



WHAT LABOR SHORTAGE?

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IN REVENUE AND COST-SAVINGS—
EVEN WHEN THE LABOR POOL IS SHALLOW.

 HungerRushTM360



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Recently, increased demand for off-prem service—and the necessary rapid adoption of new technology to meet that demand—are fueling restaurant-industry-wide workforce and operational headaches.

It's true that, even in the best of times, labor shortages and other labor challenges are a part of being in the restaurant business. Yet, armed with information you'll find in this eBook, your restaurant operation can mitigate even the shallowest of labor pools so you can reduce costs, drive revenue, and grow your business. You'll explore technologies that are already helping restaurants across the country add efficiency without sacrificing guest experiences.

Today's labor market

Open a web browser or turn on the news, and you're sure to hear something about labor issues almost immediately. There's a big labor shortage now, but they have happened before and will happen again. But this doesn't mean you have to slow down, today or in the future. There are powerful ways to balance lean staffing with smart technology, data, and savvy—these are tools you can leverage for more efficient operation and sustainable growth—no matter the labor market.

Even in “ordinary” times, your staff is stretched thinner than a New York-style crust—from taking customer orders, bussing and cleaning, to covering a shift for someone else. And, sometimes people just leave. You’re understaffed right now and you know you’ll need to spend time and resources to [train replacements](#). Surely, there’s got to be a better way?

This eBook will show you how to reduce wait times for in-store diners, how AI can make ordering easier, and you’ll learn why additional automation will pay off in the long run. You’ll read about five different technologies that pizza restaurant chains can use to reduce their labor by **20%**. We calculated our upcoming percent-saved estimates using a blend of customer feedback and in-house experience; remember, your mileage may vary.

First, let’s start off with a look at where restaurant labor is the least efficient.



Identifying labor inefficiency

There isn’t a single source of labor inefficiency. A dine-in establishment can have different issues than that of a delivery chain. And those that do both can compound a variety of faults. Take a hard look at your processes and find the cracks. Then, you can begin to fill them.

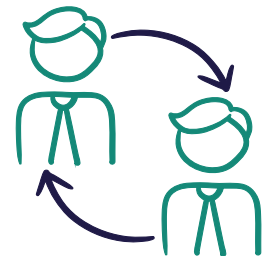
Some common areas where productivity can break down include:



- **Interrupting tasks to answer the phone.** This can also include order errors due to restaurant noise as well as wait times causing potential customers to hang up.



- **Multiple high-priority tasks.** It can be challenging for someone to juggle taking orders, cleaning tables, refilling condiments, and so forth.



- **High turnover.** Just like a pizza crust, when stretched too thin, it breaks. When employees leave, the never-ending hiring cycle starts all over again—and training costs add up.

Let customers order independently

Estimated Savings: 4%

Earlier we mentioned wait times and interruptions leading to order errors. One way to help eliminate this problem is to give dine-in customers the power to place their own orders. By doing so, you can reallocate limited staff to more essential tasks. Plus, customers are likely to get their own order correct!

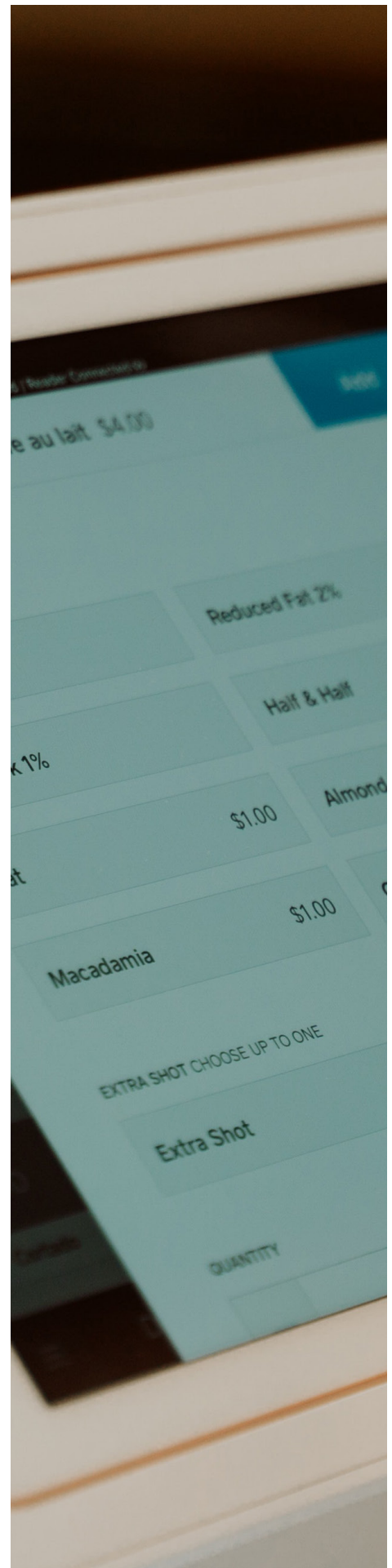
When done right, allowing customers to place their own orders can lead to a more positive overall guest experience while minimizing labor needs in this area. The top two ways restaurants can increase customer autonomy while reducing the labor burden include:



- **Self-ordering kiosks.** It's easy to upsell promotions, display deals, and show daily specials without having to remind your staff to tell each customer. This labor-saver redirects your team's energies to providing a high-quality dining experience for your customers.



- **Digital QR menus.** Digital menus aren't just more sanitary than their physical cousins, they can also relieve you of the pain of printing new menus every time you add a new kind of topping or sauce. By scanning a QR code, your customers are directed to a website that can be easily updated as often as needed. On the website, you can feature your menu as well as contactless ordering and payment options.



Not sure how to accomplish all that plus online, mobile, and text ordering? How about in-cart promotions that increase order size and encourage repeat business? The HungerRush [digital ordering](#) system unifies the admin behind integrating QR menus and all orders, no matter the source, in one easy-to-manage package.

Next, we break down some other ways you can give your customers autonomy and options when placing their food and drink orders.

Text Ordering **Estimated Savings: 2%**

Humans taking orders over the phone is costly, with some restaurants estimating they spend around \$2,000 per month¹ by taking away attention to dine-in customers, dropped calls due to wait times, ordering errors, and so forth. With such tight margins, you want a better way for your customers to order their meals.

Enter text ordering. The technology for text ordering has improved considerably, evolving well past the clunky chatbots of yesteryear. Today's text orders are powered by smart AIs, which are capable of learning. Through Natural Language Processing, they understand ordinary language—making it simpler for customers to place an order without having to download and navigate an app.



Text ordering meets customers where they are—on their phones. Today's AI-powered technology makes it easy to gather customer preference information as well as stay in sync with your customer database to send out personalized experiences and marketing opportunities based on individual customer data.

What's more, today's text-ordering AI technology integrates into your restaurant management system seamlessly—addresses and contact information, payment information, deals, coupons, the whole nine yards.

¹Phone Order Automation: A Profit Growth Strategy For Restaurants. (2018, October 9). Voix.ai.
<https://medium.com/@voixai/phone-order-automation-a-profit-growth-strategy-for-restaurants-6165ccba2aae>

If you're a multi-unit restaurant owner, you'll no longer need to juggle multiple systems to review monthly sales data. You and your staff will appreciate not having to take someone off the line to answer the phone and take orders in the middle of a rush. And your customers will appreciate not having to use a third-party app that costs them a bunch of surcharges.

Help customers skip the line

Estimated Savings: 2%

Take orders faster and more efficiently with line-busting tablets. With a handheld tablet to order, your customers get a better experience by choosing their food and drinks and even paying for them while they're still in line. Lines will move more quickly, preventing customers from being deterred by a long line. Even a single employee helping people order while they're in line is more efficient than traveling back and forth from counter to table—turning them into a one-person front-of-house. Plus, the orders are delivered directly to the kitchen and the data integrates with your systems.

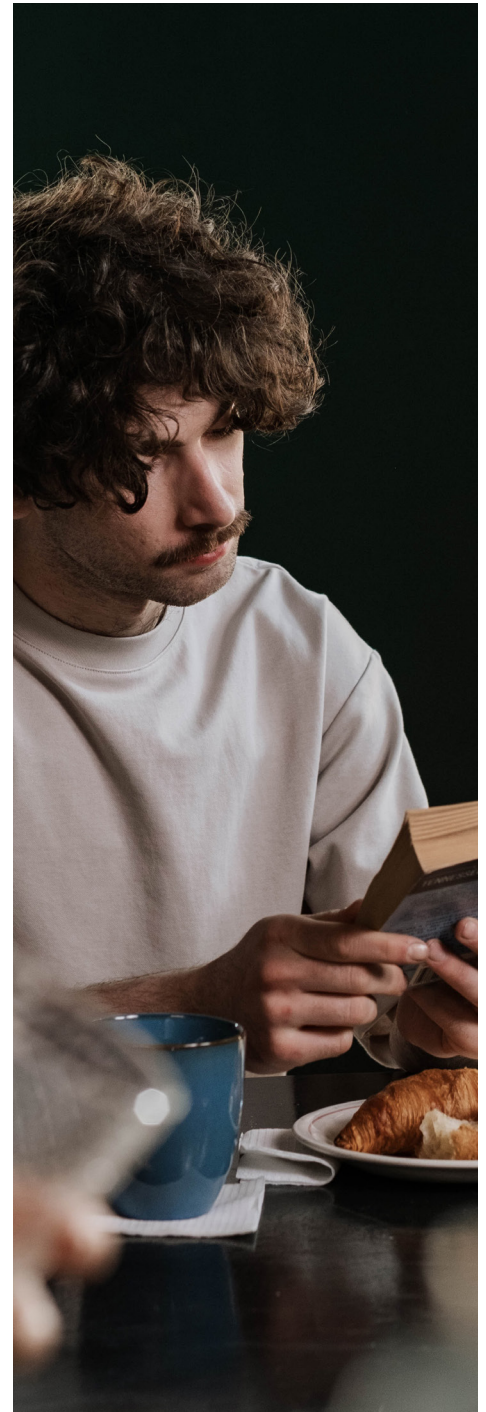
Minimize or eliminate front of house staff

Estimated Savings: 4%

More and more restaurants are becoming delivery-only operations, also popularly known as ghost kitchens, virtual kitchens, or dark kitchens. This model became extremely popular during the early months of the pandemic, becoming a lifeline for many restaurants when most people were unwilling to take the risk of dining out. We don't know what the post-pandemic restaurant industry will look like, but it seems ghost kitchens are here to stay.

The popularity of delivery-only restaurants exploded last year; in fact, Uber reported more than 10,000 restaurants that used its platform in 2020, a 233 percent increase from the 3,000 or so in 2019². But it's not just the pandemic and the lingering workforce shortage that's made the idea so popular.

Many restaurants have one or more physical locations for dine-in or takeout, but the ghost kitchen is used only for producing delivery meals. Doing so means you can run leaner teams without sacrificing your staff's sanity or guest experience since there are no dine-in options.



²Durben. D. (2021, February 17). Delivery-only restaurant brands see pandemic-fueled growth. AP News. <https://apnews.com/article/coronavirus-pandemic-restaurants-79f4410c93bbee8ef681c217d7b60f97>

A dark kitchen saves on the costs of a brick-and-mortar establishment through:

- **Lower real estate and utility costs.** You don't need to pay for a large seating area for a ghost restaurant, meaning you'll pay less for utilities for a smaller space.
- **Lower overhead costs.** Some virtual restaurants rent a kitchen area in a shared space; it's less expensive to pay for a portion of a kitchen than to finance and maintain an entire brick-and-mortar restaurant.
- **No dining room costs.** There's no need for furnishings, decor, and so forth when there's no seating area.
- **No front-of-house staff costs.** Delivery-only businesses don't need hosts and servers.
- **Reduced staff costs.** A ghost kitchen is a great way to get maximum return from a skeleton staff.
- **Increased sales from off-premise customers.** This equals growth since hiring costs will be reduced and you aren't limited by the number of customers you physically seat at a table.
- **Automation.** You can automate everything from pickup to delivery; you only need one person to hand off the orders.

Dark kitchens also give restaurants the opportunity to try a new concept under a different name using the same kitchen. This gives you the flexibility to adapt to changing market trends and customer demand. You can quickly update everything from menus to branding across all platforms, so you can try a variety of options to discover how best to serve your customers.



Look toward the future with a robotic kitchen

Estimated Savings: 8%

Maybe your brand is focused on tradition and handmade craftsmanship. And if so, that's fantastic! But, if efficiency and long-term labor savings are more your style, then you might consider adding robots to your kitchen. The labor savings are huge, but the initial costs are as well. However, you might gain some new customers just from the novelty of it all.

There are a few notable leaders in the kitchen robot world right now:



- **Miso Robotics**' flag-ship product Flippy is an AI-powered, end-to-end cooking solution. Its earliest iterations just flipped burgers, but the latest versions can cook 19 items including fried foods as well. Other product offerings include automatic beverage dispensing and smart vision technology for the grill.
- **Picnic Pizza** is a customizable, fully automated system of pizza modules. The equipment precisely dispenses a variety of sauces and toppings to create hundreds of pizzas per hour. Automation helps reduce waste and increases safety and cleanliness.
- **Bear Robotics**' Servi and Servi Mini are autonomous food service robots that deliver customer orders to the table. Kitchen staff place food on Servi's surface and it self-drives dishes to the table. Servi Mini works well for bar beverages and can also be used for bussing. Swappable trays and tubs make them a versatile addition to busy restaurants.

To sum up

As painful as it might feel today, this isn't the first labor crunch, and it certainly won't be the last. Luckily, the tools you need to mitigate any potential disruption to your operation are right here. Simple-to-implement technologies can help you reduce costs and gain valuable insight into your customers and their preferences while setting your operation up for long-term growth and success.

HungerRush helps restaurants and chains of all sizes leverage advanced technology to understand their customers, run more efficient operations and drive more revenue so that they can set a path towards sustainable growth.

