



# LABOR SOLUTIONS :

## Best Practices for Reducing Labor Costs

The labor shortage has affected pizzerias and restaurants to the point that many have reduced their open hours, closed on certain days or eliminated an entire daypart. While this has helped to address the lack of staff in the short-term, it has led to reduced revenues for some operators who are doing what they can to survive. If you haven't had success attracting new employees, there are still a number of things you can do by reducing the need for labor while maintaining your sales, profits and quality.

### Menu Optimization

During COVID, many restaurants cut back on their menu offerings as they shifted to delivery. This same tactic can continue to work for operators in order to reduce labor costs and improve margins.

- Eliminate labor heavy menu items that require additional prep time.
- Offer top selling, high-margin items to offset menu adjustments and optimize your menu. To help determine which items to keep and which to remove from your menu, [download our menu engineering template](#).
- Redesign your menu to feature your highest margin offerings. Our Solutions @ Work designers can create a new menu to ensure it is designed for maximum profits. [Click here to learn more](#).

*81% of pizza operators say that minimizing labor is important to their business.<sup>1</sup>*

### Invest in Technology

- Use your POS system to assist in staff scheduling. By keeping track of your sales by time of day, you can make sure to staff up when necessary during peak times and start sending people home when they are no longer needed.
- Offer online ordering and mobile apps to eliminate the need for someone to answer the phones. You'll also provide better customer service when the orders are exactly what the customer entered.
- Provide order and pay at the table technology to increase efficiency with fewer employees. Patrons can order and pay at their convenience so your servers can focus on serving and communicating with your customers.

### Switch to Convenience Ingredients

Nothing can compare to fresh toppings on your pizza, but some ingredients lend themselves to being fully prepped in advance to reduce your labor costs. If you use loaf mozzarella cheese and shred, dice or slice it yourself, you may be wasting money not only on staffing, but also on product lost during the process.

- Pre-shredded, diced and sliced cheeses cost a little more, but you will eliminate labor in both prep and clean up time. In many instances, the savings in labor costs and time outweighs the increased price.
- The labor you have designated to prepping your cheese can be reallocated to other tasks without the need to hire additional staff.
- Grande cheeses are all natural and contain only simple ingredients traditionally used in the cheesemaking process - packaged without any anti-caking agents like starches or cellulose that promotes freshness and maintains the quality and taste.
- It costs about \$0.18 per pound to shred your own cheese, and even more depending on your labor costs. Discover the hidden costs of shredding and slicing your cheese [here](#).

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### Staffing Approach

- Hire the best employees possible and don't make sacrifices to have a "warm body."
- Don't be afraid to recruit people who are already employed, rather than hiring those who are unemployed. They may make for a better employee in the long term.
- Make training a priority. By training your staff properly when they start, they will work more efficiently, stay with you longer and provide better customer service.
- Focus on staff retention to avoid turnover and start-up training costs for new employees.
- Use part-time employees who can provide fill-in work during busy times, you can pay less than a full-timer and they won't require additional paid benefits.
- Consider hiring high school students to fill those part-time roles and give them an opportunity to have their first paying job.
- Monitor your staff clocking in and out. If your employees clock in 10-15 minutes early or late on every shift, those costs add up.
- Schedule staff according to sales by closely analyzing your hourly sales. Only have staff on site when they are needed to avoid down time.
- Avoid paying overtime, even to your best employees. While they may appreciate the extra money, they will also appreciate a work-life balance and you will pay less for the same work.
- Schedule shifts around peak local traffic when commutes are the longest to minimize travel time for employees. Consider paying for all or part of your staff's commute time to make it worthwhile for them to make the trip.
- Get tools and ideas for hiring at your pizzeria; explore our [Labor Solutions: Hiring toolkit](#).

*Nearly 30% of restaurant employees are leaving the industry to find jobs in other fields.<sup>2</sup>*

<sup>1</sup> Datassential Keynote Pizza, April 2021

<sup>2</sup> Joblist, 2021