

Is bigger always better?

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Is bigger always better? Does a business or institution get better by being bigger? This question can include virtually any organized endeavor, from a pizza parlor, a family restaurant, a gas station, a hospital or even government. The answer depends on the vision and purpose of the founders, opportunities in the markets it seeks to serve and the ego needs of the major players at any given point in time. The second law of thermodynamics dictates growth or death, but growth without adequate attention to core values, discipline and teamwork can be the death of the enterprise.

Learning from failures

Burger Chef introduced small toys into fast food but expanded too quickly; Steak & Ale died in spite of the fact that it invented the self-service salad bar and customers got bored with the menu at Howard Johnson's. Chi Chi's, a Mexican chain started by two Minnesota businessmen, was brought down by an outbreak of Hepatitis A from tainted onions in a single location in Pennsylvania. Anyone remember the Red Barn?

Even organizations that we just assume will always be there, such as banks or hospitals, are not immune from failure. According to Becker's Hospital Review, in the last 10 years more than 70 hospitals, from small community hospitals to hospital systems, have filed for bankruptcy in the U.S. Among key factors in their failure are poor management, large changes in billing or information systems, a legal investigation and a reputation for poor-quality service to patients.

Growth emphasizes both strengths and weaknesses already present. A restaurant that is reckless with menu change or its estimation of market tastes or a hospital that minimizes the long term effect of poor service to patients or inadequate attention to infection control are equally in peril.

Learning from successes

For instructional purposes, let's look at a restaurant chain that has been quietly and hugely successful, and is virtually unknown in the Great Plains states. It was begun by two guys who happened to be neighbors; one worked for a national chain mostly unremembered today, and the other worked with real estate. They wanted to own and operate a restaurant — a single restaurant that was built around people, both the staff and the customers. They wanted fast service while sitting down, and they wanted their restaurant to always be open, 24/7, every day of the year. They wanted regular customers to be recognized and greeted by name by the staff, and for relationships, however briefly, to take place. And they wanted to share ownership, generously, with management. Now why would someone in the management of a national chain want so passionately to start up a new restaurant with this simple mandate? The first thought that comes to my mind is that he was moved by the lack of this value in the corporate environment where he already worked. Co-founder Joe Rogers says it succinctly: "We are not in the food business ... We are in the people business." Yes, they wanted to serve good food at good value prices, but they wanted to be known as the friendliest place in town and they wanted customer loyalty. They didn't start a



Photos by Carolyn Ferguson/Special to MDN

▲ Customers can watch their food being cooked in front of them at Waffle House.

◀ This is the Hurricane Boil at Catches Waterfront Grille.

▼ Waffle House sets records for customer loyalty.



second restaurant for another two years, and six years later, they still only had four units. As a matter of fact, it was six years before the two founders quit their other jobs and went full-time with their brain child. They had a vision and a commitment to simple values. Today they have over 2,100 units in 25 states. The business is privately held and a lot of numbers are not readily available. But they have achieved their values. In many places, Waffle House has almost a cult following.

Recently, I ate in a Waffle House in Port Richey, Fla. There was a torrential downpour outside, and the inside of the restaurant, with eight tables and five barstools, was packed. It is noisy, lots of chatter. The cooking area is just on the other side of the counter and you can see everything. In this unit, there were five servers and three short order cooks. Average time to the table is nine minutes or less. Because of so much traffic, there was also an expediter; a person who stands right in the center of this crowded space and calls out the orders brought in by the servers—and this in a loud, clear voice, almost like an auctioneer. All of this is loud, organized chaos. No one seems to be in charge, everyone seems to know exactly what they are about, and if you have never been to a Waffle House, sit at the counter for the first time and watch the show. I think Waffle House is one of the seven wonders of the modern world.

They are always open, and some of them have never closed and locked their doors, EVER, for over half a century. At some of them I

am quite sure no one knows if there even is a key to the doors. I watched one of the short order cooks, a young fellow I would guess to be in his late teens or early 20s working ambidextrously, performing separate functions with each hand. He deserved circus pay. There is banter, laughter and cheerfulness among them as they hustle here and there, and the clients are frequently involved in the chatter. It has got to be exactly what the founders wanted — the friendliest place in town. The food is good, the service is fast and friendly, and how they keep their orders straight is a mystery to me. But mistakes are rare and so readily and amiably corrected you forget they ever happened.

Some people look down on Waffle House. They sniffle at the pedestrian nature of the menu: waffles? What, no crepes, no canapes? These people miss the whole point of the place, and the message for would-be leaders anywhere: Concentrate on the basics, and on the people. Get the right people on the bus and train, train, train. It pays.

Making difficult look effortless

The CEO of Mayo Clinic says they have held their place as one of the best hospitals in the world for over a century by never forgetting to put the patient first, even before profits. I know from first-hand experience, you can sense it when you walk in the door. It's an attitude and a culture and it's a marvel to experience. No one likes being a patient. You don't feel well, you are at

your worst, and you are certainly not up to the challenges of normal life. You are vulnerable. At Mayo, you are not an object that is moved and ordered around, ignored or discussed as if you weren't even in the room. And you never, ever feel like any of your caretakers have one eye on the clock. Mayo achieves their efficiencies through technology and a huge investment in training and systems. Like a good golfer, they practice the unnatural until it becomes natural and appears effortless.

Whether at Waffle House or Mayo, it is a marvelous learning experience to observe a powerful and positive culture at work. It looks like luck, or maybe a randomness at work, with so many staffers cheerfully focused on the customer, the patient, the guest. But it never is. It is the magic of teams, led by example and belief.

The stand-alone restaurant

To further test my theories about success of organized food operations, I wandered down the street to what appeared to be a big white antebellum mansion, the kind of seafood restaurant you would expect to find near the waterfront in Charleston, S.C. But it was Port Richey, Fla., and the restaurant can be accessed from boats on the Cottee River. The official name is Catches Waterfront Grille and the prices tend to be \$30 and under. The general manager, Rick Spinner, has a focused intellectual demeanor. And while he's congenial enough, he is clearly not given to effusive bonhomie or gladhanding.

Rick was as generous with his time as his circumstances would permit, and he shared that finding and keeping the right people was critical to his success. He said in Florida it is common to get transient applicants who are eager to make a quick buck, but they move on just as quickly. A successful restaurant operation requires team building, and people have to find a home with the restaurant and relate with the other team members. What he was saying reminded me of another comment by Mayo CEO Dr. John Noseworthy, that Mayo goes to extraordinary lengths to vet new physicians, their education, competencies and skill sets, but that above all else new recruits need "to fit in." Turnover or dissonance in key positions will kill an organization's effectiveness and create tension that eddies through the ranks.

Rick says the only local fish on the menu is amberjack, but one of the most popular is a fish called basa, from Vietnam. (And I suppose in Ho Chi Minh City they are eating Gulf shrimp.) I ordered the basa, and it was light, white, flaky, tasty and vaguely suggestive of halibut. I find it amazing that it is cheaper to catch this fish on the other side of the world and ship it here than it is to serve some of our local varieties. The locals like the basa but are suspicious of sea bass, which is just as well because it is one of the most expensive fish on the menu when it is available.

Our server was Lori Hurley, a live-wire blond refugee from the snowy winters in Plymouth, Mass., and a mother of four with two grandchildren. Her happy-go-lucky demeanor can be

deceiving, however, because when it comes to your food and service, she doesn't miss much. In five minutes you feel you have made a new friend, and who knows, perhaps you have. But business is business, and Lori never forgets why you are there, and her responsibility for giving you a great guest experience.

We ordered the Captain's Platter (\$24) consisting of broiled gulf shrimp, jumbo scallops, basa and a crab cake. The Hurricane Boil was a bucket of crab legs and assorted other seafood with red potatoes and corn on the cob. The seafood bisque and clam chowder were both distinctive and great openers. The only disappointment of the evening were the crab cakes, which I thought were forgettable and small. I really don't know of any sensible reason why anyone should have to go to Maryland to get a really good crab cake. I make an excellent one myself, so why what passes for a crab cake in most restaurants has to be such a poor facsimile is beyond me.

Now that you have enjoyed your meal, grab your glass of wine and step out on the veranda of Catches, stretch and catch a breeze from the water. Hurry, winter's coming. Well, not here anyway. Hint: Tampa is a major airport and is only a half hour away. What are you waiting for? Get out your calendar. It's always cheaper to travel off season, and you meet a different crowd of people. Follow my blog for tips and tricks to pay less, minimize the headaches, how to handle bizarre things that can happen, meet great people, and most of all, get yourself moving.

Life is short. Carpe diem.