



# Cooperative Grocer

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## ***Pumping Deli Sales With Less Labor***

By Allen Seidner

Does every deli need a fully staffed service work station? Despite the trend toward more complex, service-intensive deli programs, the results are only occasionally more profitable, and they always demand more labor dollars.

The ideal areas in which to invest deli hours are those necessary to generate sales while concurrently creating a sense of theater. As platforms of production, juice and java bar stations are perfect examples. Whirring blenders, steaming espresso machines, and the scent of freshly ground wheatgrass all combine with the dance of the deli staffer to create a sense of attraction to shoppers. And you sell \$3 beverages you could not possibly market without the help of a well-trained and appreciated human being.

If your store can't devote the space or risk labor dollars to evolve into a large circus-style deli with omelette stations and sushi, what can you do to add theater and sales without adding significant labor dollars?

First of all, think self-service. Which of your present programs could you feasibly convert to self-service stations and which others could you add to your repertoire?

### **Soups, pastries, sandwiches**

It's probably not too late in the season to bring your soups out from behind the deli counter and into a station where customers can serve themselves. "We doubled our soup sales" after making such a change, says Jean Carr, deli manager at Linden Hills Co-op in Minneapolis. "We've added a third soup kettle that increased our sales by another 50 percent. And we're putting together a soup calendar so customers can look for their favorites." Although the deli has been making delicious soups for years, some customers have asked, "When did you start making soups?"

Another important area where self-service can make customers' purchases easier is with dry baked goods. Forcing customers to wait in line just to make a \$1.25 "pleasure purchase" makes little sense. You may not want kids getting close to the gooey goodies in an open bakery merchandiser, so individually wrap each muffin, scone and cookie once they have cooled. This little bit of extra labor is more than paid for by keeping your wrapped baked goods moist and sellable for an extra few days.

If you have any mealtime traffic at all in your deli, spring is the ideal time to inaugurate or improve your salad bar. Salad bars are a perfect accent to a health-minded natural foods environment, and, when done right, require minimal labor. I recommend focusing on fresh,

bountifully displayed, nicely cut produce. No head lettuce, no Jell-O, and a minimal number of inexpensive, popular salads. Offering such items as fresh cilantro, jicama, or radicchio will give your bar a unique appeal.

Your bar shouldn't be a dumping ground for every last bit of 5-day-old pasta salad, though it is an appropriate vehicle for moving some overstocks. Make your salad dressings from scratch to help set yourself apart from other bars and to cut costs. You might add a warming oven next to your bar for baked potatoes, dinner rolls or garlic bread.

If you have a full-service deli case with rows of filled bowls and trays, and your margin percentage is shy of the high 60s and labor rate above the mid-30s, even a handful of tweaks like these probably will not make a large enough impact. You might want to more fully convert your deli into a far less service-dependent department with a larger prepack merchandiser.

Cutting service positions does not mean cutting staff so much as it means using staff more appropriately. You can shift the labor from setting up, maintaining and closing down the full-service case to additional production and packaging hours. A 16-foot full-service case can hold about 32 bowls and trays of food. But a 12-foot, 6-deck self-service merchandiser can hold 144 SKUs. And overstaffing your mealtime rush periods to capture all potential sales becomes a thing of the past when you permit bunches of shoppers to surround your self-service case.

In one deli I managed, we replaced our 20-foot full-service case with a 12-foot self service case. More deli labor dollars went toward creating a greater number and volume of foods, and we satisfied a greater variety of shoppers' tastes. But far fewer labor dollars went into maintaining and serving from the case. Customers had better access to more products, and our sales grew a full 50 percent in six months, while our labor rate dropped from 46 percent to 35 percent.

## **Making change**

Here are some tips to help you successfully evolve into a more self-service oriented deli:

- \* Plan and coordinate the transition with the greatest possible detail. Make a timeline with all the tasks required and remember to include time for solid staff retraining.
- \* Presentation is critical. Invest in a great display case with the maximum amount of merchandising space, brackets to support slanted shelves and lighting above each shelf.
- \* Maintain a service presence in the immediate area so staff can interact with customers and provide samples, while tending to more service-dependent programs such as deli meats or smoothies. Your trimmed down service staff must be comprised of your most personable and invested people.
- \* Publicize to your customers that all of your packaged items are made by your staff, in small batches, in your kitchen. Emphasize that these items are actually fresher because they are not exposed to the open air and fluctuating temperatures of a continually opened display case. You might have the packaging and labeling station within customer view, as this also allows the packager to back up the service staff.
- \* Make sure all of your labeling is correct and specific. List every ingredient in order of predominance in the recipe. Program your scale to print only "sell by" dates, which are 2-3 days before an "eat by" date.

Even if you have no intention of abandoning the strong presentation of a large glass display case, you will want to complement your current operations with a selection of prepacked "grab and go" items. "That was a very sound move for us financially," says Jim Taglia, deli manager at the Wedge Community Co-op in Minneapolis. By installing a 4-foot prepack section of salads and sandwiches, Taglia says, "we really increased our sales with a minimal impact on labor." Although the deli added three staff members to produce and package the additional products, its labor rate dropped about 3 points because sales increased 20 percent immediately." The Wedge recently added an additional eight feet of "grab and go" space to merchandise entrees, full meals, soups and additional salads.

Of course, we want to keep a face on the deli. But wouldn't it be easier to train staff for a 1- or 2-person service station than the larger staffs many delis require today? The current labor market also favors evolving into a more self-service focused deli. One of our industry's biggest challenges is to recruit, train, inspire and continually satisfy top-quality service staff.

Customers' habits have evolved similarly. Self-service gas stations and ATMs have conditioned most of us to enjoy doing things for ourselves in exchange for speedier service or lower prices. These days, shoppers have a multitude of reasons to actually avoid situations in which they need to interact with staff to make a purchase.

There are many other opportunities to simultaneously improve sales and cut labor. By moving a single product category out from the full-service case and into a self-service station, you will increase customers' access to the products. "We doubled sales in a month's time by letting people serve themselves olives," says Kathy Jones, food service manager at New Pioneer Co-op in Iowa City, "and it freed up space for higher margin items" such as entrees and side dishes.

Floor space did not permit a full-service sandwich prep table at one deli I managed. So we created a sandwich bar with deli meats, tofu burgers and all the fixings for \$6.99 per pound. The 4-foot bar required a minimal amount of labor, most of which occurred when it was most convenient for staff and less often when their energies were needed with customers. The bar accounted for about 7 percent of our deli's \$90,000 monthly sales and achieved a 50 percent margin. If you have an under-performing, labor-intensive, full-service sandwich program, would you give up a few margin points in exchange for better sales, lower labor costs and the modest capital expenditure of installing a sandwich bar?

Rotisserie chicken sales can also be improved if they can find a home in a self-service warmer. Unless your staff is using those birds as an opportunity to add on sales of other hot case foods or deli salads, you're probably missing hundreds of dollars a week in sales simply because the chickens could be made easier for a customer to put in a cart.

Increased sales and a fresh look make for a powerful alliance. Great delis are made or broken largely on the strength and success of their service staffs, and that should never change. In analyzing how you deploy your labor dollars, you might look toward changes that make it easier for customers to buy the things your deli produces, and to help ensure the service staff is able to be its best and most efficient in all its work.