



Money

Eateries serving up lean, mean model of productivity

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Moves include relooking processes and HR policies, adopting technology

A CRISIS is unfolding across the restaurant industry.

Restaurants are shutting, bosses are doubling as wait staff and, almost everywhere you go, there will be an ad stuck on a wall almost pleading for staff.

Just look at Bakerzin, a cafe chain specialising in desserts.

Its 10 outlets are each 20 per cent short of staff now, said founder Daniel Tay, 42. On top of this, he calculates that he will lose 20 foreign workers - mostly cooks and service staff - when the Government's revised foreign worker quota kicks in for existing workers after June 2014.

This will send the company into a tailspin, but the plan is to "fight fire with fire", said Mr Tay.

The firm's central kitchen in MacPherson will be halved in size by July, and 30 bakers and soup-makers there trained as restaurant chefs and waitstaff instead. The chain's breads, soups, curries, braised pork and pasta sauce - which are made in-house - will be outsourced so staff can concentrate on dessert-making.

Mr Tay is also in talks with malls to open his outlets later, at 11.30am instead of the current 10am daily. This will allow his 343 workers to operate just one straight shift.

A study is under way to see if some outlets can be turned into self-service ones. He also started using portable payment devices last year.

Bakerzin is a glimmer of hope in the seemingly bleak food and beverage landscape, plagued by shutdowns, downsizing and bad service.

Job vacancies in F&B services stood at 5,500 as of the end of September last year, up from 4,200 in September 2011, and 2,600 as of September 2009, according to Ministry of Manpower figures.

Latest figures also show that the industry faces an average monthly resignation rate of 4.6 per cent, above the national rate of 2.1 per cent in the third quarter last year.

Productivity, on the other hand, measured by value added per worker, has been slow on the rise. It went up from \$22,600 in 2007 to \$24,500 in 2011.

Firms focused on raising productivity - through automation, outsourcing and training - are having trouble doing so, said Restaurant Association of Singapore president Andrew Tjioe, who is also executive chairman of the Tung Lok Group. Machinery is expensive, helps only to a certain degree, and requires huge sales volumes, he said.

The Tung Lok Group's central kitchen, which prepares ingredients for its 25 outlets in Singapore, cost millions of dollars. Machines there make countless dumplings, marinate meats by the tonne and churn out a few thousand paper-thin slices of beef per hour.

"You need the volume. Small businesses just can't use such automation," said Mr Tjioe, adding that even his machines are underutilised.

About 42 per cent of companies in the industry are micro-companies, with less than \$1million in annual revenue. These are firms which are typically unable to pay employees much, hire few staff and lack a dedicated human resource team.

They paint a picture of a vicious circle of shortages, overworked staff and high turnover rates. Automation and outsourcing may not work for such firms.

Mr Wei Chan, owner of small eatery Next Door Deli, is sick of his own mee siam.

He tests the dish every day - a must, due to a revolving door of cooks. The Ang Mo Kio eatery has had four different cooks since July, all Singaporeans. Its kitchen is staffed by two cooks at any one time. To manage orders, they cook by the item.

"They cook the chicken wing orders all at one shot, then move on to the next item," he said, adding that this means long waits for customers with multiple orders.

Overtime pay for his 15 staff, who work late to prepare ingredients for the next day, has doubled to \$1,000 monthly now compared with February last year.

A plan to outsource his meat-marination recipe fell by the wayside when suppliers refused to help, offering instead to sell him stock pre-marinated meats.

"I said no. I want to marinate meat my own way. If not, what is my selling proposition?" said Mr Chan.

He said suppliers marinade chicken wings by the tonne. "When they look at my 5kg of wings a day, they just laugh."

There is also the issue of quality.

A Japanese chef at fine-dining restaurant Tatsuya plates up handmade sushi. In the kitchen, chawanmushi is steamed traditionally - a few cups at a time in a shallow pool of boiling water

"Machines can never make that," said the restaurant's owner-chef Ronnie Chia. "The quality of machine food will never be refined enough."

At Tung Lok's high-end Chinese restaurants, food is served a la minute, then dished out by staff who should mingle to create the "atmosphere of a high-end Chinese restaurant", said Mr Tjioe.

"Taking the self-serve route for fine dining is not possible."

The turnaround

THE good news is that there are signs that eateries, like Bakerzin, are starting to adapt.

Some are relooking their supply-chain processes, adopting technology and tweaking their human resource policies.

A recent Straits Times check with 10 food manufacturers - from those who sell pre-marinated meats to those who sell frozen desserts - found that business has as much as tripled since last February. The labour shortage, they said, means more eateries are outsourcing food processes to focus on service and signature dishes.

Rendezvous Grand Hotel Singapore started buying nonya kueh, roast meat and pre-mixed bak kut teh spices from suppliers last year.

Its assistant general manager Lilia Wong said that this has helped chefs to concentrate on preparing the hotel's signature items such as cheesecakes and scones.

Others hope to entice locals with benefits and flexible work hours.

Salad Stop!, with 13 self-service outlets, works with eight recruitment agencies and started an incentive scheme for job referrals in December. Those who refer a friend who stays longer than three months get \$150.

It also started a flexi-work plan for older workers and housewives. The 25 workers above 55 years old work 35 hours a week at times of their choosing. They also get a month of unpaid annual leave, bonuses and medical insurance, and are invited to staff gatherings.

The 30 housewives they hire work 7am-to-2pm shifts - tailored to match school hours. They are not required to work weekends or evenings.

These measures as well as the nature of the business - busiest at lunch on weekdays - have helped Salad Stop! become more attractive as an employer, said co-owner Adrien Desbaillets.

The 31-year-old is also working with a school to design squeeze bottles that will allow servers to dress salads more efficiently.

Larger establishments have started turning to automation for answers.

At Jumbo Group's Jpot hotpot restaurant in Tampines, customers self-order.

This has reduced customer waiting time for orders by about 50 per cent and saved the company about eight man hours per day in order-taking. It also reported a 30 per cent increase in the number of compliments received.

Resorts World Sentosa (RWS) recently installed two large-scale dishwashers in its central kitchen, which are able to wash up to 2,000 plates an hour each.

"If done manually, this would require 24 people to accomplish," said RWS' vice-president for rooms and F&B Greg Allan, adding that only four people are needed to man each machine when in use.

What's next?

WHILE many companies feel that they are doing all they can, experts think that they can do more.

Dr **Lynda Wee**, chief executive of retail and training consultancy Bootstrap, asks firms to rethink their human resource processes.

"It's about time they really looked at what employees want. Do that and then redesign jobs for them," said Dr Wee, who also suggests hiring students with mild intellectual disabilities from schools such as Metta School.

This could be accompanied by training and redesigning of specific roles for these groups of workers, she said.

"Tasks could be split up so that they do just food preparation or serve water. Training will be needed, but they are likely to stay longer," said Dr Wee.

Others call for firms to cultivate "permanent part-timers".

"Now, they feel like temporary staff and just come and go. Make them feel like part of the family," said Mr Tan Lii Chong, 48, senior lecturer of human resource at Singapore Polytechnic.

His suggestions?

Work shifts should be cut down to bite-size lengths of three hours to attract housewives who want to work only when their children are at school. This would also overturn the impression of the industry having inflexible long work hours.

Part-timers should be paid at least \$8 an hour and given incentives such as vouchers or medical perks if they stay at least three months. They must be invited to company events.

Many also advocate tipping to incentivise wait staff. The service charge - which now goes straight into the company coffers - should be done away with.

Most of the eateries The Straits Times spoke to do not give the 10 per cent service charge directly to staff.

Tips are typically split equally - sometimes in a ratio of 40 per cent to the back end and 60 per cent to the front end.

"Abolish the service charge and move towards tipping. Basic pay can be lowered then. This way, rewards are direct and immediate," said Mr Andy Ng, founder of training company Asia Trainers.

He refers to restaurants' reluctance to adapt as "excuses".

The industry, he said, should actively move towards the Japanese model where eateries have next to zero service staff.

The problem here: The industry still relies on labour.

Mass-market restaurants in Japan usually have a "path" for customers to follow to order their own food, pay for it, collect it, and get their own utensils and water, he said.

Eateries must be designed specifically to make self-service work. "The first-mover disadvantage is a problem here," he said, adding that eateries should not worry about losing customers. "Good prices, good food. That's what matters.

"Who really expects service in a mid-range restaurant?"

As for "necessary labour" such as cooks, the secret, he said, is to systemise processes. This could mean step-by-step procedures of preparation of a hamburger, he said, adding that this is the secret of fast-food companies.

"This means that trained or not trained, workers can work to a minimum standard," he said.

His view of the future: fine-dining restaurants with good service, self-serve mid-range restaurants and niche restaurants with service - probably those at premises owned by the company.

Mr Robert Yeo, executive director of the Singapore Training and Development Association, said that the restructuring of Singapore's economy to become a more knowledge-based economy has contributed to the crunch.

"Locals think they are over-qualified and the pay is too low," he said. "Companies also say, why should I hire locals when they are too expensive?"

"They must grow out of the mentality that they should be protected by the Government who should let foreign workers in to help them maintain costs."

He added that companies must learn that the days of having workers who will do "anything and everything" is over.

"Everyone has to look at the big picture," he said. "Now, each group is just campaigning for its own interests."

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A Bakerzin employee preparing chicken (above) while another prepares soup at the eatery's MacPherson central kitchen. Due to a labour shortage, the kitchen will be halved in size and 30 staff there retrained as chefs and waitstaff. Some of the food prepared in-house will also be outsourced. -- ST PHOTOS: CHEW SENG KIM

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