# Identifying and Assessing Needs Associated with Expansion of a Business

**By Robert Flannery and Marcus Gherardi**

*Tales from the Field, a monthly column, consists of reports of evidence-based performance improvement practice and advice, presented by graduate students, alumni, and faculty of Boise State University's Instructional and Performance Technology department.*

**The Situation**

The owner/operator of Luigi's Restaurant had a small, successful restaurant providing traditional food with exceptional service. With opportunity to capitalize on this success, he expanded the business into a much larger space. After a year of apparent success, declines in the quality of customer service (a primary factor the restaurant's past success) began to occur, threatening sustainability of the restaurant. This prompted our work to identify causal factors contributing to these undesirable results and provided the basis for our project in Professor Don Winiecki's *Needs Assessment* class.

**Orchestrating Performance Improvement**

Needs Assessment Frameworks

To conduct an in-depth analysis of the performance issue, we followed Harless's (1973) front end analysis process of 13 smart questions, as shown below. We also applied Anderson and Johnson's (1997) systems thinking processes to isolate precipitating events, and Gilbert's (1978) Behavior Engineering Model (BEM) to communicate performance improvement principles to the client.

1. Do we have a problem?
2. Is it a performance problem?
3. How will we know when the problem is solved?
4. What is the performance problem?
5. Should we allocate resources to solve it?
6. What are the possible causes of the problem?
7. What evidence bears on each possibility?
8.  What are the probable causes?
9. What general solution type is indicated?
10. What are the alternate subclasses of solution?
11. What are the costs, effects, and development times of each solution?
12. What are the constraints?
13. What are the overall goals?

Identifying Performance Problems

The first five of Harless's (1973) 13 smart questions help to identify problems worth solving. Through observations and interviews, we defined the desired and actual states of performance:

- Desired State: Complete and reliable accomplishment of opening/closing procedures and provision of timely service to customers.
- Actual State: The incomplete and unreliable accomplishment of opening/closing procedures and delays in service to customer requests.

We concluded that unless remedied soon, the performance problem would continue to adversely affect the overall performance of the restaurant.

Identifying Causes

Harless's sixth question is to identify possible causes to an identified performance problem. Our data indicated that the problem began with the move to a larger space. The limited size of the original operation had enabled the owner/operator to directly oversee most operations. However, with expansion came new staff and management, and the owner/operator no longer directly orchestrated the operation. Cleaning, closing and set-up are not being preformed to acceptable standards; as a consequence, wait staff have to perform these duties ad hoc when responding to customer requests. This creates a snowball effect in the decline of customer service, which can ultimately result in lost business revenue. Industry research indicates that reliable accomplishment of opening/closing tasks improves the capability to respond promptly and efficiently to customer requests, which indirectly affects customer satisfaction.

Harless's seventh through thirteenth questions help one assign weight to particular causal factors and identify possible solutions to the identified problems. Through our analysis of data produced through observations, interviews, a focus group, and surveys, we concluded that the performance gap was primarily caused by a confluence of the following factors:
- Lack of performance standards.
- Lack of formalized and systematic delegation of opening and closing duties
- Lack of leadership
  - Oversight of performance to task standards
  - Providing feedback on performance
- Lack of performance-based incentives and disincentives

**Ensuring Systemic Performance Improvement**
Filtering analyzed data through Gilbert's BEM (1978), we identified that these four causes were distributed across most areas of performance described in the BEM. No single cause was identified as primary, suggesting diffusion effects that had to be addressed simultaneously to produce systemic and sustainable improvement.
- Data - No feedback to staff or specific guidelines on ideal opening/closing performance.
- Instruments - No established norms or checklist of opening/closing tasks and a prioritized list of duties.
- Incentives - No consistent rewards for good performance or consequences for poor performance.
- Knowledge - Although kitchen and wait staff have knowledge and experience to properly conduct opening/closing procedures, there is inconsistent awareness among staff on how individual performance or non-performance effects the operation. Management is not knowledgeable of effects of inconsistent data, instruments and incentives on performance.
- Motives - An adverse impact on motivation and morale exists when management unknowingly rewards poor performers by assigning them to preferred shifts and punishes good performers by assigning them to dispreferred shifts.

**Conclusion**
Through the use of several different frameworks, this project identified a diffuse network of factors causing systemic gaps in performance of staff in a restaurant. Consistent with the requirement to be systemic in all facets of performance improvement, we are in consultation with the owner of Luigi's Restaurant to address these factors. Through implementation of our advice, we look forward to a long future of high performing customer service at Luigi's!

**References**
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