



Engaging a Consultant must be a Business Decision

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The restaurant business is a tough way to make a living.

Some of those outside of the industry believe that restaurateurs are a little off balance when selecting food service operations as a career. The margins are slim, the hours are long and weekend/holiday shifts are almost guaranteed. Food and Beverage Operators need every resource available that will allow them to increase the odds of success.

Specialized outside services

Restaurateurs utilize plumbers, electricians, IT/network specialists and other outside services such as equipment repairmen to perform specialized project work in their businesses on a regular basis. Why not use a restaurant operations consultant?

There is no “return on investment” for a restaurant operator to attend a trade school, in addition to running a restaurant, in order to acquire the skills to save money by trying to perform the services of a specialist themselves. Call in an expert, get it done, and move on. This makes strong business sense. Why are restaurant owners so hesitant to use a Food and Beverage business specialist to find hidden opportunities and provide a tune-up and repair of areas within their business?

Often it is not just a lack of understanding of the most recent new innovations but also the operator’s “daily proximity” to the business that can create a level of “store blindness” for operators. Even more critical is simply a matter of the manager’s available time. Operators tend to do what they did yesterday when they truly believe that current practices are the best way to operate their business. The physical act of running the business every day must take priority over all other areas.

Return on Investment - ROI

Profit = Revenues (sales) less (minus) Costs

If profit improvements exceed the costs of a specialist consultant’s services then the restaurant ends up money ahead. Your restaurant relies on the owner/manager making strong “business decisions” to increase profits.

“If the costs of retaining an expert are exceeded by the return on investment in the form of increased profits, both short-term and long-term it is an easy business decision to make to bring in an expert to increase your profits.”

Why the hesitancy?

Here are some of the reasons that operators and owners are hesitant to use an operational consultant

Bad past experiences with consultants – all consultants are not equal, each consultant operates in a different fashion and some are not a good fit for your business. Many owners and managers have stories about a swarm of suits converging on their restaurant, interfering in the daily business, acting superior and ultimately delivering a scathing report that ended with no appreciable improvements to the business.

Hired the wrong one – not every consultant fits every client’s need. Checking references and speaking with a consultant’s past clients is critical. Certain business segments such as tribal casino food service operations require a different consulting skill set than chain and independent operations.

Not really a consultant – many claim to be consultants, often they have years of industry experience but little experience as a consultant. Some “consultants” are actually hiring out their services while looking for their next permanent position

Impact on business or staff – any disruption of daily business can be challenging. Some consultants are better at gently inserting themselves into the workplace to observe and research while other consultants are not as adept. Some consultants may even make the staff nervous enough that they feel they will lose their jobs.

Staff and Operators are uncomfortable with change – Continuous change is a requirement for successful operators. No business can stand still and expect to continue to grow sales and profits. If senior supervision and ownership are resistance to change this can become a declining situation for a business. Customers are frequently looking for the next new exciting thing. ***Change is rarely comfortable, change is different.*** Once a business gets in the practice of expecting and practicing ongoing change the culture of improvement can move forward.

Price – the initial cost may seem high until reviewing what the return on investment could be. Remember that just as the rate that a tradesman charges you for services may be substantially higher than the rate of salary of your staff you are not paying employment benefit costs such as: vacation pay, training, FICA (half paid by the employer), workman's comp, insurance, uniforms, staff meals, office space, clerical staff etc. This benefit cost is typically is about 40% of the base wage rate that you pay your staff.

The goal of engaging a consultant is to utilize their specialized services for a short period of time, not retain them as a staff member.

Remember the rates for consulting are higher than your business staff salaries but you are not hiring a full time employee. You are hiring a targeted specialist to enter the business, diagnose and often assist, coach, train to achieve solutions and then leave or at least not remain as a full time staff member. Some improved areas will result in immediate savings of costs or increased revenues. Other areas are developmental and will take time to produce the financial results. Often these items are in the areas of staff development and skills/service/culture/development training.

“There should be someone on staff doing this stuff” – a common statement from large corporations with multiple levels of support. Whatever services are suggested these are already the responsibility of a staff/support member. Ultimately if things are not being done the person responsible may be the wrong person assigned to the task or they need assistance and training in new more effective processes. This is a positive benefit for the company not a negative problem. Most new ideas come from observations from those outside of the business.

Everyone knows everything already – this is a dangerous assumption to make. The business is always changing. No one knows it all. Additional perspective creates positive opportunities. *(more eyes + more heads = a good thing)*

Only you understand your business – Another incorrect assumption. The basics of the industry are standard. The specifics are related to location and staff. These conditions are always in flux however this does not mean that an industry professional cannot understand your business and add value. The proof of concept of your current systems is to explain and demonstrate them to an outside industry professional.

They made you look bad – Certainly the goal is to discover opportunities within the business. During the process of assessment there will always be areas discovered that can be improved upon. The goal of the consultant should be to help the client’s business not tear it down. Once there is a decision to make adjustments and move forward, hesitancy to commit and change is what actually makes some supervisors look bad.

Clients don't understand how much guidance is needed and how much it can help – Benefits can only occur within the business through acts of faith, listening, understanding, constantly seeking improvements and consistent change.

Next Steps

Consider what areas within your operation create frustrations and produce results below what is expected and needed. Every owner and operator will have different opinions of which areas are the most important for improvement within your business.

Take a leap of faith. Reach out. Talk to consultants.

Most of us love to discuss ideas, what's new, cool and innovative.

Consultants are great sources for networking. We frequently hear of director level and C-level opportunities, often from recruiters that we know. They want the best candidates and many of us enjoy the act of "paying it forward". You may have friends in the business who are looking for positions or someday it might be you. I'll gladly pass on recommendations and opportunities once I know you. We all gain when we expand our network of professional contacts.

We love to solve problems. If I don't know the answers to your questions I typically know someone who does or have an idea of which direction to point you towards. Consultants succeed when you succeed.

Consider engaging a consulting specialist to assist in the forward progress of your business. It's what consultants do for a living. What would a few percentage points of increased profits mean to your business?

Reach out, connect; you have nothing to lose and everything to gain.

The decision to engage a Restaurant Operations Consultant Should Be a Business Decision. Increase the odds of success in your favor with another resource outside of your business

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