

How to Help Unseasoned Managers Make Seasoned Decisions

Hiring and training new restaurant managers can cost thousands of dollars. Learn about tools that help them succeed and stay at their jobs.

By Richard Slawsky, Contributor

Turnover is a fact of life in the restaurant industry, but it's easy to overlook the effect it has on the bottom line.

According to the TDn2K 2017 Recruiting and Turnover Report, losing a back-of-house employee costs a restaurant an average of \$2,809 after accounting for recruiting, training and other related expenses. Losing a front-of-house worker is also extremely costly — an average of \$2,171.

The figure skyrockets for management, with an average per-person turnover cost of \$15,271.

The report also states that 71 percent of managers who left their jobs in 2016 did so voluntarily. Of that group, 16 percent were top performers.

While it's obvious that reducing turnover can have a major impact on a restaurant's profitability, actually retaining your managers requires an understanding of the problem's root causes. In some cases, managers don't leave for a higher paying job someplace else. Simply put, they leave because they're unprepared for the job.

To understand the connection between turnover, operators need to look at two things:



What Managers Want

-  Fair Pay
-  Support from Higher Management
-  Work/Life Balance
-  Tools to Handle Unforeseen Problems
-  Proper Staffing
-  Adequate Training
-  Growth Opportunities

Why Managers Leave

-  Low Pay
-  Poor Treatment by Superiors
-  Too Many Hours or Not Enough Hours
-  Job Pressures
-  Frustration with Creating Schedules
-  Lack of Training
-  Promotions Take Too Long

“Most people get into management positions due to the classic ‘battlefield promotion,’” said Donald Burns, the restaurant consultant behind The Restaurant Coach blog.

“The person above them either gets fired or quits, and they get thrown into a management role without a lot of training,” Burns said. “Some succeed; however, most end up stressed out, overworked and disillusioned. Some try to go back to their old positions. For many, though, it is just easier to quit and start over at another restaurant.”

Turnover can become a self-perpetuating problem. If your best manager, Daniel, quits because he wasn't properly trained or given the right kind of support, who is to say the same won't happen for his replacement? The cycle repeats itself.

The challenge for restaurant operators is to find ways to transition from a high turnover environment caused by a lack of training and support to one where those managers have the data, insights and tools that make their jobs easier, resulting in smoother operations, better bottom-line results, an improved work-life balance and an increase in job satisfaction.

It's all about preparing managers to prepare and perform in the face of the unpredictable while teaching them how to think and how to act — and improved technology can help foster that process.

Integrated inventory management

One of the most time-consuming aspects of managing a restaurant is compiling food orders. The task typically requires managers to spend large chunks of their weeks in the stockroom, walk-in cooler and freezer with a clipboard, comparing on-hand inventory with projections.

All of that time spent in the stockroom means the restaurant is left in the hands of employees. And while that may not be a major problem at first, it does create the possibility of minor problems spiraling out of control before the manager is alerted. At the other end of the spectrum, constant interruptions can result in sloppy ordering and missed items, creating a scramble when the manager realizes they don't have enough of a particular item to make it through the day.

Some point-of-sale suppliers are incorporating inventory management features into their systems that track stock depletion based on customer orders, and automatically place orders with food vendors based on those figures. That feature alone can save a manager 10 hours a week or more. Instead of spending several hours over the course



of several days ordering stock, the manager needs to spend a few hours once a week reconciling the physical inventory with the counts predicted by the POS.

In addition to automating the ordering process, those inventory management features make it easy to spot waste and/or theft. If the actual inventory is dramatically different from what the POS says should be on hand, the manager has a good idea of what's going wrong.

Training and talent development

Despite the prevalence of computers, tablets and smartphones in restaurants, restaurant training is still largely dependent on paper. According to the 2017 State of Fast Casual Report, 73 percent of fast casual restaurants rely on paper training manuals to facilitate onboard training. That statistic likely applies to the restaurant industry as a whole.

Considering the state of restaurant turnover, it's apparent those training materials aren't enough. And with an abundance of online training tools in the marketplace, it's easier than ever to get new managers up to speed quickly.

A recent Internet Trends report from research firm Kleiner Perkins Caufield Byers found that 22 percent of millennial-aged employees preferred Web-based training over other methods. And with 77 percent of mobile phone users owning a smartphone, according to the Pew Research Center, mobile training applications are likely to be a key component of the restaurant manager's toolbox.

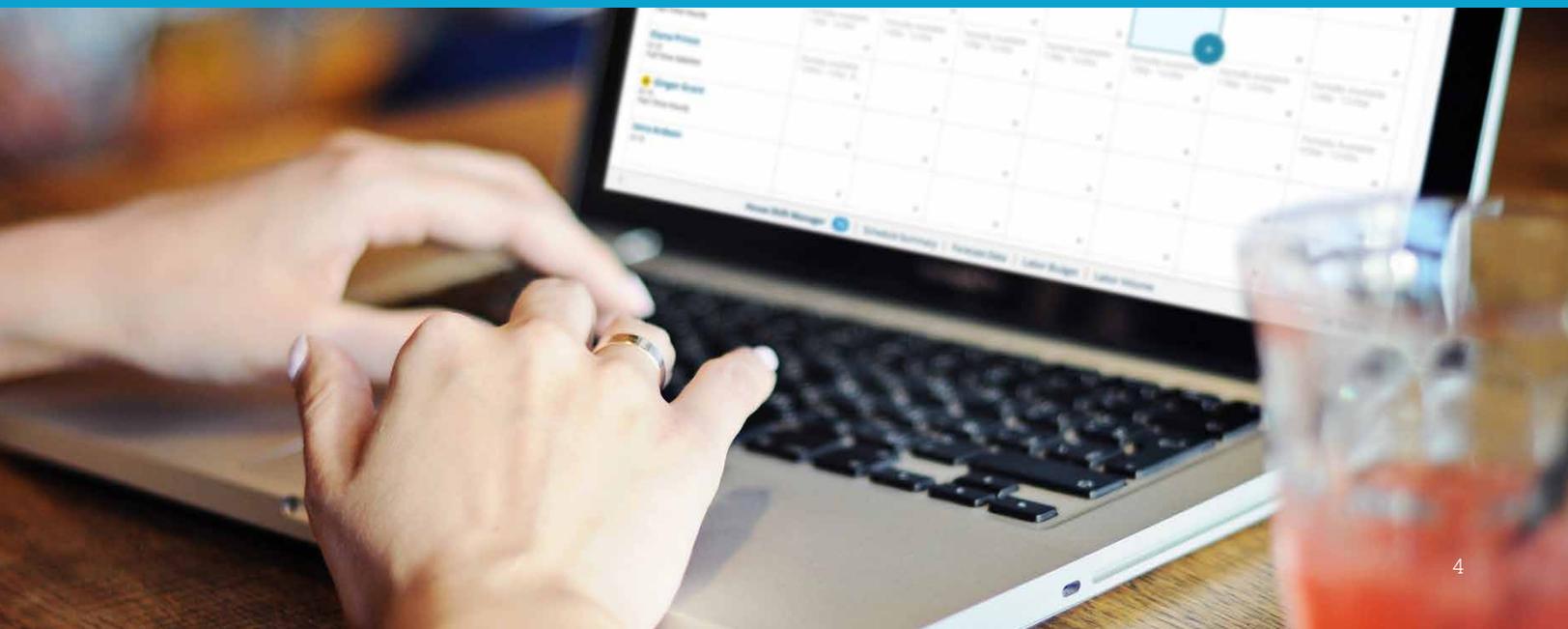
The National Restaurant Association has found that online training tools can help operators maintain training materials in a centralized location, making them accessible from anywhere. That allows new managers to learn at their own pace, on the go, wherever and whenever they choose.

Managers can log completion dates for courses and certifications and receive email or text reminders when key training deadlines approach. And thanks to the reporting capabilities of these training solutions, supervisors can easily track training progress and see where a manager scored poorly on an assessment, spotlighting the need for follow-up training and/or support.

In addition, many of these tools allow firms to create training modules for a variety of devices, allowing trainees to review material on their smartphones or tablets whenever the need arises.

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— Donald Burns, The Restaurant Coach





Minding the margins

Restaurant managers are essentially mini-CEOs of what are in some cases multi-million-dollar businesses. Unfortunately, they are often thrust into that position without the tools they need to succeed.

It's not enough for new restaurant managers to keep their operation from falling apart. To be successful, they'll need to build sales and profits. Doing so requires the ability to track and manage key restaurant metrics, including sales, labor and food costs.

In their "Restaurant Technology in 2017" report, Boston-based point-of-sale system provider Toast found that restaurateurs who regularly check those metrics tend to overperform, and that over the past few years operators have drastically increased the time they spend reviewing those metrics. According to the report, 78 percent of operators analyze metrics daily, up from just 46 percent two years ago.

Thanks to technology, managers aren't lacking for data. What they need, though, is for that data to do some thinking for them, to help guide their decisions and make recommendations that improve the metrics that matter most.

Fortunately, technology is catching up to those needs, and some new back-office platforms are offering unified reporting and open-API call to third-party integrations that allow data to be presented in a way that offers insights into issues as they occur and offer suggestions on ways to solve those issues.

Read on to learn how Austin, Texas-based HotSchedules is helping managers gain valuable insight from the data at their fingertips.

Optimizing labor, maintaining compliance

On average, restaurant managers spend approximately four hours per week on writing schedules. And even once the schedule is written, the scheduling process never really ends—not when there are endless phone calls, texts, emails and sticky notes to contend with, all communicating some change to the schedule.

Like the vast majority of mobile phone users, most restaurant employees own a smartphone, creating a tremendous opportunity for restaurant managers to leverage those devices to help manage their workforce.

Online scheduling reduces the time it takes a manager to create a schedule by 75 percent because they can copy schedules from week to week or build them from pre-configured templates, making tiny tweaks as needed instead of starting from scratch each time. And when it comes to changes, employees can request edits or time-off through a smartphone app, giving managers one-click approval and an overview of the schedule with real-time updates.

Solutions such as HotSchedules' Clarifi not only offer managers a simple way to keep on top of scheduling, but they also streamline metrics and tracking into one platform. Clarifi is a cloud-based intelligent restaurant operating platform specifically designed to help operators, managers and their teams prepare and perform in the face of ever-changing work conditions.

Through its Foundation, Labor, Inventory, Financials & Cash, Asset Management and Talent Development modules, Clarifi provides actionable insights that maximize the effectiveness of managers and their teams so they can

consistently provide the products and levels of service that keep customers coming back.

The core of the platform, Clarifi Foundation, marries business rules with internal and external data, flexible reporting capabilities and intelligent workflow. When modules like Inventory and Labor are combined with Foundation, managers can access data and event-driven advanced forecasting capabilities, build and share dynamic reports, and receive actionable insights that not only signal there's a problem, but suggest solutions to solve it. As managers make better decisions, they are more equipped to identify revenue generating opportunities, drive consistent operations, control costs and maintain compliance.

Similar to the way a smartphone app uses GPS to re-route drivers when there's a traffic accident, Clarifi leverages key data that a restaurant collects every day to serve up actionable insights – or recommendations – so that even an unseasoned manager can make decisions like an experienced one.

Designed for restaurant brands ranging from a few stores all the way up to major restaurant chains with thousands of locations across the globe, Clarifi's modular architecture is built to scale and integrate with existing systems restaurateurs have already deployed. Plus, its open API with standard POS integrations makes it possible for IT teams to connect disparate, legacy systems and give in-store teams, franchise partners and above-store leaders an aggregated view of data across the whole organization – reducing the expensive maintenance and development costs typically associated with traditional back office and business intelligence systems.

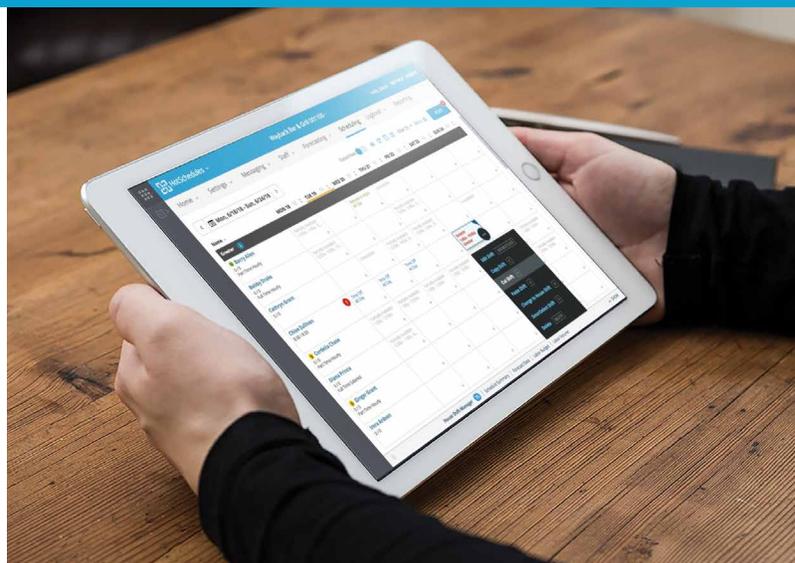
“We understand that at the heart of a great restaurant is a great management team. But great managers are in short supply,” said HotSchedules CEO Mike Arenth. “We built Clarifi to help managers plan for the expected, but also effectively navigate the dynamic realities of running today's restaurants. We do this by helping them make better decisions, faster.”

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About the sponsor

With a continual focus on innovation, HotSchedules provides the first cloud-based intelligent operating platform, solutions and services for the restaurant, retail and hospitality industries. Designed for independents, multi-unit franchise operators and international enterprise brands, HotSchedules serves over 2 million users across 130,000 locations in 26 countries helping them control costs, maintain compliance, improve visibility, increase profitability and drive operational consistency. For more information visit: www.hotschedules.com.



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