



Challenge: Restaurant Chain Eroding Labor Margins

A successful restaurant chain was challenged by eroding profits because recession-driven revenue declines were not matched by corresponding reductions in workforce costs.

Services provided by Grill Ventures Consulting

When initial “big picture” work was completed by another firm, GVC was hired to lead an initiative focused on the **improvement of labor productivity** by helping the chain’s labor control evolve from arbitrary margin-driven standards to productivity-based controls. A 3-stage process was developed and implemented.

1. **Study the concept’s labor practices and standards:** several stores were visited while operations were observed. General Managers, assistant managers and Chefs were interviewed. The chain’s systems for labor scheduling were reviewed at several stores, and the vendors for these systems were interviewed. A findings report was produced and shared with client’s top executives, along with recommendations for next steps, which were accepted.
2. **The client’s systems for recording and analyzing both sales and labor reporting were revised,** and a plan was developed to integrate these revisions into the client’s software-based systems and practices. Because software updates would take time, a parallel plan was created to improve short-term results by working with each store’s schedulers to implement productivity-driven standards and practices.
3. **A workshop was developed with presentation and analysis software,** and full-day workshops were held with all scheduling managers at each of client’s stores.

Results

The impact on labor productivity and costs was immediate and significant.