

How to Turn Around a Restaurant Successfully

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Last summer I visited a fast food restaurant that had opened five years earlier.

My perception of the place was that the food was good, but not outstanding. The appearance was average and the service mediocre. All in all, it was nothing to write home about.

Last week I visited that same restaurant. The ownership was the same but business had skyrocketed with a lively new menu, attractive decor, neon signage and enthusiastic employees. The result was a restaurant full of customers.

"What happened?" I asked. The owner replied, "I bought into a new concept and it revitalized the business."

That certainly is an easy way to cure what ails your business - change the concept for a better one.

If you are facing diminishing returns, lowered employee morale and see the shadow of creditors at your door, maybe you need to consider undergoing major reconstructive surgery.

As the Restaurant Doctor, I often suggest this review of your restaurant's health prior to undergoing drastic surgery.

1. How much are sales down from the previous year? If the figure is over 25 percent, you may need to take action.
2. Is your work force demoralized? If so, you may want to make a major move to upgrade sales.
3. Does your facility look sad? If it looks worn, dingy and shopworn, you may need a facelift.
4. Are your customers pleased with the menu? Do they complain about portion size, price or variety? If they do, you may need to re-menu.
5. Are you getting new customers? Every month the average restaurant loses 5 percent to 10 percent of its customer base due to attrition. You need new faces to fill the seats.
6. Does your restaurant look healthy? Is it fresh smelling, light and airy, or dark and depressing? The country's mood today is one of "cheerfulness" in a restaurant's ambience.
7. Have you given up on marketing? Do the sales results of what you advertise or promote never seem to cover costs? You may need a new outlook on what to tell the marketplace about yourself.

8. Are you operating standards high and are they kept constant every day? If not, could employees, vendors and customers feel uncomfortable doing business with you? You may need to restructure how you run your business.
9. If you see that at least four of the eight factors above are not what they should be, you should develop a turn-around plan of action. This must evaluate where you are and where you want to go while establishing the correct means to get you there.
10. Every turn-around plan must include a method to evaluate your progress and get positive feedback every step of the way so that you can maximize results with minimum cash outlay.

A properly planned turn-around can save both your business financially and your own peace of mind as well. All it takes is to look at what you have now and develop a sound plan for the future.