

## Suffering in Silence: The Top Challenges Haunting Restaurants

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### **satisfaction**

customers feeling happy with their dining experience, and staff feeling content with their work environment

### **operating cost**

money spent on running and maintaining the business, including expenses for ingredients, labor, utilities, and rent

### **marketing**

the process of promoting the restaurant, its menu, and services to attract and engage customers, ultimately driving sales and building brand awareness

### **menu development**

creating and enhancing the list of dishes and beverages offered to customers, considering factors like taste, presentation, and pricing

### **staff retention**

keeping employees satisfied and motivated to stay in their positions, reducing turnover and maintaining a stable workforce

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*By Zafeiri Senior Advisor Jesse Brown*

**R**estaurants, in all their culinary splendor, are epicurean havens where gastronomic artistry converges with conviviality, where the symphony of flavors harmonizes with the aesthetics of ambiance, and where the act of dining transcends mere sustenance to become an exquisite journey through the realms of taste, culture, and sensory delight.

Owners may have a different experience. Many restaurant owners suffer in silence with operational indigestion!

Restaurant ownership is one of the most challenging entrepreneurial ventures. Being a restaurant owner comes with loads of stress and responsibilities. Although being a restaurateur can come with prestige and reward, it requires adaptability and skill to navigate the challenges of the industry.

Owners can find themselves doing many things themselves and spending less time with their families. Dodging the arrows flying by day and night while trying to operate a successful business can be difficult to do. Many feel as though their current circumstances are just industry realities and there may be no cure or remedy. You do not have to fight the battle alone.

Having an experienced restaurant consultant can alleviate stress and return your life to normalcy. An independent mind within your business is an invaluable asset. Although every restaurant is unique in its own circumstances there are common challenges facing the industry as a whole. We cover a few of the largest challenges in this paper and some methods to solve and prevent them from recurring.

***“To become a doctor, you need to go to medical school. To become a lawyer, you need a J.D. But to become a chef, you just put your time in at restaurants and learn by doing.”***

- Caroline Schiff (Executive Pastry Chef at Gage & Tollner and Author of “The Sweet Side of Sourdough”)

## Operating Cost

Reducing a restaurant's operating costs is like solving a big puzzle. It means looking closely at everything the restaurant spends money on, like paying employees, buying ingredients, and paying bills. One important part is figuring out which food items make the most money and which ones don't. It's also about talking to suppliers to get better prices and being smart about how much food you keep in the kitchen. To save on electricity and water bills, using energy-saving equipment and turning off lights when they're not needed is important. Making sure staff are working efficiently and not wasting time is another key factor. Technology like up to date point of sale (POS) systems and online orders can make things run smoother. Reducing waste and taking care of equipment can help, too. Overall, it's about looking at all these things together, keeping a close eye on spending, and making sure the food and service stay outstanding while making the restaurant's finances healthy!

## Recommendations

- Keep the restaurant's back of house (BOH) labor percentage beneath 15% at all times. This will require a manager to monitor sales and labor percentages throughout the shift. On the busier days such as Friday, Saturday, and Sunday the BOH labor should be around 7% - 10%. Front of house (FOH) labor should always be beneath 10 % and at times can reach beneath 5%. Leveraging salary kitchen employees during slow times is a great way to keep the labor percentage at a desirable number. For example, typically lunch shifts are slower than dinner shifts so having a salary Sous chef, and Executive chef along with 1 hourly employee through the morning time will keep costs down. The key is when you're not making money do not spend money.
- Optimize your operations. Reduce the amount of steps to prep/execute every dish on the menu. Everything in a restaurant is about timing. Simple things such as ensuring employees are not crossing behind each other during service and never having to leave their stations can save big bucks.
- The layout of the restaurant should be designed in a way that facilitates maximum efficiency and the least amount of steps.
- Be sure your food costs are as low as possible. Remove ingredients not an actual part of the dish itself. Examples include lime or lemon wedges on the side of the plate or herbs decorating the rim of the plate. This is not to say, take the wedges away from fish, for example. Just ensure all ingredients are part of the flavor profile of the dish.
- Purchase meats from different vendors week to week and month to month. Prices fluctuate and you should shop accordingly.
- Implement technology and use POS systems to track sales and inventory in real time, reducing errors and waste. Online ordering systems not requiring a human to input the order into the POS and send the order directly to your kitchen is a great way to streamline sales and reduce operating cost.
- Create a strategy to reduce energy bills such as cutting off appliances when not in service and replacing lights with energy efficient alternatives.

***“Streamlining processes is one of the most effective ways to optimize your restaurant operations. It can mean fewer steps, lower costs, and faster service for customers. It’s important to identify what can be done differently or better with existing technology and systems so that you have a clear picture of how best to streamline your operation. Streamlining doesn’t have to be expensive or difficult—it just requires a little foresight and creativity!”***

-Amanda Hamel (Food Blogger-Incentivio)

## Marketing

Marketing a restaurant requires using different methods to get and keep customers interested. You must understand your target audience, considering factors like demographics and dining preferences. Building a strong brand identity with a catchy name, logo, and visual style aligning with your restaurant's personality and cuisine is important.

An online presence is essential in today's digital age, including a user-friendly website displaying your menu and active social media profiles for engaging with customers and promoting special offers. Event and group sales are also a vital component of a restaurant's marketing plan. Developing a strong group sales department will help attract larger and more lucrative parties and contracts.

Encouraging customers to leave a healthy and consistent stream of positive reviews on platforms such as yelp, open table, and trip advisor can also generate sales inviting others to come check out your restaurant.

## Recommendations

- Make sure your name and brand is unique.
- Hire a professional to do your website.
- Keep updating your social media platforms often as well as your website with current specials and promotions.
- Have a dedicated team of event sales staff that handle all non-walk in or regular reservations guest.
- Create a suite of food/drink menus and packages designed specifically for catering, events, and group sales. Put money into marketing those menus specifically.
- Interact with all guest reviews positive and negative on the review platforms.

***“Local marketing enables restaurants to create more targeted and personalized marketing campaigns. By focusing on the local audience, restaurants can tailor their menus, offers, and advertisements to meet specific cultural preferences and seasonal demands. Utilizing data analytics and insights from local trends, restaurants can craft compelling messages that resonate with their immediate community.”***

-Gary Occhiogrosso (Managing Partner at Franchise Growth Solutions)

## Menu Development

Crafting an excellent restaurant menu involves understanding your audience, tailoring choices to preferences, dietary needs, and budget. Variety is key, offer diverse appetizers, entrees, and desserts. Seasonality matters for fresh, appealing ingredients. However, those are only a few aspects of having a good menu. Great menus are developed over time and require refining, changing, and adjusting to meet the current market preferences. A restaurant's menu should never stay stagnant.

Every restaurant should have staple dishes; however, remember customers can soon become bored eating the same things and will look elsewhere if there is no development of the menu. Also determine the pricing strategy for menu items. Consider factors like ingredient costs, portion sizes, and what target customers are willing to pay. Other factors such as execution time and seasonality of ingredients also must contribute to the final menu.

## Recommendations

- Carefully choose the dishes that will make up the menu. Ensure a balance of flavors, ingredients, and cooking techniques. Consider dietary preferences and restrictions, such as vegetarian or gluten-free options.
- Understand how these items will be executed. Distribute the menu evenly across the kitchen so no station becomes overloaded with orders throughout service.
- Do not use common names for menu items such as “Philly Cheese Steak” or “Steak and Rice.”
- Include seasonal ingredients throughout the year to keep the menu evolving.
- Constantly revisit cost of dishes and closely watch invoices for any sudden price spikes.
- Listen to customer feedback about new dishes.
- Use POS technology to track the sale of particular plates and see if they are worth serving.

**"Chefs don't make mistakes; they make new dishes."**

- Elizabeth Brigg (The Culinary Institute of America)

## Staff Retention

Retaining staff in a restaurant is a huge challenge. The restaurant industry is known for its high turnover rates, and several factors contribute to this challenge. These factors include long and often irregular working hours, physically demanding work, relatively low pay for certain positions, and sometimes limited opportunities for career advancement. However, restaurants investing in employee training, offer competitive compensation, and create a positive work environment can improve their chances of retaining staff and reducing turnover.

## Recommendations

- Evenly distribute physically demanding work amongst staff.

- Use third party companies to do things such as cleaning, accounting, and liquor reports to remove some of the load from managers.
- Provide anonymous staff engagement surveys to assess levels of happiness.
- Pay competitively.
- Recognize commitment with incremental pay raises.
- Support employees in establishing and reaching career objectives.
- Create a benefits package.
- Establish clear lines of communication with staff concerning changes that may occur and ask for their feedback before changes are made.
- Provide stable but flexible scheduling and PTO.

***“ the average tenure of a restaurant employee is just one month and 26 days. .... It not only hurts to see great workers leave, but it can also cost you. A study by Cornell’s School of Hotel Administration showed that the cost of losing and replacing one hourly employee can be as high as \$5,864.”***

- Tyler Cumella ( Senior Manager, Content Marketing at Toast)

## Conclusion

The life of a restaurant owner is undeniably challenging, marked by long hours, financial pressures, and the constant pursuit of culinary excellence. Yet, it is also a journey filled with passion, creativity, and the satisfaction of making lifelong relationships and memories. Despite the hurdles, many restaurateurs thrive, turning their establishments into beloved community fixtures. While the path is demanding, it's often the love for food and the joy of making guests happy that keep these entrepreneurs pushing forward, turning challenges into opportunities for success.

***"Cooking is the ultimate giving." - Jamie Oliver (Restaurateur)***

*About Jesse –*

*Jesse Brown, a seasoned consultant with over a decade of experience in the restaurant industry comes to us from Orlando, Florida's vibrant culinary scene. His deep understanding of industry challenges and opportunities, along with his commitment to optimizing restaurant operations, enhancing customer experiences, and improving profitability, makes him a trusted partner for establishments in the competitive hospitality landscape. With 15 years in the dynamic Orlando restaurant scene, including roles as a sous chef, executive chef, and general manager, Jesse's contributions make a lasting mark on renowned dining establishments. He brings with him Faith and Effort LLC, a distinguished restaurant consulting firm guided by Christian values, creativity, and purpose, offering tailored solutions to elevate dining experiences and drive success in the culinary world.*

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