

The J.G. Newsletter

February 2020



Today is the 18,200th day of coffee sales for Gross Hotel & Restaurant Service, our business' original name. We're marking 70 years! After opening in my grandparent's 13th Street Harrisburg apartment living room by taking in \$300 of Maxwell House coffee, it was game-on for the father, mother & son enterprise. My father, John Jr., died just three years short of this milestone all the time saying that "I wish my father could have seen what this company has become." The 5 Grosses currently involved in the business could never imagine going out that door on day one. My grandfather was a light-hearted sort with a pack of Chesterfields in his pocket. He could get on with just about anyone he encountered. Raised a fruit farmer in York County, he had attempted careers with the railroad, insurance sales and running a service station. Throughout his career, my father was always known to have carried a briefcase full of reading material about success and happenings in the hospitality industry. The likes of Earl Nightingale and Tom Peters were engrained into his subconscious. It is from these readings that he got the idea to begin this newsletter to reinvigorate the business that had slowed. My sister, Diane, joined the business in 1978 and I in 1981. But we had been schooled by our father our entire lives. The warehouse was our playground. My grandmother had me making out the bank deposit all the while saying some day you will run this business. I had started regular employment in middle school repairing coffeemakers. Our current VP Scott Wagner, son of the company purchaser George Wagner, began in the same fashion directly following high school. His cousin, Keith Hensel, began around the same time. Looking through the albums, we recall decades of milestones, food shows at the Farm Show and myriads of people that we have met and the many individuals the business has employed quite fondly. Today, our business remains successful by executing the same fundamentals of our parents and grandparents. Remember that it is all about the customer and deliver what you have promised and always come through in the hour of need. To that end, we are adding salespeople at a time when others cut staff while touting their "fantastic App". Who knows what philosophy will prevail? Who knows what serving restaurants will look like even 5 years from now? It's just that this is what we have always done and it has brought us this far. We are blessed as well as each of you adding days, weeks and years to the pursuit of independent business. We truly thank you for partnering!

While Dad had his periodicals, today I get much of my inspiration from you. On a visit with Greg Thomas, Foodservice Director of The Masonic Villages, and his staff, he shared that a focus for their 2020 plan was to encourage employees to "lean into the customer". What? You may say. Think about this concept both in a metaphorical and a physical way. Getting closer to your customer is what we must strive for every day. How you address anyone in life speaks volumes. We subconsciously read cues. For instance, when taking an order at the table lean in and engage the customer. But it also refers to everything you must do from the time the door opens until the day is done. Focus on the customer and every aspect of their visit. For instance, cleanliness of the restrooms. We all know the importance, yet often overlook the flaws. The attire of servers..... Yes, it's difficult to direct, but it suggests volumes about your establishment. Lean in. Simple but so important!

Later, I received two lessons from two other customers regarding how to stay positive amid challenge. One was Lisa Grim from The Pub in Gettysburg, who has seen fire and many other challenges in her tenure. Lisa looks at every obstacle and reflects upon the good that conquering it adds to her abilities. That's a hard one to swallow in the midst of the day. The other was Fred O'Brien of the former O'Brien's Paradise Cove in Abbottstown. Frequent conversations with Fred, now retired, provide me with the wisdom of experience that tends to aid me when I just plain want to spit. Through your examples, I am able to return to the fight and keep putting one foot in front of the other.

Earlier in January, it was my pleasure to attend the monthly meeting of the Harrisburg Chapter of the

Chefs' Association at the Harrisburg Hilton. Chef John Reis and his staff hosted the gathering and was not to be outdone. The pastries and short courses were outstanding. Chef Reis has a long tenure of educating and developing culinary talent throughout Central Pennsylvania. I am told that he may retire within the next year. Some say to pursue origami. Whatever it will be, we all know him to be most deserving of a little rest and relaxation. At this meeting, annual awards were presented. Congratulations to Chef Thad Campbell of the Masonic Villages of Elizabethtown for being voted as demonstrating Chef Professionalism. (And I very proudly accepted for our company, Associate Member of the Year)

Can you learn from what the chains are doing? You bet. For example, according to Nation's Restaurant News, McDonald's restaurants in the U.S. had a milestone 2019, posting same-store sales growth of 5% — the best performance in 13 years. But in the U.S., the Chicago-based burger chain is still hampered by guest counts, which fell 1.9% for the year. Traffic remains sluggish at breakfast, where the brand has been losing share since 2018. OK, first lesson. You cannot have 5% sales growth with less customers coming through the door without menu price escalation. By my count, that's a menu price escalation of +7%. So, what has CEO Chris Kempczinski made the year's battle cry? "We MUST win breakfast!" And added Chicken McGriddle and Chicken Biscuit sandwiches. In this, I came the long way around to my point which is, his job is to interpret the numbers, devise a plan, communicate and execute it throughout his organization. You share the same responsibilities. I'm not saying chicken breakfasts are the answer, but act on something. Stir the pot. Make initiatives. What are your MUSTS for 2020 and how will you see that you get there?

Todd and Amy McDaniels of Bill Mack's are stirring it up! They made a bold move to present a completely different business model for 2020. They have closed the kitchen, made it into a patio and are refurbishing the entire building. The current building, thrice expanded from its origins in 1967, is getting a complete facelift. They are in the Ice Cream Business. It brought them to the show. Ice cream, sundaes and shaved ice will be amped up times 10. Two serving lines will now serve the anticipated crowds. Staff will be added. Todd shared that employees serve one customer at a time through the entire transaction, stating that it is both quicker and provides the customer with a better experience. This move is huge. After a Facebook post that the kitchen would be no more, regulars were quite miffed, but the McDaniels stayed the course. There is a lot to do at Mack's in preparation for the March 1st anticipated opening. Custom made oval tables are being made to complete the vision. The McDaniels have their eyes set on securing the position of highest grossing ice cream establishment around and have made a plan of MUSTS to get there.

Again, its about the Chicken... According to the LA Times, birds have been getting progressively bigger over the years. Today's broiler varieties, the ones raised for meat, average more than 6 pounds each. In 1925, they weighed 2.5 pounds. We, at JG know what that means, tough breasts. Our customers have become increasingly critical of frozen, IQF breasts for this reason and have turned to fresh Perdue Harvestland product as a solution. Breasts from wee birds recently reached nearly triple the cost of breasts from "jumbo" chickens. But operators like ChicK-fil-A are paying the higher price for better product and winning the game. We'd be happy to show you why. When it comes to sandwiches, small is better. Cutting up a bigger portion takes labor, and what does one do with the trim? Quality must remain our focus.

By the way, our wing sales were up by 1/3 last week. I'm 'Super' curious why.

Alas, as we celebrate our 70th year, this week, we say goodbye to one of our longest-running customers, Brad Lowe and Lowe's Restaurant of the Susquehanna Trail, Liverpool. While the restaurant will continue under new ownership, Brad has fried his last egg. Congratulations for a well-deserved wake-up call of after the sun rises.

Thank you for your business. Have a Great Month!

