RESTAURANT MANAGEMENT 101

Contents

GENERAL MANAGER's JOB DESCRIPTION

Title: General Manager
Reports to: Owner / Director of Operations

Summary of Position

Oversee product quality and operational standards. Direct marketing efforts and adapt to market conditions. Manage and train other managers. Manage sales and profitability, and oversee the budget and reporting.

Duties & Responsibilities

- Understand completely all policies, procedures, standards, specifications, guidelines and training programs.
- Ensure that all food and products are high quality and prepared and served following set standards.
- Ensure store achieves objectives in sales, profitability, service, quality, appearance of facility, and sanitation/cleanliness.
- Develops and ensures execution of monthly marketing plan.
- Continually strive to develop staff in all areas of managerial and professional development.
- Train and develop new managers.
- Make employment and termination decisions.
- Develop the budget and oversee the execution of the budget over the year.
- Analyze financial reports and makes necessary management decisions when necessary.
- Conduct weekly manager meetings.
- Manage shifts as needed.
- Oversee and ensure that restaurant policies on employee performance appraisals are followed and completed on a timely basis.
- Be knowledgeable of restaurant policies regarding personnel and administer prompt, fair, and consistent corrective action for any and all violations of company policies, rules, and procedures.
- Fully understand and comply with all federal, state, county, and municipal regulations that pertain to health, safety, and labor requirements of the restaurant, employees and guests.

Qualifications

- Be at least 21 years of age.
- Be able to communicate and understand the predominant language(s) of the restaurant's trading area.
- Have knowledge of service, food, and beverage, generally involving at least three years of front-of-the-house operations and/or assistant management positions.
- Possess excellent basic math skills and have the ability to operate a cash register or POS system.
- Be able to work in a standing position for long periods of time (up to 10 hours).
- Must have the stamina to work 50 to 60 hours per week.

ASSISTANT GENERAL MANAGER's JOB DESCRIPTION

Title: Assistant General Manager
Reports to: General Manager

Summary of Position

Oversee and coordinate the day to day operations of the business. Plan, organize, train, and lead as necessary to achieve stated objectives in sales, costs, employee retention, guest service and satisfaction, food quality, cleanliness and sanitation.

Duties & Responsibilities

- Understand completely all policies, procedures, standards, specifications, guidelines and training programs.
- Ensure that all guests feel welcome and are given responsive, friendly and courteous service at all times.
- Ensure that all food and products are consistently prepared and served according to the restaurant's recipes, portioning, cooking, and serving standards.
- Achieve company objectives in sales, service, quality, appearance of facility and sanitation and cleanliness through training of employees and creating a positive, productive working environment.
- Control cash and other receipts by adhering to cash handling and reconciliation procedures in accordance with restaurant policies and procedures.
- Fill in where needed to ensure guest service standards and efficient operations.
- Prepare all required paperwork, including forms, reports, and schedules in an organized and timely manner.
- Ensure that all equipment is kept clean and kept in excellent working condition through personal inspection and by following the restaurant's preventative maintenance programs.
- Ensure that all products are received in correct unit count and condition and deliveries are performed in accordance with the restaurant's receiving policies and procedures.
- Schedule labor as required by anticipated business activity while ensuring that all positions are staffed when and as needed and labor cost objectives are met.
- Be knowledgeable of restaurant policies regarding personnel and administer prompt, fair, and consistent corrective action for any and all violations of company policies, rules, and procedures.

- Fully understand and comply with all federal, state, county, and municipal regulations that pertain to health, safety, and labor requirements of the restaurant, employees and guests.
- Carry out restaurant marketing, advertising, and promotional activities and campaigns.

Qualifications

- Be at least 21 years of age.
- Be able to communicate and understand the predominant language(s) of the restaurant's trading area.
- Have knowledge of service and food and beverage, generally involving at least three years of front-of-the-house operations and/or assistant management positions.
- Possess excellent basic math skills and have the ability to operate a cash register or POS system.
- Be able to work in a standing position for long periods of time (up to 10 hours)..
- Must have the stamina to work 50 to 60 hours per week.

CHAPTER 1:
MANAGING RESTAURANT OPERATIONS

One of the largest roles of the manager's job is managing the operations of the business. This includes the day-to-day operations of the business, from ordering and receiving the product, to production, and final delivery of the product to the guest.

As the manager your role is to ensure the operations of the business are running smoothly and efficiently.

In this chapter you will learn about:

- Purchasing, Receiving, and Storage Procedures
- Managing Food Production
- Managing Beverage Production and Service
- Inventory Management
- Cash Management
- Employee Scheduling & Shift Plans
- Opening, Shift Change, and Closing Procedures

PURCHASING, RECEIVING & STORAGE PROCEDURES

In this section you will learn about the importance of effective purchasing, proper receiving procedures, and finally how those products you received must be stored.

Purchasing

Purchasing and receiving refers to products, both food and non-food, that are purchased for and delivered to your location. Tracking orders placed and orders received will help keep product costs down and in control.

Importance of Purchasing

The importance of purchasing has to do with one goal: To receive the right quality and quantity of product, at the right time, and at the right price.

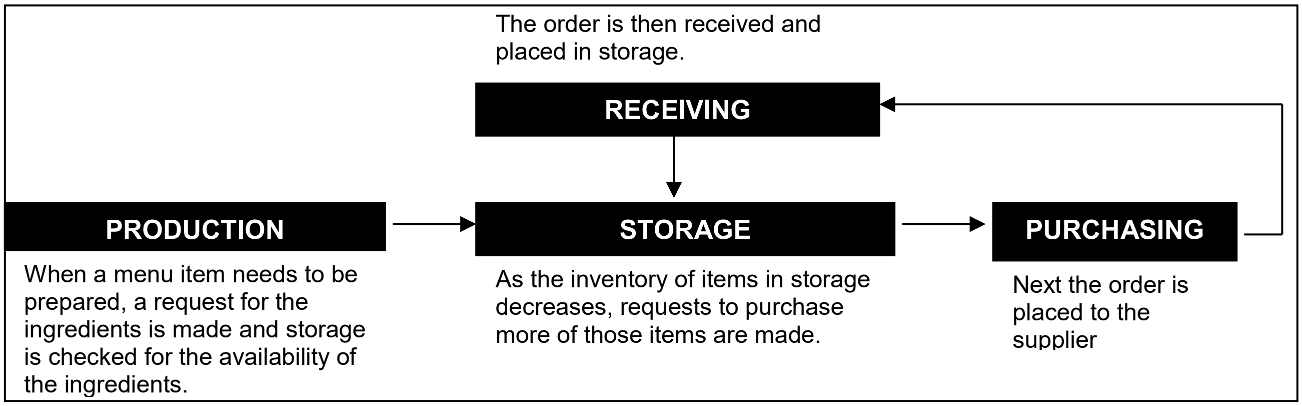
> Knowing the correct items to purchase for your menu offerings is crucial to your guest's satisfaction and food costs. While inferior products may result in lower guest satisfaction, ordering a higher quality product when not necessary will raise your total food cost. Many products come in multiple varieties and quality, and depending on what your finished product is you need to know exactly what to order.

For instance you would probably select top quality (blemish free) tomatoes for your cold salad plate, but to make your tomato sauce you many not worry about blemishes on the skin and can order a lower quality tomato for that item.

The Purchasing Process

Although the purchasing process seems to be the first step in a products life cycle, it really starts with the production of the menu items. What this means is, you need to know what and how much to order before you purchase an item.

The following is the basic life cycle to the purchasing process:



What to Purchase?

Each restaurant should have specifications outlined for each menu item offered. Specifications should include:

- Name of products used to make menu item.
- Grade/quality of each product.
- Other specifications of product (if necessary). For instance thickness of meat.
- Packaging requirements.

How Much to Purchase?

To determine how much to order you need to know your usage levels of your products. This is best done by conducting daily, weekly, and monthly inventories, doing sales forecasts, and knowing your sales mix.

<u>The basic process for determining the quantity of product to purchase is:</u>

Quantity Needed – Quantity on Hand = Quantity to Purchase

When to Purchase?

This question is directly related to "how much to purchase", how often to order from the supplier, and the required freshness of the product. Quality sensitive items you may order multiple times a week, while dry storage items you may order less frequently.

> Depending on the shelf life of products and your storage capabilities ordering less frequently could save you money on delivery costs and large order discounts.

You must also implement consistent order times to establish pars. For instance, if you order before lunch rush you may not have taken into consideration the additional product usage if your pars were previously established at a different time of day.

From Whom to Purchase?

To determine who to purchase from consider the following:

- Provides the best value.
- Provides a quality product.
- Timely deliveries.
- Good guest support.

Who places the order?

In a restaurant that is organized with section management positions a number of different people may be placing the orders. For instance the kitchen manager would be responsible for setting the par levels and ordering all food products used in the making of the menu items. The bar manager would be responsible for the par levels and ordering of all beverage and bar items. It is important that each manager knows his or her roll in the ordering process.

Purchasing Terminology

Prime Supplier	The supplier chosen by the operation to provide products of a specified quality for a specified length of time.
Par System (Inventory)	The normal quantity of purchase units of a product which should be available in inventory. For example if par of seven cases of tomatoes should be in inventory and, if there are three available, four cases will be purchased to build the inventory back up to par.
Purchase Order	A document used to solicit an order from a supplier.
"Key" Items	A few products purchased by the restaurant that cost the largest percentage of money spent on all products.
Sales Mix	The number of each specific menu item sold based on the total items sold.
Safety Level (Inventory)	The minimum quantity of a product that should always be available in storage.
Minimum Delivery Requirements	Some suppliers may not deliver, or charge an additional delivery fee if purchases are lower than a minimum specified amount.

Order Guide

So, how do you create an effective system for ordering goods and supplies? Many successful stores use an order guide. Order guides contain a listing of all the products a restaurant uses. They are usually divided into separate sections such as meat, produce, cleaning supplies, paper, etc. and may contain some or all of the following information:

- **Item Description.** Descriptions should be kept brief but identifiable. The pack and size of the product is sometimes shown in the description as well. This helps the order preparer to identify the correct product when counting or receiving. Most operators use the description that is on the vendor's invoice.

Example: Beef-Bottom Round 4/14#avg

- **Pack and Size**

  Some guides list the pack and size of a product in a separate column or line. The pack means the number of units in the case, box, or carton. The size describes the type of container or weight of the product. In the example above, it shows that bottom round is delivered in a container that has 4 pieces, each having an average weight of 14 pounds.

- **Purchase Unit**

  The purchase unit represents the unit of measure that the price is based upon. Some products are sold by the case and delivered by the case. However, items like meat, seafood, and some produce are sold by the pound, but delivered in cases or bulk.

- **Count Unit**

  It is not always feasible to use the delivery or purchase unit when counting product for inventory and reorders. A good example would be stewed tomatoes that come packed with 6 #10 cans in each case. However, the cases are broken and the cans are stored on shelves. Counting the cans makes more sense than calculating the number of cases you have.

- **Price**

  The price column or field in an order guide is used to show the current purchase price (per purchase unit) of the item. The price should be updated each time it changes. Keeping an updated price not only helps you to know the cost of a product; it also alerts you to verify that the price change is legitimate.

- **Vendor**

  It is a good idea to show the preferred vendor for each product. Some order guides have enough space to show an alternate vendor as well.

- **Vendor Item Code**

  Optionally, some order guides include the vendor's item code. This helps to ensure the correct product is ordered. Many products have similar names or descriptions and can sometimes be confusing. Alternatively, item codes can be included in the description line.

- **<u>Par</u>**

  Par is usually referred to as the "build to" quantity to have on hand that will get you through until the next time you order.

  <u>Establishing accurate par levels is critical to the ordering process.</u> Par levels are set according to the counting unit for the product.

  - Unlike retail store inventory replenishment, which includes reorder points, minimum and maximum quantities, restaurants use par level as both a build to number and a reorder point. The reasoning is that establishing exact build to levels for individual products is not always possible.
    - For instance, if you're like most operators you probably order from your main distributor on Mondays and Thursdays for Tuesday and Friday delivery. Let's assume that you carry stewed tomatoes in a #10 can size. However, you consistently use 3, never more than 4 cans between Friday and Tuesday. Setting your par level to 4 cans ensures you'll have enough to meet demand. However, in order to maintain favorable pricing, you always order stewed tomatoes by the case, which has a quantity of 6 cans. Therefore, if you have 2 cans on hand when you place your order, you won't be building to 4 cans, rather you'll order an entire case.
  - On the other hand, some products lend themselves to more exactness. Pre-portioned fresh fish fillets are often sold individually. Your supplier may allow you to order any quantity without regard to minimum packs, enabling you to order exactly the number of fillets to bring you up to the established par.
  - You may need to establish separate weekday pars and weekend pars depending on the shelf life of the item and business volume.

- **<u>Order History.</u>** Really effective order guides include as much order history as the form will allow. By seeing historical product usage, you can adjust your pars as needed. A minimum of 3 weeks history is necessary to get an accurate picture of product usage.

Order Guide Categories

Your restaurant inventory should be divided into sections that reflect the various cost of goods sold and expense categories listed on your profit and loss statement. Your order guide should mimic your inventory categories, thus simplifying the design process.

Use the following suggestions when creating inventory/order categories for your restaurant. Depending on your concept, you may want to combine certain categories as needed.

Cost of Goods Sold Inventory

Food

Proteins	(Order at least 2 times per week)
Seafood	(Order 2-3 times per week)
Produce	(Order 2-3 times per week)
Dairy	(Order at least 2 times per week)
Bread/Tortillas	(Order 2-3 times per week)
N/A Beverage	(Order at least 1 time per week)

Bar

Liquor	(Order 1-2 times per week)
Beer	(Order 1-2 times per week)
Wine	(Order 1-2 times per week)
Consumables	(Order at least 1 time per week)

Your order guide and inventory control should include non-food items as well:

Operating Expense Inventory

Paper (Cups, plates, napkins, sandwich wrappers, plastic utensils, etc.)

Catering Supplies (Sterno, decorations, rentals, serving dishes, etc.)

Kitchen Utensils (Serving utensils, pans, containers, knives, grill brushes, spatulas, etc.)

Restaurant Supplies (Aluminum foil, plastic wrap, product labels, cash register paper & ribbons, and other miscellaneous supplies)

Cleaning Supplies (Dishwashing supplies, soaps, polishes, scrub pads and brushes, window cleaner, degreaser, etc.)

Linens (Hand towels, aprons, floor mats, etc.)

Service ware (Glassware, plate ware, flatware, etc.)

Uniforms (Shirts, hats, etc.)

Merchandise (Shirts, hats, decals, Hoodies, etc.)

Purchasing Methods

There are a variety of ways that you can place your orders. Here are some of the most common.

- **Online Ordering** – Order placed over the internet by accessing the vendor's website and selecting the items and amounts to order.
- **Email** – Order placed by emailing in an order sheet to the vendor
- **Guest Service Representative** – Order placed over the phone with a live guest service representative.
- **On-Site Sales Representative or Driver** – The vendor has a representative from their company count your on hand inventory and order up to a set amount established by you previously with the vendor.
- **Standing Orders** – The vendor delivers a set amount of product on a schedule predetermined by the General Manager.

Purchase Order

When you place an order with a vendor you use a *Purchase Order*, which is a document or online portal, used to solicit an order from the vendor that lists the items, quantities, and cost of the items to be purchased.

Use of an *Order Guide* can also be used as the *Purchase Order*. The order guide reflects purchase history and can be used to match the invoice against the ordered amounts in the guide.

Receiving

Receiving is the process of taking food delivered into the operation. It involves unloading the product from a supplier's vehicle, inspecting and accepting or rejecting products, and labeling and storing products in a safe and timely manner.

Following proper receiving guidelines is vital to ensure the correct quality of products have been delivered, and that the amount ordered, received, and paid for is accurately reflected on the invoice.

Importance of Receiving

After implementing your purchasing strategies from above it is important to have an effective receiving process when items are delivered or you may compromise the quality of the products it took so much time to purchase correctly.

Receiving Process

<u>There are several steps to the receiving process:</u>

1. **<u>Invoice & Purchase Order Comparison</u>** – It is your job to verify what was ordered on the purchase order matches the invoice received at delivery.
   - ✓ **Product Quantity (Weight)** – Ensure the quantity on the invoice matches the purchase order.
   - ✓ **Product Unit Price** – Ensure the unit price matches what you have on the purchase order.
2. **<u>Product Quality</u>** – Confirm the product quality matches your products specifications. For refrigerated or frozen items check the internal temperature of the products when received.
   - ✓ **Check the appearance** – Are the products, packaging, and containers intact and in good condition?
   - ✓ **Check the weight on key items** – Place an item on a scale and verify that the weight registered is the weight noted on the invoice.

- ✓ **Check the temperature of key items** – Are frozen products at or below 0 degrees? Are chilled items at or below 41 degrees? Is the delivery truck at the proper temperature?

3. **Sign Delivery Invoice** – If everything meets your expectations you will be expected to sign the invoice accepting the order. If you are not satisfied with the product follow the company's procedure for rejecting product and issue a credit memo.
4. **Product Storage –** Quickly move product to storage, especially any refrigerated or frozen products.
   - ✓ **Proper rotation** - When storing product make sure to rotate the oldest product to the front and place the newest product behind it. This way you ensure that the oldest product is used first.
   - ✓ **Chemical Storage** – Make sure chemicals are not stored over food.
   - ✓ **Safe Storage** – Make sure all CO^2 and helium tanks are chained.

Manager's Role in Receiving

Whether as the manager you are the actual person receiving the delivery, or you delegate it to others, there are some responsibilities that you cannot delegate.

It is your job to:

- Develop and implement receiving policies and guidelines.
- Build relationships with the suppliers and inform the suppliers of your expectations and receiving process.
- Provide the necessary equipment for receiving and storing the products.
- Ensure employees responsible for receiving products are properly trained.
- Ensure vendors or delivery personnel are not allowed to be unsupervised during the delivery of an order.

Receiving Terminology

Delivery Invoice	A form given to the restaurant during a delivery, detailing the order received.
Credit Memo	A document used to adjust information about the quantity received and prices of products received during delivery.

Storage

This section is designed to help managers understand the proper procedures for transferring food from its original container and packaging to another, or for storing food that has been prepared or cooked. Storage areas include refrigerated storage (walk-ins and reach-ins), freezer storage, dry storage, and storage shelves in the prep area, cook's line, and front-of-the-house area.

The following food storage standards are to be followed at all times. If different, more stringent local or county ordinance from any government authority exists, that supersedes the guidelines outlined here.

The products have been ordered and received. Now it is time to properly store the products.

Importance of Storage

Having well organized storage areas will assist in running an efficient operation. Employees should be able to easily located the products that need to be used first so then can quickly get back to preparing the product, and not wasting valuable time in the storage area.

Storing products quickly is crucial to the quality of products, especially in the refrigerated and frozen storage areas.

The Storage Process

<u>There are three basic types of storage:</u>

- **<u>Dry Storage</u>** – This is for canned goods, grain products, and some beverage products. This area should maintain a temperature from 50 - 70ºF.
- **<u>Refrigerated Storage</u>** – This is for items such as dairy, meat, produce, etc. This area must maintain a temperature less than 41ºF.
- **<u>Frozen Storage</u>** – This is for all frozen items such as French fries, meats, seafood, etc. This area must maintain a temperature less than 0ºF.

Heirarchy of Foods

COOKED/READY TO EAT FOODS
UNWASHED VEGETABLES / PRODUCE
EGGS (Egg storage requirements may vary based on local guidelines & regulations)
SEAFOOD
WHOLE MEATS
GROUND MEATS
POULTRY / CHICKEN / EGGS

Storage Tips

- Labeling shelves in the storage areas will assist in the efficiency of storing the products.
- Practice first in first out (FIFO) by labeling products with dates of receipt. Marking products with date of receipt will assist with proper rotation of product.
- Location of the storage area is also to be considered. Having the storage areas close to the door that they will be received can assist in the storage process. But be aware that if you have an employee theft issue, this is also an easier way to remove products from the location.
- Check temperatures of each storage areas periodically. The quality and safety of your products are critically affected when the correct storage temperatures are not maintained.
- Storage areas must be kept clean and dry and shelves must be 6" off the ground and away from the wall. No product is to be placed on the floor.
- If you keep the product in the case, date the case. If you remove the product from the case, each can, bottle, or package must be dated.
- Never mix new products with old products.
- Store raw foods below ready-to-eat foods to prevent cross-contamination.
- Once the package has been opened, it must be tightly covered and relabeled.
- Be sure that internal and external thermometers in the refrigerator and freezer areas are working and can be easily read.
- Keep units closed as much as possible to maintain appropriate temperatures.
- Do not overload the refrigerator or freezer and never block the airflow surrounding the compressors. This can cause the temperature to rise.

Without proper purchasing, receiving and storage procedures the restaurant runs the risk of poor product quality, dissatisfied guests, and increased food costs.

MANAGING FOOD PRODUCTION

It is your job as the restaurant manager to ensure your guests receive consistently high-quality food each time they visit your establishment. With poor or inconsistent quality products you run the risk of dissatisfying guests which in turn will hurt your bottom line.

In this section you will learn what you must do to ensure your employees produce and serve high quality items to your guests with each order.

Quality Standards

The first step to providing a quality product is to know what is considered a high quality product. To do this you must create standard production and service procedures for each menu item. This begins with selecting and purchasing the right food item, storing it properly, and finally preparing it.

For each menu item you need standards for:

- Ingredient specifications
- Proper storage procedures of ingredients
- Food preparation procedures (recipe)
- Food holding requirements (if necessary)
- Service procedures

Employee Training

Product quality is directly related to the employees involved in producing and delivering the products to the guests. A proper training program and consistent delivery of training is the key to providing quality menu items to your guests every time.

Effective hands-on training with a qualified trainer will ensure quality, reduce waste, and can increase guest satisfaction.

Standard training programs should be developed for each position within the restaurant and should be delivered by a qualified individual to present consistency to the training.

Equipment and Tools

A properly equipped kitchen with the tools and equipment to produce the menu items to standard is imperative. Also, it is important to train employees on how to properly use the equipment provided.

Production Planning

A manager who knows how to properly plan production will have an easier time in providing quality products. When proper amounts of food are prepared at the proper time you can achieve quality goals much easier. Without having to hold on to excess food, where time may compromise the quality of the food, you are able to maintain your standards.

To plan properly:

- Maintain sales histories of menu items.
- Estimate future guest counts and future item sales.
- Match production schedules to estimated item sales.

For items that can be prepared prior to being ordered the use of a prep sheet or production schedule can be a useful tool. Each communicates to the prep person what needs to be prepared and helps the manager in forecasting future production schedules by listing what was sold and carried over.

Production Schedule Example

Menu Item	Sales Estimates	Prior Day Carry –Over	To be Produced	Total Available	# Sold	Carry-Over
Chicken Enchiladas	60	10	50	60	61	4

Note: Sales estimates do not always work on items that have multiple uses, in these cases use production history.

With product standards in place, effective employee training, with the proper tools, and production plan in place you will be well on your way to providing exceptional quality products to your guests.

MANAGING BEVERAGE PRODUCTION

A restaurant that offers alcoholic beverages to their guests, takes on added obligations and responsibilities when providing these beverages to the public. From maintaining a license to serve alcohol, to purchasing product, and serving alcohol, there are many aspects you will responsible for managing.

Beverage Purchasing

As the manager you have a responsibility to create a beverage purchasing plan to ensure uninterrupted supply of beverages. When developing this plan you should be asking yourself:

- What bar products and supplies do you serve?
- What products are needed and how much?
- What is the desired quality levels of the products served?
- Who are the suppliers that provide the best value?
- How frequently do I need to place the order?
- Who will place the order?

Beverage Storage

<u>The basic principles to beverage storage are:</u>

- Restrict access to the storage area to limit possible theft.
- Keep all beverage areas locked.
- Minimize the amount of storage kept at the bar.
- Have a designate person responsible for issuing additional product to the bar area.

Basic Storage Guidelines

Beer	Store keg beer between 36ºF- 38ºF Store canned and bottled beer at 70ºF or lower and rotate stock as it is delivered. Expiration dates on beer products should be monitored.
Wine	Store bottled wine on its side Store red wines at temperatures between 50ºF- 70ºF Store white or sparkling wines in refrigerators if they are to be used within a few months of purchase or at 50ºF- 70ºF if they are to be held longer. Avoid excessive light, humidity, and heat in wine storage areas.
Spirits	Store spirits in clean, dry, and well-ventilated storage areas. Mark sealed cases with date of receipt for easy rotation. Avoid excessive heat in dry storage area.

Issuing and Inventory

It is necessary to put in place proper issuing and inventory procedures for your beverages. Controlling this area of the process can decrease the possibilities of theft.

Things to keep in mind:

- Stock the bar after each shift.
- Bottles should be issued on a bottle-for-bottle basis. (Exchange an empty for a full bottle).
- Full liquor inventories should be completed weekly, to ensure proper handling of inventory, identify possible theft and/or portion control.

Beverage Service

Portion control of beverage menu items is critical to controlling your beverage costs. Standardized drink recipes with portions and glassware specifications is essential.

These guidelines should be outlined and available at the bar for the bartender to access when needed. For more popular drinks you may want to put together a chart that is posted at the bar as a quick reference.

You need to educate employees on proper portion control and monitor employees on the job to ensure they are following your set specifications.

Alcohol Awareness

Alcohol Awareness is a growing concern within the Hospitality Industry nationwide. By recognizing the "early" signs of intoxication, monitoring your guest's consumption, and treating them as you would a guest in your own home; you fulfill your responsibility and protect the guest.

Alcohol is a mood-altering drug. It may appear to be a stimulant, but it is actually a depressant, limiting bodily functions. Only the passage of time rids the body of the effects of alcohol.

Responsible managers are aware of the progressive affects of alcohol and alert to the signs of over-indulgence. Although any one particular behavior may not indicate intoxication, a combination of several behaviors is a definite warning signal.

Intoxication vs. Impairment

Impairment and intoxication is not the same thing. Impairment starts at the first drink. Intoxication is the point where a person’s intake of alcohol affects their ability to perform appropriately.

Checking Ids

Serving alcohol to a minor can have very serious consequences. In fact, it is advisable to check the ID of any patron who appears to be under 30, unless you are certain of a guest’s age. In some cases, you could even be held accountable for serving someone with a fake ID, so be careful.

- Look for state seals or holograms.
- Look for any alterations, such as a cut around year of birth, or typesets that don’t match.
- Make sure it’s not someone else’s ID.
- Carefully examine the picture/description to make sure it matches the person using it.
- Look for groups that “pool” cash to an older person in the party.

<u>In most states an acceptable ID is:</u>

- A valid state driver’s license or a valid state identification for non-drivers.
- A valid passport.
- A valid United States Uniformed Service Identification (your employer should provide you with an example).
- All IDs should have a picture, signature, birth date, and description. Expired IDs are not acceptable.

Service Guidelines

- Before serving a guest, determine his or her condition.
- If you think a guest is already intoxicated, offer snacks and get them a menu quickly.
- Keep track of drinks served. The service order is a ready reference of how many drinks each person consumed.
- Watch for changes in the guest's behavior. Don't hesitate to decline further service, if you think the guest is becoming intoxicated.
- Don't serve. If you have any doubts about a guest's condition, refuse service.

Symptoms of Intoxication

Intoxication Indicators:

- Ordering more than one drink at a time.
- Buying drinks for others.
- Concentration problems, losing train of thought (especially when ordering).
- Drinking very fast.
- Careless with money on the bar, or can't pick up change.
- Complaining about drink strength, preparation, or prices.
- Overly friendly with guests or employees.
- Loud behavior: talking or laughing and annoying other patrons or making too many comments about others in the establishment.
- Remaining very quiet, detached from others, continually drinking.
- Mood swings: happy to sad, or vice versa.
- Use of foul language.

Dealing with Intoxicated Patrons

<u>If you notice someone appears to be intoxicated</u>:

- Do not offer alcohol.
- Refill water, non alcoholic beverages, and bread.
- Offer dessert.
- Have your servers alert you immediately. You should arrange for a safe ride home for the guest or refuse service.

Theft Prevention

One area of the restaurant where theft can happen is within the bar area. Whether it is insider theft or guest theft the following will provide you with things to look out for when trying to prevent theft in your restaurant:

- <u>**Bartender**</u> – The dishonest bartender has many opportunities for hurting restaurant revenue. Some of them include:
  - **Product substitution** – The bartender could enter the drink in for a brand of alcohol that they sell for less, but charge the guest the higher amount and keep the difference.
  - **Dilution** – Watering down drinks, leave more product to sell. The results can be bartender keeping revenue resulting from the excess sales.
  - **Bottle Substitution** – Serving a lower priced item than ordered, but charging the higher amount, and taking the difference.
  - **Shortchanging** – When the bar is busy and guests are not paying close attention. The bartender can give the incorrect change for drinks sold deliberately.
  - **Overcharging** – When a guest is paying a tab for others, a lot of times they do not know all that was ordered. So it is easy for the bartender or server to charge higher prices for drinks.
  - **Undocumented drinks** – Drinks are ordered and served without ever being recorded. The bartender or server pockets the money.

- **Guests** – The dishonest guest will find where the vulnerabilities of the restaurant and bar area are and take advantage of those weaknesses in the system.
  - **Takes Advantage of Staff Errors** – By not providing staff with calculators or registers for calculating tabs can result in wrong totals. The guest may take advantage of the error knowingly or unknowingly.
  - **Transfer Charges** – Dishonest guests may disclaim charges incurred in other areas of the restaurant.
  - **Property Theft** – Guests often steal glassware or decorative furnishings from the beverage areas as pranks.
  - **Credit Card Fraud** – Make sure all staff are trained on how credit card processing procedures.
  - **Check Fraud** – Managers should be trained on how to recognize forged checks.

As the manager you should conduct surprise cash audits on bartenders to monitor cash procedures in the bar area.

Bartenders should be instructed to ring sales immediately before and after preparation.

With beverage specifications in place, effective employee training, and proper handling of beverages you will be able to offer your clients quality beverages while maintaining costs.

INVENTORY MANAGEMENT

The main purpose of an inventory count is to determine the value of the cost of goods sold and of the restaurant's stock on hand. Having organized handling methods and accurate counts will assist in maintaining an optimum level of stock and identify the deficiencies related to overstocking, low turnover, and expired product.

An inventory is the accurate count of the goods and products that are managed in the restaurant.

Good inventory management is essential to preserve our quality products. Inventory management and control begins with product reception (raw materials, ingredients, and/or final products), appropriate storage, adequate turnover, and product preparation.

Benefits of a Good Inventory

- Knowledge of actual stock of every product, utensil, and packaging
- Appropriate product turnover management
- Minimal disposal of product
- Waste prevention
- Inventory based on sales volume
- Food and paper cost is reduced
- Control over restaurant costs and expenses

Risks of a Bad Inventory

- Real stocks that do not match with computer report
- Loss, deterioration, or expiration of products
- Increase in operations cost of restaurant
- Increase in restaurant expenses
- Low restaurant profitability

Inventory Classification

Inventories are classified into daily, weekly, and monthly. The following are considerations when taking inventories.

Daily Inventory

The daily inventory is a physical count taken on a daily basis after closing hours of the restaurant. This count will includes "key" items that have the most impact on food cost.

Weekly Inventory

A weekly inventory is a physical count taken at the end of the work week. It includes all cost tracking products such as; food, beverage, paper, bar consumables, and optionally smallwares, cleaning supplies, restaurant supplies, etc.

Monthly Inventory

A monthly inventory is the count that is carried out at the end of each month. It contains a complete detail of each food product and packaging in order to determine monthly cost.

Inventory Considerations

It is necessary that the following points should be taken into account to facilitate inventory counts:

- Locate, order, and classify products according to specifications, nature, properties, and variety.
- The shelves in the storage areas must be labeled in order to have a standard reference for product location.
- Use a calibrated scale that is in good condition to conduct inventory of the products that are managed by weight.
- There should be good lighting in the storage areas.
- Personnel with storage area access should be properly trained to use one box of the same product at a time to avoid keeping multiple boxes of the same product open at the same time.
- The same person should do the inventory each time. That person will be familiar with the process and provide a more consistent count.
- Conduct the inventory is the same order each time. This will limit the chance of skipping or overlooking something.

Inventory Process

You conduct an inventory to know what to order. To calculate the number of items to order you will need to know the following information:

- What the build to par level of each item is. This number will come from your historical and sales forecasting numbers.
- Next you will need to know your current inventory on-hand. You will conduct a physical inventory count of the items selected for inventory to come up with this number.
- Number needed to order. This number consists of the par level minus the inventory on-hand.

Par – On hand Inventory = Amount to Order

Inventory Principles

Most independent restaurants calculate their food cost only once a month. Yet, virtually all the major chain restaurants calculate their food cost each week. According to industry averages, chain restaurants (before corporate expenses) are two to three times as profitable as independent restaurants. While weekly food costing isn't the entire the reason, it's part of it.

In order to calculate your cost weekly, you'll need to take accurate inventories weekly as well. However, taking weekly inventories doesn't mean you have to spend half the night to do it. Here are a few tips to help you take inventory quickly.

Properly applied, these principals will help you to be more accurate and should reduce the time spent counting your food inventory to under two hours.

Get Organized

It is virtually impossible to take an accurate inventory when the stock room or walk-in is in disarray. Be sure all store rooms, shelves, and refrigeration units are organized and clean. Product should be easy to see and count. Labels should be used for hard to identify product. Don't put items in incorrectly marked boxes or containers.

Count it on Sunday

Most restaurants are open 7 days a week. A natural tracking period is from Monday to Sunday. Also, inventory levels will be at their lowest on Sunday evening.

Separate your inventory into groups

Group your inventory into cost categories such as meat, seafood, produce, dairy, grocery, etc. This will make it easy for cost calculations and help to organize your inventory. Grouping your inventory also makes it easier to zero in on cost control problems.

Arrange items in alphabetical order

Some managers advocate arranging items on the inventory sheets in the order that they count the inventory. However, many restaurants must constantly rearrange walk-in coolers and storage areas due to space limitations; thus arranging inventory in this manner often requires constant change.

Try arranging the items in alphabetical order under each group.

It will make it easy to find the item by simply turning to the pages for a particular group, and then searching the page alphabetically for the item.

Use two people for taking inventory

One counts, and the other records. The one recording is also an extra pair of eyes so that something isn't overlooked. Also, be sure to use a pencil.

Paint your restaurant

Always conduct inventories by starting at one end of the building and counting everything in a continuous order. This practice will help ensure that nothing gets skipped. Jumping from one area of the restaurant to another, and back again, will almost certainly cause you to miss something. It is much easier to flip to the proper page several times for a particular item rather than try and visit all the places that item may be stored.

Keep counted areas off limits

Some kitchen managers like to get a head start on the inventory counting process. This approach is fine as long as counted product isn't subsequently sold that same day. Once you have counted an area, make sure nobody removes or adds product to that area. For instance, you have already counted the freezer, but then later find out that the cook needs another case of frozen hamburger patties that you have already counted. Be sure you adjust your count before putting them into production. That case will end up in an area you have not yet counted and thus will end up being double counted.

By properly managing your inventory process you are able to provide a quality product while maintaining your food cost.

CASH MANAGEMENT

Controlling the revenue that comes into your restaurant and goes to the bank is the topic of this section. The basics to controlling your cash begins knowing the correct amount the guest owes, collecting the correct amount of money, and securing these funds until they are deposited.

The threats against your revenue collection can come from dishonest guests. That is why it is important that your employees know the procedures for collecting funds, and watching out for potential issues. But be aware that guests are not your only threat against your cash. Inside employees pose a greater threat. Employees can work individually or as a group, and it is your job to spot potential threats and to put in controls to deter these kinds of actions.

Components of a Cash Management System

Charging the Guest

To ensure there is no confusion by the guest to what is charged and owed follow these standards:

- Menus clearly state the correct prices, and guests are informed of any additional item prices prior to placing their order.
- Numbered guest's checks are printed legibly. Preferably by machine. One copy is given to the guest, and at least one copy retained by the restaurant.
- Menu items and number of menu items are clearly stated on the check.
- Guest checks clearly state whether tips or service charges have been included in the total.
- Check presented to guest prior to accepting payment.
- Give guest enough time to review the check prior to paying.
- Any unresolved disputes are addressed by management.

Collecting the Funds

There are three goals to colleting funds:

- Identify a trained employee to collect the money.
- Collect the correct amount of money.
- Properly record the transaction.

Safeguarding the Funds

Once you have collected the correct amount of money. It has to be kept in a secure place until it is deposited in your bank.

- Keep money is an actual safe with a combination lock that minimal people have access to.
- Verify the amount of money in the safe. Identifying the total amount of revenue received from the servers and cashiers.
- Protect your deposits
- Make daily bank deposits as often as possible
- Establish written policies for completing bank deposits and reconciliations.
- Review and reconcile all bank deposit and checking statements received from the bank.

Threats to Cash Management

The Dishonest Guest

Walker

This is a guest that orders food but leaves before paying.

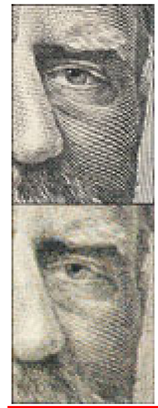
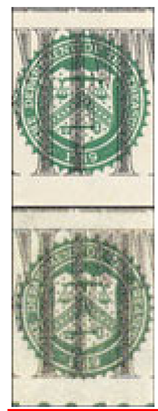
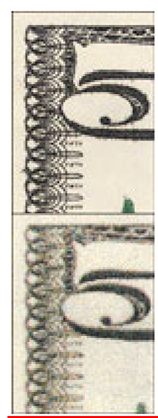
Deter the walker by:

- In bars, collect for drinks as delivered, and require a credit/debit card for an open tab.
- Place cashier stations centrally to ensure maximum visibility of dining areas.
    - Monitor remote exits that could allow guests to easily leave.
    - Schedule appropriately for the number of people in the restaurant.
    - Report a walker to management immediately.

Counterfeit Money

The public has a role in maintaining the integrity of our currency. You can help guard against the threat from counterfeiters by becoming more familiar with United States currency.

- Look at the money you receive. Compare a suspect note with a genuine note of the same denomination and series, paying attention to the quality of printing and paper characteristics. Look for differences, not similarities.

Portrait	The genuine portrait appears lifelike and stands out distinctly from the background. The counterfeit portrait is usually lifeless and flat. Details merge into the background which is often too dark or mottled.	
Federal Reserve and Treasury Seals	On a genuine bill, the saw-tooth points of the Federal Reserve and Treasury seals are clear, distinct, and sharp. The counterfeit seals may have uneven, blunt, or broken saw-tooth points.	
Border	The fine lines in the border of a genuine bill are clear and unbroken. On the counterfeit, the lines in the outer margin and scrollwork may be blurred and indistinct.	

Serial Numbers	Genuine serial numbers have a distinctive style and are evenly spaced. The serial numbers are printed in the same ink color as the Treasury Seal. On a counterfeit, the serial numbers may differ in color or shade of ink from the Treasury seal. The numbers may not be uniformly spaced or aligned.	

<u>Other Detection Methods</u>

- Feel the paper – Real money should be crispy and substantial in a new bill and soft in a worn bill. Counterfeit money will feel lighter and floppier than in a genuine bill.
- Feel and observe the print – Real print in some areas is raised in a pronounced way. You can feel it. Counterfeit print is flat in all areas.
- Detection pens – use special highlighting pens that will mark the bill when counterfeit.

- ***<u>Credit/Debit Card Fraud</u>***

Fraudulent use of cards can be reduced if personnel are trained to use one or more of the following procedures:

- Examine the card for signs of obvious alteration.
- Verify the card's expiration date.
- Refuse to accept the card if it is not signed.
- If necessary, ask for the guest's driver's license to confirm that the person presenting the card is the individual named on the card.

The Dishonest Employee

- ***Cashiers***

The dishonest cashier's victim in many cases will be the guest. The ways they attempt to defraud guests are:

- Making mistakes when adding the totals, and keeping the difference.
- Charging guest for items the guest did not purchase and keeping the extra.
- "Mistakenly" returning less change to the guest.
- Charging the guest more than the correct prices and keeping the difference.
- Reducing the guest check totals in the POS after the guest has paid and keeping the difference.
- Voiding the sale and taking the money.
- Charge the appropriate amount, but not record the sale and keep the payment.
- Charge the appropriate amount and record the sale, but later falsify the sales record and keep all or part of the payment.
- Fail to charge for items ordered and collect a higher tip.

- ***Cooks***

The dishonest cook will usually work with a cashier to defraud the restaurant. They may make items that they charge the guest for, but is not entered into the system.

- ***Bartender***

The dishonest bartender has many opportunities for hurting restaurant revenue. Some of them include:

- Product substitution – The bartender could enter the drink in for a brand of alcohol that they sell for less, but charge the guest the higher amount and keep the difference.
- Dilution – Watering down drinks, leave more product to sell. The results can be bartender keeping revenue resulting from the excess sales.
- Bottle Substitution – Serving a lower priced item than ordered, but charging the higher amount, and taking the difference.
- Shortchanging – When the bar is busy and guests are not paying close attention. The bartender can give the incorrect change for drinks sold deliberately.

- Overcharging – When a guest is paying a tab for others, a lot of times they do not know all that was ordered, so it is easy for the bartender or server to charge higher prices for drinks.
- Undocumented drinks – Drinks are ordered and served without ever being recorded. The bartender or server pockets the money.

Reducing guest and employee fraud require constant management attentiveness. If cash management systems are well designed, these types of fraud can be greatly reduced.

By properly instituting strict cash controls you will limit the possibility of improper cash handling and fraud. The procedures and forms used to control cash management vary from restaurant to restaurant.

EMPLOYEE SCHEDULING & SHIFT PLANNING

Scheduling of employees can be one of the more difficult jobs of the manager. There are a lot of factors that play into making an effective schedule. From projected sales, employee availability, to the day of the week and the weather. A good manager must take all factors in to account when developing a new schedule for the week.

Developing the Schedule

When developing a schedule you need to consider the following principles:

- Begin with forecasted sales and number for guests.
- Productivity target or acceptable labor percentage.
- Schedule for the needs of the guests, then the employees.
- Avoid scheduling overtime.
- Utilize part- time employees for peak-volume periods.
- Minimize split shifts.
- Consider employee requests when possible.
- Comply with all laws and company policies.
- Post or communicate schedule in a timely manner.
- Schedules are to be posted the same time/day, every week.
- Schedules are to be for 1-2 week(s) at a time.
- A master schedule should be used as a reference.
- Schedules are to be calculated and compared to budget before posting.

Distributing the Schedule

After you develop the schedule it is time to distribute it to the staff. In many restaurants, schedules are posted in one or more central areas. In some cases managers put schedules in the employees' paychecks. The objective is to find what works best at your restaurant.

Managers need to have a procedure in place for making schedule modifications, so they can quickly communicate changes with the staff.

Shift Planning Chart

A shift planning chart is a useful tool that indicates where each employee is scheduled to work. It is a visual chart that allows the employee to quickly glance to see what station they will be responsible for during their shift.

The chart is usually a simple drawing of the floor plan of the dining and kitchen areas of the restaurant. Names are placed in the various stations for each shift. A laminated chart that can be erased easily after each shift is great for multiple uses, and for quick modifications to the plan.

At the bottom of the chart you can add an area to put additional cleaning duties for each employee or any other announcements you want to communicate to the employees.

By properly scheduling your staff and communicating your plans to your employees you are setting yourself up for a successful operation of your restaurant.

OPENING, SHIFT CHANGE & CLOSING PROCEDURES

Opening, shift change, and closing hours at a restaurant are very important. If handled right, they set the pace for smooth operations. Make sure your employees are familiar with the tasks during their shift that they will be performing.

Each manager must organize and oversee the activities of the employees during the different periods. A useful way of organizing your activities is to split them into the categories of people, equipment, and products.

Using the shift plan as discussed previously is a great tool in organizing your employees.

Successful management of each of these activities depends on the following:

- Coordination of people, equipment, and products
- Planned and organized routines
- Careful shift planning
- Shift-to-shift communication

Opening

A good opening is crucial. Schedule your most reliable people for your opening team, since it's important to get the restaurant off to a good start. Be sure your team follows a consistent fire-up schedule and an opening checklist.

Shift Change

Shift change can be a busy time. Be sure to start planning for it a few hours before. Plan to have your best people in place to help the transition go smoothly. Stock all stations at the beginning of the change to cover the transition time.

Closing

A good closing makes for a smoother opening the next day. It is important for the closing team to make sure that all equipment is clean and in position for opening and that the restaurant is spotless. If possible, perform pre-close activities to reduce the time necessary for closing. However, never give the impression that the restaurant is preparing to close. Your back of the house staff can be washing many items from the kitchen and dining room at this time.

Keep the following in mind to make open, shift change, and close run smoothly.

- Guest needs are always the first priority. This means organizing employees so they are flexible and ready to help out as needed.
- Always use the same pre-shift checklist.
- Position employees so that main positions areas are adequately staffed.
- Prepare for the next day part by assigning secondary duties whenever you can.

Opening Responsibilities

The opening manager must make sure that the restaurant is ready to open for business. The manager is also responsible for organizing staff, assigning their duties, and overseeing their actions.

- Categorize your opening activities into people, equipment, and product.
- Direct the front-of-the-house and back-of-the-house staff to prepare for opening.
- Make sure that equipment is positioned and started up properly. You may want to establish a checklist to make sure follow-up on these responsibilities is done on a timely basis.
- Make sure there are adequate stock levels of all products for the day.
- Check to see if there are any messages from the closing manager.
- Report any problems in the communication log regarding how the closing team did the previous night.
- Shift plans should be prepared and posted prior to the employees clocking in.

Administrative Duties

Administrative duties are a responsibility of the opening shift manager. Your duties may include the following.

- Verifying safe and tills.
- Prepare the point of sale (POS) system for opening.
- Run necessary reports.
- Take an inventory of the daily inventory items.
- Verify the previous day's employee time card record.
- Set up the opening cash drawers.

Prior to Opening

- Just before you unlock the doors, make sure that everything's in place to provide a quality dining experience for your guests.
- Make sure to let all employees into the restaurant and check that all scheduled employees have reported to work.
- Check that the staff are appropriately dressed and neatly groomed. Make sure that they meet appearance standards.
- Check all stations for preparedness and equipment integrity.
- Make sure that the dining room, and restrooms are clean, sanitized, and stocked.
- Turn on the music system and appropriate lighting
- Make sure production levels have been established.

Shift Change Responsibilities

The manager's attention to on-the-floor activity is most important during the shift change. Expectations and standards need to be set and communicated to each employee.

> After the restaurant is open and running smoothly, you should take some time to think about what you'll need to do during shift change.

Make a shift change checklist. Review it to be sure that all of the tasks are being addressed. The transition will go more smoothly if the manager is on the floor at all times during this period. Remain on the floor throughout transition.

Closing Responsibilities

A good closing is critical to ensure that all equipment is clean and sanitized and administrative tasks are properly performed.

> A properly closed restaurant is much easier to open the next day. Your keys to success are checklists and an organized routine.

- The closing manager must make sure that the restaurant is ready for the next day's operation.
- In addition to performing administrative duties, the manager is responsible for organizing employees, assigning them their duties, and overseeing their actions. Set expectations for cleanliness and guidelines for completing cleaning tasks while staying focused on quality service.
- During the evening, provide quality service to your guests while performing as many closing activities as is practical.
- It is important to serve every item on the regular menu until the last minute of the business day.
- Guests must not get the impression that the restaurant is about to close, but you can shorten your closing time by performing tasks early as business allows.
- At closing, you run the greatest risk of robbery, so proper security procedures must be followed. Make sure you know and exercise all security precautions.

Prior to Closing

- Remove any unnecessary cash drawers from the service areas.
- Initiate and supervise pre-closing activities

Closing

- As with all shifts, the closing shift manager may have administrative duties to complete.
- Lock all doors.
- Check the dining room for guests.
- As soon as the remaining guests finish eating, assist them in exiting the restaurant.
- Check the restrooms and other areas for guests, too.
- Turn off the outside lights, and signs.
- Oversee equipment shutdown and cleaning
- Direct employees to complete any additional cleaning.
- Make sure that the cash drawers are counted and put away, and complete any other administrative tasks that you may have. Your duties may include the following:
  - ✓ Closing out POS registers
  - ✓ Counting cash drawers and place all money in the safe. Make sure the safe is locked.
  - ✓ Taking inventory of items
  - ✓ Recording waste
  - ✓ Checking employee time cards or time reports
  - ✓ Filling out communication log
- Check all doors and leave with employees through a well-lit exit in the front of the restaurant near where the cars are parked.

By properly running opening, shift change, and closing shifts your restaurant's operation will run more efficiently while maintaining exceptional guest service.

Available Forms and Checklists

- Manager Opening, Mid Shift and Closing Checklists
- Cashier Opening, Mid Shift and Closing Checklists
- Line Cook Opening, Mid Shift and Closing Checklists
- Prep Cook Opening, Mid Shift and Closing Checklists

CHAPTER 2:
MANAGING SANITATION & SAFETY

Out of all the jobs the manager is responsible for, no job is as important as managing foodservice sanitation and safety. The manager has an obligation to protect the health and well-being of the guests and employees who spend time in the restaurant and consume the products served.

Several sanitation and safety concerns that directly involve the restaurant manager include:

- Recognizing that there is always a possibility that a sanitation and safety problems could occur in his or her restaurant.
- Learning the basic sanitation and safety practices.
- Training employees in these procedures and supervising them on the job.
- Provide your employees the proper tools and equipment to do their jobs safely.

In this chapter you will learn about:

- Importance of Foodservice Sanitation
- ServSafe® Program
- Health Inspection Process
- Personnel Sanitation Guidelines
- Restaurant Safety Plan
- Leading Causes of Foodborne Illness
- Flow of Food
- Restaurant Sanitation
- HACCP Program
- How to Handle Food Safety Claims
- General Safety Guidelines
- OSHA Requirements
- What to do in case of an accident

MANAGING FOOD SERVICE SANITATION

What is Foodservice Sanitation?

This section will cover the importance of food service sanitation and safety procedures. All restaurants must take the necessary steps to help ensure that the food they serve is safe. The first step is the education of the company's policies and procedures in regard to sanitation and safety.

We will start by going over best practices for employee sanitation, then safe food handling procedures, and finally restaurant sanitation procedures.

Importance of Foodservice Sanitation

At every step in the flow of food through the restaurant – from receiving through final service, employees can contaminate food and cause guests to become ill. Good personal hygiene is a critical protective measure against foodborne illness.

Why is sanitation important to you and your guests?

- Cleanliness reflects our commitment to our guests.
- Cleanliness tells guests and employees alike that we believe in high quality.
- Clean surroundings help insure that guests keep coming back.
- A safe and healthy environment helps attract high quality employees.
- Employees take pride in a clean restaurant.

ServSafe® Program

The National Restaurant Association Educational Foundation (NRAEF) has a comprehensive food safety course that is offered to foodservice operators and employees called ServSafe®. This program is an essential, and in some organizations required, tool for training managers regarding safe food handling practices. More information can be found at www.nraef.org.

Health Inspection Process

Self-inspections should be run periodically to maintain a well-managed restaurant, in addition to regular inspections performed by the local health department. The higher your standards are, the more likely you are to do better on you health inspections.

- Health inspectors will use the local health code to conduct their inspection. Keeping a current copy of the local code at the restaurant for your review can assist if setting the standards of your restaurant.

- Frequency will vary depending on your area, type of establishment, or food served. In most cases inspectors will arrive with little or no notice to the restaurant. The inspector will announce themselves and ask for the manager on duty. After the inspection, the inspector will discuss the results and the score.
    - Ask for identification.
    - Cooperate with the inspector and instruct employees to do the same.
    - Take notes as you accompany the inspector. If there is an issue that can be corrected immediately, do so.
    - Be professional at all times. Do not offer inspector any items, even drinks or food, as they may be viewed as bribery.
    - Be prepared to provide records requested by inspector.
    - At the review of the results, discuss plans and time frames for correction with inspector.

Correct all issues, determine why each problem occurred by evaluating each procedure and establish new or revise existing processes to correct the issue.

HACCP-Based Inspections

In some jurisdictions health departments conduct HACCP-based inspections, which focus on the flow of food. Inspectors will observe the way a restaurant receives, stores, prepares, cooks, holds, cools, reheats, and services food, and access whether the critical control points identified are actually in control.

Personnel Sanitation

Everyone in the restaurant handles food and interacts with guests. That's why it is so important that every employee follows a high standard of personal hygiene.

A proper food handler will:

- Follow hand washing policy
- Maintain personal cleanliness
- Wear clean and appropriate uniforms and follows dress codes
- Avoid unsanitary habits and actions
- Maintain good health
- Report illness

Hand Washing

Make sure employees ALWAYS wash hands BEFORE:

- Starting work each day and handling food.

Also, employees MUST wash AFTER the following activities:

- Using the restroom
- Touching your hair or face.
- Sneezing, coughing, or blowing your nose.
- Handling raw food (before and after)
- Eating, taking breaks, or smoking.
- Handling dirty dishes, equipment, or utensils.
- Smoking, eating, drinking, or chewing gum or tobacco
- Taking out the garbage
- Handling chemicals that might affect food
- Touching clothing or apron
- Clearing tables or cleaning the dining room
- Touching anything that may contaminate hands

Hand Washing Steps

Step 1.	Wet your hands with running water as hot as you can comfortably stand (at least 100ºF [38ºC]).
Step 2.	Apply soap. Apply enough soap to build up a good lather.
Step 3.	Vigorously scrub hands and arms for at least twenty seconds. Lather well beyond the wrists, including exposed portions of the arms.
Step 4.	Clean under fingernails and between fingers.
Step 5.	Rinse thoroughly under running water. Turn off the faucet using a single-use paper towel if available.
Step 6.	Dry hands and arms. Use single use paper towels or a warm-air hand dryer. Never use aprons or wiping cloths to dry hands after washing.

Employee Hygiene

Although personal hygiene can be a sensitive subject, managers must address the subject with all employees. All employees within the restaurant must maintain personal cleanliness. This means they should bathe or shower before work. Also their hair must be kept clean.

Proper attire is also important in the prevention of foodborne illness. Dirty clothes may harbor germs and give guests a bad impression of your restaurant.

Employee guidelines:

- Wear a clean hat or hair restraint when working in food-preparation areas.
- Wear clean clothing daily.
- Remove aprons when leaving food-preparation areas.
- Wear appropriate shoes. Clean, closed-toe shoes, with non-slip soles.
- Remove jewelry prior to preparing or serving food.
- Wear single-use gloves when preparing and touching food.

Restaurant Safety Plan

As a manager, your goal is to prevent the spread of viruses and bacteria. To assist you in this process you need to implement the following food safety plan:

- All new employees are to be trained on proper food safety and sanitation practices.
- The restaurant is periodically inspected by upper management.
- Identify Critical Control Points and monitor them daily.
- Implement a master cleaning and maintenance schedule

Leading Causes of Foodborne Illness

Food safety means controlling the growth and spread of bacteria and viruses. These are dangerous because bacteria can cause food borne illness, which in severe cases can result in death. Viruses can also cause diseases such as hepatitis which is a severely debilitating illness.

<u>Leading causes of food borne illness:</u>

- Food not kept cold enough.
- Food prepared too long before serving.
- Food not kept hot enough before serving.
- Employee illness or not maintaining proper hygiene.
- Use of leftovers.
- Inadequate cleaning of equipment.

Flow of Food

Controlling the flow of food by monitoring the temperatures and managing the time is crucial to safe food handling. Below outlines the good food control flow:

Receiving Receive and store food quickly ⬇
Storage Store food at its recommended temperatures. ⬇
Preparation Minimize time spent in the temperature danger zone of 41ºF (5º C) to 135ºF (57ºC) ⬇
Cooking Cook food to its required minimum internal temperature for the right amount of time. ⬇
Holding Hold hot food at 135ºF (57ºC) or higher and cold food at 41ºF (5º C) or lower. ⬇
Cooling Cool cooked food from 135ºF (57ºC) to 70ºF (21ºC) within 2 hours and from 70ºF (21ºC) to 41ºF to (5ºC) or lower within an additional four hours, for a total of six hours. ⬇
Reheating Reheat food to an internal temperature of 165ºF (74ºC) for fifteen seconds within two hours.

Receiving

Carefully inspect all food as it arrives to make sure it's up to standards. Reject food that shows any of the following characteristics:

- Out-of-date freshness codes or bad odor
- Thawed frozen foods or re-frozen foods (may have ice crystals)
- Open, torn, or broken containers
- Canned goods with any of the following:
  - Swelled top or bottom
  - Leakage or flawed seals and seams
  - Rust or dents
  - Abnormal odor, color, texture, or are foamy or have milky-colored liquid
- Stains or water marks on dry foods containers
- Signs of spoilage or contamination on produce
- Signs of insect or rodent activity in dry foods

Storage

- Rotate product in storage areas before shipment is received.
- Date all food as it is received.
- Store in appropriate area. Store frozen and refrigerated items first.
- Follow FIFO (first in, first out) method for product rotation.
- Place the newest arrivals behind the food that is already in stock—that way the food on hand the longest will be used first.

Checking in Products

Use a thermometer to measure the temperature of products. Reject products if the temperature is above the following amounts.

Product	Proper Temperature
Fresh meat	41° F or lower
Fresh Chicken/Poultry	41° F or lower
Fresh Fish	41° F or lower
Shrimp\Shellfish	41° F or lower
Milk and milk products	41° F or lower
Whole Eggs	41° F or lower

Proper Thawing

- Potentially hazardous food shall be thawed one of three ways:
  - ✓ Under refrigeration that maintains the food temperature at 41°F (5°C) or lower.
  - ✓ Completely submerged under running water at a temperature of 70°F (21°C) or lower, with sufficient water velocity to agitate and float off loose particles in an overflow.
  - ✓ As part of the cooking process as long as the product reaches the required minimum internal cooking temperature.
- You can thaw food in a microwave oven if you immediately transfer it to conventional cooking equipment, with no interruption in the process.
- Thaw frozen raw food below ready- to-eat food, so the juices from the thawing food do not fall onto the ready-to-eat food.
- Food should be covered while thawing and should be clearly labeled and dated.
- Food should be completely thawed before cooking.
- Never re-freeze thawed food.

Preparing and Serving Food

When preparing and cooking foods, follow these standards:

- Food preparation surfaces must be cleaned and sanitized before they are used.
- Wash your hands properly before touching food.
- Keep everything clean while preparing meals. Wash hands and kitchen surfaces often with soap and water. Wash cutting boards, dishes, and utensils after preparing each food item and before going on to the next item.
- Keep the time that food is out of the refrigerator as short as you can, up to a maximum of four hours.
- Check that all equipment and utensils are properly cleaned, sanitized, and dry before using them.
- Ready-to-eat food must be kept apart from raw ingredients during preparation to avoid cross-contamination. Use one cutting board for raw meat, poultry, and seafood, and a separate one for other food.
- Never place cooked food on a plate that previously held raw meat, poultry, or seafood unless the plate has been thoroughly cleaned.
- Change any wiping cloths frequently and clean and rinse after each use.
- Wash ready-to-eat fruit and vegetables intended for same-day consumption and sanitize ready-to-eat fruit and vegetables intended for future consumption.
- If possible, use separate utensils and cutting boards when preparing raw food and ready-to-eat food, or prepare ready-to-eat food before raw food, and wash and sanitize utensils between uses.
- People handling food should know and practice good personal hygiene, hand washing, and/or correct use of gloves.
- Throw away single-use items after using them. Paper towels are recommended for cleaning up kitchen surfaces.
- For canned goods, do not eat the contents if the cans are dented, cracked, or bulging. These are warning signs that the product may not be safe.
- Clean the top of the container before opening. After opening, inspect the product. Do not use products that are discolored, moldy, or have an off odor. Do not use products that spurt liquid or foam when the container is opened. If you have questions about a product, do not taste the product to determine if it is safe.

Cooking

- It is crucial to cook foods to the proper temperatures to ensure the safety of our menu items. Follow these standards when cooking:
- Cook to safe temperatures. Use a food thermometer to make sure meat, poultry, and egg dishes are cooked to safe temperatures.
- Check that the food is thoroughly cooked or the center of the cooked food has reached 165°F (74°C), using a thermometer.
- Check that soups, sauces, gravies, and casseroles boil.
- Check that only clear juices run from thoroughly cooked minced meats, poultry, chicken, or rolled roasts.

Minimum Internal Cooking Temperatures

Product	**Temperature**
Ground meats	155° F for 15 seconds
Chicken	165° F for 15 seconds
Pork, Brisket	145° F for 4 minutes
Fish/Shrimp	145° F for 15 seconds
Fresh shell eggs for immediate service	145° F for 15 seconds
Commercially processed ready-to-eat foods held for service	135° F
Eggs, poultry, fish, meat cooked in a microwave oven	165° F; let food stand for 2 minutes after cooking

Holding Foods

Holding Cold Food Items:

- Check the internal temperature of food using a thermometer. Cold food must be held at an internal temperature of 41°F (5°C) or colder.
- Only use cold-holding equipment that can keep food at proper temperatures.
- Do not store food directly on ice. Whole fruit and vegetables and raw, cut vegetables are the only exceptions. Place food in pans or on plates first.
- Ice used on a display should be self-draining and drip pans should be cleaned and sanitized after each use.

Holding Hot Food Items:

- Only use hot holding units that are designed to keep hot food at the proper temperatures.
- Check the internal temperature of food using a thermometer. Hot food must be held at an internal temperature of 135°F (57°C) or higher.
- Never use hot-holding equipment to reheat food if it is not designed to do so.
- Stir food at regular intervals to distribute heat evenly.
- Use a clean thermometer to check the temperature of food.

Avoid Cross-Contamination

- Keep separate cutting boards for raw and cooked foods.
- Never mix leftovers with fresh food.
- Store fresh raw meats, poultry, and fish on lowest racks.
- Sanitize thermometers after each use.
- When thawing raw foods in the refrigerator, place them on the lowest shelf.
- Handle Ice and Tableware Properly
- Use clean scoops or tongs to pick up ice; do not use hands or glass.
- Store scoops or tongs in a clean container, not in the ice.
- Do not store any food or beverage in the ice.
- Avoid touching food contact surface with dishes, utensils, etc.

Restaurant Sanitation

It is not only important to maintain keep a clean restaurant because to impress guests, but it is necessary to maintain safe food practices.

Employees will take pride in where they work and will try to maintain the same level of cleanliness when it comes to them personally. All of which will look positive in the eyes of the guest.

The important aspects of restaurant facility sanitation are that all utensils and equipment surfaces that come in contact with food must be kept clean to prevent bacterial growth.

Keeping your restaurant clean is easy IF you keep up with it. Have scheduled cleaning activities scheduled throughout the day and maintenance items during slower periods of the day.

Safe Chemical Handling & Storage

- Wash all fresh fruits and vegetables thoroughly.
- Always wash your hands thoroughly and change your uniform after handling chemicals.
- Store chemicals away from food preparation, handling, and storage areas.
- Keep chemicals in their original containers or other clearly labeled, sturdy containers.
- Never allow chemicals to come in contact with food. Immediately throw away any food that comes in contact with chemicals of any kind.
- Clean up chemical spills promptly, then wash your hands and change your uniform.
- Never place food in chemical containers or place chemicals in a food container.

Proper Disposal of Waste

- Use metal or heavy-duty plastic garbage containers. They must be leak-proof, easily cleaned, pest-proof, and durable.
- Line containers with plastic bags.
- Containers kept outdoors or in food preparation areas must have tight-fitting lids that are in place when not in actual use.
- Do not allow garbage to accumulate anywhere but in regular garbage containers.
- Remove garbage from food preparation areas as soon as possible.
- Pest-proof storage areas. Store garbage in areas large enough to accommodate wastes. Any inside storage areas must be pest-proof.
- Only use outside containers and dumpsters that are easily cleaned and position them on a smooth, non-absorbent material like concrete.
- Use enclosures around outside containers. These are desirable for aesthetic reasons and may be required by local codes.
- Clean containers and receptacles frequently, inside and out.

Proper Pest Control

- Keeping doors closed
- Taking garbage out frequently and keeping garbage areas clean
- Reporting any holes where animals can enter.
- Not providing free meals for animals.

HACCP Program

One program used in many restaurants today to maintain high food safety standards is the Hazard Analysis Critical Control Points (HACCP) program.

> HACCP is a system that identifies and monitors foodborne hazards that can adversely affect the safety of food products. HACCP systems emphasize the importance of continuous efforts to ensure that processes are under control. The FDA recommends the implementation of HACCP systems throughout the food industry.

HACCP Terminology

Hazard	A biological, chemical, or physical property that may cause unacceptable consumer health risk
Risk	An estimate of the likely occurrence of a hazard.
Control Points	Any point in a specific food system at which a loss of control does not lead to an unacceptable health risk.
Critical Control Point (CCP)	Any point in a specific food system at which a loss of control may result in an unacceptable health risk

7 Steps to HACCP Plan

To develop a HACCP plan for your establishment you should follow these steps:

1. Perform a Hazards Assessment
2. Identify Critical Control Points
3. Establish Critical Limits
4. Establish Monitoring Procedures
5. Detail Corrective Actions
6. Determine Effective Record Keeping Systems
7. Establish a Verification System

As a manager it is your job to know where the critical control points (CCPs) are within your restaurant, have written procedures for monitoring the CCPs, communicate the procedures to the employees, and to ensure they are monitored regularly.

How to Handle Food Safety Claims

Follow these steps if a guest becomes ill or complains of a foreign object in food:

1. Show concern for the guest and call for medical assistance.
2. Fill out a Guest Incident Form. Send a copy of the form to your company office and a copy to your insurance carrier.
3. Gather all the information you can about the incident. Some questions to ask when taking notes about the illness:
   When was the product consumed?
   When did the symptoms appear?
   What else did the guest eat or drink during the 48 hours prior to becoming ill?
4. Keep all suspicious product(s) as evidence.
5. Check the product immediately. If it is spoiled, pull the entire remaining product.
6. Wrap and save a portion of the product in case it is needed by the Department of Health.
7. Notify upper management immediately.
8. If the compliant pertains to a foreign object, retain the object and the food it was found in (if possible) and send to the company office.
9. Investigate possible causes of the problem, such as improper rotation or refrigeration, and take corrective action if needed.
10. If the situation involves a suspected food-borne illness, check to see if you are required to report it to the local health authorities.

MANAGING RESTAURANT SAFETY

We want a safe and secure workplace for our employees and guests. This section covers the general safety and security procedures that as a manager you are responsible for managing.

The information you will learn is important for your safety as well as the safety of your employees and guests.

Safety and security are everyone's responsibility!

General Safety Guidelines

As a manager you are responsible for training your employees in safe restaurant practices and providing them with the tools and equipment needed to maintain a safe environment.

The following are safety guidelines that all your employees should be trained in.

Wear Protective Gear

- Slip-resistant soles. Leather uppers that cover and protect the foot. Sandals, flip-flops, high heels, open-toe shoes, or leather sole shoes are NEVER permitted.
- Heat resistant gloves when working at high temperatures.
- Goggles, neoprene gloves, and protective aprons when working with hot oil

Prevent Slips and Falls

- The first step to avoiding slips and falls is to implement cleaning procedures and keep the floors clean and free of build-up.
- Be ALERT around ice machines where ice might drop or melt on the floor.
- Alert others when employees are mopping the floors and/or the floor is wet.
- If accidental spills do occur, no matter how small, make sure it is wiped up immediately and proper cleaning procedures are followed.
- Make sure “wet floor” signs are placed in any area where there is a spill and in areas that are being cleaned.
- Keep tripping hazards, such as electrical cords, out of aisles, walkways, and other traffic areas.
- Keep all doorways free of trash to allow easy access both in and out.

- Keep stock orderly, preventing boxes or products from sticking out into the aisle and creating a hazard.
- Make sure ladders are used when reaching anything higher than shoulder height.
- Always have another employee hold the ladder steady while someone is climbing up and down.

Safe Lifting Procedures

Make sure employees are following these safe lifting procedures:

- Separate your feet: Before lifting heavy objects, separate your feet at least 8” to 12” apart and keep them close to the base of the object. This will reduce the strain on the back.
- Keep your back straight: Make sure to keep your back straight and your knees bent.
- Lift object: Bend your knees and do not curve your back. Use your hands and leg muscles to bend. Do not slouch your back. Do not use the muscles of your back.
- Hold object close to your body and keep your back straight.
- Rotate all your body, not just your upper torso, when lifting.
- Use a dolly to lift heavy objects, but never load tall stacks since it is necessary to manage the load safely.
- Do not overexert yourself: Recognize your own limits. You do not have to do the work of two people.

How to prevent burns, cuts, wounds, and electric shock

- Do not allow employees to argue or play around with a knife in hand.
- Use only knives with blunt ends and with finger protection.
- Teach employees safe knife handling and cutting procedures
- Inspect plugs and electrical outlets. Make sure they are in good condition.
- Make sure all electrical equipment is disconnected before cleaning.

Chemical Safety

- It is required that all employees know what chemicals are used in the restaurant and how to use them properly.
- All chemical products contain labels identifying:
  - ✓ The contents of the container
  - ✓ The name and address of the chemical manufacturer
  - ✓ Emergency phone numbers
  - ✓ Any physical and health hazards
- Recommended personal protective equipment needed to work safely with the chemical.

Fire Safety

- Never stack items to a height where they block fire extinguishers, sprinkler systems, alarm boxes, or electric or power panels.
- Make sure all entrances, passageways, and fire escapes remain open and clear at all times.
- Make sure all employees know the fire evacuation plan.

Basic First Aid

- Assist with only emergency first aid, but only do those things that you have been trained to do.
- Only attempt a rescue if there is no danger of you getting injured.
- Move the injured person only if it is absolutely necessary for safety reasons.
- Control bleeding with direct pressure to the wound using a clean cloth.
- Refer to the MSDSs for all chemical accidents.
- If certified, give CPR to heart attack victims.
- For choking, perform the Heimlich maneuver, if necessary.
- Apply burn gel to burns, if available. If not, apply cold water and/or ice to burns.

Robbery Prevention

<u>Help prevent the chance of robbery by following these guidelines:</u>

- Do not allow any weapons of any type on the premises.
- Always close the register drawer between transactions.
- Keep the amount of cash in the register low at all times.
- Be alert to any suspicious situation outside the restaurant:
    - In the parking lot
    - On the sidewalks
    - Loiterers
- Have employees report any suspicious actions to management.
- The door used for entry to the back of the house from the guest area must be locked at all times.
- Never allow employees to go outside alone after dark.
- Have employees leave the workplace as a group after closing and leave the premises immediately.
- Be careful in answering questions from individuals regarding equipment, procedures, supplies, other employees, or operations of the store.
- Instruct the employees to never tell individuals the manager has left the building.

If a robbery occurs:

- Cooperate with the robber. Because of the restaurant's open glass fronts, robbers will be in a big hurry. Give them what they want to get them out of the store faster.
- Do not be a hero. Employee and guest safety are the number one concern during a robbery. Cooperating will help prevent someone from getting hurt.
- Do not make any sudden moves.
- Do not attempt to approach or chase after the robber.
- Don't do anything that will create a tense nervous situation. Speak only when spoken to.

After the robbery:

- As soon as possible, get out a piece of paper and write down all the facts you can remember about the holdup and the robber(s). This includes dress, facial features (scars, hair color, etc.), height, weight, distinguishing marks (tattoos), a description of vehicles involved, any weapon used, etc. To estimate the robber's height, use the height of the door hinge as an aid.
- Do not discuss details of the robbery with any other employee.
- After the robber(s) have left the restaurant, immediately call the police or sheriff (emergency list by phone) and give them pertinent information.
- When the authorities arrive at the restaurant, they will ask for details to fill out their reports. Only the restaurant manager and/or his/her immediate supervisor are authorized to coordinate the giving of information. However, give any and all information concerning descriptions, sequence of events, getaway methods, and direction to the authorities.

Disorderly Guests/Employees

<u>When confronted with a disorderly situation:</u>

- Instruct employees to notify a member of management immediately.
- Do not attempt to physically control the situation.
- Protect yourself by moving away from the individual as quickly as possible.
- If you feel in immediate danger, call 911.
- If you are off the property instruct employees to:
    - Have another employee call a member of management while you calmly talk with the guest/employee.
    - If guest/employee conduct is of a serious, threatening nature, have another employee call the police and move everyone out of the immediate area.

Occupational Safety and Health Administration Requirements

The Occupational Safety and Health Administration (OSHA) require employers to comply with their Hazard Communication Standard (HCS).

> This standard, also known as the right-to-know law, requires employers to tell their employees about chemical hazards they might be exposed at the restaurant. It also requires employers to train employees on how to use the chemicals they work with safely.

Employers must comply with OSHA's HCS by developing a hazard communication program for the restaurant.

> Many states have enacted laws that are even stricter than the federal OSHA law. It is important that you know your local OSHA law.

OSHA requirements must be posted in all restaurants within the US.

Hazard Communication Program

A hazard communication program must include the following:

- An inventory of hazardous chemicals used at the restaurant: Take an inventory of the chemicals stored in your restaurant. List the name of the chemical and where it is stored.
- Chemical labeling procedures: If the chemical is transferred from the manufacturer's container to another container, the new container's label must contain the chemical name, manufacturer's name and address, and potential hazards of the chemical.
- Material Safety Data Sheets (MSDS): (See next section for detailed description.)
- Employee training: OSHA requires that every employee who might be exposed to hazardous chemicals during normal working conditions be informed of the hazards and trained to use chemicals properly.
- A written plan addressing the HCS: OSHA requires a written plan describing how you will meet the requirements of the HCS in your restaurant. The following items should be included:
    - List of hazardous chemicals stored on the premises
    - Purchasing specifications for chemicals
    - Procedures for receiving and storing chemicals
    - Labeling requirements in your establishment
    - Procedures for accessing MSDS
    - List of protective equipment
    - Employee training procedures
    - Reporting and record-keeping procedures

Material Safety Data Sheets

Chemical suppliers and manufacturers are required to provide you with Material Safety Data Sheets (MSDSs), or your country's equivalent, for each hazardous chemical at your establishment.

You will need to have one for each product in use at your restaurant. Keep all MSDSs in a binder in one location at the restaurant. This binder must be kept up to date in every restaurant. It should be available and employees should be trained on the proper usage of chemicals.

MSDSs contain the following information:

- Product's chemical name
- Manufacturer, with contact information
- Information about safe use and handling
- Precautions
- First-aid information and steps to take in an emergency
- Hazardous ingredients in the product
- Preparation date of the MSDS

Reporting an Accident to OSHA

All restaurants are required to report serious accidents involving employees to the Occupational Safety and Health Administration (OSHA).

Any injury causing a worker to miss more than one week of work is considered serious and must be reported to OSHA within 48 hours of attending physician's examination.

The report must include:

- The worker's name
- The type of injury
- All relevant information about the accident
- Employers are also required to file weekly reports with their state's labor commissioner, listing any accidents, and describing how much workers' compensation is currently being paid.
- OSHA requires companies to display for employees a list of all work-related accidents and illnesses that occurred in the past year.

OSHA Inspection

The Occupational Safety and Health Administration (OSHA) do not normally visit restaurants for routine inspections. However, if a complaint is made against your restaurant or after an accident is reported, OSHA may be required to investigate.

What to do during an OSHA Inspection

After reviewing the inspector's credentials, you should be advised of the reason for the inspection. Although you could force the inspector to obtain a warrant before inspection, this action may create an unnecessary confrontation.

- Accompany the inspector. This is your right. Take notes during the inspection.
- Provide all documents asked for by the inspector. This does not extend to proprietary material unless specifically named. You may wish to discuss this matter with your legal representative. Do not volunteer information that is not requested.
- Request a copy of the complaint against you. OSHA is not required to reveal the name of person who filed the complaint. You are forbidden to take any reprisals against that person.
- If you are unsure of the answer to questions, investigate first. Try to stick to the facts of the investigation. Do not volunteer unnecessary information.
- If you see a safety hazard during the inspection, correct it immediately. Failure to do so may imply that you do not enforce safety rules, which could prompt a citation.
- Know where your policy manuals are located. The inspector may ask to review control strategies for any applicable OSHA standards.
- Contact your lawyer after the inspection and before the next OSHA action. The inspection is often just.

What to Do in Case of an Accident?

Injury to a Guest

Make sure that employees follow the procedures below in case a guest has an accident.

- Inform the manager - The manager should be notified immediately after an employee has seen or finds a guest that has been injured.
- Call an ambulance or paramedic team - If the accident is serious, make sure that an employee calls an ambulance or emergency team.
- Keep the victim comfortable - While waiting for assistance, keep the injured guest comfortable. Do not move the person if the back has been injured.
- Witnesses - If there are witnesses, get their names and addresses, and then document this information.
- Gather evidence - If the guest has bitten a strange object, keep the object to make a report.
- Inform about accident - The procedure to notify area manager should be followed as soon as possible.

Keeping your employees and guests safe is a great responsibility and not to be taken lightly. With proper procedures in place and training of your employees you can keep your incidents down to a minimum.

Available Forms and Checklists

- Line Check
- Guest Incident Report
- Maintenance Report
- Quality Assurance Inspection Form (QAI)

CHAPTER 3:
MANAGING EXCEPTIONAL SERVICE

We are known for our good food and guest service; and while we are happy to have this reputation, we understand that being just "good" is not enough to keep us competitive in the industry.

As a company, we are always striving to improve. We do not want our service to be just "good" but rather Exceptional!

To go above and beyond the expectations of our guests; that is Exceptional Service.

Building guest relationships is also our philosophy. Today's guests eat out more than ever, and how will they remember your restaurant if you don't remember them?

They want to feel like they are part of your family, not just a number. Getting to know your guests names, wants, and needs are key to building long-lasting guest relations.

As a manager on our team it is your responsibility to promote an environment to foster this type of philosophy.

In this chapter you will learn about:

- Principles of Guest Relations
- Preventing Guest Complaints
- Handling Guest Complaints

"GUEST-CENTRIC" RELATIONS

One of the most important aspects to guest service is learning how to treat guests in a way that keeps them coming back. You also need to know how to handle difficult guest situations so everyone ends up a winner. We call this building of guest relations, being "Guest Centric."

<u>To keep every guest satisfied, you need to treat all our guests with the following goals in mind:</u>

- Make every guest feel welcome every time he or she comes in the door.
- Create a comfortable environment, and FUN atmosphere in which guests feel like part of the family.
- Listen to guests to ensure you are providing them what they want.
- Handle guest problems and emergencies quickly, properly, and fairly.
- Learn from guests so we keep improving our level of service and quality.

Principles of Guest Relations

"The guest is always right!" You have heard that saying a hundred times, but it's true. That is why it is so important everyone in the restaurant understands:

- Guests are the reason we are in business.
- Guests are people, with thoughts, feelings, and needs like our own.
- Guests are NEVER problems, distractions, or people to argue with.

Try putting yourself in the guest's place. Have you ever been in a store or restaurant where employees made you feel like you were an interruption? Like you were in the way of them getting something more important done?

Or maybe they were busy writing up an order, carrying on a conversation with friends, or just totally ignoring you. How did that make you feel? You probably thought, "I'll never come here again." That is why the way you treat your guests is so important.

Preventing Guest Complaints

Always keep in mind "The guest is always right." By having a system to quickly respond to guest complaints, you can make sure that problems can be resolved and that the guest will come back to the restaurant.

For example, if a guest informs you that his or her order was incorrect, you should apologize and change the order immediately, discarding the incorrect order.

Never argue with a guest under any circumstance. Always try to be helpful and courteous in answering a guest's question or complaint. If you are not trained to answer the particular type of service questions or questions about the restaurants operation are asked, kindly ask the guest if he or she would like to speak to the restaurant manager.

The appropriate training for servers and cashiers will help them quickly and efficiently resolve guest complaints without your assistance.

If a guest gets furious and threatens to cause someone physical harm, the restaurant manager should ask him or her to leave. Call the police if the guest refuses to leave the restaurant.

A permanent file of guest complaints should be kept; every complaint and how it was resolved should be recorded. This will help avoid other similar complaints and information for attorneys in case of a legal action.

Prevention

The best way to deal with guest complaints is to prevent them from happening. The best way to do that is to always meet the standards of service.

- Serve excellent products.
- Provide fast, accurate, friendly service.
- Maintain clean, comfortable dining areas, service lines, and restrooms.

If you do these things at all times, you'll create an environment that's always pleasing to our guests. And that is the best way to prevent guest complaints.

Extra Service

In addition to providing a quality product and exceptional service, there are some extra things you can do to help make the guests feel at home:

- Be friendly and helpful…when answering questions.
- Gladly explain…where to find napkins, the restroom, etc. when asked.
- Help guests…who need travel directions.
- Provide… a cup for water, extra condiments, etc. upon request.

Signs of Guest Dissatisfaction

Meeting standards and giving extra service will help reduce guest problems. However, you should be sensitive to the signs of guest dissatisfaction. For example, guests often communicate how they feel in non-verbal ways in additional to what they say. So before guests say what they are thinking, be alert for the following signs:

- Irritation when ordering or asking questions.
- Disgusted, bored, or impatient facial expressions while waiting in line.
- Half-eaten food left at the table (if more than usual).
- Gestures or comments among guests that express dissatisfaction.

When you spot any of these signs, act immediately. Ask the guests if there's something bothering them about the food or service. Then, track down the source of the problem and correct it as quickly as possible.

Listen to Guests

Another way to prevent problems before they happen is to solicit input from your guests on a regular basis. Find out how they feel about the food quality and service.

- Talk informally with guests.
- Greet them as they go through the line and ask how they are doing.
- Sit down with them and chat for a minute or two when time permits.
- Bus tables.
- Ask if they're pleased with the food.
- Ask if there is anything you could do for them.

If guests are used to talking informally with managers and other employees, they will be more willing to answer questions honestly when you ask them about their service experience.

If guests know you are interested in them and their opinions, they will want to give you their business.

Handling Guest Complaints

Even an excellent restaurant will experience complaints now and then. Most of us hate to hear complaints. Sometimes a person's first response to a complaint is a defensive one. However, a defensive attitude will only make things worse and prevent you from solving the problem.

Something else to think about is that if one guest expresses a complaint, there is a good chance that others may feel the same way. That is why at Fuzzy's, we follow the ***BLAST*** guest service technique. Follow these steps when dealing with unsatisfied guests:

- **BELIEVE** that whatever complaint they have is true. Remembering that the guest is always right, can often be the most difficult part in handling complaints. Believing whatever the Guest is about to explain is the truth, keeps you 100% focused on their concern, which most often is what they care most about.
- **LISTEN** and remain calm. Never be defensive. Be sympathetic. Show sincere concern for the guest's problem. Ask questions to make sure you understand the problem and what the guest wants.
- **APOLOGIZE** for any inconvenience.
- **SOLVE** the problem immediately. Offer a free item or a gift certificate, if appropriate.
- **THANK** the guest for their concern, and bringing the issue to your attention.

The general manger must handle serious problems, such as foreign objects or spoiled food.

It is important to log Guest Complaints either in the Red Book, or using a Guest Complaint Form when there is an issue. This way, other managers can be aware of the situation and able to answer possible additional questions that may arise at a later date.

Common Complaints

- A guest complains about an incorrectly filled order:
  - ✓ Replace the order with the correct one immediately.
- A guest complains that the food is spoiled or inedible:
  - ✓ Replace the order immediately; offer a refund, or both. Call your manager and immediately check any remaining food supplies.
- A guest mentions a dirty table or a messy restroom:
  - ✓ Apologize, thank the guest for pointing out the problem, and clean it immediately.
- A guest complains about poor service or an impolite team member:
  - ✓ Promise to speak to the individual involved. Inform the manager about the problem, or talk privately to the person about the complaint as soon as possible.

Accusations of Short-Changing

Occasionally, a guest will claim he or she has been short-changed. If this occurs, call your manager or try to resolve the problem by taking these steps.

- ✓ Trace the transaction using the register tape or evidence to determine exactly what happened. For example, count down the drawer if a large bill is involved. Don’t just hand money over to a guest. (Offer a beverage while this is being done).
- ✓ If the dispute cannot be resolved, give the guest the benefit of the doubt.

Available Forms and Checklists

- B.L.A.S.T - System of Guest Service
- Guest Complaint Form
- Mystery Shopper Report Example

CHAPTER 4:
MANAGING MARKETING EFFORTS

In this chapter you will learn about:

- Marketing Promotions
- Local Store Marketing
- Ongoing Marketing Plan

MARKETING PROMOTIONS

By properly marketing promotions within your restaurant you can strengthen the brand, build sales, and increase transactions.

In addition to promotions provided by the company, it is also important to put together a Local Store Marketing (LSM) plan. LSM is the marketing of the restaurant that you control and develop for your area.

Promotions are designed to appeal to the restaurant's repeat guests. Promotions are generally run in the restaurant for a limited time and are tied to a specific sales or marketing goal. For example, a promotion may encourage guests to try a new product or encourage repeat visits.

Promotion success

The overall success of a promotion depends on how well you execute it at your own restaurant. You and your employees should know what the promotion is, should properly display in-store merchandising messages that tell guests about the promotion, and should deliver on the offers promised in the promotional campaign.

Restaurant Merchandising

- Guests rely on many different messages when they visit your restaurant. Some messages encourage them to turn into your parking lot. Other messages help guests place an order or participate in a promotion.

  All restaurants have a basic structure of menu boards to build on. These permanent messages are the foundation of your restaurant merchandising.

- The restaurant also relies on temporary promotional messages, called Point-of-Purchase (POP), to let our guests know that something special is happening and that they can participate.

  All POP materials are designed to enhance the restaurant brand with tempting food photography and quality images. The messages are developed to work with one another to make your guests' experience in your restaurant as satisfying as possible.

Merchandising Guidelines

It is critical that you follow the guidelines supplied by your marketing department for proper placement and to help you control clutter, which is one of the primary causes of guest dissatisfaction.

The following tips will help you enhance the impact and effectiveness of your merchandising.

- Check all POP kits delivered to the restaurant.
- Make sure all individual POP elements are assembled correctly.
- Remove all out-of-date display materials.
- Make sure POP is displayed properly.
- Display POP at close of business on the evening before the start date.

Employee Communications

The key to a successful promotion lies in employee communication and motivation. These are the people who come face to face with your guests. As a result, it's important that your employees know, understand, and show enthusiasm for every promotion. Employee knowledge of the promotion and motivation to get involved will further enhance your sales.

Employee communication and motivation is the key to a successful promotion.

Your employees should always:

- Know what the current promotion is.
- Know exactly what is expected of them.
- Be able to answer guest questions.
- Show enthusiasm for promotion.

You can prepare and motivate your employees with:

- Tools provided with the POP materials.
- Employee incentives.
- Pre-promotional and/or pre-shift meetings.

Employee incentives

Educating and motivating your employees to help you to execute a successful promotion. Recognize your employees for their achievements with employee incentives. Incentives may be based on the employee's (or shift team's) service efforts, comparable sales and transactions, involvement in LSM programs, and more.

Meetings

Coordinate meetings to discuss promotion details and incentives with your team. Depending on your particular restaurant's needs, you may decide to hold the meetings before a promotion, prior to a specific shift, or at both of those times.

LOCAL STORE MARKETING

In this section you will learn techniques and ideas on how to use local store marketing to boost guest count and sales by effectively marketing your restaurant in your community.

- How to conduct a trade survey of the area
- About tools and forms to use to help you put together a marketing plan
- Ideas and suggestions of places to market your restaurant.

By using a variety of techniques to call attention to your restaurant, you can significantly enhance your image throughout the community.

Always remember that the best marketing program is delivering guest satisfaction through outstanding restaurant operations daily. However to a well-run operation, local marketing can truly deliver more guests and increased sales and profits.

Local Store Marketing is a proven way to build business through targeted programs implemented in your trading area. Done correctly, Local Store Marketing can establish your location as a restaurant of choice, build community goodwill, increase your base guests, and even create an image of the place to go for the best food in the business

Getting to Know Your Neighborhood

- Get to know your neighborhood and establish personal friendships with your guests. Be alert to upcoming activities and events. Explore different ways to get involved. It is easy and lots of fun! Work on the following ideas to develop this neighborhood mentality.

- Act like a newcomer. Even though you may have been in your town or location for years it is a great way to meet new guests and friends. Learn all that you can about your neighbors and their neighborhoods.

- Using a city map draw a 2 to 3 mile circle around your location. Take the time to drive up one street and down another. Make notes or record any interesting sites or points of interest. This is a great way for you to get to know the neighborhood better and better understand your neighbors.

- Pay special attention to what other restaurants in your area are offering, especially ones that are offering similar menu items. Look for when they are busy, promotions, do they offer delivery and anything that might separate them from you.

- Learn all you can about area businesses. Make notes as you run across ideas and people. Some of the greatest opportunities happen by chance when you least expect them.

The following forms can assist with developing your local store marketing plan:

Trade Area Overview

This form assists you in learning more about your guests and area by asking you key questions about the demographics of the area.

The purpose of this form is to:

- Help you understand and envision the store's dynamics and its guests.
- Help you focus on the key marketing opportunities for this particular location.
- Provide a guide for developing a marketing plan.
- Help you understand who your competition is.
- Help you identify the competition's strengths and weaknesses so you can capitalize on them.
- Help you to determine if your pricing is where it should be.
- To help determine cross promotional opportunities in your area.
- To help determine potential businesses to market.

Sponsorship/Donation Request Form

This form assists you in learning more about local area organizations, events, charities, etc. by asking key questions about the nature of a requested partnership with your store.

The purpose of this form is to:

- To retain information to expedite the ordering process for their next group order.
- To help determine event promotional opportunities in your area.
- To aid in the widening of your Local Area Marketing Radius.
- To help chronicle past, and revisit for possible future, caterings, donations, sponsorships.

ONGOING MARKETING PLAN

The purpose of the ongoing marketing plan is to determine the amount of money you have to spend and how you are going to spend it.

Budget

- Projected annual sales = $__________
- Marketing budget (2% or 3% of annual sales = typical)

Strategy

- Increase trial and awareness
- Improve guest frequency
- Build check average
- Enhance community involvement

Target Audience:

Think about your business in day parts: weekday breakfast, weekday lunch, weekday dinner, and weekends. Choose your marketing activities based on your largest opportunities.

Monthly Calendar:

A monthly calendar is a great way to track your marketing impact and see how your efforts affected the business.

- Blank calendar to track sales, guest counts, and check averages.
- Transfer all marketing activities on the calendar and update weekly.

Available Forms and Checklists

- Brand Guidelines
- Request for Advertising Approval
- Sponsorship & Donation Request Form
- Trade Area Overview

CHAPTER 5:
MANAGING PRIME COSTS

In this chapter you will learn about:

- Food & Beverage Cost and Controls
- Labor Cost and Controls

PRIME COST CONCEPT

What Is Prime Cost?

Prime cost is cost of sales (food & beverages) plus all payroll related costs, including gross payroll of all management and hourly personnel and payroll taxes, benefits, worker's compensation, etc.

Prime cost usually runs 60% to 65% of total sales in a full service restaurant and 55% to 60% of sales in a quick service restaurant.

You want to know your prime cost as frequently as possible. If you know what your prime costs are at the end of every week, when something is out of line, you're in a much better position to react quickly, cut your losses, and get the problem resolved.

Calculating Prime Cost

The first step in calculating your weekly food cost is to keep a record of your food and beverages purchases every day on what some operators refer to as an **Invoice Log**.

Don't forget about posting credits for any product returns or invoice adjustments and be sure to log in cash paid-out transactions for food and beverages purchases too. At the end of the week you've got your total purchases of food, liquor, beer, and wine.

Many restaurants end their week on Sunday and have the report prepared by noon on Monday. Inventory levels are usually at the lowest level of the week on Sunday night (Monday morning) so there are fewer products on the shelves to count.

Some restaurants that have the managers prepare this entire report. Others have a bookkeeper or clerical person assist in some way on Monday morning.

To make it easier to post invoices, have your vendors give you separate invoices for each major product type. Tell them you want a separate invoice for just your food items, a separate invoice for cleaning supplies, an invoice for paper goods and so on. This makes it very easy to log invoices into their correct categories without having to break out the categories manually. Also have them break down your food items by your food categories like meat, seafood, poultry, grocery, etc.

The preparation of the weekly Prime Cost report is discussed further in Chapter 7: Financial Reports.

FOOD COST & CONTROLS

When speaking of costs and controls, think in terms of dollars. Everything used has a dollar cost and having the ability to limit that cost through the use of controls directly affects the profitability of your location. There will be little control over some items—these are termed fixed costs and include rent or mortgage payments, state and local taxes, and the initial investment in the restaurant. This is where food and food-related costs are different from the others. The payroll, utilities, and administrative assets cannot be sold. Therefore, they cannot be thought of from a "potential income" point of view. Other costs are variable and will be discussed in this section.

> Variable costs are those that fluctuate in their dollar amounts and can be greatly affected by the procedures and controls placed on them. Without controls, variable costs can swing out of control. It is possible to waste money without controls in place. With controls in place, it is possible to monitor the assets that limit the costs. Controlling costs ensures that waste is minimized, theft is eliminated, the asset is being used to its fullest potential, and the most dollars are going to the bottom line of the profit and loss statement.

Included in these variable costs are food, paper, and cleaning supplies, along with payroll, utilities, administrative costs, advertising costs, and other costs depending on the location. When considering the cost of these products (assets), realize that the full cost is not what was paid for it, but rather what potential income that product would have brought if sold. If an entrée was made with the actual cost of ingredients being $2.00, but the entrée was never sold because somebody stole it, the loss is not only $2.00, but also the $4.99 it would have sold for. By not thinking from a selling cost point of view, it is easy to overlook what the potential income would have been if the asset had been controlled. It is a portion of this difference that makes your profitability. Always think of the selling potential that is lost when you do not control your products (assets).

Food Product Costs and Controls

Food cost is the dollar amount you paid for a particular food item. Whether it is a piece of meat, a bag of fries, a gallon of oil, or a take home container, they all have a dollar cost attached to them. Every food item that is used at your location must have a cost associated with it. The cost may fluctuate due to market conditions. To make sure that you are using the most accurate prices in determining your costs, you must update your files by using the most current invoices from the distributors and the prices from them.

Determining Food Cost

Here is the process to determine food cost.

- Look for the price from the most current invoice from your distributor for the particular item.
- Then divide the number of portions you can get from that item into the price from the invoice.
- This gives a dollar amount for the portion of the product used to make the item.

Determining Food Cost Percentages

Once the total dollar food cost for the menu item has been determined, the food cost percentage can be determined. The food cost percentage is the percentage of the selling price in relation to the cost of the menu item.

For example:

- If the cost of the ingredients is $1.80 and the selling price is $6.99
- Take the $1.80 and divide it by the selling price of $6.99.
- This gives a food cost percentage of 26%

How to Control Food Cost

Control food costs through the use of several resources. Proper purchasing and receiving procedures ensures that the correct quantity and quality of food products are delivered. Training the employees ensures that they are using the food products in the proper manner. Following the portion charts when making menu items gives you a consistent cost per item. Using the proper forms to track and eliminate waste ensures you the highest return from the available product. Implementing a weekly inventory system ensures the ability to manage your food costs.

Waste

Waste is defined as not using the product that can be used to its maximum potential. It can be caused by over-ordering, the product being thrown out, preparing too much that you cannot sell, poor training of the employees resulting in product that cannot be sold, and improper storage and handling of food products.

Waste will occur, and when it does occur, it needs to be documented.

Eliminate waste because of food spoilage by following a few basic rules:

- Rotate all food in inventory whether refrigerated, frozen, or dry storage. Always put the new inventory behind or under the old inventory.
- Never over-order. Base your order on sales projections and add a little extra to cover any emergencies that may arise.
- Keep perishable food refrigerated or frozen. Check the temperature of your refrigerated equipment daily.
- Minimize spilled food and empty out the containers thoroughly.

Because it occurs in such small measures, both managers and cooks can easily overlook waste. To emphasize the importance of minimizing waste, consider this. If meat costs $2.00 a pound and one pound a day is wasted, a loss of $730.00 per year will be incurred.

Theft

Theft, by both employees and guests, is a common problem and comes in several forms. It can be stealing food products, office supplies, cleaning solutions, cash, or furnishings. It is amazing what people will take from the location—and it all costs money. Letting the employees know theft will not be tolerated is an excellent start. Being involved in the operation and keeping track of your assets will keep you informed.

There are other ways to limit theft. Keep all doors locked that are not being used as an entrance and exit by your guests. Do surprise checks on the cash register during the shift. Show up at the location when the staff does not expect you. You may be surprised. Keep the office off-limits when management is not there. Do not allow off-duty employees and friends in non-guest areas. Watch for suspicious activity or people going where they do not belong. Do not keep large amounts of cash at the location or in the cash register. If necessary, surveillance cameras are reasonably priced and may be an option to limit the theft at your location.

Portion Controls

Portion control in preparing menu items ensures consistency in the product and that the cost of the item is consistent with the menu price. If extra portions are used without additional charges, the food cost is going to be higher than what was planned. Employees must be trained in proper portioning and the reasons behind it. Not only are your menu items priced according to certain portions, but adding larger portions to menu items will affect the quality of the menu item and change the necessary cooking time, resulting in an inferior product

Investigating Tips for High Food Cost Categories

Check ending inventory	Check the beginning inventory numbers for accuracy. Beginning and ending inventories should remain consistent over time. A large jump in beginning or ending inventory can indicate a problem.
Check that all purchases are entered correctly	Failing to enter a purchase, or entering a purchase twice, will cause fluctuations in food cost. A transposed number could also be the problem.
Check to see if prices have increased	If prices have gone up the same amount as the food cost variance, this might be the answer to the problem.
Check the inventory count sheets to ensure they are accurate	Is there a miscount or wrong number written down? Are items being counted by the correct count size?
Compare what was ordered with what was delivered	This ensures that suppliers aren't invoicing high-quality products while delivering low-quality products. Were you short-shipped and charged for the full amount?
Determine what item(s) are running high.	Compare the current cost with the restaurant or district average to identify high cost categories. If your problem category is cheese, take a look at the cheeses. There are three factors to consider: waste, theft, portioning. Observe how cheese is being handled from delivery to serving it to the guest. If you look closely, you may identify the problem. Look at specific days or day parts to try and isolate a certain team member or vendor who may be contributing to the problem.
Put together a corrective action plan	Get the entire team involved. Let the managers and team members know what the problem is and what some of the intended corrections are. Ask the team for suggestions for implementing corrective actions. It's up to them to follow through with the plan

LABOR COST & CONTROLS

As a restaurant manager your jobs is to reduce your labor costs wisely. Reducing your labor costs requires:

- **Good hiring practices** – Search for the right person for the job.
- **Good staffing levels** – Schedule enough people to get the job done and satisfy guests.
- **Great employee productivity** – Train your employees on how to work smarter, more efficiently.
- **Great leadership and people skills** – Lead by example, motivate employees, and effectively communicate with your employees.
- **Smart financial decisions** – Analyze and invest in labor saving tactics.

Effective Scheduling and Labor Cost

After food costs, labor cost are your second largest controllable expense. The labor costs in your restaurant include both management and staff hours and are affected to a great degree by how cost-effectively you schedule your people. Your goal is to optimize profits through careful scheduling.

You are responsible for developing an employee schedule every week. Well thought-out schedules are imperative for you meeting your restaurant's objectives. By having schedules done on time, working within your employees' available hours will give you a more committed staff.

The following are some of the aspects that are improved with a good scheduling plan:

- Maintains desired labor cost percentage of net sales, since schedules are based on sales.
- Optimizes working time of each employee by assigning tasks that will last his or her entire shift.
- Makes employees aware of their responsibilities at particular times.
- Helps the restaurant operate more efficiently if there is always someone at the time and place needed.
- Serves as a base to plan according to market trends and special dates (holidays, special events, etc.), since it is developed for the following week and specific events can be foreseen.
- Contributes to a better time management for managers and operative personnel since activities are assigned previously to each member of the work team.
- Contributes in restaurant productivity.
- Maintains the capacity of increasing sales in every restaurant service.
- Helps maintain quality in products and service.
- Minimizes service times.
- Benefits employees by developing abilities of the specific positions.
- Creates teamwork in the restaurant, generating motivation and enthusiasm to carry out tasks.
- Prevents excess in personnel during opening and closing hours.

Calculating Labor Cost

There are a number of different labor calculations, depending on what type of information you are looking to receive will determine which calculation you will use.

Sales per Labor Hour

Total Sales

Hours Worked

This method does not take into account that ticket averages are lower at certain times of the day. Best used for calculating variable labor. Not an accurate basis for scheduling.

Guests Labor Hour

# of Guests Served

Non-Admin labor hours

This method is best for historical comparisons and scheduling.

Labor Costs per Labor Hour

Total Hourly Payroll

Hours Worked

This method is best for historical comparisons.

Labor Cost per Cover

Total Hourly Payroll

# of Guests Served

This method can be used for shift, day, weekly, and monthly calculations. The lower the result, the more efficient operation.

Traditional Labor Cost

Total payroll (salary and hourly)

Total Sales

This method is the least used in the restaurant industry as it can add 8-14% to the labor cost when including administrative salaries.

Ways to Control Labor Cost

The following is a list of ways restaurant managers have found useful in controlling labor costs. A manager should understand how and when to use these techniques to maintain the delicate balance between providing a great guest experience and running a profitable shift.

Ask for Volunteers to Leave Early or Take a Day Off	When it appears that actual sales for the day won't meet the projected sales, a manager must act quickly to adjust the written schedule. One way to do this is to ask employees to volunteer to leave early. Remember that an employee must be paid for a minimum of two hours once he or she has clocked in and started working. Managers may also choose to "call people off" or ask people to not come to work at all. Oftentimes, team members appreciate and enjoy the time off.
Watch Wage Rates	Spiraling labor costs can result when the average wage rate of the restaurant increases without a rise in productivity. When considering merit increases for employees, make every attempt to pay for performance, not for tenure.
Improve Productivity	Analyze the way each employee works and try to identify areas of opportunity that will allow him or her to become more productive.
Verify Clock in and Clock Out Times	Each manager, at the end or his or her shift, must check that all employees are clocked in and out correctly. When someone doesn't clock in or out correctly, overtime is more likely to occur. Furthermore, a manager may notice patterns of employees clocking in too early or too late and can correct the problem.
Schedule Shorter Shifts	There are days when sales unexpectedly jump through the roof and it makes sense to keep one or two people to help out during the extended rush. If shifts are scheduled for six or six and a half hours, asking someone to stay later won't necessarily mean paying unnecessary overtime. Shorter shifts also allow employees to be more productive for the entirety of their shifts. Typically, the more hours they work, the less productive they become.
Mix Higher Paid and Entry Level Team Members	Ideally, each restaurant should have a mix of higher paid employees and those that are paid at entry-level wages. This will provide a more manageable wage rate for the restaurant and will make it easier to manage and control labor costs.
Schedule Best Team Members at Peak Periods	When making assignments on the schedule, assign your best-trained, most efficient employees to work during peak periods. They are typically more productive than newer, less seasoned employees, and will also usually generate more sales dollars.

Minimize Overtime	Scheduling employees to work overtime or continually allowing employees to work overtime is an inefficient method of staffing the restaurant. It is a sign of poor management, and labor costs rise without any comparable improvement in productivity. While this may be good for the employees pocketbook, it doesn't make a lot of business sense to pay a premium wage when, in most cases, it can be avoided.
Use Replacements That Don't Incur Overtime	Always try to find a replacement that won't incur overtime when an employee calls in to say that he or she can't work a scheduled shift.
Remove Terminated Team Members from Payroll	When an employee is terminated, remove him or her from the payroll after all final pay information has been sent to the accounting department. Swift removal of terminated employees will save the restaurant and company money in taxes and insurance premiums.
Phase Wisely	There's an old expression used in the restaurant business that says, "Cut the floor when you're full." Managers sometimes wait until the business dies down to start phasing out employees. Oftentimes, however, by then they've missed the opportunity to realize any labor savings. The simple truth is that when sales are not being generated, labor costs go up exponentially. By phasing out employees when full, managers have a heads up to start on any sidework duties while still servicing guests in the dining room, which maximizes productivity.
Set Time Limits for Sidework	If a manager understands how long sidework duties take to complete, he or she can better manage and set appropriate, realistic time limits for employees. Getting people "off the clock" quickly and efficiently is one of the quickest ways to reduce labor costs and has no negative ramifications on service to the guests.
Do a Table Turn Analysis	A guest experience time (GET) is a term used to describe the length of time it takes a guest to enter, dine, and leave the restaurant. Conducting GETs on a regular basis will help managers identify employees that need improvement in productivity. Remember, the most expensive item in the restaurant is an empty seat. Increasing sales directly improves labor costs.

Managing food and labor costs will determine your profitability as a restaurant manager. Calculating and analyzing your costs and cost cutting measures is imperative in your success in this area.

CHAPTER 6:
FINANCIAL REPORTS

Like all for-profit businesses, our restaurant needs to make a profit to remain in business. Accounting systems are required to summarize and report financial information of our restaurant's performance so the restaurant's profitability and our effectiveness at managing the restaurant can be determined and evaluated.

In this chapter, you will learn about:

- Our most important and widely used financial report:

PROFIT & LOSS STATEMENT (P&L)

The Profit & Loss statement reports a restaurant's sales, expenses and profit (or loss) for a period of time, such as a month, a quarter or year. It shows how much in sales the restaurant took in and what it cost or the amount of expenses it took to earn or generate those sales.

Below is the basic formula for determining profit. Sales less expenses equals profit or net income (if expenses exceed sales, then the P&L will show a loss). The goal for management is to find the most effective ways to maximize sales and minimize expenses to maximize profit or net income. The profit formula used for the P&L is:

Sales – Expenses = Profits

If profit is insufficient, our managers are faced with the task of increasing sales, decreasing expenses or both. The P&L should provide management not only with the bottom-line profit or loss information but also make it possible to determine the best ways to improve profitability by analyzing this statement in more detail.

Key Numbers on a Restaurant P&L

Our Profit & Loss Statement is formatted consistent with accepted restaurant industry standards. This is so that our results can be easily compared to industry averages. The other reason is that this format gives us quick access to the key costs and margins.

The following page contains an example summary P&L format (similar to the one we use) followed by explanations of the key numbers we watch closely.

Fuzzy's Taco Shop - America
Profit & Loss
September 2018 Accrual Basis

	Sep 18	% Income
Ordinary Income/Expense		
Income		
4000 · Sales		
4001 · Food	142,440.07	87.6%
4002 · Non-alcoholic beverages	8,985.46	5.5%
4003 · Beer - draft	7,274.75	4.5%
4004 · Beer - bottled	450.00	0.3%
4005 · Wine	3.00	0.0%
4006 · Liquor	8,870.80	5.5%
4015 · Merchandise	200.17	0.1%
4020 · Employee meals / comps	(5,561.24)	-3.4%
Total 4000 · Sales	162,663.01	100.0%
Total Income	162,663.01	100.0%
Cost of Goods Sold		
5000 · Cost of goods sold		
5001 · Food		
5011 · Meat		
5011.1 · Beef / Pork	7,910.60	5.6%
5011.2 · Chicken	3,338.85	2.3%
5011.3 · Seafood	4,165.43	2.9%
Total 5011 · Meat	15,414.88	10.8%
5012 · Produce	5,660.29	4.0%
5013 · Dairy / Bread		
5013.1 · Dairy	9,353.83	6.6%
5013.2 · Bread	4,267.61	3.0%
Total 5013 · Dairy / Bread	13,621.44	9.6%
5014 · Other food items	5,484.78	3.9%
Total 5001 · Food	40,181.39	28.2%
5002 · Non-alcoholic beverages	3,453.40	38.4%
5003 · Beer - Draft	3,106.30	42.7%
5004 · Beer - Bottled	152.59	33.9%
5006 · Liquor	1,919.60	21.6%
5007 · Bar Supplies	34.69	0.2%
5008 · Paper Supplies	5,126.32	3.2%
5015 · Merchandise	361.53	180.6%
Total 5000 · Cost of goods sold	54,335.82	32.3%
Total COGS	54,335.82	32.3%
Gross Profit	108,327.19	67.7%
Expense		
6100 · Salaries and wages		
6101 · Management salaries	3,750.00	2.3%
6111 · Staff wages	39,231.82	24.1%
6120 · FICA / Medicare	3,773.57	2.3%
6121 · SUTA / FUTA	77.81	0.0%
6122 · Workers comp	170.30	0.1%
6125 · Health Insurance	135.13	0.1%
Total 6100 · Salaries and wages	47,138.63	29.0%
6200 · Other operating expenses		
6205 · Cleaning / janitorial	231.53	0.1%
6210 · Equipment rental	48.70	0.0%
6220 · Linen / laundry	386.25	0.2%
6223 · Parking	450.00	0.3%
6225 · Pest control	121.24	0.1%
6230 · Repairs / maintenance		
6230.1 · Asset Repairs	1,688.10	1.0%
6230.2 · Maintenance Agreements	1,271.45	0.8%
6230.9 · Misc Upkeep	1,466.28	0.9%
Total 6230 · Repairs / maintenance	4,425.83	2.7%
6231 · Supplies - Catering	79.19	0.0%
6232 · Supplies - Chemicals	680.08	0.4%
6233 · Supplies - Restaurant	919.42	0.6%
6235 · Supplies - Kitchen	959.68	0.6%

Fuzzy's Taco Shop - America
Profit & Loss
September 2018 — Accrual Basis

	Sep 18	% Income
6236 · Small wares	561.25	0.3%
6238 · Tableware	638.48	0.4%
6240 · Trash	487.13	0.3%
Total 6200 · Other operating expenses	9,988.78	6.1%
6400 · Occupancy Expense		
6405 · Rent	5,213.55	3.2%
6410 · Electric	1,637.86	1.0%
6412 · Gas	515.08	0.3%
6415 · Water / sewage	250.00	0.2%
6416 · CAM	53.32	0.0%
6420 · Taxes / Insurance	1,020.00	0.6%
Total 6400 · Occupancy Expense	8,689.81	5.3%
6500 · General & Administrative		
6503 · Advertising	150.00	0.1%
6506 · Cable TV / Muzak	207.35	0.1%
6510 · Credit card charges	3,766.93	2.3%
6512 · Insurance	957.70	0.6%
6515 · Legal / professional	494.66	0.3%
6520 · Licenses / permits	395.00	0.2%
6525 · Office supplies	50.27	0.0%
6535 · Security service	48.65	0.0%
6540 · Communication		
6540.1 · Internet	121.08	0.1%
6540.2 · Cell Phone	50.00	0.0%
6540.3 · Land Line	69.47	0.0%
Total 6540 · Communication	240.55	0.1%
6545 · Taxes		
6545.1 · TABC Taxes	1,113.35	0.7%
6545 · Taxes - Other	170.00	0.1%
Total 6545 · Taxes	1,283.35	0.8%
6598 · Development Fund Fee	2,846.61	1.8%
6599 · Royalties	8,133.15	5.0%
Total 6500 · General & Administrative	18,574.22	11.4%
6700 · Depreciation / Amortization		
6701 · Amortization expense	1,812.27	1.1%
6702 · Depreciation expense	1,316.28	0.8%
Total 6700 · Depreciation / Amortization	3,128.55	1.9%
Total Expense	87,519.99	53.8%
Net Ordinary Income	20,807.20	12.8%
Other Income/Expense		
Other Income		
7000 · Other income and expense		
7006 · Store Bonuses		
7006.1 · Performance	0.00	0.0%
7006.2 · Net sales	2,439.95	1.5%
Total 7006 · Store Bonuses	2,439.95	1.5%
7009 · Miscellaneous	46.34	0.0%
7010 · Cash over / short		
7010.1 · Operator	59.49	0.0%
7010.2 · Chargeback	(54.11)	0.0%
7010.3 · OLO	(41.61)	0.0%
Total 7010 · Cash over / short	(36.23)	0.0%
Total 7000 · Other income and expense	2,450.06	1.5%
Total Other Income	2,450.06	1.5%
Net Other Income	2,450.06	1.5%
Net Income	**23,257.26**	**14.3%**

Sales – COGS – Labor

We track our food, beverage costs and payroll costs individually and in more detail. As mentioned before, Prime Cost is the total of our Cost of Sales and Payroll cost including all salaries and wages and all payroll taxes and benefits.

In a quick serve restaurant such as Fuzzy's, Prime Cost should be kept to 60% of sales or less. As Prime Cost exceeds these percentages, the chances of generating an adequate bottom line profit in most restaurants become increasingly difficult.

Other Operating Expenses & Occupancy Expense

There are Controllable and non-controllable costs and expenses. Controllable costs are those that are deemed to be controllable or can be influenced to some degree by our management and staff. Non-controllable expenses include Occupancy Expenses like rent, property taxes and building insurance as well as other expenses like Interest and Depreciation which our managers and staff have no control or influence over.

Net Ordinary (Controllable) Income

Separating controllable from non-controllable expenses makes it possible to calculate one of the more important margins on any restaurant P&L, "Net Ordinary (Controllable) Income". Controllable Income is a key indicator of management's effectiveness in managing the restaurant's sales and controlling its costs and expenses. It is the purest number to evaluate management's effectiveness because it reflects only those costs in which they have any influence or control over.

TRACKING & RECORDING PRIME COSTS

As discussed above, Prime Cost is one of the key indicators we use to gauge our effectiveness at controlling the restaurant's largest and most volatile expenses. To better track the course of our Prime Costs, the following is used:

Invoice Log

Each day our managers post every invoice they receive on a worksheet we refer to as our Invoice Log. There is a column for each of our cost of sales categories, seven food categories plus, NA Beverages, Liquor, Draft Beer, Bottle Beer, Wine, and Merchandise. Additionally, there are categories for any other expenses accrued over the course of the month. Each invoice is distributed to the appropriate category. At the end of each month, the total in the categories are totaled giving us our purchases for the month.

Inventory

To get an accurate food cost, we also take a physical inventory and calculate the value of the products remaining in our storage areas.

Payroll

Our point of sale system is our time and attendance system and also calculates our daily hourly payroll cost. This information can be accessed at anytime.

Available Forms and Checklists

CHAPTER 7:
MANAGING EMPLOYEES

In this chapter you will learn about:

- Employee Administration
- Performance Evaluations
- Employee Relations

EMPLOYEE ADMINISTRATION

In this section, we cover the more technical aspects of employee administration. This section explains employment policies and U.S. federal laws. States also have labor and employment laws. It is important to know and obey the laws governing employment practices in your state.

General Team Rules

We expect that each employee understands and follows these general team guidelines when coming to work each day:

- Remain loyal to the company and its goals.
- Understand the importance and maintain the level of service, quality of products, and the cleanliness in the restaurants.
- Remain honest and take responsibility in the performance of job tasks.
- Respect the supervisor and fellow workers, as well as understand the importance of teamwork.
- Extend warm attention and politeness towards our guests and clients as they are the reason of our existence and ones responsible for us having jobs.
- Always project a great image of our company.

- Fulfill all the assignments that are given to them.
- Transfer all information that they get from the guests in regards to the quality service and quality products that we serve, as well as the cleanliness of our restaurants.

Appearance Standards

The nature of our business requires high standards of cleanliness and sanitation, both in our food products and work areas, and from the individuals who prepare and serve food. Appearance and hygiene have a direct impact on the overall experience we provide. Remember, our guests' experiences are based on the use of their senses. What they see, hear, smell, touch, and taste in our restaurants affect how they remember their experiences, whether they will return, and whether they recommend us to others. To maintain the necessary high standards and to present our guests with an appropriate image, we have established guidelines governing the attire, cleanliness, and appearance of our employees.

Personnel Standards

- ***Shoes, Socks*** - Comfortable closed-toe, rubber-soled, safe shoes are required. Shoes must be clean and polished. Socks are required.
- ***Hair*** - Hair must be neat, clean, and styled in a conventional manner. Staff working with food in any manner must contain their hair appropriately to avoid safety and health issues. Long hair must be restrained, pulled back, or tied up.
- ***Hats*** - For all kitchen employees, must be clean and must be worn at all times.
- ***Bathing, Personal Hygiene*** - All employees must bathe and use deodorant daily. Scents should be worn lightly, or not worn at all, so we do not interfere with guests' senses of taste or smell (or allergies).
- ***Cell Phones*** - Cell phones, are not allowed to be worn or carried on duty since they can cause distraction from your duties. Such items should be stored for use when off duty.

Uniform Standards

Employees wear different uniform T-shirts in each of our restaurants. Remember, appearance creates an important first impression for our guests and our team atmosphere. Employees are responsible for their uniform care. All articles should be clean, and available to wear prior to each shift. **All aspects of the uniform are subject to management approval.**

Compensation and Benefits

It is our desire to pay wages and offer benefits that are competitive with other employers in the marketplace. The following is what we consider competitive pay:

- Pay and benefits are fair and competitive in the local market
- Employees receive consistent and timely merit increases
- Compensation is structured to foster improved performance
- Employees value their pay and benefits

Federal Wage and Hour Laws

Federal wage and hour laws were created to protect the rights of employees. These laws ensure that employees are fairly paid for all hours worked and all hours for which employees are required to be present in the restaurant, such as standby time and training time. Check your state wage and hour laws. Some state laws are more restrictive than the federal statutes. If the federal and state laws conflict with each other, whichever law is more restrictive is the law that applies.

Standby Time

Employers are prohibited from working employees off the clock (without pay) or from requiring standby time. Standby time is any time when an employee is required to be in the restaurant without being paid.

Meal and Rest Periods

The following information is the recommended meal and rest period policies for restaurants. It is important for you to know your local regulations and to follow which ever policies are stricter.

Rest Period

Each employee is allowed two paid 10-minute rest periods, one for every four hours worked. For every two hours of overtime worked, an additional 10-minute rest period is allowed.

Meal Period

Employees who work a period of more than five hours are entitled to a 30-minute meal break. Employees must be relieved of all duties during the meal break. Compensation for the 30-minute meal break must be paid if the employee has voluntarily agreed to waive his or her meal break by (1) working through his or her meal break, or (2) agreeing to remain on premises during the meal break.

www.dol.gov/esa/programs/whd/state/meal.htm - State requirements for meal and rest periods.

Equal Pay Act

The Equal Pay Act requires that men and women be paid equally for doing essentially the same work with a similar or equal amount of effort, responsibility, and skill. Male and female employees cannot be paid different wages because of their gender. Any difference in wages must be justified by differences in experience, performance, or other job-related criteria.

Federal Child Labor Laws (USA)

When hiring employees under the age of 18 in the United States, you need to be aware of federal and state laws.

When employing people under the age of 18, you should establish an ongoing monitoring system to ensure that there are no violations of the child labor laws. Penalties can be severe for violating the rules.

Various states impose restrictions beyond federal law as to the hours and duties that can be worked by 14- to 17-year-olds. Many states require a work permit from each employee under the age of 18. To protect yourself, require proof of age for employees under the age of 18.

You must follow both state and federal laws on child labor. Where federal and state rules differ, you must comply with whichever rule is stricter.

Americans with Disabilities Act

The Americans with Disabilities Act (ADA) is a federal law implemented in 1992 that prohibits discrimination against the disabled in employment practices, public accommodations, and commercial facilities.

In addition to prohibiting discrimination, the ADA, in some cases, requires actions to make jobs, stores, and offices accessible to the disabled. Restaurants and other public accommodations must modify policies and procedures that discriminate against the disabled, and provide auxiliary devices and services for the disabled unless these devices or services would fundamentally alter the business or create a significant threat to the health or safety of others.

Under certain circumstances, the law also requires that policies and guidelines be modified to provide disabled guests access to areas available to non-disabled guests, such as play areas.

Service Animals

Under the ADA, all public restaurants must permit disabled individuals to bring a service animal onto the premises.

A service animal is any animal individually trained to do work or perform tasks for the benefit of an individual with a disability. No particular type of certification or documentation is required for an animal to be considered a service animal under the ADA.

Schedules

Schedules are prepared to meet the work demands of the restaurant. As the work demands change, management reserves the right to adjust working hours and shifts. Schedules are posted weekly. Each employee is responsible for working his or her shift.

Employees should arrive 10 to 15 minutes before the shift begins so that they have time to get settled and ready for the shift. Employees are to clock in when the shift begins and be ready to start work immediately.

Schedule changes may be allowed only if the employee finds a replacement and receives management approval. To be valid, the manager must indicate and initial the change on the posted schedule. The restaurant usually requires high levels of staff on or around holidays, sporting events, and other special events. Understanding that employees have a life outside of the restaurant, we always try to find a way to work with our employees to meet schedule requests. We do, however, ask employees to remember just how crucial each position is to the proper functioning of the restaurant. Ensure that your employees understand that even though we will try to comply with requests, there is no assurance that you will be able to grant the requested time off in all circumstances.

Absenteeism and Tardiness

Employees must be prepared to start work promptly at the beginning of the shift. The scheduled time is the time employees are expected to be on the job, not arrive at the restaurant. Repeated tardiness is grounds for termination. Realizing that emergency situations can arise and people do become ill, ask that employees provide you with the most amount of time possible to allow you to attempt to cover the shift. Calling in minutes before a scheduled shift puts both the guests and other employees at a disadvantage. Under no circumstances should an employee call and leave a message on the answering machine. Employees must speak to the manager in charge directly.

All employees are expected to work on a regular, consistent basis and complete their regularly scheduled hours per week. Excessive absenteeism should result in disciplinary action, up to and including termination. Disciplinary action taken because of absenteeism should be considered on an individual basis, following a review of the employee's absentee and overall work record.

Any employee who does not call or report to work for two consecutive shifts should be considered to have voluntarily resigned.

Overtime

In accordance with the Federal Minimum Wage Law, employees are paid overtime when they work more than 40 hours in one week. Hourly employees are paid at one and one-half times their basic straight time rate for all overtime hours worked.

Payment Procedures

Time Clock Procedures

Employees should arrive at the restaurant 10 to 15 minutes before they are scheduled to start work. The manager on duty should be notified when employees have arrived for their shifts. Employees may clock in within five minutes of the start of their shifts. All hourly employees are given an employee ID number to clock in and out on the timekeeping system.

Tampering, altering, or falsifying time records or recording time on another employee's ID number is not allowed and should result in disciplinary action, up to and including termination.

Pay Checks

The general manager will inform all employees of when paychecks are available to be picked up.

Payroll Deductions

Paychecks will indicate the gross earnings as well as deductions for federal and state withholding taxes and Social Security and Medicare taxes. Federal and state withholding taxes are authorized by the employee based on the information furnished on the W-4 form.

Lost Paychecks

Lost paychecks are to be reported to the general manager. Stop payments should be placed on the lost check and a new check reissued. The reissued check should incur a deduction equal to the bank stop payment charge.

File Retention

Thorough record retention is a good business practice. Keeping records for the appropriate length of time can be welcome protection in the event of unfortunate situations such as a theft or a lawsuit.

The following tables give the current federal record retention recommendations.

Record Retention Guidelines for Personnel Records

Document	Retention Time
Current employee application	Term of employment or 2 years from the date of the application
Pending application	2 years from the date of the application
Time cards and payroll records, including shift schedules	3 years
I-9s	3 years after the date of hiring or 1 year after the date employment is terminated, whichever is later
Employee medical records (medical records must be stored separately from the employee's personnel file)	Term of employment for current employee; 3 years for terminated employee
FMLA records	3 years
Personnel records	Term of employment or 1 year from the date of the application or from the date personnel action is taken, whichever is later

In addition, employee medical records (disability forms, doctor's notes, etc.) may not be kept in the employee's personnel file, but must be filed separately and kept in locked files to ensure compliance with the ADA.

Guidelines for Occupational Safety and Health Act Records

Document	Retention time
Occupational injury loss	5 years
Supplemental records (copy of worker's compensation claim)	5 years
Year-end summary of occupational injuries	5 years

If any charges are filed or lawsuits are pending related to an employee, that employee's records and all records that may be relevant to the charge/claim/lawsuit must be kept for the duration of the charges or lawsuit, including all time limits for the appeals process. By way of example, other records that may be relevant to a charge/claim/lawsuit may include documents such as employee schedules, payroll records, personnel files of comparable employees, etc. For more information, contact your labor attorney.

Employer Posting Requirements

Both the federal and state governments require all employers to post labor posters in a conspicuous location. These posters explain the rights and benefits employees have under certain legislative acts.

These federal labor law posters discuss your rights:

- The Fair Labor Standard Act
- The Family and Medical Leave Act
- The Job Safety & Health Protection
- The Equal Employment Opportunity is the Law
- The Employee Polygraph Protection Act
- Additional posters may be required for individual states.

Harassment Policy

We have a zero tolerance policy towards any form of harassment in the workplace. All complaints of harassment will be promptly and confidently investigated by the company and appropriate action, including possible termination, will be taken against those who violate this policy. Additionally, persons who engage in sexual harassment may be held civilly and/or criminally liable for their actions.

It is our policy to treat all personnel with dignity and respect and make personnel decisions without regard to race, sex, age, color, national origin, religion, or disability. We strive to provide everyone a workplace that is free of harassment of any kind. Employees are encouraged to promptly report incidences of harassment.

Sexual Harassment

All of our employees have a right to be free from sexual harassment. We do not condone actions, words, jokes, or comments that a reasonable person would regard as sexually harassing or coercive.

Definition of Sexual Harassment

"Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when submission to or rejection of this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment." (Title VII of the Civil Rights Act of 1964)

Types of Sexual Harassment

Sexual harassment may take many forms, for example:

Verbal sexual harassment

- Whispering in an obvious way about the way a person looks, walks, talks, or sits
- Displaying written or graphic sexual material
- Soliciting dates or sex
- Repeatedly talking about sex or describing sexual acts
- Constant, aggressive and unwanted attention, directly or indirectly, of a sexual nature
- Threatening consequences if (sexual) attention is not reciprocated
- Making sexual references to a person's clothing or body
- Telling offensive sexual jokes
- Making suggestive noises
- Making sexually oriented comments about weight, body shape, or size.

Physical sexual harassment

- Invasion of personal space
- Cornering another person
- Attempts to kiss or fondle
- Physical attack
- Attempted rape or rape
- Inappropriate touching, patting, hugging, or brushing against a person's body
- Gestures and other behaviors

Employees need to be concerned not only with the intent of their actions of this kind but also the effects; while sexual harassment involves repeated, unwanted sexual attention, persons involved in isolated or inadvertent incidents demonstrate insensitivity toward others. Repeated occurrences will be considered intentional violations of the policy.

Complaint Procedures

Anyone who feels it necessary to discuss what may appear to be sexual harassment should report the harassment promptly to at least two people who are in a supervisory or management capacity. The report will be kept as confidential as possible. A prompt and thorough investigation will be made. If a claim is substantiated, the company will take immediate and appropriate action, including discipline and possible termination.

Adherence to Harassment Policy

All employees are required to adhere to the policy prohibiting discrimination and harassment while on restaurant premises—engaging in work-related activities, company-sponsored training, or other functions.

Employee Responsibility

It is the responsibility of every employee to prevent discrimination and harassment. Also, every employee has the right to tell a person, in a professional manner, to stop behavior toward him or her that the employee believes to be discriminatory, harassing, and/or offensive. Any employee who feels subjected to discrimination or harassment should immediately report it to his or her human resources representative, or area manager, or franchise owner or human resource representative.

Management's Responsibility

Management employees who witness or receive reports of discriminatory or harassing behavior are required to take appropriate action, including immediately reporting such behavior to local human resources, the area manager, or franchise owner or human resource representative. Management employees who fail to promptly report such behavior may be subject to discipline.

Fraternization Policy

We desire to avoid misunderstandings, complaints of favoritism, and possible claims of sexual and other harassment, low employee morale, and conflict problems that sometimes arise from certain relationships between employees. For this reason, we discourage relationships between employees and disapprove and look unfavorably upon any employee with authority in the workplace that engages in a personal relationship with another employee.

We reserve the right to take appropriate disciplinary action. This may include termination of employment whenever, in the company's discretion, such employee relationships adversely impact the workplace by creating potential conflict of interest, causing disruption, creating a negative or unprofessional work environment, or raising other significant concerns about supervision, safety, security, or morale.

Substance Abuse Policy

The following is our policy regarding substance abuse. We are concerned with the use, possession, distribution, purchase, or sale of any alcohol, illegal drugs, and controlled substances, and the abuse of prescribed and over-the-counter medications in the work environment. Use of these substances can adversely affect your performance, efficiency, safety, and health as well as the safety and health of others.

We will strictly enforce the following provisions:

- No employee shall possess or consume alcohol while working.
- No employee shall come to work or perform his or her job duties while under the influence of alcohol.
- No employee shall possess, use, sell, purchase, or distribute any controlled substances while working.
- No employee shall possess or work under the influence of a controlled substance except in the accordance with a physician's direction and only then when such use will not impair the employee's ability to safely perform his or her job. The company may require the employee to provide written evidence of the doctor's instructions.
    - If an employee is using prescription or over-the-counter medication that may impair his or her job or affect the safety or well-being of themselves or others, that employee must notify the supervisor before starting or resuming work. If we determine that the use of prescriptions or an over-the-counter drug may cause impairment, the employee may be temporarily reassigned to job duties where the impairment will not adversely affect job performance. If reassignment is not possible, the employee may be temporarily suspended or given a leave of absence until such time as the impairment ends.

Violation of any of the above can result in disciplinary action, up to and including termination.

PERFORMANCE EVALUATIONS

The objective of the performance evaluation process is to evaluate the employee's performance on the job. This process also helps the employee make an honest analysis of their own performance and realize their own strengths and weaknesses.

The system to evaluate personnel is based on the information of specific position tasks, qualities, and abilities of the employee and his performance in the position.

The performance evaluation is a valuable tool to determine the employee's current performance in a position and potential development in the future.

l of an evaluation is to provide a regular forum where the manager can provide positive reinforcement as well as constructive criticism to help the employee develop and refine his or her skills. The idea is to utilize each employee's strengths, determine areas in need of growth, and establish methods for achieving this growth.

Benefits of the Performance Evaluation

For the manager

- To determine the strength of their employees, developmental opportunities, and areas in need of improvement.

For the employee

- Learn the behavior and performance expectations that the company and manager's value in each of the employees.
- Learn the steps it will take to improve an employee's performance (Training Program, Seminars, etc.) and the ones a subordinate will have to take with own initiative (self-improvement, more effort, more attention towards work, etc.)
- To be able to conduct a self-evaluation for the manager's review.
- Obtain recognition from management for their effort and dedication.
- Possibility of promotion inside the organization.

Evaluator Guidelines

The evaluator has to be extremely careful when carrying out the evaluation since value judgments are made. The performance evaluation has to be filled out by every supervisor so the results obtained in the evaluation comes from impartial and fair judgment on the employee's performance. This form has to be signed by the employee, the evaluator and the evaluator's supervisor.

Giving Feedback to Employee

It is very important to go over the evaluation with the employee. The evaluation will not be useful if the employee is not provided the information about his performance.

Follow these guidelines:

- Provide feedback in a form of help, not disciplinary action
- The feedback that is given must be specific and not vague
- Avoid making suggestions that imply changing personal traits or characteristics. However, describe behavior that was negative for employee in certain situations.
- Clarify the two parts (employee and evaluator), and the needed steps or plans to increase productivity.

Performance Evaluation Process

1. **Establish Rapport –** Explain the object of the meeting clearly. Put the team member at ease before moving on with the evaluation.
2. **Review the Form and Process –** Discuss the organization of the form and its categories. Explain the rating key and how it is used. Explain how you plan to discuss each topic.
3. **Review Past Performance –** Give an overview of the team member's past performance. Discuss the last evaluation and any goals that were set and the progress made to date.
4. **Be Specific –** Try to avoid generalizations. You should be able to support what you are saying and how you are rating the team member with specific examples of performance.
5. **Listen –** Concentrate on what your team member is saying to you, and be open for discussion.
6. **Evaluate Yourself –** After the evaluation, look at what went well and what could be improved for next time. Conducting a quality evaluation is a skill that is learned. Practice will help you develop in this critical area.

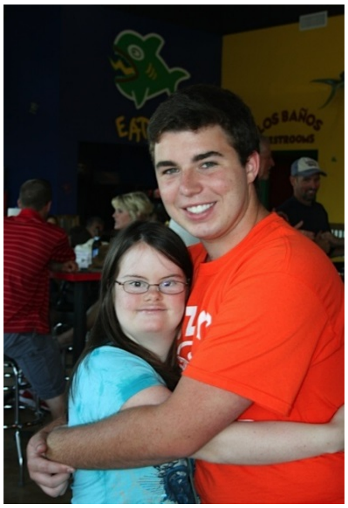
Available Forms and Checklists

- Employee Evaluation Form
- Personnel Change Form
- Employee Status Change Form

EMPLOYEE RELATIONS

Handling Employee Issues

Sometimes, despite our best intentions, personnel problems come up. The key to handling them successfully is effective communication.



We encourage an "open door" policy to keep the lines of communication open. This way, little problems won't become big ones.

If you feel unable to respond to an issue, refer it to a higher level of authority. You may even want to consult your franchisee, which is there to help, especially if there may be legal ramifications.

Encourage employee feedback. Sometimes, your employees may be reluctant to "rock the boat" by bringing up issues. One way to combat this is to occasionally distribute questionnaires to employees. Be sure to design questions that elicit helpful information.

Since communication and teamwork are so important, regular employee activities can be extremely useful. They provide avenues for open communication, build morale, and improve team spirit.

Counseling Employees

When counseling employees regarding an issue at work, it is important for it to be done in private with enough time go through the entire issue. The objective of a counseling meeting is to come up with a plan of resolution for the issue. To help achieve this goal, follow these guidelines:

1. ***State purpose*** – Explain why you are meeting. Get to the point quickly and state your purpose.
2. ***Explain issue*** – This is very important. Explain the issue that was observed and problems with the behavior. Try not to be too critical.
3. ***Listen*** – Honestly listen and take the time to hear out the employee. The employee may become defensive, but try to remain calm. Try to put yourself in the employee's shoes and listen empathetically.
4. ***Agree on issue*** – You cannot begin coming up with a solution until both you and the employee agree on the issue. Have the employee explain back to you the issue, to ensure that he or she understands what you are saying.
5. ***Come up with a solution*** – You and the employee should come up with a solution together. This way, the employee has buy-in to what has to happen. This will make the employee more apt to follow through with the solution.
6. ***Summary*** – At the end of the counseling session, ask the employee to sum up what was discussed and what the next course of action will be. It's important that both you and the employee leave with the same expectations.

Document Counseling Sessions and Performance Reviews

After an employee counseling session, document the session and monitor the employee's performance. Both you and the employee should sign the documentation; send a copy of the document to your franchise.

Employee Meetings

A more formal approach to communicating information is a regular meeting of employees, particularly involving key personnel. In order to avoid distractions, you should hold such meetings after hours, if possible. (If hourly employees attend, you must pay them at their regular wage.) For this kind of an event to succeed, you must plan carefully. Here are some suggestions:

- Set the time, day, and location so it's easy for everyone to attend.
- Announce the time, date, location, and purpose of the meeting well in advance.
- Make arrangements for charts, films, videotapes, etc. to add interest.
- Set out a clear agenda and keep to the point. Include items of interest to employees.
- Summarize plans for future action and follow through.

Management Meetings

Management team meetings are important for effective management communication. By holding regular management meetings, you will be able to identify restaurant issues and come up with solutions that all managers can agree upon. Management meetings are essential for developing the lines of communication between managers that may not regularly see each other.

Bulletin Boards

Bulletin boards can be a great resource for effective employee communication. Bulletin boards are convenient, inexpensive, and visual. When used correctly, bulletin boards can deliver the messages you want to send to all of your employees. Use discretion in your policy on what materials can be approved for posting.

Handling Disciplinary Action & Termination

The most difficult aspect of employee relations is dealing with disciplinary action and the termination of an employee.

Because there can be legal aspects to firing an employee, possible unemployment compensation claims, and an impact on employee morale, terminations must be handled with extreme care. It is essential to act professionally and in accordance with procedures.

Our policy is “employment-at-will.” This is a legal concept that means that neither party needs a reason to terminate the employment agreement. It gives managers wide discretion in exercising judgment about whom to terminate and when.

Never fire someone on the spot, particularly in front of another employee. Consider a two- or three-day cooling down period without pay to allow the dust to settle, and to gather additional information.

Disciplinary actions and terminations should be well documented, based on fact, consistent with previous actions, and fair. This helps avoid retaliation claims and lawsuits.

Below you will find the guidelines for disciplinary action:

Verbal counseling

As the first step in correcting unacceptable performance or behavior, the manager should review pertinent job requirements with the employee to ensure his or her understanding of them. The manager should consider the severity of the problem, the employee’s previous performance appraisals, and all of the circumstances surrounding the particular case. Stating that a written warning, probation, or possible termination could result if the problem is not resolved should indicate the seriousness of the performance or misconduct. The employee should be asked to review what has been discussed to ensure his or her understanding of the seriousness of the problem and the corrective action necessary. The manager should document the verbal counseling for future reference immediately following the review.

Written Counseling

If the unacceptable performance or behavior continues, the next step should be a written warning. Certain circumstances, such as violation of a widely known policy or safety requirement, may justify a written warning without first using verbal counseling. The written warning defines the problem and how it may be corrected. The seriousness of the problem is again emphasized, and the written warning shall indicate that probation or termination or both may result if improvement is not observed. Written counseling becomes part of the employee’s personnel file, although the manager may direct that the written warning be removed after a period of time, under appropriate circumstances.

Probation

If the problem has not been resolved through written counseling or the circumstances warrant it, or both, placing the individual on probation should be taken into consideration. Probation is a serious action in which the employee is advised that termination will occur if improvement in performance or conduct is not achieved within the probationary period. The franchise owner or human resource representative and the employee's manager, after review of the employee's corrective counseling documentation, will determine the length of probation. Typically, the probation period should be at least two weeks and no longer than 60 days, depending on the circumstances. A written probationary notice to the employee is prepared by the manager.

The letter should include a statement of the following:

- The specific unsatisfactory situation;
- A review of oral and written warnings;
- The length of probation;
- The specific behavior modification or acceptable level of performance;
- Suggestions for improvement;
- A scheduled counseling session or sessions during the probationary period; and
- A statement that further action, including termination, may result if defined improvement or behavior modification does not result during probation. "Further action" may include, but is not limited to reassignment, reduction in pay, grade, or demotion.

The manager should personally meet with the employee to discuss the probationary letter and answer any questions. The employee should acknowledge receipt by signing the letter. If the employee should refuse to sign, the manager may sign attesting that it was delivered to the employee and identifying the date of delivery. The probationary letter becomes part of the employee's personnel file.

On the defined probation counseling date or dates, the employee and manager will meet to review the employee's progress in correcting the problem which led to the probation. Brief written summaries of these meetings should be prepared with copies provided to the employee and the franchise owner or human resource representative.

At the completion of the probationary period, the franchise owner or human resource representative and the manager will meet to determine whether the employee has achieved the required level of performance and to consider removing the employee from probation, extending the period of probation, or taking further action. The employee is to be advised in writing of the decision. Should probation be completed successfully, the employee should be commended, though cautioned that any future recurrence may result in further disciplinary action.

Suspension

A two or three day suspension without pay may be justified when circumstances reasonably require an investigation of a serious incident in which the employee was allegedly involved. A suspension may also be warranted when employee safety, welfare, or morale may be adversely affected if a suspension is not imposed.

In implementing a suspension, a written counseling report should set forth the circumstances justifying the suspension. Such a report shall become part of the employee's personnel file.

Termination

Terminations are generally the result of one of two reasons:

- Performance
- Policy or rule violation

When terminating an employee based on performance or policy violation, keep in mind these considerations:

- Make sure the employee knew the expectations of the job and was provided with appropriate training.
- Make sure the employee was aware of, or should have been aware of, the policy or rule that he or she violated.
- Review the facts before terminating the employee.
- Provide counseling regarding performance issues. Make sure you provided the employee with feedback regarding his or her performance.
- Listen to the employee's side of the story during counseling sessions.
- Make sure that you treated the employee the same way you treated others with similar performance issues.

Cooling-Off Period

No matter how severe the situation is, never fire an employee on the spot. Allow for a cooling-off period to pass before giving notice of termination. At the time of the situation:

- Suspend the employee immediately.
- Tell the employee that he or she will be contacted within a specific timeframe.
- Use the cooling-off period to gather documentation. No one should be terminated without an investigation. This ensures that employees are treated fairly and consistently.

Involuntary Termination

Involuntary termination notices are prepared by the manager with concurrence of, and review by, the personnel department. The employee is notified of the termination by the manager and will be directed to report to the appropriate person for debriefing and completion of termination documentation.

Exit Interviews

When an employee quits, it is important to conduct an exit interview. It's an opportunity to learn and to make adjustments that will help us attract and keep good people in the future.

An exit interview, properly conducted, can give information about the climate within the restaurant, employee morale, and the attitude of employees toward their supervisors, management, and fellow employees. It is important to build rapport by asking non-threatening questions.

Available Forms and Checklists

- Employee Write-Up
- Employee Status Change Form
- Employee Evaluation Form
- Personnel Change Form

CHAPTER 8:
MANAGING EMPLOYEE SELECTION

In this chapter you will learn about:

- Hiring Needs
- Recruiting
- Interview Process

HIRING NEEDS

The success to your restaurant operation is due in large to your employees. It is imperative that you spend the proper amount of time recruiting, interviewing, selecting, and training your employees.

Before you can begin recruiting it is important to know what positions you are hiring for and how many positions you need to fill.

The best place to start is to review the job descriptions. Read through each job description and make notes on what the main responsibilities are for each position and what characteristics you will look for in your new employees. This will help in putting together advertisements and flyers for recruiting.

Remember, you usually need to interview three people to find one good new hire. So, you will want to take that in consideration when recruiting and setting up interviews.

RECRUITING

Now that you know what you are looking for, the next step is to recruit.

Here are some suggested recruiting sources:

- Newspaper ads
- Placement services
- Vocational counselors at area schools
- State employment services
- High schools/colleges
- Our other restaurants

Keys to Effective Recruiting

- ✓ Know what you are looking for – Review job descriptions.
- ✓ Ensure ads/flyers correctly describe the position and location of your business.
- ✓ Practice selling your restaurant to applicants. – Why should they work for you?
- ✓ Make sure employees at your other restaurants, business associates, friends, etc. know that you are hiring.
- ✓ Have job descriptions available at the restaurant or interviewing location for applicants to examine.
- ✓ Make sure "Help Wanted" signs are clean and visible.
- ✓ Have managers or other personnel at the restaurant location ready to hand out applications upon request.
- ✓ Set specific hours for interviewing. You can do this by indicating this on an ad. "Open interviews for [restaurant name] from 1pm–3pm at…."

THE INTERVIEW PROCESS

The next step is to bring in your applicants for interviews, but before you do follow these preparation guidelines:

- Pre-screen applications by reading through them carefully and select the most promising candidates.
- For candidates you plan to interview, check both work, and school references. In either case you should try to determine the applicant's performance, attitude, and work habits. Identify the benefits of selecting the right person for the job.
- Identify the best matches and schedule the interviews.

Now that you identified the best candidates, follow these steps to a successful interview process:

Schedule Interviews:	Set up an interview schedule. Select days and times when you can conduct the interviews without a lot of interruptions.
Interview Preparation:	Prior to the interview gather information on organization to show the candidate. Review the job description and any other skill requirements necessary for the position. List skills to evaluate in the interview. Review the application or resume. Write a list of questions (or use an interview guide outlining questions) addressing the candidate's resume/application.
Conduct Interviews:	The interview is probably the most challenging aspect of the hiring process. In general, you should attempt to make the candidate feel comfortable and free to talk openly.
Make the Offer:	Identify the best applicants for the position and make the job offer(s).

11 Key Points to Interviewing

- Conduct in comfortable setting.
- Keep interview to less than one hour.
- Put candidate at ease.
- Sell the job.
- Use your outline of questions.
- Get specific.
- Allow for silence.
- Maintain control. Set the tone for the interview.
- Be aware of your body language and your candidate's.
- Dispel your first impression and remember the interviewing pitfalls.
- Make notes during the interview.

What are RED FLAGS?

Red flags are items on the application or situations that are uncovered during the interview that could pose as potential hiring issues. You will want to find more information for each red flag that comes up before hiring the candidate.

Possible Red Flags:

- Time gaps in work history
- Unanswered questions
- Personality conflicts with boss
- Rapid job changes
- Poor excuses for leaving past job

Questions you may NOT ask during an interview:

Sex and Marital Status	Race	National Origin	Religion	Age
How do you get along with other women?	Do you get along with people of other races?	Are you offended by Polish jokes?	Are you a member of any church?	How old are you?
Do you have any children?	What kind of neighborhood do you live in?	Are your relatives from the old country?	What is your religious preference?	When do you plan to retire?
Is your spouse employed?	Do you own or rent?	Were you born in this country?	Are there any religious holidays you can't work?	Would it bother you to have a boss younger than you?
Are you pregnant?	What kind of accent is that?	What nationality is your name?	Do you believe in god?	How do you get along with younger people?
Do you have childcare issues?	Have you ever been arrested?	Do you speak a foreign language?	How do you feel about people of different religions?	Can you keep up with the younger people?
Are you married?	How do you feel about people of other races?	Which clubs, societies, or lodges do you belong to?		
	Do you have your own vehicle?	What political organizations are you a member of?		

Just remember to keep the interview professional and not personal. Stay away from any personal questions during the interview process.

Also at no time may you write comments on a persons application form. Keep notepaper or post-its available for quick notes regarding applicants.

Making Your Selection

Once you have made your decision to hire or not hire a candidate, the next step is to contact the candidate as soon as possible. Contact those you wish to hire first so in the event your offer is rejected, you may choose another candidate.

Making an Offer

When contacting a candidate to make a job offer, be prepared to discuss the following information:

- Position hired for.
- Pay rate and benefits (where applicable)
- Anticipated schedule (number of days, which days, etc.)
- Start date and time for orientation and training

Clarify that the candidate accepts the position before continuing further. Some candidates may need to give notice to current employers. Be sensitive to this fact, and make every attempt to modify candidates' start dates to meet their needs.

Once the offer is accepted, explain what the new employee must bring to orientation and what to wear. Ask if he or she has any questions and make sure the new employee knows how to reach you if he or she thinks of questions after the conversation. Make sure to give the new employee a warm welcome.

Forms and Checklists

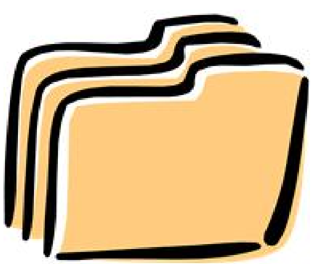
- Application for Employment
- Interview Guide
- Reference Check

CHAPTER 9:
MANAGING TRAINING AND DEVELOPMENT

In this chapter you will learn about:

- New Employee Orientation
- Employee Development and Training

NEW EMPLOYEE ORIENTATION



Once you have selected your new employees through the interview process it is time to orient them.

Before you begin your orientation you will need to gather new employee packages for each person. Assemble the following for each employee:

New Employee Package:

- Employee Handbook
- I-9 and W-4 Forms
- Employee Information Sheet
- Approved Uniform T-Shirt and Hat (if applicable)
- Confidentiality Agreement
- Training Manual (Position Specfic)

Orienting a new employee is critically important. The orientation is your new employees' first real exposure to the job. It sets the tone and establishes the new persons' expectations.

Orientation Objectives:

- Introduce them to rest of the team.
- Develop familiarity with equipment.
- Show where supplies, products are stored.
- Explain the routine the employee will follow at first.
- Supply all needed materials, including reference manuals, booklets, rules, guidelines, and uniform.
- Review important rules and policies.
- Go over the training schedule and objectives.
- Explain all necessary forms that must be completed and signed.
- Tour of the restaurant.
- Introduction to co-workers.

EMPLOYEE DEVELOPMENT & TRAINING

In this section you will learn how to train and develop your employees. It is important to remember that even after an employee has successfully completed his or her initial training, ongoing training is critical in the development of the employee.

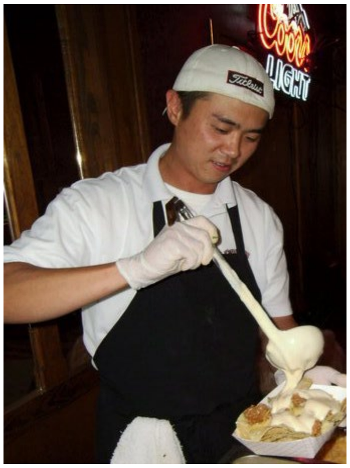
Once you have hired and oriented a new employee, it is time to train and develop that person to become an efficient and effective employee. This involves four key activities:

- Identify needs and train your employee in the required skills.
- Follow up to see how the employee is doing, reinforcing good performance, and correcting mistakes.
- Coach your employees to help them gain proficiency and stay motivated to improve.
- Evaluate performances and provide formal assessments so your employees always know how they're doing—what their strengths are and where they need to improve.

Then, start the process over again, with additional training. Developing your employees is a long-term process—a cycle of activities that never really stops. That's the key to keeping your employees satisfied, motivated, and loyal to the restaurant.

To be effective, you must perform as a teacher, coach, and evaluator in a positive, constructive manner.

The Training Process



At Fuzzy's Taco Shop, everyone must be an effective trainer. Experienced servers help train servers, cooks help train other cooks, and so on.

However, the general manager is the one person who is ultimately accountable for the training in the restaurant. The general manager works directly with employees to track and schedule training needs, and assigns other employees as needed to train individuals in specific skills or tasks.

We use a simple training method, the 4-Step Training Method, which has proven effective in our business. Here's how it works:

4 - Step Training Method.

TELL - The trainer explains the new procedure or skill in great detail, focusing on Why the task is performed in the particular way.

SHOW - The trainer demonstrates the procedure or skill with in depth step -by-step instruction, reinforcing Why the task is performed the particular way.

TEST - The Trainer will observe the procedure being practiced, coaching when necessary.

FOLLOW-UP - The trainer provides useful feedback on observations, validating or redirecting through previous training steps, reminding Why the task is performed in the particular way.

Training Philosophy

Our approach to training is based on a number of key principles and assumptions. Keep these in mind during any training activity.

All employees involved in training must understand and practice these principles.

Basic Principles

- Everyone must be trained to care for our guests and take pride in working.
- Training should take the learner from simple to more complex skills.
- Good guest relations and human relations skills are basic to every job position.
- All personnel must have a clear understanding of our promise, mission and history.
- Training must be flexible enough to accommodate real-world situations in restaurants.
- Each trainee must be verified on skills specific to his or her job description before training is complete.
- Once an employee is thoroughly trained in one job position, he or she will receive cross-training in another.
- All managers must have completed all levels of station training prior to becoming a manager.

The Learning Process

How do you learn best? There are three distinct ways that people learn. By watching, listening, or doing? When training your employees it is important to find out how they learn best and when training more than one employee at a time, to use a variety of methods to ensure proper knowledge transfer.

The Learning Process: Obstacles

Whenever you are training someone there are always potential obstacles that can get in the way of learning. Here are some obstacles to look out for:

- Not enough time
- Too many interruptions
- Not able to relate
- Lack of motivation
- Disinterested trainees
- Poor trainer

The Learning Process: Retention

How do you know when a person has learned something? When they can demonstrate the skill under normal circumstances (on the job.)

Things you can do to assist with learning retention:

- Show interest in trainees
- Walk the talk
- Reward what you want repeated
- Provide plenty of practice time
- Set expectations high
- Use relevant examples

Coaching and Feedback

How do you provide the kind of feedback that is productive and motivating? By being a good coach.

Think about things a good coach usually does:

- Stays where the action is and is totally involved with every aspect of the game.
- Closely watches how each employee performs.
- Gives clear, easy-to-understand directions.
- Provides immediate, unambiguous feedback on performance, both positive and negative.
- Cares about employees and fights for every advantage that will help the team.
- Praises and rewards effectively.
- Has the respect of every employee.

Providing Feedback

One of the best ways to keep your people performing well is to let them know how they're doing. And you can do this by providing feedback.

Why is providing effective feedback important?

Feedback reinforces what has been done well and provides encouragement. Feedback identifies areas for improvement and ideas for doing things better.

Two Types of Feedback

- **Positive Feedback** – This is specific information about *WHAT* someone did well. If you are trying a new skill or sharpening skills you have already developed, it's important to know specifically what was effective and *WHY* it was effective.
- **Feedback for Improvement** – This is specific information on *WHAT* could have been done better and an *ALTERNATIVE* method of doing it. Feedback for improvement must include *WHY* the alternative is more effective.

Positive Feedback Guidelines

Be specific—don't just say "Job well done, Mary!" Be specific about what she did well. "Great job putting the order away. The way you rotated the stock will ensure we are using the oldest product first. Thanks."

Being specific will allow Mary to know what she did well so that she will be able to do it again.

Praise behaviors you sincerely believe were exemplary Praising behaviors that are not up to par will only continue the cycle of poor performance.

Feedback for Improvement Guidelines

Be specific—again, don't be vague with your feedback.

Too vague: "Sam, the dishes look awful. Wash them again!"

Make sure to tell him what he could have done differently, and why this action is more effective.

Try: "Sam, I know you worked hard on those dishes. Unfortunately, they just don't look clean enough and we want to make a good impression on our guests. Try using the three-bay method. Here, let me show you."

Okay, you finish hands-on training. You follow up and correct mistakes and you praise your trainees' performances when they do the job well. Are you finished with training? Not yet. After initial training and follow up, people need additional reinforcement and feedback. That's what keeps them motivated and improving.

How to Motivate

One of the most important parts of coaching is motivating employees. Here are some things you can do to motivate your team:

- Delegate authority whenever appropriate.
- Give praise/awards/prizes for good performance.
- Promote qualified employees to jobs with greater responsibility.
- Offer praise in front of peers and put positive letters/assessments on file.
- Ask for ideas and suggestions.
- Show confidence by giving qualified employees a role in training.

Available Forms and Checklists

- New Hire Checklist
- Orientation Checklist
- Confidentiality and Non-Competition Agreement
- I9
- W4
- Employee Training Manuals

CHAPTER 10:
PROVIDING LEADERSHIP

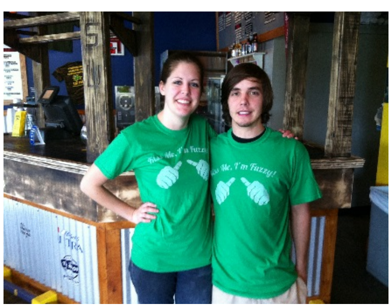
In this chapter you will learn about:

- Communication Skills
- Team Building
- Effective Delegation
- Developing Others

COMMUNICATION SKILLS

Definition of Communication

…The exchange of thoughts, messages, or information, as by speech, signals, writing, or behavior. The art and technique of using words effectively to impart information or ideas…



Good communication takes place whenever a message someone sends is understood and received.

For example:

John:“Bob, will you take out the garbage in the lobby please?”

Bob:“Yes, John I will take care of that right away.”

The person who speaks is the **sender** because he is the one sending the message. In the example above, the sender is John.

The person the message is intended for is the **receiver** because he is the one who receives it and responds. In the example above, the receiver is Bob.

Signs of Poor Communication

How do you know if someone has not understood the message you were sending? The following are indicators of poor communication:

- Tasks are not completed when delegated.
- Hurt or angry feelings follow an exchange.
- Having to repeat information or instructions a number of times.
- Mistakes being made after you have trained someone on something.

In these cases, something has gotten in the way of the message. Either the sender has not sent a clear message or the receiver has not listened carefully or understood due to barriers.

Obstacles to Communication

There are many things that can interfere with communication.

Sender Obstacles

Things that can interfere with the sender are:

- Speaking too generally, not being specific enough.

"Bob, please take care of the lobby?"

- Using words that the receiver doesn't understand.

"Perhaps you might not mind purifying that receptacle?"

- Assuming the receiver understands more than he or she does.
- Asking a new employee to do a task he or she has not been trained to do yet.

Receiver Obstacles

Things that can interfere with the receiver are:

- Strong emotions for beliefs about the sender.
- Believes the sender does not like them.
- Prejudice against the sender's social group.
- Reacts strongly to the sender's negative tone of voice or facial expression.
- Preoccupation with worries/concerns.
- Distracted by upcoming certification.
- Distracted by personal problems at home.
- Distractions such as noise or activity.

- Trying to communicate in the middle of a lunch rush.
- Two people are speaking to the receiver at the same time.
- Physical Problems.
- Distracted by a headache.
- Suffering from a lack of sleep.

Tips for Overcoming Obstacles

Sender Skills

To overcome obstacles like those described, you need to be aware that they might exist. Most of us simply send our message and assume it's been received.

Awareness is the first step to overcoming an obstacle. Once you are aware there is an obstacle you must:

- Choose a quiet environment with minimum distractions.
- Use simple language to be sure the receiver understands.
- Maintain eye contact and watch for signs of confusion.
- Smile and look pleasant to reassure the receiver you're on their side.
- Tell the person to do one thing at a time, not a series of things.
- Speak slowly.
- Ask the receiver to repeat the message back to be sure they understand.
- Encourage a response.
- Follow-up later to be sure the message has been understood and acted upon.

Receiver Skills

Good listening is not just for your employees. As a manager, it is essential that you know how to listen carefully as well. Your ability to listen is the foundation of two-way communication.

One way communication is when one person gives the orders and the other person simply receives the message without responding.

- "John, please clean up the trash in the parking lot."

Two way communication invites a response and is usually in the form of a question.

- Manager: "John, when can you clean the parking lot?"
- Employee: "I can either do it now or as soon as I finish stocking the restrooms."
- Manager: "Go ahead and finish stocking the restrooms, and then do the parking lot afterward."

Two way communication insures accurate and clear communication. It allows you to find out:

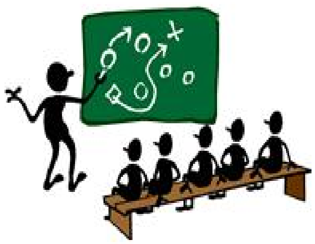
- Whether the receiver has understood what you have said or demonstrated.
- How the receiver feels about an assignment.

How you can be a better listener

- Show interest and concern for the employee.
- Be alert for unspoken attitudes and feelings.
- Nod, maintain eye contact, and smile to show you are paying attention when they are speaking.
- Ask questions to encourage the person to give more information.
- Ask questions designed to find out whether the person has understood and can do what you expect of them.

Always check with the employees to make sure they understand what you want them to do and know how to do it.

TEAM BUILDING



In a work environment employees are usually members of various work teams or units. For example, they may be members of the kitchen crew or service line, etc.

There is a big difference between a group and a team -- especially an effective team. The members of a group may share a common interest but they may not share a common goal or, even if they do, they may not work together in a way that will help the group achieve it.

That is what teamwork is all about. A team is a group of people, a work unit, that share a common goal and that commit themselves individually to helping the team achieve that goal. The team, in turn, helps each of its members achieve their personal goals. Thus, there is a great deal of mutual support in an effective team; team members helping the team succeed while at the same time the team, as a group, helping the individual members succeed.

Teamwork within work groups is a function of the trust, commitment, and involvement of the individual members of the various groups. If the interpersonal relationships within any particular work group are characterized by lack of trust, an absence of commitment to the group's standards, then it is most unlikely that a particular work group will be working cooperatively with other work groups.

Thus, in order to improve teamwork among the various work groups within the restaurant, the various work groups must first ensure that their own house is in order!

Another point to remember is that if inter-group relationships are poor they probably did not get that way overnight. Because of this it is unrealistic to expect that inter-group relationships which are currently strained will improve overnight. However, here are some management guidelines that you can follow to help ensure that progress is made when you try to improve teamwork:

How you can improve Teamwork

- Establish a working environment that is considered fair and friendly.
- Be honest and candid in your communication with members of your own work team and with other teams.
- Keep both your team members and other teams informed about matters that could affect them.
- Practice participation. Whenever possible involve employees in planning and decision making; especially as it might affect their work.
- Stress cooperation and minimize unproductive competition. Develop the spirit of working toward a common goal.
- Confront conflict openly. Use problem solving rather than a win/lose approach to resolve conflict.
- Try to gain acceptance as a team member rather than emphasize your authority and position power.
- Encourage members of your team to communicate directly with members of other teams about work matters. Avoid inter-group communication being restricted to the top levels of management.
- Obtain feedback from other teams regarding their perceptions of your team's behavior. Constructively feedback your perceptions of their team's behavior to them.

Building effective teams are crucial to our success. Cooperation and teamwork are major factors in the managing of our restaurants, and especially in our high volume restaurants

EFFECTIVE DELEGATION

Definition of Delegation

- *To commit or entrust another.* (Delegate a task to a subordinate)
- *To assign responsibility or authority to another*

Benefits to Delegation

Benefits to the Manager

Gives manager more time to work on important management tasks.
Allows to get more done in a day

Benefits to Employee:

Empowers the employee. Allows the employee to develop new skills.
Improves morale and reinforces the teambuilding environment.

Signs of Poor Delegation:

- You hear yourself saying "I've got too much work here and not enough time to do it."
- You hear an employee saying "It's the same old routine, day in and day out. I'm bored with it."
    - This employee is demoralized and seems to have little sense of motivation.
- An employee says "Well, I'm not sure I'm ready to take on that big of a responsibility"
    - This employee lacks the confidence necessary to take on the task.

Distribution of Work

A good manager will know when they can delegate a task or duty, and when it is best that they do it themselves. The chart below explains when and what you should delegate and when you need to keep control of a task.

Approach	Description	When to Use
Keep	Maintain authority and responsibility for completing a task or assignment.	• It is exclusively within your job description. • No one is qualified. • Boss said "YOU" should do it
Delegate Task	Delegating responsibility for completing a well-defined task or assignment with little or no decision-making authority.	• No decisions are required. • Person is not necessarily qualified to make decisions regarding the work. • Task Is highly structured • Procedures are standardized
Delegate Authority	Delegating responsibility for completing a well-defined task or assignment with shared authority or high-level of decision making authority.	• Decisions can be delegated. • Person is qualified to make decisions regarding work • There is a value in delegating for developmental purposes • Training can be provided
Pass Along	Passing along to another person a task or assignment that falls within his or her current job responsibilities	• Fits someone's current responsibility • Was delegated to him or her previously • Is part of someone's job description

Examples of Tasks to Delegate

- Receiving and storage of product.
- Tour of the restaurant for new employees.
- Asking guests about their experiences.
- Monitoring Critical Control Points.
- Cleaning and organizing storage areas.
- Preparing products for inventory count.
- Recruiting – setting up ads, soliciting potential workers
- Training – maintaining training supplies, conducting specific training

Delegation Steps

Follow these steps to delegate a task to an employee:

1. *Choose a capable person.*
   - ✓ Evaluate assignment and person, and then set reasonable expectations.
2. *Explain objectives.*
   - ✓ Define the desired results and lines of authority within a framework of flexibility that allows the subordinate to use their own initiative.
3. *Give the person the means and authority to do the job.*
   - ✓ Clarify boundaries, limitations, and authority issues; who can assist, timelines, etc.
4. *Keep in contact.*
   - ✓ There are several methods for monitoring work: observation, statistical progress reports, review sessions, etc.

Remember that improving your delegation skills will improve productivity and develop your team!

DEVELOPING OTHERS

By developing your employees you will see a benefit through improved retention, more knowledgeable employees, better managers, and potential successors for when you eventually move up within the company.

We believe that it is the manager's responsibility to motivate employees for growth and development. With that said, development is also the job of the individual employee. If the employee does not have the drive or does not want to develop themselves, it won't happen. So, it is important to talk with them first about their career goals and what they are looking at achieving.

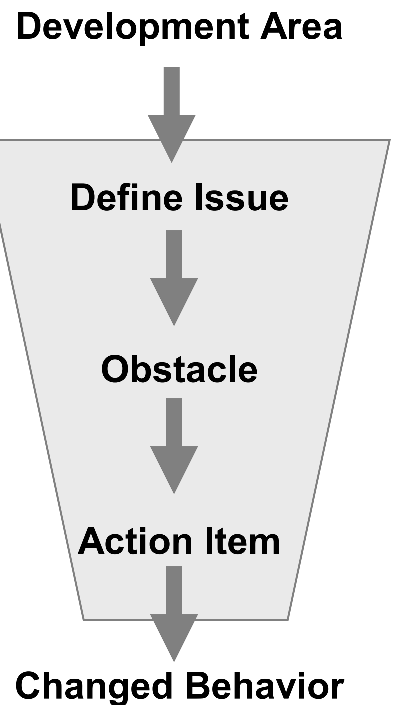
Your goals are to be able to determine your employees specific development opportunities, to be able create plans for your employees development, and to come up with development activities for you employees.

Focus on Priorities

- Evaluate your employee's skills to determine the areas to develop. Examples of areas to develop could be communication, leadership, organization, etc.
- Select only 2-3 areas to develop at one time. It is important to not select too many areas to focus on.
- You can narrow down which to work on now by prioritizing the development opportunities into critical areas of today and areas of opportunity for the future.

Focus Development Areas

Use the funnel approach to narrowing the focus of the development areas to the root action to be accomplished.



EXAMPLE:

Development Area:

Communication Skills

Define Issue:

He communicates well with employees when they do something well, but doesn't take the time to discuss performance problems.

Obstacle:

"He has never had formal training on how to communicate performance issues, and doesn't feel comfortable talking with employees in these situations."

Action Item:

"Give the shift leader additional training on how to give feedback for improvement using role plays, and observation of real situations."

Changed Behavior:

Developed employee.

Create a Plan

The steps to developing a plan are much like a project or business plan.

- **Target Development Need:** Development area and specific objective.
- **Write an Action Plan:** Steps to be completed by employee.
- **Determine People Involved:** Individuals needed to complete plan.
- **Set Timeframes:** Target dates and review dates.
- **Set Measures of Success:** How you and the employee will decide when the skill has been not only learned but implemented.

Sample Development Plan

Development Need	Action Plan	People Involved	Target Dates
Need: Communication Skills	Work with a manager on providing feedback role plays.	GM and Employee	June '05
Objective: To be able to provide better feedback to employees	Observer manager during real situations.	GM and Employee	June '05
	Review how to Communicate Effectively from Training.	Employee	June '05
	Practice with manager observing and providing feedback.	Employee and GM	June - July

Selecting Development Activities

It is important to first find out how a person learns best, prior to selecting the sources and activities that best fit their needs.

People learn differently. Some like to watch others before trying or read instructions. Some just need to listen to instructions, while others just want to jump right it and do it themselves.

Here are some ways to determine how people learn:

- **Ask the employee.** Ask them to describe how they have recently learned something.
- **What have you observed?** Try to think about how they have learned things already at the restaurant.
    - Do they jump right in and try something right away with no direction? If so, then they are the "Doing type". They would probably do well with you giving them a schedule of on the job type activities.
    - Do they ask you to demonstrate it first? Then they are more likely a "Seeing type". You may want to pair them up with someone to coach them in the skill prior to them trying it.
    - Do they write every detail down; do they get a lot out of group meetings? They may be a "Hearing type". Seminars, video or audio activities may be the best thing.

Remember, how YOU learn in NOT always the best way for the employee.

Development Activities

There are many different types of development activities you can use to assist in the development of your employees. Here are a few examples.

- On-the-Job
- Off-the Job
- Model others with the skill
- Practice
- Take formal courses
- Read books, articles and manuals
- Conduct research

Implement & Monitor Progress

Development is an on-going process. You need to let the employee know that they should take time each day, possibly at the beginning or end of day to think about what they will do or have done for the day that impact their development.

It is important to know that development is not an event that happens in one day. The employee has to work on changing or adding a new behavior to their routine and once he or she has achieved their development goal it is time to work on another.

It is important that you set scheduled review dates with the employee. This time should be set according to the types of development activities that are planned. On a long project monthly meetings may be sufficient. But, on an area that is critical to the employee's job and is time sensitive it may make more sense to have a weekly meeting.

Provide Feedback

It is important to provide the employee feedback during the development process.

- Feedback lets employees know:
- If they are on track with set goals
- Sustains their motivation
- Develops a partnership

Just like there are different learning styles there are different ways to provide feedback. Here are some examples:

- **General feedback.** Some employees may not need a lot a feedback and just want to know if they are on the right track with something.
- **Detailed feedback**. Others may like you to be much more specific and give a lot of detail when providing feedback.

Also, a person may need both during different stages of their activity or project.

It is important to discuss with them which they would like. For instance, an employee may get very frustrated with a manager who provides to much detailed feedback. They may take it as the manager not allowing them to do their job on their own. On the other hand a person who receives general feedback who rather the manager is more specific, may feel a manager is not very interested in what they are doing. So ask the employee what type of feedback they prefer.

Recognition

It is also important to recognize their efforts. It helps the employee to know they are doing well by recognizing significant milestones. In larger projects, try recognizing halfway points to keep the employee motivated.

Developing your team makes for a better environment in the workplace, improved employee morale, this will in turn result in higher guest satisfaction. Developing others not only helps your employees but allows you to grow as a manager as well.