



Restaurant Owner Interview

A Research Report By Bruce Newmedia

In developing this offline marketing program, I wanted to interview a successful independent restaurant owner/general manager.

I had originally scheduled an interview with a Chicago area restaurateur. As luck would have it, we kept getting last minute conflicts and I had to look for someone else.

I'm happy to say I found the perfect person. His name is Craig and he has successfully run a number of restaurants in Georgia and Sarasota FL as an owner and partner.

He sat down with me recently, in the morning, before his restaurant opened, and discussed what it's like to run a sizeable operation and how he keeps on top of the business. You will get some real insights into how a restaurant owner thinks.

Bruce: “Welcome Craig and thanks for sharing some of your time with me this morning.”

Craig: “My pleasure Bruce, happy to do it.”

Bruce: Let’s start with you telling me a little more about your business history...whatever you’d like to share.”

Craig: Sure, I was a part of corporate America for the early years of my working life. Was involved in the Marriot Corporation and did a lot of traveling for them. It was fun for awhile, though always stressful. Corporate giants can pay you well, but they expect they own you, lock stock and barrel.

Craig: After 15 years I had had it. For once I had done something smart and saved a decent amount to coast on if I had to. So I wasn’t pressured.

Craig: I sent out some resumes and contacted a head hunter, but my heart wasn’t in it. The other likely companies would have been no better than Marriott, likely even worse.

Bruce: So was that when owning your own restaurant started to be a possibility?

Craig: Yeh, I had thought about it before and now I had motivation, I guess you’d say.

Craig: So, I started looking around and came across an opportunity in Georgia. I didn’t live there at the time, but I had lived before and was kind of thinking about moving back there anyway.

Bruce: What kind of restaurant was it?

Craig: Believe it or not, it was very simple operation, just selling hot dogs, brats and fries with a few side dishes like soda. You couldn't imagine a smaller menu. Which I think back now, that was good.

Bruce: It was good because...?

Craig: It was a good place to start. Not complicated, not expensive and if it didn't work out, I wouldn't lose a fortune. I was also thinking about money I'd need for my daughters college, so it just fit my plans.

Bruce: So what happened?

Craig: I bought it and moved down there from Washington, DC.. The place had to be re-opened and I threw more cash into than I originally planned. A lot more. I re-named it "Groovy Dogs" and created a theme that was 1950's and rock and roll.

Bruce: Is that common to underestimate what costs will be going in?

Craig: Quite common. It's easy to let your emotions and the excitement of seeing your new baby open, get in the way of common sense. And everybody around you comes up with another great idea and you think what the heck, and before you know it you've spent \$40 or 50,000 more than you planned...it just happened!

Bruce: So how was business going forward?

Craig: Well, at first it was slow, so we advertised and it picked up some. But it seemed to need something to really get more attention, especially since it was a rather out-of-way location. I knew that going in, which is why the rent was low.

Craig: In Washington DC I had seen a local place do a promotion event that was awesome. It had crowds lining up outside and they needed to have cops direct traffic. I was amazed, it was that good!

Bruce: Ok, what was it?

Craig: Basically, they gave away free hot dogs (laughs)

Bruce: That's great, but I wonder how expensive that is?

Craig: Not as expensive as you would think. It was proven to me that free food, with no catches, no gimmicks was a huge draw, y'know. So, I costed it all out and decided to swing for a home run.

Bruce: And what happened?

Craig: I'd call it a home run. For a couple reasons. We had a weekend with so much traffic, it was newsworthy in this smaller town.

A radio station talked about it, word of mouth must have been huge and with our newspaper ads and free coupons it was non-stop customers.

Craig: So, from that standpoint it was great, but I'm also glad we did not do it right away. Being open for almost 4 weeks gave us time to learn the business better and get the kinks ironed out. If we had all that volume on Day One, we could have screwed it up and wrecked our future. In fact I think we would have crashed and burned in that case.

Bruce: Is a hot dog place really that complicated?

Craig: Here's what I've learned Bruce, everything is more complicated and costs more than what you expected. You can take that to the bank.

Craig: With food, you're dealing with spoilage, trying to estimate sales week to week, health dept issues, vendor issues, employee issues, which is a book in itself and competition and on and on. Remember, we're not talking about a hot dog cart here, we're talking about a limited menu sit down hot dog diner.

Bruce: So, now you've transitioned to a new bigger place in Florida, let's talk about that. where do employees, hiring training and firing come in to all this?

Craig: This will sound cynical, I know ok, but employees are a pain. I love them, but I also wish they would go away sometimes.

Bruce: How so?

Craig: Obviously anything bigger than a hot dog cart, you're going to need employees. That's a given. But the more employees, the more problems. It's partly the way people are today, demanding with one hand, yet not willing to give as much as they get in return.

As an owner I have to always see the big picture. I have to look at what is in the best interest of the business, not just myself, but the businesses survival.

If I'm not doing enough business, I can't meet payroll, and that means layoffs and bad morale. Sorry to say, but most employees, even managers sometimes, don't appreciate the intricate connection between business growth and their own job security.

It's frustrating to hear some of the comments staff can make.

Bruce: For instance?

Craig: When business has gotten slow, whether seasonal or not, that's not a good time to come charging in here and demanding a raise. You would think that would be obvious.

Servers and bartenders who complain they're not making enough tips, that's another one. They never even consider they may not be working the tables enough. They never seem consider it may be the way they're relating to the customers.

Also, they think every nite should be a \$300 plus nite. So, when its slow, they take on an attitude.

People seem to gripe about their schedule all the time. If I add new servers, I have to give them some hours, or they will leave right away. But old timers bitch that they're losing hours, but a lot of times they didn't want to work those hours anyways.

Its' like that line, what is it, where people complain about something, but when you remove it from their life, they suddenly want it back! Ha!

Bruce: (laughs) yeh, I know what you mean!

Bruce: What would be the 3 biggest employee problems for you?

Craig: I would have to say 4: being responsible, displaying a good attitude, being honest and being clean of drugs, etc. We can train people to do many jobs here, but without those character traits, it won't work.

Bruce: Are drugs a problem?

Craig: Unfortunately in the restaurant business in general, there are people with drug problems. We are very strict about it. If you engage in illegal drugs, we fire you fast.

Bruce: What else can people get fired for?

Craig: Stealing. This business operates on trust. The managers cannot be everywhere, every second watching every little thing. If they have to be, then the system is not working. Basically then, we are hiring the wrong people.

The temptation here is the cash part of the business. Customers may pay in cash, tips can be cash, payouts to bar backs and food runners are cash.

The other temptation is the ease an employee can consume, literally eat up, the profits.

Bruce: How so?

Craig: Food and beverage is only an arm's length away. Even the most honest staff person can impulsively reach for something and not pay for it. Even though we give them a substantial discount for their meals and drinks, some will help themselves to more.

They think it's so small, it couldn't matter, but it does. Even if only one person helps themselves to one can of soda and there are 30 employees a day doing that, its 30 cans of pop!

Bruce: And it must be worse with alcohol.

Craig: Oh yeh, much higher cost, and there its all the lost revenue from not having it to sell. And that's the highest margin product we have.

Bruce: Lets move on to how you find good managers.

Craig: I'm looking for experienced managers, or staff that are ready to take on more responsibility.

When it comes to experienced managers, I'd rather approach them, than have them come to me. I'd rather identify someone doing well somewhere else that I already know of since I can assess their skills that way. Remotely, by observation.

From my internal staff, I'm looking for someone who has learned more than just their own job. That shows initiative. But they must also have good people skills, which sometimes kills it for them.

Craig: Ehh, let me restate that. They likely have good people skills to be working with the customers, yes. But, I've seen it where someone is promoted and it changes their head. They take on an attitude and aren't respected by the staff...that's why it can be hard to promote internally since the rest of the staff may not accept person in the new role.

Bruce: What does it take to get hired by you as a server/bartender?

Craig: Experience is important with either position, but especially with bartending. I'd prefer an experienced bartender who can work under pressure. Someone who is fast and accurate. And honest with a good attitude.

Craig: As to servers, I'm more flexible. Attitude is number1, and someone who is trainable if they're new to serving. Many have been hired with little or no background if they come recommended or we know them as a prior customer.

Bruce: What's makes a server applicant ineligible for the job?

Craig: Any substance abuse issues, bad references, and I would say questionable attitude. Transportation can be a problem as well. Y'know you have to remember restaurant service jobs are the point of entry for lots of new workers. The bar is not very high, but there still is a bar, despite what some think.

Bruce: Do you get a lot of applicants?

Craig: Probably 10 or more every week, so we have lots to choose from.

Bruce: What kind of earnings can they expect to make?

Craig: You mean servers? Or bartenders? Well, I'll give you an idea for both. Servers can make upwards of \$600 to \$1,000 a week for full time hours, but the best will be experienced and have some personality. Just taking food orders is not enough to get top tips.

Bartenders, in season can do better. Popular bartenders can make 50% more, just depends on the individual, whether they have built a following, and how busy it is overall. There are other factors such as shared tips if two bartenders are working one bar or a special exclusive party.

Bruce: Could a bartender make more than a manager?

Craig: Sure. The restaurant manager is giving up that kind of potential for a steadier pay. And they know it going in.

Bruce: What effect if any do review sites have on your business?

Craig: Its becoming a concern for a couple of reasons. I used to not care or pay attention, but I think its starting to be a bigger issue.

We work very hard to satisfy the customers, and we're successful or so many of loyal customers would not keep coming back. Some customers cannot be happy and I understand that. Some are just unrealistic and like to complain. All understood. What I don't like is when people attack us for things that we could not control or that we made every effort to repair.

For example, we also have outdoor seating. I do not control the weather. Shit happens, unexpected sudden storms in Florida are not unusual. Umbrellas blow over, food can get cold sometimes when served outdoors. We always try to accommodate people's desires, even if they are not reasonable.

But despite all that, some customers will go on these websites and act like we *meant* for all these issues to happen! Like we do this all the time, and we don't care. Comments can be insulting about individual servers and be way over the top.

The other thing I question is whether these comments are verified. What stops a competitor from logging on as a supposed customer and slamming our place or another place?

I'm suspicious that some of these complaints are worded too much the same. I think it's unfair to viewers of these comments and unfair to the restaurants that get attacked.

Bruce: What steps have you taken to improve these reviews?

Craig: It seems to me there's a limit to what can be done. That's something you and I have to discuss yet.

Bruce: Speaking of which, how competitive is the market here?

Craig: It depends in what niche, and where. Every place I've had was surrounded by competition, but you have to carve out your own identity, your own uniqueness.

Bruce: Specifically how?

Craig: Ok, one example is developing unique recipes and meals not available everywhere. Everybody may have a burger and fries, but not with a sourdough bun, homemade sauce, 3 cheeses, coated fries and half pound sizes. How you present the food, and how *consistent* the food quality is, how fast it comes out, all these things matter.

Bruce: Back to servers and bartenders a minute. Besides taking the order and delivering the food, what's their most important job?

Craig: *Suggestive Selling*. It's in our interest and their interest. Bigger checks lead to bigger tips and they must learn to do this well. It's not enough to slap a menu in someone's hand and say, "Let me know if you want anything"...that doesn't cut it today.

Bruce: Have you ever used a service like "Secret Shopper" to find out what's going on in the restaurant when you or your managers are not there?

Craig: No, but it's not a bad idea. I do have friends, not known to the staff, who go in occasionally and report back to me what it was like. I would actually consider using a service like that, maybe you can get me in touch with someone or do that?

Bruce: Yes, we can talk about that. I think it makes sense. Good idea.

Bruce: How important are promotions, special events, holidays etc. to the business?

Craig: Getting bigger and bigger, at least for us. As I said, good food is not enough. Any owner who talks that way is falling behind, but that's good for us, right? (laughs)

We try to have something going as many days of the week as possible, especially weekends.

Bruce: Bands?

Craig: Sure, but not just bands, singer/guitarist for middle of the week, comedy, karaoke, dj's, holiday parties, banquets, sponsorships, theme nights...what else am I forgetting? I tell everyone the food is still the star, but all the rest is the 'supporting cast'.

Bruce: So you'll consider trying lots of promotions?

Craig: Well, we won't turn this into a "breastaurant" like Hooters (laughs) but we do experiment. Being boring is death in this business.

Bruce: How do the staff feel about all the promotions and events?

Craig: Well, you've met some of them, ask them. I think they love it, because the more excitement here, the better the traffic and the better the tips.

Bruce: Man, I could on asking you questions forever!...but I promised we'd not go over an hour and we have already. Thanks so much and here's wishing you continued success.

Craig: My pleasure Bruce.
