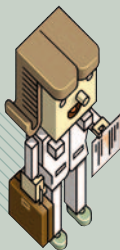


TAKING MEASURES

You might think you know what you're doing. But do you? Really? US analysts Deterministics will tell you. In huge detail. We took our clipboards and went to investigate

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Ask a restaurateur the secret of their success and you'll get a variety of answers ranging from intangibles like 'ambience' or 'a wow factor' right through to the more concrete answers of 'staff', 'location' or 'food quality'. But one reply you might not expect is 'throughput capacity management' – until now, that is.

Deterministics, the US chain restaurant consultancy, has set up a base in Tring for its transatlantic restaurant science, with all the time and motion studies, flow-charts, graphs and, yes, 'throughput capacity management' that it entails. But before we panic about what all this means for our own restaurants, it might be worth finding out how exactly it all works.

Chain restaurants, to state the obvious, are huge in the US, from the classic burger joints right up to the more upmarket casual fine-dining sector. Their success has generated a huge side-industry of consultants, designers, and entrepreneurs looking to keep the industry evolving. And one such enterprise is Deterministics, which has been 'providing operations and systems engineering services to the chain restaurant industry' from its Seattle HQ for 18 years.

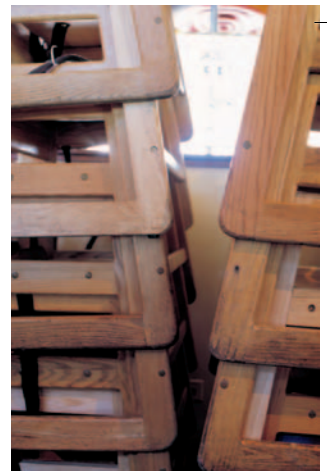
The company's analytical approach has resulted in an impressive track record, having been tried and tested by such big names as Starbucks, Pizza Hut and Taco Bell in the US, as well as by Brown's and PizzaExpress over here. While the company looks forward to achieving further success in Britain, it's not a foregone conclusion that its methods will be well received. Acknowledging the business nous of the global chains is one thing, but do we really want to replicate them in our own back yard?

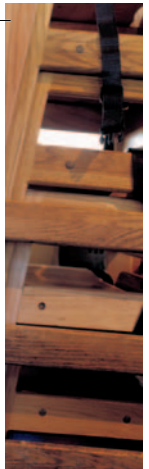
According to Hugh Cade, Deterministics' UK director, chain restaurants (over 10 units) account for around 11 per cent of outlets in the UK but almost 50 per cent of food sales, amounting to some £8billion. With numbers like that, restaurateurs ignore this market at their peril. Muddling your way through a one-off is one thing, but if your aim is to tap that market by opening 10 units in your first year, then you'll need consistency.

"In today's economic climate in the UK, you have to consolidate your existing brands," explains Vince Hanley, who, when he worked as project manager at Brown's learned first hand of the benefits of the Deterministics process. "You have to look at the current systems, operations and market, rather than look at new concepts, sites and acquisitions. That's why I approached Deterministics – I was a fan of their process."

Brian Sill (Deterministics' president and CEO) devised this process as a response to his own experience in the hospitality industry. He found restaurants "reactive, not proactive", while their business analysis was "descriptive, not prescriptive". Sill's overall conclusion was that the profession was somehow unpredictable, beyond the control of its practitioners. Hence the motor for Sill's venture became, quite simply "the quest for predictability", later formalised into his "throughput capacity management". "In short," says Sill, "we measure everything that moves."

However, it's not that simple. There's a thorough, analytical aspect to it, shored up by formulae and tools for measuring and systematising the operation. Armed with these tools, the consultants descend on a site, clad





The system in full swing at Red Robin
 Above: Checklists in the staff areas mean no mixed messages. Far left: Stackable high-chairs for baby customers. Top right: Extendible flip-top tables so customers can eat as much as they like without cramping their style



in chef's whites where necessary, and blend into the background while they observe every action for a month from the outset. The consultants measure the capacity of the restaurant, or the 'supply', and factor it by the guest 'demand' patterns, to come up with ideal capacity-use levels. They then redesign any process, policy, layout or capacity constraints that slow the operation down. The aim is to create a template for consistency in the kitchen, bar and front of house at that site. By applying the figures to other branches built around the same model, consistent profit should follow.

Chief executive of Yo!Sushi Robin Rowland thinks translating the concept to the reality of UK restaurant life might prove difficult. "We don't have the luxury over here of green field locations. We can't just build a clean shell by the freeway each time. On our high streets, you have

to fit kitchens into 200-year-old buildings as best you can. The theory and the practice are very different."

Where possible, however, kitchen standardisation is one of the key steps in the consultancy process. There are stages of preparation that can be timed for any menu item. The aim, in Deterministics-speak, is to 'factor the production time by historical menu mix information to determine the workload distribution of cooking effort by cook-function location'. Don't be put off by the language; there's an old-fashioned principle at play: optimising operations over every minute of the working day.

This is facilitated by 'standard labour recipes' rather than traditional food recipes. For example, consider the grilled chicken breast recipe that Sill worked on at Brown's in the UK. This includes such edicts as 'tarragon butter slice to plate (nine seconds)' and 'flip protein on

SCIENCE LESSONS

grill (1.7 seconds)'. Follow this recipe in an ergonomically designed kitchen and you net the holy grail: decreased labour costs with increased production.

But is this the death knell for the culinary arts? As Mark Derry, managing director of Loch Fyne Restaurants, says, "My suspicion is that this is about food by numbers, as opposed to craft. Deskilling a kitchen is to me at odds with the fact that it is a skill to cook. It suits the food expeditors in fast food restaurants, but can it work in a kitchen with a head chef in it?"

Sill responds, "The chefs were making stocks from scratch, which is labour intensive. But we never suggested they should be ditched, as they were implicit in the brand identity. The salad mix, on the other hand, we felt could be out-sourced without diluting the brand."

Front of house can be similarly broken down. The idea is to find the ideal section size, the layout, number of covers and staffing levels. The projected results should result in more table turns, reduced labour costs, happier customers, bigger tips and reduced staff turnover. Deterministics then backs up the study with new point of

'For all consultants care, you can take all credit for the 'magic' – they just want to offer you bigger, better spells'

sale and computer technologies, allowing the manager to forecast business, or check up on projected staffing, spend-per-head and stock levels. In other words, say Sill, "We want the right people doing the right things at the right times to grow the business."

"If I'm going to spend money on a consultant, that's the area I'd be interested in," says Robin Rowland. "It would help to find a great EPOS system to handle our product, time and section breakdowns, and just-in-time delivery. In other areas, we've got there ourselves with our designers, executive head chefs and our operators."

Indeed, a lot of the work looks dangerously like common sense, of course. Mark Derry is slightly sceptical about it. "It's always good to have a fresh set of eyes on the business, but I'm dubious about paying for what we should be doing ourselves. Since we opened the first Loch Fyne Restaurant, all we've done is try to replicate the first successful unit. Collectively we probably have as much experience as most consultants."

However much input the consultants bring to the mix, in truth, blame for a bad concept or bad food lies at the restaurateur's door. Consultants can only really tweak. For all they care, you can take all credit for the 'magic'; they just want to offer you bigger, better spells.

They can't conduct your market research for you, hire your staff for you, or forecast new dining trends for you. Their goal is to measure the existing operation as it stands, and offer solutions that will work with that.

As Sill says, "In an industry constantly challenged by visionaries to think outside the box, it's time we gave more thought to what's happening inside the box." **1**

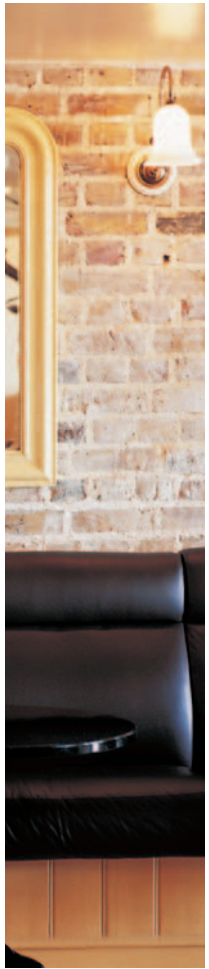
Clockwise from left: Brian Sill (left) and Hugh Cade (right); Red Robin's loving kitchen with Eric 'The House' Houseman; Centipede-style seating, as recommended by Deterministics; Elvis gives it some with Red Robin and the staff get down to business



INTO THE PROCESS

- The first stage is a month-long 'Throughput Capacity Management' study of the site – usually a high-volume one, to make study more efficient and to highlight constraints on the formula.
- All the *mise en place*, cookline and front of house processes are mapped out. Once this is done, all the processes are time-sampled to get a statistically valid sample.
- Visits of other units are conducted, to highlight variability between branches.
- A midpoint presentation of the study takes

- place, to assess and then discuss findings and possible outcomes.
- Usually a manager from the chain is directed in TCM techniques throughout the process to ease the transfer of the recommendations to the sites.
- Final recommendations and results are presented to the chain.
- The restaurant is given data and recommendations to use subsequently.
- Deterministics consultants return a few months later to tour the unit and to see how the changes work once in place.



DETERMINISTICS CASE STUDY: RED ROBIN

With his Maui tan and leather jacket, Eric Houseman, vice-president of operations at Red Robin Gourmet Burgers, couldn't look less like the typical corporate guy. That fits in fine with the relaxed, personality-driven Red Robin company identity, but how did they square that approach with the formulae of the Deterministics consultants?

Red Robin wanted a more productive kitchen, greater consistency and reduced labour costs – it was finding a way of achieving and predicting those goals without damage to the company's core values that led them to Deterministics. "Our business philosophies linked up so well," says Houseman. "We wanted to grow, but our challenge was to maintain our culture as we grew."

But how, in the land of the chain, is it possible to achieve the all-important brand recognition and consistency across



RESULTS

RED ROBIN: US SUCCESS

- Red Robin has one of the top table-turn averages in the industry, with 37 minutes at lunch and 42 minutes at dinner.
- Labour hours in the food production areas have been reduced by almost 20 per cent.
- Productivity back-of-house has increased, with a current entrée delivery average of 10 minutes.
- Last year over 18 restaurants broke the \$3,000 per hour (approx. £1,800) sales barrier (the average bill is \$10), while two restaurants broke the \$4,000 per hour (approx. £2,400) barrier.
- The Red Robin chain has had 26 quarters of consecutive same-store sales growth through the quarter ending October 5, 2003.

CHANGES MADE

Kitchen

- Introduction of standard recipe book
- More EPOS machines
- Extra hand-washing stations
- More microwaves
- Refrigerated drop-ins at counter height to replace fridges
- Automated broiler machines
- New stock control software
- Systematised stock rotation

Front of house

- Staffing software
- Standardised server sections
- More EPOS terminals on floor
- Two-top booths, replacing old four-tops
- Stackable chairs to make extra storage and table space
- Extendible tables
- Relocation of booster seats nearer the greeter
- Reduced bar space
- 'Centipede' seating for single covers

fifty states without becoming bland? "We have one of the highest guest loyalties in the industry, at 3.3 visits a month. We're hardly a sterile, corporate-run place.

"Sure, with one-offs you can hand-pick your great maître d', your great chef," concedes Houseman, "but if you want to grow you have to have a system. Even the one-offs have to run systematically; they just don't always get that system down on paper."

It soon becomes evident that Red Robin relies on team members to make each site unique. This is not something that Deterministics could ever instil, but as Houseman says, "The fewer things a general manager has to think about, the more they can concentrate on Red Robin's core values."

Server manager Andy at the Castle Rock branch in Denver explains how this thinking plays out with real people in real time. "I see the systems we use here as a tool, a tool to make it easier to have fun with the guests. You're free to use what makes you 'you' in your job and to do whatever it takes to say 'yes' to the guests. At Red Robin, we believe in performing 'unbridled acts'. We use the image of a horse without reins galloping across the prairie to show our freedom to make great things happen."

You can see this ethos of freedom inform personnel management. "It's not all non-negotiable," laughs Andy. "You can't be like Mom – 'do what I say because I said so'."

Red Robin are reassuringly level-headed about their improved results. From the top down, the staff all know why their business is working, and they'll thank Deterministics for their contribution. But Houseman insists they would never lose sight of their original values that long predate the interference of the corporate bods.

"Man, if you stop listening to your guests and team members, you're in a world of hurt." 