Restaurant Management By Checklist

How Implement Better Systems & Get Your People to Use Them

Welcome!
Today’s webinar will be starting shortly.

Your Hosts
Jim Laube
Joe Erickson

Comments & Questions
Why Checklists?

Checklists (systems) have a direct impact on your Guest Experience.

What Drives Your Financial Results?

Sales - Expenses = Profit

Guest Experience
WHY CHECKLISTS?

The two things your restaurant needs to happen after a guest leaves, loyalty and positive WOM, depends entirely on your...

Guest Experience

THE GUEST EXPERIENCE

<table>
<thead>
<tr>
<th>Loyalty</th>
<th>WOM</th>
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<tbody>
<tr>
<td>Extraordinary</td>
<td>High</td>
</tr>
<tr>
<td>Good/Average</td>
<td>Positive</td>
</tr>
<tr>
<td>Bad</td>
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Most people will gladly PAY MORE for an “Extraordinary Experience”

Almost 9 out of 10 U.S. consumers say they would pay more to ensure a superior guest experience.

Source: Customer Experience Impact Report by Harris Interactive/RightNow
WHAT DRIVES THE GUEST EXPERIENCE?

What’s the MOST important part of the guest experience?

ANSWER: Consistency & Repeatability

CREATING EXTRAORDINARY EXPERIENCES REQUIRES

Effective Systems

Good People
“Ray Kroc didn’t go to work ‘IN’ the restaurant . . . “

“He went to work ‘ON’ the restaurant”

THE SYSTEM IS THE SOLUTION

- Consistent, predictable, reliable “guest experience”
- Higher productivity & morale
- Fewer surprises, crises
- Less owner’s time in managing daily operations
- Makes your restaurant MUCH more valuable when you sell it!

WHAT IS A RESTAURANT?

A series of activities, steps & procedures that must be constantly repeated, essentially the same way, over & over again.
What is a system?
A system is a procedure, process or series of actions designed to achieve a desired result.

A SYSTEM IS A PROVEN RECIPE

Recipe for Tiramisu:
Ingredients:
- ladyfingers
- 1 cup coffee
- 2 cups sugar
- 2 eggs
- 1 cup heavy cream
- 1/2 cup grated dark chocolate
- 1/4 cup rum
- 1 cup finely chopped walnuts
- 1/4 cup softened butter
- 2 tbsp. powdered sugar

Preparation:
1. Dip ladyfingers in coffee and arrange in a layer in the bottom of a 13” x 9” baking pan.
2. Mix together sugar, eggs, cream, chocolate and rum in a bowl.
3. Pour over ladyfingers and refrigerate overnight.
4. Sprinkle walnuts over cream layer and spread softened butter over the top.
5. Sprinkle powdered sugar over and serve.

PROFIT COMPARISON

<table>
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<th></th>
<th>Independents</th>
<th>Major Chains</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>4% - 6%</td>
<td>12% - 15%</td>
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Chains have and USE SYSTEMS!

Why?

(restraurant-level profit before taxes & corporate overhead)
WHAT’S THE MOST BASIC TYPE OF SYSTEM?

Checklist

Where do we find checklists?

in your restaurant, is the quality and consistency of the Guest Experience any less important?

RESTAURANT CHECKLISTS

Advantages:
1. Easy to create
2. Easy to understand and follow
3. Effective
4. Helpful in training new employees

RESTAURANT CHECKLISTS

Characteristics of Effective Checklists -
- Short & precise
- Key items only
- Easy to use (even when it’s busy)
- Are viewed as helpful “reminders”
- Not a comprehensive “how to” guide
- Fits on one page
DISCUSS WITH YOUR STAFF . . .

What are some of the challenges your restaurant has in delivering an exceptional guest experience EVERY TIME?

✔ Could a checklist help?

RESTAURANT CHECKLISTS

Challenges of traditional checklists-

✔ Continually printing copies
✔ Changes require reprinting
✔ Hard to know when they were completed
✔ Data is erased after use (grease pencil)
✔ Keeping historical files is cumbersome

OpsMatrix.com
The Checklist Generator is a web tool enabling restaurant operators to create and store checklists of all types in the RestaurantOwner.com cloud.

Benefits of online checklists -

- Easy checklist design tool provides spreadsheet look and feel with no training needed – even if you've never used a spreadsheet
- Users can be added and removed from access to your checklists
- Notification options enables you to receive an email each time a checklist has been completed
- Search tool allows you to view the exact time and by whom each checklist was completed
Creating good Checklists is relatively easy.
What’s the most challenging part?
Creating good Checklists is relatively easy. What’s the most challenging part?

**MOST CHALLENGING**

- Guest Experience
- Effective Systems
- Good People

**What’s Possible**
Service time 4 times faster than closest competitor

70% of Workforce Part Time Earning Minimum Wage!

1 Complaint Per 3,500 Orders

EXTRAORDINARY RESTAURANTS

It's not about WHAT you do, but rather, HOW you do it.

EXTRAORDINARY RESTAURANTS

You never own success. You only rent it.
EXTRAORDINARY RESTAURANTS

Sustainable success is all about the CULTURE you create!

SO WHAT IS CULTURE?

Culture is how your people . . .

Think & Act

CHARACTERISTICS OF CULTURE

Strong Culture -
- Cooperation
- Enthusiasm
- Smiles
- Teamwork
- “What else can I do?”
- Flexibility
- Respect
- Accountability
**CHARACTERISTICS OF CULTURE**

**Indifference**
- Cover your tail
- Blaming others
- "It's not my job"

**Indifferent people will not use the CHECKLISTS!!**
- Excuses
- Whining & complaining

**WHAT MANAGERS DO**

**RESULTS**
- "Label & rotate products"
- "Keep station clean"

**ACTIONS**
- "Follow recipe cards"
- "Use checklists"

**WHAT MANAGERS DO**

**RESULTS**
- "Do this . . ."
- "Don’t do . . ."
EMPLOYEE BELIEFS

Management says...

RESULTS

“Do this . . .”

“Don’t do . . .”

ACTIONS

BELIEFS

CURRENT BELIEFS IN YOUR RESTAURANT

When the New Employee asks . . .

☑ How do things REALLY work around here?
☑ Will they REALLY send me home if my uniform isn’t right?
☑ Do they REALLY care about supporting our community?

COMMONLY HELD BELIEFS IN YOUR RESTAURANT

Food Cost -

Current Beliefs:

☑ Mgt doesn't care about food cost
☑ Food cost doesn't affect me
☑ No one notices missing products
☑ My ideas don't matter
**EXPERIENCES CREATE BELIEFS**

- **Management says...**
  - “Do this...”
  - “Don’t do...”

**BELIEFS**

**Food Cost**
- **Current Beliefs:**
  - Mgt doesn’t care about food cost
  - Food cost doesn’t affect me
  - No one notices missing products
  - My ideas don’t matter

- **Current Experience:**
  - Mgt doesn’t measure food cost
  - Food cost is never or rarely discussed
  - Products are never counted
  - Mgt never asks me for ideas

**How do you change Beliefs?**

**HOW CULTURE IMPROVES RESULTS**

- **Management**
  - “Do this...”
  - “Don’t do...”

- **Leadership**
  - “Do this...”
  - “Don’t do...”

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HOW LEADERSHIP IMPROVES RESULTS

Leadership intentionally creates the employee EXPERIENCES that promote NEW BELIEFS. The NEW BELIEFS inspire the employee ACTIONS that produce the desired RESULTS.

NEW EXPERIENCES CREATE A NEW CULTURE

RESULTS

Management

ACTIONS

“Do this…”

Leadership

BELIEFS

“Inspires”

EXPERIENCES

WHAT DRIVES SUSTAINABLE RESTAURANT SUCCESS?

Sales

Expenses

$ Profit $

Guest Experience

What’s the ENGINE that powers your RESULTS?

Guest Experience

Good People
WHAT DRIVES SUSTAINABLE RESTAURANT SUCCESS?

Your RESULTS are largely determined by the CULTURE you create

WHAT BUSINESS ARE YOU REALLY IN?

Success in the restaurant business is ultimately about the experiences you provide your guests AND your employees

WHAT BUSINESS ARE YOU REALLY IN?

You’re in the EXPERIENCE business!
Restaurant Management By Checklist

Guest Experience

Sales - Expenses = $Profit$

Employee Experience

Your CULTURE determines your RESULTS

CULTURE: KEY POINT

CULTURE produces RESULTS

Change your CULTURE, change your RESULTS

The new GM changed the Culture!!

Different RESULTS!!
WHAT DOES A STRONG CULTURE LOOK LIKE?

Effective Communication

- Inflexible Core Values
- Clear Vision of the Future
- Simple, Powerful Mission Statement
- Behavior Norms
- Clear Expectations
- "I Understand My Role and Purpose"

WHO?

Who drives the culture in every independent restaurant?

Owner’s must...
- Clarify the culture
- Model the culture
- Hold people accountable for the culture

MISSION

Why does your restaurant exist?
What do you want to accomplish?
What would your employees say?
MISSION

Why EVERY Restaurant Needs a Mission

- Gives meaning & purpose to every activity
- Provides a “high performance challenge”
- Becomes the basis for standards & accountability
- Will help you pull your people together as a team
- Will help you recruit & retain the right people

MISSION STATEMENT

1. What your company does
2. Who you do it for
3. How you want to do it
4. Result(s) you want to achieve

Must be: Clear & Succinct

“Our mission is to become world famous by delighting one guest at a time.”
MISSION STATEMENT

“To guarantee that every guest is delighted because of me.”

MISSION STATEMENT

“Our mission is to thoroughly delight our guests through such unparalleled hospitality, service and culinary excellence that they will rave about their experiences and have no choice but to return.”

MISSION STATEMENT

“delight customers is way you create loyalty”

MISSION STATEMENT
MISSION STATEMENT COMPONENTS

Pal’s Sudden Service -

Challenge / goal  To delight . . .
We do it for  our customers . . .
(transition)  in a way that . . .
Outcome / result  creates loyalty.

EXPLAIN THE DEEPER “WHY”

“Our mission is to thoroughly delight our customers so they keep coming back and tell others about us.”

Why?

WHY YOU MUST CREATE & COMMUNICATE YOUR MISSION

Will greatly enhance your leadership effectiveness.
Will help you create community.
Becomes the impetus for ongoing improvement & change.
Easier to manage & coach your people.
Makes it obvious who should leave.
ACCOUNTABLE TO THE MISSION

“It makes it very easy to sit down with people to discuss what your standards are based on your mission statement without emotion. When you take out that emotion, there is no more stress when you know you have to discuss disciplining your employees.”

Brian Bailey, Owner & Chef
The Bistro at Marshdale

ACCOUNTABLE TO THE MISSION

“You say, Listen, we’ve had this discussion, you know what our business is about. If you’re not showing up on time we cannot provide the experience that we say we’re going to provide. If you don’t have the right attitude, then it doesn’t match our mission.”

Brian Bailey, Owner & Chef
The Bistro at Marshdale

WHEN TO COMMUNICATE YOUR MISSION

- Interviews
- Orientation & training sessions
- Training manuals, handbooks
- Management meetings
- Pre-shift meetings
- Decision-making discussions
- Whenever the opportunity arises
YOUR RULES OF THE GAME

Achieving Your Mission Requires Everyone Knows . . . .
- What’s acceptable and what’s not
- How things are done
- What is expected of everyone
- How we interact with each other
- How we hold each other accountable

RULES OF THE GAME

1. Do your best
2. Do the right thing
3. Show people that you care

Basics
- Excellence
- Integrity
- Hospitality

Goal is to create an employee experience that supports excellence, hospitality & teamwork

MAKE YOUR RESTAURANT A “SAFE ZONE”

SAFE
According to a 2011 Monster.com survey...

“66% of respondents admitted to being a victim of workplace bullying”

Many workplaces are not safe zones.

What happens when people don’t feel safe at work?

Whose responsible for creating a Safe Zone?

Communication

Respect

Courteous

Transparency

Consistency

Safety

Caring
BEHAVIORAL NORMS

K&N Management -
- Friendly
- Engaging
- Authentic
- Harmony
- Strong work ethic

Pal's Sudden Service "No Gossip" Rule -
- Talking about team members when they aren't there
- Anything you wouldn't say to a person's face
- Why? Can be disruptive to work climate, morale, teamwork
- Gossip can affect the mission

CREATING A “SAFE ZONE”

Customers will never love a company until the employees love it first.
- Simon Sinek
UNDERSTAND WHY PEOPLE STAY

Why do you work for ?

- "The owner] helped me with some personal problems."
- "People here care about each other."
- "It feels like family."
- "The owner] has integrity.
- "I love my fellow employees, the owner] and the company."
- "I feel like I belong; I fit in here."

CREATING A “SAFE ZONE”

People will put up with all sorts of stuff at work, IF they feel someone cares and what they do matters.

BEHAVIORAL NORMS

How We Are Expected to Act

Leaders’ Responsibility

- Clearly communicate your “Rules of the Game”
- Must apply to “everyone”, NO EXCEPTIONS
- Call it tight

"I discovered, I get what I tolerate."
BEHAVIORAL NORMS
HOW WE ARE EXPECTED TO ACT

Every Employee, Every Day MUST . . .
- Clean
- In uniform
- On time
- Use the checklists

“If you can’t do that, you can’t work here.”

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“If I tried that, I would have no employees!”

“If I tried that, HALF my staff would leave!”

Your good people are waiting for you to do it. If you don’t, it means the people who don’t care about your restaurant are running it!”
Creating extraordinary experiences requires effective systems, good people, and a guest experience.

Culture

Your culture determines your results.

Where Do I Start?

Do you REALLY want to get better?
If yes, share it with your staff
Tell them “WHY”
Ask for their input
Start by “slowly” changing your culture

Where Do I Start?
Restaurant Management By Checklist

Comments / Questions

Restaurant Management By Checklist

How Implement Better Systems & Get Your People to Use Them

Thanks for attending!!