

Food & Beverage: Maximizing Throughput: Six Steps to Increase Top Line Sales - By Kim Zimmerman

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Throughput has become a buzzword in management circles, but even among those who have heard the word, many do not understand what exactly it means or how it applies to a restaurant situation.

Those who have heard of the concept, usually understand one or two components of how Throughput works, but don't get the full picture. Simply put, throughput is a 'sales-building' concept measured by sales per hour.

But when is it important to focus on Throughput in your restaurant? Throughput is something one should concentrate on during your busiest times. It's a concept that helps build business when you don't think you have to build business. Many think that it's the slow times that they need to concentrate on, so they create early bird dinners or discount drinks on slow nights. These measures all cost money and tend not to bring in all that much business. On a Saturday night, there's no need to discount anything, and that's when Throughput counts.

Many people think they are maximizing sales when there's a standing line at the front door. But I've often gone into restaurants where there's a waiting line, but there are 12 empty tables in the restaurant. What many restaurateurs don't realize is that without putting measurements or standards in place to track every component of the dining experience, there's no way to increase efficiency and find ways to bring in the highest sales. If plates are taking 45 minutes to come out the kitchen, if it takes 15 minutes for a guest to get a beer, or if there's a 1 ½ hour wait at the front door, something's not working right and the only way to figure out how to make it right is to measure everything.

How do you figure out Throughput sales?

To figure out Throughput, you need a formula that is individualized to each restaurant and concept in other words, targeted sales for each restaurant. You might have a restaurant with both upscale and casual concepts under the same roof or a restaurant with a different formula for different times of the year because of a private dining facility or patio.

There are six steps to maximizing throughput:

1. The Throughput Formula
2. Front Door Systems
3. Sequence of Service
4. Kitchen Operations
5. Management Presence and Effect
6. Tracking Results

Step #1: The Throughput Formula

The Throughput Formula is a simple equation.

Throughput Target = **Seating Capacity** (the number of seats in the restaurant) X

Seating Efficiency (the percentage of seats filled when seating is maximized during a wait) X

Table Turn Times (the number of 'turns' per hour for each table) X

Per Person Average (average sales dollars that each person spends)

For example, if you have 125 seats in your restaurants and your seating efficiency is 90%, the table turn time is 1 hour on average and your per person average sales is \$15.00, you are generating \$1,687 per hour.

Throughput Target: $125 \times .90 \times 1 \times \$15.00 = \$1,687$ per hour

Step #2: Front Door Systems

Good front door systems require three things: proper staffing, well-trained front door staff and effective communications systems. Many restaurant managers are reluctant to add another front door host during busy times, for example, not realizing that having an extra person at the front door could actually add to sales.

The second important thing is to train the front door staff properly. Make sure that your hosting staff understands how to keep guests happy while waiting, and to efficiently seat people based on table availability.

Create standards for every detail in the restaurant. Make sure, for example, that everyone understands what a bussed table means—does it mean the table has been bussed and wiped down, or just cleared? If some people on your team think a bussed table means one thing and others have a different definition, it's sure to create gridlock, and that means guests waiting unnecessarily to be seated.

Pay attention to the details when coming up with a communications system as well including how many checks are down, the party's name, the number of people in any given party, which tables are being bussed, who has special needs (booster seats, wheel chairs etc.).

Employ the 'on-deck' system for waiting customers which can maximize your seating efficiencies. This means calling the waiting party a couple of minutes before the table is guest ready. For example, let's say a party of 2 is next on the list, followed by a party of 6. A 6-top opens up and a 4-top is paying the check. If you call let the party of 2 know first that their table is being bussed before seating the party of 6 first at the large table, you make both parties happy and keep tables full and traffic flowing.

It also helps to have things for guests to do while they are waiting. If guests have menus while they are waiting, you keep them occupied and give them time to make menu decisions before they are seated, increasing table turn time. Make sure during busy times that you have enough servers to handle the extra crowd and for dedicated areas of the restaurant like patios. If you do end up with a 45 minute wait, dedicate a server for the waiting area to serve drinks and appetizers to waiting guests. Tell front door staff to smile and use my rule which I call the 'KimZim' Rule—make eye contact with people who are within 10 feet of you, smile and say hello. Most people are taken aback, but they feel recognized.

Larger parties create other challenges. I am especially conscious of this issue since I come from a large family. When we get together at holiday times, we have a party of 22 to 24 ranging in age from infant to elderly. Every time we go to a restaurant and go to the table, just one server shows up. It generally takes 2 ½ hours to get served. If the restaurant would be smart enough to put two to three servers at the table, we would get served in much less time, the table would be turned faster and everyone would be happier.

Managers often make the mistake of either trusting that their best server can handle a large party or the server insists he or she can take the table. What happens, however, is that the server gets overwhelmed, the bar gets overwhelmed and the kitchen gets overwhelmed. No one is happy, certainly not the guests. Don't let top servers manage the dining room.

Step #3: Sequence of Service

To hit throughput targets, you have to set service standards and time standards for your average table turn time. You must have a sequence of service to match your concept. Figure out how much time it takes to serve a drink, how much time it takes both to serve courses and how long it takes for guests to consume each course. Then, if at the end of a shift evaluate how long it takes for each server to serve. If it's taking too long for a particular server to get food to the table, you can determine the causes and fix them. The system allows people to measure themselves and figure out how to improve. Setting time standards also helps servers to time their service properly. When everyone knows that it takes 5 minutes for a particular appetizer to be consumed, then you don't bring in an entrée early. Remember, this is all for when there is a line at the front door.

Proper staffing levels sets team members and the restaurant up for success. It all comes down to the number of tables a particular person can run during a shift. If you have 6 table stations, table turn times will be slow and servers will never have time to sell that bottle of wine. Your per person average is then lower. If you give servers fewer tables on busy nights, they are better able to handle the shift, they don't go home exhausted or want to go home early. They also make better tips since they give better service.

Step #4: Kitchen Operations

Kitchen operations are equally important. Make sure there is enough kitchen staff to cover busy times so that you can be proactive instead of reactive. Again, set standards for the kitchen as well. Set ticket time cooking standards and educate your team members. Track ticket times at the end of lunch and dinner shifts and then give the staff a 'success rate' based on percentage of tickets that hit the standard. For example, if you have 100 tickets for lunch, create a good and evil spindle at the end of the shift. Look at how many tickets were on target for time and how many were not and then create a percentage. Find out why it took, for example, 20 minutes to make a grilled cheese sandwich and let the staff come up with the solution.

Make sure your equipment is working properly and that cooks have the right tools for the job. Cross train your kitchen staff so that they can perform tasks in any part of the kitchen when needed. And calibrate your equipment. If the grill isn't hot enough, it's going to take a lot longer for that grilled cheese to cook.

Step #5: Management Presence

You can't maximize Throughput if you don't have management presence. If the manager knows that the restaurant gets busy at 5:10, he or she shouldn't be in the office. The manager needs to control the first seating when it's anticipated that there the restaurant will go on wait. She needs to be there to make decisions before guests arrive. If the manager plans everything in advance and pays attention before the restaurant fills up, then she maximized throughput. She needs to communicate open menus and checks down during the shift and stock the restaurant with enough supplies to handle the business. And the manager needs to conduct routine checklists.

If all of these things are done by the manager, then there it's less likely that waves will happen where there's a surge of people being served at the same time and then a lull before the next wave happens. Keeping a consistency during a busy shift helps everyone involved.

Step #6: Tracking Your Results

Above all, it's important to track your results. If you don't measure it, you can't manage it. Track your results per shift, Monday through Sunday for each meal period. Plug in your PPA (per person average) and your table turn time and figure out Throughput per shift. You can measure every shift, realizing that there's a different Throughput for different times of the day and days of the week. If you use a computerized tracking system, it will print out your hourly sales so that your staff can see what happens, if there are waves in the dining room or kitchen, if there could be better efficiency.

The more you measure, the better chance you have of figuring out what can improve. Hypothetically, if you are on a wait for 10 hours for the whole week, if you increase your goal by \$400 per shift, you are making another \$4,000 per week and are up to an extra \$200,000 per year for that property. The only thing you have to spend more money on is food and beverage. Your staffing stays the same except for possibly another host person. All you need to do is help your staff be more efficient and work better, not harder.

And remember, the money flows to the bottom line, which means more bonuses for managers. Since most of the sales are incremental sales, with a much higher flow-thru, targets will be easier to hit. Use the Throughput formula and see your sales increase.

SAMPLE RESTAURANT

1 two top booth

2 six top booths

5 four top booths

14 four top tables

14 counter seats

Seating Capacity = _____?

Saturday night PPA = \$15.10

What is the Throughput Target assuming a 90 percent seating efficiency and 1 table turn per hour?

Actual sales from a Saturday Night

5 - 6 \$1363

6 - 7 \$1229

7 - 8 \$1237

8 - 9 \$ 808

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