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Organizational Behavior

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1.) According to Barcelona owner Andy Pforzheimer, why do so many restaurants go out of business?

There are a lot of restaurants that go out of business and many people often say that they don't understand why certain restaurants would close, since they were always full of customers and the quality was always good etc. Barcelona owner, Andy Pforzheimer gave a little insight into why this is the case in the given video. The main reason that he gives is that 85% of restaurants are run by people who "have no business running a restaurant". Pforzheimer continues and mentions that this gives pretty good chances to those who have knowledge about what they are doing in that field. Overall, he describes a lack of self-knowledge as a big part that leads to the given situation and the numbers.

2.) What tactics do leaders at Barcelona use to help measure and control the restaurant's financial performance?

Within the Barcelona group, there are weekly meetings that take place that are attended by all general managers and chefs. In the video we get a little insight into one of those meetings and we see that this is the place where they talk and control numbers.

Financial performance is measured here by comparing different stores in different areas

and also talking to the chefs in terms of numbers and quantities they use for certain things which helps control the numbers and finances overall.

3.) How does Barcelona reward managers and chefs?

While it is being said that some chefs do get bonuses, in general they don't at Barcelona. The chefs usually don't get bonuses here, because the leaders don't want them to chase the money. Chasing money would take their focus away from producing high quality, which in turn could possibly lead to a decline in quality of the work the chefs put out. "The general manager runs the stores so it is his shop and his bonus" is what is explained in the video. Furthermore, in the meetings the chefs are looking at all their numbers comparatively, which makes them the most competitive, since they all want to be the best.