

Productivity: Key to Profit in Dining Service

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The level of efficiency an enterprise achieves determines its level of profitability, no matter how big its sales volume. The department store giant Sears proved that as is slid, slowly but inevitably, down from the top of the list of major retailers to an also-ran with no profit at all.

The same is as true for a company or campus dining service as for a multi-billion dollar corporation. An operation can't be cost-effective if it isn't efficient – utilizing minimum effort to achieve maximum results.

The measure of efficiency is productivity, meaning the value produced for an hour of work. It's measured on a national scale and within companies, generally expressed as dollars of sales or units of production per hour of labor.

“Productivity can come from either efficiency gains (i.e., reducing inputs for a given output) or increasing the volume and value for any given input,” say James Manyika and Vikram Malhotra of the consulting firm McKinsey & Co., writing in *The Wall Street Journal*.

Two Yardsticks

Productivity doesn't come through a sweatshop-style “speedup” – forcing employees to work faster and faster by, for example, increasing the speed of a conveyor belt on an assembly line. That only results in sloppy work and bad outcomes.

In dining service, productivity is measured by two yardsticks: customers or guests served per hour worked, and dollars of sales per labor hour (also expressed in the reverse – labor cost per transaction.) Of the two, customers per labor hour is better for managing productivity. Dollars per hour or labor cost per transaction is useful for measuring the results of a productivity program.

Productivity gains don't come from just trimming labor – cutting a half-hour off everybody's daily schedule, for instance. Often, that hurts more than it helps, because employees with reduced paychecks may not give their jobs their best effort.

Drive Sales

Finding ways to increase customer traffic and average sale per transaction achieves the same result in a better way – more customers and sales per labor hour.

It's important to ensure there are enough personnel – especially at mealtime peaks – to serve customers efficiently, without delay or rush. The fastest way to lose a customer is to irritate him/her. You also want to be sure you're not overstaffed at the servery during slow periods.

Planning Works

How do you achieve this balance? Your sales records for the employee or student café, conference

Managing Productivity

“The leader's role is to be the chief energy officer,” says Tony Schwartz, a productivity consultant, quoted in *Harvard Business Review*. “It's to mobilize and focus and direct and inspire and regularly recharge those he or she leads.”

“If bosses don't appropriately manage the tasks for which people are coming to work . . . if jobs are not clear, if projects are not well defined, if outcomes are not focused on, if action steps and accountabilities and responsibilities are not allocated, then the leader hasn't done his job,” adds productivity consultant David Allen, also quoted in the article.

services and other daily or frequent services will tell you the pattern of activity around which to build your weekly staffing schedule, whether yours is a Monday-Friday or seven-day operation.

Five Day Operations: Nearly all employee dining services and non-resident institutions operate on a Monday-Friday schedule, generally serving breakfast and lunch and often, mid-morning and mid-afternoon breaks. Some, such as professional firms and colleges with evening classes, also serve dinner.

In most instances, especially on campuses, Fridays are light. Some companies encourage employees to work from home on Fridays and even if they don't, employees often arrange to not come in at the week's end. College campus populations typically drop by a third or more on Fridays.

You may be able to reduce a position or two on Fridays. This may be a good day for receiving non-perishable products and to schedule extra cleaning for those areas it's difficult to reach during the week – refrigerators and ovens, for example. If you have one or two especially busy days during the week, you might schedule the employees you don't need on Fridays to work four 10-hour days and use them for extra support – receiving big deliveries, helping with mid-week conference and event services or other special tasks, for example.

Seven Day Operations: Resident colleges, health care and other institutions operate every day. The biggest weakness in scheduling typically is operating on weekend with the second (or third) team. A good opportunity to make these days productive is lost.

It's better to schedule your two top managers to split the weekend – one works Tuesday through Saturday and the other, Sunday through Thursday. Do the same with chefs and at least some regular employees, so there's some professionalism in the operation on weekends.

In addition to serving customers, typically half or fewer of a normal day's contingent, they can be doing prep work for the rest of the following week, meaning your full staff will have a head start on Monday's work.

Position Descriptions

A schedule doesn't mean much if employees's jobs aren't planned carefully. A good position description will tell the employee when her/his job starts and ends, and what it entails, including cleaning responsibilities. Each person can have a specific cleaning task for each day in addition to regular duties.

Clarion can help increase the productivity and profitability of your dining service. Contact Tom Mac Dermott, 603/642-8011 • TWM@clariongp.com, Angela Phelan, 973/544-6223 • ALP@clariongp.com or Ernie Wilder, 703/282-3030 • EWW@clariongp.com