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Restaurant Operations Weekly™

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Welcome to the 12th issue of Restaurant Operations Weekly

Dear Friends,

Hope this past week has been great for you! Today 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 copies.

This week in the HR section, we're talking about hiring mistakes you don't want to make. With very few available candidates, you need to consider every person that comes in your door. The real key to success? Don't hire for experience...hire for a great attitude. We'll cover this and more.

In the sales section we'll review what a great promotion looks like. Many of us at one time or another have been part of a failed promotion and it's no fun is it? Never have another failed or under-performing promotion by using this checklist!

The feature article this week covers top tips for a new restaurant. If you're thinking about getting into the ownership game, you'll enjoy this piece.

Changing gears a bit, next Monday, May 28 is Memorial Day - when we honor the men and women who have died while serving in the military, a national holiday since 1971. The difference between Memorial Day and Veterans Day is that Veterans Day is when we thank and honor ALL who have served, in wartime or peace, whether they died or survived. Veterans Day is observed on November 11 every year. ***Thank you veterans for your service!***

Also, this coming Sunday, May 27th is the 102nd running of the Indianapolis 500.

One last note: Due to Memorial Day weekend, Restaurant Operations Weekly will not be published next Tuesday. Next issue will be Tuesday, June 5.

Let's get started...

HUMAN RESOURCES

"Hiring Mistakes You Don't Want To Make"

This week, we're looking at common mistakes made when interviewing hourly job candidates. In today's tight labor market, where in some cities there are seemingly zero available candidates, extreme caution on the part of every employer is required so you don't miss out on that eligible candidate who might be just perfect for your business!

Most of us believe that a resume or an application that shows industry experience means the candidate can substantially do the job. **MISTAKE: We look for too much experience. This is the #1 error that most restaurant operators/managers make in the HR process The lesson: Always hire on attitude, not on experience. Training will not overcome a poor attitude.**

"First impressions are lasting" is substantially true, but it's what's *inside* that matters. **MISTAKE: We look for the all-important first impression and if we don't see it, we mentally bail. Lesson: If you have the right "attitude" sitting in front of you, that first impression can be easily changed. Don't be too quick to judge and possibly overlook a great potential candidate just because of something superficial.**

A recent Pew Research Center finding revealed that millennials are now 35% of the workforce and will become 75% of the workforce by 2030. **MISTAKE: Having too narrow of a focus of what we think will work in our company. With a tight labor pool, we must welcome and consider everyone as a candidate.**

Employees want to make a difference and see value in their work. If your business is comprised of an ethical, and embraceable vision for the future, along with practical tools to help them achieve their goals (including plenty of flex-time), millennial's are likely to be equally or more loyal than any other generation. **MISTAKE: Underestimating millennial's....don't do it. We as operators must provide a clear vision of why we're doing what we do. This is good for the entire team.**

As an operator, you need to insure that your HR system is legally compliant. It's amazing how many operators don't know what comprises a legal or illegal question. **MISTAKE: Illegal questions. They're common, especially for smaller/single-unit operators and this exposes their business to unnecessary risk. Lesson: If the question you want to ask is not job related, don't ask it.** Your goal as an operator is to bring people into your organization that have the right attitude, can grasp your vision, that are "hard-wired" to serve others and that will give you their best effort every day. Learn from the mistakes of others to insure that *your business* is attractive to the right candidate's and everyone will benefit!

SALES BUILDING

"Maximize Every Promotion By Using This Checklist"

A few weeks ago, we met with the operator of a large, seemingly successful restaurant company with several like-branded locations. He wanted to engage us for an Operation Analysis review of his business with the intent of being proactive...and of course, with the desire to bring more profit to the bottom line. In our discussions with him, we found that:

- He did not have a 12-month marketing/event/holiday calendar of any type.
- He did not have a tag-line for his business (or a mission or vision statement either). This means that his previous promotions did not conceptually support his brand.
- He did not have an established budget and spending was whatever seemed appropriate on a per-promo basis.
- His previous attempts to promote / advertise were "one-offs" and intended to provide a quick infusion of sales volume...instead of building solid repeat business.

In short, he had substantial opportunity to improve his overall marketing program. As the number one responsibility of every restaurant owner/operator is the active promotion of the business, he was appreciative of us coaching him through this process. You can serve the finest of everything, but if there's nobody in the building, it's going to be a slow day!

When it's time for you to run your next promotion, here's a quick checklist that you'll want to use in order to maximize your brand, your budget, and every promotion moving forward!

CHECKLIST FOR SUCCESSFUL PROMOTIONS

1. Create a 12-month marketing calendar, with a monthly budget.
2. Insure that you have a year-long "Theme" or tagline that supports your brand. Every promotion should somehow tie into that theme. This gives your promotion(s) "legs" that supports your brand – this is important.
3. Make sure your promotion includes everyone – young, old, singles, couples...don't leave anyone out. Inclusive promotions take time to create, but everyone in your business gets to enjoy it.
4. Determine who will be responsible for the overall promotion. This is a great time to develop your managers and key employees, with your support. If you turn it into their promotion (instead of yours), it's likely that it will also enjoy more buy-in.
5. Discuss current and upcoming promotions at every weekly management meeting. Keep everyone on the same page with expectations, status updates and support the team. Doing this will also avoid any last-minute surprises and build excitement with the staff.
6. Tie in your vendors. Get great pricing on key items by arranging it in advance. Negotiated bulk buys will bring down the cost of high moving products. Buy low – sell high is the name of the game.
7. If your promotion is food based, tie in alcohol. If its alcohol based, tie in food. This will help build the average check.
8. Establish specific objectives for every promotion. Determine what you want to achieve and try to make it measurable to the greatest extent possible.
9. Determine the maximum effective dates of every promotion. Don't run a one-day promotion when you can turn it into "Mother's Day Weekend" instead.

Your advertising dollars will go further when it's a weekend or multi-day type of event.

10. Ramp up to the promotion 30-45 days in advance. Actively market and support the promotion using: social media, your web site, banners, table tents, buttons, balloons, media releases, e-mailed invitations from your guest database and printed media as appropriate. If you have a promotion you want to run in 30 days, you should let the guests in your restaurant TODAY know about it. You can't count on a good turnout if you don't give an advance notice.

11. Employee involvement is critical to a successful promotion, so keep them informed. Quality employee scheduling, employee involvement and teamwork will avoid "leaving anyone in the dark" about what's going on. Evaluate the results. What went well, and where could improvements be made for next year's event? Note these on next year's marketing calendar and you'll set yourself up for annual, year-after-year promotional success with every event!



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FEATURE ARTICLE

"Top Tips For Your New Restaurant"

Regardless of how you crunch the statistics, and I might add that quality statistics for the restaurant industry are hard to find, approximately 30% of all new, first year restaurants go out of business on the average. This means you have a 70% chance of first year success if you have a viable, well thought out

concept in a worthwhile location. It is important to note that of the 30% of restaurants that close during their first year, most of those operators were under-educated in the industry, undercapitalized (most common reason), or were not willing to make the time commitments necessary to get the job done.

Why am I concentrating on the first year aspects of survival? Because statistics and logic both say that if you make it past your first year, the percentages are in your favor beyond year one. How can you minimize the risk in your first year? Let's cover some of the most important tips below:

Know your market. The easiest and fastest way is to get a Feasibility Study done. I know of a restaurateur who was looking at placing a Mexican restaurant into a major metro area. His Feasibility Study revealed that a quickly expanding localized chain was inevitably going to greatly diminish his potential success, so he changed his concept, thereby avoiding an expensive potential failure. You too can avoid major failure by knowing your market, and concentrating strongly on your biggest competitor. If you can't or don't want to fight for market share, don't compete head-on, reconsider your concept niche or location.

Find your niche. We have all heard this before, but you can't be everything to everyone, and do it well. Select the market segment you enjoy and have experience in. If you know everything about the burrito business, and know for a fact that your burritos are superior in quality, then chase down that great location, know your market, and fill that niche. It's important to minimize the competition in your chosen niche, and done right, you can own the entire burrito market. Why compete when you can own the segment in your area?

Have a plan. Don't shoot in the dark with your capital resources. Have a quality business plan done so you know what you're walking into. You'll need it for your own "go, no-go" decision-making process, for funding and for leasing purposes. A top-notch business plan is not cheap, but it will guide you on the path to growing your business profitably, and you'll find that your business plan will quickly pay for itself.

Know the industry, or pay for the knowledge. Just a few pieces of quality advice at the right time can save you thousands of dollars and the headaches that accompany bad decisions.

The menu controls everything. From what you serve, to what equipment you need, to your signage design and concept name--everything revolves around the menu. Your menu is your number one tool in insuring a profitable operation. By costing out each menu item and placing it in the correct menu location along with key signature items, you can bring more dollars to the

bottom line. Operators are so concerned with food cost percentages, but fact of the matter is that you take dollars and not percentages to the bank. Your rewards are great when you have your menu professionally designed. If you think that the graphics person at the local printer knows how to design menus...well...maybe we should talk.

Cover your business bases. This includes having a skilled advisory team, comprehensive insurance coverage, company structure, funding, design, architecture, location, building codes, health department regulations, permits, quality operating systems and more. These will all have to be factored into your plans for opening and staying open.

RECAP

LAST WEEK WE TALKED ABOUT "YOU ARE WHAT YOU HIRE." THIS WEEK WE COVERED THE "HIRING MISTAKES YOU DON'T WANT TO MAKE." If you've noticed a trend here, you are correct. Hiring the right candidates to join your organization is a MAJOR responsibility. Like the pH level in a swimming pool, if you bring on the wrong person, the pH level gets whacked out! Protect and care for your pool very carefully and it (your people) will serve you well.

DON'T HAVE ANY MORE FAILED PROMOTIONS! Using the checklist above, every promotion can be successful, but you need to get to work on some basics first. Make a 12-month marketing calendar. Then, design a year-long theme or tagline to support the marketing calendar. Do these two things first, then start checking off rest of the projects to accomplish before you run your next promotion. It will be worth every minute you invest!

IF YOU ARE THINKING ABOUT STARTING A RESTAURANT, THERE ARE ESTABLISHED STEPS TO TAKE STARTING RIGHT NOW. Opening a new place takes time, thought and the right strategy. The tips we discussed are some of the basics on the road to a successful opening and beyond.

Have a wonderful Memorial Day weekend and I look forward to sharing more insights in "Restaurant Operations Weekly" about how to run and operate successful hospitality operations in the next issue on Tuesday, June 5.

Thanks for reading!



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Development

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[The Manager's Daily Checklist Sample Format](#)

[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

[Sunday, June 17 is Father's Day! What do you have planned for that weekend? Here's a nice list of ideas for you to consider.](#)

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

[How to Design Your Beverage Menu for Profit](#)

[Everything You Wanted to Know about Wagyu and Kobe Beef](#)

[The Giant List of 101 Culinary Terms \(from our friends at Toast\)](#)

[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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