

Hey there restaurant pros, David Scott Peters and welcome to episode 24 of the restaurant prosperity formula. I've been coaching restaurant owners since 2003. Pretty 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 from your restaurant and the 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's topic centers around what I see is the outlook for industry, as of the beginning of July 2021 I'm going to share with you where I think our industry is going and what you need to do to take full advantage of this wave of prosperity coming your way. Let's get started. 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 is 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 a 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. Wow, the last 15 to 18 months have been the most disruptive to the hospitality industry since 911, like 911, COVID-19 has shaken our country down to its core, the business restrictions close to 40% of our industry, and like 911, food prices have skyrocketed out of control. And on top of that the new labor shortage, the hospitality industry is now taking a real hard look at ourselves and how we need to change. First let's talk about the lessons we've learned like number one smaller is better. If you're looking to open a brand new restaurant today a second third fourth location, odds are, we're talking about smaller, smaller rents, less square footage, lower, lower number of employees, run. Smaller menus to reduce how much product you need to buy to simplify our menus to make it that we don't need as strong labor as we needed in the past in the kitchen, mirror to handle it, which means our costs can go down.

Number two, drive throughs kick ass is COVID taught us one thing people don't like to get out of their cars we've already known that. But the fact of the matter is, if you had a drive thru you kick ass during COVID because people could drive up. Why have an old member of mine, who has a pizza place outside of Philadelphia has a drive thru this \$2.5 million in sales, with a really tiny dining room and bar, Why because of the drive thru moms don't have to get out of their cars and get the kids out of their car seats and unstrapped them and snows coming down, they can get their food. So if it were to match your concept. You could kick some ass. By adding a drive thru 3/3 party delivery apps are not going away. Not anytime soon. If anything, what the pandemic taught is all of America, and tech week all around the world you could sit on your ass at home and have your favorite food delivered to you. Now I get it, it's expensive, and if it weren't the pandemic I used to tell people, don't do it because they were basically raping us with their fees. But when it came to the pandemic you needed to have the top three, because at least we were bringing in the sales to keep people working. Now we're hopefully seeing a correction in the industry, we're starting to see governments get involved, to reduce those fees are astronomical. But the truth of matter is, third party delivery is not going anywhere, because now it's woven into our culture for production, you're robbed our industry of 1% of our profitability right gloves alone 1% of our

profitability, we thought it was hard to make money. Before the pandemic. Now, we don't think these health restrictions these protection, things are going to go away anytime soon, which means there's always going to be this expense.

Now, this new expense of protecting our people and our customers. And it's robbing us of our profitability, which means we need to become more efficient. And five, managing to your numbers is even more critical than it's ever been. See what the TAT pandemic taught us was, is to get rid of all those extra expenses that we're not paying attention to. Right, we're not using services and products and things like that to really look hard at purchasing buying smarter, looking at the efficiencies in our kitchen from our user menu to making sure portion controls there, reducing theft, really using the product properly. Instead of bleeding labor, pulling things back and realizing that when we have just enough staff members, we get better service and we have more than we need, because they're paying attention to the guests, all the way through the shift. These new efficiencies.

Can't go away just because you've got PPP money ideal money, you got the restaurant Relief Fund, don't touch that money, you learn how to operate efficiently you survived the pandemic, now you need to remain lean. Don't get me wrong, we're gonna need to add some of that labor back, as we talked about that labor shortage. Now let's talk about what I see is the outlook for industry, and I'm going to tell you that this is coming through the lens of me literally just speaking at the first industry trade show, since the pandemic started since all the business restrictions in March of 2020. So, where did I get to go, I got the speak, and the privilege as I do almost every year to speak at the nightclub and bar Show in Las Vegas, Nevada. And it was at the end of June of 2021 I'm going to tell you, if you've never been to the nightclub and bar show it's one of the top shows in the country. I might even put it in the top one or two, and mostly because they do an excellent job of education, bringing in speakers like me, just to flood, flood, restaurant owners with information managers with information, whether you're a restaurant, you're a bar, you're a nightclub, hospitality industry people, some of the best speakers that are around. Now, what did I learn from attending that literally at the time of me sitting here just about a week and a half ago. Well, number one, I'm going to tell you, restaurant owners and managers are ready to get back to work. Yes, we just had our ass kick for the last 15 to 18 months.

Yes, we have a labor shortage. But the fact that matter is, they came to this show, with the most optimistic outlook that you could ask for. That they were coming to the show to find those that piece of equipment that new piece of software that no POS system and the knowledge they needed to be the best they could possibly be. See what they understood is the importance of learning. Remember I told you one of the reasons why I liked the nightclub and bar shows so much is the education, the show floor is fantastic if you're in. In, anything to do with hospitality, and you are working with a bar. Doesn't matter if it's just a sidebar or it's the major urine nightclub. This is the show to be at and I know they're making a change to be more food inclusive. I think that's what's happening 2022 But the fact of the matter is they put on great education. And the restaurant owners or managers who attended this show, eyes lit up like a chance to get away from the restaurants.

During one of the toughest periods we've ever seen. They understood they don't know what they don't know these people attended workshop after workshop seminar after seminar presentation after presentation, because they wanted to improve. So if there's one thing that I know that is happening right now in industry is we are looking to improve ourselves, our restaurants, and our management team. Next I'm going to tell you. We've realized we've got to start becoming the employer of choice. We're losing people, when we shut down from COVID, whether it was for, you know, a little bit of shifts here and there, reducing number employees are completely closing. We had employees leave our industry cooks go to construction get paid twice as much money, all the overtime in the world they want, and they don't want to come back. We have managers who found nine to five jobs, who aren't getting treated like crap, have worked life balance. They don't want to come back. We now have line employees that are tired of working 4050 6070 plus hours a week because we're short is so short staffed and they don't feel like they're making the money they deserve. And they're going away, like we have to change. We have managers who still treat employees like are an Uber, they don't treat them like human beings. And we can't do that anymore.

Now I'm not saying that's your restaurant, but it is us as an industry as a whole, that's what we do. So what is becoming more important today is fair pay. Now, yes, we're seeing minimum wages rise, mandating the pandemic put ourselves out there in a position where we're competing for so few employees that our marketplace is raising our wages. But the fact the matter is that needs to be fair pay, it doesn't have to be the top of the game. It just can't be at the bottom. We need proper supervision. Yes, proper service supervision there needs to be a manager or some leader at some level, on every shift to ensure the processes working to make things run smoothly to make employees feel like you care, your employees need an opportunity for advancement, whether it's learning the skills at this or first job with you to take on their next job out of the industry, or if they stay in the industry or with you that there is some level of advancement for them. And really what become truly more important, is work life balance. Now, for us, in our industry we have employees who work for us, because why great flexibility that was robbed from us because of the pandemic and now the, the labor shortage, this labor shortage will pass. We need to be start looking at how do we give our employees a work life balance. That includes your managers that includes you, the owner.

It's so important for us to do that to become an employer of choice, that we're not just an industry that chews people up and spits them out. Now I'm gonna tell you. The other thing I'm looking at right now is your sales are going to continue to explode. Like we have people who are saving money not going out to eat, not doing anything that had been saving this money, assuming they find a job right because of this incredible unemployment, and they're coming out in droves. Human beings are social creatures. They are dying to get back into bars and restaurants. I can tell you I think in Las Vegas is any indication of what's going to happen across the country is master getting dropped shots are going in arms, and people are ready to go out and have a good time. So I'm going to tell you right now that your customer services are becoming more important. Yes, I get it. You've got the Karen's of the world of mobbing your restaurants, because you're short staffed and costs are going up and all these things and they're giving you living hell. But what we've got to do is do things like customer service expert John D Julius in his

book, Secret Service with Wow customer service he says we make pricing relevant, It's not focusing on price, stop focusing on the wrong things, have an incredible guest experience, and I'm going to tell you your sales are going to explode continue to explode. I'm going to tell you we talked about becoming more lean, the importance of budgeting and cash flow management is no longer a luxury. What if I told you the two most important systems any restaurant should have and if you listen to me on any level you know the two most important systems that any restaurant should have our budgets and recipe cost guards why they're proactive management systems, let's focus on budget, your budget allows you to put your plan in for success, what systems are you going to put in place to make the changes to reduce my prime costs to reduce my expenses to become more efficient and make the money I deserve. It's your plan for success.

Well the pandemic shrunk all of our numbers all the way through and we became more lean. Now we need that budget, so that we don't blow the money we just got, whether it's the money we got for PPP or the restaurant Relief Fund, or it's just all of a sudden the newfound profitability, we don't want to give it all back to our old practices of over portioning allowing stuff, by allowing theft at a time clock because people can clock in whenever they want, leave slowly, and all of a sudden, what's your profitability disappear. Budgets are critical, and more importantly cash flow, if one thing the pandemic taught us is cash pays our bills profits don't that has been a tried and true rule forever. But it became extremely important when, after two weeks of the pandemic 25% of industry, closed their doors for good. Why, because they were operating off of if I could have sales. I can pay bills from two weeks ago, and when the sales disappeared, they disappeared. I'm going to tell you right now. I look forward to the industry, every Tom, Dick and Harry will reopen all of those dark restaurants. So we have to have our shit together before they open because when competition starts coming in. Yes, every one of your customers. They're going to want to try the new place.

Don't give them a reason to stay at the new place, just see that little blip and sales go down and see them come back because your customer service is incredible, your product is incredible, you create memories your restaurant is awesome. Because if it's not, if your service is bad, your food is inconsistent, when that new restaurant opens, they're going to give them a chance and they're going to stay. See, you're, you're in control of your destiny and what you do. Now with all this in mind. Time for expansion is now if you were thinking about running, running out there and finding a new location, and I don't care if you don't have all your systems in place you're an entrepreneur, Fire ready said aim we'll figure out how to make it work. I do not want this quest that I teach you to put systems in place to impose your will to have profitability and freedom for your business, stop you from just seeing an opportunity, and making it work right now is your time there are landlords who are dying for a tenant.

There are restaurants that people put million \$2 million into the children get in for nothing, just literally put lipstick on a pig, now is the opportunity if you're thinking about expanding, now's the time to do so. So are you ready for the rest of 2021 Are you ready for what 2022 We'll bring because I tell you if you're not, here's your short action plan. And I mean, it is short here are five things you've got to do in order to take advantage of what's coming. Number one, you need to put a budget in place. This is incredibly

important. It is a major part, it takes up weeks of my restaurant transformation intensive membership weeks of our time, because your budget is your proactive plan for success to you got to do whatever you need to do to become the employer of choice. See all those things I talked about from fair pay in the supervision to opportunity advancement to work life balance. That doesn't happen overnight. It's going to take you six months to a year to truly get it done to make it a part of your culture. And that's the hard part, we're all looking for this quick fix, it's not a quick fix, it's changing your company culture. Three, you need to reach out and learn what you don't know, you need to seek to always improve. That is going to trade shows and going, not just to drink and have great food at restaurants in say Chicago or Los Angeles or New York, it's to go there and actually go to the seminar, you're going to come across some bad speakers, but the vast majority, they're going to teach you something and if you come away with one idea from each one of those speakers there's presentations you go to, you're going to win because you're going to be on your, on your way to changing your business and your life. You need to be looking at searching out new information file, getting on YouTube watching videos, learning, reading Industry, Trade publications.

Going to seminar. Getting a coach. Make sure you're always looking to improve. That's what's necessary for. Make sure again, you attend those shows, because it's not just about the education, it's about those new pieces of equipment it's about bonding with other restaurant owners and managers learning from each other. And finally, five become the leader your restaurant needs. This is incredibly important, your restaurant needs you needs you to say this is the direction we're going right or wrong this is where we're going, lead everybody towards success. See, to be a great restaurant owner or it takes leadership to run a profitable restaurant it takes leadership and leaders learn every single day, leaders, teach every single day, leaders put systems in place to allow them to pose their will, leaders hold their team accountable, and more importantly leaders take action.

That may sound familiar to you. That's the restaurant prosperity formula, what the most successful restaurant owners I've ever worked with do on a daily basis. And finally, I want to take a moment to really make a shameless plug. See if you truly are ready to take your business to the next level, have the freedom to leave whenever you want and make the money you deserve. I want you to head on over to my site, David Scott Peters calm the link in the upper right hand corner, and it says book my free call with David and book your call with me today get on my calendar, that we can do a discovery call and I'll share with you. How many members have ready themselves for success, 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, too. I have 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 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, calm, 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. 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 are 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 you have to do. Also, be sure to subscribe to get my weekly tips and watch these two videos to get more information and guidance for running a successful restaurant.