

Work Shift | Productivity

Fried Chicken Chain Cut Worker Steps by 9,000 a Day to Save Cash

High labor costs, including a California minimum wage bump to \$20, make saving steps – and cash – critical.



Pollo Campero workers at a restaurant in the Orlando area in Florida, which features the company's new kitchen design. *Source: Pollo Campero*

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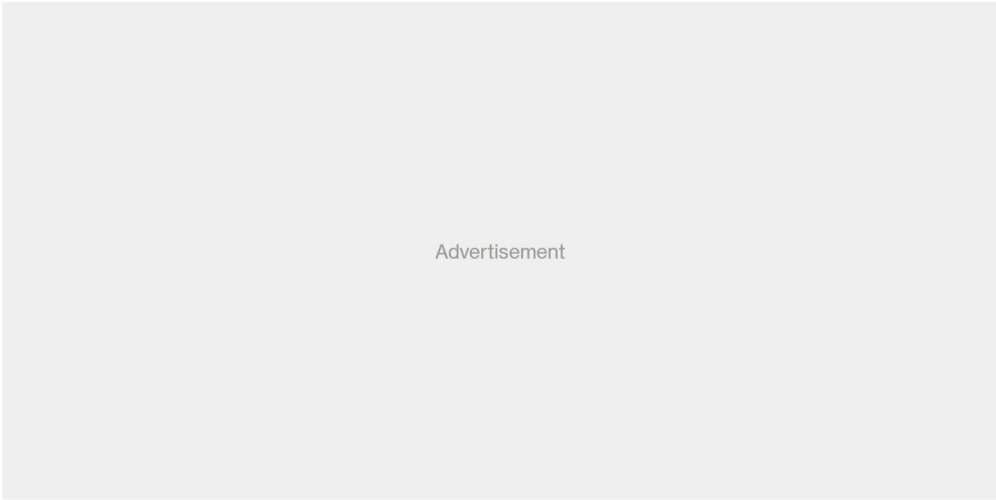
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Pollo Campero wants to more than double its US store count. But first, it's halving the number of miles workers walk each day.

The privately held [Guatemalan chicken chain](#) mapped how workers were moving around stores and revamped its restaurant design to allow people to work more efficiently. It slashed the number of steps taken by the staff member who ensures orders are delivered promptly and accurately from about 18,000 per shift – or about 3.4 miles – to about 9,500.

“Every step you save adds to the bottom line and saves labor costs,” said Blas Escarcega, vice president of franchise development at Pollo Campero. The reduction can also result in faster service and happier customers, he added. Dollar savings from the new model are difficult to calculate, the company said, but the setup should also improve workers’ experience and reduce turnover.

The chicken joint’s initiative mirrors an industry-wide push for higher productivity as restaurants face elevated costs and picky diners. While many restaurants now say that staffing and turnover are back to pre-pandemic levels, the median base wage for restaurant workers was about 18% higher in March than three years ago, according to payroll data from establishments that use technology by Square.

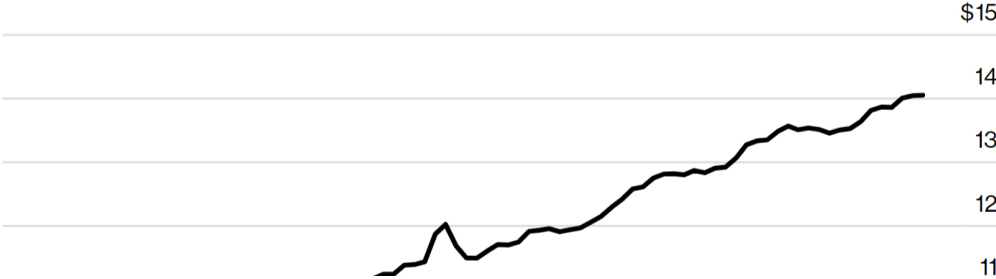


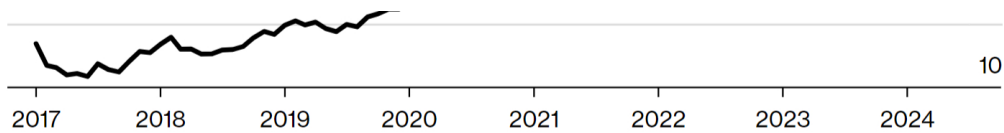
Chains operating in California are also contending with a 25% minimum wage increase – from \$16 to \$20 – for fast-food workers that took effect on April 1. McDonald’s Corp. franchisees have estimated the wage law will cost each California location \$250,000 a year, characterizing it as a “devastating financial blow.” Chipotle has already raised prices to contend with the California law. The Pollo Campero website lists about two dozen restaurants in California.

Restaurants Are Coping With Higher Wages

Pay before tips has climbed 18% since 2021

✓ Median base wage





Source: Data from establishments that use Square's labor management and payroll processing technology

Elevated costs have added increased urgency to quick-service chains' quest for efficiency, boosting interest in techniques, such as counting workers' footsteps, that have been used for years. Higher productivity can help cut costs, the thinking goes, and allow restaurants to serve more customers per hour. Improving the metric – known in industry parlance as throughput – can lead to higher sales. Companies looking to boost capacity include Restaurant Brands International Inc.'s Popeyes, which is revamping its kitchens, and Starbucks Corp., which is rolling out machines that brew coffee in 30 seconds.

Jason Daugherty, a quick-service restaurant consultant at Connors Group, said he has been getting more inquiries about kitchen design in recent months. Chains are also requesting labor productivity studies and looking into automating tasks, he said. Some have started to request that suppliers do some of the prep work, like for example, shredding lettuce before it's delivered to restaurants. Many are also asking about drive-thrus, whose adoption ramped up since the pandemic.

Smooth service has become even more imperative as restaurants have raised prices to offset climbing expenses, with inflation for food away from home going up 4.5% in the year through February. The cost of dining at limited-service eateries like Pollo Campero rose at an even faster pace.

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Meanwhile, inflation for groceries has fallen behind that of dining out, “nullifying a buffer for restaurant sales trends that previously benefited the industry,” William Blair analyst Sharon Zackfia said in a note to clients.

“Consumers do not want to put their dollars at risk right now,” said Chris Tomasso, chief executive officer of breakfast, brunch and lunch chain First Watch Restaurant Group Inc. “They’re being very selective about where they go, and they want to make sure that they’re not let down.”


At a Pollo Campero store in the Orlando area in Florida, the kitchen has a double-sided center island stocked with chicken and sides. Workers assembling orders for the drive-thru stand on the left and those putting together dine-in orders on the right, a setup that prevents them from bumping into each other. Boxes, condiments and napkins are all within reach. The chicken comes marinated from the supplier and is breaded in the restaurant.

The location is about 2,600 square feet, about 9% smaller than the average Pollo Campero store blueprint. It also has approximately 20% fewer seats than usual, owing in part to a shift toward on-the-go eating that surged during the pandemic. The more compact store requires about 10% fewer workers per shift.

Outside, the drive-thru features a digital board that customers can consult before pulling up to the speaker to place the order, helping avoid the “can I get uhhh” stall tactic diners use when they don’t have enough time to study menus.



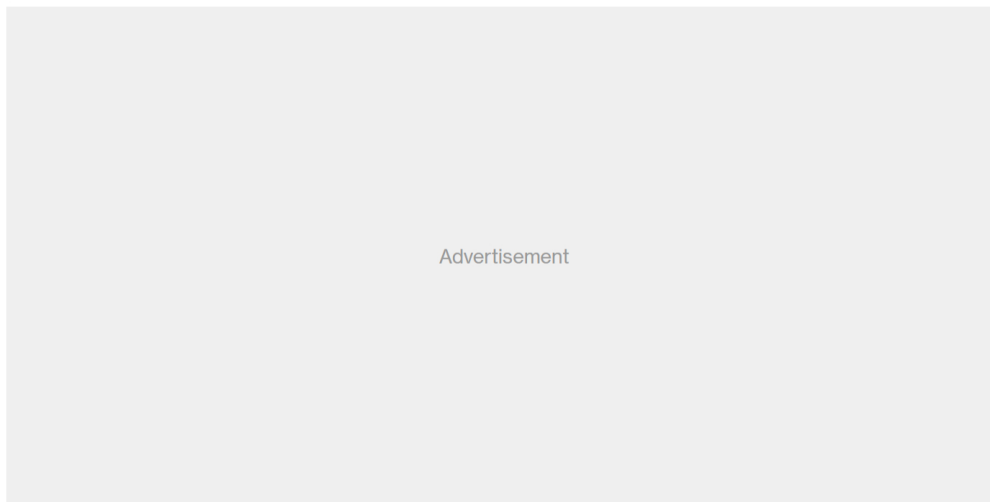
Pollo Campero's goal is to clear dine-in customers in five minutes and drive-thru diners in three, Escarcega said, adding that the streamlined kitchen has improved times.



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Many restaurants are still trying to figure out which productivity initiatives will make a difference. Chipotle Mexican Grill Inc. – which has 15% of its restaurants in California – has experimented with a robot that cuts, cores and peels avocados before they're mashed by hand. It anticipates rolling the machine out to one of its restaurants later this year, a representative said in late March. The burrito chain might also test vision AI technology to measure the amount of food going into its dishes to ensure consistency.



But Chipotle won't deploy Chippy, an "autonomous kitchen assistant" that makes tortilla chips, because it was too hard to clean, the spokesperson confirmed. It's also still figuring out whether the cost of installing dual-sided grills that cook chicken faster is worth it.

"The unfortunate fact is that the wage increase is moving much faster than these efficiencies that we're going to be able to find," Chipotle CEO Brian Niccol said on Bloomberg TV earlier this year. "So, price will be part of the puzzle."

Dutch Bros Inc., a drive-thru coffee chain where workers are known as "broistas," is trying to balance swift service and buzz.

“There’s a little bit of psychology there. You want to go try what other people are finding awesome,” CEO Christine Barone said earlier this year.

Having a line of customers helps “build that interest,” she added, but the company doesn’t want it to be too long.

As for Pollo Campero, the chain will use the general blueprint of the store in the Orlando area – which is about 10% cheaper to build – for new freestanding locations, Escarcega said. The chain has about 100 restaurants in the US and wants to expand to roughly 250 by 2027.

“You got to be able to compete,” Escarcega said. “The big players in this world are always innovating.”

– *With assistance from Alexandre Tanzi*

(Updates with new information about Chipotle’s price hikes in fourth paragraph.)

<https://www.bloomberg.com/news/articles/2024-04-04/pollo-campero-cuts-costs-by-slashing-worker-step-count?srnd=homepage-americas&sref=IAKGq1HO>