Hey there restaurant pros. It's David Scott Peters and welcome to episode 35 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 for 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 the labor crisis we're suffering from in the restaurant in the hospitality industry. Our guest today is Ryan James Dean, his wife Neely own mother's canteen at Ocean City, Maryland, where they have two full service Tex Mex restaurant locations of Commissary Kitchen, a Shopify store, and sell their tortillas on Amazon. Both Ryan and Neely are family trained chefs. Ryan comes from a Sicilian family of immigrants and learn to cook with his grandmother and nearly family comes from Union City, Tennessee, where her ancestry and down home southern recipes date back to our family's roots in the early 1600s. The United States of America and most of the world are experiencing a major labor shortage making restaurant owners operate in fear of how we can simply snap our restaurants. Well, the James's are no stranger to this because they live it every year. Ocean City Maryland has a winter population of about 8000 people were in the summer they have about 400,000 You can only imagine how hard it is the staff to these wild fluctuations in business. listen in on our conversation where Ryan shares the ins and outs of recruiting and utilizing j one workers to make it through the summer months and how you can use them in your restaurant today almost year round. I want to welcome Ryan jeans 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 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. It's right for you visit repeat returns.com forward slash DSP. Ryan, I want to thank you so much for joining me today.

Thanks Thanks for having me. Happy to be here.

So just before we get started that you know this is gonna be on YouTube but it is a podcast so people cannot see if they're listening that you're in this baby blue snowman suit. I'm just that just exemplifies how excited you are for the holidays. No.

I'm super stoked for the holidays. You know, I only get one month of wear out of the suit so I have to make it count right in well and not against polyester wear to work man. It's not want to be on fry station with no you know I you know the J ones are which we'll talk about today and they're like a Christmas present to me every June so I figured the Christmas Super City.

Fantastic. Well, let's talk a little bit first about your background. You and your wife Meili have, you know been in the restaurant business a long time. Tell talk. Tell people where yard names your restaurants a little bit background.

Sure we're in Ocean City, Maryland, which is a it's a it's an overdeveloped barrier island, kind of sticking out in the middle of the Atlantic Ocean. You know, we're in between New York and Virginia Beach. We're about five hours south of New York, about three hours north of Virginia Beach and the Outer Banks. It's very seasonal economy down here. You know our wintertime populations many 1000 people are Summertime is about 400,000 people. So you can imagine the uptick in business in the summer months. You know, we have two locations, we they're very close to each other and because of the amount of business we get in the season, we can we can afford to have two places close to each other. And we have a commissary that we supply both kitchens from and it's great. You know it's a lot of work in the summer and it's a lot of chill time and working on reorganization and you know after action reports and things like that in the winter so we can hit the summer and make it as profitable as possible.

Don't leave it in the name of your restaurant and a little what you serve.

So we're Tex Mex and the names of our restaurants. Our mother's Cantina. We have one on 28th Street in Ocean City, Maryland, and one on 17th Street in Ocean City, Maryland. And we also have our Shopify store and we also have our tortillas for sale on Amazon.

Right but a lot, a lot of business, a lot of things to do and your full service Correct. Yes,

they're full service.

Great. I just want to get people to get kind of a picture. What's your background? What's nearly his background when it comes to the restaurant business? Were you born into this? This has been something you've done forever. Talk a little bit about your background.

Well, my wife and I were were both family trained chefs. You know for example, my family I come from a Sicilian family of immigrants and you know, we never we never bought bread. We had a bread drawer at my grandmother's house and always had fresh baked Italian bread in it off. We would grow and canned tomatoes all summer so we could make fresh tomato sauce on winter and nearly comes from a similar background but her family is from Union City Tennessee. They didn't the Americans since the 1600s You don't get more American than Neely I mean it's many generations back so same same thing except her growing up was bread and butter pickles and Angel biscuits and really good southern food. So I mean, she has a cornbread recipe that will it will make you weak in the knees. It's so good. So, you know we kind of learned a lot of techniques from our family. And we applied them to the restaurant business when 12 years ago, we decided that we were going to leave the big city and move to the beach to raise our children in the opportunity to buy the restaurant from some friends of mine came up so we took it and here we are 12 years later, and we would we would have done it any other way.

That's fantastic. I took the reason why I wanted to bring you on is in our group coaching program restaurant. Transformation intensive. You have been a resource for many of our members because we're all suffering right now. Based on a labor shortage, and the labor shortage, as we've talked about is is worse than the pandemic restrictions for most restaurants when you have all this business coming in, and not enough employees when you've got customers who have high expectations or unreasonable expectations or beat for rating and being mean to our frontline staff and it's getting more of a challenge every single day to be in the hospitality industry. But you live this every year in the senses this is not brand new, because when you talked about your residence going from 8000 to 400,000 people, you experienced this on a yearly basis. Would that be a reasonable thing to say?

Oh, absolutely. Absolutely. You know, we we can't even keep both locations open year round or bigger location on 7/8 Street is seasonal and it's not because of any restrictions. It's because we just don't have enough people in town. But you know, they're beating down the doors in the summertime. So so it all evens out. It's it's a hurry up and then wait. Right? So with that has taught us how to scale up and scale down very quickly. And that's why it's so important that we have that j one labor on a seasonal basis that comes in because of that, but we're used to it. Yeah, I mean, it's COVID Every winter around here, whether whether we have government restrictions or not because we have to figure out how to not lose money and not go bankrupt in the wintertime and you know, cash flow management is really important

to talk to me a little bit about what J one is two people understand and when you discovered that a j one was a solution for labor shortage.

So what a j one is is a j one is a visa. That is the name of a visa it's often attributed to the person who attains that visa, but it is actually a visa issued by our State Department and it is for a seasonal work in travel students. Their requirement is that they must be in college or some form of higher education in their country. And then they are granted a 90 day about 90 days I more or less you'd have to talk to the companies to get more specifics to come over here to work and experience American culture. So that's what the visa is. There's many give you some quick stats there's about half a million j one students that come to the United States every year 6% of them are under 30 and 53% of them are female. So we get a lot of au pairs that come over for the season. We get a lot of restaurant workers that come over for the season. And it's a great program because it fits with us and our seasonality like round peg round hole and we couldn't be happier for the program. It's been in Ocean City in my market way before I was ever here. You know the J ones have been coming for 30 years to Ocean City. So when I got into the restaurant business, everybody all the other restaurant owners and everybody in the community we say no, don't worry, you're going to have some summer help coming. call these people at the visa companies and they will get you seasonal labor. Additionally, a lot of the J ones students, they want to work so much because they're so highly motivated, which we can get into later that they often ask for second jobs. So we'll have them come around and ask for a job and say Hey, can I have a job? Are you hiring? So they just walk in and a lot of we've actually been lucky enough to hire on the spot in the summertime because they can only get 40 hours a week at the breakfast place they're working so they want to come in and work nights it at my place and make tacos

so you talked about the companies so there are companies that actually recruit kind of set things up. What is the j one company what are some of the big ones that that you've worked with or know about?

So the big ones that we use and the big ones in the in the industry are interexchange United work and travel. There's also there's a couple other ones that are out there. There's an Irish j one program that works primarily with Irish students. And and they're great they they work very well because what they do is they cut the red tape, especially for the student, the J one student, you know when you were in college and you were 2324 years old, you know how good were you navigating through red tape? Not not very good, right? So they do all that for you. They do that for the student. And they basically they make the handshake happen between the J one student and the employer and they also insulate the student a little bit. Find them housing make sure that they're not being taken advantage of at work, making sure that their employer is reputable. Reputable has a business license has workers compensation insurance, you know, they're they're checking the boxes that need to be checked. And that that's that's valuable as an employer and as the J one participant as well. They do a great job, and you can find them online very easily search.

So I'm going to I'm going to go on a limb here and say that the benefit of bringing them in whatever the cost is, to the far outweighs meaning the benefit far outweighs whatever fees There are to bring these people and how do the J ones make money and not the J one employee but the J one companies how do they make their money

so they actually the the students pay that. So most of the time it's free for the employer, so I don't have to pay any money to get day one seasonal labor. The students pay they pay about I'm not sure exactly how much it is it varies greatly from company to company, but they pay a fee and they basically prepaid or postpaid instalments. And it's basically they come over here on the first portion our wages go to the j one company, but because of where they're coming from our money goes so far in their country, that the financial cost that it may incur to come over here. The benefits far outweigh

or fantastic. Let me ask you a question. We sit there and say they're going to come over here. What are the timeframes? Because I know for a fact that people like you, other members have had a Nags Head in the hand and George on the shore, like these are places that I've seen a lot of J ones I've got members that I've worked with in Canada, that that's a big thing, because they have a labor shortage and have had it forever. But we're coming into the time we're talking to we're coming into the winter, right because you're wearing the snowman suit. That's not a summertime thing. So a lot of people may be hearing Oh, but they come in the summers and I get somebody in a different season or is it only summertime?

It really works around the country's college schedule. So for example, if you're getting Bulgarian students, they come from a certain time to a certain time they're usually later they usually arrive in July, and then they leave in November because in Bulgaria college starts at the end of November. You know, the, you know, the Dominicans they come a little earlier, they get here the beginning of two and they leave the beginning of September. The Irish leave earlier, they sometimes get here in midday, and then leave in August because they start school the same time the Americans had school right after Labor Day, the first week of September in the books. So you have to look at you'd have to talk to the companies and find out what countries they want to take over what time of year. You know, I haven't really delved into the wintertime needs because we're so seasonal personally. So our bread butter is people to get the beginning of June and leave the beginning of September.

But we have a lot of months covered we go from May to October, November. That's a lot of the year and so often. Many of us are even for not very seasonal winter. Months. If you're in a very cold temperature, your sales may drop anyway. And that's not the time you definitely need them. So that creates a lot of flexibility. But what motivates these kids to come over? I call them kids because I'm old, right? If you're 20 something you're not you're an adult. So So what motivates them why why do they want to come up?

Well, to me, they're highly motivated. And that's it's a cute asset. of the programs. How motivated that these j one participants are. They're college students. So they're pursuing higher education right away. So they that that's not free and they have to make income countries. They have to support themselves. So they come over here, they've had to pay for their way to get over here. They've had to pay for their sponsorship. They have to pay for their room and board while they're here. They have to save for their college tuition. And oh, by the way, they probably have to send some money home to their parents and all that, that that need money to subsidize. Their living expenses right to help pay the rent on the house that they have parents live in in Katmandu, or something like that, right. So they come over here ready to work and ready to make money. And they're motivated by necessity, not by you know, not by luxury. So you get a different caliber of worker, sometimes with that they come over here ready to work. It's funny because we'll say Oh, well, you know, what are you studying back in Nepal? You know, the university. Oh, I'm a biomedical engineer who like great. So today we're going to teach how to make tacos, probably a little bit below your scope. So you should get it pretty quickly.

So if they're coming over in and they're earning the wage that's here, do you pay more for them? Do you have a special signing scale? If I'm going to tip credit state, like in your server, are you still a server and making the 213 or were adjusted wage plus tips? Or is there a restriction a minimum that you have to pay them?

Yeah, by law, they get the same labor laws, wages, hours, benefits that a worker from America would so in, in the in the law in the eyes of basically labor laws, they are the same is an American worker, they get overtime at 40 hours. You know, the only thing we don't have to do is if you if health insurance is mandatory or 401k. Since they are seasonal, you do not have to offer that to them. But yeah, but other than that they're the same.

Let me explore one thing because all companies are not created equal. I know I've had some members who have used eight ones in the company they use the employer had to provide housing literally provide housing and it was okay because they are a Airbnb kind of people and they had a bunch of apartments and they, you know, put people in there, but that's not always the case. Right. We'll talk a little bit about housing do I have to do I do I just have to give them a landlord to talk to what are the restrictions regarding living space?

That's market specific to my understanding. So I am in a market that is in a housing shortage, right? COVID Cause a lot of people who leave the big cities and come and enjoy beach life. So all the seasonal rentals are now occupied year round in my in my little barrier island town here. So it makes it difficult to find seat housing for seasonal workers. So what the companies have done is now they are saying if you would like placement of students, you need to line up housing. I know that some of the more proactive companies like United Work and Travel have gone out and bought housing, and now they are supplying housing based on their own housing. So it's good because they're also getting the revenue from the rent is well, I have gone out in acquired some housing specifically for for J ones as well. But you know, not everybody has those means to do that. But at the same time, your market might not need it.

You're not paying for their rent, they're actually renting from you. You're paying them and they're paying you to live in that facility. That house, right? Correct. So, so there's not a lot of downside when we start to look at this. I'm going to get the age group. That's motivated that fits my business wants to do filth times where I can't find employees. There's got to be some cons. Like there's got to be what's what's the catch here? This sounds too good to be true. What What should I as a restaurant operator be thinking about is what are some of the downsides or things you really got to think about before you go out and get a j one work?

Well, yeah, I mean, there is some cons I mean, you know, the genie comes out of the lamp and gives you your three wishes and then you grant you get them granted and push their gods. So, you know, come the fall when you still might be busy on weekends or you still might have some some seasonal bump show to nice weekend. So you know we're packed in the boardwalks pack so our 28th Street location which is right next to the boardwalk is packed but all our J ones are gone and we're back on a skeleton crew. So you know that that's a bit of a con but you know if you have good systems in place you know your your sit your process, restaurant intensive teaches a lot of systems if you have the systems in place, you have 90 days to prepare for that so you can you can you can you can get ahead of the game. And it's great. So, you know Another con is that you they're they're motivated by money right? They want to come over here they want to make as much money as they can and they want to go back to their, to their country go to college and not work and be able to support their family. So they can tend to linger around on the clock a little bit. So you're going to need to coach your managers, you know, use your checklists, make sure that it has on there make sure to check for overtime every day on your managers checklists to make sure that they are you're not sucking up that clock because they can Hoover that money that summertime profit right out of your bank account if you're not careful. But if you're the

right systems in place, you're doing that with your regular employees anyway, it's not like it's my special J ones. Are these these rat bastards who are milking the clock that sounds like every kitchen in the world if you're not managing it, you know.

Absolutely. Absolutely. And you know, that's it. That's it's a really good point. And, you know, but a wise man once said If you create a system and you don't measure it, then that system can go away. And Biggie also said that which we measure improves, right so you have to keep measuring that system and watching that clock and holding your managers accountable to make sure that that they are not eating you know, so that's that could be that's one drawback. You know, another drawback is, is you're in a constant state of training, right? You're getting, you're getting this brand new, shiny, really excited to work employee every spring, right or everybody getting assembled and they don't know anything. Again. They're probably a biomedical engineer, or they're probably pre med. So they have not worked at a restaurant before. no experience whatsoever. So you need to have systems in place that make it palatable for them to learn the job. You know, for example, have your station set up behind your cooking line and make the taco guy the taco guy make the middle guys the middle guy, make the Grow guy the grill guy and teach them those stations so that there is a quick learning curve. You know, I'm I'm really because of what you taught me. There's no job in our restaurant. That's not a manager job that we can teach somebody that takes more than three days. So, you know, if we lose somebody, we're only down at that position for about three days. You know, we get somebody else, we train them to three shifts, they're ready to go because of the systems we have in place. And it's because of the systems you taught us. So so that that could be a con because you're in a constant state of training, but if you're ready for it, you're ready for it.

Let me ask you one more question when it comes to could be a con it might not be I don't know. It's why I'm asking. And I fired them. Like if they do something egregious. They'll like go against our policies and procedures or my contract that I own this person for the 90 days.

Yeah, I mean, for sure. Listen, they all come over here. And you know, it's not always hearts and butterflies and unicorns and rainbows that Jay wants, you know, you do get your, your bad apples. You know, there's two reasons that people don't do something in my opinion is they don't know or they don't care. Right. And if they don't know it's my fault, because it's a training issue. I haven't trained them properly. And if they don't care, then it's my fault because I haven't promoted them to customer. Right at that point. And, and so we have to do that. Sometimes we come over we had a guy last year came over and you know, we're open from four to 10pm. He knew that when he came over, he came over and worked one shift he goes yeah, I really don't want to work past noon. And I said okay, well probably not the job for you that because we don't even open until four and we hired you as a taco maker. So you know that happens but you know, you can fire them and you know, they they actually have to report to to their, their sponsor company. If they change jobs, and if they failed, failed to do that. Then they could not be allowed back the following year. They get on a blacklist if they don't do the right thing. So there's a there's a little bit of a pro that comes out of that because they are also very loyal to you and willing to do things because they know they could jeopardize their future sponsorship coming back over.

So if I were looking at this, as brand new, we're listening. We've never had genuine workers, and we're living this labor shortage. What would you tell somebody would you tell them? Yes, you need to do it or you need to do it. Only if you meet these criteria. Is there anything special to thinking about trying to decide whether I would pull the trigger and contact one of these companies and bring these temporary workers in?

Well, you know, you can use them for two reasons. Obviously, it's a no brainer. If you have a seasonal business. It's busy in the summer months. You you you'd be crazy not to at least explore the opportunity, right? Because we have such high turnover in this in this industry. And we're also experiencing a labor shortage. Those j one students can really insulate that and add depth to your labor pool. If you're not in a seasonal economy and you're experiencing a labor shortage going into the summer, then you can hire the J one students as a temporary stopgap right, hire them, you know, they're gone in 90 days. And then you can really focus on hiring and training good year round people. And it's not now it's not an emergency. Now you got 90 days, right? And you can kind of you can kind of play double that is one person hops out, you can have another person hop in, it's ready to go. Right. I mean, I think that that's incredibly valuable in our industry right now.

Is language admission.

Sometimes that's a good that's a good point. You know, there are there applications that you get to review before you select the students or the students are recommended to you. They have English qualification level so you could say I need a nine English show somebody that's fluid that could work in your front of house work. I only need a five English you know I speak fluent Spanish. We have a Tex Mex restaurant. So most of my staff is is Latino. So we have a we can always hire the Spanish speaking students, no problem. And as long as they're not customer facing, then they can work 40 hours a week with ease. So we're at a little bit of a luxury there. But yes, you can you can pre screen their levels of English before they come over to put them in a certain position. You know, I mean, I think you don't need a you can hire a Romanian dishwasher that has for English, and you could just point and say wash. Thank you right and you're good to go. So because you need a dishwasher and you're willing to work over that language barrier to make it happen. Right.

Are there Amy and it's a loaded question and we can decide not dancer. But are there any countries that are better like cultural that really are suited for hospitality more than others? Versus don't say who's a struggle but is there anybody because that's the loaded part like don't hire these people? Or is there is there a country because I know I had a member in in Canada loved anybody came from the Philippines just to work ethic was amazing the culture was amazing. Like it it just meant hospitality so well. You find any any countries that are best to draw from?

Yeah, and I think it's more of an individual and less of a country specific where you're going to get some bad apples from any country. So what sets other countries apart? From from some countries that might be less desirable is really the English right? And the countries that push English are the countries that you want to gravitate to. So for example, Ireland right Ireland's always at the top of the list because they speak English. You know sometimes after a couple Jamison's they don't speak English another you know, for the most part when we're doing a good amount of business. The Irish are great. Another thing was Nepal, for example, you might not think the follies, but all their businesses done in English and so they come over here and most of them have spectacular English so that's that's a good one as well. You know, and then personally, we go for the Latino countries to Spanish speaking the Dominicans are Reagan's you know, you mentioned Filipinos Filipinos speak English, all their business is done in English. They have some tribal languages over there, like to Gallo and Lecanto that they speak secondary but all their all their business has done in English in the Philippines. So I was a military brat so I know that firsthand. So so so yeah, so that would be it. Look for the look for the English speaking countries. If you are going to try and it have a preference, I

would recommend a friend traffic appreciate you sharing and we say politically correct that we did a good job. I want to thank you so much for coming on and sharing this I'd like again it's been multiple group coaching calls that the the J one topic has come up and you become our authority in I so appreciate, especially in the time of a labor shortage that you'd come on and be a resource for our industry for people who may not understand what a j one is or even know they existed because often we live in our bubble our four walls and that's all we know. So that's tremendous. But before I let you go, is there anything you want to share with people whether it's about J one or just anything about running your business where in life that you like to use as a monitor anything you want to share?

Yeah, I mean, first of all, I want to give some people some you know, the common question people gonna have after listening to this is how do I get started right? Where do I go? So a couple companies that you can Google are united Work and Travel interexchange USA summer jobs, worldwide cultural exchange, hey, they, they specialize in different areas in the country. They specialize in different industries. You know, some people are better with hotel workers. Some people are better with restaurant workers. Some people are better with amusement park workers. So you know, some some of the people that might be listening this might have a restaurant and a small waterpark. and a small waterpark, some people might have a b&b with a restaurant. So you want to find the J one sponsor company that matches your business that's very important. And that's a good first step. And you know, it doesn't hurt to look knowledge is power, right? Go out there and get the knowledge, see if this is right for you, because it can have a tremendous benefit to your business. And then you know, personally, you know, this, this is the hardest, hardest industry you know, right? Or you say it many times, so you got to take time out to do to live your life and do what you need to do. You know, if you take a night off because you feel that you need to go exercise or there's a jujitsu class you want to do or something like that. Do it. You know, nobody will die if you're not at the restaurant on a Tuesday night because you're taking care of yourself. So take care of yourself, guys, please.

Amen. Ryan, I want to thank you so much for being on the call today. And I look forward to seeing you in just a couple hours on our next group coaching call. Thanks, my friend. Should I keep shooting? I think so. I think so.

Alright, we'll do Alright, see you soon. Thanks, brother. 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 are on your way to creating prosperity for you and your restaurant. To have something I need from you. Please leave a review on Apple podcasts. Spotify, or wherever you happen to listen to podcasts. By leaving us a review other restaurant pro 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 for to get in contact with me. Connect with me at David Scott peters.com. Be passionate about what you're doing. Be persistent, but more importantly become better and help everyone around you become better and your restaurant is going to kick some ass 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 improved? Would you feel more relaxed? These are all things you deserve to experience as a business owner hence why we own our own businesses. If you would like to learn how to own a restaurant that doesn't end 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.