Labor REPORT

Technologies to empower workforce satisfaction and productivity in hotels and restaurants

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Labor Predictions for 2010 & Beyond

If past performance offers any lesson, a typical pattern of economic recovery might look something like this: first the gross domestic product starts to stabilize, then real estate; next interest rates will pick themselves up off the floor; consumer confidence returns and the stock market benefits, and then, finally, at long last, jobs come back.

With jobs being one of first and often hardest hit areas, it's an unfortunate circumstance that unemployment is often the last piece to recover. According to recently released statistics, however, the hospitality industry has faired better overall than most industry segments. This is good news for an industry that's typically plagued by high turnover rates.

On the last business day of January 2010, the U.S. Bureau of Labor Statistics' (*www.bls.gov*) *Job Opening and Labor Turnover Survey* estimated that there were approximately 2.7 million job openings in the nation, and that the national job openings rate rose to 2.1%, which is the highest the rate has been since February 2009.

The leisure and hospitality industry specifically (which includes arts, entertainment, and recreation; and accommodation and food services) saw an increase in job openings in January 2010, clocking in at 252,000; up more than 7 percent from 235,000 openings one year prior.

Foodservice

The National Restaurant Association's (*www.restaurant.org*) 2010 Restaurant Industry Forecast identified that 2009 was only the second time in nearly a half a century that the restaurant industry experienced job losses. Yet despite the reductions in employment numbers, the industry still outperformed the national economy. With 12.7 million employees, it remains one of the nation's largest private sector employers. Furthermore, job projections for the year ahead appear to be promising, with the expectation that job growth will continue in 2010. And by 2020, the National Restaurant Association predicts that this industry can expect to employ 14 million people, an increase of 1.3 million jobs.

The Bureau of Labor Statistics' *Career Guide to Industries, 2010-11 Edition*[1], predicts that wages and salary jobs in foodservice and drinking places will increase by 8 percent between 2008 and 2018. With a workforce that is mostly composed of young, part-time employees, it is expected that a large number of job openings will be created as those workers find higher-paying jobs either inside or outside of the industry.

Lodging

The Bureau of Labor Statistics' *Career Guide to Industries, 2010-11 Edition* predicts that the hotels and other accommodations industry will grow by 5 percent from 2008 to 2018. The employment outlook varies by type of hotel and occupational function. For instance, growth of full-service, casino, and smaller luxury hotels that specialize in personal service will cause employment of lodging managers to grow slower than average. At the other end of the spectrum, employment of hotel, motel, and resort desk clerks is expected to grow faster than other job functions because the growing numbers of limited-service hotels still require desk clerks.

As in the foodservice industry, the need to replace a young, part-time workforce will result in the creation of job opportunities. To attract and retain workers, many in the hotel industry are placing greater emphasis on training and retaining their employees, making this a good industry for first-time job seekers and those with limited experience.

[1] *Projections are based on analysis of long-term structural changes to the economy, not short-term business cycle fluctuations. Because the economy is expected to trend out of the recession and return to full employment over the 10-year projections period, the current projections indicate faster growth rates and more numerous openings than might have been expected in several industries had employment not fallen in 2008, as the economy recovers from the current downturn.* ■

Scheduling, Forecasting Made Easy

Restaurants & hotels tap automated forecasting, reporting and scheduling tools to ease labor management

Labor management is quite arguably one of the most important, and challenging, areas for hospitality managers to oversee. When unsuccessfully managed, lodging and food-service companies are faced with the possibility of sustaining not only revenue losses, but the wrath of irritated customers and staff. Fortunately, solutions that move the once-manual tasks of labor forecasting, reporting, scheduling and more into the technological age may just be the remedy to hospitality's labor management headache.

Effective labor management can have a huge impact, says Sara Oliver, director of labor management for Fairmont Raffles Hotels International *(www.frhi.com)*. "If you manage with a pool of hours, what's to say that you are making sure you have the best guest service at the best time?"

Schedule creation science

To maintain its service standards, Fairmont Raffles Hotels' 25 properties are using Unifocus' *(www.unifocus.com)* Watson, R.M. Labor Management System, which features modules for reporting, forecasting and more. "A good labor plan is absolutely dependent upon good forecasting," says Oliver. "In prior days, we may have staffed a front desk eight hours for every 40 check-ins and outs. With Watson, we can develop a guest demand pattern. It allows you to make sure you are covering your peak periods."

Plus, Oliver notes that the system is huge in terms of employee satisfaction. "It allows us to make sure that we have the right people in place at the right time. When you under-staff, they [employees] get stressed out because they cannot keep up their own standards."

Hotels aren't the only hospitality players benefiting from advanced forecasting tools. Following a successful eight-unit pilot of HotSchedules' *(www.hotschedules.com)* enterprise online employee scheduling and management solution in October of 2009, Carino's Italian restaurant *(www.carinos.com)* is prepping for a national roll-out of the labor management solution this May to all 71 company-owned restaurants (with plans to allow franchisee partners to opt in as well). The solution features a number of tools including a labor pro-forma, manager digital logbook, overtime alerts, alcohol certification tracking and more.

"Regarding the labor/sales forecasting test, we decided to move forward with this project because we had a true need for tracking sales, due to the inconsistencies of year-over-year-end projections," says Ray Gallagher, Carino's senior director of operations services. "Our managers were scheduling staff mostly based on trial and error or straight guessing. We needed a solution that would apply sound logic to historical trends to create a true forecast for sales, guest counts and hourly staff."

Before beginning the initial test, Carino's worked with HotSchedules to develop custom labor rules for each of their hourly staff positions. These are applied to historical guest count trends in 30-minute increments, which then populate the forecasted labor hours by position for the upcoming week. If needed, they also have the ability to trend by 15-minute intervals. "This gives the manager a very systematic approach to forecasting their true labor needs, and they also have the ability to review the math behind the forecast," says Gallagher.

The 104-unit Shari's Restaurants and Pies *(www.sharis.com)* is benefiting from the 15-minute scheduling feature of its workforce management system from TimeManagement Corporation *(www.timemgmt.com)*. "From a staff level, we do not have a lot of staff on the floor. At our peaks we have eight employees, so we are not saving a lot by the hours, we are saving by the 15-minute chunks," says Tom Matson, vice president of information technology for Shari's.

An additional benefit to using this solution is that area and district managers can use it as a training tool. "Because it is enterprise level, they do not have to be at the store to help with scheduling," says Matson.

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>
> **Sarah Oliver**, Director of Labor Management, Fairmont Raffles Hotels International

Spreading the word

The efforts that go into crafting the optimal workforce schedule can be lost if not properly distributed. To ensure that all of its 130 staffers are aware of schedule postings and updates, the Raleigh, N.C.-based The Pit *(www.thepit-raleigh.com)* relies on ScheduleFly's *(www.schedulefly.com)* web-based scheduling and communication tool. "For us, we have so many employees and it is hard to get the word out," says Eric Harris, The Pit's general manager. "Word of mouth only goes so far."

The ScheduleFly tool features a message wall where The Pit's management team can post schedules, updates, and more, which are then pushed out to employees via e-mail and SMS text message. "If we want to call a server meeting, we know that all employees are going to get it," says Harris. What's more, employees can use this portal to trade shifts and request time off. "Servers check it every day," says Harris. "It goes to us directly when someone is trying to take a shift." ■

CHRISTINA VOLPE, ASSOCIATE EDITOR

iPhone Aids Hotel Management

Best Western Peppertree Inns' core management team oversees and responds to hotel issues in real-time with iPhone / iPod Touch application

Located in beautiful Washington state, Best Western Peppertree Inns *(www.peppertreeinns.com)* offers guests a host of world-class amenities and contemporary features, making it a perfect stopover for business travel and family vacations alike.

With four properties spread out across the state in the cities of Auburn, Omak, Liberty Lake and Spokane, Peppertree's management team was faced with the challenge of effectively managing operations for each location, both near and far. What they needed was a solution that would facilitate the ability to oversee each property's daily operations, so that Peppertree's management team would know where things stand at any moment of the day.

On-demand data access

In October 2009, Peppertree's core management team began using MSI's *(www.msisolutions.com)* nTouch iPhone / iPod touch application to help to stay abreast of hotel operations and issues as they occur. In doing so, Peppertree has created a portal to real-time hotel data, giving its users the ability to make business decisions from anywhere with an Internet connection, at the touch of a finger.

"When managers are working from home they can react quickly [to issues]," says Rita Santillanes, owner of Best Western Peppertree Inns of Washington State. Santillanes and the four other members of her management team are using MSI's application in conjunction with their WinPM property management solution with great success. "One of my managers is an admitted control freak; this allows her to be comfortable on her days off but still feel that she is in-the-know."

With the nTouch solution, Peppertree's managers can perform a number of functions from anywhere at any time, day or night; all that's needed is a WiFi connection and their iPhone / iTouch. The color coded dashboard provides immediate access to real-time data including occupancy, ADR and RevPAR. Using the daily view gives Peppertree the opportunity to compare the current day's statistics to budget, prior day or prior week. "Having the ability to see our current stats and compare to budget or prior time periods allows all of us to make more meaningful business decisions," says Santillanes. "And I no longer have to be in the office behind a desk for this level of access."

Other nTouch tools have allowed Santillanes and her management team to be more proactive with their guests; for example no matter where they are they can access availability, look up VIP guests and manage room status.

Instant issue resolution

Santillanes also notes that the nTouch has saved her and her property managers valuable time in responding to issues. She recalls: "We have a regular group that asks about availability and I was able to check on my iPhone and quickly see if there was additional availability without having to call another site, and potentially loosing a sale."

What's more, nTouch has revolutionized communication between Peppertree's staff, refocusing employee attention on what matters most: their guests. "Communication has improved," says Santillanes. "They [managers] are able to look at status themselves instead of bothering the staff. They are able to concentrate on the guest rather than respond to inquires from management. As an owner when traveling, it makes it easier to stay in the know. I don't have to travel with my computer, just my iPhone." ■

Vendor Solutions for Workforce Management

CrunchTime: Workforce Management

CrunchTime's *(www.crunchtime.com)* Workforce Management solution helps operators align staffing with business needs through labor allocations that correlate each position to menu items, sales volumes and guest traffic. From one interface, a manager can administer employee information, adjust time-clock records, and create demand-based schedules that are derived from historical sales and traffic, future sales forecasts, and employee availability and skills. CrunchTime sends employee information and schedules to the POS and sends payroll and employee data up to the payroll system to reduce managers' overhead and ensure payroll accuracy. The solution has an intuitive web interface that includes dynamic task lists, workflows, dashboards and alerts.

MICROS: mylabor

MICROS' *(www.micros.com)* mylabor is a centrally-hosted workforce management solution for managers and employees. HR information can be entered and stored in an online user interface, while the employee self-service feature gives access to shift pools, schedules, time-off requests and more. The time and attendance module streamlines the process from clock-in to pay check generation. Schedules can be enforced, including biometric clock-in; time cards are managed with complete audit capability; compliance with labor regulations is enforced; and integration with a wide variety of payroll services is provided. The scheduling module cross-references the forecast, the staffing profile, employee availability and labor laws to generate an effective schedule.

RedPrairie: Enterprise Workforce Management

RedPrairie's *(www.redprairie.com)* Enterprise Workforce Management solution features a common set of performance-based tools designed to support corporate management, frontline supervisors and more. The system delivers: time and attendance; workforce planning and scheduling; execution management; performance monitoring; reporting and graphical display; incentive calculation and payment; computer-based training/learning management; slotting/store reset/value-based profiling; and employee self-service/kiosks. ■

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