

Lebanese restaurants: the challenge of sustainability



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MEFOSA 2010
Beirut, Lebanon

ABSTRACT

Lebanese restaurants are currently going through the best and the worst times.

Competition threatens even the most successful businesses, as rapid development meets with a number of failed ventures.

Why do hasty solutions backfire on your restaurant profitability and why is sustainable quality the secret path to long-term success?

Introduction

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In Lebanon, it is sometimes difficult to call something by its name.

Managers do not always feel at ease with recognizing problems.

Ideally they shouldn't be afraid of admitting there's a problem, as people and organizations learn by recognizing mistakes.

No progress can be made if they pretend the mistakes never happened.

Systems thinking: an innovative problem solving approach

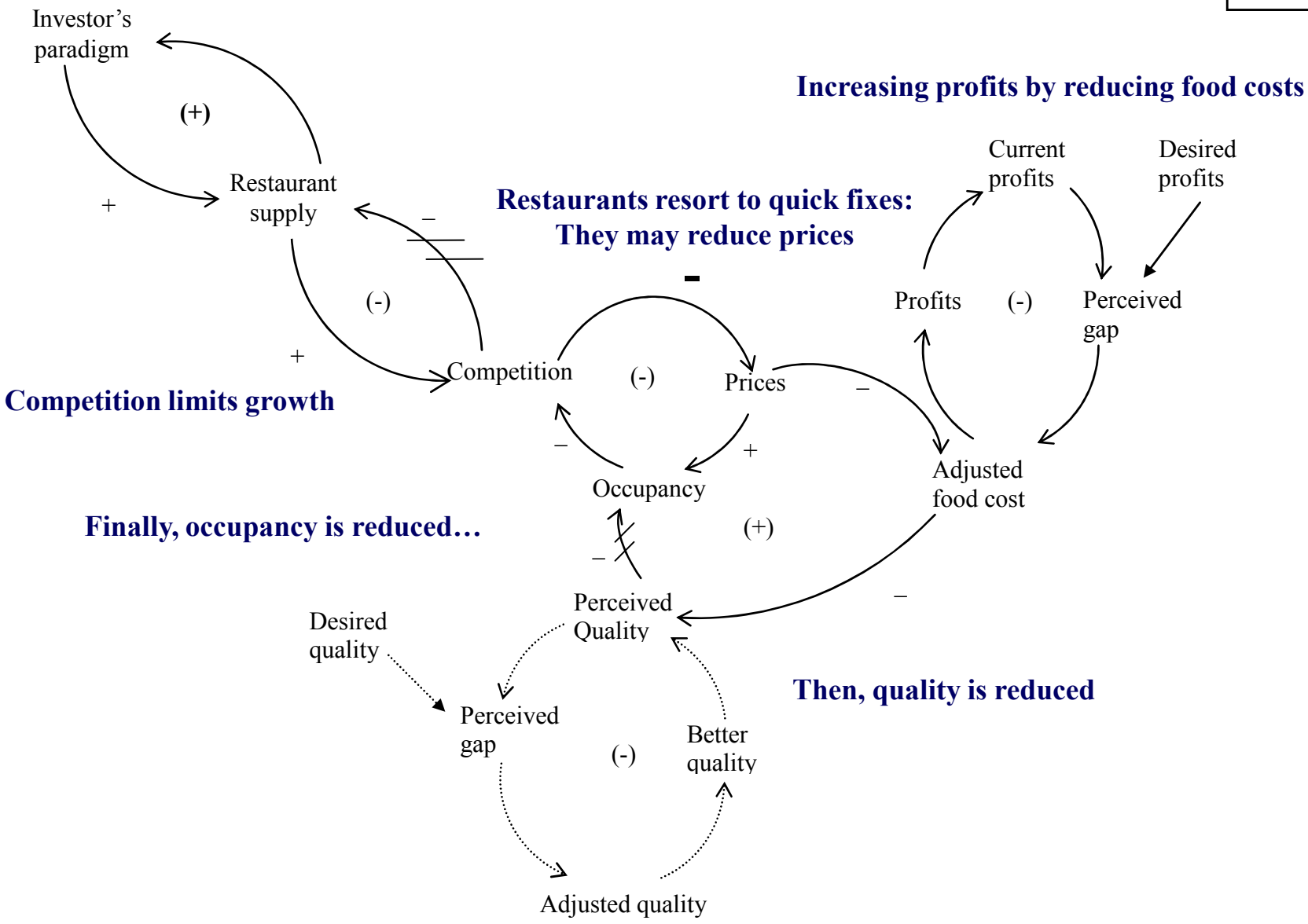
When systems thinking is applied, it becomes easy to focus on crucial elements and avoid superficial solutions to real problems.

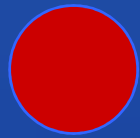
This concept explains how solutions end up creating other problems or repeating the same ones.

This requires thinking about change in loops rather than lines.

The following diagram illustrates the negative effect of hasty reactions to pressures in the environment. It only illustrates one of the many causes underlying the short term success of many restaurants.

Investors desire to make money fast

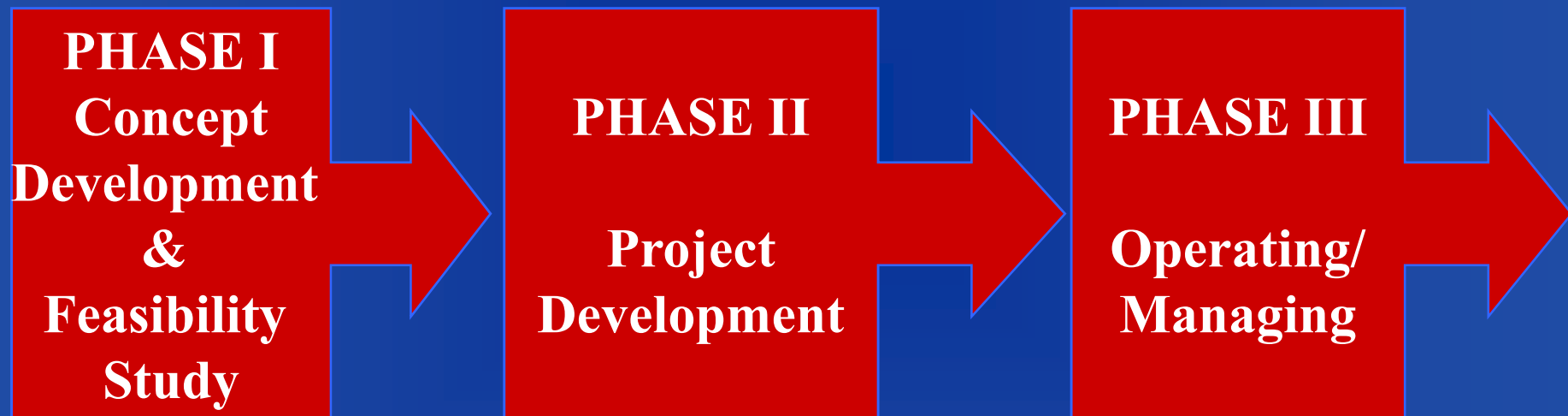


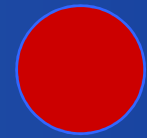


THREE MAJOR STEPS

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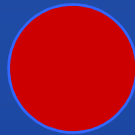
There are 3 critical phases in developing and running successful restaurant operations





Phase I

**CONCEPT DEVELOPMENT &
FEASIBILITY STUDY**



The Role of a Feasibility Study

A professional feasibility study is a good indicator of the profitability of a project and reduces the risks involved

It is not . . .

- A study that is hastily completed by a single person
- Carried out by people with limited or no proven experience in the restaurant field
- Based on “gut feeling” or subjective assumptions
- 100% accurate or 100% reliable

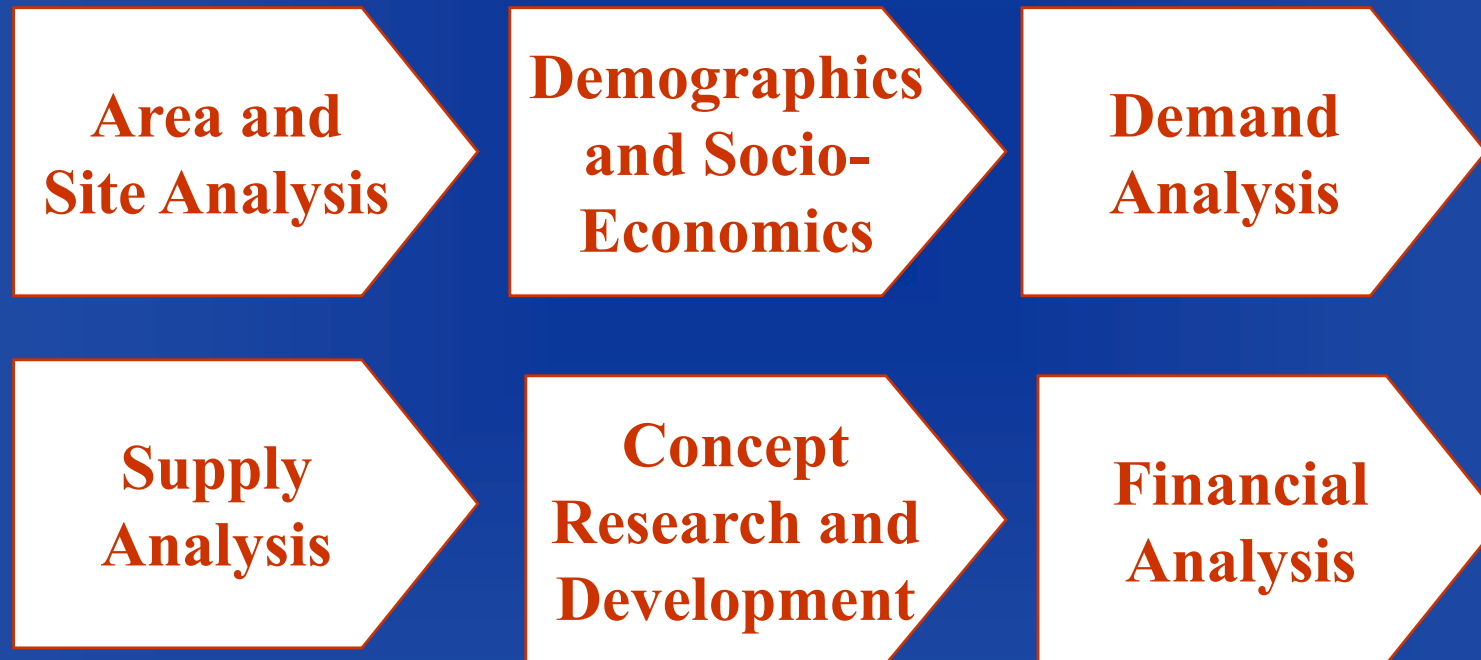
It is . . .

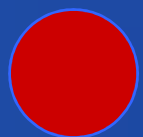
- A study completed by a team of professionals with complementary and specialized skills
- A good indicator of the viability, profit potential and risks of the project
- A study that provides valuable data upon which “Go/No Go” decisions can be made
- Based on analyzed benchmarking data that comes from various sources



What is to be studied?

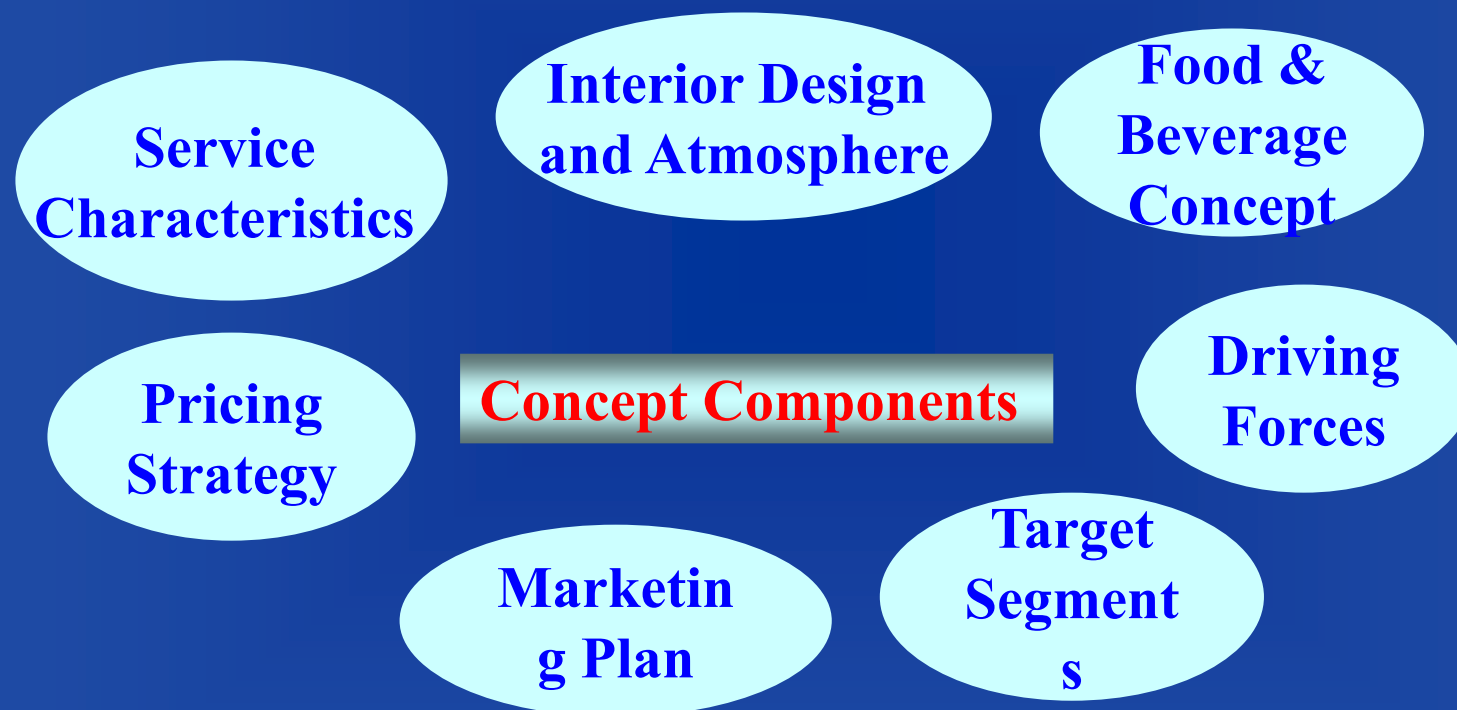
Feasibility Study Components and Methodology





Concept Research & Development

Restaurant developers need to invest efforts in their concept research and development well before implementation...

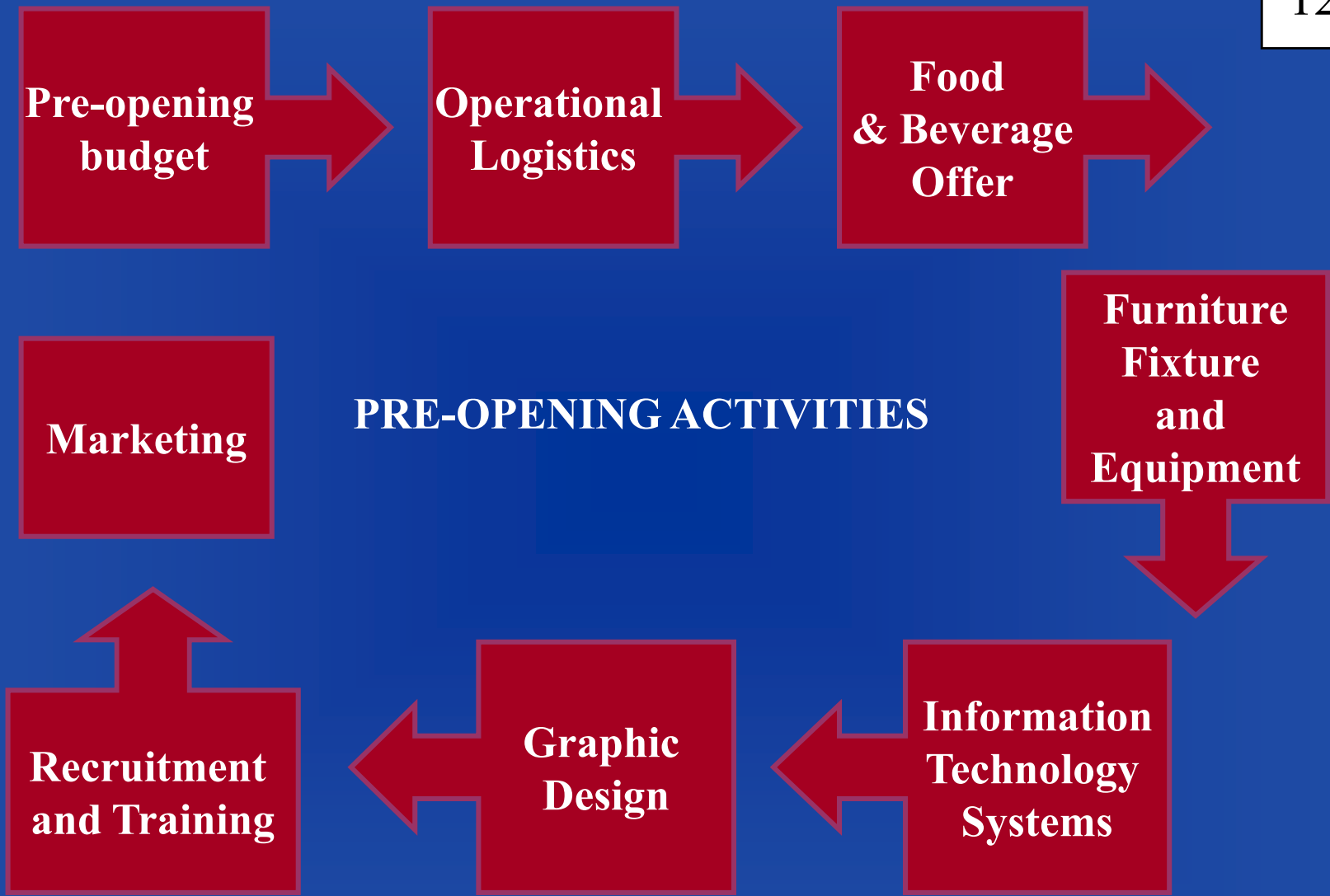


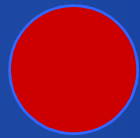
...based on brainstorming, research and exposure to international trends



Phase II

PROJECT DEVELOPMENT

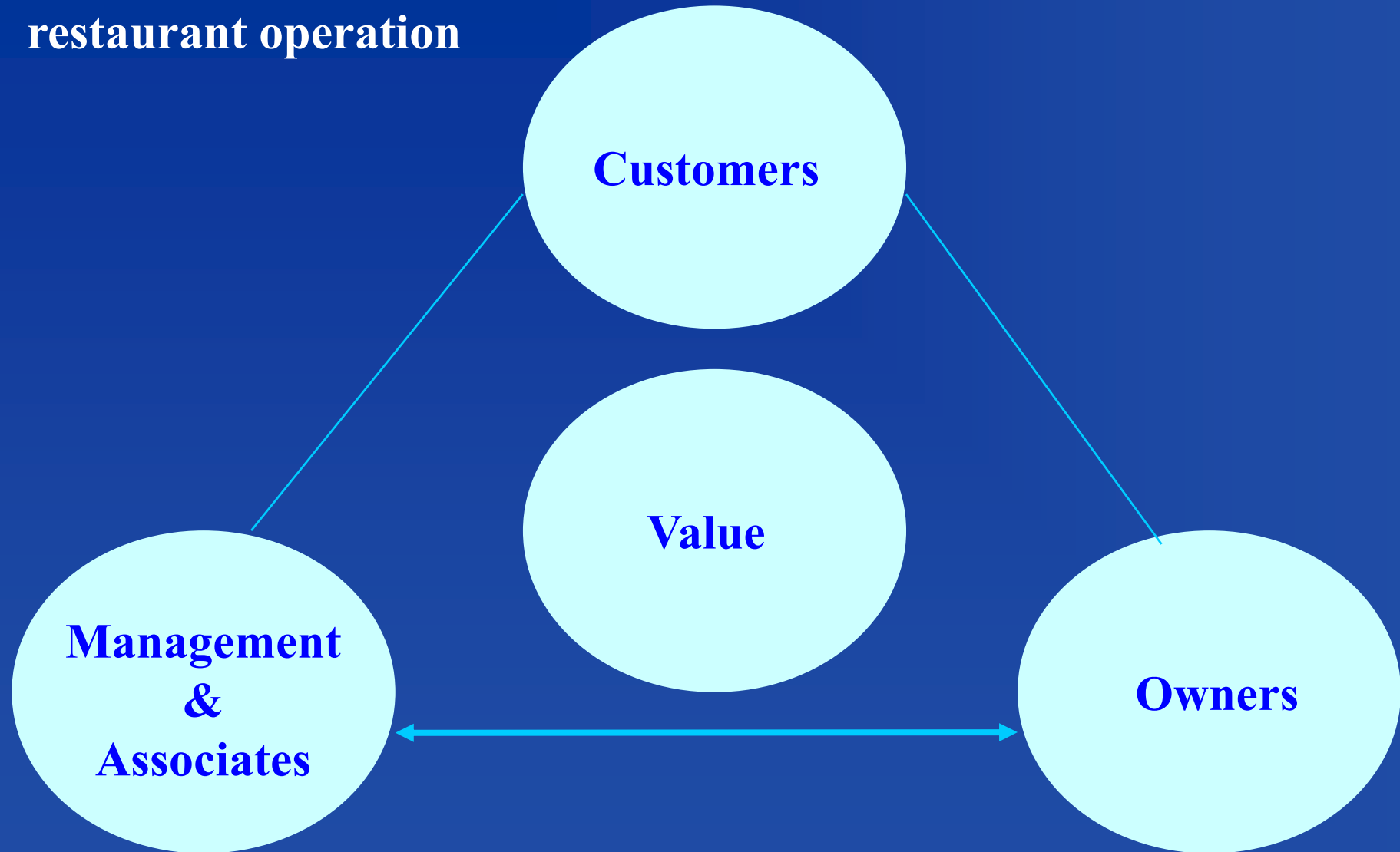




Phase III

OPERATING

Creating value to the 3 main stakeholders is key to a successful restaurant operation



Innovation

Encourage innovation at all levels, from managers to front line staff

- **Place a high value on managers' ability to move forward and launch new products**
- **Motivate front-line people to perform to the best of their abilities and imagination**

Team Work

Managers should instill a team spirit as to have the time to think strategically...

- **DELEGATE** - Reduce the time spend on performing non-essential tasks
- **Be focused on high-payoff activities (i.e. Cost control, innovation, quality control...)**
- **Team management involves delegating responsibility and authority, while providing coaching and support as needed**

...by questioning your existing structure and procedures by practicing self-evaluation with your team.

The main two reasons to apply cost control procedures are to reach the set financial objectives and to have satisfied return customers

- **2 main cost elements : Food & Beverage Costs and Payroll Expenses**
- **Constant surveillance to maintain price versus quality commitments**
- **USE the large amount of information generated by the Point Of Sales system**
- **Perform spot checks constantly as it represents one of the most efficient control tools**

Empowerment

Empowerment is instilling ownership feeling to associates



...by ownership we mean that Associates “buy-in” to the company – or strongly believe in its values -

Corporate Culture

Associates need to identify with the company...

- **Define your business Mission, Vision and Goals**
- **Build your business on clearly communicated Values**
- **Educate new recruited employees on understanding what “the right way” is in the company**

... and to work towards a common goal

Providing a value for money perception is a result of various actions as for example

- **Consistently; generous portion sizes at reasonable prices most often impress customers**
- **Surprise guests with quality food as well as outstanding service**
- **Train associates on anticipating guests needs**
- **Focus on the quality of your ingredients**
- **Offer your food with an original presentation**
- **Have a creative and innovative menu**
- **Extra attention on interior design / atmosphere**

Hygiene & Safety

Hygiene & Safety are critical factors that command uninterrupted attention

- **Outsource pest and insect control to a professional company**
- **Train all the staff on sanitation and hygiene standards**
- **Perform constant tests to evaluate your staff knowledge on controlling food borne pathogens**
- **No compromising on outdated products**

Example of customer service practices

Call back an angry customer

Keep the restaurant looking busy and novel

The answer is “yes”. What is the question?

Give the best value in town

Remember your guests' names

Provide something to eat immediately such as tidbits

Fill the restaurant with friendly associates

Provide an immediate greeting at the front door

Financial Reporting

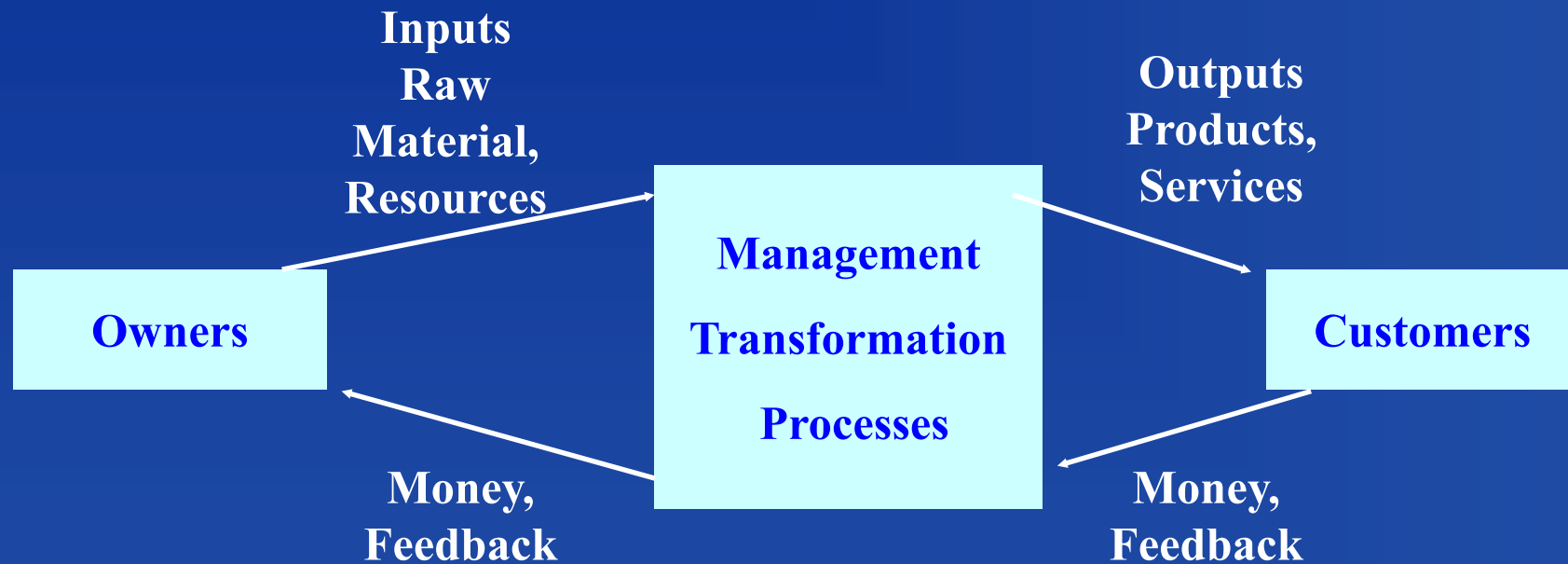
Financial statements are a useful control tool for owners to evaluate results



Sacrifice short term profits for long-term success.

Feedback system

Inputs, outputs and feedback represent the major connecting points between stakeholders...



...where Owners, Managers and Customers are part of an interrelated system of relationships

Profits

Improved food and service quality will inevitably lead to higher profits

