



External Observation

I appreciate the opportunity to observe your operation, and give you my recommendations. You should be congratulated for having the courage to admit that you may not have all of the answers! We usually discover a few things that were not apparent from the owner's point of view. Sometimes these observations produce information that is directly applicable to the bottom line. Other times we would need more information to make a specific conclusion, but are still able to advise you about weak links in your operation that you can then address with confidence or hire us to be more involved in the solution.

As you requested, I visited your establishment on a Friday evening, and made no indication that I was there to observe on your behalf. **The bartender opened my beer for me, but that was about it.** As far as service, I would give him a "D" for Disinterested. Give him some credit because he got me a drink right away, but he didn't have a clue as far as how to build loyalty when the bar is slow. For example, if I ask for a menu, that means I feel like having something to eat. With that piece of information, he should be bringing silverware and a water out of habit. I gave him that opportunity, as well as an opportunity to bring me salt, pepper, catsup, mustard and some napkins, but I ended up having to ask for each. You are kidding me, right? What could have been more important than keeping his(your) only customer happy and encouraging me to stay longer and spend more money? He asked if I wanted another beer when there was about an inch left... Four or five sips earlier and I might have said sure, but I had already made the decision to leave... so would most people. BT needs to be trained/inspired to keep customers happy and content.

What was going on in the kitchen? For some reason the BT kept going into the kitchen and returning empty handed. There was nobody else in the bar, but if someone had come in, he wouldn't have known. **Three words: Side Work List.** I imagine that the culture is to save all your side work until the very end so that one can a)see how much needs to be done b)allow for several excuses that would keep one from doing side work instead c)do the bare minimum until it is "time to go" or there is not enough time left to do any of the projects that "take to long" ...like 20 minutes when you only have one customer in the bar. It is easy to skimp on side work, but most of the things that fall into that category of work are a big part of the little things that keep people coming back (and what keeps good employees willing to keep working there). To name a few of the things I am referring to: wiping down chair cushions, table legs, napkin dispensers, etc.; dusting the walls, juke box, picture frames, etc.; cleaning the mirrors, windows, light fixtures... who else would do these things beside the employees that you are paying to be there? You definitely need to create a system that will keep your employees "working" for you when they are assuming it is enough to simply "be there" for you. Of course we are well-versed in this concept and could easily assist you.

The floor was sticky in places, and there was a general smell of stale beer near the dart boards and couches. Obviously this is not appealing to most customers. Of course you will not be able to keep customers from spilling parts of their drinks onto the floor, but mopping tile floor is something that is to be taken serious. **Your employees need to feel empowered and have a sense of ownership.** You need to provide your employees with fresh mop heads, and easy access to hot water and floor soap. They should also be trained to address a stinky situation as soon as it is discovered. Opening the windows and doors for 20-30 minutes when they first get there to open the place will really help dissipate the odors from the night before.

Remember that success in your business depends largely upon customers wanting to stay, and wanting to come back again. **The customer's perception is at the top of your priority list.** Anything that can be done to make their experience more enjoyable (or less offensive) will help in elevating their perception of your establishment and its culture. Think about what they might be thinking when they are here, and how they would describe their experience after they leave, then let that concept drive your management decisions.

You asked about advertising, and this is how I feel about it for you at this point. Your most efficient and effective form of advertising is a customer that was extremely satisfied with their last experience here. **If you can "WOW" them, they will come back soon.** Not only will they return, they will tell people about their WOW experience; friends, family, neighbors, even complete strangers they encounter at the supermarket. You could spend a whole bunch of money trying to motivate people to come to your establishment, but if they come and do not say "WOW," that may be their only visit. The point is that you could waste your whole advertising budget, or put it toward creating a fantastic experience for each person that walks in your door. **Then your customers become your advertisers** with their stories about the great time they had at your place, and how good the service was, and how clean and pleasant everything was. It's a snowball effect that builds your business, which in turn creates the extra revenue that you are looking for. Then you can think about investing in an advertisement *after* you are confident that the people who come in will be coming back.

You should consider creating a bonus/incentive program for your hired help. It doesn't cost you anything unless your bottom line gets MUCH better. Many times employees have gotten comfortable with the previous culture, and are resistant to changes in the rules. If you get them together and explain that "this is a business" and "we need to make more profit" some of them might understand and help make the changes described above easier to accomplish. If you make it so that they too can get a piece of the action, even if it is only a tiny percentage, **then they will ALL get on board** when your train starts rolling. We are experienced in this area too, and can help with the metrics and overall success of the bonus program. You would be amazed at how many areas of your business these programs benefit. If you have questions or need clarification on anything please let me know, or make a note to reference in our next conversation. I will follow up with you shortly.

Yours,

Ryan Palmer, President, Palmer and Associates