

# Management Tools

## Spheres of Influences and The Five P's

By Mark W. Healey

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Article 1 of 3

### Introduction and Definitions

Management organizations like to use acronyms and catchy titles for industry philosophy, approach and best practices. This article is the first in a series of three aimed at managers and organizations looking improve personal and organizational effectiveness from the frontline managers to the COO. Managers independently working hard can become stars and achieve great results at a particular location or point in time, however without an organizational pathway their individual feats cannot transcend the Company. Every good operating company either develops a management culture and approach, or lives and dies by the results of its individual stars and asteroids.

Paraphrasing NFL Hall of Fame Coach Don Shula "If the dumbest guy on the field can't understand the play, then it's not going to work, and you can't put it in the game." At Virtual Hospitality Group we teach a "Spheres of Influence" approach using the 5 P's. If this is the first time you are reading about spheres of influence and/or the 5 P's you need some background and context. Our 5P's offers an operating mindset that has been developed honed and tested in large and complex

hospitality environments over the past 25 years. It exists as a practical evolution of many of the mainstream books, authors, and organizational management gurus over that time. Our 5P's approach is simple but not simplistic and this mindset becomes central in an operating culture.

The term "Spheres of Influence" was first used as a political term in the late 1880's. Generally it means the larger or more powerful/important country has influence over a lesser country. This was particularly true in the colonization of Africa by the European powers at that time.

According to Merriam Webster Dictionary, A "sphere of influence" is defined as

- a field or area in which an individual or organization has power to affect events and developments.

Restaurants and hospitality operations are complex to manage. As you consider the concept of "the more important" issue or circumstance having influence over the "lesser important," the value of the 5P's mindset becomes clear.

For example, in a restaurant the Chef's special of the day - a real guest favorite, becomes of lesser importance if there are no servers in the dining room. If we have servers, cooks and ingredients, but the power and gas is off, the power outage is the leading influence over the operation at that moment.

As a manager and leader overseeing a single operation, or multi-unit managers or V.P.s leading larger organizations, we -our location(s)- are faced with hundreds of decisions (some large, and many small) every shift, every day. Having a universal method to assess and communicate influences, priorities, and delegate action steps to the team leads to better decision making, more consistent communication, and shared experiences with everyone involved.

So what are these "influences" that become a management priority in hospitality and food service? Well, since one or many issues can quickly become a problem (and a priority), we need to think more proactively in terms of influencing than interrupting. Influences are best thought of as the broader categories of aspects we oversee everyday. We organize them as follows:

**People, Products, Processes, Priorities, and Performance.**

Hmm, five "P" words, let's call this approach "The 5 P's" - brilliant!

Each "P" is an area or range over or within which someone or something acts, exists, or has influence or significance. Each P is a sphere of influence. So to understand or try out the 5P's approach we need to be able to fit every issue, circumstance, policy or best practice into one of these categories right? Not quite.

In reality these, spheres rarely stand alone. Rather, every situation is a combination of these spheres which are influencing the situation. By identifying the weight of influence that each sphere is contributing to a situation, we can determine the best way to assess,

problem solve, and take action. You may ask, why all the fuss about these 5 P's? If this is problem solving let's just call it that. We can agree that problem solving is the act of defining a problem; determining the cause of the problem; identifying, prioritizing, and selecting alternatives for a solution; and implementing a solution.

The Spheres of Influence approach aids in problem solving, but more importantly the 5 P's become the common language and guide for managers and the whole organization to more efficiently and effectively manage. Once every manager and team member understand what each "P" means and stands for, the ability to move quickly to the heart of problems and solutions is greatly increased.

Keeping in mind that entire books, college courses and many degrees come in each of these five subjects, here we identify the practical sub topics which help illustrate each for People, Products, Processes, Priorities, and Performance.

**PEOPLE**

Encompasses all aspects of human resources and interactions. Examples include: recruiting; interviewing; hiring and onboarding; technical training; soft skills training; scheduling and station/work assignments; communications/pre- shift meetings, counselling and incident follow up to name a few. Note, for soft skills training we use Tiny Classroom Training. Their online series called Supervisory Soft Skills gives our newly promoted supervisors and managers a great foundation in communication, coaching, difficult conversations, multigenerational workforce management and preparing to lead. In most of the restaurant and hospitality world

labor cost (i.e. the cost of our people) has grown to be the single largest operating cost. Fewer workers are joining the industry, the concept of employee loyalty is changing, and the employee expectations and “need to know,” has changed how we supervise our team members. For many operations they are producing the same revenue with about half the number of workers. This places great weight on our people management skills and the consistency between managers and supervisors.

## PRODUCTS

Every aspect or item that delivers a concept or a brand to a guest falls under “products,” including: menus; service styles; brands and concept quality; inventory of food and beverage ingredients; websites and social footprint. Most restaurant and hospitality products require ordering, prepping, cooking or mixing, plating or packaging, and delivery to the guest at a bar or counter, tableside or room, or by a 3<sup>rd</sup> party. Product variety, quality and prices often differentiate competing businesses, and the service team’s personality and execution is an integral part of the product.

## PROCESSES

Processes can be technical, clerical, financial or even governmental in nature. Examples include: steps of service; technical or position training; policies and procedures; employment handbook; procurement; staffing; preventive maintenance; licensing; performance appraisals and development planning. Process as a sphere of influence maps the people, products, and priorities. For example, hiring and onboarding are important tasks that must follow equally important processes so that the new employee is properly welcomed and set up for success, as well as making sure their new hire paperwork, orientation, and schedule are fully and accurately completed.

## PRIORITIES

Prioritization is different than Priorities. Many tasks and functions have a timeline or deadline to complete, but of themselves as long as deadlines are met, these tasks are considered daily routine. Priorities as a sphere of influence addresses time sensitive programs, initiatives, campaigns critical to short term or immediate success. Examples include: promotions and marketing initiatives; programs for training or compliance. and projects/ project management. Promotions (as a priority) are strategies and tactics designed to build traffic, sales and awareness for restaurants, hotels and resorts. This includes loyalty clubs or players clubs, social media, as well as traditional ads, offers, and campaigns. Promotions are designed to entice a call to action and promotions are usually time sensitive (think "book now" or "limited time only"). Promotions are self-contained projects that require managing the design and planning, production, set up and breakdown, distribution of POP/marketing materials, staff training and roll out, POS programming and tracking. Promotions have a lifespan. Big companies have departments dedicated to marketing and promotion, while independent restaurants and boutique hotels must take on and manage all these tasks. Promotions require prioritization and at any time can become the leading influence over a situation, shift or day. Priorities in supporting departments, such as administration, accounting and facilities, include: public safety, financial deadlines (such as payroll, inventories and sales taxes), as well as inspections and licenses.

## PERFORMANCE

The purpose of every restaurant, hotel or resort is to produce a profit for its owners. Profits are a result of performance however every

manager needs to embrace "profit" as an actionable objective in their performance management. To be clear the opposite of profit is loss. The measurement of performance as a sphere of influence runs the gamut of high and low. From the "high" of achieving or exceeding goals and objectives (financial or other), to the "low" of missing goals and under achieving or performing. Examples include: Mystery shopper scores and social media results; Profit & Loss Statement results; Board of Health audits; employee engagement, retention and turnover; Management and Employee reviews.

Over time employee "annual reviews" have expanded and rightly become known as "performance management." A good performance management program or system appraises the people, products, priorities, and profits as well as providing development planning for the future for each employee at all levels of the organization. The performance appraisal for a dishwasher or housekeeper, is very different than a restaurant or hotel manager's performance appraisal, however at every level individual performance should be recognized and guided forward.

Ok we talked about the spheres of influence and we illustrated the 5 P's -in our next installment (article 2 of 3) we discuss how we put these concepts to work?

About the Author: Mark Healey is CEO and cofounder of Virtual Hospitality Group. In a 35+ year career, he has more than 17 years of F&B experience working with more than 25 Native American Casinos throughout the country. He can be reached at [m.healey@virtualhg.com](mailto:m.healey@virtualhg.com)

# Management Tools

## Spheres of Influences and The Five P's

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Article 2 of 3

### **Putting the 5P's to work as a Manager or Supervisor**

To recap, in article one we discussed that every good operating company either develops a management culture and approach, or lives and dies by the results of its individual stars and asteroids. At Virtual Hospitality Group we teach a “Spheres of Influence” approach using the 5P's (People, Products, Process, Priority, and Performance). The Spheres of Influence approach aids in problem solving, but more importantly, the 5 P's become a mindset and the common language and guide for managers and the whole organization to more efficiently and effectively manage. Once every manager and team member understand what each "P" means and stands for, the ability to move quickly to the heart of problems and solutions is greatly increased. In this article we discuss how managers and supervisors can put the 5P's to work.

OK, so we haven't mentioned a Manager's traits and skills like communications, creativity, initiative, flexibility, persuasiveness, persistence, decision making, understanding and leadership. You are right, these are not

spheres of influence, we view these nine skills (in addition to technical proficiency in job duties) as the characteristics every hospitality manager must have and use to be successful.

Managers and supervisors at every level and competency must apply these skills and expand their capabilities when managing the 5 P's to be successful each day.

***Everything is a problem, and nothing is a problem using the 5P's.***

Let's go over the management characteristics

**COMMUNICATION:** The ability to be understood and to understand oral and written interaction with supervisors, peers, and subordinates

**INITIATIVE:** The act of taking on new tasks or projects to solve current problems; or to begin or seek out new tasks in the interest of better management

**FLEXIBILITY –** The ability to adapt under changing situations. The ability to try new things without preconceptions. The ability to be persuaded by new or compelling data.

**PERSUASIVENESS:** The ability through logical argument, advice or communication to convince superiors, peers, and subordinates of your position or stance on a subject or decision.

**PERSISTENCE:** The ability to see and finish a task or goal; to be un-swayed in it's completion (finishing what is started and in the time allocated)

**CREATIVITY:** The ability to use thinking outside of the known approach to solve, enhance, or initiate.

**DECISION MAKING:** The ability to make effective adjustments or changes given a set of information; also the ability to make decisions given new information or

situational changes. (i.e. thinking on your feet)

**UNDERSTANDING:** The ability to comprehend clearly a situation or person through listening and powers of observation

**LEADERSHIP:** The ability to guide a person or group through a complete task. The ability to show the way by example and direct through influence.

As you read through our description of the management characteristics you can begin to see how each of these can play a role in using the 5P's. It will also not surprise you that these same characteristics are used in our performance management system for our annual manager's performance appraisal and development planning.

When we discuss or evaluate how a manager is performing with regard to the characteristics, we ask the reviewer and the management employee being reviewed to rate them (or themselves) and provide actual examples of the characteristics in use -an example of leadership, and example of communication, etc. Each completed example must contain a S.T.A.R (Situation or Task, Action, Result) To put the 5P's to work each day we apply the same approach. When presented with a situation or task we need to identify and understand the issue/problem, take action using the 5P's to determine and weigh all the factors, consider solutions and their effect on the 5 P's and implement the best solution.

Using the process:

1. Always review each of the five P's - eliminate any P that does not apply,
2. Evaluate the rate each P factor (top to bottom),
3. Adjust given the priority, then decide on solutions,
4. Communicate and Implement solutions.

5. Follow up to insure the solution is working
6. Adjust as needed – repeat.

Here is an example:

Situation: Jenny has not shown up for her shift at 8:00am as the opening cook. The manager arrives at 8:50am before their scheduled 9am shift.

The 5P's assessment

People – Jenny is missing and has not called or left a message.

Products – Jenny is the opening cook who is responsible to cook off the lunch items to prepare for service. This includes placing chicken in a rotisserie, and cooking off roast beef and bacon, before setting up and stocking all the kitchen stations.

Process – The chicken and Roast Beef take 2 hours or more to cook off, the bacon takes about 45 minutes to cook off the batches.

Priorities- Roast chicken is today's "special of the day."

Performance – Without getting the chicken cooked and ready the luncheon sales will slump, and guests could get angry that we are out of the special during lunch, or they have to wait to get today's advertised special.

The 5P's solutions

Which of the 5 P's in this situation outweighs the other P's?

Answers:

#1 PROCESSES/PRODUCTS -the cooking the of the meats is 50 minutes behind schedule. The ovens must be turned on and the rotisserie loaded. START THE OVENS, PULL AND LOAD THE MEATS ASAP.

#2 PEOPLE – Is Jenny OK? Perhaps she is in traffic but on her way? If Jenny will not be in, her shift needs to be filled for a busy lunch. CALL/TEXT JENNY, ARRANGE FOR A REPLACEMENT AS NEEDED.

#3 PRIORITIES – Running behind for lunch prep, could make several other opening tasks (for the daily special) behind. CALL IN THE LUNCH STAFF TO GET CREW EARLY AS NEEDED. LET YOUR STORE MANAGER (DUE IN AT NOON) WHAT THEY ARE WALKING INTO – OR GET THEM IN EARLY AS NEEDED.

#4 PERFORMANCE – Under the best scenarios lunch will be behind to start, and daily special are very popular for online lunch and third party delivery (TPD) orders. CALL THE TPDS AND EITHER BUMP YOUR TPD MENU HOURS FOR TODAY FROM 10:30 AM TO 12:15, OR REMOVE (TURN OFF) THE SPECIAL, REACTIVATING LATER AS THE TEAM IS CAUGHT UP.

Note: As mentioned many tasks can be categorized by more than one “P” in our example the PRIORITIES analysis could be considered a PEOPLE topic, or PERFORMANCE could be considered a PROCESSES topic. The purpose of the 5 P's analysis is less about which P is what, and more about considering ALL the spheres of influence on a situation, and then weighing which is the most immediate to address, followed by the next most time sensitive solution step. At times the most important Influence may not always be the

most immediate to require a response or action.

Using The 5 P's is also a great foundation for Situational Manager (leadership) but that's a topic for another best practice.

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Article 3 of 3

### **Putting the 5P's to work in an Organization**

To recap, in article one we discussed that every good operating company either develops a management culture and approach, or lives and dies by the result of its individual stars and asteroids. At Virtual Hospitality Group we teach a “Spheres of Influence” approach using the 5P’s (People, Products, Process, Priority, and Performance).

The Spheres of Influence approach aids in problem solving, but more importantly The 5 P's become the common language and guide for managers and the whole organization to more efficiently and effectively manage. Once every manager and team member understand what each "P" means and stands for, the ability to move quickly to the heart of problems and solutions is greatly increased.

In article two we discussed putting the 5’Ps to work as a manager or supervisor. To use these 5P’s to see how they are influencing a problem or situation we introduced the nine characteristics every successful hospitality manager needs to have. They are communications, creativity, initiative, flexibility, persuasiveness, persistence, decision making, understanding and leadership.

When presented with a situation or task we need to identify and understand the issue/problem, take action using the 5P’s to determine and weigh all the factors, Consider solutions and there effect on the 5 P’s and implement the best solution. Using and applying these characteristics follow the six step process

1. Always review each P -eliminate any P that does not apply,
2. Evaluate the rate each P factor (top to bottom),
3. Adjust given the priority, then decide on solutions,
4. Communicate and Implement solutions.
5. Follow up to insure the solution is working
6. Adjust as needed – repeat.

Now as a manager using the 5P’s you are experiencing the value of a powerful tool to guide your planning and to solve problems. As a good manager and team leader you are sharing your approach with peers and team members. They are quick to learn the format and present info already accounting for the 5P’s, they are even offering solutions based on past experiences.

To fully realize the value of Spheres of Influence and the 5P’s the company/organization must embrace the 5P’s. This is accomplished in two steps.

1. Every manager, supervisor and executive is taught/learns, discusses, and uses the 5P’s every day.
2. The Company embraces using the 5P’s for all meetings, budgets and planning as well as incorporating the management characteristics and 5P’s into all Performance management programs.

Company-wide implementation is achieved by organizing every internal and external meeting

using the 5P's. This makes preparation consistent and concise and allows everyone to come prepared to use the format. Recalling that each of the five "P's" is a sphere of influence, meaning the topics within in each P may be different every meeting. For example, the "process" topics for accounting are different than the "process" topics for facilities. Often upon review only two or three of the five P's pertain to a particular topic, issue, or problem, and by getting to the correct assessments and topics meetings become for effective.

Every budget, projection and P&L entertains all Five P's. Every management evaluation and review entertains all 5P's. Organizations may choose not to use this approach, but they are still required to ask the questions and perform to expectations. In our experience using the 5P's has improved our effectiveness and promotes efficiency.

In this concluding article (3 of 3) we have shown how organizations put the concept of Spheres of Influence and the Five P's to work for their managers and leaders. To learn more about the topic visit article 1 – Introducing and defining Spheres of Influence and the 5P's; and article 2 – Putting the Spheres of Influence and the 5P's to work as a Manager or Supervisor

***Now spread the word, the 5 words -People, Products, Processes, Priorities, Performance.***

## **The 5P's Manager Cliff Notes:**

<b>PEOPLE</b>	= principles & values development
<b>PRODUCTS</b>	= perception and expectations delivery
<b>PROCESSES</b>	= polices, procedures and best practices
<b>PRIORITIES</b>	= promotions (sales & marketing), initiatives, project management
<b>PERFORMANCE</b>	= player & guest experience, employee engagement, profit, outcomes

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