

Complete Control

Control is the essence of success in the restaurant business. Without hands-on management and constant involvement, the independent owner-operator stands little chance of surviving the slings and arrows of his business. Let me offer this scenario by way of illustration:

For the past 15 years, Jake Mathis (not his real name) has owned Jake's Cafe. In the beginning the work was fun, the problems challenging, and the creativity effortless. Mathis' pride in his accomplishment was evidenced by his willingness to work long hours and the continued reinvestment of his earnings into his showplace. About five years ago Mathis and his wife, Laura, who assisted in the operation, decided to take it a little easier and promoted one of the shift managers to the newly created position of general manager. Jake and Laura continued to go into the restaurant but their visits were becoming shorter and less frequent.

As the years went by, the restaurant's profits began to slip, but because revenues remained stable Mathis was not overly concerned. Last spring he decided to raise prices, remove a few items from the menu, and add three new "signature" entrees. He felt that this rather inexpensive way to bolster revenues would surely have a positive effect on the bottom line.

SOARING COSTS. Mathis was wrong. Revenues dropped as his customers sought alternative restaurants with more favorable pricing. At the same time, real estate taxes soared 200% and labor costs seemed to be getting out of line. Mathis' business was in trouble and he didn't know why.

Mathis's problems are not unique. Almost every independent restaurant sees similar problems during its life cycle. The causes may be different but the resultant decline in profits does occur. Many restaurateurs are unaccustomed to dealing with these situations because their restaurants have been successful from the beginning. Slight adjustments in menu, special promotions, or a new coat of paint normally solves the problem.

Mathis's problems are more fundamental, and no quick-fix solution will redirect his profit slide. Jake Mathis lost control of his business. If asked questions about his clientele, recipes, or food costs, he would probably remember the statistics of years past or recite the way it should be.

How did Mathis get into this dilemma? Fundamentally, he forgot that restaurants require hands-on management and owner attention. He forgot that a small business needs to be managed in such a way that its own needs come before the personal interests of the owner. Without that personal attention, the company's growth and survival was limited.

Short-term considerations begin to take priority. Mathis's reaction was to immediately raise prices and not investigate. The company's ability to react and plan is reduced. Dogmatic decisionmaking and the unavailability of the decision-maker discourages the interest and commitment of workers. A general lack of concern unconsciously displayed to employees results in a decline in performance and destroys the quality of the workplace. In Mathis's

case, the waitstaff could easily discourage patrons and thereby encourage them to look at alternative restaurants.

REVERSING THE TIDE. As in most cases, this situation is reversible. Organizations have the capacity for self-renewal provided that the people responsible for performance accept the challenge and are willing to change their priorities, behavior, and, perhaps, their status and function.

The steps are easy to define but take dedication, commitment, and resolve to reach a high level of achievement:

1. Renew interest in the success of the company. It's hard to kill a firm through actions when you are really trying to improve it.
2. Take control. Let all members of the organization, including suppliers if appropriate, know that you are there to change the direction of your company.
3. Observe. Gain information through the employees by asking non-confrontational questions and observing the way the kitchen and waitstaff deal with problems and service.
4. Be objective. Take the role of a customer looking at the condition of the restaurant.
5. Be willing to accept that you may be the problem. Often, owners bleed the company financially by burdening the company with "legitimate" expenses of a personal nature.
6. Vow that there are no sacred cows. Sometimes long-tenured employees fall into non-cooperative roles. Family members may take job security for granted and must have their performance appraised like any other employee.
7. Act decisively. Once you have determined a possible solution to the problem, put it into effect without delay.
8. Seek employee support for change. Provide your work force with information and a clear channel to you for reaction and performance evaluation.
9. Monitor the restaurant's performance over a suitable period.
10. Install sufficient safeguards so that the problem does not recur. In some instances, this means evaluating personal goals and objectives.

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