



Institute for Management and
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KNOTS GROUP CAFÉ – COPING WITH MANAGEMENT PRACTICES

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This case was written by Hazeline Ayoup and Rohana @ Norliza Yusof, UUM College of Business. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

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Introduction

In March 2011, Awie Mahmud, an ambitious restaurateur who owned Knots Group Café in Kuala Lumpur attended a business seminar for Bumiputra entrepreneurship. He hoped to generate new ideas to explore other avenues of food business growth. He had thought of his food business expansion for a long time but lost in his own thoughts. During the tea-break, as he was waiting for the next session to start, Awie reflected on the speaker's highlights on the importance of an effective business management system for business sustainability. So, Awie was not feeling good about his business management system. He realized that he was not trained and lacked the appropriate business management knowledge and skills in managing his multiple food outlets. He knew that his business management practices were gained only through experience managing Knots Group Café for more than ten years. The thought kept lingering in his mind that he decided to review his management practices immediately after the seminar instead of proceeding with his business expansion plan. He was certain that this would allow him to find out his strengths and weaknesses in restaurant management. He also believed that this would unveil his business opportunities and threats that he could capitalize for his business expansion strategy. The idea was to enable him improve his management skills and thereby develop effective business management system to sustain his food business in a long run.

KNOTS Background

Knots was an abbreviated word for 'nautical' or another word for maritime taken after the Malaysian Maritime Academy (ALAM) where Awie served at the academy for one year. It was established in 2001, which was prompted by Awie's passion for cooking and fine dining. He launched the first Knots Café in Lumut as a partnership private limited company that featured western cuisine. Then, more Knots were set up around Kuala Lumpur since 2004 onwards. Each Knots café and restaurant outlet was unique in nature offering different cuisine based on market demand of the specific location around Kuala Lumpur City such as western, *kopitiam*-aseana, *mamak*'s cuisine, and canteen food. Till March 2011, Knots had four food outlets, an administration office, and a store at six different strategic locations. He employed about seven cooks and forty people to support the restaurant functions and operations. Knots employees were manager, account manager, food outlet supervisor, inventory supervisor, cooks, and food service workers. All aspects of Knots was fully operated by Awie such as restaurant management practices which include menu development, food costing and pricing, and inventory management system.

The Beginning

Awie grew up watching his parents doing many small-scaled businesses such as selling banana fritters at the little *attap* kiosk in front of their house, selling textile on an installment basis to the *kampung* folks, and a small-scaled *kuih* catering services. He was indirectly trained to do business as early as five years old. As he was a fast learner, he started his first business selling *raya* cards when he was six. His smiley appearance and waving-hands gesture invited and welcomed customers to his kiosk. He still invited and welcomed customers to his restaurant the same way today.

Awie served the Malaysian Maritime Academy (ALAM) for one year after graduating before switching to his passion for cooking. Driven by his passion, he started as a chef on board that took him from one ship to another. As he had gathered cooking experience and confidence from ALAM, he then opted for a chef position in several 5-star hotel restaurants including The Palace of the Golden Horses. With all these experiences, in 2001, Awie launched his first Knots Café in Lumut as a partnership private limited company. He ventured into this restaurant industry based on his cuisine and fine dining experience gathered from the food servicing and hospitality industry from many 5-

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