

Open your own tea house!

FabJob Guide to
**Become a
Tea Room
Owner**



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1. Introduction

Congratulations on your decision to open a tea room, and welcome to the wave of the future! While pausing to enjoy a cup of tea with a light meal is a longstanding tradition, tea rooms are enjoying an unprecedented surge in growth in North America. Much like the burgeoning interest in coffee houses that began some twenty years ago, tea rooms and tea bars are rapidly gaining in popularity, with plenty of room to grow.

Few people would argue that this civilized repast is good for the soul and a great way to refresh, regroup, and spend a pleasant time chatting with friends. Yet for those of you who, when they hear the term 'tea room', envision a group of grandmothers in hats and gloves sipping tea, think again. Tea is enjoying a surging renaissance across all segments of the population. Though tea has traditionally appealed to women in greater numbers than men or youths, the recent widespread publicity of tea's health benefits have led more men and young people to try it. And once they do, tea's delicious taste and endless variety of flavors has them hooked.

“This is a good time to open a tea room, as tea is dramatically increasing in popularity. It is often the well-publicized health benefits of tea that get them curious, but once they try it, they are finding they truly enjoy it.”

— *Cynthia Gold, Tea Sommelier,
The Boston Park Plaza Hotel & Towers*

Unlike coffee shops, where the aroma of espresso and buzz of caffeine electrify the air, making it hard to relax, tea rooms have a tranquil and engaging atmosphere. The reason for this lies within the mysterious brew itself. Tea has been shown to trigger calming alpha waves in the brain, causing people to be more focused and alert, yet serene. Thus, though many coffee shops also offer tea, a tea room offers a whole different culture, feel, and mindset; not to mention, a greater variety of teas. With so many people feeling harried and stressed these days, the growing appeal of tea rooms as a welcome alternative respite from modern life is only natural. For, as Lalith Guy Paranavitana of Empire Tea Services notes, “A tea room offers a unique experience different from the ‘coffee scene’ and at a modest price.”

Though it’s taken centuries to revert to being a nation of tea drinkers, Americans are, in a real sense, rediscovering their roots, and Canadians are embracing their tea drinking roots in even greater numbers. Providing a calming refuge where people can relax and enjoy themselves while drinking a healthy beverage is what operating a tea room is all about. While hosting an endless tea party involves a lot of work, for those who dream of owning a tea room and who take the necessary steps to carefully plan, it is an exciting and rewarding career with a true sense of purpose. For those people you introduce to the health benefits of tea and its culture of reflection and relaxation, you make their world and their lives better.

By picking up this book, you have taken the first step toward enriching your own life by realizing your dream of opening a tea room. The rest of this chapter will give you a brief overview of this exciting career choice, including what a tea room owner does on a typical day, the various types of tea rooms you can choose to open, the different products and services you can provide, as well as several of the wonderful personal rewards you can look forward to by owning a tea room. This chapter also briefly outlines the steps you’ll need to take to get started

in fulfilling your dream, which are covered in greater detail in the remaining chapters.

1.1 A Growth Industry

“This is a perfect time to open a tea room. Tea is an inexpensive alternative to going out and spending time with self, family or friends. It is the best time to do so, before you can see our horizon glowing with tea houses.”

— *Mark “Dr. Tea” Ukra, Author of The Ultimate Tea Diet and Owner of Dr Tea’s Tea Garden and Herbal Emporium, West Hollywood, California*

Tea is big business in North America, and shows no signs of slowing soon. According to the Tea Association of America, as of 2009 the tea industry in the United States reached \$7.3 billion dollars. At present, Americans consume about 2.2 billion gallons of tea every year. Thus, while there are presently more than 2,200 specialty tea rooms and retail shops throughout the United States, there appears to be plenty of room for more.

Astounding growth in the tea industry is also occurring in Canada, where tea is a \$388 million dollar annual industry with massive growth expected to continue as well. According to the Tea Association of Canada, Canadians consume 9 billion cups of tea annually. The sales of specialty tea, which exceeds \$92 million annually, is now outpacing regular tea sales, an over \$88 million annual industry. This growth in specialty teas is due primarily to the growing popularity of green tea, which is linked to recent publicity about green tea’s significant health benefits.

In Canada, hot tea is an integral part of 5.5% of all “perceived healthy meal occasions” and ranks #3 as a “perceived healthy” beverage in Canada, behind only water and sugar-free soft drinks. The presence of the amino acids and antioxidants in tea are believed to stimulate the immune system and help prevent certain diseases, such as heart disease, high blood pressure, and certain types of cancer. Tea has other perceived health benefits, such as aiding in weight loss and weight maintenance. These significant health benefits have helped spur rapid growth in tea sales in both Canada and the U.S.

“More and more Americans, especially baby boomers, seem to recognize the need to eat and drink better. Tea fits into their direct health needs as well as the indirect healthy desire to have some wind-down time and take some quality time for themselves. Even in difficult financial times, everyone still needs small indulgences!”

— *Cynthia Gold, Tea Sommelier,
The Boston Park Plaza Hotel & Towers*

A Brief History of Tea

Though tea, which comes from the plant *Camellia sinensis*, is now widely enjoyed throughout the world, it was reputedly discovered quite by accident. Legend has it that around 2737 BCE, Chinese Emperor Shen Nung was boiling water to drink while traveling, as was his custom, when leaves from a nearby plant fell into his water bowl, creating tea. He tried the resulting beverage, and found it delicious and soothing. By the time of the Tang dynasty (618-906 CE) tea was a widely consumed beverage throughout China.

From there, tea spread throughout the world. Buddhist monks introduced tea to Japan in the late 8th century. Tea from China was introduced to Europe by the Dutch East India Trading company. It traveled to Holland, England, France, and Germany during the 17th century, and by the early 18th century, it was a popular and fashionable drink in England. The Dutch introduced tea in 1650 to the Dutch colonial city of New Amsterdam (later New York). Tea was very popular in the American colonies until a tax was imposed on tea which was intended to help finance the purchase of tea for England. This led to a boycott of tea and the infamous Boston Tea Party in 1773, one of the major events leading up to the American Revolution.

Now, Americans have begun to reclaim their roots as a nation of avid tea drinkers.

1.2 Owning a Tea Room

1.2.1 Products

Tea, Beverage and Food

“A combination of specialty foods (to draw people in) and a good variety of teas brewed with expertise is what brings success to a tea room...Another important aspect of a tea room is the availability of tea-related merchandise, from tea infused chocolates to tea themed jewelry. Marketing your store within the café would add at least 30% to your bottom line.”

— *Lalith Guy Paronavitana, Empire Tea Services*

The primary focus of any tea room will be serving a variety of teas accompanied by foods. Some tea rooms may also offer a limited number of other beverages, such as coffees, hot chocolate, shakes or smoothies, and soft drinks. Depending on your tea room, your teas and foods will likely be sophisticated (with the exception of children’s/family tea rooms) and the emphasis on serving food will likely be as important as the teas (the exception being cafes and tea bars and lounges).

A large number of tea rooms include retail space for selling products along with having a tea, beverage and food service area. Depending on the location of your tea room, providing retail space for additional revenue may be essential to your success. According to Lisa Boalt Richardson, a certified tea specialist and tea marketing and PR specialist, “In most cases, you have to add something besides tea service to your business to be profitable, such as a tea shop or gift shop. If you don’t, your business either won’t be viable, or you’ll have to be open a lot of hours.”

While Maria Uspenski, founder and president of The TeaSpot in Boulder Colorado, generally agrees that a tea room-only business may require long hours to be profitable, she adds that the determination of whether or not a retail business is necessary for a profitable tea room business depends on your “location and positioning.” She believes that “If you’re in a high enough traffic area, you may not need to offer retail, or you may not be able to afford the amount of additional space needed to add a retail space.” In other words, a very high traffic area is essential

to operating a profitable tea room without the need to sell retail products alongside your tea, beverage and food services.

Keep in mind that if you choose to offer tea service alone, this will likely mean you must be open more hours in order to be profitable, so you need to balance this consideration as well.

Retail Products

If you have a retail shop in conjunction with your tea room, you must be careful in designing your space. Shoppers will feel uncomfortable if they are too close to diners and feel they are intruding on them, and the diners will likewise feel intruded upon. You need to be mindful of this and tailor your retail and dining spaces accordingly.

The following are several of the most common types of retail stores operated in conjunction with a tea room:

Tea and Tea Accessories

These retail spaces very often carry teas and tea accessories so that customers can recreate their tea experience at home. Many tea room owners also advise that this makes sense because most tea drinkers also prepare tea at home and it is better for business if your customers come to you for their tea products. Obviously, if you don't offer them they will buy their teas and tea accessories for home consumption elsewhere. Selling these items not only adds to your bottom line, it keeps your customers coming back to you. An example of a tea room that sells tea, including its own signature teas and unique tea accessories is Maria Uspenski's The TeaSpot in Boulder, Colorado.

Grocery & Food Products

Many tea shops sell food products, often in addition to fine teas. Some may offer baked goods to accompany tea, or even specialty foods, such as hard-to-find British foods, groceries and sweets in a British tea room. An example of this is the Tudor House in Santa Monica, California (www.thetudorhouse.com).

Gifts

Many tea rooms dedicate part of their space to an adjoining retail gift shop, which is part of the same operation, which allows the gift shop

to draw in tea service customers and vice versa. In other instances, tea room owners rent space out from gift shop owners, creating a sort of symbiotic business relationship. An example of a gift shop combined with a tea room is Into My Garden Tea Room (www.intomygarden.com) in Plano, Texas.

1.2.2 Services

Many tea room owners have multiple sources of income from services connected with their food and beverage restaurant business.

Party and Catering Services

Plenty of tea rooms offer party services in addition to daily tea service. Depending on the style of the tea room, these can include tea parties for children or hosting corporate get-togethers, as well as parties for all occasions including bridal showers and other special events.

Some tea rooms also offer catering services, essentially conducting tea parties at external locations. You can choose to offer light catering services such as sandwiches, treats, and assortments of beverages, or, as some tea rooms do, you can offer full service catering including entrees. If you decide to offer catering or party planning as part of your services, you may wish to educate yourself further about these aspects of your business.

Tea Tastings

Many tea rooms offer tea tastings. This is a great way to attract new customers, keep regular customers coming back, and bring in additional revenue. It also helps solidify your reputation as a tea expert and your tea room as a great place to discover new teas.

Classes

Classes can be of an infinite variety, such as the basics on the different types of teas (green, black, white, and oolong), the history of tea, classes with a regional or ethnic flair, such as the teas of China or Japan or India, the health benefits of tea, teen or children's tea classes, or how to brew great tea at home. These classes can be held in the morn-

ings or afternoons or evenings when the tea room is normally closed or as a special additional service during certain dining room hours. The Boston Park Hotel and Towers, for example, allows clients to schedule individual appointments with their Tea Sommelier Cynthia Gold during their tea services (except when a special occasion such as a bridal shower is already booked).

“We do tea tastings in our shop and for groups. We offer five teas. We talk about where it comes from, how it is processed, the health benefits, and how to make good tea, tea and caffeine, etc....”

— *Thia McKann, The Path of Tea,
Houston, Texas*

1.3 Benefits of Being a Tea Room Owner

Meeting Wonderful People

“One of the great rewards reaped from owning a tea room is the opportunity to meet some of the nicest people in the world. Tea drinkers are well-traveled and well-educated. They are very appreciative of beautifully- prepared foods and well-brewed teas. They are in search of a refuge from today’s fast-paced society and tea is their “slow food” of choice.”

— *Bruce Richardson,
Elmwood Fine Teas/Benjamin Press*

Tea rooms are social places where you will meet many interesting people. Many tea room owners we spoke with mentioned this first when asked what they found most rewarding. Tea room customers tend to be savvy, interesting people, though they come from all age groups and walks of life. If you’re a people person, especially someone who loves to introduce people to new teas or teach them about the pleasures of tea, you will really enjoy this aspect of the business.

Tea room owners emphasize that even though there is a lot to be done in the kitchen and at the sales counter, this is the kind of industry where the owner must make him or herself available to meet and speak with customers. As author, certified tea specialist and tea PR expert Lisa Boalt Richardson explains: “For business success, you can’t be bogged down in the kitchen or in the front. You need access to your customers.

You must make a presence so that people know there's an owner. They want personal service."

Financial Independence

Another important reward is achieving financial independence. Tea rooms range from small operations to large facilities featuring private rooms or even multiple locations. While many tea room businesses start off small, and it often takes time to break even and then start making a profit, growing the business carefully over time can be very financially rewarding.

While operating a tea room requires a lot of work, the potential financial rewards (in addition to the personal rewards) can be significant indeed. As a successful tea room owner, you can earn from tens of thousands of dollars in annual profits to a hundred thousand dollars or more.

Being Your Own Boss

Another benefit is the feeling of freedom that comes with being the master of your own destiny when you run your own business. This gives you the ability to manage your business as you see fit and not under the yoke of someone else's supervision. It also allows you to channel your own creativity and vision into your business, which is a wonderful personal outlet for many people.

This independence and self-direction can be liberating and very rewarding. As Leslie Allicks, owner of Lola's Tea House in Pelham, New York, describes it, "the greatest rewards of owning a tea room that I now appreciate is the freedom from a full-time 'organized'/corporate job and the ability to run a business the way I see best."

Many day jobs are unappealing, not only because they involve working to grow someone else's business, but because that work can be monotonous and repetitive and involve little in the way of excitement and challenges. Owning your own business has its risks, but it also offers potential rewards commensurate with the effort you put into it. The decisions and creativity and flexibility required of you as a business owner can be challenging, but to those well-suited for such challenges, therein lies the thrill.

“There will always be surprises...broken down refrigerators, employees calling in, rising food costs, ice storms, unpredictable sales, customer issues, minimum wage increases. If you are wanting safe and predictable this is not the road for you. If you like challenges and change, being your own boss and finding creative solutions, then welcome to tea land!”

— *Eric & Tammy Seibert, A Spot for Tea,
Oklahoma City, Oklahoma*

A Positive Work Environment

Many tea room owners we spoke with mentioned that they love the calm and friendly atmosphere found in many tea rooms. Again, tea itself has a calming effect on people, which makes tea rooms very unlike the more stressful atmospheres of coffeehouses.

“Every day is rewarding just being at the teahouse. Our customers have been amazing since we have opened. It is a very calming environment. Unlike a coffee house... the hustle and bustle aura is not as prominent.”

— *Karen Duffield, Owner, Ooh Cha Teahouse,
Vancouver, Canada*

Continually Discovering New Teas

As a tea room owner, you will always be exploring the world of tea to discover new flavors, varieties, and combinations. There are literally thousands of teas in the world. According to Mark “Dr. Tea” Ukra, author of *The Ultimate Tea Diet* and owner of Dr. Tea’s Tea Garden and Herbal Emporium, there are over 22,000 Chinese teas alone, and an endless path to discovering new teas. As a tea room owner, you will constantly learn new things about this ancient beverage, and you will often be able to sample new teas for free in your quest to find and expand your offerings for your customers.

The world of tea is complex and covers a range of interesting topics: not only the endless varieties of teas themselves, but botany, health benefits, culture, history, and other topics. There is much to learn, so much that no one can know all there is to know about tea in a lifetime. This constant learning is another benefit many tea room owners cite as one of the reasons they love being in the tea business.

“To be truly successful, you must always consider yourself a student of tea, never an expert. There is always more to learn.”

— *Bruce and Shelley Richardson,
Elmwood Inn Fine Teas/Benjamin Press*

Helping People and Giving Purpose to Your Life

A number of tea room owners, like their customers, were initially drawn to tea because of its health benefits. Because part of your job will be introducing people to tea, getting them to incorporate tea into their lives, and educating them about the health benefits of tea, you will literally be helping people lead healthier lives. This “feel good” purpose of helping others is a reward in itself for many tea room owners.

“A tea room is a real feel-good business. My colleagues and I have a passion fueled by a sense of higher purpose, particularly because of the health benefits of tea...I would love to cure cancer. Although I can’t do that, I can make a difference in the world by helping people be healthier and avoid disease by discovering and taking advantage of the many health benefits of tea.”

— *Maria Uspenski, Founder and president,
The TeaSpot, Boulder, Colorado*

1.4 Inside This Guide

The FabJob Guide to Become a Tea Room Owner is organized to help take you step-by-step through the basics you will need to open and operate your own tea room. The following chapters are organized as follows:

Chapter 2 (“*Getting Ready*”) explains how to learn the skills you will need as a tea room owner. This chapter helps you evaluate what skills and traits you already possess that make you an ideal tea room owner and those you may need to learn or develop. We’ll introduce you to teas from around the world, tell you how to brew them and give you lots of other valuable tips for learning more about tea.

Chapter 3 (“*Starting Your Tea Room Business*”) will help you discover the various types of tea rooms there are and decide what kind of tea room you should open. This chapter will discuss the differences involved and help you decide whether to buy an existing tea room, operate a fran-

chise, or open a new tea room. It also explains what you need to get started, including your business plan, start-up financing, choosing a business entity and a tea room name, and other important matters.

Chapter 4 (*“Setting Up Your Tea Room”*) offers the information you need to actually set up your tea room. It gives advice on how to choose a location, what is involved in signing a lease, how to choose and purchase wholesale teas, and how to arrange enticing window and interior displays. You will also discover what equipment and supplies you will need to get your tea room business up and running and what standard terms you can expect from suppliers.

Chapter 5 (*“Running Your Business”*) takes you into the day-to-day challenge of running your tea room once it’s open. It explains how to develop an employee procedures manual, how to find, hire and train quality employees, and covers inventory management, as well as financial management and pricing.

Chapter 6 (*“Getting and Keeping Customers”*) shows you how to get your business off the ground, how to properly market and promote your business to help it to become established and grow, as well as how to work most effectively with customers to build a solid base of loyal clientele.

By following the steps in this guide, you will be well on your way to living your dream — opening your own successful tea room!