

# **Food & Beverage Departmental Analysis**

## ***Fail to Plan and Plan to Fail***

**by Jerry McCoy, MCM**

Someone very astute once coined the phrase ‘Fail to plan and you plan to fail’. Many successful private clubs have adopted this motto and are aggressively planning for the future on a variety of fronts. They are thinking strategically in an attempting to position the organization for success in the long term. Some of these clubs are hiring experienced professionals who can provide much needed guidance and facilitation as management and the leadership sift through the myriad of issues that can effect the success of the organization in future years.

We are regularly called on to provide consulting for strategic or master planning initiatives. It is interesting to note that many club clients soon request that we broaden our services to include analysis of operations with a concentration in food and beverage. Historically the food and beverage department is an area that has caused considerable concern within the leadership group.

An analysis of the food and beverage department must include a review of the following areas

- Human Resource Issues
- Facility Analysis
- Product Quality
- Service Quality
- F & B Financial Results
- Marketing
- Governance issues

To complete the review effectively we must have a comprehensive fact-finding process in place that includes a membership survey, employee survey and leadership strategy survey. Each of these items is important to understand the big picture and provides the consultant needed information to make the proper evaluation and recommendations.

The top of the list is the evaluation of human resource practices within the club.

### **Food & Beverage Human Resource Evaluation Sample**

The employee survey was quite enlightening. The ratings of the club overall were good with an average of 3.98 (See Addendum 1, Chart 3). However, F & B and Clubhouse employees were at the bottom of this chart at 3.66 and 3.44 respectively. The F & B department was also last in opportunities for advancement (3.36) and the evaluation of their supervisors (3.73), and second to last in the overall work environment (3.54). This is not totally uncommon when evaluating data from employee surveys. However, with the F & B department ratings were below the average in five of the six categories.

Food and Beverage department average answers dropped below the 3.50 threshold for the following questions:

4. **I have a chance to learn new skills - 3.43 ( High 3.86)**
5. **I have the authority to make decisions – 3.43 (High 4.13)**
6. **I work for a manager/supervisor I respect - 3.47 (High 4.50)**
7. **I have long-term job security – 3.36 (High 4.50)**
8. **I am provided training to handle the job properly – 3.11 (High 3.86)**
9. **My supervisor deals fairly with everyone – 3.26 (High 4.06)**
10. **My supervisor listens to my problems – 3.41 (High 4.50)**
16. **Employees are reluctant to reveal problems – 3.48 (High 4.33)**
18. **Club provides a chance to have my ideas adopted – 3.23 (High 4.00)**
19. **There are enough qualified people in my area – 3.17 (High 4.75)**
21. **There is cooperation between departments – 3.09 (High 3.90)**
23. **Poor performance is not usually tolerated – 3.24 (High 4.50)**
27. **The pay rate – 3.22 (High 4.00)**
30. **Better performers are paid better – 3.32 (High 3.32)**
31. **There is a link between performance and reward – 3.29 (High 3.29)**

The key elements from the F & B employee perspective appear to be supervisors, training and pay for performance. In all the questions the F & B department was much lower than the top area except the last two where the whole club rated recognition and pay for performance low. See Addendum 1 for employee survey charted results.

#### **A. Training**

The key aspect of developing a top notch F & B operation is having an effective training process in place. When reviewing the opinions of the F & B employees we can see that there is a real opportunity in this area. Employee rated training 3.11 and the number of qualified people in their area at 3.17. It is our understanding that the club has initiated some training since the survey was completed. The F & B director is holding a training class once a month and the department has begun employee line-up in the evening to insure everyone is at a high information level. These efforts are both good. However, we believe there is more to do.

The club should adopt one of many prototype service training programs or develop its own specialized program. The Club Managers Association of America (CMAA) has developed a club specific training program called Unlocking the secrets of exceptional service. The program is available through the CMAA resource center.

The CMAA program has several quality aspects. First, there is an emphasis on training the trainer. The main emphasis of department heads, middle managers and supervisors should be training. These individuals' role in organization and oversight will be reduced by the quality of the trained staff working within their departments. Therefore, insuring that the training process is effective and consistent is a priority. A train-the-trainers session with instructor manuals can be completed by Clubwise, the General Manager or Clubhouse Manager if they feel comfortable in undertaking the process.

Second, the program has an extensive eight part process that includes:

- Session I – The Club, Your Members & You
- Session II - What the Club Expects from You
- Session III – Club Food Server Basics
- Session IV – Serving Your Members
- Session V – The Art of Suggest
- Session VI – Focus on Wine Basics and Wine Service
- Session VII – Planning the Member Needs During the Meal
- Session VIII – Professionalism, Complaints and Work Safety

Each session can be modified to add club specific information to tailor the program to the individual club. At the end of each session is a test to insure that the participants have grasped the important elements. Third, is that the program comes with a video to facilitate the process.

Each employee receives a training manual for notes. They can keep the manual with any other handouts from the club as a permanent reference. They will have the experience of being able to dissect the job into segments for easy memory. See Addendum 2 for further information on the program

Obviously this is a service training program. There also needs to be general training for all F & B employees regarding how they can best work together to achieve the maximum experience for the member. The Chef also needs to develop training sessions for the individuals within his department that center not only on preparing quality products, but also their role in the total process of member dining.

## **B. Orientation and Training**

Training begins when the employee is first hired. It is critical that new employees complete the same training process as the existing staff. New employees should complete a compressed training process and pass a competency test prior to being placed in a position to serve the members. The club must insure that a new employee has a minimum level of ability. Testing at least determines if someone has absorbed the information. It cannot guarantee however that the employee will put to work the knowledge they have accumulated.

Orientation must also include an overview of the full facility and service provided by the club. New employees must meet all department heads and learn how each department interacts with the other to provide a positive member experience and fulfill the overall mission of the club. We encourage Westwood Club to review all orientation procedures to insure they encompass the issues detailed here.

## **C. Pay for Performance**

In the employee survey the questions surrounding recognition and pay for performance received ratings of 3.29 to 3.32. This was an issue club-wide. The low rating may have been caused by one of two things. First, clubs that use cost of living increases on a broad scale and second, clubs that have not clearly identified how employees can receive recognition and greater compensation for a job well done.

Part of any orientation should include how the employee can progress in the organization. Each person wants to know what is expected of them. They also want to know that if they do a good job they will be recognized and rewarded.

The two aspects of good employees are a high level of technical knowledge and the ability to put that knowledge to work for the benefit of the organization. It may seem that these go hand in hand, but that is not necessarily the case. Management should understand the difference and be able to relate club performance standards and expectations to new and existing employees.

We are sure that all involved at Westwood understand this concept, but we are not sure it has been a priority mindset within the departments. This is especially true in the F & B department. By rearranging orientation priorities and focusing on performance based compensation programs, employees will understand how best to provide the maximum work effort that will achieve for them the maximum compensation for the position they now hold.

Some clubs have instituted a testing and evaluation process within the F & B department. A specific program developed by Clubwise is called '***The Certified Club Server Program.***' Initial training includes a competency test on basic information before an employee is allowed to serve members. As training advances past the initial process, higher level competency tests have been developed. Employees receive recognition in some form. Clubs have used titles like level I, II and III to designate those individuals that have proved a higher level of understanding of all aspects of service. With each level increase comes an increase in their pay level. ***The only way a service person gets a pay increase is to prove their technical ability by passing the test. Seniority plays little part in the process.***

In association with testing, clubs have adopted a weekly, biweekly or monthly evaluation process. It does not make any difference how technically knowledgeable someone may be if they do not put that knowledge to work to benefit the club. Clubs evaluate the employee on those things that really make the organization run well. Some of these may include:

- Friendliness / Courtesy
- Salesmanship
- Dress / Uniforms
- Completion of Back of the House Duties
- Cooperation / Flexibility
- Timeliness / Rules

Sanitation / Respect of Property

Each pay period employees can earn commission over and above base pay. The amount of commission earned is based on how well the employee is evaluated based on the above criteria. Presently servers make between \$10 and \$13 per hour at Westwood. The pay scale could be restructured as follows:

<b>Employee Rating</b>	<b>Base Rate</b>	<b>Possible Commission</b>
Level 1	\$8.00	\$2.00
Level 2	\$9.00	\$2.50
Level 3	\$10.00	\$3.00
Level 4	\$11.00	\$4.00

With such a pay scale the employees would only be guaranteed the base rate. They would have to earn the commission regularly. If the work ethic of the employee deteriorated for some reason, the system of evaluation would recognize this and the employee would make less commission. Understanding that all employees want to make the maximum, they tend to strive to put into practice all they know to the benefit of the member customer. Such systems have shown a remarked improvement in member service.

The system does one thing. It puts pressure on the supervisors to effectively monitor each person's performance and deal with issues in a timely manner. If an employee does not make full commission, there is a sheet in their pay check telling them why and what they need to do. This is an incredible tool to insure continued two way communication between the employee and supervisor. See Addendum 3 for information on this program.

#### **D. Consider Adopting Disney Standards**

One of the objectives of Disney was to be sure that the employees knew what type of business they were in (The Entertainment Business) and what was expected of them while on property. To that end they used the concept of ***ON-STAGE, as the employees are considered entertainers***. If an employee is on stage they are in front, or in view of the customer. If they are off stage they are out of sight of the customer. When coming to work and entering the property an employee will fall into one of 4 classifications they will be either:

- Off Stage – Off the Clock
- Off Stage – On the Clock
- On Stage – On the Clock
- On Stage – Off the Clock

Based on each class they are given rules of acceptable behavior. This is a great tool for employees to understand what is expected of them in any given situation.

Using Westwood as an example you can see that an employee is On Stage – Off the Clock when entering the parking lot and moving into the building. While on stage they

represent Westwood and should be careful of their behavior even if they are not on the clock.

Westwood should consider adopting a similar set of standards for the club. By breaking the job down into such segments for all employees, it is our belief that embarrassing circumstances would be kept to a minimum

#### **E. Form an Employee Committee**

The club benefits most when employees are involved with improving the organization. This can best be done by having an employee committee that is part of the process. Once a committee is constituted then they should be tasked to make recommendations for, but not limited to:

- Employee communications / newsletter
- Activities / employee events
- Benefit recommendations / awards / incentives
- Orientation
- Employee rules

An active employee committee should help develop a set of principles to work by for all employees. This concept can be developed into an orientation piece for all employees. See Addendum 4 for an example of such a brochure from another club. The HR director should chair the employee committee and report back at the regularly scheduled meeting of the senior staff.

#### **F. Employee Benefits Summary**

One issue prevalent in clubs is that employees do not understand the myriad of employee benefits that are offered by the organization. They have ongoing questions that regularly occur regarding who is eligible for a benefit, when they are eligible, how much does it cost and how do I take advantage of it. A benefit summary has been developed that is an excellent document which disseminates all the important information about the benefit program.

The benefit summary divides employees by eligible group and details who pays, when eligible and what you receive. One could also consider adding information as to the total cost of providing these benefits per employee. The employees will have a much greater understanding of the overall value of their job.