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Smart Money

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Forget the celebrity chef. The new star in the kitchen is the guy counting the beans—literally. Introducing the restaurant “efficiency expert.”

By Neil Parmar

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Denver, CO -- When it comes to dining out, Kevin Moll is the kind of frugal patron restaurant owners would love to see more of. The father of two from Denver always passes on the cream and sugar. He never pours a blob of ketchup next to his fries. Even better, after enjoying a plate of barbecued ribs, he usually prefers to wipe his saucy fingers with a cloth napkin, since the cleanup job would require at least three of the paper variety. And don't even get him started on carbonated beverages. This is a guy who prefers cola a little watered down.

With hard times still taking a bite out of restaurant profits, more Kevin Molls are turning up at their tables not as patrons but as professional nitpickers. The 50-year-old CEO of National Restaurant Consultants is one of a burgeoning wave of efficiency experts who focus on restaurants, checking for unused half-and-half and testing the syrup level in fountain drinks. While no one tracks the number of these professionals in the restaurant field, the Labor Department says there are now some 678,000 efficiency gurus working to cut waste and maximize profits across a wide range of industries, double that from a decade ago.

Moll and his food-service brethren do it by carefully pricing out a kitchen's every move like making ranch dressing every three days instead of daily, which can shave prep time by 15 to 18 minutes. They help fine-tune recipes to economize on ingredients. (Taking olive oil out of the marinara sauce saved one chain \$17,000 a year.) And they engineer menus to spotlight the highest-margin offerings. Forget soda; iced tea costs a restaurant as little as a nickel a glass.

The \$566 billion restaurant industry is anxious to save as many shekels as it can preferably without diners noticing a difference. Even with the uptick in some sectors of the economy, the dining-out industry is lagging, as it tends to do in bad times. According to surveys from the National Restaurant Association, 59 percent of the country's restaurant owners, on average, have reported a drop in same-store sales every month for the past year. Industry veterans like Lloyd Gordon, who has been consulting for the past 46 years, say times have never been tougher. Restaurant sales typically dropped 20 percent during past recessions, he says, but they've plunged as much as 50 percent in some parts of the country today. "A lot of restaurants are bleeding" says Dean Small of Synergy Restaurant Consultants in Laguna Niguel, Calif. "In some cases, they're hemorrhaging."

And so they turn to Moll and his colleagues, whose secret sauce of savings tactics can be traced back decades. The modern-day efficiency movement, largely thought to have originated in Japanese car factories after World War II, took off on these shores after American giants like Motorola and General Electric began famously boosting profits with similar practices in the 1980s and 1990s. Other industries took note and a growing cadre of consultants followed. If you've traveled in the past few months, you've probably noticed their handiwork: disappearing mini shampoo bottles in the hotel bathroom, fewer complimentary magazines in the airline seat back.

Such ideas might seem like small potatoes to some, but Moll and his team of experts have come up with enough tips and tricks to fill a 175-page bible on how to run a profitable eatery. For his clients, the often-tiny cuts add up, generating savings or revenue-boosting ideas that goose margins, on average, by 15 percent. Operating a restaurant, reads one passage of the guide, is a game of pennies.

Moll learned, when running his own bar and grill two decades ago, that managing an eatery is like navigating a boat full of holes. And the trim, java-fueled consultant running on four to five cups daily is nothing if not a time-is-money, tight-ship kind of guy. He records any passing work inspiration (note to self) on his cell phone, even while walking his dog. In his clutter-free office, the only papers visible are arranged in a compact stack, perfectly parallel to the edge of the desk. And while driving his pristine white Cadillac between tightly scheduled appointments, he admits that he has called the city's 311 hotline more than once to report street garbage that needs removal. Clearly, no detail is too small.

It's an attitude that comes in handy in his work, like when Moll and his firm recently helped launch Organixx, a casual, quick-service eatery in downtown Denver. To project an eco-friendly vibe, it features not only the requisite recycled napkins but also bamboo tabletops, a hardwood floor made from recycled furniture scraps, and compostable straws and utensils. (Deliveries are often made via skateboard.)

Diners have more than two dozen menu items to choose from, but many end up ordering the Asian stir-fry salad, a mix of veggies, crunchy noodles and tofu, chicken or beef, drizzled with toasted-sesame vinaigrette. The most popular salad on the menu, it's also one of the most profitable."It doesn't happen like that by accident" says Moll.

Remember the old home-buying adage; location, location, location? Relying on studies that track eye flow across menu pages in elaborate arrow-filled diagrams, Moll counsels his clients to spotlight higher-margin items in prime menu real estate. The Asian stir-fry, with ingredients that cost as little as 24 percent of the menu price, holds pride of place at the top right corner, while the grilled salmon burger (cost of ingredients, \$2.78; price, \$9) is intentionally buried at left center, the menu equivalent of Siberia. The menu drives everything says Moll, from an eatery's decor to the length of time it takes to execute a single dish. In fact, some potential recipes at Organixx have been vetoed just because they couldn't be put together by a cook standing in a single spot, with all the ingredients within arm's reach.

Indeed, the biggest cost cutting usually happens behind the swinging doors. To help keep food costs within a healthy 24 to 35 percent of overall expenses, Moll brought in an on-site drill sergeant. Mary Putman, who paces the kitchen prep area, pokes at plates to make sure bread crusts are intact and salad mounds don't lean too far to one side. When red peppers triple in price, she buys more zucchini to sub into the stir-fry and salads. If a line cook takes more than six minutes to prepare an order, she points sternly at her watch. Most important, she makes sure they're measuring every ounce of food instead of just eyeballing ingredients. Constantly nagging them to quit heaping the scoop, Putman says a big part of her job is pulling food off the line. Which may leave some diners, well, a little hungrier than others. While all of Organixx's sandwiches cost \$9, some are a little less generously proportioned. Eyeing the egg salad? You'll get an eight-ounce scoop. But order the rock shrimp salad and your filling weighs only five. (The reason? Moll's firm suggests that each dish cost between 22 to 30 percent of what it ends up selling for and eggs are cheaper than shrimp.)

Erwin Chang, the owner of Organixx, acknowledges it's a very delicate decision to change the portions, but it's not hard to see his point of view as he describes the challenges of running a restaurant in this economic climate especially when all those organic ingredients and other green touches come at a premium. And hey, at least he's not holding back on the water. That's a strategy Moll recommended to another of his clients, Mici Handcrafted Italian, a cheerful, contemporary joint half a mile down the road from Organixx.

Eager to expand to a second location, this family-owned pasta and pizza eatery hired National Restaurant Consultants to help shave operating costs. But Mici's owners were loath to change or cut back on menu items like its famed hand-rolled meatballs, so Moll had to turn to the eatery's beverage lineup to find savings. In addition to tweaking Mici's wine list, Moll came up with a 10-point game plan for fountain drinks. Selling some 13,000 units a year, sodas still weren't delivering any profit, according to co-owner Michael Miceli even though they typically cost the restaurant only a dime a glass. Some of the most effective moves Moll recommended include cutting out the middleman syrup supplier and offering only one size drink instead of three. Goodbye, costly cups. But one tip comes with a spritz of controversy: Don't automatically serve patrons water, so they're more likely to order soda, beer or wine.

Helen Rosner, who blogs about the restaurant industry at MenuPages.com, calls the practice, "One of the craftiest I've heard of" and says she's seeing more eateries do it. Victor Gielisse of Culinary Institute of America, on the other hand, calls it, "The socially responsible thing to do given our environment today."

For his part, Miceli simply says, "We ask them what they want to drink. If they want water, we give water." It certainly hasn't hurt the bottom line; implementing this and other tips from Moll's 32-page Operations Analysis™ has goosed revenue by 50 percent a week. In the world of kitchen cost cutting, that's more than a few pennies.



Note: An Operations Analysis™ is not about taking anything away from valuable guests. It's about, "Kaizen" which is the process of continual improvement and elimination of wasteful business practices.

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