

# LOPOLITO HOSPITALITY CONSULTANTS

www.LopolitoHospitalityConsultants.com

(845) 238-8131 - jim.lopolito@gmail.com

## Case Study

### Delancey's Bar & Restaurant A family-owned business

#### Discussion

Delanceys Bar & Restaurant in Orange County New York desired improved Front-of-House (FOH) services to their customers and an understanding and possible improvement of the perceived deficiency in profits based on the level of income being achieved. Delanceys Bar & Restaurant offers both a casual dining room and sports bar dining atmosphere with a separate banquet room for parties. Hours of operation occur all 7 days with lunch and dinner service, and there is an abundance of local competition and variety of cultural food styles in the area. Lopolito Hospitality Consultants was asked to review the location and to assess how to improve service and profits and this project was coordinated over a 9 month term.

#### Significant Concerns

- Numerous neglected core efficiencies causing unreliable service and a negative effect on profits.
- A consistent absence of immediate attention to the customer upon their arrival, followed by a common showing to the table and throwing down menus with no interaction.
- A service standard as simple as taking orders and delivering product with no special steps to create an elevated customer experience.
- Compounding service issues with regular and correspondingly made errors on food and beverage orders that were distressing customers, as well as, FOH and BOH effectiveness.
- Distressing profits included evidence of severe over pouring with occasional under pours of alcohol, Call brands poured when Well brands were charged, inexperienced wait staff mixing their own alcoholic beverages for their tables, there is no recipe consistency, frequent food and bar item returns, no inventory taking procedures, and a lack of training in secondary floor managers.
- Neglect to parking needs affecting diners coming to the location especially during parties, where customers would just turn around and leave, and this was additionally burdened with employees taking up guests parking spots.
- The general manager was never trained in essential skills like inventory management, COGS, menu engineering, and is unfamiliar with the percentages that are necessary to understand cost evaluations.
- There were no employee position descriptions in place, onboarding or training programs.
- Bottled wine pouring percentage ranges were at 45%-63% bottle to menu price. Wine by the glass pouring percentage ranges were at 24% to 44% pour size to menu price. Alcohol pouring cost percentages were at 40%. Beer pouring cost percentages on bottled and tap combined were 35%.

#### Development Actions

- Immediate retraining of all service teams with renewed attention to the guest supporting a much more interactive customer friendly environment beginning with the front door entry.
- LHC designed a comprehensive alcohol pour training program for all staff to attend.
- Meetings with the general manager to train in inventory and COGS management, creation of their first inventory spreadsheet, understanding FIFO & COGS, and evaluation and calculations of alcohol pouring cost percentages.
- Employee parking was redirected to other areas.

- Position responsibilities were formulated and LHC wrote a guide for each of the four segments; Front Desk, Runners, Bussers, and Wait Staff. Training to each segment progressed.
- COGS results for pouring cost assumptions resulting in the following. a) Wine COGS reduced by 7.3%, b) Bottled & Tap Beer COGS combined reduced by 2.2%, c) Alcohol COGS reduced by 10.4%.

### **Conclusion**

A discussion of financials in October 2017 offered an average increase to profits of \$3,000 per month over the term beginning June 2017 through September 2017. If maintained, the resulting outcome for 2018 has a minimum expected 2% increase in annual profit, or \$36,000 additional profits based on \$1.8 million revenue.

### **Follow -Up**

At 3 months following the completion of this project a follow-up call was made to the manager Oscar. Here are the results of this conversation.

Q: LHC introduced and trained staff in drink making and how to use the recipe books LHC created for the bars. We also introduced and trained to use the jiggers. Are the bar books and jiggers being used?

A: Yes, continually used, especially by new staff working with the recipes. Also, we do not push the few seasoned bartenders to use the jiggers when very busy, but all wait staff use them continuously. Customers have become accustomed to the jiggers.

Q: LHC introduced a comprehensive program of training with materials for bartenders, wait staff, bussers, and runners. How well has this program continued?

A: Staff is performing better with fewer mistakes. Drinks are more consistent for us with the bar recipe books LHC designed. We have a number of new employees that recently started, and they will receive the position descriptions. Fewer mistakes are occurring with orders though.

Q: Have you reviewed financial with the owner regarding profits?

A: Yes, while I have not seen the recent reports myself, the overall talk by ownership is profits are better and are continually getting better since LHC program implementations.