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Restaurant Operations Weekly™

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Welcome to the fourth issue of Restaurant Operations Weekly!

Greetings!

Every week we continue on our mission to run smoother, more profitable businesses and I'm glad to have you along. Last week we covered eight tips on how to improve work/life balance. We also discussed why you should never run one single promotion in your business. The feature article covered the ever-important topic of prime cost and how consultants use it when working with clients. Lastly, we detailed why the four magic words, "Just make it happen" can help empower your people.

If you'd like to get caught up with previous issues, just click [HERE](#) and scroll to the bottom of the page for PDF copies of Restaurant Operations Weekly.

In this issue we're going to discuss how inconsistency among your management team is a silent killer, we'll cover part two of restaurant promotions, the feature piece, "The Trick to Stay Unique is Differentiation" and in closing, one of my favorite topics, "The Highest and Best Use."

So, happy reading - let's get to it...

HUMAN RESOURCES

"Inconsistency Among Your Management Team is a Silent Killer"

Uncertainty, apprehension, fear, failure. These words describe how your employees may feel if you have a management team that is widely inconsistent in how they treat employees.

Leaders who are inconsistent with people in their charge erode trust, sometimes to a point of causing them to feel paralyzed. I know this because I've been there myself.

Early in my restaurant career, I had the questionable honor of working for a very high profile restaurant group. I say questionable because despite the fact that on the outside had the appearance of being a tight and well-run organization, internally it was a mess – relative to the massive swings between how the managers treated their people. If you were a "favorite" or "made them look good" the financial impact they could make on your life was significant. Conversely, if you didn't "suck up" to their moods, questioned anything, or if any one of them felt you weren't on board with a particular manager's agenda, the penalty was harsh. Fear, guilt and management pressure to "comply" were all methods of manipulation used in varying levels, depending on whoever was running the shift. Because of this, employee turnover was massive, with every shift seemingly comprised of 3-4 new hires. People that I had only recently worked with left, usually with no notice or reason other than to say, "who needs this?"

As we all know, people usually quit a job because of who they work for. Rarely is it the job itself. The truth of the matter is that we are often unaware of how our behaviors are being perceived as inconsistent so that makes things even more difficult to manage. Truly, inconsistency is a silent killer of moral, team spirit and enthusiasm in a business that should have massive quantities of all three!

As an executive leader or owner of a food-service business, what are you doing to insure that your #1 asset, your employees, are being treated consistently? Here's a few tips:

1. **Balanced leaders, according to [Norman Brinker](#), are responsible for developing profits and people.** This approach makes sense, as the business requires plenty of both in order to succeed. This approach also requires that your leadership team is fully trained with the skills they need to be successful.

2. **Get the messaging straight.** All of your people need to be on the same page with the vision and the mission statement of the business – the priorities. It's time to leave anything personal at the door. As a friend once said, "I have two hats, my "professional hat" and my "personal hat." I always take my "personal hat" off when I walk in the door and then I put on my "professional" hat." He wasn't referring to a literal hat, he was referring to his demeanor, his personal feelings and agendas as none of them mattered when he was at work.

3. **"Firm, friendly, fair and final."** A great philosophy that should be drilled into every manager. Life is easier for everyone when these four words are treated as the mantra in your business.

4. **Actions should always match words, or people become confused.** If our actions are focused on company goals, and if our words are consistent with the mission, consistency will result.

5. **Insure that all managers interpret rules and policies equally and enforce them fairly.** The best time to train this is at your weekly management meeting so all managers hear the same thing at the same time. Role plays and acting out various disciplinary scenarios with the whole team will generate a sense of management comradery and help cement expectations for real-life situations.

SALES BUILDING

"Never Run One Single Promotion – Part 2"

Last week we covered the key reason why you should never run a single promotion - because it alienates every person that may not be interested in that particular promotion. I've never been able to figure out why restaurants so commonly run only run ONE promotion, when they could have a supercharged, classy, efficient promotional program for almost everyone.

We talked about various promotions that you could run simultaneously if you run a breakfast, lunch and dinner restaurant with a bar/lounge. Some examples I gave were:

1. Breakfast entrée promo from 7-9AM (Free coffee with pancake breakfast)
2. Late lunch promo from 1-3PM (Complimentary dessert with every entrée after 1PM)
3. Early bird special from 3-5PM (Special menu with special pricing)
4. Happy hour from 4-6PM (\$2.00 martini's for all women)
5. Entrée promotion from 5 – 9PM (Special "combo meal" with a great value)
6. Late evening happy hour from 11PM – 1AM (Half-off wells, drafts, wines)
7. Anniversary promotion for everyone married on this date
8. Birthday promotion for everyone born on this date

Homework for the week was for you to create five or six promotions that applied to your particular business and hopefully you've done that.

This week, the next steps in this short series are for you to set up an e-mail acquisition system. You may have to check with your tech person as there's a few ways to accomplish this, perhaps even through your existing website.

The goal is for your guests to voluntarily give you specific information on a tablet device (perhaps attractively and invitingly set up and secured in the lobby on a lectern) which includes: Name, e-mail, zip code, birthday (day/month/year) gender, anniversary date and email opt-in checkbox.

When this information is entered, it goes into a database program such as Mail Chimp, Constant Contact, Fishbowl or similar.

After the information is entered, a coupon for a free special appetizer or cocktail gets immediately e-mailed to that person, to be redeemed on the next visit.

Every incoming guest should be encouraged to sign up! If you have 2,000 guest covers a week, and 30% of them sign up weekly, that's 600 e-mail addresses you collect every week. At the end of a full year, you'll have 31,200 e-mail addresses!

From an accounting/cost perspective, the cost for the free appetizer or cocktail (where legally permitted) when served should be charged to your promotional or advertising budget, thereby not impacting your food or liquor cost.

So, this week's goal is to get this set up. Get a tablet, a lectern, and get the tablet programmed to start acquiring the information. Next week we'll talk about the most effective way to run 5-6 promotions at one time and how to present these promotions to every single person in your database. Hang on...pretty soon you'll be running a dirt-cheap, supremely effective e-mail campaign that will get your seats filled in no time!



Making your business stand out in a competitive landscape means that you really need to put the blinders on so you don't get distracted and ONLY focus on running the very best business you can!

FEATURE ARTICLE

"The Trick to Staying Unique is Differentiation"

Many years ago, I owned a restaurant named Shelby's. It was a casual tavern-type of place, popular among the locals and late-evening hospitality crowd. I purchased it as a turnaround project as it was a charming, free-standing structure surrounded by high-rise office buildings.

Upon acquiring the business, I decided to close for a "week of vacation" and during this week put in a new POS system, some new staff, new menus, some new kitchen equipment, new cocktail/bar menus, created a 12-month promotional calendar and much more. Needless to say, it was a busy time.

Early in the game, I wanted to insure that what we did at Shelby's could not be copied by anyone else, so logically the low-hanging fruit was the menu. We crafted a delicious, unique signature burger and named it the "Shelby Burger." This was a burger that would be very hard for anyone to duplicate as it featured a custom-made, bakery fresh rye bun with unique toppings. With dedicated/featured space on the menu with an appetizing description, it immediately became our best-seller.

Big deal you say? Yes, because it differentiated my restaurant from my competitor's. There was, quite literally, nowhere else you could go to get a Shelby Burger. It couldn't be bought at any fast-food place, it couldn't be made at home, and no one else had access to the bun ingredients.

Unless you want to get caught up in direct head-to-head competition like many of the fast casuals out there today, you simply must differentiate yourself from the competition. Being unique in your menu, your music, your style of service or something else, it's about standing out from the crowd.

My personal definition of a unique restaurant is that it's a place that I'd drive 100 miles or more to visit. If it's not worth a drive for a 100 miles, why would anyone drive two miles for an underwhelming experience?

A great example is [Lambert's Café](#) – "The Home of Thrown Rolls." With three high volume locations and thousands of rolls thrown to guests every day, there's no place like Lambert's. They have perfected the simple art of differentiation to the delight of millions of patrons.

Another example is the famous, [Johnson's Corner Truck Stop](#). Open 24 hours a day since 1952, their claim to fame is their cinnamon rolls. Straightforward food and service and a home run of a signature item that is absolutely available nowhere else.

Look at your operation(s) from a guest's perspective. Why should anyone go out of their way to visit your place? If you can't immediately list two or three unique points of differentiation, it's time to get to work. You are competing against every other restaurant, grocery store and home kitchen in your market. If what you offer is not

unique, fun, enjoyable and worth a second visit...well, the good news is that if your place is still open, it's not too late to get on the right path.

If you have a struggling operation or want to make a good operation better, we would be happy to talk with you. [Click here](#) for more information.

LEADERSHIP & MANAGEMENT

"The Highest and Best Use"

Imagine that you own a three acre parcel of land. I own the same identical parcel. The question we both have is, "What do we put on the land to improve it and put our investments to work?"

I decide to put a nice upscale donut shop on the property and as the land owner, I get to enjoy monthly rental income of \$2000/mo.

You however, did your research and decided to put up a 30-story high rise building. On the top floor, you have a penthouse suite, on the middle floors you have office spaces and on the ground floor you have retail tenants.

30 stories, 4 tenants per floor = 120 tenants with monthly rent of \$1800.00 equals \$216,000.00 per month is the revenue you realize. Compared to my measly \$2000.00 a month rental income, you've made a home run....and we BOTH HAD THE EXACT SAME PROPERTY TO START WITH. Sure, resources to develop such a property matter, but conceptually you get the idea here.

This little exercise is referred to by commercial realtors as the "Highest and Best Use" for a property and I believe this concept applies to every one of us during the course of a day. We all have the same 24 hours so the question for this week is this: What is the highest and best use of your time and resources?

RECAP

- 1. Inconsistency among your management team is a silent killer of moral, teamwork and enthusiasm. Don't tolerate anything other than well-trained managers who will coach and care for your #1 asset.*
- 2. If you are running a single promotion in your operation, start thinking about all of the other people that are being alienated that are not interested in the item being promoted.*
- 3. If you wouldn't drive 100 miles to eat at your restaurant, it's time to update your unique points of differentiation.*
- 4. "Just make it happen" is a topic we discussed last week. If any of you have had great success with it, we'd like to know about it! These four little words can make you*

a much more effective, high-performance leader!

Thanks for reading! Until next Monday...



Kevin Moll

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Development

[Ready to open your own restaurant? Learn how here](#)

[Six ways to combat sexual harassment in restaurants](#)

[How to be a competent & capable manager](#)

[How to find meaning at work even when your job feels miserable](#)

[Think practice makes perfect? Think again. This article will change how you train everyone from now on](#)

[Predictive scheduling - How to adjust to local labor law changes](#)

Resources

[To Subscribe or Catch up on back issues of Restaurant Operations Weekly](#)

[Food Holidays in March](#)

[Days and Weeks of the Year - Calendar](#)

[Minimum Wage Laws in the U.S. \(US Dept. of Labor\)](#)

[The World's Greatest Restaurant Systems Checklist](#)

***"It is not enough that we do our best; sometimes we must do what is required."
- Winston Churchill***

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