ADVISORY NETWORK WEBINARS SERIES W/ RICK BRAA

LABOR MANAGEMENT IN A NEW ERA

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Washington Hospitality Association

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NEW ERA SAME CHALLENGING LABOR ISSUES
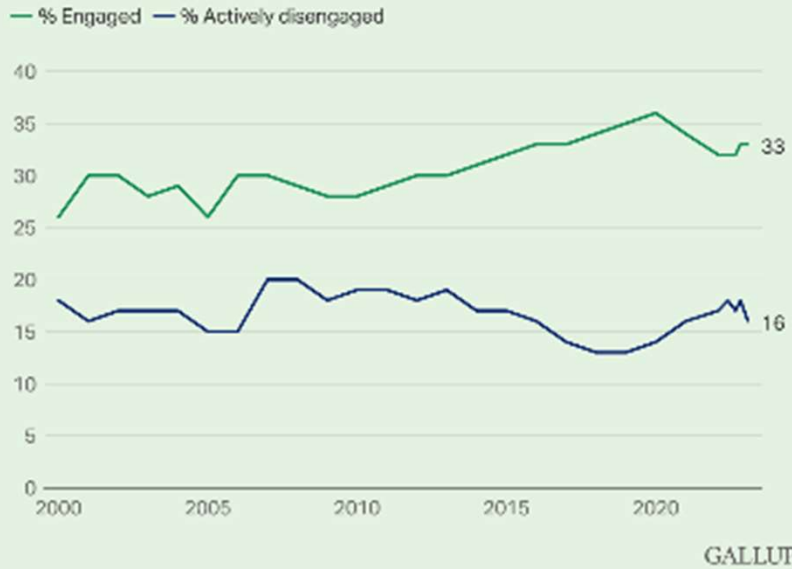
- Money is lost by:
    - Overstaffing (esp. first and last hour of each shift)
    - Understaffing
    - Menu complexity
    - Employee turnover
    - Low employee productivity
    - Overtime
    - Absenteeism
    - Guest turnover (slow)
    - Layout of physical facilities
    - And on and on
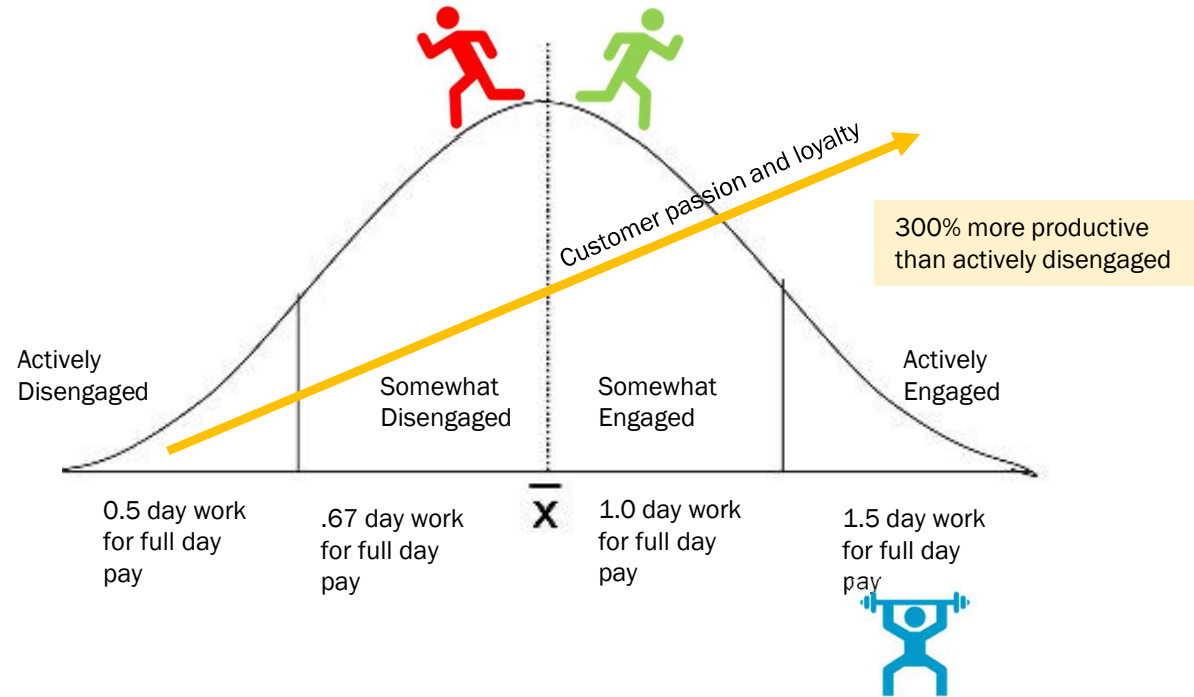
WHERE ARE WE WITH THE LABOR FORCE?

➢ Last night's busser is this morning's GM

➢ Inexperienced but intelligent

➢ More money, bigger expectations!

➢ Every person represents the brand and business-door to door

➢ Leadership from the top is directing vs. guiding

➢ Management work-hardest work is ahead
  - ❖ Planning, organizing, staffing, directing, controlling
  - ❖ Right people, right place, right work, right time

➢ Develop from within

U.S. Employee Engagement Trend

— % Engaged — % Actively disengaged

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ENGAGE EVERY TEAM MEMBER

Customer passion and loyalty

300% more productive than actively disengaged

Actively Disengaged

Somewhat Disengaged

Somewhat Engaged

Actively Engaged

$\overline{X}$

0.5 day work for full day pay

.67 day work for full day pay

1.0 day work for full day pay

1.5 day work for full day pay

An employee's willingness to freely give discretionary effort to their employer

Discretionary effort is the difference of what people are capable of doing and what they are willing to do (can/do/will/do)

Predictability/Consistency/Stability = Safety + Performance (Korey MacKenzie)

➤ Know strengths/opportunities
➤ Specific, positive feedback
➤ Reward and recognition
➤ Daily celebration
➤ Let them know & show you care

More Frequent Recognition Is Critical for U.S. Employee Engagement

In the last seven days, I have received recognition or praise for doing good work.

— % Strongly agree

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30

GALLUP
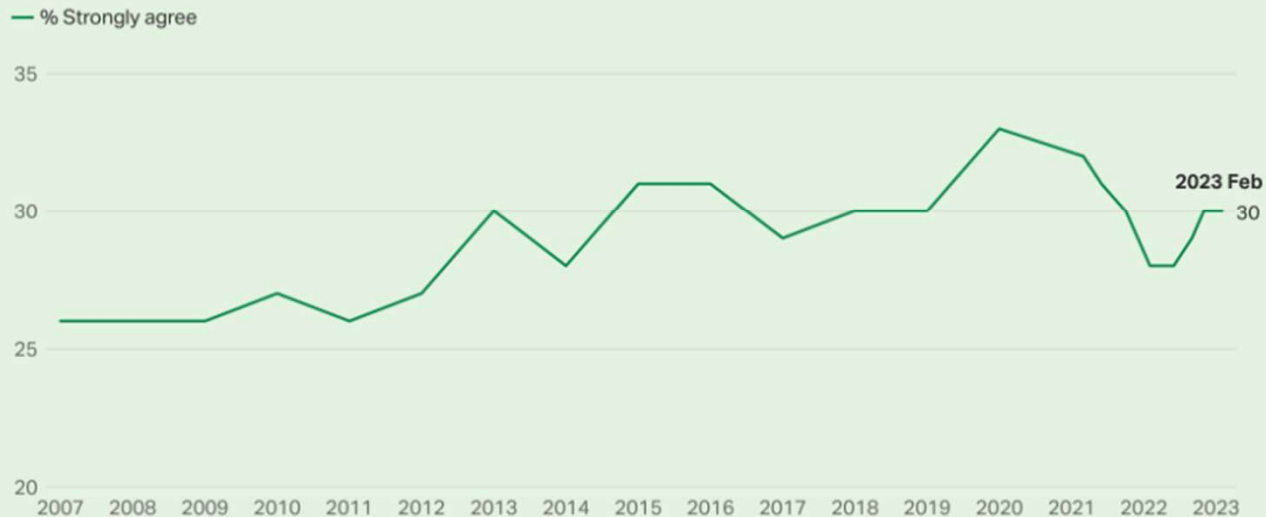
TRAIN TO UNDERSTANDING

- Define and record **processes** as SOPs and Ops Manual

- **Systemize** to consistent execution

- Layer **technology** on top of well-defined processes and systems

- Clearly define all positions and expectations

- Create a structure for managers—hour 1, hour 2…don't let them wander around and create their own day, critical: inexperienced

- Teach all staff how to manage labor and cost especially kitchen

- Post results daily

About Half of U.S. Employees Know What's Expected of Them at Work
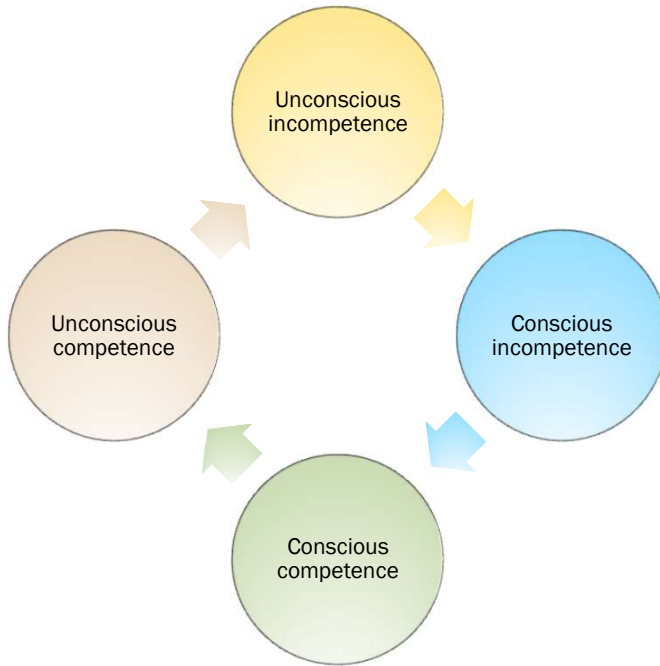
I know what is expected of me at work.

— % Strongly agree

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GALLUP
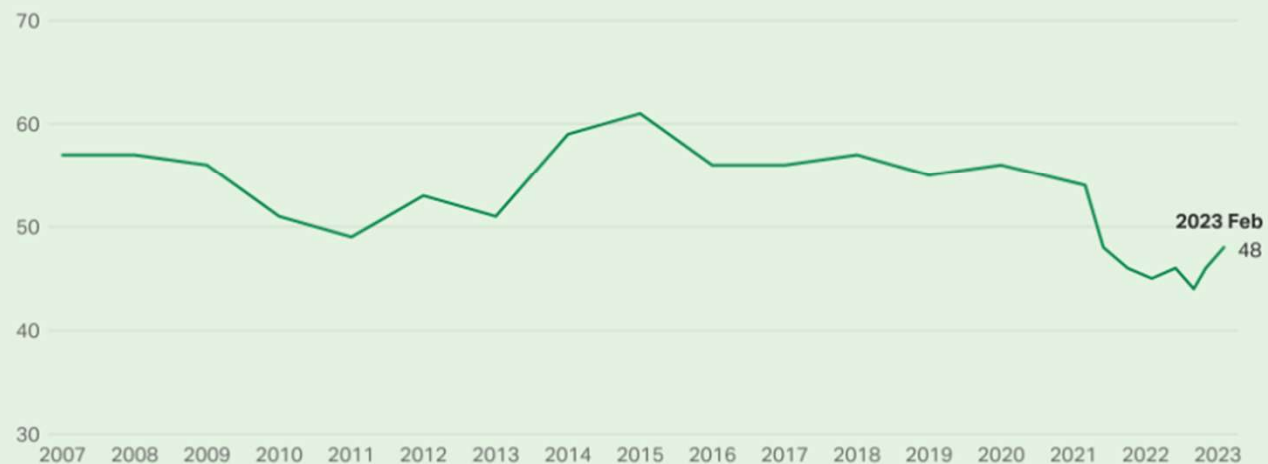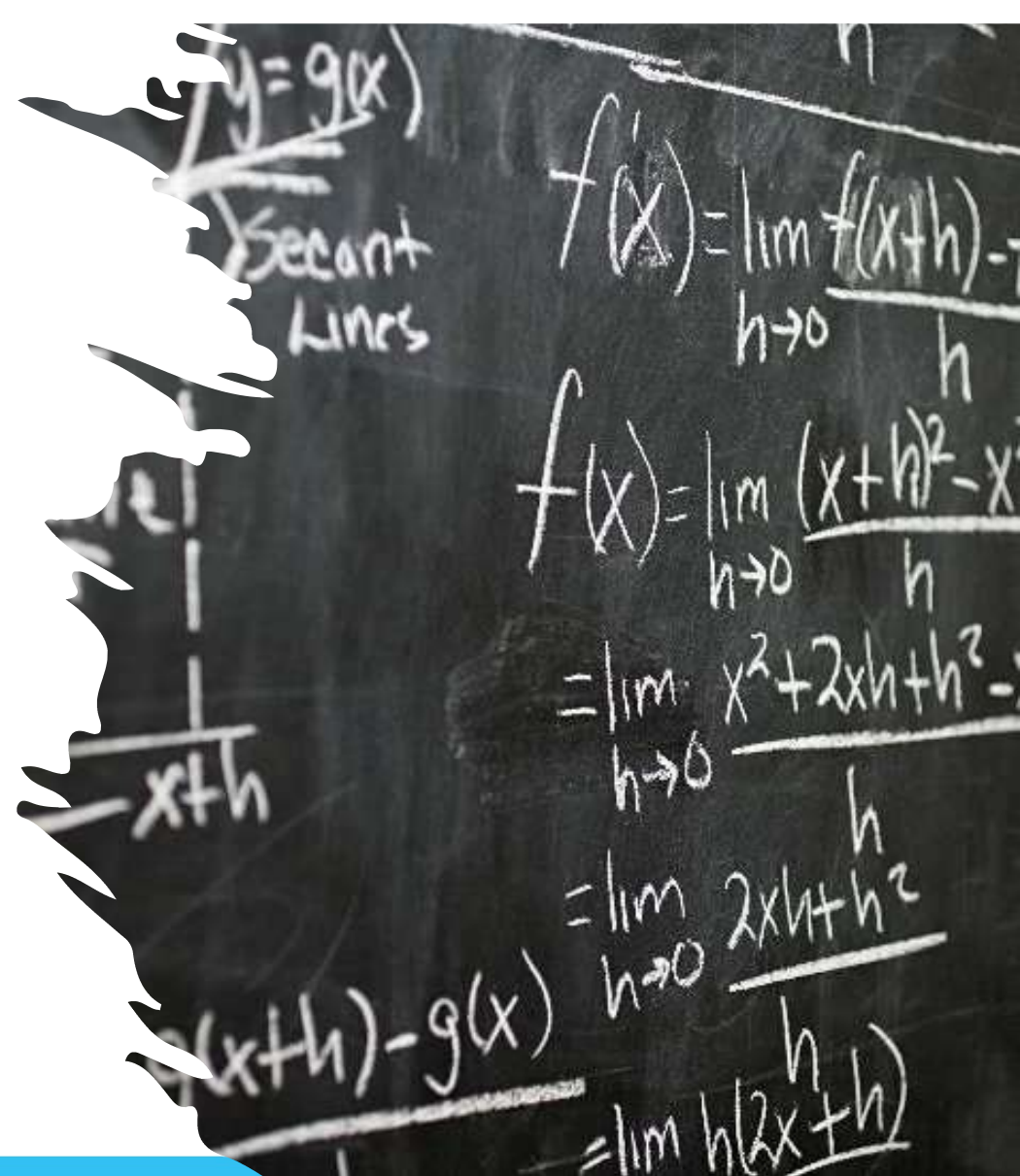
KNOW...DO...TEACH...MASTER (MIICK)

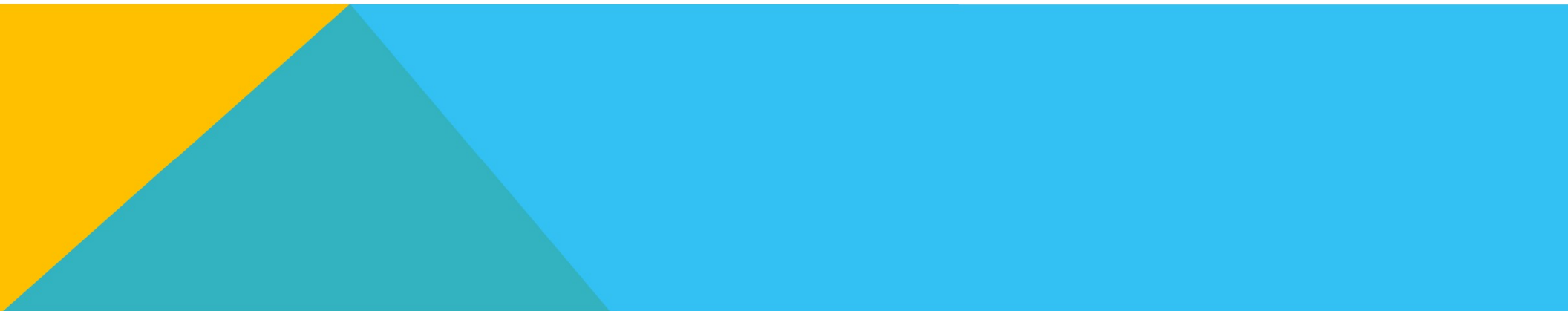# UNCONSCIOUS INCOMPETENCE

o **I don't know what I don't know**

o <u>Unaware</u> of <u>expectations</u> or relevance of the skill area

o <u>Unaware</u> of <u>lacking</u> required <u>skills</u>

o Could deny the usefulness of the new skill

o Learning and development begins with consciousness of their incompetence

→ Aim is to <u>move</u> the person into the <u>'conscious competence'</u> stage

CONSCIOUS INCOMPETENCE

➢ **I know what I don't know**

➢ <u>Aware</u> of the existence and relevance of the <u>skill</u>

➢ <u>Aware</u> of skill <u>gap</u> between incompetence and competence

➢ <u>Realizes</u> improving skill will <u>improve</u> effectiveness

➢ <u>Commitments</u> to <u>learning</u> and practicing new skills, and to move to the <u>'conscious competence'</u> stage

CONSCIOUS COMPETENCE

✓ **I can do what I know**

✓ Achieves 'conscious competence' in a skill when they can perform it reliably at will

✓ Will <u>need</u> to <u>concentrate</u> and think in order to perform the skill

✓ <u>Can</u> <u>perform</u> the skill without assistance

✓ <u>Will not</u> reliably perform the skill <u>unless thinking about it</u> - the skill is <u>not</u> yet 'second nature' or '<u>automatic</u>'

✓ Able to demonstrate the skill to another, but is <u>unlikely</u> to be able to <u>teach</u> it well to another person

✓ Continue to practice the new skill, and if appropriate commit to becoming 'unconsciously competent' at the new skill

→ <u>Practice</u> is the single most effective way to move from stage 3 to 4

UNCONSCIOUS COMPETENCE

❖ I can do with my eyes closed

❖ Skill becomes so practiced that it becomes 'second nature'

❖ Common examples are driving, sports activities, typing, manual dexterity tasks, listening and communicating

❖ Becomes possible for certain skills to be performed while doing something else aka multi tasking

❖ Person might be able to teach others in the skill concerned,

❖ Person might have difficulty in explaining exactly how they do it - the skill has become largely instinctual

LABOR STAFFING

- Staffing vs. Scheduling
  - Staffing:
    - Planning
    - Basic manpower decisions
    - Operating guidelines
  - Scheduling:
    - Operating function, deciding who works where, when, what tasks

LABOR PLANNING

- **Blind staffing grids**
  - Once per year
  - Build a minimum grid
  - Build by program/day
  - Build in $5,000-10,000 increments
  - Set ideal labor standards for scheduling

- **Costed schedules**
  - Cost each week (do not use a standing schedule)
  - Review against forecasted goal
  - Review against staffing grids

- **Checkbook approach**

Get the business in front of you -- plan the business around capacity and staffing you forecast
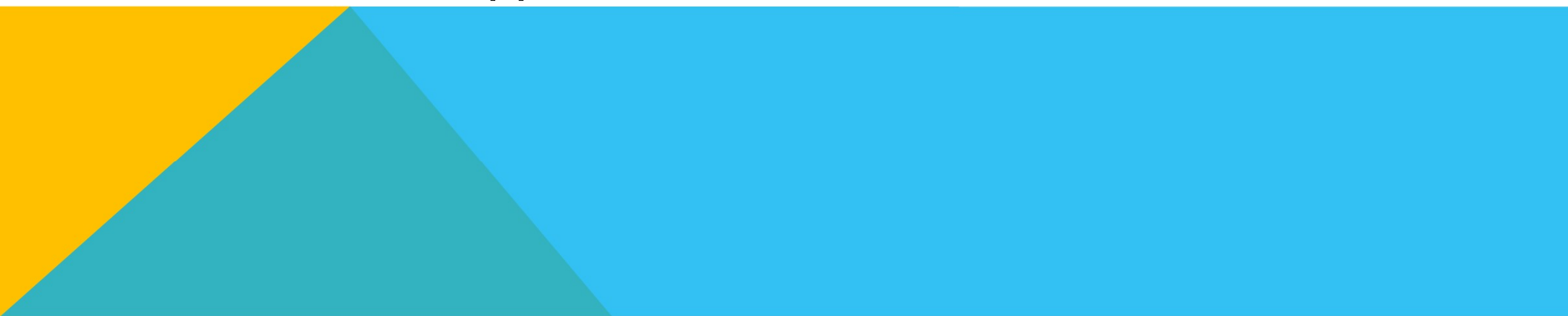
LABOR IN ACTION

Forecast sales and cost schedules every day
- Schedule to them at 80%
- Start them fast and keep them fast
- Short, fast, energetic, profitable shifts—optimize hours of operation
- Checkbook record

Focus on SPLH in front and back not only labor %
- Drive efficiency rather than %
- $150/foh total sales $140/boh food sales

Use your Tools and manage every hour/shift and $

PRODUCERS ONLY NO SLUGGARDS

➢ Producers only
- Avoid poor staffing configuration:
For example: 3 servers, 2 managers, 2 expos, 3 bussers, 7 kitchen while servers have 10 table sections
- Repurpose support staff <25%
  - Front Desk
  - Busser/Runner
  - Dish
  - Prep
- Teach and train kitchen staff to manage labor and food cost
- Match hours to the peaks in business using sales and labor charts

➢   Productivity > %

- Every hour of every day -- Busy opening, busy closing, schedule odd times 15,30,45
- Speed watch and movement
- SPLH
- Keep People/Bodies, use 15 minute Sandwich (Terianne Broyles)
- Profit % will automatically follow productivity
- Small menus, easily executed, properly portioned, tight kitchen
- Your responsibility is to get maximum productivity with the best results

METRICS TO MANAGE DAILY

- In/out times
- Forecast accuracy
- Scheduled vs. actual hours
- Labor dollars & margins (-%)
- Sales per hour worked—spend labor don't use it
- Sales per person—both front and back
- Ticket times
- Table Turns
- Guest check average
- Break compliance

COMMUNICATE RESULTS

- Summarize results and post daily
- Continue to clarify role responsibility, provide timely feedback, dedicate adequate resources, and pay attention to how work is structured
- Invest in kitchen training in food and labor management—don't just tell them their numbers are too high

➢ Needs based recruiting is dangerous

➢ Standing interview times

➢ Wash out C's and send message to A/B

➢ Move fast to hire

➢ Constantly recruit EEs

➢ Retention beats recruiting

ON AIR

- Engage
- Train to understanding
- Manage & Develop People
- Plan Labor
- Manage Productivity
- Continually Recruit
- Win

THANK YOU!