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Restaurant Operations Weekly™

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Welcome to this week's issue of Restaurant Operations Weekly™

Insightful tools and information for over 28,000 monthly subscribers and hospitality leaders

Dear Friend,

Six months ago, I received a phone call from some concerned parents. “Our son just graduated from culinary school and he wants to start a restaurant. We are going to fund his venture out of our retirement savings and thought we might discuss his next steps with you.”

We scheduled a time to meet, but the parents and son kept pushing it back until it was obvious that they decided to make a go of it on their own as they seemed to have ultimate confidence in their son’s abilities.

Four months later, I received another phone call. They had signed a lease, opened the place, had eight people in the kitchen on salary, 60%+ labor cost, unknown food cost, and upcoming payroll and rent that couldn’t be paid. You can see where this is going right? \$210,000 spent on a failed venture.

We may think that we're competent because we went to a hospitality school, people like our food and we have good ideas for a new concept...but we may not understand the full magnitude of running a restaurant, the importance of mastering other job functions and “paying our dues.”

“Restaurant Operations Weekly™ is here to help our friends run better, more successful and profitable hospitality operations.

“You’ve Got To Pay Your Dues

We live in a world today that’s full of specialists. That’s not a bad thing if you need a doctor, an attorney, or a contractor wouldn’t you agree? However, in the world of restaurant leadership, it’s the experienced generalists – those that know a lot about all aspects of the business – who succeed.

We saw the transition from “experienced generalist” to “specialist” begin to evolve about 18-20 years ago, and today, the “all specialist” world is now fully upon us all. I don’t think that’s a great thing for our industry because restaurant specialists rarely know enough to properly operate a successful foodservice business...one of the toughest businesses to run!

What is a restaurant specialist? It’s a person who has a very focused set of skills. Watch the *Food Network* and you’ll see people that are great with a knife or a plate, but that know nothing about how to run a business. A competition-based TV show has no relationship to the challenges of running a restaurant.

Oh...I can make a great entrée, pie, cupcake, or I’m the "*Worst Cook in America*"...I should own a restaurant! Come on now...it would be a full time business just fixing the failing restaurants of TV chefs.

What happened to the days of a years-long apprenticeship where a student would learn *everything* before going out on his/her own? Why don’t restaurant schools teach about prime vendor agreements, menu engineering, food cost formulas, and that the shape of wine bottles commonly indicates what type of wine it is? Why don’t they teach students about how to read a P&L, understand a balance sheet, and how to write a business plan?

Why don’t graduating hospitality students know about these things on a practical, real-world level?

When I interview candidates for restaurant leadership positions, one of my first questions is, “Tell me the formula for figuring out food cost.” If they don’t know, it’s usually downhill from there. Try asking any new manager this same question and see what the response is – you’ll know what I mean.

In a perfect world, a person will follow their passion (food, wine, liquor) while simultaneously learning about ALL ASPECTS of how to run a business. Without knowing how to run a foodservice business, how can one expect it to do anything more than just survive?

It’s important to note that having specialized knowledge can be immensely beneficial! It allows the person to be recognized for their certain (culinary, or alcohol) talents and allows them to create a career platform for themselves. Many are also uniquely qualified to solve the very tough problems in specific areas of a foodservice business.

I would like to introduce two of the best in the business that have paid their dues. They are not only top experts in their fields, but successful business owners as well.

My colleague, Jeremy Abbey has mastered his craft with four culinary certifications from the American Culinary Federation (ACF) and holds the World Certified Master Chef designation from the World Association of Chefs Society, numerous culinary achievements including competing at the Culinary Olympics, and in fact, if a person wishes to obtain CEC designation from the ACF, he runs the program.

Another colleague who's at the top of his game is Preston Rideout, one of America's leading bar operations experts with 21 years of experience opening, operating and owning bars, nightclubs and restaurants across America, the Bahamas and in Mexico. His expertise is highly regarded among casino executives, distillers, bar owners, architects and nightclub management companies.

I think the world of these guys - you can learn more about them [here](#). Their years of experience and deep industry knowledge is evident when they fix struggling operations, help launch exciting new ones, and in their work on custom projects nationwide.

What does "Paying Your Dues" Look Like?

It's different for every person, but for an industry leader, it might look a lot like this...

1. Learn the basic job functions for every position in a full-service restaurant. Keep going and then do the same thing in a large hotel or resort F&B setting. "Balanced" experience like this will provide real insight of what it takes to get the job done.
2. Learn everything about administrative functions, including financial management...become a pro with a P&L.
3. Acquire industry knowledge. Commit to spending at least one hour every morning to learning and reading.
4. Education in a formalized setting...it enhances your value, understanding and impact.
5. Become ServSafe® and TIPS® certified.
6. Commit to the time it will take. We're talking years. Even though we live in a "*I want it now*" and "*instant gratification*" age, the hospitality business requires a time investment in order to acquire knowledge and skill.
7. Learn everything about everything. Culinary, beverage, human resources, marketing, administration and management. Already good at these things? The next steps include project management, site selection, real estate, construction and new openings. Already good at these? Then it's franchise or multi-unit development, advanced business planning, concept development, feasibility studies and turnarounds. As you can see, the learning never stops.
8. Have a plan and clearly defined goals to shoot for. This will make the journey of learning easier.

Follow these steps above and when the time comes, you'll be ready.

Thanks for reading and have a great week!

KL Moll

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