

HARD TIMES

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BY THE

ECONOMY

1 business, 2 service organizations and a school share their recession-related highs and lows

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Business in Daphne—much like that nationwide—is not exactly booming.

Motorists traveling “Hamburger Hill” on U.S. Highway 98 daily see the sad state of affairs from shuttered Checkers and Krystal franchises. (The latter even boarded up its windows and doors.) They join long-vacant buildings on the strip that once housed a restaurant and a gas station and Jubilee Square Shopping Center closures that have included Goody’s, Boater’s World and Child of Mine.

By June’s end, Bay Coffee Company on Main Street was the latest casualty.

Recession claims coffee sales

When Amy Love took over Bay Coffee on Dec. 1, 2007, she dreamed of being her own boss. The former accountant was familiar with the industry—her first husband managed a Waffle House franchise; “I’ve been around food and beverage all my life,” she said—and her goal was to “make a little money ... not much.”

Though expectations were modest, they proved unrealistic amid an economic recession.

“I had payroll,” she said, citing one unavoidable, contributing factor to her business’ decline. Paying a com-



Above: the shuttered Checkers on U.S. Highway 98’s “Hamburger Hill.”



Sasha Heller/staff photos

The Krystal franchise on U.S. 98 boarded up its windows and doors.

Bay Coffee is scheduled to close on June 26th unless it is PURCHASED. Please talk to Amy Love if you are interested in a great deal.

A sign taped on Bay Coffee Company’s window in late June announced it would cease operations under that name unless someone purchased the licensing rights.

“ I did double my sales from the previous owners. I changed my hours and I changed my days. I did well. It’s just the bad times make it look like I did not so well. ”

—Amy Love, former Bay Coffee Company owner

bined 40 hours' worth of part-time workers' wages was necessary during the first year, when Love had heavy administrative work, she said.

"I was paying minimum wage and when minimum wage went up I had to go up on my prices," Love said. "That and the payroll taxes ate up all my profit."

Her first year on the job also had longer—often fruitless—hours.

"When I took over it was 7 (a.m.) to 7 (p.m.)," she said, referring to the first year's Monday-through-Saturday schedule; she later switched to a Monday-through-Friday schedule. The move was necessary due to unsatisfactory sales, she said, "because from 8 to 2 on Saturdays I had two or three Saturdays that were like \$45 in sales. I was like, no more, Saturday's closed. I'm tired anyway."

Love, 44, later made Bay Coffee a one-woman operation and cut back service hours, closing shop at 3:30 p.m.

"This year, I'm showing a profit: about \$1,200 a month," she said in early June, prior to Bay Coffee's closure. "The problem I've got is this year, having to pay for my mistakes from last year. So it's not help-

ing me from an income side. Very soon, it would."

Love's forecast was never realized due to a number of stumbling blocks, most of which correlated with the ailing economy.

First, the coffee shop took big hits last November and December.

"When all the stocks and everything else fell, I heard the news commentators giving advice on use of your money: Stop going to Starbucks; drink coffee at home," she recalled. "I was like, 'Gee, thank you. I'm not Starbucks but you just told my clients to save a couple of dollars. ... if half my customers start doing that, my coffee sales are gonna die—and they did.'"

Coffee accounted for about 35 percent of sales, she said, lamenting the profit loss. "You have a higher gross profit in beverages: It doesn't cost much to make a gallon of tea," she said. "It doesn't cost much in serving a gallon of tea; you make a higher profit than you do serving eight soft drinks."

November through February were "absolutely brutal" months, Love said, adding that the downturn

made her unable to pay about two-and-a-half months' rent on the Olde Towne Daphne building that housed the shop.

After catching up on payments, she vowed to never again leave her landlord empty-handed.

"As soon as you get a month that you can't pay full rent ... you're closing the doors at the end of that month," Love said, recalling her decision. "If you can't pay your landlord—who's been very good to you—in a timely fashion, then, it's time."

The death knell came in May, when Love's son broke his hand, forcing her to leave work and tend to him.

"The week before Memorial Day I was only open one-and-a-half days; I easily lost \$700 that week in sales but your family comes first," she said. "I can't rebound that with a holiday week following it, because there's a lot of people out of town."

Bay Coffee Company closed June 26; a source close to the shop said the space will reopen as a bakery.

Looking back, Love said if she had it to do over, there are some things she'd change.

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