Hey there restaurant pros. It's David Scott Peters and welcome to episode 72 of the restaurant prosperity formula. I've been coaching restaurant owners since 2003. And the restaurant prosperity formula is based on what the most successful restaurant owners I've worked with do on a daily basis to achieve their success. Basic premise of the formula centers around achieving prosperity, freedom of your restaurant and financial freedom you deserve. To achieve prosperity you have to follow a very specific formula made up of leadership systems, training, accountability and taking action. Today I want to talk about what it really means to work strategically on your business and what you can do to ensure you are let's get started. But first, a word from our sponsor. We all know managing costs is one of the most important parts of running a proper restaurant especially now, but between fluctuating vendor prices, waste labor, and the never ending list of tasks that demand your attention on a daily basis. It can be challenging for even the most experienced of us to manage costs well, that's where margin edge comes in. Margin edge is a complete restaurant management software that automatically uses data from your POS and invoices to show you food and labor costs in real time. Don't wait until too late. Margin is gives you tools to make decisions in the moment, like a daily p&l price alert on key ingredients and real time fleet costs without ever having to touch a spreadsheet. Take control of your costs work more efficiently and be more profitable. Go to www dot Marjan edge.com Ford slash DSP to learn more and schedule your demo today. Oh my goodness. This is episode 72. Crazy Oh simple idea of launching a podcast that honestly wasn't even my idea. Nor was it something I really wanted to do has become such a hit with restaurant pros just like you. With that being said, I know I have got a lot of pretty standard things I say advice that is well as consistent as the moon's orbit and ideas and concepts are referred to on a regular basis. Why because it's a proven system process way to doing anything and everything. These these systems, these concepts, these ideas are standard for me. And there's one concept that ticks all the boxes. That's the concept of working strategically on your business. Again, I talk a lot about what your role is, as a restaurant owner. It's working on budgets, marketing, developing your managers, leading your team holding them accountable. I say this over and over and over again, because that is the proven part of what really makes you successful as a restaurant owner, and ultimately your job is to work strategically on your business. And that's what I always follow up with right work on budgets, marketing and lead your team development, hold them accountable. Lead your business forward work strategically on your business. And in this episode, I want to talk really take some time and talk about what it really means to work strategically on your business. Not just give it lip service, which I often do I think I just kind of throw it out there work strategically. work strategically. What the hell does that mean? So in this podcast, I want to articulate your step by step process to ensure you're working strategically on your business. So sit back, grab a pen and paper and let's get started. Step one, define your vision you need to start off by identifying your vision for your restaurant. And to do so there's a concept called the vision equation. Okay, your vision equation is basically made up of your purpose statement, your mission statement and your core values. Now your purpose statement is why you went into business in the first place. This is not necessarily unique to any other business. Like you can have. It can be as simple as to make money or it can be as something as grand if you will for what Panera Bread I use them because I know that something is putting a loaf of bread under everyone's are well your purpose is your lofty, lofty goal. It's 100 year goal. It's something that is so audacious and big, that you really want to go for it and that's what you're driving forces. Again, it doesn't have to be unique to you. Now your mission statement, big in the early 90s was thrown around left and right. Gotta have a mission statement mission statement, which I don't come across many restaurants that do. Your mission statement is your five year plan to achieve your purpose. How are you? What are you going to do over the next five years to achieve that big, audacious goal and more importantly, what I teach in my group coaching program when I talk about in my book, and anybody will listen. The primary piece of your vision equation that is critical to your success are your core values. You need to define your core values. They're who you are as a person they almost never change. They are in fact your guiding principles. And I go through a whole teaching moment when I talk about holding your management team accountable, that you have to share your core values with them. And if you do, and they make decisions that are wrong, they're never in trouble. It's a coaching opportunity. When you lose your shit is when a manager or an employee, that's something that goes so against your core value who you are as a person, it upsets you. It's deep, it's visceral. So it's critical that you go through the process and you document your purpose, your mission core values. You review them on a regular basis to ensure you're staying on track. Remember that Hunter your goal, the five year plan, and what are your guiding principles to achieve your goal. Step two. Understand your market and your customers. This is one step restaurant owners don't usually take they don't actually take the time to actually conduct a market research study to basically identify who their ideal customer is and their preferences. If I were to ask you right now, Who's your ideal customer you allow? Generally speaking, we should have that pin down so that we find this. How do we conduct market research because it's essential. It's an essential step in identifying your ideal customer and their preferences. To start you can basically do a variety of methods methods such as surveys, you'd like a Survey Monkey or one of those free services and literally ask your list of customers who they are you'd run focus groups. Not easily found too often in the restaurant business. online research is big in gathering information on your potential customers. How do I do this? I actually have a database of customers. I hope you have a database. The most important thing you'll ever have is your customer list. If I have that data, I can actually go to services. And then I can submit my data on who these people are. And they're going to come back tell me where they live, how many kids they have, the kinds of cars they drive, you know, homes, economic, you know, as far as income levels, all these things that allows me to then do an analysis and say these are who my people are from industry reports, even social media companies, and that Analytics gives me insight on who my customers are. That means when I advertise or market, I can market to those type of people, the same kind of people that walk in my door. It helps me identify consumer trends, their behaviors, are they shifting and when you conduct your research, be sure to focus on key factors such as age, gender, income, lifestyle, habits, anything that could impact their preferences. You can also ask questions about their their dining habits, such as what type of cuisine do they prefer? What kind of preferred price range do they kind of dine out in there? What factors influenced their decision in making the choice of a restaurant? By conducting thorough market research, you can gain a deep understanding of your ideal customer and their needs which can ultimately help you tailor your restaurants offerings and marketing strategies to meet their preferences and stand out in a competitive market. Next, analyze your competition to identify opportunities for differentiation. One of the best ways I think you can do this is through what's called a SWOT analysis. SW ot a SWOT analysis is a powerful tool that can help restaurant owners identify opportunities for differentiation. SWOT stands for strengths, weaknesses, opportunities and threats. And it involves analyzing your internal external factors can impact your restaurant success. Do you use a SWOT analysis for differentiation? Start by identifying your restaurant strengths, such as unique menu offerings or exceptional customer service? What sets you apart for everybody else? What makes you better than at identify identify your weaknesses? Because there's areas where you might be falling short compared to your competitors, long ticket times, high prices, don't know who is your competition, so you need to know who they are to help you with this analysis. Next, look at opportunities in the market, such as gaps of offerings or emerging trends that you can capitalize on. Like what's the next newest cuisine that people the hottest dish that's out there nobody else has that you

can bring on that can bring people to you. What's the next thing from robots on the floor to digital dining at the table? What is it that can set you apart? Finally, considered potential threats, such as rising competition, or changing consumer preferences? Like what's happening right now? Well, high inflation. These are things that threaten our businesses. Why in analyzing these factors, you can identify opportunities to differentiate your restaurant from your competitors, such as offering unique menu items providing exceptional service or targeting a specific niche market. They can help you stand out in a crowd, or shall I say a crowded marketplace of all these chain restaurants and all these other restaurants in your area and this is going to help you when you can differentiate yourself. Attract a loyal customer base, because you're so much better at x, because you've done the analysis and you know what to work on. And finally, collect feedback from your customers and what not just collect it use it to improve your offerings or your service. Make your restaurant better by asking your actual customers what they want, what their needs are. This is powerful. Step three. develop a strategic plan. Was this all about strategic thinking right? Working strategically on your business though? This is a big one. Use your vision goals and market research to basically develop a strategic strategic plan that outlines well how you're going to achieve success. You've got all this data. Now what is your job is to put it all together. The magic is you putting a plan of success together and by creating a strategic plan. This is really the crucial step in working working strategically on your business because you know what you need to do step by step by step when you're going to do it. After you follow the steps I just outlined, it's time to basically establish now, KPIs known as Key Performance Indicators. This allows you to measure progress towards your goals, create actionable tactics, systems, processes, ways things you're going to do to achieve those goals. You're going to assign responsibilities and timelines of each one of these strategies, tactics systems. To a manager to employee you're going to set up milestones for regular review. So you can measure that which we measure improves, and then we can see where you hit or miss adjust our plan. regularly monitoring progress against your KPIs and adjusting your plan as needed, but they help you stay on track. And a well crafted strategic plan can basically provide you a roadmap for success, helping you make informed decisions and stay focused on achieving your long term goals. Now this should sound familiar to you all if you've been following for any length of time. If you read my book, restaurant prosperity formula, what successful restaurant tours do watch my videos on my YouTube channel, David Scott Peters, been listening to my podcast or maybe you've seen me speak live. It'll come to you as no surprise when I tell you the only way you can create the right KPIs for your restaurant, is you must have a budget. Your budget is actually the Keystone the centerpiece of your strategic plan. What systems I can put in place how quickly I'm going to put them in place to achieve what numbers whether it be prime costs or operating expenses or sales. You decide proactively what you want to do. And that's the key. All too often restaurant owners are reactively thinking they're looking at a pl p&l which is a rearview mirror. What is your plan for success? Why How do you work strategically? If you don't think forward? The budget is critical for that plan. And make sure you read make sure you are doing things like reviewing and updating that plan on a regular basis remains relevant. That's what I talked about when I talked about budgets that we do a budget variance report that which we measure improves, but when we see we missed, what changes are we going to make over the next 10 Nine, eight months to get back on course. Because you want to make sure that plan it remains relevant and effective. And that includes again your budget stepped up for build a strong team. You want to start off by hiring the right people who align with your vision and your culture. That's why your vision equation is so important. How can you identify if they fit if they're going to be a culture fit if you don't know what your vision is? You want to be providing ongoing training and development opportunities to ensure your team has skills they need to succeed. And you want to encourage open communication to collaborate. Well collaborate with your team, so they fosters a positive and productive work environment. I often talk about if you've been listening my podcasts you've come across the podcasts where he talks about becoming an employer of choice. This is big this step step four is big. Because the more we can provide our team with the training they need proper supervision fair pay, rules, systems, hold everyone accountable to the same thing, opportunities for advancement, all these things that are a positive work environment. Well, when that's all clicking, when you're thinking strategically about how I can better train, give my customer a better service, whatever it may be become more efficient. Your plan starts to fall in place. Because it's critical. Your people are critical to your plan actually working. And finally, step five, monitor and evaluate your progress. ensure you're regularly tracking and analyzing and KPIs which we talked about this way we can identify areas for improvement, use that data to make informed decisions and adjust your plan as needed. Right kind of redundant with the two steps ago. But I really want you to focus on and why step five is critical this so once you to celebrate your successes, actually pat yourself on the back when you hit one of your goals when something's going right. And when it goes wrong. You need to learn from your failures. You need to be the young kid that you know, touches the stove that's hot. Burns their finger and goes Don't do that again. One of the things that drives me nuts about us as entrepreneurs at times is we keep doing the same thing over and over again but expecting a different result. You've heard that before what is that? That is Albert Einstein's definition of insanity. I add one more thing to it. How's it working for you? So when you succeed, reinforce them. When they're failures, learn from them. Don't do them again. Remember working strategically on your business. It's an ongoing process. It takes dedication hard work. Remember I suck I crave work and a willingness to adapt to change. Because things change all the time. If you think about the last three years probably the toughest time to ever be a restaurant operator. So much change if you fail to adapt Udeid adapting, changing is critical. And that's again why we need to think think strategically to look forward because there's some we need to look further down the road to see what's coming at us that we can avoid getting hit by that bus to make sure we find the right path to success. To make things easier. But with the right mindset, and approach, basically, you can achieve your successes, the successes you've always dreamed up. So go out there, make it happen. Follow these five steps I've outlined for you and remember to take action and that means start your strategic planning today. He that was an awesome episode. I want to thank you for taking the time to take action on building a better more prosperous restaurant. Before you go. I want to give you these three thoughts. One by combining leadership and taking action with systems and training being checked by accountability. You are on your way to creating prosperity for you and your restaurant to have something I need from you. Please leave a review on Apple podcast Spotify or wherever you happen to listen to podcast by leaving us a review other restaurant pros seeking out this information are able to find it. I read the reviews and hearing how this information has benefited you does wonders for me. And three, if you find any of the discussions helpful share them, the more restaurant pros who have access to them, the better we become as an industry. For more restaurant resources or to get in contact with me. Connect with me at David Scott peters.com. Be passionate about what you're doing. Be persistent, but more importantly become better and help everyone around you become better. And your restaurant is going to kick some ass.