10 STEPS to Make the Most of Your Restaurant’s Seasonality

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Like with most industries, restaurants see occasional peaks and lulls throughout the year. Depending on the season, your restaurant might need to hire extra staff, invest in menu changes or get financing to cover a revenue decline. For example, the summer holidays usually see increases in diners, while the winter holidays are more quiet as families opt to cook at home. No matter where you are in your year, these tips can guide you to meet each season with strategies to thrive.

$799\,\text{Billion}$

Total annual sales in the restaurant industry

48%

Enjoy using food delivery services

5% $\uparrow$

Increase in total sales in 2016

78%

Find restaurants based on recommendations from friends.
10 STEPS to Make the Most of Your Restaurant’s Seasonality

PREPARING FOR THE SEASON: TRAINING AND MARKETING

1. Find and train candidates early
   Secure staff ahead of your busy season and invest in training to smooth transitional periods and reduce hiccups.

2. Create a marketing cadence
   Your marketing strategy should cater to the seasons so you can see more guests dining at your restaurant.

MAKING THE MOST OF YOUR HIGH SEASON

3. Create blended teams
   Pair experienced workers with new workers to get questions answered quickly and reduce pressure on management.

4. Emphasize key financials
   While it’s important to focus on guests, inventory and equipment, your financials must be your biggest priority. Operating costs need to be paid to keep your restaurant running.

5. Leverage technology to optimize the customer experience
   Both diners and restaurateurs agree that technology improves the dining experience and table turns.

6. Keep your eyes on the prize
   Remember why your guests are there: to eat. Focus on high quality, safely made food for your patrons.

READYING FOR CHANGE AND SUCCEEDING IN THE OFF-SEASON

7. Help your staff wear multiple hats
   Collaborate with your team for them to take on additional duties relevant to each season.

8. Embrace credit lines
   Borrowing money can be daunting, but it doesn’t have to be. With the right lender, you’ll be able to get the funding you need, whenever you need it.

9. Engage with your regulars
   Your local patrons keep you in business. Make sure to acknowledge and reward them for dining in your restaurant.

10. Celebrate now to help recruiting later
    Show your staff your appreciation for their hard work in helping you get through the busy seasons.
Find and Train Candidates Early

Shifts in demand for extra staff means your restaurant should be looking for new employees roughly three to four months before the start of your busiest season. While, this might seem early, the extra time will allow you to better train your new hires and see if they can handle the high flux of traffic and fit in with your businesses. It’s important to train your entire staff at the same time, across multiple sessions, to save time and money on training costs.

There are many ways to source candidates, including local ads, newspapers, job boards or even word of mouth. Toast offers a Restaurant Hiring Kit including a job posting template, interview questionnaire and offer letter template for those who might want more help with conducting the search.

In the summer of 2017, there were 490K seasonal restaurant jobs.

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You should also consider the cost - of time and money - it takes to hire new employees, especially if they leave your business quickly. Did you know that the average cost per hire in the hospitality industry comes in at just over $1,000? By measuring your employee turnover rate, you’ll see just how much it costs you to refill positions and understand where investments in training and employee retention can save you dollars.

EMPLOYEE TURNOVER RATE

The costs to advertise for positions and train new employees should not be disregarded. Calculate your restaurant’s employee turnover rate to know where you stand to see where investments in training and employee retention can save you dollars. Calculate your Employee Turnover Rate in three steps:

STEP ONE
(Starting Number of Employees + Ending Number of Employees) / 2
= Average Number of Employees

STEP TWO
Lost Employees / Average Number of Employees
= Employee Turnover

STEP THREE
Employee Turnover x 100
= Employee Turnover Rate

Putting the example to life, let’s say you want to calculate your turnover rate per month. At the beginning of September, you had 30 employees, but by the end of September, you’re down to 25. Your employee turnover rate would be 0.18, or 18%. Here’s why:

STEP ONE
(30 + 25) / 2 = 27.5

STEP TWO
5 / 27.5 = .18

STEP THREE
.18 x 100 = 18%

1 Source: Restaurant Business News
41% of hiring managers estimate the cost of a bad hire to be in the thousands.

There are 13.1 million restaurant employees in the US; 980K restaurants employ 1-in-10 Americans.

The average cost per new hire is a little more than $1,000.

Per $8/hour employee, turnover costs are $9,445.

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Create a Marketing Cadence

Social media is a great place to ramp up your high-season marketing strategy.

On Instagram, you can post enticing photos of your seasonal menu items and encourage customers to tag you in their posts.

Through Facebook, potential customers can view your hours, location and reviews while posting about their experiences to encourage more guests to dine in your restaurant.

Twitter can help you engage in conversations with local consumers, including changes they’d like to see.

Pinterest offers boards to show consumers inspiration for future menus.

LinkedIn can show potential employees your job opportunities.

Each social channel offers a different audience for you to reach, whether organically or through paid posts. You can also run contests to encourage trial, repeat and engagement, which can sometimes be overlooked from an organic standpoint. Contests or giveaways can expand your user reach with little financial investment. Prizes can be as simple as gift cards to discounts to fully paid meals. Ask your followers to like, share, comment and/or repost/retweet/regram/repin to enter to win. Once they share the posts, you’ll gain more exposure to their followers, who might not be following you.

15% find restaurants through online articles

13% through apps like Yelp or OpenTable

92% of consumers read online reviews

43% of consumers feel it’s very important for restaurants to offer new, seasonal items
Create Blended Teams

Blending seasoned and newer team members will help newcomers get in the groove of things even faster. Even if you’ve trained them efficiently and effectively, there are bound to be some bumps in the road as new hires start. Mix newcomers and veteran employees in the same shifts to ensure if something goes amiss, the problem can be solved quickly.

Veteran employees can also teach newcomers their own tricks for running the house more smoothly. For example, if a new hostess forgets to evenly distribute customers to certain sections, a veteran employee can help remind her to do so. For each position, make a list of what needs to be done and hand it out to the staff member in charge that day.

To ensure all tasks are accomplished, create checklists for each position. Simply make a list of what needs to be done and hand it out to the staff member in charge that day. For example, a managing opening checklist, could include:

Example Checklist

- Survey building for trash, debris, glass, etc.
- Check coolers to ensure they’re in working order.
- Check air conditioning and heating.
- Check reservation book for any large parties or functions.
- Check register and run a cash-out report to ensure daily readings are set at zero.
- Check register tape in kitchen, bar, and check printers.
- Check that all lights are functioning.
- Check all tables and chairs are in proper place.
- Check in with chef on duty.
- Check with staff to ensure all equipment is working.
- Check to see if morning shift workers are clocked in.

THE SCOOP

46% of restaurateurs say retaining staff is their #1 challenge¹

17% of time is spent managing poor employees²

2016 saw a 3.5% increase in hiring in the first half of the year³

28,000 employees working part-time for both November and December 2016⁴
Emphasize Key Financials

The busy season spreads your focus in various areas from serving more customers to driving more revenue. However, it’s important to remember to keep your financials at the forefront of your focus and efforts. After all, you have to pay your vendors, taxes, utilities and other operational costs to keep your restaurant going.

Let’s face it: Sometimes businesses need extra capital, especially during seasonal highs and lows. This is where small business loans can help. Unlike some financing sources, lines of credit help you make smaller purchases with shorter term limits. Lines of credit can range from six months to two years, whereas large, traditional loans can span for decades. No matter what your goals are, you should ensure your financials are front and center of your focus and that they’re in a healthy place.

**Equipment Loans**
- Replace existing equipment
- Repair damaged equipment
- Purchase new equipment
- Lease equipment

**Restaurant Loans**
- Purchase or repair major appliances
- Stock up on inventory
- Remodel your space

**Lines of Credit**
- Smooth cash flow fluctuations
- Hire seasonal workers
- Cover operating expenses during seasonal lulls
- Meet short-term needs
- Invest in marketing
- Train new staff
- Redesigning menus

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**THE SCOOP**

Likelihood of selling to existing customers is 50% higher than selling to a new one.

Acquiring a new customer is 6 to 7 times more expensive than keeping an existing one.

61% decline in traffic during the winter holidays.

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Technology that serves your customers should be the heart of your small business. You might wonder how technology can support your restaurant beyond just your POS system, technology increases the speed of your table turns while also capturing the attention of online consumers (GrubHub, UberEats, Delivery.com, etc.).

A customer-relationship management (CRM) system can collect data to measure your performance indicators, which can affect your financials. With a CRM system, you can more easily identify customer information for insights into marketing and promotional campaigns. If you haven’t updated your restaurant’s technological equipment, consider doing so and soon.

95% of diners and restaurateurs say technology improves a restaurant’s efficiency

81% of diners say they’ve ordered online from a restaurant in the last year

79% of diners say technology improves their guest experience

37% of restaurant owners say technology is an important source for customer ordering
Keep Your Eyes on the Prize

While it’s important to focus on expanding your restaurant through marketing, technological updates or staff hires, you must remember to focus on why customers are there in the first place: your food.

Healthier options have been, and will continue, to trend. Three out of four Americans say they’re more likely to pick a restaurant that offers healthy entrees. Looking into the future, local sourcing, fresh produce and authentic items (for example, a Greek restaurant being run by a Greek person) will continue to trend until 2020.

Trending Healthy Items

- Jackfruit
- Cauliflower rice
- Bean pasta
- Fermented foods
- Power bowls
- Purple foods
- Vegetable chips
- Seaweed
- Sugar alternatives
- Vegan food
- Grain bowls

The Scoop

Surveys show the most important dining experience is delicious food at 60%.

72% of consumers say food that provides flavors they can’t make at home.

Bad reviews have twice the amount of reach as good reviews.

70% of Americans say they’re more likely to visit a restaurant that offers locally sourced food.

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Help Your Staff Wear Multiple Hats

While the new hires are breaking in, give your seasoned workers more responsibilities. Find out their talents and interests and have them help with small maintenance projects, run the hostess stand or even manage the books. To successfully have staff perform various tasks, ensure the goals are clearly communicated, develop an accountability system and structure your restaurant to meet its demands.

Your staff helping with various tasks can ease your workload and can offer you new perspectives. It can also show if certain employees might be better in different roles or grow their careers in their roles. Collaborate with your team to see what task they might thrive in.

Skill Checklist

To ensure employees can handle extra responsibilities, make sure they:

✓ Have mastered their current position.
✓ Aren’t afraid to take initiative.
✓ Are accountable.
✓ Lift up others.
✓ Have a healthy work/life balance.

75% of employers rate teamwork and collaboration as very important

39% of employees feel there is not enough collaboration

51% of the workforce isn’t engaged

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Embrace Credit Lines

People sometimes shy away from borrowing money because they worry about high interest rates, payment periods or even defaulting on the loans. However, you shouldn’t let hesitation stop you from starting a partnership with a lender who wants to see you succeed.

Most banks don’t offer short-term loans for small businesses. They typically lend out larger amounts of funds (six-figures) and repayment begins almost immediately. However, lines of credit can fill smaller cash-flow needs (e.g., inventory purchases, equipment leases, etc.). The biggest benefit of a line of credit is that interest rates are only charged on what you borrow, not your credit limit. You also don’t have to start making payments until you take out the funds. So, if you’re approved and don’t need the funds right away, you’re covered.

For example, let’s say you’re approved to take out $20,000, but you only take out $2,000. You’re paying back the $2,000 plus interest on the $2,000. You also want to wait until your peak season to take out the funds. That means you don’t have to pay anything back until that peak season.

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**THE SCOOP**

**Full-service restaurants**

Percentage of revenue spent on:
- 33% Salaries
- 32% Food and drink
- 6% Restaurant occupancy costs
- 29% Other expenses

**Limited-service restaurants**

Percentage of revenue spent on:
- 29% Salaries
- 32% Food and drink
- 8% Restaurant occupancy costs
- 31% Other expenses

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Engage with Your Regulars

Tourists can be great for your restaurant, but it’s local patrons who will keep you in business. While you should market to tourists, your larger focus needs to be on your local customers. Engagement can be as simple as making emotional connections with your customers. Remember their names and, if you can, their birthdays. You can also hold contests on social media. By sharing photos of their meals and using a certain hashtag, customers can be eligible for a free meal (or two!).

Loyal customers are worth 10x as much as their first purchase over their lifetime of doing business with you

Another great way to keep your neighbors dining at your restaurant is to create a loyalty program, change menus seasonally and to offer items that are dietary-restriction friendly. As a small business owner, it’s also important to give back to your local community. This can be done by organizing or participating in local events, providing gift certificates to local honor students or locally sourcing produce to support your local economy.

THE SCOOP

It can cost up to 10x as much trying to attain new diners vs focusing on existing ones

26% of Americans plan to give restaurant gift cards as holiday gifts

59% of Americans say they’d like to receive a restaurant gift card as a stocking gift

87% of consumers want loyalty programs

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Celebrate Now to Help Recruiting Later

When things calm down, you’ll want to take it easy and relax. However, make sure you show appreciation for your staff for helping you get through the season. Throw a staff-only party or seasonal potluck. You can also plan a company outing to a brewery or bowling alley. If you have enough revenue, you could also get them small gifts, thanking them for their hard work. Your staff will appreciate that their hard work was recognized and will be more productive.

Restaurant turnover rate is a whopping 73 percent, with the average costs of an employee turnover being around $6,000. To avoid this high percentage, invest in your restaurant’s culture. You want your employees to enjoy working at your restaurant because they’ll be more productive and efficient. They’ll also tell others how much they like working with you and what exactly they like about it, which is great word-of-mouth marketing for future hires. Not sure where to start? Here are three employee appreciation ideas per season.

**Summer**
- Fourth of July outing
- Flexible vacation hours
- Sundae bar

**Fall**
- Bring in baked goods for staff
- Thanksgiving potluck
- Run next year’s projections to research benefits options

**Winter**
- End-of-year bonuses
- Holiday party
- Ice-rink outing

**Spring**
- Staff outing to city gardens
- Spring fever party
- Friendly competitions for each section (winner gets gift cards at end of week)

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58% of workers want more recognition

69% of employees would work harder if they were more appreciated

41% of businesses that offer peer-to-peer recognition see increases in customer satisfaction

31% lower turnover for businesses that improve employee engagement

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It’s also important to remember that you should also take care of yourself. Studies show that taking time off is linked to increased happiness. Those who take vacation show their overall mood and outlook at being 94 percent positive compared to those who don’t plan vacations, whose overall mood and outlook reaches 89 percent.

It can be daunting to leave your small businesses in the hands of someone else, but unplugging and unwinding – even for a day or two – can help you relieve stress and better manage your business.

Conclusion

It’s important to take as much advantage of your busy season(s) as you can while keeping an eye on your seasonal lulls. By planning ahead, you can realize extra revenue when foot traffic increases and minimize expenses when it slows.

Kabbage is here to provide extra support to ensure you’re reaching your potential. Kabbage provides small business lines of credit of up to $150,000 that can help you more adequately cover hiring extra staff, operating expenses, cash flow lulls and more. With Kabbage, you’ll have the partnership you need, when you need it.

www.kabbage.com
Introduction


1. Find And Train Candidates Early


2. Create a Marketing Cadence

2. https://www.vendasta.com/blog/50-stats-you-need-to-know-about-online-reviews

3. Create Blended Teams

2. https://www.shrm.org/ResourcesAndTools/hr-topics/talent-acquisition/Pages/Morale-Productivity-Bad-Hires.aspx

4. Emphasize Key Financials


5. Leverage Technology to Optimize the Customer Experience


6. Keep Your Eyes on the Prize


7. Help Your Staff Wear Multiple Hats


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1. https://www.kabbage.com/blog/why-your-business-should-have-a-loyalty-program

10. Celebrate Now to Help Recruiting Later


11. Don’t Forget to Take Care of Yourself
