



# SURVIVING & THRIVING THROUGH COVID-19

Restaurant Owner  
Bootcamp

Session III

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The Maryland SBDC Program is funded in part through a Cooperative Agreement with the U.S. Small Business Administration.

# Program Overview

The outbreak of COVID-19 is impacting all businesses, including the hardworking owners, operators, servers, delivery drivers, cooks, and just about everyone in the food and hospitality sector. Government and social responses are changing and being modified daily, and the news can be overwhelming.

States, cities, and many major companies have issued statements to their customers and the public about how they are handling the COVID-19 outbreak. Yet more have created informative, actionable content and resources to help anyone in need during this chaotic and confusing time.

As proud members of the restaurant industry, SBDC/PGCEDC are here to help your restaurant in any way possible as you work to navigate and overcome the obstacles that COVID-19 has put in your path. One of the best ways we can do that is through content. With all of the headlines, articles, and updates flying about, it can be hard to pinpoint which ones will actually help you, your restaurant, and your staff during this trying time. So, we put together this program that will give you insights and ideas as well as the opportunity to work one-on-one with a counselor. There is a plethora of resource links available through our respected websites and counselors.



# Workshop Series Overview

**September 9, 2020 | 9am–10:30am**

Accounting and Finance Strategies for  
Challenging Times

**September 23, 2020 | 9am–10:30am**

Pivoting to the New Reality:  
New Revenue Streams

**October 7, 2020 | 9am–10:30am**

New Approaches to Operations  
and Customer Fulfilment

**October 21, 2020 | 9am–10:30am**

Procurement: Best Practices for Purchasing



You can have the best food and staff at your restaurant, but if you can't operate in a timely, consistent, and safe fashion, the experience will be lost on the guest and staff and negatively impact your bottom line. Throughout this series, we have tried to offer practical tips on how to improve efficiency, reduce costs, and delight your customers. In this module, we focus on operational efficiency and optimizing success.

# Operations

Operations boil down to three interactive elements:  
People, Product, and Process

## Safe Operations

Safety lies at the intersection of people, product and operational efficiency (process). It should ALWAYS be your top priority -- and during a pandemic, it is on everyone's mind.

### Exercise:

- How easy is it for someone who has never been to your restaurant to understand where to go and what to do?
- What are your restaurant's three most high-traffic areas?
- What are some fun ways to engage your staff and customers in encouraging healthy behaviors in your restaurant?

### Tips:

- Remember that it's not just about compliance – it's about gaining a guest "seal of approval"
- Set a timer and have a checklist SPECIFICALLY for cleaning high-traffic areas

## Restaurant Snapshot Visit

Location/Name/ID#: \_\_\_\_\_

Counselor: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_

### 1. **BUILDING & PERIMETER**

- Signage
- Lighting
- Landscape
- Windows
- Outside music (if applicable)

NOTES:

### 2. **FOH SHIFT OPERATIONS**

- Pulse of the Dining Room/Bar
- Music/Lights/TV/Temperature
- Aces in places
- Uniforms
- Smiles/Greetings/Fond Farewells
- Interactions with guests
- Specs & Procedures
- Attentiveness

NOTES:

### 3. **BOH SHIFT OPERATIONS**

- Uniforms/Aces in places
- Ticket times/execution
- Standards and procedures adherence
- Food quality/presentation
- Taste of food
- Organization/Walk-in/Prep area

NOTES:

### 4. **CLEANLINESS & REPAIR & MAINTENANCE**

- FOH/BOH Cleanliness
- Restroom(s) checks
- Organization
- Equipment Functionality
- Any Repairs

NOTES:

**Covid-19 specific recommendations**

DO Signature: \_\_\_\_\_



## Efficient Operations

Technology can help reduce the friction points that decrease productivity and efficiency. For example, today's point of sale (POS) systems integrate many of the features that used to be done by hand.

# Technology Checklist

- What features would be most helpful to you?
- How much is YOUR hourly rate? (How much is your time worth to the business?)
- How much time do you spend doing things by hand?
- How much time (and money!) might you save if you automated your processes and collected more complete data?

<b>Inventory Management</b>	Recipe cards	Supply Levels	Automatic ordering (option)
<b>Menu and Ordering</b>	Online ordering and payment	In restaurant menu	Takeout and delivery menus
<b>Floorplan</b>	Layout	High traffic area alert	
<b>Payment</b>	Pay in advance	Flexible pay (multiple checks, etc.)	Contactless payment
<b>Customer Management</b>	Customer data	Loyalty program integration	Promotions
<b>Staff Member</b>	Employee reports	Scheduling	Timecard
<b>Reporting</b>	Product reports	User reports	Financial reports
<b>Hardware / Software</b>	Mobile / Cloud Features	Security Features	Hardware



## Reduce Food Waste by Creating Digital Food Cost Cards

Food is one of the two biggest expenses in a restaurant and needs to be tracked diligently. The restaurant industry operates on some of the slimmest profit margins of any business type, which on average, are below 10 percent. Knowing real time food costs helps restaurant owners set fair and accurate prices and focus sales and product mix. Having accurate food cost cards that are both digital and integrated into the restaurant management system, enables managers to track fluctuations in real time.

## Improve Scheduling Efficiency with Software Solutions

Labor is the other 'top two' expense. To manage labor costs and maintain profitability, restaurant owners must ensure that they are not overstaffing or understaffing. Budgeting and forecasting labor expenses is one of the most important things a restaurant owner can do — it is also one of the most time consuming. Most modern POS systems have scheduling and time clock functions, and provide analytics on sales/employee efficiency that allow managers to adjust staffing levels based on data.

## Improve Order Times and Accuracy

Today's modern integrated POS systems with tablets eliminate much of the risk associated with use of paper order tickets. Servers can punch in the customer's order while still at the table, transmitting it automatically to the kitchen. This eliminates the chance for handwriting to be misinterpreted, tickets to be mislaid or damaged, and leaves servers free to take care of their tables instead of running back to the kitchen with every order.

## Integrate Inventory Management

Automated inventory management allows restaurants to track stock usage and be able to determine product / ingredient ordering needs in real time. The POS system can be integrated into the inventory system for both inventory and food cost. Usage can automatically be monitored down to the recipe and item level. This not only helps avoid being over or understocked, but it can also make it easier to detect shrinkage or the misuse of ingredients.

## Integrate Payments and Bookkeeping

Cash transactions are also becoming rarer by the day — especially amid health concerns. Cashless transactions free up the manager to focus on the business instead of consolidating cash drawers and heading to the bank. Moreover, non-cash payment transaction information can be fed directly into bookkeeping software, minimizing the time spent updating spreadsheets.

# Employee Engagement

Operational Efficiency = Process and Systems + Employee Alignment and Buy-in

**Employee engagement takes work:** and the more dedication you put toward developing your team, the more engaged they will be.

How engaged is your team — both as a team and as individuals?

**Employees choose to disengage for three main reasons:**

- Don't Know
- Can't Do
- Don't Care

## Highly Engaged

- What can I do to help others
- I inspire others to do their best
- I love working here

## Engaged

- I'm a vital part of the business
- I feel important at work
  - I am an achiever
- I am very busy and probably very stressed

## Almost Engaged

- I know I'm part of something bigger
- I am almost always engaged (sometimes not)
- I am slightly proud I work here
- I might leave if I am tempted

## Not Engaged

- I'm interested in overtime
- I have more sick days than I should
- I have poor working conditions
- I don't like my manager and/or team

## Disengaged

- I'm here for the money
- I'm leaving when I can
- I'm not satisfied with the job I do
- My work doesn't excite me

## Train Employees to Succeed

In addition to job-specific training, invest in training for the entire team that increases the safety and efficiency of operations and ultimately helps control costs.

### Expand training to include:

- Systems and Technology
- Standard Operating Procedures (processes and protocols)
- Safety
- Communication, Teamwork and Customer Service

Consider making short videos that get across key concepts in order to standardize the process and make messaging consistent. Focus on content — not advanced filming technology — a phone or tablet is fine. Begin building a library.

As time goes on and new staff bring new ideas and perspectives, watch and listen. If an employee shows you a more efficient way to do something, a cheaper way to get the same results or a way to improve customer satisfaction without increasing expenses, it's smart to update your training procedures to include those helpful ideas.

What three topics do you want to start with?

*Remember: When training stops...  
Development starts!*



# Explain the Why

In order to feel great about doing a job, many people prefer to know and believe in the “why?” This includes ensuring that the bigger purpose always stays in mind, and sharing some, if not all, of the reasoning behind each standard operating procedure to increase both understanding and buy-in. These may include regulations or design elements that you have no control over. Simply put, a procedure that makes sense is easier to follow.

## Remember to tell your team:

<b>Why it's necessary (product)</b>	How does it help the restaurant?
<b>How it will be done (process)</b>	What are the steps?
<b>Your responsibility and ideas (people)</b>	In what way does this affect the person's job -- and do they have any other ideas?

# Take Care of your Employees:

## Get Them What They Need

Richard Branson, founder of Virgin Industries, says it best, “Take care of your employees, and they’ll take care of your business.” Taking time to talk with your team builds a feeling of inclusiveness, and since they are the ones on the frontline, it provides you with invaluable insight into what is really happening.

Providing your staff with what they need is one of the easiest ways to improve restaurant efficiency.

## Communication:

Engaging with the team and finding out their pain points will provide you with a blueprint of how and what to change. Do not assume that you have all the answers. Your team has different insights and experiences than you have.

## Tools:

When the tools needed are easily accessed, the flow of the restaurant improves and is able to run at its peak. Not having to cool down glassware or reboot an old POS system will allow more revenue to flow. The simple act of making sure your staff gets what they need will make them happy and in turn increase overall satisfaction both internally and externally.

**TIPS:**

- Schedule time to talk to your team on a regular basis.
- Actively engage with your staff on all aspects.
- Find out their “WHY”.
  - Why do they work there, why do they like it, why do they not. This may be a hard pill to swallow sometimes but the ROI is off the charts when the staff is engaged and happy.

## Recognize Dedication and Success

How can you incentivize your employees — specifically, what creative way can you think of recognizing employees that go above and beyond and what rewards can boost the entire team without causing unneeded stress from competition? Who can you engage in recognizing exceptional service?

- Supervisor
- Peers
- Customers

*Happy employees being an essential part of customer loyalty*

## Manage You

### Schedule Time for Yourself

Most restaurateurs love the restaurant business, which is why they stay in a job where weekends are considered Mondays and they are on call for the business every hour of the day. But burnout is real.

When flying, in case of emergency, they always tell you to put your own mask on before helping others with theirs. The same applies to managing your team and your restaurant. Not able to completely let go? With today’s cloud-based POS and management systems, restaurant operators can monitor the success of the restaurant from anywhere with an Internet connection. Take advantage of the freedom this provides.

*Sometimes, you need to slow down to speed up.*

### **Ask for Help**

Many organizations (SBDC, SCORE, PGCEDC/Emerge Stronger) provide help at no charge. Talking to someone and working through issues can be a huge practical AND emotional release. Mindset and human nature sometimes skews perceptions of the right thing to do. Get a counselor or trusted professional to help.

- What can you get off your plate, (pun intended!)?
- What don't you enjoy doing or understand about the business?
- What or who can you give some of your workload to without affecting operations?

Typically data entry, inventory, payroll, and invoicing are a good place to start. Work on your business not just in your business.

## **Customer Fulfillment Building Customer Loyalty**

### **Market the Experience**

In addition to serving food, restaurants spent a lot of time and effort creating an experience. It is a feeling that with today's marketing technology can be shared across multiple social media platforms. Marketing often feels like an unwanted additional responsibility on top of managing restaurant operations and staff. However, effective marketing can actually make your business more efficient by deepening the loyalty of your current guests and attracting / intriguing new ones.

Everyone loves a party. By creating a party atmosphere through social media, everyone can join in. People love to snap pictures of their food and share the good times. By sharing the page, tagging, and incentivising the guests to share, new guests see what you're all about.

### **Tip:**

- Use marketing technology to manage multiple social media and other online accounts automatically.
- You can even create gift cards, and customer loyalty programs that practically manage themselves.

## Turn Guests into Regulars

At the most basic level, get their input:

- Encourage guests to provide feedback directly and learn what they like about the experience.
- Talk to the guests while they are waiting for their food. Everyone is also online these days.
- Set up a town hall style video call with guests for a complimentary meal. You can control the number of participants.

One way of thinking about engaging your guests beyond the dining experience is to make sure they return and stay engaged is to think about how to provide great “after party” experiences.

1. Use email marketing to communicate with guests to keep them up to date. Do not overwhelm them and make it fun. Do a quick poll for the next shake of the month.
2. Use customer data from your POS to target the communications.
3. Use a customer loyalty program. The top 2 reasons guests like them and use them, is for discounts and free food items.

## Guest Recovery

Good restaurants do the basics well; great restaurants do the difficult things well!

Being good at guest recovery is just as important to a restaurant as being good at service delivery.

No matter how good the product or service, no matter how effective the systems and procedures, every restaurant eventually drops the ball with a guest. How you address those mishaps can make or break the chances of gaining a loyal customer. It can also result in the gain or loss of new customers.

### Why Guest Recovery Is Important

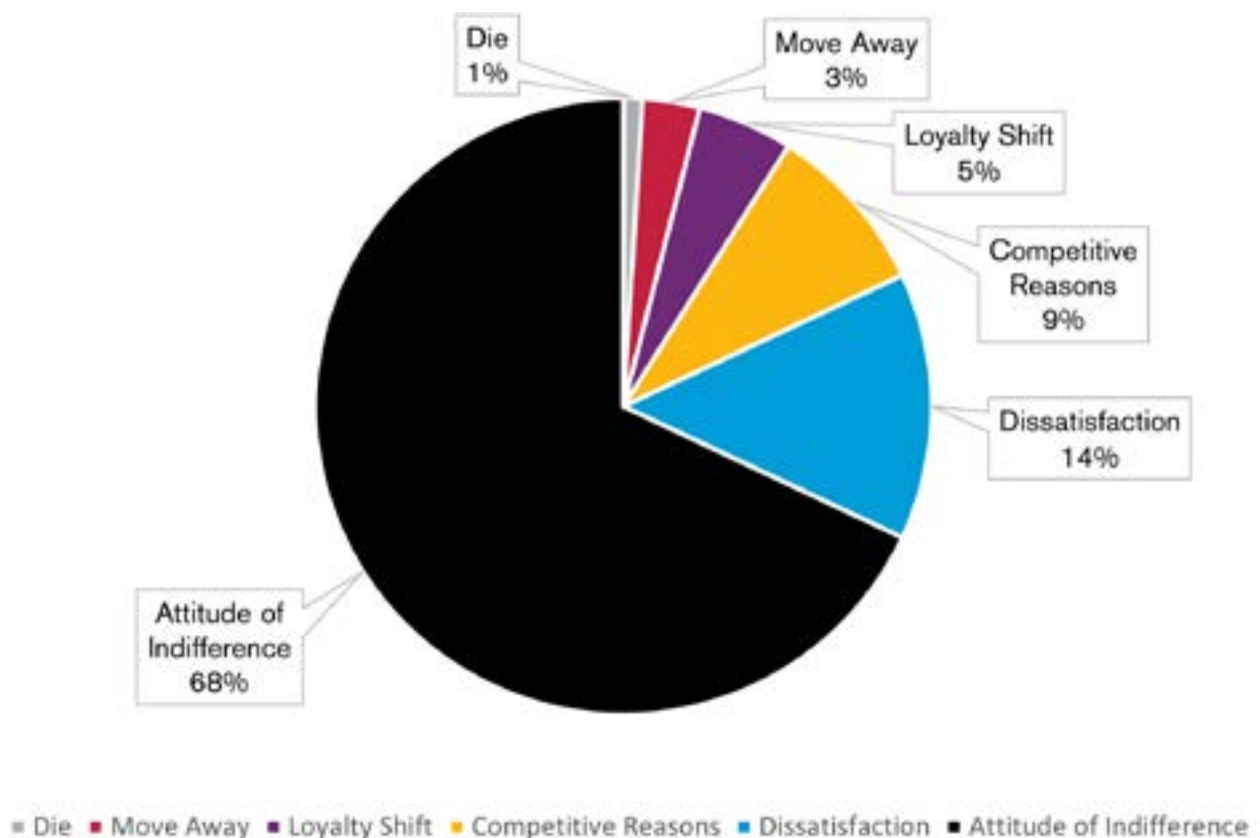
One of the most important things you can teach yourself and your staff is how to turn around a disappointed guest. It may be difficult, but the importance of service recovery should never be forgotten.

One of the most important things to keep in mind is that the guest's perception is their reality...not yours. Part of creating great customer experiences is having a plan when things don't go right in the guest's eyes.

One study found that 63% of consumers said they would be willing to go back to a company after a negative experience if they received a follow up apology/correction from a person in charge.



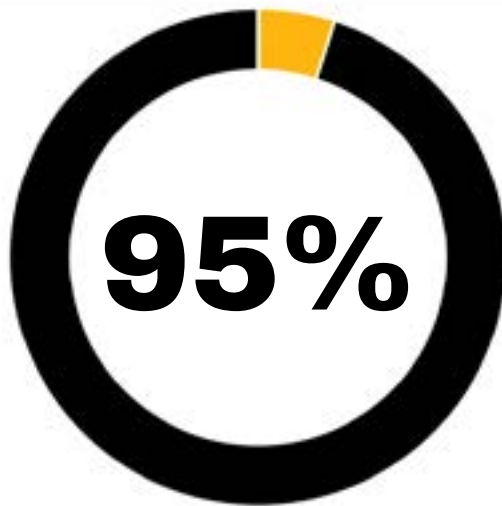
# National Restaurant Association: Why Guests Stop Coming



68% Stop coming because of an attitude of indifference toward guests by an employee — A proactive guest recovery process will fix this.

**Note about customer satisfaction:** When customers are unhappy, there's a 91 percent chance they won't do business with a company again (Lee Resources). Dissatisfied customers typically tell nine to 15 other people about their experience; some tell 20 or more (White House Office of Consumer Affairs).

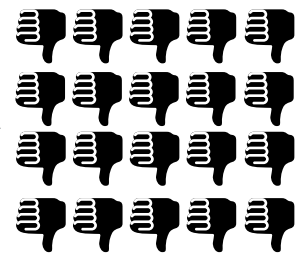
## Bad Customer Service Experiences Spread Faster than Good Ones



of customers share their bad experiences with others



**1** angry customer



**20** detractors

When you also take into account the lifetime value of a customer, you can see just how crucial it is to use service recovery to retain your customers.

Resolving the issue stops the spread. The goal is to fix the problem before the guests leave the building.

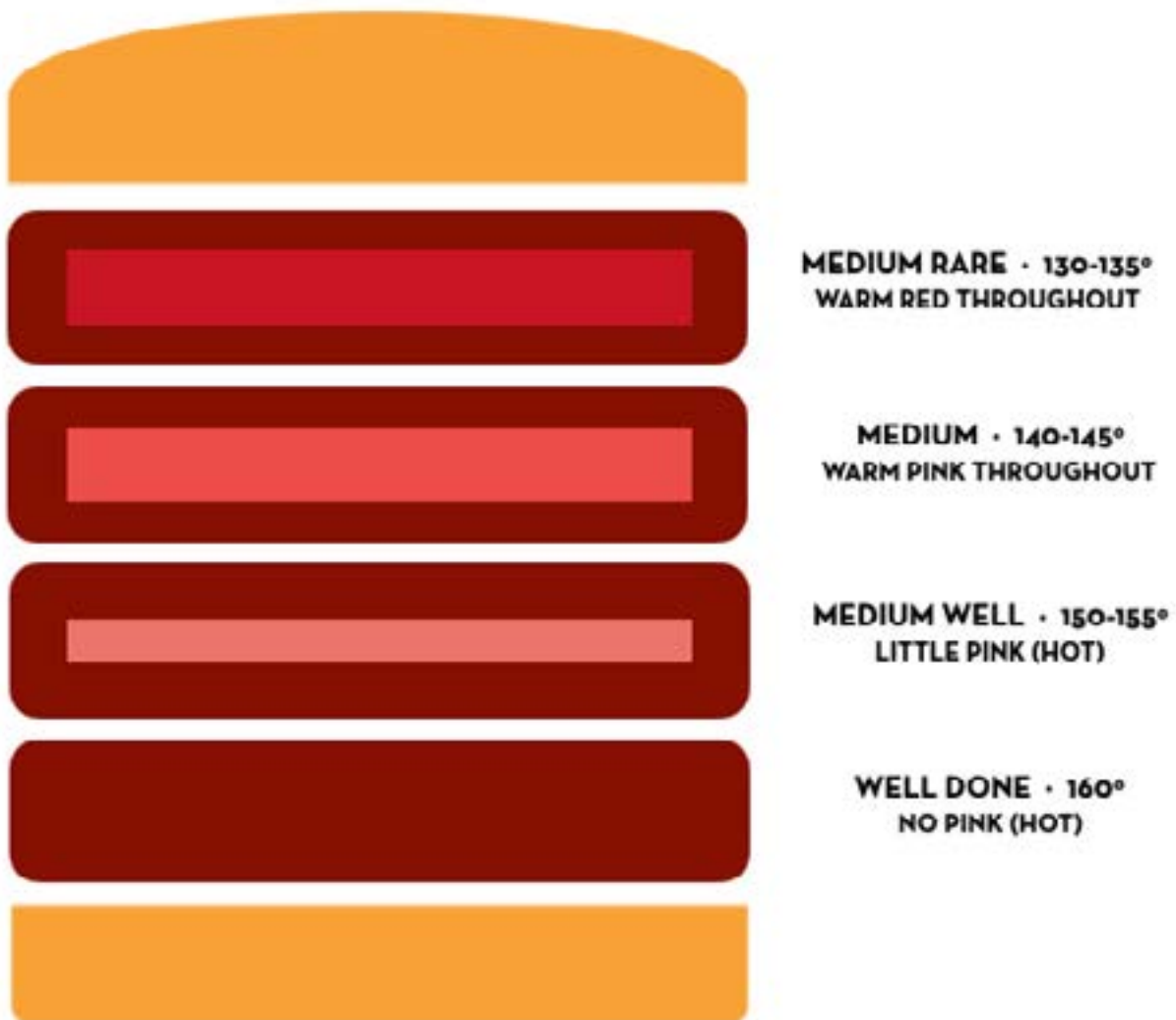


# Food for Thought: Eliminate the chance of misunderstanding from the beginning of the interaction

## **A burger is not a burger is not a burger.**

A guest's idea of "medium" may be very different from your restaurant's standard. Consider using charts / graphs / pictures (available in your restaurant and online) to get everyone on the same page.

*Where do misunderstandings occur in your restaurant?*



## Tips for Service Recovery: Communicate

In most cases, customers just want to know they are being heard, understood and that something is being done to remedy the situation. There is an emotional element to all complaints, and you must listen first to understand.

Always respect the guest and try to understand their complaint from their point of view. Empathize with the guest and make sure that they understand that their feelings are exactly how you would feel if faced with a similar situation as a customer. The natural tendency to react when confronted, often hinders you from understanding and showing empathy. Especially if you think you're right.

**B**elieve  
**L**isten  
**A**pologize  
**S**olve  
**T**hanks

### Reach for the

**S**orry  
**T**hank You  
**A**ct  
**R**ecover  
**S**hare

away complaints

# Active Listening

Questions are the secret sauce of service recovery. Ask questions that not only help drill down to the heart of the issue but that reveal the customer's true concerns.

- Reflect back what you heard: "I heard you say . . ."
- Confirm/clarify what you think they said/meant: "To make sure I understand, XXXX"
- Summarize at the end of the conversation.

## Other Points to Remember:

Sometimes a customer just wants to be HEARD.

- Understand the difference between hearing and listening. Listen for what is not said — not just what is said.
- Many times, there is a message within the message.
- Often what customers complain about is not what they are most upset about
- Take responsibility! Find a solution.
- Do not focus on what you can't do.

**In Practice:** When dealing with a customer service issue, listening can be difficult. Customers can be unpleasant, aggressive, or completely misinformed. It is human nature in these circumstances for the brain to shut down, that is why we need to focus on the message and not on their actions/behavior.



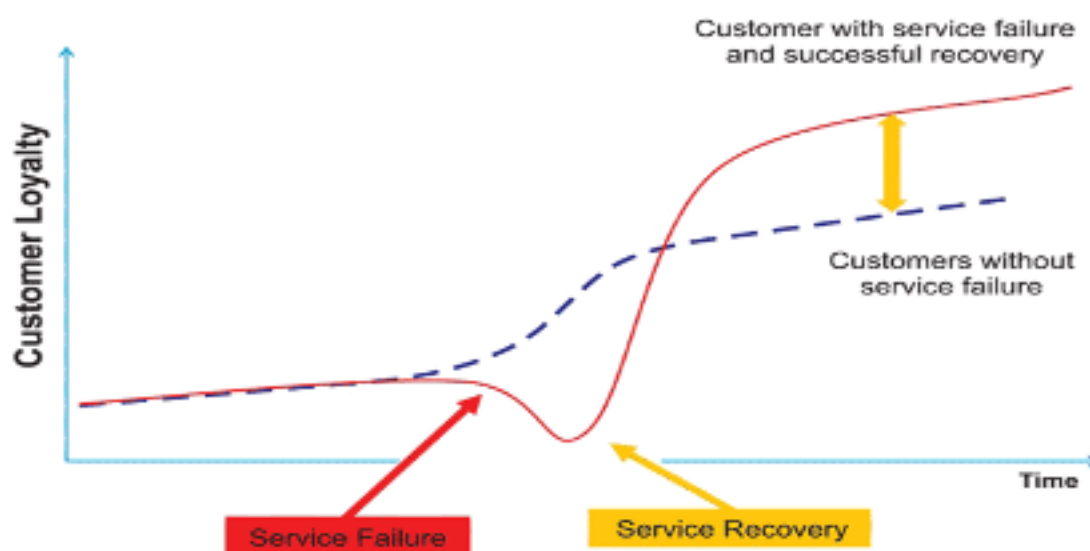
## Tips for Service Recovery: Close the Loop

Whenever you receive feedback or handle a customer service issue, it is essential to close the loop. Getting closure and feeling great about the situation usually means two actions have been taken.

First, you have gotten back with the customer to make sure the issue is fully resolved and, thank them for allowing you to correct the problem. Let them know if you have made any changes because of them and their situation.

Second, you want to look at the situation internally, which means sharing the customer's feedback or issue with the team members responsible for the experience. A post-incident analysis can prevent it from occurring again. This is also a great opportunity to involve the team and possibly come up with new and/or improved processes.

One of the biggest mistakes that a restaurant can make is assuming an issue is resolved because the customer never called back. Moreover, some of the best and most loyal regulars are guests that had an issue that was handled with care and empathetic responsiveness.



**In Practice:** Remember that there is power in your position as owner/manager. Take personal responsibility from the heart (no form letters!). Empower your staff to make guest recovery decisions and reassure them that as long as their intention is to help/fix the situation, there will not be consequences.

## Tips for Service Recovery Online

It's human nature to look at a negative review and want to lash out or defend yourself or your staff. But in reality, showing empathy — even online — is more likely to lead to a positive outcome.

Express appreciation for the different PERSPECTIVE, even if you don't agree with it.

- "I never thought of it that way"
- "We appreciate your input"

Also remember, online you are not dealing one-on-one — your response to a negative online review will also be read (and evaluated) by other potential customers.

People tend to go online to complain; a smaller but equally loud group is raving fans

- People don't need to be invited to complain — often have to be invited to rave (but are happy to!)


Review your reviews -- but refrain from getting "sucked in"

- Keep a growth mindset (don't get defensive).
- Respond if/as appropriate.

Not EVERY Guest is recoverable.

- Some people just want free stuff or to pick a fight
- Sometimes you have to say no to say yes
- Sometimes you have to walk away -- the guest is NOT always right (e.g., mistreating your staff, etc.)

Focus on putting your best foot forward.



# Remember, I am Your Guest

You often accuse me of carrying a chip on my shoulder, but I suspect that this is because you don't entirely understand me. Isn't it normal to expect satisfaction for one's money spent?

Ignore my wants and I will simply cease to exist. Satisfy those wants and I will become increasingly loyal. Add to this satisfaction any little extra personal attention and friendly touches you can dream up, and I will become a walking advertisement for your restaurant.

When I criticize your food or service, which I certainly do wherever I am displeased and to anyone who will listen to me, take heed. I am not dreaming up displeasure, the source of it lies in something you have failed to do to make my eating experience as enjoyable as I had anticipated. You must find that source and eliminate it or you will lose me, and my friends as well.

I insist on the right to dine leisurely or eat in haste according to my mood, schedule or other circumstances. I refuse to be rushed, and I abhor waiting. This is an important privilege that my money buys from you. And if I am not spending big money with you this particular time, just remember that if you treat me right I will be back later with a larger appetite and more money to spend, and probably with a number of my friends.

I am much more sophisticated these days than I was just a few years ago. I've grown accustomed to better things, and my needs are more complex. I'm perfectly willing to spend more money with you, and I have more money to spend, but I insist on quality to match your prices.

I am, above all, a human being. I'm sensitive, especially when I am spending money. I can't stand being snubbed, ignored or looked down upon. I'm proud. My ego needs the nourishment of a friendly personal greeting from you. It's important to me that you recognize my own importance to you, that you appreciate my business.

Of course, I am a bit of a show-off, too, but don't condemn me for that because you are probably a little hammy at times yourself. Just smile and indulge my whims as best you can. Remember that while you are feeding me in the literal sense, my money is figuratively feeding you.

Whatever my personal habits may be, you can be sure of this, I'm a real nut on cleanliness in restaurants. Where food is concerned, I demand the strictest sanitation measure. I want my meals handled and served by the neatest of people and in sparkling dishes. If I detect such careless signs as dirty fingernails, cracked dishes or soiled tablecloths, you won't see me again.

I am your guest now, but you must prove to me again and again that I have made a wise choice in selecting your restaurant over others.

And you must also convince me repeatedly that being a restaurant guest is a desirable thing in the first place. I can, after all, eat at home. But you must provide something extra in food and service, something superior enough to beckon me away from my own table and draw me to yours. You must provide the incentive for me to eat out.

—Souren Choudhury