values with fresh ideas for future success!