



# Keep your eyes on the road, your hands upon the wheel

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Running a bakery is like driving a car – the focus is on the destination. In any journey however, there are milestones along the way.

In my previous article I not only emphasised the importance of planning, but also highlighted the need to make the plan a living document that is well executed.

Let's use the driving a car analogy. To successfully complete your journey you need to be in the here and now, paying close attention to current traffic conditions and real time feedback you receive from gauges on your car's dashboard.

You can't drive a car by looking in the rear vision mirror. So if you run your business solely on rear vision information, you will find you are looking at historic data. What's more, any actions you take based on this data are likely to be at least a month out of date.

You therefore need to know your bakery success indicators and critical numbers, so you can measure and monitor them in real time. This will ensure you are always aware of how your bakery is performing. The gauges on your dashboard are the real key performance indicators (KPIs). You can monitor your KPIs hourly and daily – this will have the greatest impact on the performance on your enterprise.

Each business needs to identify what the key gauges are on their bakery dashboard. Decide what you can measure and report on a scoreboard so your team can focus on, and have accountability for, achieving their goals.

Remember, what gets recorded and measured gets actioned.

Here is a useful example: If you were running a lunchtime café in the city, a key dashboard gauge (apart from quality and price) is likely to be the waiting time (between order and service) for your time-poor customers. To improve sales and profitability, identify the optimal service/waiting time (i.e. reduce from 15 minutes to four minutes), then develop a way of measuring, monitoring and focusing your team on this one dashboard gauge. You can then recognise and reward your team on achieving this one KPI.

Therefore, you need to identify your most effective business gauges. For any business I find the following

gauges work best:

- The **speedo** is sales per customer (SPC). To increase your SPC an effective tactic is to train the team to up-sell. Record your SPC and recognise the highest movers in each category as you achieve significant improvement.
- The **rev counter** or tachometer is the customer count. Every week, record your customer count and provide a league table of the percentage change and top performers. The customer count is the most critical gauge of the success of a business. If any business selling a product or service is able to increase their customer base in real terms, everything else will look after itself.
- The **fuel gauge** is your profit and loss measure. For any business to survive it needs to ensure revenue is greater than or equal to expenses. If not, the business will soon run out of cash flow or fuel, which keeps the whole business on the road.
- The **temperature gauge** is the fun factor or culture of your business. If you are having fun, you have already won. This is a lot harder to record scientifically than the other gauges, as there are so many contributing factors. One of the best ways to record business temperature/culture is through staff retention levels.

The gauges described above are the main indices for benchmarking and recording the performance of your bakery on a weekly basis. Every team member should have access to this information, with printed copies circulated every month and updates available hourly on-line, via text or Twitter.

In summary, here are some action points to consider:

- Understand what you need to measure to drive your bakery;
- Develop visual gauges that give you and your team real-time feedback;
- Identify the one critical gauge that is essential to your bakery's growth and focus your team's efforts on recording, measuring, monitoring and rewarding for improved performance;

- Keep a weather eye on the dashboard gauges to ensure your bakery's success; and
- Keep glancing at the rear vision mirror to watch out for competitors.

The challenge for every bakery owner is to identify the key non-financial gauge that can drive his or her enterprise to greatness.

What is your key gauge? At Brumby's we identified the later the baker activity the higher the sales. As a result, we started to record the time the last batch was baked-off and recognised and rewarded the top performers.

This became the gauge we measured at each store: "baking hot to two-o'clock". Although this was a simple action, it took a lot to get the bakers to change their shifts. Nonetheless, the customers will buy more product when they see bread hot straight from the oven in the afternoons, making the effort worthwhile. After all it is called a hot bread shop.

Try it get the bakers to start later and focus on your customers. Find the main gauge, measure it and share the scoreboard with your team.

"Last car to pass, here I go," – *Radar Love* by Golden Earring. ■

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