

TAKING OVER A NEW BUSINESS? HERE'S THE CHECKLIST YOU NEED

HOW TO AVOID A CLUSTER ON YOUR FIRST FEW DAYS

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One definition of "Cluster" according to Merriam-Webster is: "A *number of similar things that occur together.*" As that term relates to the hospitality business, we all know what a *real cluster* looks and feels like, and I'd like to share some thoughts on how to effectively manage through a cluster situation.

Maybe you've just purchased a new restaurant, bar, tavern (or similar hospitality business) or have been promoted/relocated or taken control of an operation. You don't know anyone, you have no idea where anything is, and you are knee deep in a new environment.

These tips can help you keep your sanity while navigating your way through a "cluster" type of situation

A cluster situation can be overwhelming, so breaking it into three parts makes it easier to deal with. Just remember: *People, Parts and Process.*

#1 – PEOPLE *This is the most important aspect of dealing with a cluster.*

1. Run clean, set an example, and pick up anything on the floor. Set a new standard.
2. Project a focused attitude, don't act "fuzzy" or confused. This will scare people.
3. Do not have any one-on-one meetings in the office for obvious reasons.
4. Have a team meeting asap, and let them know that in advance, you appreciate every person and you will be asking them for help. Be humble and don't act as if you know everything – you don't. A team can almost always accomplish anything!
5. Be transparent in what you're trying to achieve and people will jump in to help.

6. Smile, take time to say thanks, and don't run over anyone. Be gentle with people.

#2 – PARTS *These are the basic things you need to run the place.*

1. Secure/account for all recipes, manuals and any other intellectual property. This means that managers and employees don't have any business IP on their personal computers.
2. Get the phone numbers of every employee and note the job function performed.
3. Put the phone numbers of your attorney, accountant and payroll service on your phone.
4. Find out who has keys and start a key log which is kept in the safe. Consider changing the locks to exterior doors. Do this on day one after taking over as security and safety is your primary concern.
5. Get the combination to the safe – where is cash stored and managed.
6. Find out the alarm code and phone number and get yourself listed on the account as the authorized party. Same with the fire department.
7. Note the hours of operation. Open, close, happy hours, brunch, any special hours.
8. What is the normal level of petty cash? Does it need to be refreshed? When? Cash and receipts for any payouts should always total a set amount i.e. \$500.00.
9. Where is the checkbook and who is an authorized signer on the account?
10. Know how much money is in the bank and what accounts exist.
11. Insure that your credit card deposits are landing in your account daily.
12. Find out the contact name and phone number of every vendor and what you buy.
13. Get a grip on what accounts payable you are responsible for and what needs to be immediately paid.

#3 – PROCESS *These are the operating systems for the business.*

1. Spend time on the floor during all prime business hours – set the pace and insure that your regulars know you and that you appreciate their business.
2. Get control over the management schedule. Do this and have a meeting with your management team on your first day!
3. Get control over the employee schedule – pay particular attention to overtime.
4. Find out about payroll dates, current pay rates for everyone and any bonus programs.

5. Find out if there's an employee policy manual and immediately enforce all policies as appropriate – or issue a new one.
6. Address any immediate health department violations / focus on sanitation.
7. Insure that all employee files are all in one place and secure.
8. Keep the office door locked when not occupied.
9. If there's upcoming holidays or special events/functions/groups, get on top of this.
10. Find out the details of existing or new insurance coverage of all types and workers comp. All policies in force.
11. Call the accountant and find out what they'll need from you to produce a timely P&L and balance sheet for the current month you're in.
12. Immediately institute a policy of accounting processes – how to handle and pay invoices.
13. Institute an immediate policy of no '86ing of any products or beverages – your team and guests will appreciate it as it's an immediate morale booster.
14. Get current on all social media reviews – respond to every negative review and let people know you really care about their experience.

SUMMARY: Reducing staff stress and insuring a positive outcome is your responsibility, so having a solid plan such as this above will keep you substantially on track.

Your mission is to keep everyone on the same page, achieve massive results in a short period of time and to keep the ship on course. This is NOT the time to institute any changes. This is the time to learn, understand what has worked and to insure the continued successful operation of the business.

In most cases, changes (new menus, new hours, or other similar changes) should be implemented in the upcoming few weeks or months when you have a solid working knowledge of how the business works. Good luck!

If we can be of any assistance, please don't hesitate to contact us.