

“ How to learn from the experiences of others and not repeat mistakes?”

## A case study from rural Iceland

### The Yellow Dream

I never had any intention of running my own business or building up a restaurant... I just needed something to do. I was sure that it might be a smart idea to open up something for tourism. This is a growing sector. We lived in a small town with 1200 people living there and we are located in the center of south Iceland. This is a popular tourist destination but still it's a bit challenging to build up something here. I just rented a house and started to collect some stuff to set up the place, just to create and open up. In the beginning I did not have a concept - at this time I didn't even know what a concept meant.... We were just going to be open for all - right?

I'm a professional cook, and this work was extremely exciting and interesting. I started to build this up with my whole family. We got to know some other people who were working in the tourist sector as tour operators and the summers times were great, we managed to build up an interesting place for tourist to visit and eat, even though we were not on the main road - this just worked.

I understand the importance of having some marketing material to be able to go to some tourist affairs and build up the business and network. I'm a people person, and this was very good in the beginning. But this really cost money and this takes a lot of time.

But the winters were very difficult, lot of days when nobody came in and we had a very small local market. I was trying to do all the jobs myself and I just didn't understand what was needed to run a business like this on a yearly basis. As I said I did most of the work myself, cooking, cleaning, service, marketing, stock managing, shopping and training for the summer season. This first 3 years went just fine and I told myself that this was really working, I'm young, effective and responsible - but this was not enough.

Then I lost the place I had rented for the restaurant and we decided to start to build up a new house for the business. This meant new funding, new loans, more time for the buildings process along with running the business itself.

Things started to get bad, my family was suffering - I did not have any time left for them. I actually did not have time for any of this, plus building up my place in the market. I didn't cope with the competition, didn't do anything for myself - I simply burn out - in the end I was totally worn out.

I see now that I didn't have strong enough network, didn't understand how the market worked and didn't have anybody to turn to, to consult with and talk to etc. My usual working hours were about 16 hours per day at this time and I didn't sleep and my health was bad ....

Things escalated, I was not able to pay the bills and supplies were not delivered anymore. I stopped answering the phone, changes phone numbers and then I stopped talking to people and went into depression. We could not live in this place anymore and we lost everything.

We finally moved. I felt like I had cheated on everybody who had trusted me.

When I think back - I still get a cold chills and a goose bumps - this was a very hard time and I and my whole family suffered. The recovery has taken over 10 years, for me to pay back and to get back on my feet.

We did not get personally bankrupt but we lost a lot and other people that had trusted me - uff - yeah they also lost a lot. I still dream about phone ringing...

Looking back there - I would still say that in the beginning this was very exciting, being and working in the tourist area is fun, never a boring time - always something new going on, great people to work with. But now I'm not sure if I would do this again but there is some advice I can give:

- Have a plan, concept, know what you are going to do
- Get to know the market & the field - and then you can anticipate the competitions and the need in the market - you will also learn to read the numbers
- Build up a real network - (not just the family members) make sure that you can get sound advice or even just to be able to talk to somebody is important
- Don't do everything by your self - get some help (professional help) - It's going to be cheaper in the end