

## EPISODE 21

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WHAT RESTAURANT OWNERS CAN DO TO OVERCOME DAILY OBSTACLES

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I'm David Scott Peters and welcome to Episode 21, of the restaurant prosperity formula. I've been coaching restaurant owners since 2003 and the restaurant prospecting is based on what the most successful restaurant owners I've worked with on a daily basis to achieve their success. The peace that comes with the formula centers around achieving prosperity. Freedom for your restaurant and the financial freedom you deserve to achieve prosperity in the follow up very specific formula meetup leadership systems, training, accountability, and taking action. Today's topic centered around the challenges restaurant owners are facing today from employee burnout and labor shortage, to the need for stronger management and leadership. I want to tell you about our guest today. He has over 30 years of experience in the hospitality industry, and has an extensive background as a food and beverage director, Executive Chef, General Manager restaurant owner staff trainer restaurant coach and consultant. He holds the most prestigious certification available for hospitality professional, being a certified food and beverage executive. He is the founder of service with style Hospitality Group, a hospitality firm offering secret shopping restaurant coaching and team training services. We had a great conversation. Darren and I had a candid and open conversation about what restaurant owners need to do to date overcome all these issues that they face on a daily basis. Now the bad news is there's no magic pill. The good news is you'll learn exactly what you need to do. I want to welcome Darren Dennington to the show today. But first, a word from our sponsor. This episode is being brought to you by repeat returns, if you're a restaurant owner of a medium to high volume independent restaurant multi unit or franchise operator, and you're looking for a proven and realistic solution to attract grow and retain customers, then you need to visit repeat returns. Repeat returns as a modern marketing platform created by a restaurant owner for restaurant owners. It studies, each customer's habits and patterns, predicts the most profitable outcome for your restaurant every single day, and deploys the marketing to make that happen. You'll never lift a finger to see if repeat returns is right for you. Visit repeat returns. COMM forward slash DSP there and I want to thank you so much for taking the time to talk with me yet again but as you know we're close we're going to do with a lot of times I really appreciate you taking the time, of course, thanks for having me, David. Good morning. Morning. Well, good morning for you and I, but who knows when people are listening or watching this. Hey, I wanted to talk, I called you reached out because I know with my members, we're really seeing a lot of challenges out there right now, like we just came out of COVID over, a year of just discussing business restrictions and challenges and getting back into the business and working our ass off to do everything we can to survive working with cashflow issues, pivoting our business. Nobody wants to hear the word pivot ever again. Yet deliver third party delivery ain't going away. It's got all these challenges and then like overnight. We went from that was our challenge to there are no game employees, there's no

flexibility, we've got a skeleton crew and we're, we're working twice as hard as even we were when we pulled everybody back just to survive, because now we can't find anybody. And like our industry is in this turmoil, and it's crazy and I know in your line of work, because you're a restaurant coach as well as a secret shopping service that literally sees hundreds of hundreds of restaurants on a weekly basis, I want to kind of have a candid conversation on what you're seeing what I'm seeing, and maybe we can give like a little advice or pixie dust for that matter on people to bring that passion back to go, this too will pass and we can get through this one,

absolutely right, it's incredibly challenging out there right now and the wheels have been turning all year they've been so different, of your normal regular structure on how you run your business, everything has changed and yes pivot was the word of the year last year but the challenges right now are in my eyes, unprecedented, we haven't seen this type of labor market in a really long time, I can't remember when so many places we're just struggling to find employees at the same time as sales are increasing and at the same time that guest expectations are exceeding because they haven't been out we're craving good food and good service, so it's a lot of things coming together at once here.

Yeah, I mean you think about it the last major economic crisis we had that actually produced a lot more employment. Right. It was literally about a year ago where we were in a shortage of employees because everybody was working. The crazy part is, there's 10s upon millions of people not working, but they don't want to come back to work, either it's the fear of COVID It's the single parents that are home because our kids are homeschooling because they can't go into depending where they are in the country, you can't go into in person school, you've got people who are literally having challenges with just fear from going back because of COVID. And yet, what we as restaurant operators want to focus on is that extra \$300 that are keeping people home because they can make just as much money if you're a minimum wage earner, to not come in and I think that is probably a major piece of some of the younger people, but I can't believe it's everyone, and a part of this is I think there's this added piece, there's an article in the Wall Street Journal that I saw on LinkedIn, just the other day, kind of talked about our industry needed a wake up call the hospitality industry needs a wake up call, you got to treat people better, you got to become poor your choice. You know, you've got to, you've got to make sure pay is decent, you got to all these things that maybe as an industry this is this is kind of a wake up call. But what I'm fearful of is a knee jerk reaction, what are you seeing out there with your clients with your your coaching members, you know, are you seeing the same thing.

Absolutely. And like we had already started to allude to, there's a lot of different pieces contributing to this, and let's be honest, it's a hard industry to work in. It's a lot of moving parts everyday and a lot of physical work, and it's changed for so many people and I guess that's the piece that has thrown me off if there's a lot of people that are close to that, I would really recommend or reach out to and I'm hearing a lot of. I'm just probably taking a break from the industry for a while and it's because it was so hard to run already, and all the added challenges that come in this year and now you throw the, the

labor piece on it, so there there's four things that you have to be doing right to overcome this and it is manageable, it is and there's places that are doing it right that have wonderful teams and are thrilled about the sales right now and they're building on it but their steps, they don't snap your fingers and throw a great team in there that's going to run your successful restaurant for the next year or two it's focus and time and effort, you got to develop some of these people.

Yeah and I think people want a quick fix, you know, but I think you and I will talk a little bit that we had a little conversation yesterday before today, and we kind of a general idea of how we feel about this and what we see and it's not really that far off. But you talked about the challenge of being in the food and beverage industry. It's always been a challenge, especially for an owner or manager but line employees they love the restaurant business because flexibility can make really good money if your front of house person, if you're at a great restaurant that that needs Backhouse people badly sometimes you find yourself in overtime and things like that like you can make money, but have flexibility go to that concert, you know, take time off, oh I gotta make rent get extra shifts, and that really is attractive, but when we pulled back on COVID We went down to a skeleton crew, we said now we really need you to work a lot because we don't have a lot of backup, and now we're getting crushed with customers. We've taken all the flexibility away for the first time in my career I'm seeing servers that are putting in 5060 man hours, which is unbelievable. These people want to work the fewest number of hours possible do no side work make all the money possible. And then on top of that customers are no longer, hey, we understand it's been COVID We're good, we're patient. Now they're reading the shit out of the frontline employee, and so on, please like, I don't want to be in this industry anymore. I mean, you've got some experience talking to people, really going through exactly that

thing that I look at it and you just talked a little bit about it was three different segments right because you got three different groups of people that make up your organization, you've got your owners your managers and your line employees, and if you take a look at it from each of the different perspectives and if we can start off with the owners I know you got a lot of owners that follow you and listen to your, your podcast and study reclamation because they get a lot from it. And, but there's so many different types of owners out there right now, if you've got one place, I, I genuinely feel that the owner has to truly be involved if you're a one location, you have to be on premise and involved, not just in the business side, but in the operations and that's how I look at it right you got operations over here and the business side of it. The past year we've been working on a lot of the business side whether that was renovations or an MPLS or new menu or filing for PPP and the employee retention credits, there was a lot of distractions from operations to the business side. So owners right now have to get back to the operation side, They've got to be understanding what's going on because so much is changing, and sometimes that's tough to do, but I hope they can put a smile on their face that they got past the past 1416 months, and are looking forward to a brighter future. And you're getting busy so I hope you can dig deep in yourself and find the passion to drive your business, and that means developing your management team and being a little more hands on than what you probably had been over the past year, and then you take the owners that have two, three, maybe four locations. A lot of times they're hanging out in no man's land right or the operators or the corporate office and they they bounce back

and forth, and they've really been on that corporate side because of all the additional paperwork and everything to do with taxes and the forms I already talked about. So they have to find that balance. Now, if they jump back into operations when it's getting busier busier, they get pulled in way too deep, so when they come back in operations I think it should be with one goal is to develop my management team, and whether that's four people six people or 12 You've got to put your efforts in operations into getting your management team really together. Now the owner that has the, the restaurant groups right maybe you got six locations or you're opening your 12. I see that site, really exciting because I think that there's great opportunities. Restaurant models are changing, and it's an exciting time for potential growth so I'm not saying growth is there yet but for potential growth so as the group restaurant owner I'm pretty excited, and I still have to focus on that management team because I don't get anywhere with them. So that's how I kind of look at it from the ownership side it's an exciting time, but they've really got to be focused on developing domain,

but let's talk about that a little bit the owner side, you said you want them to be more involved in their business, and you know my whole deal is get you restaurant prosperity, freedom from your restaurant the financial freedom you deserve and when I talk about that freedom, it's being able to leave the restaurant when you need. It's not necessarily to be completely void from the business, so make sure we're talking the same thing. So, when you say be more involved in your business, it's, it's being. And this is, you already know the answer to this because when I come from the same cloth it's becoming the leader your restaurant needs working on budgets, marketing developing your management team, holding people accountable, truly being in the business and engaged, whether you're there 24 Seven, a number of hours isn't as important as you leading that team, saying this is where I want to go this is where we've been, you know, here's how we get there, we on the same page in that respect.

If you have a weekly manager meeting, and that single owner is sitting in on that Wednesday 9am religiously every single week meeting, and there's dynamite communication, then that freedom is there, I looked at it in four different aspects that somebody has to be making sure that particular area, the restaurants running really well, first you've got operations right as the hot food hot or the greetings of the door, nice and quick. Then you've got the employees that the leadership, and typically those two operations and employees should be handled by your management team. So if you have a weakness in operations or staff, the owner should be focused on developing the managers to make sure that they're taking care of the employees for the operations, then the other two pieces is the marketing and the financials and good smart owners know to pull as much of that out of operations and handle that on the business side. So from an owner involvement right now, it's just making sure that your management teams in a good place, so they can handle the day to day business which is typically the services.

So, excellent, and I knew that, you know, we've talked about this for years we've known each other since 2004 2005, and it's been a long time. Now, let's talk about that management piece because here's the biggest challenge, you know, in, in my restaurant transformation intensive program. I bring on

restaurant owners into the program, but I say you've got to have at least one person who gets it done, I call the implementer, whether you have a full management team or not, is not important at this time, but we're going to develop one, we may start with our the supervisors and develop people into managers, but that's not an overnight process it takes time. So a lot of people say I don't have anybody I don't have any managers now, I don't believe that's 100% True. I'm not in their shoes I don't walk their circles I don't know how they hired, I don't have a train, what their culture is like, but I got to believe that there's one, two or three people on that team that are looking to become more in this industry that are willing to learn and take that baby step two shifts week as a supervisor, not necessarily as a salaried manager, and we develop and we find that person. Today, we don't even have enough employees to cover the serving staff, the cashiers the drivers the cooks. And so now, if you're a supervisor you really align employee that's working double duty and. And that's pretty tough. I mean, what do you tell somebody who goes, what the magic pill and the management team, when I don't have them right now for I'm in literally in the trenches with people. And there's not enough time to get in there. Do you have any advice or ideas

that should be their full on focus that however that owner fills the gaps, whether it's helping support or physically covering shifts. They have to build it from there. It's very easy to say we need more employees and I don't have enough applications, but hiring more people just puts a bandaid on it. So if you don't have that core management team that is managing the employees while you're never going to keep them, so unfortunately there's not a magic pill out there but the process starts with an organization chart right I don't care what level you're helping if I can pull you into my management or leadership team, and give you some type of responsibilities to start to divide and conquer. That's the first step in, you've got to identify who your GM is and who your kitchen manager is you've got to pull that group together and then very quickly to start to realize. Do we have enough management shifts covered well, we're getting the work done but no we're short on the shifts then you'll look at your star employees and you start to develop that next round, And my favorite position to develop as an assistant kitchen manager, I think kitchen managers are critical in this business, and I find that the assistant kitchen manager that they love to be developed, they like to learn the inventory they like to learn the costume cards and some organization and ordering. So I'm always working on the next person but if you're just starting today, grab a blank piece of paper and draw out an organization chart identify who your team is and maybe you start with what positions you need before you put the names in, and even if you put Karen in as an employee, a key employee today, maybe she's not perfect for that position, but at least you're starting to define a position, and you got to get that straight first.

Having a bright line clarity of whose roles what you know I always subscribe to the the E Myth revisited Michael Gerber's book where he talks about putting together an organizational chart for the company you hope to have not the one you have today. So you wipe out all the people you say I don't care that I've had Sally and Jose and Jim and Karen who are in my management team right now or servers, whatever it may be, you basically create the job descriptions, and I talk about it in greater detail what the job is how to do it, how well it should be done more important by when. But what do you start off with is all the little things we do, what has to you know, for you my favorite story in one of your

speeches is you've talked about the one guy that you said, you're going to order light bulbs for me and here's the ladder, here's a credit card, here's the order form, I don't want to look at a frickin light bulb in my life, you're gonna make sure it happens. Well light bulbs have to be on the list of things to get done running out of toothpicks, everything, and you put everything down all the way to dollars believe our word calculation, and you put it on a person, somebody does the job. somebody oversees the job, somebody approves a job and all of a sudden you've got inventory with a line cook counting a sous chef, making sure it's done and accurate, and the chef making sure that they bless the numbers, and everything's right now, they all had inventory on there and how that could be on the job description as well. And you got to be that clear. Now, the truth is, to do it to the level I want to talk about that takes months, because it's truly, you're kind of creating all these job descriptions but let's say you just do the tasks and you fill them in. We've got these positions that the organization tried is the company you hope to have. So if you want a franchise you'd have that franchise development officer and you'd have a compliance officer and all these things, you don't have that today, but now all these things happen in your restaurant on a daily basis and you put them on all these things. Well now you take the people you have, and you fill in their names. And so, you as the owner maybe on five job descriptions, the GMAT on three and the kitchen manager maybe on two and, and what have you because all those tests still have to happen. It's just when you have money you know how to share them. But even if you don't get to the money part. It's being clear on who's responsible for what by when by how well, man, it is critical because this is one of the things I think we have so much turnover in our industry before COVID Before now the labor crisis, people don't know what the hell their frickin job is so they hire managers, they fail. If you want something right, go do it yourself. I mean, do you see the same thing.

It's we were talked about this on the last podcast we did right now you always go back to the system. So, once you have the managers in place, then they need some systems to help them through their day and owners need to focus on helping them get the right systems in place so that they know what the job is so your leadership team, then you get 1000 systems right it's nothing crazy. And then it goes to the staff, and those are the foundation of doing anything wonderful so the right management team divided develops the right systems and then leads the right employees and they all buy into the system, and it's the only way that I see, to take the pressure off the managers that there's too many parts, all the time for them to take care of and when someone can handle the lightbulbs and someone can handle taking care of clean in the freezer and, and I know that inventory is done every single Monday morning. Then I focus on the things that I need to as a GM or as the kitchen manager. The piece that brings it all together is the weekly meetings because if I'm doing the inventory and I've got a problem with it I bring it up at the manager meeting and everything comes through there, and it's the way that we make decisions and it's the way that we work this together as a team so there are ways to do it but it's unfortunately sometimes you got to start at the beginning, and look at all the processes,

all the way through, you know, and I think as you talk about that. We've got a lot of people leaving our industry right now got owners are stressed out the unbeliev, we've got managers going I'm done with this I'm being overworked, underpaid in their brain. We've got line employees leaving, and a lot of it stems back to Herzberg motivation hygiene theory in Psych 101 high school or college in Hertzberg

goes over if certain things are taken care of you have a motivating you motivate your employees that's, I don't have them all five in my head but it's, it's good pay. Use proper supervision opportunity for advancement, a safe work environment there's a fifth one, I can't remember, but Herzberg goes into and says, Well, let's say pay was fair, having higher pay doesn't necessarily motivate people more than a motivator though is that in my brain. When those things are absent this way talks about, what is the supervision, like we keep talking about managers and things like that and well managers are important because they create structure that everybody knows the direction they're going. Everybody's held to the same standard there's no favoritism, there's all these things with managers to ensure the process is working. And one of the things you talked about that we talked about all the time is System System systems. People don't know where to start. And I just want to throw out there, you've got this 14 \$100 video camera in your pocket. Worst case scenario is you don't know that you need a system for it, let's say it's coming out of our door, have somebody sit next to you and record you with your phone. And then somebody just transcribe the step by step by step. Everything is a system worse system, your process, your way. So when we talk systems. It's everything you do in your business allows you to impose your will, without being there, because I would tell you without having those things structured in there, you're helping people have common sense and then you're teaching them as if they're a bad dog you're off the newspaper, you took a dump on the carpet you split the nose and smack and go go do that, but we don't do that anymore. That was 1980s with a single day. Now you had the chaos of today post COVID if you want, we're still not out of COVID but man customers coming back in droves. It's crazy. Like all those little things add up to your management team not want to be in the business anymore. I mean, what are you seeing out there.

So when you take already a stressful industry and extra pressure that we've been talking about putting on these managers, and then it's so easy to throw in one or two problems that just consume their thoughts, their day their actions, and most of the time that's brought in by an employee, and we've all had that that line club right they already gave the third and fourth cans to and it shows up an hour and a half late on Saturday and you've got parties out the door and and puts you in a terrible position and it just brings in his or her bag of trade comes in in a pissed off mood and they're hung over and they didn't get a ride their car broke down and now it just consumes the entire day, and the managers are put in place to handle these problems. If you don't have the systems in place leading up to that, then that's your focus for the next three days, all you're dealing with is this irate cook and whether you end up firing them and then you post something on Facebook, it just gets carried away further and further and it consumes the managers, and a lot of those personal or Latos problems are first of all right, these are the people that they work with and they thought they were friends with that line code to help them out, and it's harder and harder and harder to come back so when the management team is structured you're handling those problems as a group, instead of an individual, it becomes so much better when you've got four or five simple systems in place to onboard new employees properly so they know your systems, that helps. So it's not one solution, it's, it's a lot of them all put together but it's also a lot to do with the morale right the culture and do the people like to come to work, are they excited, and I know it's hard to get excited to come in for a long kitchen shift but are they happy with the people, are they happy with the product do they like the manager and the pay does play a factor we know it's not the only factor but it is a big factor and the tricky part right now is, restaurant owners

and managers are just throwing money. Here's to 15 hour hopefully that solves the problem right I'm gonna quit Are you good good. But all the other underlying problems are still there, way to solve it for a month because he gave him an extra 250 an hour but all he's doing is costing you extra labor and you're not solving the problem. So you got to come back to that management meeting and talk about your staff and talk about solutions and individual people and develop the people they want to learn they want to grow they want to feel like they're, they're a part of something include on it. Get them happy, play some good music buy them a burger from a small raise take a mini pledge showing that you care.

It's a major conversation we've had in my RTI group, and it's paid, you know, we've talked a little bit kind of that we've seen that burnout our employees because we're taking flexibility away, we've got managers who feel like they're overworked and so on. And the truth is there's two things at bay here number one. You hit the nail on the head, it's culture. And that's what I'm trying to tell my members is. There's no quick fix, like we're not going to snap our fingers, we're gonna find these employees and we're change your company culture. It takes time for you to become the employer of choice, proper supervision, good pay, great work environment, opportunity for advancement because you've got to get your employees so stoked to work in there that they tell all these other people, man it is great to work at XYZ restaurant, we have such a great time and make good money, the managers are great, the owner knows my name and, you know, talk to me about it. That takes time that's changing a corporate work company culture, you cannot find a quick fix. And so what's happening is is overworking this burnout is kind of magnifying the problems you have in the restaurant. So if you had time to okay management. It is now okay is not good enough if blowing that up. If your pay was a little bit low. For now, it's blowing it up, and a part of it is, since we're so short staffed, that you talked about that extra 250 An hour well here in Phoenix, I'm in Peoria. I drove by a canyon drive by, I took my fat ass with Dairy Queen, and I as I went through the drive thru. I saw a banner and I pulled around had my ice cream and took a picture of it, that it was, was 1350 an hour starting now our wage is 25 So there's \$1.25 And I said to my group I said, this is going to happen in you're going to see restaurants make these choices all around you. And you've got to resist because I'm gonna tell you right now, a month from now I'm going to see that banner still there, it's not going to fix the problem. You're not going to fix the problem by putting out more money, because what are you going to do, you're gonna have to raise everybody up and out these other people are making more money, they're gonna make more money. Well, you don't have a budget, you don't approach your prime costs to figure out what you can do and, you know, lowering your food cost to make up for that difference. You're putting yourself behind because you can't pull that back. I remember who has a casino in their area, and now they're offering \$25 an hour, like 10 bucks 1212 bucks higher than their minimum wage for Lanka. And I said don't understand, there's only so many lines of positions that that 25 They're gonna fill, and then they've got to live with that, which you've got to focus on is taking care of your employees. And while there's a shortage out there the shortage is going to be there, more money is not going to fix it. Nor is going to your company culture. If you've got a challenge you've got to take the time to become a better operator. Am I missing anything here.

I think it's got to be for the individual employee, everybody's looking for something a little bit different, and most owners operators A, we have 12 employees 15 A 25 So we're not talking hundreds and hundreds of employees. If you've got a dozen employees in your restaurant. Then, take some time over the next three, four days and sit down and have a one on one with every one of them, talk to your staff for five minutes, and inside their head and see what they're looking for and you might have a couple that are out there looking for another job and financials, and maybe that 250 An hour is a real smart decision on your half maybe you now really put that missing piece into that one specific employee that makes all the difference in the world just took that little bit of pressure off them and they're fine, and maybe they stick around for the next three, four years, but maybe the next person you think well, it must be money so you give 250 and it had nothing to do with money for that other person to sit down and get to know your employees and solve individual problems, you and I talk industry level right away. There's a shortage of employees everywhere but if an owner or manager can just say, Hey, I just need 15 good people, right, let's just work on getting 15 good people and 85% your problems go away once you get that good to take time,

definitely takes time and money doesn't fix it. Let's use Tripoli. As an example, I think there's published something like \$100,000 bonuses if you sign up and you work, three years for us as a manager. Yet, they've got employees across the country who are closing the stores because manager doesn't manager isn't on the ship, they just want to work there kind of thing we're not getting paid enough, but that's not about pay. That's about a shitty work environment, you know. So now, all the chains, we're seeing McDonald's and others are starting to raise their minimum wages. Now, I do want to take a sidestep on that. If your market wages are going up because that's what the market is bearing. Well then you may have to look at it. But when somebody knee jerk reactions you got a restaurant nearby that has a \$500 signing bonus, just to walk in the door. Well, that doesn't mean you need to match it with every restaurant in your market, let's say you're \$13 an hour so it's moving 14 Well then you got to go with the trend like that, you've got to analyze that a market where is it a restaurant down the street with a near knee jerk reaction.

And sometimes, your market says that you don't have enough people so you have to put up the higher dollars to attract them. But most times it's more effort on the recruiting side we'll solve the same problem, instead of just getting three or four people as potential applicants, and do a little bit more work on the front side you got to get creative right we used to throw a ad on Craigslist and magically get 75 applicants. The next day, but those days are over. So you've got to talk to your food reps and look at the individual hiring services and play some ads, got to get creative on that site to grow them up enough interest to start, and then if you have a larger potential hiring pool, then you've got more options to fit in with your budget and your, your cost and especially when you're talking about management right you've got a, there's a sweet spot where your management constant needs to be and typically I see it between the seven and 9%.

Keep your management labor costs in that, and owners, sometimes solve problems they think they're solving problems by throwing money at managers, and they simply overpaid and the problems aren't solved so it's not just about money, but it is absolutely a big part of it,

that goes right to the beginning where you say you gotta have systems. When you hire a manager, but you don't have a system your system, your process, your way you train them on your process. Well, you have to come up with experience you just throw money away, but you got to develop them to your system. And again that goes back to culture, the more I know that I'm doing a good job because you showed me, we're gonna, we're gonna keep people and let's kind of tie this back to the beginning, burnout. I know you kind of threw out there very quickly. There's people you can talk to all the time that you go back to like from time to time, you need a great kitchen manager, and they're you know they're unhappy somewhere you've worked with them in the past, and you go, Hey, I got an opportunity for you. Well, you're going to find that those relationships, they're gone. Like I've got a member who their chef. Because stress anymore, better wage outside just doesn't want to be in hospitality anymore. With all these little things we talked about have added up to that, it's not really. I don't believe that it's, we're short employees that is just destroying our industry right now. It's no systems culture that kind of been on the bubble that really good not really bad. It's the shortage of people, it's now the things that people customers are yelling at them now pay becomes a little bit more structured becomes a little more like it's just these little things that are tipping the scale that go, why do I do this anymore. And there really is no quick fix, you've got focused on your culture, you got to put the systems in place. Yes, pay is a part of it. But talk about why you think some of these kitchen managers don't want to be in a kitchen any work while managers don't want to be in the restaurants anymore owners are talking about selling the restaurants because it's so hard. What is it, what am I missing because you literally talk with hundreds of restaurants in a week because of all your clients, I mean as a secret shopping service, they often call you for advice, not knowing you're a coach.

Right. I guess it's still based on the development, it's the people get put into management positions a lot of time in our industry because they're really good people and they're in the right place at the right time, and they didn't study kitchen management but they happen to fall into our industry and do a really good job so they get promoted, and we assume that they know all the systems and everything that goes into it. Well, there's operations and then there's the the paperwork business side for those type of positions also. And a lot of the managers are real strong operators right you give me a boss of 100 people and they'll knock it out in 10 minutes take the time to no big deal, but then they turn over and have to do the inventory by the end of today, and it's just not what they understand or what they like to do so, it's been, lack of training lack of development, and I find that when managers come in that have been in our business from outside that genuinely understand they are never really taught the interior systems of this particular business so they bring things from the outside which then just confuses the management team. And if you don't have those four or 567 managers that cover each other and really work this together. It doesn't, doesn't get there so if it's the lack of the management team, I feel isolated right I'm working my butt off in the kitchen and I never see the owner and nobody wants to come back and help me wash dishes so I guess I'm just back here by myself but man when

food cost is two points over Do I ever hear from a man. So there's a disconnect, you know, you got to walk through the kitchen doors and spend some time back there and help help get it in order.

Yeah, you know, again, I wish there was a magic pill I know people are listening to us or watching this, they're they're watching the replay on YouTube. And again, this is all great, it's all great theory, I don't have enough people, let alone enough managers or any management, and it's kind of chicken egg, where do I start my concern is, again, people are looking for the think you gave some really sound advice in the beginning pick 510 15 systems. For us, you and I. It starts with checklists, you know, we want to make sure that we've got everybody doing what we need done on a daily basis of cleanliness, you name it so it puts us in a position that we're imposing our will, without being there. That's why the chain restaurants kick our ass. It's making sure that we carry our cash that we have all the systems in place for great hospitality right happy COVID Clean, clean safe work environment guests employees Wow customer service, incredible product like just a guest experience, like you got to focus there first, make sure all the cash gets in the bank, the places is clean and everything's being executed, then we can get into recipe cards and inventory and things like that, which got to have those foundational things in place. I think we lose sight of that, like we just think somebody's got to come in and they know recipe card, they know inventory, they know, heck the math behind it, and they don't. We've got to take the time to teach them, and that's not an overnight process like missing something.

I guess if I was either the owner or gm of a restaurant today, I would stop and if this podcast caught your interest, obviously you've got some staffing challenges so the first step, I would just meet with every individual employee, five minutes have a cup of coffee with them and just talk to the staff, and after that I would have a blank piece of paper and I've created my organization chart to really see and you might already have it but I'm going to pull it out and dusted off and just revisit the organization chart, then I'm going to focus on my management team that started to fill the spots that I need to I need another key employee, and I'm going to take that piece serious now that piece is not in one day. That's solidifying the management team is the first long process. And the next month or two is just going to be meeting with the managers developing them talking to them every single time I walk past a manager, it's going to be a cultural moment I get to pick a topic, and I'm going to try to develop on that I'm going to take the next few months, and just solidify my management team. During that time, I'm going to look at all the systems to make sure that the management has the right tools to do their job. Once we're comfortable with that we're going to do a full evaluation on where we are with the staff, and how we need to train and develop an onboard the employees, those three pieces in place, then you're off to the races on whatever your next big priority is marketing or costume cards and new POS system but that's what I'm going to solidify in a lot of places have so many of these pieces in place, but they don't have all of them, and they're always dealing with one problem that pops up and another problem that pops up, it's, it's not five steps to implement a good checklist system, it's eight or 910 steps and the success of it is in Step eight, nine and 10 type of things so you got to do all the work.

And here's the part that I know people are like lifting us wait for that magic nugget if like I can get this done tomorrow. I find what you just described, which I know you agree 100% are all the things that need to be in place. In fact in my RTI group we have 24 weeks restaurant reservation intensive 24 weeks of the foundational systems and most of my people fall behind in 24 weeks, it's not everything. We don't even touch recipe cards inventory and things like that. And the truth of matter is what you describe is a six month to a year journey. Right, it's, I just, I just did a YouTube tip on why I think John tappers Bar Rescue was unrealistic. I wasn't bashing him I talked about all the good things he talked about, he is dead on point he cares about his people, when he can't change my part of unrealistic attention to business and for enddate. It's a six month review process so if you're starting to feel, you got employees that are burnout, you've got a challenges in your business and you're feeling upset and what have you. The truth is, you've got to put together that plan become the leader, your restaurant needs, and just start taking action on that plan, you can't fix it overnight, you're not going to find employee tomorrow. You're not going to magically have managers ready to go and train tomorrow, you're not gonna have your food cost down and labor costs down tomorrow. You've got to start somewhere.

You have a manager meeting for the next 24 weeks, every single Wednesday at 9am I guarantee you're going to feel so much more empowered in control and rejuvenated and focused, and you're not going to be perfect because there's so many things that we're always working on, but you have that type of consistent communication between your managers, you're going to be in a much better place and those manager meetings become what's our focus what's next, what's next and you solve another problem another one, and it does become easier and easier, and then your focus is all about growth in sales, the good stuff right how we maximize the profit and pull another 5% off of prime costs, that's what you want to be dealing with be dealing with trying to hire servers and cooks.

Right. Let's talk about that meeting real quick. It's kind of a golden nugget that popped itself up in in our conversation. You and I both agree, there should be an agenda for this meeting right we just don't meet willy nilly hey how's the week going like there's an agenda, you agree on start and stop time 6090 minutes any longer. That's too much. Right.

They get frustrating when meetings go that long, you lose attention and I find that usually the longer meetings are the frustrating meetings, and people don't like frustrating meetings so I find that they seem to take the negative out of the longer meetings, also the positive.

When, when I talk at the meeting. If I'm now if you're the owner. Shut up, let your GM, run the meeting with the exception of when you get pulled in, but that GM or if you're playing General Manager and you're talking 25% of the time, instead of top down management Hey Chef here's what your food cost is a front of house here's a bar manager, here's your pork off. It's, bring your numbers to us, the only thing that a chef, tell me about your kitchen. Oh my food cost is two points over our budgeted, and the reason being is dot dot dot, here's what I found the problem was, here's what I did to fix it that you

want them involved and really being a part of it versus being dictated to what's happening. They need to know their numbers they need to know their challenges, they need to bring it up, they need to be engaged, my right on that.

Absolutely. The way I look at it is you always have a meeting leader, right, somebody that runs a meeting and you hope that the GM has that skill set to run a good meeting. Sometimes you might have to put it to somebody else but that good meeting starts on time, everybody's got a pad of paper and you're bringing information to the table. If the general manager is running the meeting, then the owner doesn't have to be there. I like them to be there. And if I sit in as an owner, it's to collect as much information as I can so that I feel settled on where the restaurant is when I don't know things there's an uneasy feeling and a lot of times that leads to a negative response. So for an owner it's collecting information, and it's also a small window to put your thoughts and feelings into it you don't come in with 25 new ideas, but it does give you an avenue that you feel your opinions are put in, but you're also sitting there for the higher level decisions right there's some decisions that just have to go to you and if you're in a meeting, it's great to be decisive. And then the last step of a good solid meeting is an actionable list. Okay everyone, what are the takeaways, so you're going to update the checklist and that's going to be done by Wednesday right okay perfect and it's the follow up that really holds a good meeting so I have to point

that follow up part the accountability that elusive, you know magic of running a restaurant, you've got to hold people to what you expect. So you, your follow up so after that meeting when everybody has an agenda you know the notes brought back to you they know what to do. You need to double check, and have milestones, and go. How's it coming, I always say you're from the state of Missouri. Show me. Hey, how are the recipe cards coming, Well, they're doing great, great show me. So you can see that they fail to launch they do understand how to do it, where they need to push or need help to get it done, or the deadlines unrealistic and needs to move, you've got to be involved as a leader of your business. I want to pull one thing out of you, that I know is a golden nugget, I want people since we're talking about this, because really we're trying to given them the solution to overcome burnout to develop their management team to have a culture that becomes the employer of choice, I mean, it really is these foundational pieces. I always say when I, when I run my business, especially as a restaurant owner, you are a democratic dictatorship. I want everybody's input, but it's going to be my way. You've got a real special way in meetings when you want things to happen, your way of asking their input and somehow guiding the conversation that your idea became their idea. Can you share that one real quick, because it just popped up into my head and like that's perfect for here because becoming that leader, you've got to get people to buy in, and it's one way to do it is get their input, but they didn't know it was yours.

Well, and a lot of times there's the additional projects that we're always working on whether that's a training manual an employee manual, an inventory system there's always the experts right so they've got to run the restaurant, and then help up with the extras and the extras is usually where it becomes, I

didn't have time we got too busy I forgot, and all the excuses. I find that when they're excited about the project, and they see a benefit for both the restaurant and themselves that they buy into the project and I find that they get done a lot easier. So the projects a lot of times are super easy to identify right good managers can pick out problems left and right, but it's a matter of putting the right ones on the table at the right time. So the first step is, as an owner of the GM, I don't throw out every single idea right I control what topic we're talking about do you handle everything at once so first I throw out some teasers and it's well thought out of what project ICL we should be guiding towards, let's say it's a new menu, and I know that Jeff's gonna come back and say, Are you kidding me how. There's no time. But I challenge the, the issues first because I was looking at the P mix the other day and does the chicken parmesan sandwich just not sell, And then I'll pose a few questions, and we started a conversation, and if the conversation really gets some life, then I keep guiding it and pose it to the team. So do you guys think we should be redoing the menu right now, and it's it's more of a group decision. And there's times that I get shut down right I might think that the menu is the priority and they're like are you kidding me No, we need the training manual let's do the menu next month, and I take the feedback back and forth but I find that the top leadership should be guiding those projects and the focus and pulling the management team, along so they're they're learning as they go. They're excited but they got to see that, oh, if we chop 13 items off this menu you know how much easier my prep list is going to be every day. So they've got to see the benefits of that also. And that's when I find people work together when there's common benefits.

We started this conversation out about kind of burnout in the industry. We went to pay, we went into environment we went into getting restaurant one on one right communication structure and management team org charts, all these things. And often when I'm on a discovery call with somebody, I find that all these challenges, whatever their challenges are, whether their people are associating with what we talked about just now, for its food costs labor costs if whatever challenges they may have. They tend to stand stem from one problem. One common issue is the root of all of their problems. And it's fixable. And the person who can fix it is that, And I find that it's lack of leadership. It's literally when they advocate their business, or they assume people get things done. They're not clear they don't communicate, they're not involved at the level of being the leader the restaurant needs. Am I far off base because everything you just talked about, comes from a strong leader, you know, communication, making sure people know where it is having organization having systems, managing their people, like are we on the same page on that that all these problems, the root is one thing, then becoming the leader the recipes.

They take control of it and focus on the issues that help everybody get better and better as they are pulling along people to better themselves and improves the restaurant it's, it's 100% leadership, it genuinely is because you're trying to pull the best out of people, and you're trying to create the culture and you're doing so many pieces, all day long, and what I've really realized over the years is, I see a lot of really really great managers but they don't have every single leadership trait that goes into building a strong restaurant that is very complete and but a leadership team, I see a lot of teams that have all the strengths. So, if one great chef doesn't have the business side of it, it's okay, you might have somebody

else that can do that. But when you divide and conquer, but the leadership piece comes from trying to lead your team, and when you take six or seven people and they turn around and now they're there to, to lead 15 or 50 employees. They're all doing it differently. And that weekly manager meeting pulls it together a little bit closer a little bit closer a little bit closer, and you start making small basic decisions on employees and it starts to get more consistent your staff starts to see that you're leading them in a consistent way. Then you throw in some, some smart things like shift meetings and weekly manager meetings to communicate to the staff and then you focus on your morale, again, we've been talking about it for a while now, it's so many different steps but the leadership is the overlying topic that is everything. And for me, I'll just say that walking into a restaurant after 10 or 15 minutes of a discovery type of thing, getting to know somebody and even if I haven't met the management team yet, you can sense if there's good leadership in the building right away. And I genuinely feel like that is the one skill set that drives to success, and you can get there without strong leadership but it's just so much more difficult so it's the fact that,

well, do me a favor. You have a lot of content you push out for all of your your members that your coaching clients as well as all of your secret shopping service restaurants that use you, and these things that you and I talk about all the time you've, You've laced in a bunch of content that literally you could feed people, whether they want to learn about your secret shopping service or not. The information you provide is is really fantastic and if anybody watches or listens to my podcast, they know you and I talked multiple times and we're going to continue to do it's almost like we're a team because we've known each other for so long, we're cutting the same cloth we believe in the same thing, but I truly believe you're a master at teaching leadership getting the most out of management team, how would I if I'm listening to us find you and kind of get into your, your, your, opt in, how can I opt in to get these nuggets of things can help me run my business on it on a routine basis.

Absolutely and Thanks for the nice words and likewise Ray That's why we do a lot of these because we enjoy each other's company and challenge each other to think a little bit deeper on what's going on in the industry. I did just release a new workbook, kind of a guidebook it's 10 steps to great service, it's just a simple little 25 page workbook that's free on our website so if you wanted to just log into ServiceNow comm. It's very first thing you see is 10 steps to great services, free little tidbit for them, and also if anybody's interested, you go service style.com forward slash David Scott Peters, and you can also get the free guide there but there's also a discount for secret shopping if you were ever interested in doing anything so login there first collect the discount code and then move forward but the 10 steps are great service, it does tie in a lot of what we're talking about today, but it's more focused on providing the great service but you can't provide the great service without every single piece that we were talking about

today, Why and I know services is huge. You've got the whole company on it, you've been doing it for 20 plus years, like there's nobody better than I know on teaching service. But the nice part is once you've opted in for that you're going to get other nuggets as time goes on because I know you push

out, podcasts and that you've been on and you push out articles and things that can help people run their business so I am going to tell you with 100% certainty to go to surface with style. You need go opt in for that special report the 25 page on service and just know that the communications that are to come in routinely after that are really going to help you operate your business. And I will tell you with 100% certainty, you want to know whether you're leading your business right that you're hitting all of the little details right. Make sure you check out [service.com](http://service.com) forward slash David Scott Peters opt in for that shop service, because there's nobody better, and if you truly want to know what's going on when you're not there. Well, this is a golden nugget to know it's the beginning of you becoming a leader when you know what's going on on your business on a day to day basis, there is anything else you want to shout out there before we finish up our conversation.

Just to close on that last piece because that's where it really runs deep with me is the service piece and I just want to caution everybody out there that how we are looking at service right now is changing. I know today we focused on the staff and how you build the team but the service piece is genuinely changing and it's a small segment of the restaurant after you've got that foundation right but your leadership, your systems and your staff in place while you're marketing might be one extra project to work on just services, and there's 10 steps to great service. It is a fairly easy project to take them on if you were to look at doing a new training manual program, it's a lot more work than implementing a great service program, so it's a fairly easy program to implement, and it's gonna help you focus on service for a lot of years to come. So David, thank you for today. I love talking to you I hope your audience found some helpful tips, and you may call it type of extravagance.

And 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 tools being checked by accountability, you are on your way to creating prosperity for you and your restaurant to something I need from you, please leave a review on Apple podcasts Spotify or wherever you happen to listen to podcasts by leaving us a review other restaurant pro seeking out this information, or a book. 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 no more restaurant pros who have access to them, the better we become as an industry. For more restaurant resources are getting contact with me, connect with me at David Scott Peters, calm, be passionate about it, be persistent, but more importantly become better and help everyone around you become better, and your restaurant is going to kick some ass. If you're tired of not being able to leave your restaurant because no one else knows how to run it. I want to make sure you know it doesn't have to be that way, you can leave your restaurant, it is possible to build a team of people who know how you want the restaurant to run with these trained and responsible people in place, you can give yourself time away. What would you do if your time away from your restaurant, would you sleep better. Would your relationships improve when you feel more relaxed. These are all things you deserve to experience as a business owner. It's why we own our own businesses. If you would like to learn how to own a restaurant that doesn't depend on you to be successful. Click the link in the description to watch a free training course that teaches you exactly what

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