

Buying a Restaurant Franchise — “A side-order of Rules and Regulations with that, Sir?”

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Chronique-Quebec Franchises-September 2004

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f all the offerings in the franchise market, the restaurant industry certainly offers the most choices. Any why not, people need to eat! Prospects are drawn to the restaurant industry under the assumption that since they like to cook it should be a snap. As a former restaurant franchisor myself, I can tell you that the restaurant business poses many risks and challenges not faced by other retail sectors.

All businesses are governed by the Labour Standards Act regulating workplace standards such as hours, work conditions and the like. The restaurant industry, as a result of dealing with food, alcohol and hazardous cleaning supplies is subject to a host of other legislation. The Canadian Government's Food Inspection Agency has created a set of guidelines called Hazard Analysis & Critical Control Point (HACCP) which apply to all federally regulated establishments. While individual restaurants are not generally subject to this law but rather producers and manufacturers, many successful franchisors use it as the basis of their food safety training course. The guidelines deal with the 4 most important areas of concern, namely food quality, food temperature, holding time and cross contamination. Strict adherence to food safety procedures in this industry is mandatory and is the only prevention against future liability in this area. The National Restaurant Association offers an excellent course called Serve Safe. The course is offered in Quebec, in French and English.

Another set of essential rules govern hazardous materials in the workplace. The Workplace Hazardous Material Information System (WHMIS) is designed to ensure proper labeling of products and education of the employees on how to use them safely. These regulations apply both federally and provincially. They were created by a commission including representatives from both levels of government as well as industry workers to ensure the health and safety of employees. All controlled products must bear a specialized WHMIS label indicating the contents of the container and its safe usage procedures.

Workmen's Compensation legislation (CSST) takes on a whole new meaning in this market segment. With slippery kitchen floors and lots of rushing around, a restaurant is a veritable accident waiting to happen. Specialized floor coverings are available for restaurants as is footwear. Restaurant work is physically challenging, lots of bending, reaching and running. It is essential therefore that you familiarize yourself with this legislation and subscribe for additional liability insurance to cover you in cases where you may not have protection from the CSST such a customer injuries.

What better way to have your customers enjoy their dining experience (and spend more money) than with a nice bottle of Cabernet Sauvignon. Good idea if conform to the rules on alcohol service. Alcohol (with the exception of beer) can only be purchased from the SAQ and must bear their label for it to be saleable. Furthermore, strict regulations exist on how the alcohol must be served and stored. The smallest contravention results in a loss of your alcohol permit. This can be devastating as alcohol sales

account for a large portion of the revenue of many establishments. And be careful who you sell it to (minors) and how much you sell them (has the client already had enough to drink)? There are courses offered that are of great assistance in this complex area. In fact, Molson Breweries offers their own course.

The scariest complaint is from a customer claiming to have become ill at your restaurant. The best way to avoid these complaints is to adhere to all the legislations in place geared to prevent them. But what if you get one? First, be calm. If the customer has found a foreign object in his food, put the object in a plastic bag and determine the source. Did it come from a supplier? One of the employees? Did something fall in during preparation? Find the source and fix it. Don't just throw it out and ignore it or it will likely re-occur. Prevention is the key. If the customer is ill take the complaint very seriously. Food poisoning symptoms can show up as late as 72 hours after ingestion. Trace the customer's order and verify if any of the contents of that order could have been contaminated. Verify if there were any other complaints about any of those food products from other customers. If not, then it is likely that the customer either has a virus or was infected elsewhere. Your job is not done however as the customer service part comes in here. In order for a case of food poisoning to be proven, the customer would have had to visit a doctor who is legally bound to report all cases of food poisoning. Nine times out of 10, the customer has no such legal proof. You however, have an unhappy customer. Offer whatever it takes to keep the customer—a wholehearted apology for the inconvenience this person has suffered without an admission of guilt and a free meal for 2 to show the customer how valuable their business is to you. Why all this special treatment? Because it is 10 times harder to keep a customer than it is to get a new one and word of mouth is the best and cheapest advertising there is!

I also recommend that the franchisee and at least one staff member complete CPR training and the St. John's Ambulance course.

The list of legislation mentioned here is by no means exhaustive. I have touched only briefly on a few essential ones. For those of you considering a restaurant franchise, these rules should not act as deterrents. Your franchisor will cover them all in the training program. It is up to you to make sure they strictly adhered to daily. In the restaurant industry, an ounce of prevention is the biggest ingredient in the recipe for success!