



Restaurant Operations Weekly™

Newsletter Issue #10 Tuesday, May 8, 2018

Welcome to the tenth issue of Restaurant Operations Weekly

Dear Friends,

Every week we continue on our mission to run smoother, more profitable businesses and I'm glad to have you along! Want to get caught up on previous issues? Just go [here](#) and scroll to the bottom of the page for complimentary PDF versions.

Ever wonder why a tagline matters to your business? Well, I've been kicking that same thing around for a bit. If you have too, you might enjoy, "*Why a Tagline Might Be Better Than A Mission Statement.*" I'm starting to seriously question the real-world application of mission statements!

Many of us find that structured selling (Steps of Service) is frequently swept under the rug as being "old school" but it brings real dollars into the hands of restaurant owners and servers, all while enhancing the guest experience. This week, we'll dig into why this matters and how it could apply to your business.

You never know where some of your best lessons will come from and 40 years of collecting documents with my father taught me some of my most memorable ones. If you've learned a valuable hospitality-related lesson you'd like to share, send it to me and I'd be happy to include it in an upcoming issue.

Let's get started...

HUMAN RESOURCES

"Why A Tagline Might Be Better Than A Mission Statement"

Lately, I've been ruminating on mission statements and how they apply on a practical basis to the restaurant industry. So last week, I stopped into 15 retail stores of all types – cell phone dealers, book stores, QSR's, burger places, taco shops...the stores you would normally see on any retail strip. When I went into each location, I would go up to the counter and say, "*I'm doing a little survey and would like to ask you a question. Can you tell me what your company mission statement is?*" and about half the time, the quizzical look I received was enough to make both of us laugh! No kidding, not one single person could recite their mission statement. If this person was not a manager, I would then ask to speak with the manager. Again, not a single person was able to recite the mission statement of the brand they represented.

I have come to believe that mission statements, as we all know them, are primarily for the benefit of company investors and stakeholders to keep the executive management team on task and that's about it. At the core, we all conceptually believe that a mission or vision statement is important, and it is – again, primarily to keep the executive management team focused, but in the real world, people work for people...not for mission statements.

Changing gears a bit (to taglines) but still on the same topic, wouldn't you be intrigued by a business by the name of:

"CHARLIE'S MAGNIFICENT BURGER'S"

The Best Burger You'll Ever Eat

Making the "*Best burger you'll ever eat*" is a tough assignment. This means premium quality buns, premium fresh beef, the best condiments, and by default, a spotless operation with great service are also implied in the tagline.

Wouldn't everything in that restaurant be totally focused on making *the best burger*? If a management decision had to be made, it would be 100% based around *making the best burger* wouldn't it?

If an employee of "Charlie's Magnificent Burger's" was asked about what the goal/vision/mission of the company was, a simple answer would be, "*It's all about making the best burger you'll ever eat.*"

Bottom line: As few people seem to know the mission statement of the brand they represent, and, if there is no tagline under the company logo, this combo equates to retail employees performing their job functions without a goal, a mission or a vision. Kind of hard to get excited about that isn't it?

Would your business be more relatable to guests, management and employees if you had a clear, simple, compelling tag line under your logo? Maybe it's time to throw out mission statements...with the possible exception of inclusion in a business plan!

SALES BUILDING

"Structured Selling Is Good For Everyone"

Which approach makes the most amount of sense for your business?

#1. SERVER GREETING A NEW TABLE: "Good morning, what can I get you?"

or...

#2 SERVER WITH A CARAFE OF FRESH ORANGE JUICE IN HAND SAYS: "Good morning, shall we start with some fresh squeezed Florida orange juice?"

A casual, informal, unstructured selling system is bad for your business. It means that your staff is not required to take advantage of every sales opportunity you give them, and as a result, everyone gets the short end of the stick. Your **guests** don't get to hear about and enjoy everything you have available, the **server** gets a reduced tip and the **business** does not enjoy greater sales. As an executive, a business owner or General Manager, why put up with this? For everyone involved, the approach in #2 is good for everyone.

All three entities lose out when a server does not suggestively sell

A few weeks ago we discussed how important it is to take advantage of every selling opportunity. Do you have a structured step-by-step process of how you want your people (QSR, Fast Casual or Full Service concept – does not matter) to interact with the guests that frequent your business?

Investing a little time today to craft a simple, straightforward, "Steps of Service" document for your business will generate immediate and measurable results if you teach your people to follow the steps properly, consistently and equally for every guest. This is a win/win for everyone that's worth your time.



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Why You Need Employment Practices Liability Insurance (EPLI)

Charges against employers for discrimination, harassment, wrongful termination, retaliation and wage and hour violations are at all-time high. The legal landscape for employers continues to change due to the passage of laws like the Lilly Ledbetter Fair Pay Act and Americans with Disabilities Act Amendments Act of 2008. Layoffs, downsizing, salary freezes and reductions in benefits can be used by past and present employees as evidence of tangible adverse employment actions to file charges of discrimination, harassment, retaliation and wrongful termination against employers. What can you do to protect yourself? This is exactly what EPLI is for - it protects you and your business. For more information about EPLI costs and coverage's, click [here](#).

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FEATURE ARTICLE

"You Have A Cluster On Your Hands – Now What?"

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!

LEADERSHIP & MANAGEMENT

"Laughs, Learning and Education From My Father"

Heads up: This has absolutely nothing to do with the restaurant or hospitality business in any way - just a little light reading!

When I was a young man, I learned that my father had a file folder filled with funny, provocative, and interesting quotes, fascinating stories of business and hundreds of hilarious illustrations. He would occasionally pull out a few and we'd enjoy some good laughs together. I then started my own collection and for the next 40 years, my father and I happily shared many of these documents back and forth.

My Dad passed away six years ago at the age of 77 and it was time to clear out his desk. Quite unexpectedly, I came upon his sizable collection and suddenly I felt a huge responsibility on my shoulders...what should I do with these old documents that had so much meaning to us over the years? Well, it became clear that perhaps it was finally time to merge our two collections into one, and the result was a stack of papers about 10" tall...dog eared, staples galore with lots of handwritten notes stuck in between the sheets.

It took almost two weeks, a half-bottle of bourbon and a box of Kleenex to get the job accomplished, but the staple-pulling, straightening of folded pages and reading those in my Dad's collection was a very special time for me. I had them copied and spiral bound into three thick versions and have given them to my siblings and my children as well. A lasting legacy of laughs, learning and business education...all left by my father who started this whole thing when he was just a young man like I was when I started.

So, that's where my love of inspirational quotes and funny sayings came from. Isn't it strange how something so seemingly insignificant at first, can grow to become part of one's legacy? One never knows where sown seed will grow.

"When I was 5 years old, my mother always told me that happiness was the key to life. When I went to school, they asked me what I wanted to be when I grew up. I wrote down 'happy.' They told me I didn't understand the assignment, and I told them they didn't understand life." -John Lennon

[38 of the most inspiring leadership quotes I know.](#) Credit: Dr. Travis Bradbury

[The science behind why inspirational quotes motivate us.](#) Credit: Fast Company


RECAP

TAGLINE OR MISSION STATEMENT? How do you as an executive, business owner or General Manager “connect” your business (goals, objectives and mission) with your guests and employees? Over the years, the term, “mission statement” has been used and abused in more ways than we can count. In most cases, a well-crafted tagline might be more effective for you. If you can’t immediately answer the question, “*How do you connect your business, your employees and guests all together?*” your business might be a candidate for a tagline!

WANT AN INSTANT SALES INCREASE? Use structured selling in your business. Take the time today to create a “Steps of Service” document. Share it, require that it be properly used and everyone will benefit.

PEOPLE, PARTS AND PROCESS. This is what you need to remember next time you find yourself in any type of “cluster” type of situation. Keep your head above water, act strategically, accomplish a ton of work very fast and keep the team on task. You can do it and enjoy meaningful results quickly by using the checklist above.

Thanks for reading! Until next Tuesday...



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Resources

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

Hurry Up and Relax!



[50 Restaurant Industry Statistics \(by Toast\)](#)

[Food holidays in May - Great Promotional Calendar](#)

[What it means when a restaurant gets a Michelin Star](#)

[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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