Hey there restaurant pros. It's Dave Scott Peters and welcome to episode 96 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. The basic premise of the formula centers around achieving prosperity, freedom of your restaurant that 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 answer one of those burning questions you have. It's a question I get asked all the time. And that question is when it comes to all these systems, you teach David, where do I start? Now I'm going to tell you you're gonna hear a little background noise. I'm in San Diego, traveling in my Airbnb, but I want to make sure I get this podcast to you as soon as possible. I've got a race. Those you don't know I am a rower. I'm a Master's rower and I've got a big race of the San Diego crude classic. So keep your fingers crossed me by the time you've listened to this. Maybe I've metal. But 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 it's too late. Margin edge gives you tools to make decisions in the moment, like a daily p&l price alerts on key ingredients and real time plate costs. All 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. If there's one thing I've heard time and time again from restaurant owners, it's I love your stuff, David, I've read your book seeing you speak listen to your podcasts and watched your YouTube videos. But I just don't know where to start. If this sounds like you, you're in exactly the right place. Today we're tackling that very question, laying out a clear actionable roadmap to not just start but to thrive. To make this easy to follow and understand, I've broken it up into seven segments. Back to Basics, the power of checklists and cash controls vision and goals. The backbone of daily operations crafting your financial blueprint maximizing margins and managing labor efficiently. Let's get into it. Imagine this. It's another day in the life of of a restaurant owner. You've got the passion, the vision, and maybe even the perfect location. But as you stand in your bustling restaurant, the sheer number of things that that you've got to do can feel overwhelming. Where do you begin? Well, let's start off with segment one. Back to Basics. It all starts with the fundamentals. Restaurant 101 serving hot food hot, cold food cold and maintaining an impeccably clean and safe environment for both guests and employees. Let's not forget the cornerstone of any successful restaurant. Wow customer service and incredible product and in today's world, and outstanding to go program isn't just nice to have it's essential. See, restaurant 101 It doesn't matter all the systems that you want to start with to make change to have managers know what their job is how to do it, how well it should be done. In order to have a life to make the money you deserve. If you don't have a good restaurant, see it starts with restaurant model one if you don't have a good restaurant, what does it matter about financial stability, you'll have no customers walking in, you'll have no employees working for you. So that is our focus and from this point forward. I've got to assume you do restaurant 101 correctly. So now we'll go to segment two, the power of checklists and cash controls. Now, this is going on to what I deem the lifeline of your operations checklists. They're not just a piece of paper, or in my case, I've got my members on electronics online software. They are your roadmap to consistency, quality and peace of mind. From opening to closing, every cast gets a checklist. Why? Because it's the small details that often make the biggest difference. See, what I don't want to do is I don't want to say, Hey, man, I need my managers to do something. And they just don't do it. These checklists you talked about David, they sound so simple. And I feel like this if you can't get a manager to follow a checklist, what makes you think you're gonna get them to wake up every Sunday to count inventory accurately. And really care. So we've got to change our thought process on what checklists are checklists? Are you imposing your will without being there, making sure no small detail gets missed that that restaurant is set up and ready to go. And one way we can do that is to get the managers of trust each other to get rid of those AMPM blues. You know, when a manager walks in the morning, go who's closed last night because they didn't do this and this and this and this and this and they're right. They've got reason to bitch and moan because they've got to close the restaurant before they can open it. But then we often want to look at our line employees and go let's write them up. For not doing your work. I'm going to ask you a question. Why do we have managers to ensure the process is working? You understand? It's a manager's job so we're going to change our culture to close the open. That means we're going to make sure the management team ensures all the checklists are done, that every employee does their their closing side work that the restaurant is 100% ready to open for the next shift whether it's an am 2pm shift or PM 2am We're going to ensure that everything's done. Now imagine being able to walk into the restaurant and and trust each manager that we trust each other. I'm not going to walk into a cluster, I'm not going to walk into just a shitstorm of who the hell knows what I know, I can walk in the door and it's going to be great. Well, the way to do this is to change it from holding the line employee accountable to those checklists to managers. Why do I have managers to ensure the processes working is ultimately their responsibility? If they choose to let people to go home without doing their side work and guess what the manager has to do their work? See, we're going to change when when you hold a manager accountable that they're not going to let people go home without doing the work because they don't want to do other people's work to begin with.

And when it comes to cash controls, I'm going to be brief on this one. It should be make complete sense though, right cash controls are a non negotiable ensuring every penny is accounted for is how you build a culture where the details matter. See if I don't care about play presentation, I don't care about cleanliness and I don't care about whether the money making the bank. What makes you think we're going to implement any other systems. So it starts with restaurant one one then it has checklist and cash controls. And I will say that to my grave. Now we move on to segment three, which is vision and goals. Every great journey starts with a destination in mind, doesn't it? Like where am I going? What gets you excited? What gets you revved up? Your restaurant is no different. Documenting your short term and long term goals gives you direction. Why am I putting the work in so you have to understand what you're working towards. You're working towards date night with your your significant other, that you're not always pulled away and can never leave the restaurant. You're working towards being able to take vacations to be able to make the money that you're supposed to be able to ensure the restaurant is run your way when you're there, but especially when you're not. These are the goals whether short term or long term personal and business. You've got to document them. It makes it visceral, the visceral feeling of hey, in my gut, I'm going to get this done. But it also motivates you to understand why you're putting the work in because the ultimate goal is freedom for your restaurant and the financial freedom you deserve what I call restaurant prosperity. But here's where it gets really personal. You must have an understanding of what kind of leader you are and more importantly, the leader your restaurant needs you to be. See I talked about this in my book restaurant prosperity formula right from the beginning. I will tell you this that most restaurants have fail. The number one reason why they fail is lack of leadership. And just because you own a restaurant doesn't make you a born leader. It takes leadership to be successful. And that's what you've got to become. And this is the importance of systems this journey we're talking about. See systems take us from being that social worker slash giver than I call it a leader who cares about the guests cares about the employees cares about the the Yelp reviews cares about being the center of attention, but ignores the numbers? Well, the systems bring in numbers, bringing us together, where we focus not only on the guest experience, but on the numbers to making the leader your restaurant needs. Vice versa. You can be that numbers person who's a little impatient with people does understand why they don't get the work. Done, but looks at it squeeze every penny of profit out but if I don't guess coming in the door, if I don't have employees work for me, I don't get anything. So all of a sudden, it forces you to put training systems in place and how you want service and hospitality be done and all of a sudden, we're pulling it together using both skill sets. Where one may be your natural place where you truly come from. That's your comfort zone. But the systems bring you across and bridge to the other side making you the restaurant leader your restaurant needs. Leadership is incredibly important. Just because you own a restaurant doesn't make you a born leader. I will talk about leadership over and over and over again. It's about inspiring your team and leading by example. That's what happens when you truly know the leadership style you are what you need to work on to give them what they need. How about segment for the backbone of daily operations? Look, I'm gonna tell you administrative systems might not sound well glamorous, but they're well, two the unsung heroes of daily operations. were tracking sales forecast, right making sure we know what we're going to do in the future. That way we can order enough product we can schedule enough people right order too much product gets stolen, wasted spoiled food cost goes up. Bring in too much or too little product we add six items we missed opportunities sales at the table, piss off guests lose money. Bring in too many people Tick Tick tick tick you Oh, you're losing money bring in too few people long ticket times bad service, we lose opportunity and guests. So sales forecasts are extremely important. We next move on to tracking your daily sales. Your DSR report from your POS system. Yes, these software systems these POS systems magically track all that. But when your managers don't know the numbers, they can't lead the shift. So by typing in those numbers ensuring that every penny makes it to the bank, but more importantly setting up your systems for your food costs labor costs your poor cost from draught beer bottled beer. wine, liquor, merchandise, you are setting yourself up for success. Managing your invoices and your payouts, making sure that every invoice that comes in especially food and beverage is categorized properly. Because when that broadline distributor drops off all of that product, not all of its food there's janitorial paper smallwares there are other expenses, which are not food cost for tracking purposes. It's extremely important we separate them. And finally you gotta keep a manager log. It's the beginning of great communication, making sure that the five questions you ask every time that you're you've left the building and then you get a manager says I don't know it drives you nuts instead of chasing them for information. Let's get them chasing you. So when you have that entrepreneurial moment, that 2am and use the restroom and you grab your phone, you can see exactly what happened. What is important to you on a daily basis. It's about making the complex, simple. And the overwhelming, manageable. That's what daily admin is all about. It is something that every manager should do. We don't save it for a general manager. We don't save it for OSHA, any manager supervisor or the like, whether they're hourly or salaried working night shift, we'll learn that daily admin. Now segment five is crafting your financial blueprint. So we're diving deep into your financials, right. With a working budget. You've heard me the two most important systems any restaurants that have our budgets and recipe consequence. What are the two systems most restaurants never have budgets and recipe costing cards. If you've been following me for any length of time, you could have repeated that right now in your brain or out loud. Why? Because those systems take us from being a reactive management team to a proactive management team. They're extremely important. So budget budget budget. We're not talking about recipe cards today. We're talking about the things you need to start within a budget is crucial. This isn't about restricting your creativity by the way. It's about giving it a framework to flourish. Setting your targets your KPIs, your key performance indicators, food cost, target bottle beer, draught beer, wine, liquor cost, console targets, labor costs by position. This is extremely important and they align with your systems to achieve how you're going to get those right to hit. Your numbers not just basically turn your aspirations into reality. See, your budget allows you to create your plan for success. Instead of looking at your p&l which is a rearview mirror in your car. It's important to know where we've come from, but it's the past you can't change the past. A budget is that front windshield where am I going? Just like the goals in the beginning of this. Write those for you personally, what are we working towards? What are the goals for the restaurant for the next month, the next week the next day that your managers can manage to but more importantly, this helps you decide what systems you'll put in place to help them achieve those numbers. You can give them the training to achieve those numbers. And in doing so, you're putting yourself on a path to success. Segment six, maximizing margins. Let's talk about keeping more of that hard earned cash, reducing wasting and theft. Well that starts with systems like the key item tracker and the waist tracker. Eventually moving on to what I call the restaurant check regarding otherwise known as a purchase allotment system. It's about making informed decisions, not just hopeful guesses. So let's go back to that key item tracker. By the way, the key out of tracker waist tracker the two easiest systems in the world to put in place their clipboard systems. I'm going to tell you that the two hardest systems to get used on a daily basis without a manager a supervisor inspecting those systems on a daily basis they will not get used. The day you stop looking at them is the day they stop being used. But the key item trackers we're counting five to 15 items on a daily basis. We're tracking very basic information to prevent theft. If I prevent theft, I lower my food costs. I lower my poor cost the waste trackers writing down the stakes, but there's something spoiled that was it was dropped. It was a training issue. See when I see it written down and maybe I'm entering ninth pen, some of side side dishes that are on the line and they're dying. And so the end of that I am scraping them into a garbage pail. See which each of those things I can say why did that waste happen? What can I do differently to ensure it doesn't happen tomorrow? So it's not just about writing down the waste. It's what are you going to do proactively today? That's powerful. You stopped dumb ass mistakes, like ordering too much sand and then slacking it out and throwing it away because it's bad. It's going to save you 1000s And finally, the system I call the restaurant shut forget or guardian. It allows you to give up ordering without giving up your checkbook. By simply doing that daily admin we talked about every single day Every manager keep taking 510 minutes of work a day. You basically just fill in this information will take you a minute to fill it in on a daily basis. I give you the power to tell your kitchen manager, your chef, your bar manager how much money they can spend by category next order.

This allows me to give up my checkbook without where it should say give up ordering without giving up my checkbook let me correct myself. And that's powerful. That's powerful because the last thing you want to do is give up ordering and have $2,000 of extra food on the shelves. This ensures not only that they order on budget, but they have to ask for permission if they go above budget, and they better tell you why you're above budget, what problems they found it and what they fixed and how it's going to change putting the power of your checkbook back into your control with giving up ordering it powerful. And last but not least, segment seven managing labor efficiently. Again, last but not certainly least, labor management is crucial. The right systems here can transform your biggest expense next to an empty chair into your biggest asset. It's all about giving your managers the tools they need to schedule effectively and stay on budget. By the way without a budget. You have never scheduled properly. Let me explain. Some of you are very seasonal, you're really high sales really low sales. And if you use the same labor target throughout the year, there are certain times of the year that you're screaming at your management team because you're wasting money. Other times of the year. They're sitting back doing nothing bleeding labor, but you'd have no idea that there's a weight under because your customers are managing your efficiency. See its minimum staffing levels versus maximum efficiency. Bottom line is this with a budget you're going to have a different labor target every single month. And now you're on the same page with your management team on a path on 12 month period to make the money you deserve. Now, you're gonna need to make all this work scheduling software. Writing a spreadsheet out or writing on paper is not going to work anymore. There are lots of software systems out there. But to get the most out of your labor budget, you need scheduling software. From there, I will teach my man members what I call the restaurant payroll guardian. If the checkbook Guardian puts you on a budget What do you think the payroll guardian does, right? So now using last week's numbers finish from the POS system, how many hours in dollars you spent by position and your budget? I can tell your managers how many hours in dollars they have the schedule next week to be on budget. Instead of bringing everybody in and praying. We're busy and sending them home. We're slow which is too late. You've already blown your labor budget. We're going to say you need your 350 hours but when they use that software to copy and paste the schedule from week to week, and they put 364 hours and they're going to find with a schedule variance report what to call a labor discrepancy finder in place that they have got to cut hours and before they freak out and you say you got to cut 14 hours. You have to coach them that maybe it's for cooks 15 minutes later in the am shift for cooks 15 minutes later in the pm shifts seven days a week that's 14 hours. Sometimes the little changes have a huge impact without having to rip the band aid off. But all of a sudden ensuring the schedule on budget allows you to control labor during the week. Instead of waiting till Friday and running around like a chicken with your head cut off because, well quite frankly, you're way over budget and it's too late to fix. So where do you start right here? By focusing on the foundations, embracing systems and leading with purpose. Each step you take builds wealth it builds on the last moving you closer to the restaurant of your dreams. Yes, there's a myriad of other systems that need to be implemented for recipe costing cards that things like dollars per labor hour work. But you wanted to know where to start. And I've just laid that out for you, giving you a plan for success. In fact, I believe in this plan so much. We execute this very same plan in our group coaching programs on a daily basis. And I will tell you if you ever you want to learn about that, do me a favor, reach out to Ryan Ryan James is a member mentor somebody who's gone to the program meet incredible change in his restaurant now helps me communicate with you to find out more about you and your business what your challenges are. Tell you about our program you guys can figure out if that's the right fit to move on and talk about what the what our membership looks like with me. You can contact him at Ryan ry A n at David Scott peters.com and I will tell you, if you not only know don't know where to start, and this podcast didn't get you there. But you need a kick in the pants. You need videos to help you need coaching you need accountability and other restaurant owners to help you get through this journey. Then you should email Ryan today, Ryan at David Scott peters.com. Remember, it's not just about opening your doors. It's about keeping them open. Well welcoming guests day after day. Year after year. And that's a journey worth embarking on. Remember the ultimate goal is restaurant prosperity, freedom the restaurant the financial freedom you deserve. And I've just given you the plan on where to start so that you can achieve exactly that. Hey, 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're on your way to creating prosperity for you and your restaurant, too. I something I need from you. Please leave a review on Apple podcast Spotify or wherever you happen to listen to podcasts. 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 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 resistant but more importantly become better and help everyone around you become better and your restaurant is going to kick some ass.