Hey there. It's David Scott Peters and welcome to episode 39 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 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 kind of mindset shift you as a restaurant owner must follow. To be the leader your restaurant needs in the face of the incredible challenge our industry is facing. I'm excited to share with you how you can take control of what you can control and lead your business to success. The crazy part is, it can be as simple as you choosing your attitude. 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 BP returns. Repeat returns is a modern marketing platform created by a restaurant owner for restaurant owners. It studies each customer's habits and patterns and 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.com forward slash DSP. Any restaurant pros. I don't think it's an overstatement to say that owning a restaurant is the toughest of any business out there. There are so many challenges in running a restaurant, most business models have department heads who take very specific roles on in the company for example, many businesses would have department heads that would handle the marketing another they would handle safety and compliance. Another would handle product procurement, another human resources another training, you'll get the picture. There's all these department heads that handle all these employees, these departments that handle it all, but it's a restaurant or you have to wear all those hats at the same time. You have to understand all the laws and regulations where you are because the government doesn't care that ignorance you know you're ignorant to it. Ignorance is not bliss if you break a law even though you didn't know about it, you're you're liable. We've got to keep our people safe. We've got to train them. We've got to buy product beyond budget. We've got to be a financial person like a CFO or bookkeeper or accountant. We've got to be a marketing genius to fill seats. Like we've got to do all these things. At the same time. It's tough to be a restaurant owner. Then on top of that we had COVID-19 Business restrictions. We had COVID-19 decimating our staff because they go out party together. So maybe they went to a buddy's house. The cooks got together, play poker had a few beers. One person came down to COVID, which means everybody's quarantined, or heck, they all get it. And all of a sudden, you don't have anybody to work to open your doors, rising food costs. I mean, we have seen incredible increases in price like in 2021. I remember chicken wings were like $70 a case and by June they were 140 $150 a case. It's incredible what has happened. We've had interruptions and our food deliveries and food availability altogether. rising wages. We've been worried about the $15 minimum wage right from coast to coach. But the truth is, we've seen that most operators have had to raise their min of their starting wages just to be competitive. That's just the iceberg of all the hiring challenges out there with a great resignation. Oh, and what about the other profit robbing things that we've had? To add to our businesses like third party delivery apps, and those profit robbing gloves. I see operators spending one to two points of their profitability on gloves alone the last two years. It's difficult to be in the restaurant business but here we are in 2020. And we're certainly trying to remain optimistic that this year better than the last two. We certainly hope so. And we like to think so. But what if I told you of all those challenges? That really those challenges aren't your biggest challenges? That your biggest challenge is really where you spend your mental energy and time and how you meet your business going forward will be critical to you and your business success or there there abouts failure.

See, leadership is extremely important. And so I want to have a heart to heart with you about how important it is for you to focus your time, energy and mindset on what you can control versus what you cannot control. And that's really imperative for you becoming a leader your restaurant needs. Your restaurant is a direct reflection on you. So let's start off with what you can't control. What you can't control. You can control bad customer reviews. Certainly. There are things we can do. We can train better, we can make sure you buy the right product that we're making sure that the plate presentation goes out the same way the portion controls go the same way that everything's to our standard in cleanliness, like we deliver the same experience over and over again. But you have a customer that has a pristine bad day and wants to take it out on you and gets on Yelp, TripAdvisor, Google and just destroys you. You can't control that. You know you take it personally and it can bring you down. You can't control food prices. I just talked about chicken wings. What about brisket? Last year, we went up over 300% our costs are going up above. We can't control commodities. We've always had a challenge with food pricing. They're always going up because it's a commodity market. You can decide to get a GPO group purchasing organization to reduce your costs you can look at your descending dollar report and attack your top 10 to 15 items. You can get a distribution agreement A prime vendor agreement to reduce your costs but you can't control the prices. You can't control the labor market and the challenges we have. When I told you recently that I spoke last year in the summer in South Carolina for the Restaurant Association, and one of the other speakers was the speaker from tech nomics, the numbers, the stats people for the restaurant, hospitality industry. And the speaker showed slide after slide that showed the displeasure the dissatisfaction of restaurant employees hospitality employees over the years, and it just kept getting worse, worse, worse. 2020 with COVID That's not what did it 2021 With COVID Isn't what did it, how we treated people. And the fact that they got a taste outside of the restaurant business and didn't want to come back that they didn't like being treated like shit in so many different restaurants out there, not yours. They wanted to make more money, they want to have flexibility. They wanted growth opportunity when all these things and the restaurant industry wasn't as a industry providing that. So it got really hard for us to find employees. It's still hard. Now we're starting to see most of my members are starting to see staffing coming back, but it's a challenge. I just told you, labor went up we're starting to pay more than we paid in the past just to make it happen. You can't control that you can control becoming an employer of choice. But the challenge with that is that can take you six months to a year to make that change. That culture change in your business. You can't control government regulations or restrictions. You can vote and hopefully put somebody in this that reflects what you want to see in your market your state. But as soon as that regulation comes down, you can't control it. You can bitch and moan you can do all these things. But the truth is, you can't control it. You can't control the weather you can't control. It's so freaking hot outside in Arizona that nobody wants to leave their homes and come to your restaurant. You can't control the weather that you're Buffalo New York and it's if nine below zero or below zero and people don't want to come out of their homes you can't control that. You can't control if it's raining you can't control with cloudy you can't control with windy you can't control any of it but you certainly can get all frustrated late bring down. You can't control what others do or don't do that affect your life in your business. You can't control other people. So these are all challenges that you face almost on a daily basis, at least once a month. Think about it. Is there a month that there's not one of these challenges and how you react to these challenges will ultimately determine what kind of leader you will be or you are. For example, you can allow all these challenges we just talked about bringing down you can cry, literally physically cried, that's okay. You can have a bad day, which can't cry the next day and then the next day and the next day and the next day. You could be depressed. You could lie in bed all day, which can't do it again. The next day and the next day and the next day and the next day. You can drink yourself to sleep which can't do is do it

the next day and the next day and the next day. You can eat your feelings. You get the picture. Can't do it the next day the next day the next day. You can abuse drugs. You can't do it the next day, the next day the next day, because what happens is, you can embrace whatever self sabotaging vise you have. But you can do it once. If you keep in that mindset, you put yourself into a fixed mindset. That was me look at these challenges. They're going to stop me dead in my tracks. I'm going to feel bad about myself. I'm going to crawl up in a fall and don't take any action whatsoever. That's the leader you're going to be what do you think you think your sales are going to go up? You think your employees are going to be motivated to follow you? Do you think people want to work for you? Do you think that you're going to fix your issues? Or are you going to wallow in your pity and be stuck? A fixed mindset whether you follow the vices, or you just feel bad about yourself can cripple you and your business. Or you can focus on what you can control. See what you can control is your actions, your reactions and your feelings and let me repeat this. What you can control are your actions, your reactions and your feelings. What do I mean? Think about it. My father used to teach me this this one thing that has stuck with me and if you've been following me for any length of time you've heard me talk about this. My dad would say it's raining outside look out the window David it's raining. You'd be sad. It's raining. All too often people look outside and let the weather dictate how they feel. Oh, my day is ruined. It's raining outside. I can't go out see my friends. I can't whatever maybe more but they said look out the window. It's gonna rain. You can choose to be happy. It's going to rain. See, I get to choose my attitude every single day. I can be sad that it's raining or I can be happy it's going to rain. It's out of my control. What I can control is choosing my attitude. And I choose a growth mindset that all those challenges will never stop me dead in my tracks. Because why? You can learn you can keep a positive attitude. You can find a solution to any challenges in front of you. You can choose to be happy. You can start to think strategically about your business and look past the problems in front of you and start to plan. You can ask for help. See, you can do anything you set your mind to that's what having a growth mindset is all about. See with every action there's a reaction. Actions start with your attitude. They start with your mindset. They start with where you focus your energy. As a restaurant owner, you will get to experience the highs and lows of running the business on a routine basis. I really want you to think about it. When has there been a time that there's not some sort of crisis in the restaurant industry? Oh, gosh, isn't 25 years ago, 20 years ago, it was mad cows disease, right? Oh, cows in Canada mad cows. We got to slaughter them all the beef prices went through the roof. How many times in your lifetime Have you seen a freeze kind of early in Florida and citrus is out of out of control? Heck Do you remember a couple summers go you wouldn't serve a lime if your life depended on it because they were like the price of gold. There's always something there's commodity issues all the time. There are labor issues all the time. There are human resource and liability issues. There are people shitting on your restaurant on the internet all the time. But you get to choose. You get to choose your attitude. The truth is your restaurant and how you view it. And we are mindset is a direct reflection on how you choose to lead your business. And it's really again a reflection of your personal outlook of the future. Are you going to allow all these things that are outside your normal world meeting? You can't control bring you down? Where are you going to go? These are challenges. I'm going to find a way to get around them. I'm going to become the leader my restaurant needs. I'm not gonna have a fixed mindset. I'm gonna have a growth mindset. I can overcome any of these things. See the choice is yours. You can allow things to control you or you can take control of what you can control and lead your business to success.

Let me give you three things that you can do to start taking control today. The first thing is you can learn every day. If you truly want to become the leader your restaurant needs, you must understand you don't know what you don't know and you need to learn. That means you've got to read books, or listen to books, whatever your thing is. I don't care if it's one book a year or two book every single week. You just have to start to expose yourself to other pieces of information that can help whether it's about leadership, whether it's about restaurant profitability, whether it's about marketing, whether it's about personal mindset, I don't care what it is, you've got to grow. You have read articles, whether it's the industry trade publications with the E newsletters or emails that you get on a daily basis. That is clog up your inbox. Choose a few read. You need to listen to podcasts, not just my podcast but other podcasts where the restaurant industry or outside of the restaurant industry, you need to lead from others. You can watch videos whether it's YouTube, like my channel, David Scott Peters, or it's out there to find anything and everything from fixing your electrical panel on your own that you don't have to bring an electrician to tweaking your co2 canisters. I don't care what it is. There's anything that you want to learn on the internet now and especially on YouTube. You need to expand get out of your four walls and attend workshops and seminars. You need to learn whether it's marketing, restaurant operations, human resources, training, personal mindset, I don't care to have to learn. You should join a group. Whether it's your restaurant association, whether it's a mastermind group, I don't care you need to surround yourself with like minded people who can help you and maybe you get a coach. I hope that if you get a coach a restaurant coach, it's me. But I'm not everybody's cup of tea. There's other restaurant coaches out there. There are coaches that help you with mindset. There's coaches who help you with goal setting, there's coaches who help you that aren't restaurant people can help you grow your business, marketing and so on. The first thing you've got to do is learn every day. The second thing is you've got to start to change from running your business reactively instead, you need to run it proactively see proactive management is always looking backwards looking backwards looking. We did look we did but never tried to change. We're changing too late. Instead, we want to start looking forward. We're strategically on the business, look past the challenges in front of us and anticipate what's coming around the corner to make the changes we made to make to remain successful. So what what does that look like? Well for me and my members, it starts with a budget budget is critical. So your p&l is rearview mirror. Your budget is front windshield and so we grabbed your last 12 months information, put it together and say if we operate the next 12 months, the same way we did the last 12 months, here's what we're going to make or lose. Then we put a proactive plan in place. What systems are we going to put in place, how quickly you're going to put them in place and what are the results we're going to get at what point in time by doing so we start to think strategically our business we are proactive. We are thinking about how we do things to get to the finish line called success to remain on budget. Happy customers happy employees and you making money and having a life so your budget is critical. It's your plan for success. And a part of that budget is we're implementing systems you've got to have a system, a system a process a way to doing anything and everything in your business. Whether it's counting out a barn door to $300 back to 300 every single time one way or it's working on dollars per labor hour work or anything in between menu engineering recipe costing cards shelf, the sheet inventory, you get the picture. There's a system, a process a way to doing anything and everything in your business your way. You need to document it. You need to take videos you need to standardize your systems. Because the next piece is we've got to train. Training is incredible. You may have all this knowledge you just learned every single day if you don't share it with your management team if your management team doesn't share it with your employees who cares with the share the wealth Training Training, training, training is critical. Training reduces turnover training increases productivity training makes you money. Training makes life easier because you've got a team of people who can do the job with very little management. Next, you got to be willing to hold everyone accountable. Now accountability can be this naked I'm gonna hold you accountable. Like screw up. I got you. Instead you know that if you've been following me for any length of time, and I changed the word accountability to answerability see when I have budgets, I don't know what systems are put in place and I train people to what their job is how to do and how well it can be done. More importantly by when all of that coming together. I don't hold them accountable. I hold them answerable because they know their job is they decide to do their job or not. And they're answerable for the resulting consequences. Accountability is critical without accountability, who

cares if you don't have the pieces in place? And last but not least, you've got to think strategically about your business, your budgets, one piece marketing, you got to look at human resources, training development. You get the picture, all of the things we just talked about, how can I improve? Not a fixed mindset. I'm only as good as I am. Whatever I know wherever I am today that's it that's as good as it gets. You're always looking to achieve and be better. You need to be the leader. So restaurant needs have a growth mindset. And last but not least, probably the most important thing about learning every day. thinking proactively and operating proactively versus reactively. It's choose your attitude. It's choose your attitude, you can have that bad day you can allow all that list of challenges to get you can have one bad day crisis, sleep, drink yourself to sleep, eat yourself to sleep, you get the idea, have that one bad day, but what defines you is what you do the next day. That's how I lead my business. That's how I live my life. Yes, I have bad days. I have tears that come out of my eyes. I feel in Madani dumps, maybe I eat my feelings. Maybe I decide to go out drink whatever it may be, doesn't matter. I can have the one bad day you're entitled you're a human being with feelings. But what you do the next day when you pull yourself up by your own bootstraps, and say Gosh, darn it, I can get past this challenge. I can do anything I set my mind to if I simply take the time to learn how. So what you do the next day defines you so choose your attitude and see all the things we talked about ultimately comes back to choosing your attitude. deciding if you have a growth mindset and you're going to be dead in your tracks, or you're in a growth mindset and get you through any challenge whatsoever to become the leader of your restaurant needs. Think about it. If you have a fixed mindset what kind of leader are you was me, nothing's gonna work. Your sales aren't going up. Your employees don't want to work for you. You're running a bad operation. But when you feel good about yourself, when you know that now there may be bad days but I can get through anything and people look up to you and say wow, look at my owners. Look at how he or she makes the world look bright. shows me what tomorrow looks like reminds me why they got into business tells me what they expect from me. Shows me trains me. You get the picture. And that's all mindset where you spend your time energy and your mindset. truly define who you are and what kind of leader you're going to be. And it takes being a great leader to be successful in the restaurant business. I'm going to repeat this. The choice is yours. allow things to control you or take control of what you can control and made your business to success. The choice is yours. 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 take 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 and they 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 temperature pros who have access to them, the better we become as an industry. For more restaurant resources or to get in contact with me. Connect with me at David Scott peters.com. Be passionate about what you're doing. Be persistent, but more importantly become better and help everyone around you become better and your restaurant is going to kick some ass.