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Insight

Deterministics and TGI Friday's have adopted a scientific approach to labour in the kitchen. The result? Greater efficiency and happier customers, write **Brian Sill** and **David Carroll**

Labouring the point

"The model must be right, and the information within the Labour Analysis System must be trusted." Such are the concluding words of David Carroll's assessment of what makes or breaks a successful labour management programme, writes *Brian Sill*.

When I was a chef 30 years ago, I too was untrusting of a fixed labour percent target in the face of a menu always in motion. My manager would ask if I thought we could hit our labour target with the new menu and I would ask "why don't you know that?"

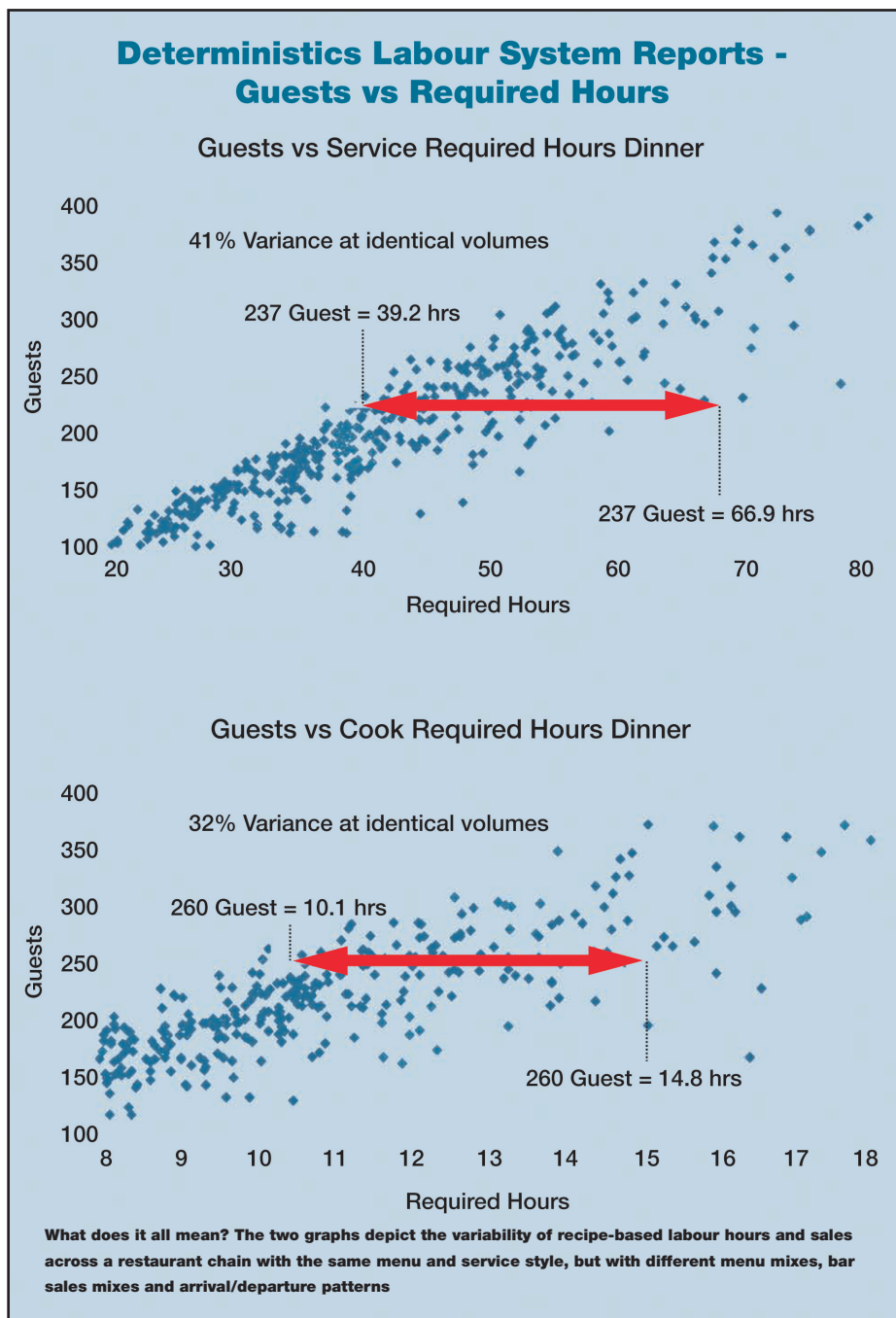
This top-down management decree led me on a journey to develop a more accurate, bottom-up approach to labour management. I felt there must be an objective way to scientifically measure the work content of a given menu or service style in a restaurant to know the true staffing requirements.

One outcome of this journey is how to perform time and motion studies and develop Labour Recipes for every work task, menu item, prep recipe and service delivery method in a restaurant. The other outcome was identifying labour drivers captured from the EPOS that we could use to calculate the precise labour requirements by each work position for each minute of the day.

In so doing we proved that linear productivity metrics such as sales per hour or covers per hour are invalid measures of work content. The somewhat dazzling graphs on this page depict the variability of recipe-based labour hours and sales across a restaurant chain with the same menu and service style, but with different menu mixes, bar sales mixes and arrival-departure patterns.

And so with the systems expertise of my partner, Paul Malmo, we developed an automated version of the Deterministics Labour Analysis System (LAS), which is now rolled out across the Friday's estate both in the UK and US. Deanna Garrison, director of process improvement at TGI Friday's US, says: "We've had great success in using LAS to assist us in assigning the proper number of employees for each shift. Not only have we measured its value in hard ROI but also in soft savings. Customers are having a better overall restaurant experience, and happier customers come back more often."

LAS does not compete with other labour systems. Rather, it cohabitates with other systems by integrating our powerful labour calculation engine to provide accurate manpower staffing results. The ►



industry is rife with labour systems that over promise and under deliver – creating the same friction between upper and lower management that I felt 30 years ago. In light of these labour system failures, here then, in his own words are the reasons why David Carroll achieved success with a recipe-based labour system.

The Friday's UK experience

The Deterministics Labour Analysis System (LAS) asks you to answer the question 'What could I have done differently yesterday?' writes David Carroll. Be prepared to ask yourself some searching questions. Our LAS journey asked more questions of us and the way we structured our labour workforce and its deployment than presented us solutions. Did I expect a series of solutions to magically reduce staffing costs and drive sales? Truthfully? Possibly. In actual fact we found ourselves on a journey (which continues) that forced us to carefully consider every aspect of our most valuable and brand-defining resource: our people.

TGI Friday's UK implemented Deterministics LAS into the entire UK business (45 restaurants) in January 2008, as a result of great success in our US business.

During the set up phase of October through to December 2007, our first real eye-opening experience was the questions the set up process forced us to ask ourselves about the way we deployed our teams. We worked through our entire labour model, documenting our minimum staffing requirements and guest touch points to ensure the Friday's experience was reflective in all stores across all shifts and days. This generated much debate.

The launch of LAS corresponded with an update to our financial forecasting tool and revised policies & procedures including: overtime; team roles and responsibilities; and our holiday accruals process. A large number of these changes and tightening of policies came as a result of the set up work and the questions we had been forced to ask ourselves.

All Managers (300+) received workshop training and electronic training (deployed via internal intranet) on LAS, labour forecasting tool and policies & procedures. This was completed within the first quarter (January-March) and was specifically designed to touch every manager.

“The industry is rife with labour systems that over promise and under deliver, creating friction between upper and lower management”

LAS was positioned as a learning tool – with the launch line of: 'What could I have done differently yesterday?' Our standard operating practice was set that the manager-on-duty (MOD) logged onto LAS every morning (by 11am), printed and reviewed yesterday's labour deployment, making as many notes on the graphs as possible and then taking actions to change future shifts accordingly (coffee cup rings and scribbled notes are encouraged!). While the tool in essence is reactive, looking at history; the lessons that are learnt and more importantly applied to future shifts/days are the key.

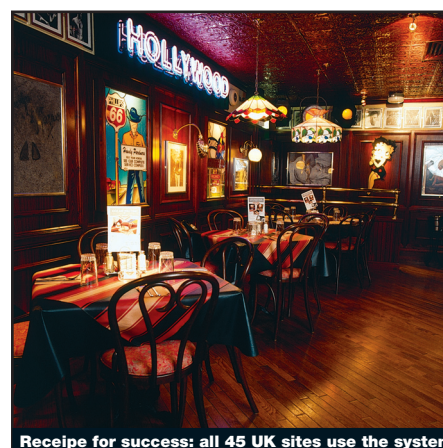
From our pilot studies we initially targeted the reduction of back of house (BOH) waste. Asking our teams to carefully review and make changes to non-guest facing hours and deployment during peak periods. This quickly opened a large number of new questions at both store and company level, such as the capability of individual teams, training provisions, cultural changes, and ways of working which had not changed for years such as menu complexity, equipment age and usage, and much more. We began working through these questions with our operations team, spending large amounts of their time working through base schedules and ways of working at store level. With a relatively small estate was it possible that labour deployment could be so different across multiple operating regions and stores within each region? Yes.

Some questions were resolved through mandated brand standards, an example being that no line chefs would commence work prior to 9am. Other areas required longer-term action planning at a store level, such as the capability of chef teams to multi-task and the required training plans.

The warning is that LAS provides company totals at regional and national level, but these composite averages are no more than a guide. The real power of LAS is at a store level considering yesterday's deployment by shift, by day. Here lies the secret to effective use of LAS – it needs to become a cultural tool, looked at and actioned daily by all levels of the business.

We began our LAS implementation at the beginning of 2008 and by the close of the year we had eliminated 76% of our weekly BOH waste – a significant reduction that delivered material cost savings, while maintaining and building upon our guest experience. In addition to these hours waste reduction we find ourselves with a more flexible BOH workforce, more highly/multi skilled with a much greater acceptance of change. We continue to ask ourselves questions of our BOH operation to reduce complexity, increase efficiency and ultimately eliminate waste, while ensuring our operating standards are maintained.

Our secondary aim was to reduce our front of house (FOH) peak period short staffing (PPSS). As



Recipe for success: all 45 UK sites use the system

“We continue to ask ourselves questions of our operation - to reduce complexity, improve efficiency and ultimately eliminate waste”

BOH worked on removing waste hours, we would re-invest these hours saved into our peak trading sessions FOH. Over the course of the year we were able to reduce our FOH PPSS by 63% enabling us to increase our peak FOH staffing levels to improve service quality and overall guest experience. We have made great strides in this area and yet we have a lot more to do. We have made good progress, but further unanswered questions remain, which we are tackling in 2009.

So 'What could I have done differently yesterday?'

- The set up work and preparation is key. The model must be right and the information within LAS must be trusted.

- Train everyone. If LAS is a secret, it will not work.

- Drive the cultural usage and trust in the tool.

- LAS will provide the questions, you provide the answers.

- Never give up!

Our journey continues with 2009 simply the start of us better understanding our most valuable and brand defining resource: our teams.

Our ultimate goal is to deploy the right number of people, to the right place at the right time – every time – ensuring we take the best care of our guests.

Brian Sill is president of Deterministics, the restaurant consultancy. David Carroll is business development manager at TGI Friday's UK.

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