

TQM Paper

(Cocktail Bar Déjà vu via TQM perspective)

Michal Blazek

[michal.blazek@hotmail.com](mailto:michal.blazek@hotmail.com)

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Peter Hostak, PhD.

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As one knows, it is difficult task to make a 'hole' in the market and become profitable, successful and respected. This is especially hard in on particular 'branch' of business – gastronomy. Everybody who was working in restaurant or bar business will tell you the same thing; competition is fierce and it takes loads of time and effort to come from breakeven into slight profitable. One might argue that this is truth for every business, which is trying to make living out there. Of course the competition is ferocious in every business and tries to get one on the knees and make him/her surrender. Though, the restaurant and bar business were chosen from variety of other branches because I have been working in this business since I am fifteen. As for my credibility; I have finished Hotel Academy in Trenčín and I am licensed bartender of SKBA (Slovak Bartender Association). I have been working in top hotel resorts of Rhodes Island as waiter and bartender and I have been working in total of four restaurants and 3 cocktail bars and done several events such as weddings, promotions, business meetings etc. Therefore I consider myself as person eligible to speak and also evaluate the quality of what I have seen during my eight years of work in the restaurant and bar business.

In business, quality should be one of the top priorities to be pursued. However there is one particular business, where quality decides about the wellbeing or bankruptcy; gastronomy, restaurant & bar business. Based on real life example one is going to be able to see how did the lack of management, planning and in the end decreasing level of quality influence cocktail bar and brought it to the bankruptcy.

As for my real life example I have chosen bar where I was working almost one year and since it was open until it was bankrupted. Its owner was person, who was not connected to gastronomy in any way, since he did not graduate from this type of high school. One could say that he was an outsider, when it comes to things of bartending and service. However I have been working for this employer since I was 16. After I left we remained in contact and time to time I was helping him with some events. In my absence when I was working at

Rhodes Island the bar became hit and people would have to reserve tables in order to be able to have a drink there. Dream come true as one would expect. But the owner was not happy and he decided that the bar needs to be moved into larger spaces. In a blink of an eye the bar was moving into larger building, with higher rent and prices; but foremost with unrealistic business plan.

The plan proved unrealistic for us; bartenders since the first time we saw it. The idea of owner was to move the well known bar to new, larger building within the same town. However the property was further away from town centre and from dance clubs; therefore one can already speak about first disadvantage – location. Another major disadvantage, which was omitted by the employer, was the difference in the rent. The bar moved from approximately € 1660 monthly rent into building, which was rented for € 4979 per month. That is 3 times higher rent than it was before. When we – bartenders warned our employer about this factor his argument was always the same; with bigger place comes higher profit. He was counting on the stable clientele from the old bar. To illustrate the change one is going to mention the difference in total seating places. Whilst the old location had capacity of approximately 50 to 60 seating places the new place was around 100 to 110 seating places. This means even though the old clientele would come; the new locality would use only half of the potential. This was not the thing that made us; employees to shake heads. It was the estimation of income. In the old spot one was able to make around € 1200 – 1350 per Friday shift and € 660 – 1000 per Saturday shift. Estimations of owner were breath taking and we could not figure out how he came up with the numbers. He expected to make € 2700 on Fridays and around € 1700 on Saturdays. Unfortunately, what for us was just a good joke for our employer it was real vision since as was said before: with bigger place more money will come. As one can see the idea of the owner was to double the customer numbers and to double the profits. To reach these expectations we started to think about the way how it can be done.

Our primary idea was to use the ‘hole’ in the market. We decided to offer something new; we wanted to offer drinking experience. People are most of the times going to the bar to get drunk or to meet with friends or just to not sit at home. Our idea was to design the bar in a cozy, comfortable manner. The design of bar was very important since it had to make people think, that they enter somewhere where they feel good and where they want to spent their time. Chairs, tables, floors, stairs, bar and bar showcases were made of wood. We had one huge sofa (around 11 meters long) on one side of our bar. Fantastic thing about this sofa was that it made people sit close to each other and thanks to this unique feature people, who did not know each other had possibility to meet themselves and drink together. Like this we were able to raise more money since the more people drink together the higher the amount they drink what equals to more money spent. Of course there were also sole tables for people, who would want to be rather alone and talk in private. And finally there was our bar with bar chairs and first four ‘party tables’ how we used to call them (because it was easiest to skip the queue and get a drink). The diversity of seating was important because everybody had possibility to choose what suits them the best. Even the decoration of the walls was done in a way that would suit all customers. We had handmade paintings of various ornamented flowers, what ended up as a successful decision, since people themselves said that it created beautiful and cozy environment. The bar design was one of the most important features that had to be done perfectly because it directly influenced the opinion of customers about the bar.

Other important parts of our bar were us – employees; bartenders and waiters. Speaking of bartenders people were used to bartenders, who just poured alcohol and worn t-shirts and jeans. Since all of us bartenders had the needed qualification, we decided to go from alcohol pouring to mixology (“Mixology is generally accepted as a slang term for a refined and in depth study of the art and craft of mixing” (Graham, n.d.)). I remember us reading countless books about improvement of bar culture about drinking and about how to

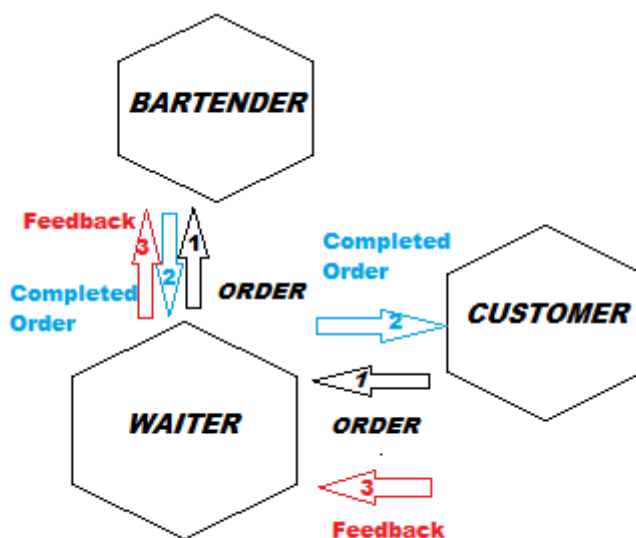
make people enjoy drinking cocktails. We contacted bar managers from bars all around the Slovakia and asked for tips, which to our surprise were provided to us. We used benchmarking a lot. We had an image of an ideal bar (Paparazzi – famous bar in Bratislava) in front of our eyes and we were prepared to do everything possible to reach it. Full of enthusiasm, ideas and motivation we delegated our ideas to the owner. He liked the idea and agreed to go that way. We started to create cocktails based on quality rather than quantity. Wearing trousers, shirts and ties, being able to work in comfortable bar environment, our work ethics turned by 180 degrees and we started to enjoy every single hour spent in the work. One could state that the work became our hobby.

The main purpose of these changes was to differ ourselves from pubs and bars where youngsters went to get drunk. We wanted to offer quality and nothing else than quality. In the eyes of owner this was not a good idea since the quality costs money, what meant he would end up losing profit. Therefore he decided to solve it his own way and increased the prices for products, which were being offered (in our case cocktails). The prices went up by approximately 50 – 60 cents and suddenly we were one of the most expensive bars in our town. Surprisingly this had no major impact on customers and their interest in our bar. Our loyal customers got used to the prices since they were able to see the difference in quality. However new goal was set in order to be able to cover the expenses – gain new customers.

This goal was not unexpected since the costs grew rapidly after moving (higher rent, high quality resources). But how to win new customer in already overwhelmed market? When I was working at the bar I was in the first year of studies at City University and therefore I was not that familiar with terms such as TQM or Six Sigma. However now I can clearly state that we were following TQM principles in order to make profit and gain new customers. As was mentioned above we designed the bar in a way that it suits everybody. One might argue that TQM should primarily concern about the employees and how they perform but one might

go wrong. In my opinion the quality of bar environment is as important if not even more important than anything else (one is speaking solely about bars not in general). It is because in restaurant and bar business the first impression is the most important one. Thanks to my experience I know that the behavior of each customer is directly influenced by the environment of the bar/restaurant. As an example one can use the full/empty bar pattern. This example is very easy to observe. Potential customers are choosing primarily by entering the bar. The first glance decides everything – whether one is going to stay or leave immediately. If the bar is empty the first thing, what comes into head of potential customer is that something is done wrong and that one does not want to stay there. Customer turns instantly and walks away. However if one is able to see people, who are laughing or just sitting and enjoying the drink and the atmosphere one is going to give a chance to the bar (this example is based solely on personal experience). Therefore in my opinion design of is an unthinkable part of quality, when speaking about bars and restaurants. It is because the environment influences the customers' first impression and gives employees chance to win the fight for the customer. After this 'fight' was fought and won another stage may begin

This stage is completely directed by the employees. Waiter has to have the gift to



analyze the customer and recommend the best product. This can be done by waiter, who knows entire range of the bar and is able to offer it by polite and unobtrusive behavior. As I was always saying bartender does only 30 % of total job, when speaking about the customer, who is not sitting at the

bar. Remaining 70% are done by the waiter. Since we wanted to walk the way of quality, we had to teach our waiters everything what we (bartenders) knew. With this knowledge they could offer to customer everything what customer would want. Does this sound familiar to you? Indeed it is one of the basic ideas of TQM – strong customer focus. “Quality is defined as meeting or exceeding customer expectations. The goal is to first identify and then meet customer needs” (Philosophy of TQM, n.d.). Following our example – waiter has ability to identify (thanks to his/her skills and knowledge about the bar range offered) and bartender meets or exceeds those expectations (thanks to the knowledge of mixology and professional skills). Yet the factor to be satisfied remains constant – customer. Customer’s satisfaction and initial return of the customers were our sole priority. Not many bars in our town had so many positive responses containing waiter behavior and constant improvement of service. We were able to reach this goal because of the communication. Waiters were speaking to the customers, who told them what needs to be improved and in the end waiters told it to the bartenders and we were able to improve and make products even better. Following the concepts of TQM this communication based on feedback may be specified as continuous improvement feature (Philosophy of TQM, n.d.). Enhancing of our waiters to communicate with customers about the quality belonged to daily routine. We (bartenders) were organizing weekly staff meetings; where we were speaking about news, talking about improvements of processes of ordering and order completion. We were also introducing new cocktails/alcohol and teaching waiters new recipes and preparing them for special evenets. As one can see on the chart we were operating in a circle based on communication and improvement. The processes being done can be easily characterized as employee empowerment, use of quality tools, process management, which are all concepts of TQM (Philosophy of TQM, n.d.). One can state that we were respecting and following the principles and processes of TQM even without being aware of it. One might question why we wanted to do things like we were

doing them. Simple answer would be: because it felt right that way. One thing that fascinated me was Deming's 14 points. I found out that we followed majority of them without even being aware of it. This literally took my breath away since already in 50's somebody found out how the quality should be enhanced and what should be followed in order to reach quality. Points such as development of the strong leadership, maintaining good relationships with the suppliers, making the employees proud to be part of the team were reached and maintained 'without a sweat' and what was even more fascinating they worked perfectly (Finch, 2006).

Thanks to hard work and constant improvement of the quality of service and mixology, we were able to keep our loyal customers and even gain new stable customers. Everything was running fine and we managed to reach breakeven shortly after we moved to new location. Employees were satisfied; customers were satisfied and happy to return every Friday and Saturday to spent fine moments in our bar. Me as a head bartender of one shift was personally enjoying myself, since it was a pleasure to come to work. Everything was just as it should be. Waiters were happy because the tips they gained were the best in whole town. Customers did not argue about the quality of drinks anymore and even compliments were being sent to us bartenders. Simply said we all were living a dream since our job became our hobby. Thanks to constant improvement of our skills and products nothing was impossible. We were even nominated for best new bar award of Slovakia. First 5 months were most probably the best months of the business since nearly everybody was satisfied and it was shown on income. We were able to raise it to €1200 – 1500 on Fridays and around €1100 on Saturdays. One can state that by following simple principles of TQM one was able gain trust of new customers and keep the old ones; increase professionalism of employees and improve their willingness and pride to work for the bar. This gave us market advantage and we became leading bar in our town.

Unfortunately one of us was not satisfied – owner. Despite the fact that we reached breakeven and we were not in red numbers he was unhappy about how the things were going. He wanted to be millionaire as soon as the bar would be open but unfortunately this did not happen. Thing, about which we warned the owner occurred. The high rent started to ‘eat’ the bar. Suddenly we did not have money for anything. The range of beverages was shrinking every month. We started to run out of alcohol during Fridays and Saturdays, which were our strongest days. Without alcohol one was not able to produce drinks which were ordered. This resulted into frustration; not only among customers, but also among us employees. It was because the tips were shrinking rapidly. Primary reason was the inability of owner to give us materials, which were needed for drinks. Secondly it was unwillingness of waiters to continue in the high quality service. This happened because the salaries were reduced and in the end it resulted into loss of our best waiters and we were forced to take waiters, who were neither qualified nor able to perform at high level. This had impact also on us bartenders. Our chief bartender together with head bartender of second shift decided to leave. I and my colleague had to transform some of our waiters into bartenders – what is unacceptable in order to keep high level of quality. The result of this was the loss of clientele. Income shrunk to approximately € 900 on Fridays and € 700 on Saturdays. Everything started to fall apart as a card house. From what once was a dream workplace a nightmare started to evolve. The sadness that was felt by me and my colleague took all of our enthusiasm away. We were able to witness the ‘death’ of something what was partially also our creation. The cocktail bar Déjà vu managed to stay on market approximately for 1 year and 5 months until it bankrupted.

To conclude one is going to speak about the reasons of failure and also about the recommendations.

One has to ask whether the only reason of collapse was the high rent. Partially it was rent and another part was the attitude of the owner. In order for TQM to be successful

everybody in the company has to share the same goal, vision, idea – customer satisfaction. Sadly the owner in this case was not able to identify himself with the TQM since it was not able to bring him the desired profitability. The commitment of the owner was noticeable only several months until he figured out that the bar is not going to make him rich in ‘one day’. Despite the fact that the bar was considered to be best bar in the town he did not plan or even think on reinvesting the money. We were the only bar where was no air conditioning although he promised us to have it installed by the end of the second month. The fact that we were missing air conditioning and that we allowed smoking; made it impossible for people to enjoy the drink because of the tight smoke screen from cigarettes. His inability to fulfill promises may be considered first reason of bankruptcy. Constant failure in ordering sufficient amount of high quality resources led into decrease of quality of service and drinks. Since we had to create drinks from products with lesser quality the difference in taste was certain. That might be considered as a second reason of failure. This was followed by employees’ frustration. I myself in the end had no intention in helping owner to survive. Of course it was painful to witness what happened to bar, which was partially my own ‘child’ but in the end the frustration turned into hatred and unwillingness to help. The thing, which made employees angry, was that the owner never said single word of appraisal to use even when we were doing well. The only thing one was able to hear from him was: “you should have done more” or even “so what yet you did not reach the plan so why are you so happy?” This contempt made us irritated and together with lower salaries it resulted in leaving of our most skilled colleagues. Together with hiring unskilled personnel this might be considered as third reason of failure. Thanks to the factors mentioned earlier customers simply said enough and did not bother to spend money in our bar.

As for the things that might have been done differently one has to consider following. Speaking of TQM one is talking about complexity and unity; about one team which is surging

for one common goal – customer satisfaction. Therefore my first recommendation what should have been done in a different way is establishment of deeper bond between the owner and his own bar. To make him to see it as we bartenders did – as our child not only as a cash cow. Furthermore I would have pursued the TQM rules and principles until end and see where it might have led. Not as we did. We left TQM principles behind as soon as the first problems popped up. Last recommendation would definitely be reinvestment of money rather than keeping them as profit. If this would have been done the bar might still be here.

However it is history now and it gave me valuable lesson of how to treat employees and customers. Thanks to our enthusiasm, willingness and establishment of high quality we were able to create place where employees enjoyed to work and where customers enjoyed spending the moments of their free time. Thanks to the knowledge gained at City University I am able to assign the things, which we tried to follow to Total quality management and name them with the correct name. This experience became valuable because it has proven to me that TQM works and that it is not just some managerial nonsense. Yet based on the example one can state that TQM is factor that has to be taken care of. Once, one is going to step on the road called TQM there is no way off of this road. It will show your customers the luxury of quality and they will never want something else. Therefore it might be considered as a powerful tool in hands of a company but also as a dangerous threat if not handled correctly.

Reference

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