Hey restaurant pros It's David Scott Peters and welcome to episode 57 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 I want to focus on how to avoid feeling overwhelmed in your restaurant, all while keeping your passion for the restaurant intact. 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.com forward slash DSP challenges in the restaurant business are given but sometimes there's so many in a month a week or even a day that you find yourself feeling jaded. challenges ranging from staffing and cost controls to marketing and legal issues can overwhelm your love for the restaurant and make it so you don't even enjoy going in anymore. Losing that passion. That passion for the restaurant industry. is the worst thing can happen to you or your business. You got into this business because you're built for hospitality. True restaurant professionals realize it's their job to create lasting memories for the guests. They do this when they create a restaurant that's comfortable pleasing to the eye operating basically in a operating room clean environment. You created food and drink recipes that delight your guests and even keep them coming back. You invested in customer service training so you could deliver on your promise of great guests experience ultimately you do this because you love the restaurant business. But you know what? Sometimes you feel overwhelmed by getting hit by so many challenges. In fact, you can lose your passion for the business quite easily because there are so many challenges that hit us on a routine basis. Now look, if you feel like you're starting to lose or have already lost your passion for the business, that inner spark that keeps you motivated and able to push through all the challenges that would stop normal people like COVID Business restrictions, like the rising cost of food and

labor cost the labor shortage and now high inflation or dare I say recession. Like you need to read. rediscover your passion. You need it because it's that inner spark that flame that keeps you going. It's time to make your dream restaurant reality. One that gives you the life you wanted full of freedom to do what you want to go out with your friends and family to be present at any point in time. Not be a prisoner of your business and have it make the money you deserve. You'll find that everyone around you will feed off this New Energy, this newfound energy and your business will catch fire in a good way, of course. So how do you make this dream a reality? Well, it's simple, really. It's a very simple answer. It allows you impose your will without being there, even when you're there but especially when you're not. And that's by adding systems in your business for everything. You do. systems ultimately allow you to run shifts the way you want them run without you being there so that you can work on your business rather than in it. I'm sure you've heard that cliche. Well, it's not so cliche it can be a reality. Now adding systems your restaurant will only work if you have these two things in place first. So if you've been following me for any length of time, you know that number one is that you execute on restaurant 101 Right? hot food hot, cold food cold, clean, safe work environment for guests and employees. Wow customer servicing incredible product. And now to go or delivery. Like you've got to create memories that you are executing a great restaurant in the first place. The second is before all the systems you've got to have cash controls in place and checklists. Cash controls to make sure every penny makes it to the bank that you are you care about the penny which means checklists come in because now you care about clean restaurants, that things are set up for success that there's a specific way you want things done to ensure success creating a culture where the details matter. Once you've got restaurant, one on one down, and you've got cash controls and checklists, in place, you are ready for the systems. Now these these again have to be taken care of before you move on. So now we can implement our systems right. Now what do I mean by that? When I say systems what do I mean when I say their systems, a process a way to doing everything in anything in your business? Well, I mean, everything. For example, if you work for me, there's only one way to count back a cash drawer to $300 my way. I can't have five managers that have five different ways to count it back. Because I can't hold anybody accountable that I can't train that and I get different results from time to time there's got to be my way right or wrong. It's got to be my way now don't get me wrong. I'm open to change. I'm open to better ways to doing anything. I'm don't know everything as an operator. I learn every single day. So I'm willing to work with my team to improve my systems. The reason I insist that it's getting done My way is because I can train any new manager my way. So if somebody moves on I don't lose the system. It's my system my process way not the way they do it. I can audit my systems to make sure my management team is doing it my way. See, I'll set up my restaurant for success because when someone moves on again, for good or bad reasons, there's another person who moves up easily because they're trained in my way when everyone is trained my way which becomes your way. I no longer lose years of experience and knowledge when a seasoned professional leaves my business. This is huge. In fact, this is why chain restaurants are able to sometimes have 1000s of locations around the world and have zero owners in them. They have a system a process a way to doing anything and everything in the restaurants their way.

Now with that said, what's next? Right? We took care of our checklists and our cash controls. We've got those ready to go. We know we need systems what's next. So when I say systems, what do I mean? I mean there's a system a process a way to doing anything and everything in your business. I've said that now probably a half dozen times because it's true. It means the systems are trainable. It means the systems allow you to hold people accountable. It means that things are being done your way here's a sample, just a sample list of the systems you need to have in place when we start talking about systems. Let's start off with kitchen systems. I need a waste track our clipboard system make sure dumbass mistakes are made from day after day after day when I find that we're overloading tomatoes because we're throwing away I can change my production. When I find out that that one of my cooks is burning steaks I can reposition that cook have him or her retrained, repositioned or fired that we stop losing hundreds of dollars every single night. So waste trackers are very important a key item tracker to prevent theft counting five to 15 items every shift to make sure they're not stolen. You can imagine if I reduce waste and I stop certain theft I can reduce my food cost. It's fantastic. Plus it's my way of doing things. I need receiving procedures with a receiving checklist that this I want you to check temperatures dented cans you get the picture. I need a food and supply ordering system with par levels that anybody can count the product on the shelf based on the day that I'm ordering it. See how much I have on hand what I need to have in order to make it through the next three four days until my next order. This is critical This means anybody can count anybody can order. I need purchase orders to make sure when the product comes in. I get exactly what I ordered at the right price. The right pounds the right Aegis I need it daily prep ship the system I need to cook PREP System. This way people are prepared every single day based on the needs of the business not what they think is in their head. How about a cost of goods sold systems? Well, I need food and beverage software. I've been following for any length of time you know that it is a must. I will mention it again when we talk about other systems. But with that said, Why do I need it so I can take weekly inventories. So I know what my food cost is in a moment's notice and be able to take inventory in under an hour FIFO pricing which means I need a system to update my prices, whether it's taking a picture of the invoice and sending it up to your software and magically happening or you manually making the change. I need to be making sure that we are doing our cost of goods sold calculation beginning inventory plus purchases minus ending is a use use divided by sales food cost percentage. But if I don't want to stop there, I need to add the four calculations I can guarantee put more money in the bank account. Things like inventory turns average inventory. Budget Variance reports change in inventory. I need recipe costing cards right two most important systems any restaurant should ever budgets and recipe costing cards or proactive tools. How can you complain you're not making the money you deserve? You don't have recipe costing cards for food and beverage. I need you routine yield tests. I need to implement the restaurant checkbook Guardian along with the key item tracker and waste tracker. This is a budgeting system that I can tell my managers how much they can order on their next order to stay within budget to proactively order instead of ordering whatever I think I need and taking the money out of my bank and putting it on the shelves to be at risk to be stolen wasted spoiled.

I need to be using my POS system the item by item sales mix report PLU report velocity report. What am I actually selling so I can analyze my menu and come up with my ideal food cost if there was no waste, no theft, no spoilage perfect restaurant, along with my recipe cost cards. I can tell you what your food cost should be. That's a national average and then when I have that I can compare my ideal to actual to budgeted food cost poor cost by target. And that tells a huge story allows me to proactively change my business. I need to be gathering my descending case report to see what I'm actually selling. And what I can do to reduce my costs if I can get a better contract on certain items. And ultimately, with the software I'm gonna do menu engineering, I created a spreadsheet called the menu profitability monitor that often we take the data from the spreadsheet because it doesn't allow you to manipulate it, put it in there and now I can raise prices reduce costs, I can change my mix. I can engineer my menu to profitability. How about bar systems? Well, again, I need food and beverage software, right whether it's food specific or bar specific, that's why I said I was gonna say it again. I need a system on teaching my managers that visually chicken orders to look at the invoice and touch each bottle to make sure they were delivered. I need to stop by the six pack to prevent theft that when I walk in a walk in cooler I see sixes all everywhere that if I see a five a three a two, I know I have theft. I need to stack and remove all my beers kegs and bottles outside of my cooler to make sure my vendors aren't stealing from me. I need a waste tracker aka spill sheet Same exact thing behind the bar, a cop sheet. So my my managers and my bartenders know what they're giving away and it's within the realm of what my rules are and the key item tracker so that bottled beer and certain things are not stolen. I needed a liquor ordering system with par levels just like food systems, I need to perpetual inventory form so that every bottle in bottle out is recorded into my liquor storage area. How about standard drink recipes? Just like food, I need to have recipe costing cards. I need to implement a mid shift barter audit to make sure that I can prevent theft. But if you're dumb enough to steal I will catch you in the middle of a shift these systems are powerful. How about labor, especially in today's day and age where we have a labor shortage, which means we've got to become leaner. But really what it means is we've got to become more efficient to use the people we have today and not overuse them. So I need to keep track of systems to allow anybody to schedule so it starts off with a team availability sheet. what people can and cannot work how many shifts they wish to work. I need staffing guides or better yet, with scheduling software. I need to create templates 40,000 hours a week 50,000 hours a week $60,000 week 100,000 other week you get the picture. You can literally say when people come in and out of every position, how many cooks, how many servers how many cashiers you need you name it. Now training somebody write a schedule is much easier. It's your system your process your way. I need to use the restaurant payroll guardian, like the restaurant checkbook Guardian keeps your managers on budget. The restaurant payroll Guardian tells your managers not only how many dollars but how many hours they have to schedule next week to be on budget. Because I have a budget which we'll talk about in a moment. I know that I have a moving labor cost that it's not month to month the same exact number in season a lot a lower labor costs out of season all the higher labor costs because my salaried managers are chewing up more of my dollars but I still need minimum staffing. I still need to staff my restaurant. So the restaurant payroll Guardian is magic that coupled with your scheduling software we can now use the labor discrepancy finder to find out that your kitchen is going into next week because they copied one scheduled to the next use the template whatever they may may have done, but sales are slightly lower in that template that they're 14 hours over in the kitchen and you can coach your chef or kitchen manager to reduce the hours before you approve the schedule proactively running your business. You need to have systems for controlling your labor from writing a schedule the same way to reducing labor costs that you teach your managers your way your system your process way for cutting in, you name it. Again, with that scheduling software. We want to go one step further and we want to start to look at our efficiencies. I've got a system I call the restaurant labor efficiency finder, which is what dollars per labor hour worked to truly understand whether we are producing what we're supposed to. How about operating systems should be pre shift meetings. That's an actual sheet that is filled out and used. Yes, that's a system. Guest policy.

That is what greet understand educate, satisfy thank how we can utilize that to train hospitality. I mean China in disorder forms with counts. product IDs, who's responsible for its civil order forms class where order forms, merchandise order forms, a system, a process, a way to ensure those things? Well, never run out. I need manage your checklists. I need opening closing sidewalk checklists for all positions. I need a manager log to increase communication with my management team. Five one posters to stay within the law if you're in the United States. I need I nine system. I need OSHA posting in place, because that's supposed to be done every year and add at 27 TIP Report. Being done every year. Like there's so much and that's only a partial list. What about employee training systems, pattern interviews to make sure we're analyzing each one of our candidates the same way and staying out of well legal trouble because we may have discriminated because we asked each person different questions, employee handbook to make sure people understand what our policies and procedures are a sexual harassment policy and a sexual harassment prevention training system. I need employee evaluations to make sure I can maintain my people and they know what they need to work on and what they're doing well that they feel appreciated. What about financial systems? I need the sales forecast generator because I need that forecast. So I know how much food I can buy how much booze I can buy, how many people I can schedule. I need to have a budget so I know where those targets are when I use those budgeting systems like the restaurant checkbook Guardian, the restaurant, payroll guarding, you name it, you got to be able to calculate your breakeven point so that you can find out that if I can run more efficiently that I can start making money sooner and what a great impact that will have on your business. You need to make sure you're being set up on accrual accounting because we have inventories and that when you're looking at your reporting, it's not based on a cash basis but accrual or an O use not collected paid for I need to be able to calculate my current ratio on my balance sheet to see is my cash health healthy in my business. I need cash flow projections. Because you know what? Profit and Loss profits if you will don't pay your bills cash does. So I need to know when I can pay those bills in and out and that truly is the cash basis as I look at those bills. I need monthly and weekly Budget Variance reports. Well when I create a budget I want to go line by line by line and see where I hit or missed. This allows me to say what systems did my managers not use? I put systems in place for everything. What didn't they use? What do I need to retrain, hold them accountable? And then change my plan that if I lost maybe I thought I was supposed to make $14,000 last month when I made seven what small changes I'm going to make the rest of the year in order to make that $7,000 back without giving up guest satisfaction cutting product quality going against my core values, small changes throughout the rest of the year in order to make that money back because I'm going to make the money I deserve proactively manage my Business Weekly Budget Variance reports for Prime costs that my managers come to the manager meeting telling me about their numbers, if they missed, why and what they did to change it and what they're going to do the next three weeks of the month to get back on budget. So huge. You need to have systems and reconciling your cash on a daily basis to make sure you have the money to pay your bills. Now look, I know this, this list sounds overwhelming. That's because it is and the crazy part is it's only a partial list. There are plenty of things for you to do in your restaurant every day that need a system name list. Like how to handle poor customer experience in your restaurant versus on social media. Again, not to be broken record. You need a system, a process a way to doing anything and everything in your restaurant. This means there are no systems that are too big or too small. By Systemising your business you'll be able to have well, a trainable financial result you'll be able to give up scheduling an ordering without giving up your checkbook. You'll be able to give up training and day to day operations and feel comfortable things are getting done your way. You'll be able to have managers who know what their job is how to do it, how well it should be done. More importantly by when you'll be able to hold them accountable because

now it's answerable instead of a negative. It's a positive, you'll be able to do what's important, such as budgeting, marketing, developing your managers, training your managers, holding them accountable, leading your business forward to success, becoming a leader your restaurant needs. See when you have systems in place and managers executing those systems your way. There's still going to be challenges. But you're still going to be able to have people make mistakes. still deal with labor issues and cost of goods sold. But you have a path to make change. And because you have that positive proactive path to change because there's a system a process a way to proactively run your business. You'll be able to keep your passion for the business. You won't be taking so many beatings that you go I don't want to do this anymore. You're gonna be like, Hey, I've got a growth mindset. Yeah, there's challenges but I cannot learn it. I cannot work it. I can outspend it. I can find my way around this and lead my business to success. And this way you'll never be burnout. You'll never be in a position where you're a prisoner your business. Instead, you will have what we call restaurant prosperity, freedom the restaurant and the financial freedom you deserve. If this is something that excites you, that you know that this is possible in your business, and there's even more work to be done, that we're really never finished and you want to help going down this, this journey. I can help you any number of ways you could buy my book, restaurant prosperity formula, what successful restaurant tours do. You could go to my website, go up to the top find live seminars and you could attend my next live two day seminar, restaurant, transformation seminar. Or you could click on the link to schedule your discovery call with my team to eventually get on my calendar to where you could look into my restaurant transformation intensive group coaching program. Now, if I'm not the right person, there are other coaches, there are other systems. There's other information. There's nothing new in this business. It's whether we connect, where do you feel like I can truly help you and you're ready for the help. Because I'm going to tell you right now you need to maintain your passion for the business. There will always be challenges. You will never be finished. I suck I create work but in the same respect. I can get you the freedom from your restaurant, the freedom you deserve to be present with your family to never miss out on those opportunities. Whether it's see your your kid in their first sporting event, see them graduate, your your parents 50th wedding anniversary, or just to have dinners home with your family. As well as be able to pay your bills and do whatever you'd like because your restaurant is making you the money you deserve. See when you put systems in place you impose your will will without being there. You not only have the freedom from your business, but you have managers who know what to do because they follow your system your process your way, which means they are ultimately making you the money you deserve. And all by the way, allowing you to keep your passion for the business. So if you want to make change in your life, in your business, and you're ready for these systems, take me up on any one of the ways I can help you book seminar or coaching. I'd love to work with you. 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, too. I 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 discussions helpful share them, the more restaurant pros who have access to them, the better we become as an industry. For more restaurant resources or to get in contact with me. Connect with me at David Scott peters.com. Be passionate about what you're doing. Be persistent. But more importantly become better and help everyone around you become better. And your restaurant is going to kick some ass.