

FALE KOFI

SOCIAL ENTERPRISE

2018



In partnership with



Serving up the sweet taste of the Pacific through trialling a social enterprise coffee kiosk at Ōtāhuhu Train Station

The story

Ōtāhuhu commuters seeking their morning coffee have a fresh option at their local train station. Fale Kofi is a community social enterprise kiosk, and the result of collaboration between TSI, Auckland Transport and three South Auckland Māori and Pasifika local enterprises.

The new Ōtāhuhu Train Station opened in October 2016. As the build approached completion, Auckland Transport considered trialling the lease of a small coffee area with a social enterprise to see what might be possible, rather than going straight to competitive tender. Auckland Transport were looking for a retail partner who could provide a unique offering, and which also had reliable product supply, to be able to operate in a small space. Instead of commissioning a retail chain to operate, this was seen as an opportunity to trial a unique approach that met customer needs.

That's where TSI came in with their relationships with local entrepreneurs and provide input into the concept. TSI envisioned a kiosk that was authentic to South Auckland, and improved the food offering to people of Ōtāhuhu. Fale Kofi provided an opportunity to change the paradigm about what a coffee kiosk could be, and who could operate such a venture. Timing was tight so TSI brought together key players to discuss the opportunity and worked with providers to develop a feasible proposal.

TSI provided \$25,000 in startup capital for the venture. Auckland Transport are charging a lower initial rent while the proof of concept takes place and the business establishes itself.

The project design was underpinned by a determination to showcase good environmental practice, provide healthy food options, and reflect Auckland unique point of difference as the largest Pacific hub in the world. The result was a six-month trial of Fale Kofi, a distinctive Pacific-inspired coffee and food kiosk.

Fale Kofi, in its design and setup, brought together three groups of Māori and Pasifika entrepreneurs, working closely with TSI and Auckland Transport:

- Roots Creative Entrepreneurs, a local creative and design organisation that unleashes youth potential, who designed and built the kiosk.
- Affirming Works, a community enterprise that delivers family services and youth development in South Auckland. Affirming Works runs three cafes (including Fale Kofi) in different parts of Auckland, and supply food from their café base in Māngere Arts Centre.



“We were not proposing a ‘community version’ of the usual franchise and ‘every town’ food and beverage chains found in malls, retail parks and town centres across the country. The point of Fale Kofi was to trial a very different business model, offer high quality food and beverages that actually reflect South Auckland and to consciously create a much wider community impact.”

Joel Umali, Specialist Advisor,
The Southern Initiative





With this particular one we worked really closely with the design team, we had a number of different iterations, and we were all seeing pretty eye to eye from the outset. But it took in to consideration the materials of the station, the shapes, the local scenes.

(Mark Hitchcock, Auckland Transport)

The impacts

The design and build of Fale Kofi, led by Roots Creative Entrepreneurs, tapped into the ideas and energy of local students from Ōtāhuhu College who took part in its construction. In a compact space, Fale Kofi has a distinctive Pacific look and feel, and uses recycled materials in its construction. This was no mean feat, the kiosk operates in a tight space with no water and (initially at least) power connections.

Fale Kofi opened in early 2017. It employs one full-time and one part-time staff member each day. The staff are local tertiary students who also work as mentors through Affirming Works.

This was the first time that AT had committed to a social enterprise delivery model. It's an important prototype that in the future can be built into business as usual procurement. Building a viable business takes time, but Fale Kofi have been steadily growing their services and revenue.



So far, they've done really well. They've had month on month improvement, just getting their personal best each time which is great.

(Mark Hitchcock, Auckland Transport)

Fale Kofi actively makes use of the region's trade connections to the Pacific. Coffee is sourced from Tupu'anga, a sustainable Tonga-based coffee supplier owned by Affirming Works, and supports employment back in Tonga. The café sells a range of distinctive food, including the popular Lu Sipi pies, made with lamb, taro, and coconut cream.



Tonga sends the coffee to New Zealand, New Zealand sell the coffee through the cafes, the funding through the cafes goes back into Affirming Works which provide programmes and then the money gets sent back to Tonga which provides jobs.

(Mary-Ellen Peauafi, Fale Kofi)

Fale Kofi isn't just about local flavour, it's about being at the forefront of a healthy business. No sugar-added beverages are sold. This gives effect to the responsibility of public assets to promote a health promoting environment, especially as obesity-related death poses the greatest health risk to South Aucklanders.

Beyond the setup funding and support, TSI and Auckland Transport continue to support Fale Kofi in business and marketing advice. This is really helping Fale Kofi grow to the next level of delivery and viability. The more effort that has gone into marketing, the more sales have been generated.



We get a lot of people all over Auckland coming in to look. So, when the marketing was done for Fale Kofi the traffic just started to take off. Everyone was going there just looking for the Lu Sipi pie. So, we would run out. The boys have to cook. They can't keep up with the demand.

(Mary-Ellen Peauafi, Fale Kofi)

The lessons

Like many of the case studies, Fale Kofi came out of well-established relationships between TSI, Auckland Transport and the providers. These relationships provided both the launchpad and the glue for developing Fale Kofi as a concept and as a business.



I think what TSI have done have been able to provide community organisations an opportunity to grow businesses like this which has a lot of positive social impact.

(Mary-Ellen Peauafi, Fale Kofi)

Commissioning Fale Kofi wasn't a simple case of going to market for a supplier, it required some attention to building the capacity and capability of the supplier. This enabled a fit for purpose enterprise to be put forward, and which over time can be expected to develop into a sustainable business. It required TSI to have the relationships already in place to pull this together quickly and efficiently.

Not everything transpired that was hoped for. The kiosk has no waste water facility, and there's no seating for customers, and these restrict the functionality and customer experience of the space to some degree. It's worth thinking about how these can be mitigated, both onsite and for future designs.

Fale Kofi demonstrates the importance of entrepreneurial public servants teaming up with entrepreneurs in the community to make this happen. Without TSI's start-up funding, and the reduced rent from AT, this slice of the Pacific would never have got off the ground. The public sector needs to put skin in the game if they want to enable community innovation and viable enterprises.

Social procurement entails shouldering some level of risk, to go beyond the usual service providers and to tap into more distinct offerings, in this case of a local social enterprise. Yet Fale Kofi is also notable that the customer, not the supplier, remains central to the viability of the offering.

Fale Kofi is there to provide a unique service that is of value to the customer, and they have gone above and beyond expectations, often providing the only human presence to offer advice to commuters on trains, buses, ticket purchasing and navigating the station.



All of what we're trying to do with the retail space comes back to what the customer wants, who are the customers, what are they, what's their customer experience, what is the customer journey, and when are there opportunities for them to engage with the retail.

(Mark Hitchcock, Auckland Transport)

The future

With the expansion of public transport in Auckland, and the growth of public transport hubs, there are many opportunities for unique retail spaces such as Fale Kofi to be developed around Auckland. Key to this is making use of the non-price attributes in tendering documents that can enable social procurement practices. This will help to lift the market's performance more generally.

The other crucial part is building the supplier readiness, otherwise this kind of innovation won't appear – and spaces like Ōtāhuhu station will simply have mainstream chains providing much of the same offering, and with no growth in business models that promote shared prosperity.

Fale Kofi offers a prototype that can shape future retail activity in public spaces. The ability to test and refine innovations before going to a competitive procurement process, enables social enterprises to prove the concept and test demand for their products, and public agencies to build attractive new retail offerings in their public premises.

Pick up a coffee from Fale Kofi next time you are travelling through Ōtāhuhu Station!

