SUPREME LEADERSHIP

SL SESSION #1

Factors that Impact Profitability

Participant's Guide

Supreme Leadership

We are choosing to invest in your elevated leadership training and continuous learning for so many reasons:

- **Skill Enhancement:** Investing in leadership training allows you to develop essential skills foe personal and professional development.

- **Empowerment and Engagement:** Offering continuous learning opportunities demonstrates commitment to the knowledge and resources needed to excel in your role. We want to empower you,, boost your confidence, and foster a sense of sincere engagement.

- **Succession Planning and Career Growth:** By investing in your development, we can create a talent pipeline for future leadership positions. Our elevated training and continuous learning platform will not only prepare you for their current roles but also equip you with the skills necessary for future career advancement within our organization.
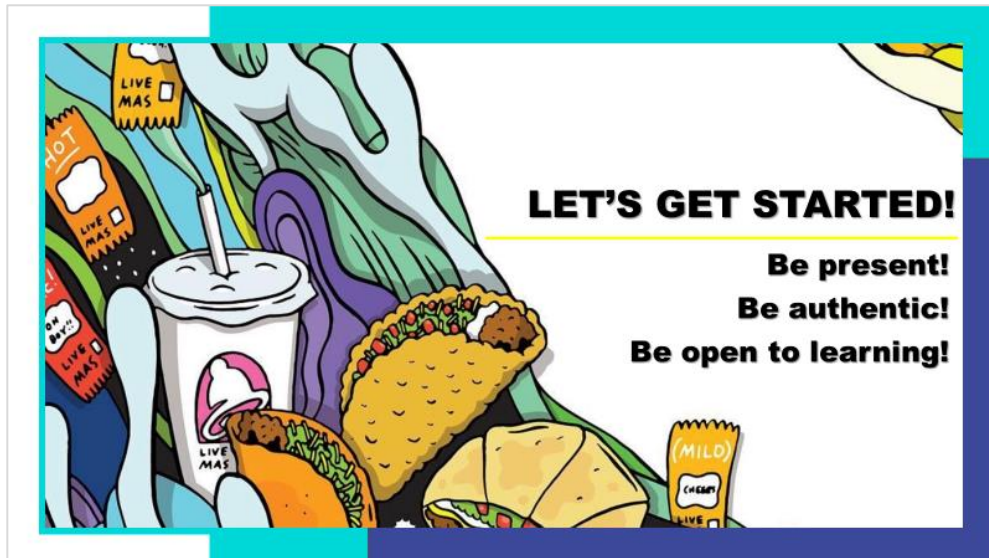
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Today's Learning Objectives

✔ Discuss elevated leadership skills including the results pyramid and the accountability ladder principles

✔ Understand the principles of profitability including target labor, sales versus transactions and accountability for roadblocks

✔ Explore leadership skills surrounding how a Shift Lead can coach and teach their fellow Team Member and impact profitability

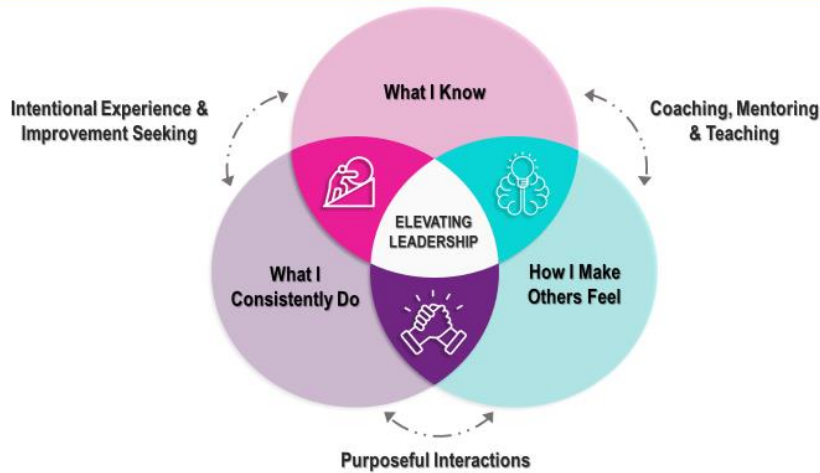✔ Gain insights into being a champion for profitability through daily operational success routines

LET'S GET STARTED!

Be present!
Be authentic!
Be open to learning!

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Elevating Your Leadership

Intentional Experience & Improvement Seeking

Coaching, Mentoring & Teaching

What I Know

ELEVATING LEADERSHIP

What I Consistently Do

How I Make Others Feel

Purposeful Interactions

Today's Learning Agenda

✓ Authentic Leadership Behaviors

✓ Principles of Profitability Overview

✓ Product: Food & Supplies & Product Sales Mix

✓ People: Labor Costs & Labor Processes

✓ Operating Procedures: Food Waste & Restaurant Systems

✓ Protection: Loss Prevention & Equipment Maintenance

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Authentic Leadership
The Impact on Your Team

Genuine Behavior as a Leader

Genuine behavior as a leader involves being genuine, transparent, and true to oneself.

Here's why genuine leadership is important.

Builds Relationships

Builds Trust & Credibility

Promotes Open Communication

Demonstrates Role Model Values

Genuine Behavior as a Leader

- Build Relationships: Being genuine helps in building strong relationships with team members.

- Trust and Credibility: Being genuine builds trust among team members.

- Open Communication: Genuine leaders encourage open and honest communication.

- Role Modeling Values: Genuine behavior allows leaders to demonstrate their core values and ethics consistently.

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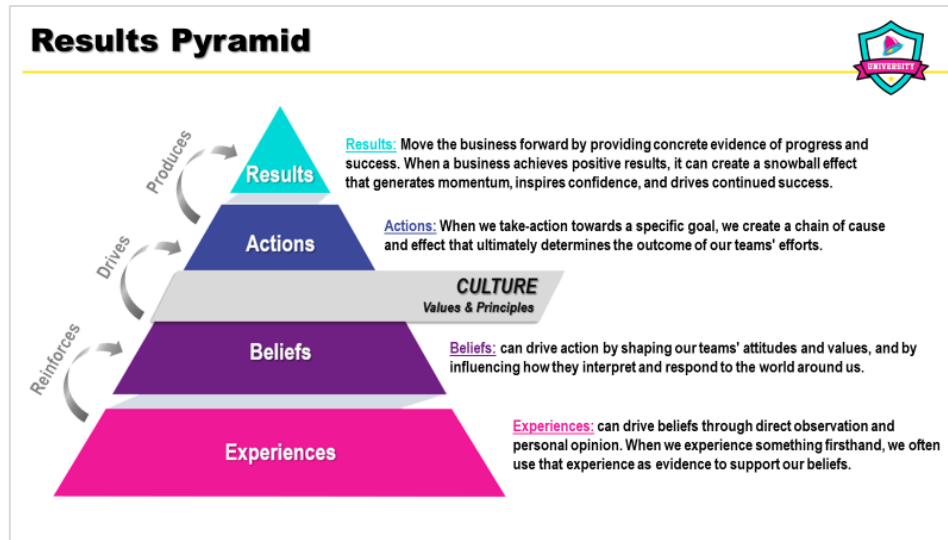
Results Pyramid:

Building culture in your restaurants leads to results and that all starts with the experiences that we create for ourselves, our customers, and especially our teams.

- **Experiences:** can drive beliefs through direct observation and personal opinion. When we experience something firsthand, we often use that experience as evidence to support our beliefs.

- **Beliefs:** can drive action by shaping our teams' attitudes and values, and by influencing how they interpret and respond to the world around us.

- **Actions:** When we take-action towards a specific goal, we create a chain of cause and effect that ultimately determines the outcome of our teams' efforts.

- **Results:** Move the business forward by providing concrete evidence of progress and success. When a business achieves positive results, it can create a snowball effect that generates momentum, inspires confidence, and drives continued success.

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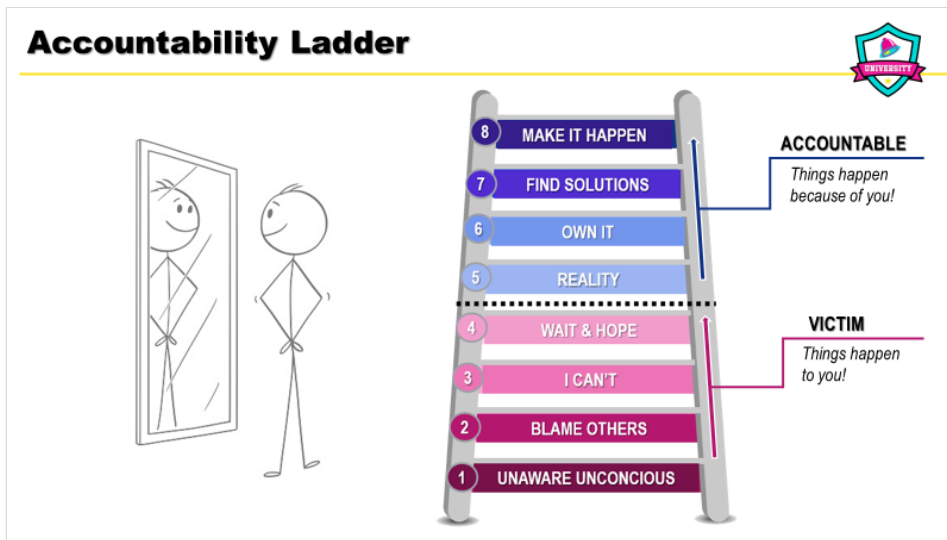
Accountability Ladder:

Accountability is accepting responsibility for one's actions. At work, that might look like owning a mistake and sharing it as a learning experience or setting a standard and holding your team accountable to uphold that standard.

• When we talk about the Accountability ladder, we often want to talk about accountability as it relates to holding others to account, but it's even more important to look at ourselves in the mirror.

• Where would you place yourself on the accountability ladder?

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Attitude of Authenticity:

Our overall purpose in conducting these training sessions is to Elevate your Leadership skills. This requires Authenticity. What do we mean by Authenticity? Authenticity means productively putting into words what you're experiencing on the inside, as you're experiencing it.

Lack of authenticity helps no one. In this case the individual with the idea is potentially wasting time on a bad idea. And the individual not being authentic may have to live with the outcome of a bad idea because he wasn't willing to say what he was experiencing on the inside. What could he have said that would have been authentic, but been productive enough to not hurt her feelings?

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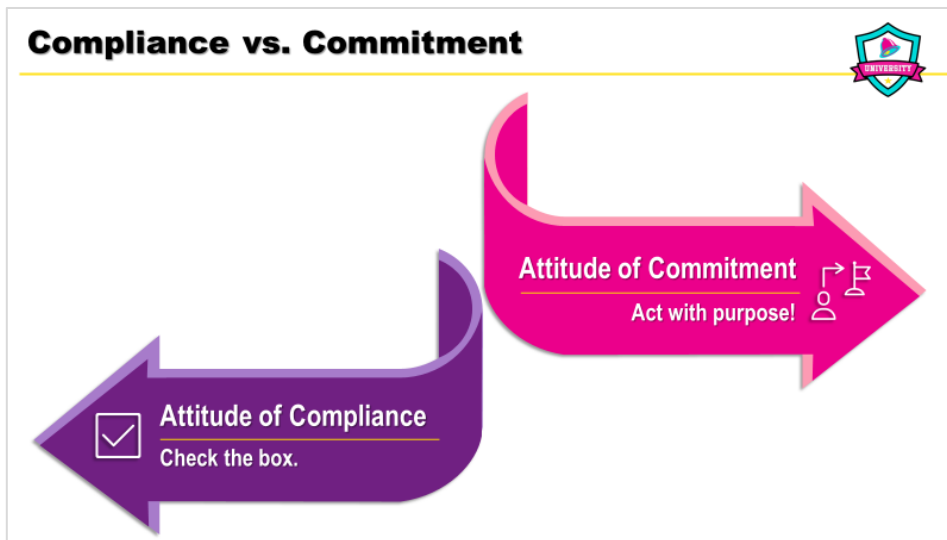
Compliance vs. Commitment:

- Attitude of Compliance – Have to because I was told to. Get it done so I don't get in trouble or doesn't hurt my metrics.

- Puts out fires

- Everything is important

- Waits to be told what to do

- Solutions are self-serving

- Get it done so they don't have to do it anymore

- Attitude of Commitment – Do it because it's the right thing to do, leads to the right kinds of behaviors, helps serve our customers, helps develop our people…etc. Do it for the why.

- Proactively prevents problems via success routines

- Focuses on what's most important

- Does the right thing without being told

- Solutions serve our customers

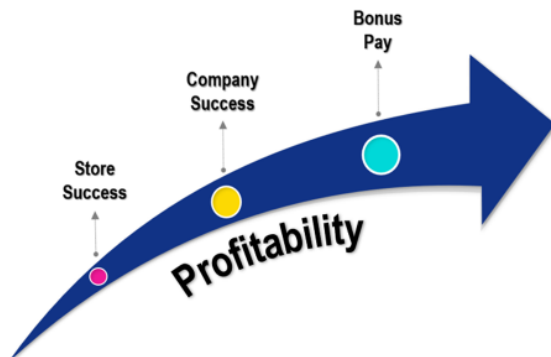- Get it done because they believe in it

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Principles of Profitability

Impact Factors

Profitability Overview

Bonus Pay

Company Success

Store Success

Profitability

5⭐ 4⭐ 3⭐ 2⭐ 1⭐	
Customer Feedback:	35% Weight
Speed of Service:	25% Weight
Certified Managers:	20% Weight
Core Operations:	20% Weight

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Profitability Measures & You:

What are the costs that impact our business?
- Food & Supply Costs
- Labor
- Rent & Utilities
- Maintenance
- Other Costs

How can we offset these cost during our daily operational standards?
- Managing Productivity of our Team
- Hiring Fit over Need
- Product Loss, Supply & Inventory
- Effective Time Management & People Power Planning
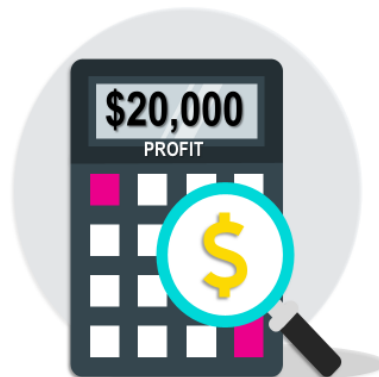
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The Bank of Our Business

More Money to the Bottom Line = More Profits – For Example…

$30,900 — $10,000 = $20,000

COMING IN   **GOING OUT**   **PROFIT**

Profitability Impact Examples

New Popular, Seasonal Menu Item/LTO has Increased Overall Sales

Refrigerator Failed – Need New & All Food must be Wasted

New Kiosk Has Helped to Increase Sales

Hourly Workers Get a $1 Raise

Price of Produce Increased by 5%

Price of All Menu Items Increases by 3%

MONEY COMING IN   **MONEY GOING OUT**

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Profitability & Leadership:

1. Growth of the Business: Profitability is a fundamental aspect of ensuring the long-term viability and growth of a business.

2. Creates Value: Profitable businesses can provide better pay, invest in team member development, and can keep delivering high-quality customer experiences.

3. Risk Management: Profitability provides a cushion for unforeseen challenges, economic downturns, or industry disruptions.

4. Leadership Effectiveness: Leaders are responsible for setting financial goals, driving operational efficiencies, and maximizing profits. Effective leaders align their teams' efforts with profitability objectives, fostering a culture of accountability and results-oriented performance.
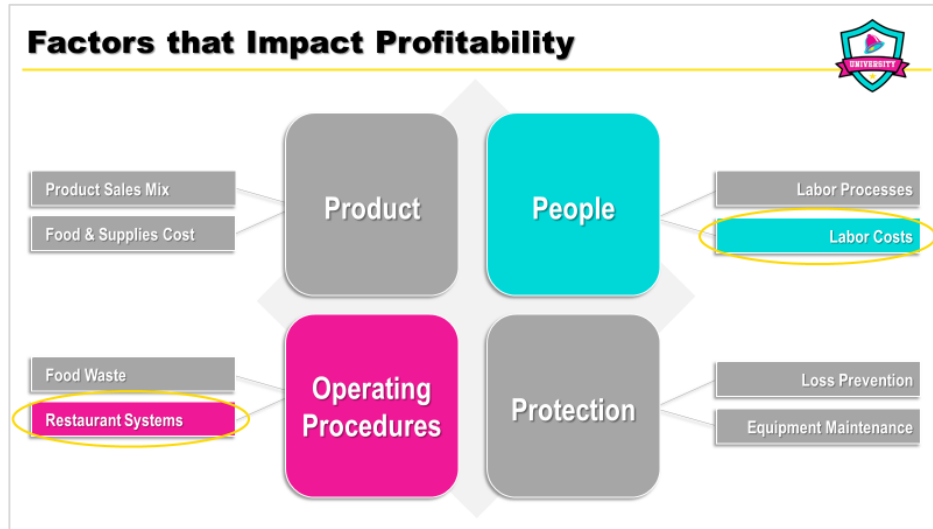
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Impact Factors!

Let's Discuss & Practice

Factors that Impact Profitability

Product Sales Mix
Food & Supplies Cost

Product

People

Labor Processes
Labor Costs

Food Waste
Restaurant Systems

Operating Procedures

Protection

Loss Prevention
Equipment Maintenance

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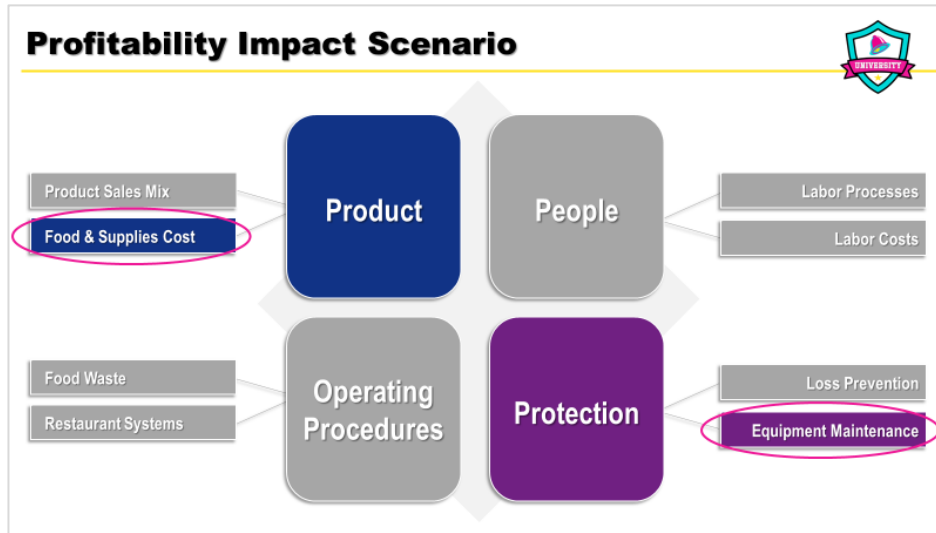_____
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Factors that Impact Profitability:

How does the failure to run labor reporting and lack of focus on managing shift levels during the shift affect profitability? By not properly monitoring or managing labor based on sales volume will result in higher labor costs.
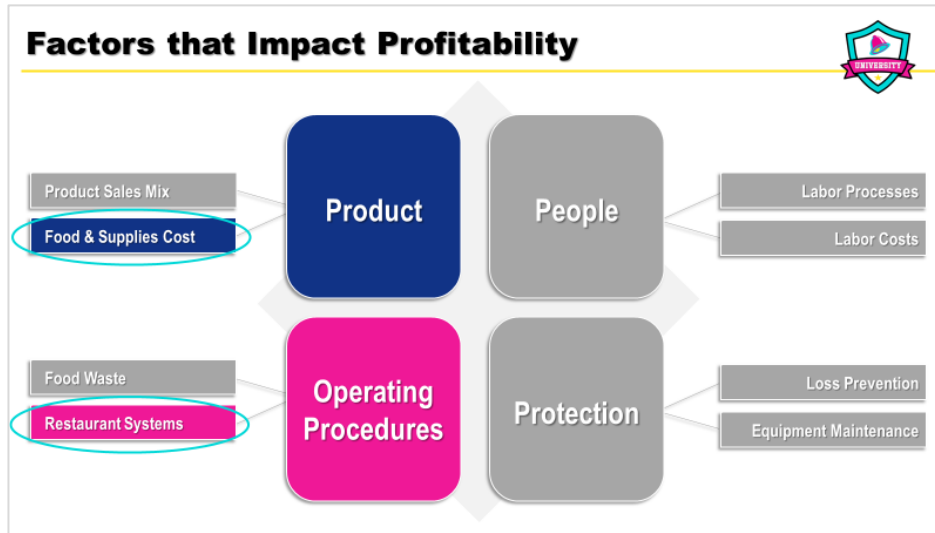
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Profitability Impact Scenario

Factors that Impact Profitability:

If we fall behind on our maintenance of our coolers, freezers or walk-in, what might happen? Food waste goes up! More waste = higher cost of supplies.

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Factors that Impact Profitability:

If we fail to accurately adhere to our prep or inventory procedures, how will that effect food & supplies cost ? Our cost goes up! This leads to a negative impact on profitability. (COST UP leads to PROFIT DOWN)

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Let's Practice:

- Seven team members are working a shift, and each needs a 30 min break.

- How many labor dollars does that equal if your average wage is $17.

- Let's say you gave seven breaks this shift, how many labor dollars were saved for team member breaks?

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Scenario #2:

Six team members are working a shift, each team member is scheduled to work six hours each.

How many labor dollars total does that equal if your average wage is $17 per hour?

Let's Practice:

- Six team members are working a shift, each is scheduled to work six hours each.

- How many labor dollars total does that equal if your average wage is $17 per hour?

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Product
Food & Supplies and PMIX

Ensuring Product Quality

Shift Lead's Role

Coaching the team on prep, ingredient quality & making food

Team Member's Role

Prepping & Making Food Items

Product Sales Mix
Food & Supplies Cost

Product

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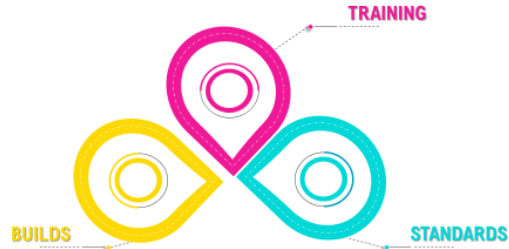
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Coaching Team Members

Coach on great product quality by making corrections, providing suggestions and giving recognition. *These are the tools to help coach your teams:*

TRAINING

BUILDS

STANDARDS

Product Sales Mix
Food & Supplies Cost
Product

Food & Supplies Cost

INVENTORY LEVELS

MINIMIZING WASTE

PRODUCT BUILDS

TRAINING & COMMUNICATION

STAFFING & TRAINING

Product Sales Mix
Food & Supplies Cost
Product

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People
Labor Costs & Processes

Labor Cost Discussion

Total Restaurant Sales:		$40,000
Total Labor:	$	% of Total Sales
Team Member Wages:	$3,400	8.5%
Shift Lead Wages:	$2,520	6.3%
RGM Salary:	$2,000	5.0%
Total Labor Cost:	$7,920 or 19.8%	

People — Labor Processes / Labor Costs

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Labor Targets:

Labor targets serve as a benchmark or goal for businesses to manage and control their labor costs effectively. The purpose of setting labor targets is to achieve optimal productivity and profitability by:

- Ensuring that the right amount of labor is available to meet customer demand and maintain service levels.
- Controlling labor costs and preventing overstaffing or understaffing situations.
- Maximizing efficiency and minimizing waste by aligning labor resources with operational requirements.
- Providing a basis for performance measurement and evaluation of labor productivity.

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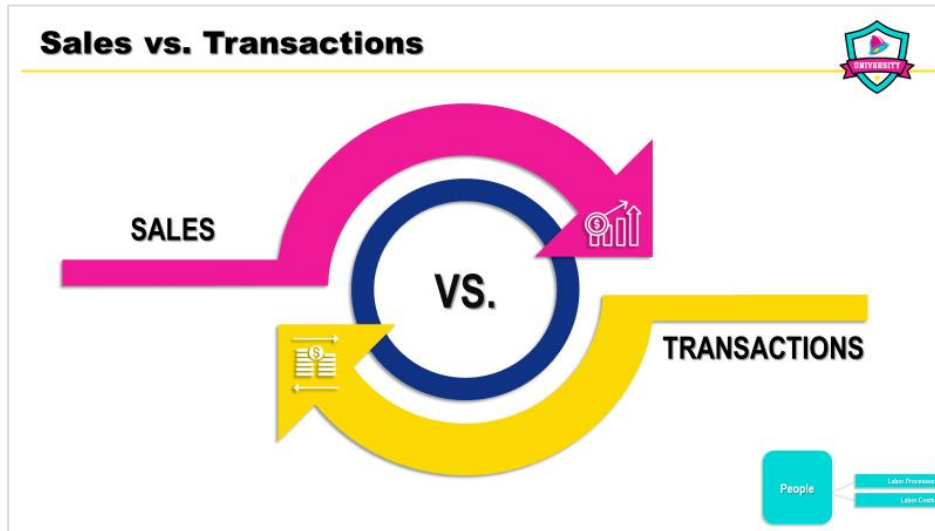
Sales versus Transactions:

- Sales and transactions are related but different. The key differences are as follows:
- Sales typically refer to the monetary value of products sold over a specific period. It represents the revenue generated from customer purchases. Sales figures are often reported on income statements and are a key performance indicator for assessing the financial health and growth of a company.
- Transactions represent individual customer interactions. Transactions provide a more specific view of the operational activity within a business. The number of transactions can help understand customer demand, operational efficiency, and staffing levels needed.
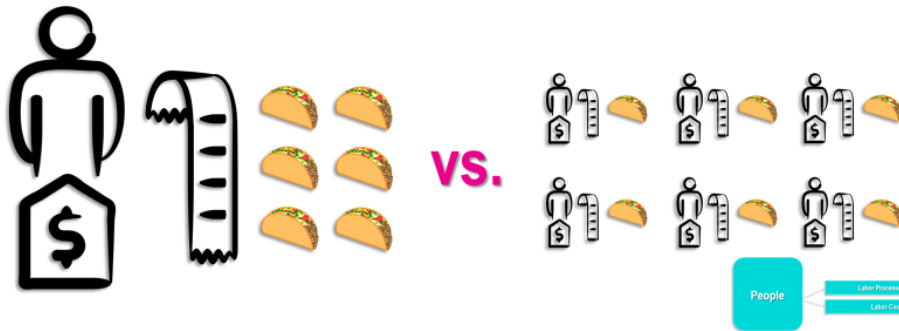
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Sales vs. Transactions

SALES = Total amount of money you ring in at the registers

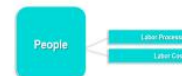**TRANSACTIONS** = Number of times a cash register rings up a sale

VS.

People | Labor Processes
| Labor Costs

Labor Target: Sales

Does it take more labor to make the same taco?

Taco price for customer in 2022 $2.09

Taco price for customer in 2023 $2.19

People | Labor Processes
| Labor Costs

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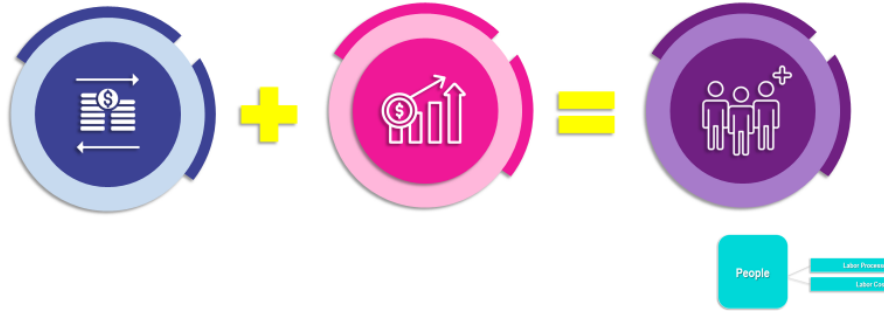_____

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Sales Volume

More transactions mean more sales: When there are more transactions this leads to higher sales volume. More transactions leads higher staffing levels.

Impact of Transactions on Labor Dollars

Here's how transactions influence labor percentages.

Monitoring transaction data with labor costs can help your business maximize staffing levels and improve profitability.

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Closing Thoughts
Trivia Time & Homework

Profitability Recap

- Product Sales Mix
- Food & Supplies Cost

Product

People

- Labor Processes
- Labor Costs

- Food Waste
- Restaurant Systems

Operating Procedures

Protection

- Loss Prevention
- Equipment Maintenance

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