

## **Food & Beverage Roundtable Discussion Notes**

### **Tuesday, November 17, 2010**

#### **Labor Savings Strategies:**

- Cross train employees across departments to gain greater scheduling flexibility in addition to a more skilled workforce.
- Analyze scheduling models to identify potential savings. Do all locations need to operate at the same time or can operating times be staggered to reduce labor expense? Can more efficient labor friendly locations operate additional hours to allow the closure of less efficient, high cost offerings?
- Consider on-line scheduling to reduce administrative costs. Some venues strongly recommended [www.whentowork.com](http://www.whentowork.com)
- Promote the use of international students or volunteer groups for wage savings. Expand volunteer group programs to build loyalty. The more the volunteer groups work, the more “skilled” they become. Volunteer group payments have the potential of saving several dollars an hour per employee.
- Consider the merits of prepared food items to reduce or eliminate prep times. Analyze margins to ensure labor savings outweigh potential food cost increases.
- Ask primary suppliers for staffing assistance during periods when staffing resources are limited (beginning and end of school year). This is a mutually beneficial arrangement. Suppliers gain valuable insights from witnessing firsthand the use, prep and service of their products. Venues incur no labor expense and potentially are able to open additional points of sale.
- Analyze labor intensive menu items to determine if they’re necessary (i.e. hand dipped versus soft serve ice cream).
- Consider third party vendors.
- Consolidate purchases into fewer, larger deliveries. This practice may allow for the reduction or elimination of warehouse/commissary staff on certain days of the week.

### **Customer Trends and Operational Improvements:**

- Guests seeking value in their purchases. Promote coupons, incentives, dining plans and bundling to maintain per caps. Listed below are some of the programs that were mentioned:
  - Purchases during visit earn fictional currency or credits that can be used for additional perks or merchandise.
  - Discount offerings during specific times of day to drive customers to less crowded or higher profit concession stands.
  - Offer combo couponing (i.e. discounted beverage plus discounted games voucher) to promote impulse spending.
  - \$2 menu (similar to current fast food dollar menu formats). Goal shouldn't be to replace normal lunch purchase but rather to gain additional non-peak sales based off perceived value.
  - "Thirsty Thursday" (drink included with admission) promotions to boost attendance on projected soft attendance dates. This can also be done by pairing food items with admission.
  - Unlimited pizza and soda at Family Entertainment Centers (\$21 per person) during weekdays. Typical guest isn't spending the entire day. Additionally, younger target audience doesn't consume enough to shrink profitability.
  - All day dining plans – be careful not to undercut existing Group Catering prices when determining dining plan prices.
  - All day drink refills offered at a higher price point or bundled with a souvenir cup.
- Package and merchandise items "to go" at locations near the turnstiles to promote exit spending.
- Exclude drinks from combo meals. The slightly reduced price will be appreciated by the guest and perceived as value. Most guests will still purchase the drink anyway. This helps avoid the sticker shock of expensive combo meals.
- Number your combo meals for improved transaction speed and to overcome possible language barriers.
- Consider digital menu boards or upgraded graphics. Pictures sell better than words. If you plan on purchasing digital menu boards you may be able to conserve costs by simply utilizing PowerPoint or similar programs as opposed to expensive customized software.
- Consider if branded concepts are a good fit for your venue. Will they promote increased spending? Are they consistent with theming efforts? Is it appropriate to become a franchisee?
- Develop and market a Birthday Party package. They're exceedingly popular and can generate strong margins.
- Self Serve drink programs and "slush" drinks are booming. Product costs are minimal. Guests love the ability to customize and create their own flavor profiles and willingly pay more for it. Consider implementing a souvenir cup program to boost per caps.
- Don't limit yourself to one souvenir cup. Change it out every quarter to create a "collectible series" of cups.

### **Employee Incentives/Recognition Programs:**

- Accumulation of on the spot recognition items which can be entered into monthly prize drawings.
- Accumulation of fictional currency through positive behaviors that can be used to make purchases of merchandise.
- Host a dinner banquet at the end of the operating season for employees who have demonstrated excellent customer service. Have company executives attend to voice their appreciation.
- Provide preferred parking for “Employee of the Month”.
- Granting of college scholarships.
- Employee Golf Tournaments.
- Gift cards for use at local retail outlets. Also consider iTunes gift cards. Not uncommon for teen employees to prefer a \$15 iTunes card over a \$25 retail store gift card.
- Extend park operating hours for employee parties. Managers work the rides and concession stands to show appreciation.
- Very few parks cited examples of retention bonuses that actually resulted in more employees working during labor shortages.
- Look elsewhere for company cost cutting measures. Eliminating employee recognition programs is very damaging and difficult to overcome.
- Empower supervisors to reward and recognize. They tend to be more heavily involved in the operation and know who the “heroes” are.
- Empower managers to oversee budgets of recognition programs. They’re more likely to seek out suggestions and desires of staff than senior management. They also have a better idea of what will work versus what won’t.
- Provide park branded merchandise as part of your recognition efforts – promotes brand exposure and allows Merchandise Managers to purge excess inventory.
- Use Secret Shoppers to identify top (and corrupt) employees.
- Request “prize items” from your vendors. Conduct trade outs with area businesses to offer unique experiences (paintball, go-karts, boat cruises, etc.)
- In addition to service, reward other behaviors (employee safety, cash controls, sales competitions, etc.)
- Weekly free employee breakfasts. Sends a message of appreciation to employee and gives them “face time” with managers. Don’t underestimate the benefit of getting to know the employees better. If you know their name and relevant information they feel more vested to your operation. Familiarity breeds loyalty.
- There’s more value in positive feedback and recognition from managers than there is in giveaway items. “Thank you” costs nothing but carries a lot of weight. Hand written notes from managers have big impact. Consider calling the parents of teen employees to let them know what a great job the employee is doing.