

Labour Scheduling for Restaurants

Background

- Reduce Labour Costs by up to 5%
- Increase revenues
- Improve service levels
- Increase staff retention



In challenging times, when business costs have increased and margins are under constant pressure, rigorous management of labour scheduling and costs is essential, especially for businesses where demand can fluctuate but service quality must be maintained.

In the hospitality sector where customer service can be the key differentiator, it's essential to manage staff deployment to ensure the right people are working at the right times to meet customer needs. When staff are allocated for their preferred time slots and paid accurately for hours worked, productivity and service quality improve, staff turnover is reduced and revenues rise accordingly.

Approach

change++ provide low-cost, flexible solutions for scheduling labour and forecasting costs for restaurants, all of which adopt a similar basic approach.

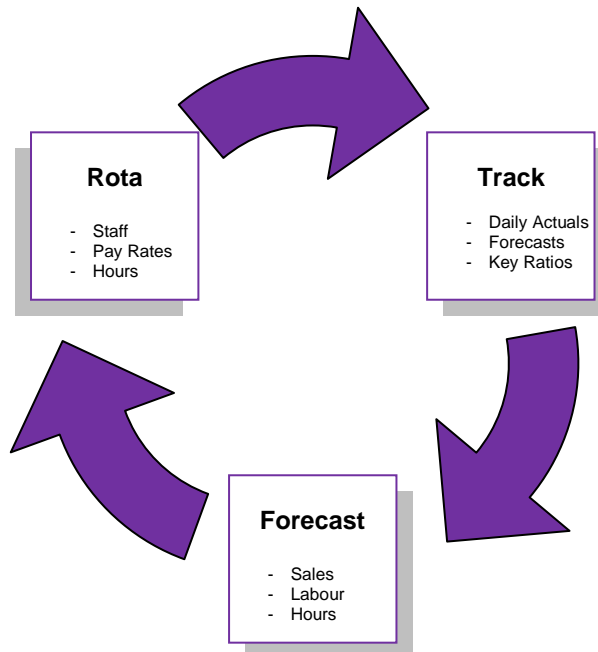


Fig 1: Basic Approach to Labour Scheduling

There are a number of options for implementing the system:

Using the power of Microsoft Excel

Excel can be used to simplify the input of roster data, and combine this with forecast sales to enable a manager to fine-tune staffing requirements to better match predicted workload. Tracking performance on daily basis using actual sales figures allows further refinement of rotas and forecasts if necessary. After three months using a system like this, TGI Friday's had reduced the discrepancy between budget and actual labour spend by a factor of five.

Similar Excel based systems for other companies have been used to link to payroll systems.

"Most companies already use Excel, so making it work a bit harder to help with Labour Scheduling is a good way to get more out of existing investment", says Nick Barnes, change++ consultant.

The main limitation of a purely Excel-based approach is that data is held at outlet level only, and cannot be easily combined to give a centralised, company-wide view of labour performance.

Central Applications

Where greater control and visibility of Labour Management is required across a whole company, systems that collect and hold the data in a central location can be implemented.

Typically these are web-based, with data entry screens accessible to users, and more advanced reporting capabilities. change++ were involved in developing a system for Bay Restaurant Group which helped to reduce their overspend on Labour Costs. By combining the forecasts with actual payroll data, it was possible to monitor forecast accuracy across the estate and variances to submitted payroll.

Whichever approach is adopted, the General Manager still plays a key role. Their expertise and knowledge of their staff informs the forecasts, and the tracking information is used to optimise their own rotas.

Benefits

The main benefits of moving to a change++ solution are:

- Substantial payroll savings through increased productivity and better scheduling
- Labour spend more closely matches budget, ensuring that forecasting can be much more accurate
- Managers spend less time working out their staff rotas
- Improved customer service by matching customer volumes with customer-facing staff
- Reduced labour turnover through planning schedules around staff's working time preferences
- Reduced over-payment errors
- Ensure compliance with local labour and Health and Safety laws through rule-based scheduling
- Provides head office with almost instant feedback on operations