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Building a better business with retention policies

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BUILDING A BETTER BUSINESS WITH RETENTION POLICIES



Richard Huggins of Rabbit Carrot Gun comments on Singapore's manpower challenges and his radical solutions.



Richard Huggins is owner-operator of Rabbit Carrot Gun, a casual restaurant-café established in 2012 in the Joo Chiat neighbourhood. He also runs British pub, The Trenchard Arms, one door over, as well as boutique hotel accommodation on the upper floors.

It is easy to label Richard a straight-talking dissident — the man is unapologetically critical about the future of Singapore service, particularly in the F&B industry: “The challenge is straightforward: there is no manpower. Singaporeans are not willing to do these jobs; they’re not interested in doing these jobs. And I don’t blame them — it’s hard work. Why would you bother doing hard work when you don’t need to? But if you can’t employ for it otherwise, then service here will decline, and as a business owner, the pressure increases appreciably each year.”

While he can appear brusque, Richard’s leadership style belies his vitriol. Midway through this interview, an employee stops by to cheekily comment, “Just want to say I miss you!” Richard guffaws and explains. “We try to create an atmosphere where staff aren’t afraid to have a bit of fun with each other. It’s super important.”

Richard, tell us about the business. From a pair of derelict shophouses, we created Rabbit Carrot Gun as a restaurant café and The Trenchard Arms, a British pub, next door.

Honestly, this is the hardest thing I’ve done in my life. I’ve been a professional rugby player; a nightclub bouncer; I ran Microsoft’s online services division for five and a half years; I got divorced; I got remarried. Let me tell you, divorce doesn’t even come close!

Service here is a little unorthodox. Frequent, friendly, and local is what we’re aiming for in terms of brand positioning. I would call our service unashamedly irreverent.

We may occasionally appear quite rude to our customers because we’re almost overly familiar with them, but I mean, we’re professional about it. Obviously, we can’t act this way with just anybody. We recently had feedback that someone felt like underappreciated because nobody was talking to him, while everyone else was exchanging high-fives and jokes.

We get it, but our response to that is clear: in the same way you are rewarded by flying regularly with an airline or spending on a credit card, we can only treat you in the way you would like if you visit regularly. That’s the only way we can get to know your preferences! We can’t do that when you first arrive, but we will take the time to get to know you so we can welcome you back.

We’re all about staying true to the core of who we are. The point at which you try to be all things to all people — you fail.



You've described the lack of manpower as the single greatest challenge to business owners here. What are some of your solutions to this? Service has the potential to be wonderful – if you can get it. Customers can only get great service if we retain people, because only then can we teach them our systems, processes, and brand values that we're trying to build our business with.

I'll be honest: Singaporeans do not want to work in this industry. It is a cultural thing – you take jobs in F&B as a stopgap solution, not to build a career. There is no foresight. We've just had Chinese New Year, so immediately every Singaporean we have has resigned, taken their bonus, and taken another job where they will get an extra five cents an hour.

While that sounds negative, the positive side is it forces our leadership team to think about how we differentiate. A traditional business is based on command and control: key information is retained by leadership while workers know little about financial indicators. The front-of-house staff know our customers best; similarly, our back-of-house staff know our suppliers best. Our approach is to operate Open Book Management by involving everyone in decisions that drive improvement and growth.

If you give employees a reason to care, you have a better chance of retention. The pillars we use to try to achieve quality food and service are: giving the team a reason to care; being transparent with them; and giving them skin of the game.

Most places charge service tax, right? We don't, and because we don't do that, we get quite a lot of tips, 100% of which go to the staff. So already they are incentivised to turn up, and if they can take home an additional 10% just from tips, they're probably going to care more about each customer's experience.

Our business is very clearly mapped out. We close the business once a month and go through a full business review with everyone on the team. Transparency starts there: if you ask the pot-washer what our P&L is, he would be able to tell you. It's called open-book management. Everyone knows the core elements of the business – the cost of goods, overall labour costs – but they don't know personal information like individual salaries.

The last strand is giving the skin of the game. Now, say they feel we need an extra person in the kitchen. I don't make that decision; we allow them to make it. They know their bonus is tied to their productivity – they know what the margins are and what their bonuses will be. If they want more time on their hands, they can choose to hire, but if they want more money, they can choose to work harder. They have control over what they want and how we operate as a whole.

You also have a guest chef programme. Can you tell us about that? One of the biggest areas you can differentiate on in Singapore is through quality: quality of food and quality of service. Constant and never-ending improvement (CANI) is a core value for us – we were thinking about how to take our food to a different level, and I was dining in a restaurant cafe in Melbourne where the cuisine, brand, and staff approach was in line with the vision I had to take Rabbit Carrot Gun forward. So I introduced myself to their owner, and we literally drew up the plan for this on a napkin.

Their head chef visited three times and took baby steps to train the team. We reduced the menu by 40% but improved everything else by 50%. Since then we've had outstanding chefs from the UK and Bangkok visit.

Each guest chef is effectively an additional tutor for our culinary team and has become a valuable part of our retention strategy. I've always said to the team: if you're earning and learning, we have twice the chance of keeping you. But if it's just about money, you're going to find other places to work at.

The programme forms part of our approach to CANI and supports both our PR and marketing, as well as that of our guest chefs. We've had tremendous feedback from our customers. While our business can be undercut on price, we punch a long way above our weight with regards to differentiation and affordability on quality. ♦