

I have learned a lot about the food service since my daughter Jenni started working at Applebee's about six years ago. Mainly what I have learned is how to tip the server. Since Jenni became a server, she is much more aware of how the service she gives a lot of the time will have a direct effect on the amount of tip she will receive. Most of the time.

Last weekend there was a very large basketball tournament in town. Teams from Iowa, Illinois, Minnesota, Wisconsin, Kansas and Texas were in Ankeny to play in a major tournament. Kids from 3rd grade to 11th grade were playing, 238 teams in all. Of course those kids and parents were hungry and Ankeny restaurants were ready to serve them. It reminded me of a recent incident when son Ted and I were traveling at a tournament.

A team and parents totaling around 20 people total came in looking to eat. The staff had put tables together and seated the team together. The kids, who were probably 6th or 7th grade, were out of control and not being held in check by the adults in the group. They were throwing things at each other, spilling drinks and generally taking all the time of one server with the occasional help from another. In the end I am sure the staff was thinking it would all be worth it as the tip should be sizable.

In the restaurant business they use a term called "turning tables", which means that the more times you can sit different patrons at the same table, the more money everyone involved is likely to make. I overheard that the group of 20 stayed for 2½ hours, much longer than the typical stay on a Saturday night. Observing the amount of food and drink on the tables, I estimated the bill for the 20 people would be around \$250. According to Wikipedia, the standard tip for good to excellent service is 15%-20%, which would result in a tip between \$37 and \$50. I overheard that the actual tip left by the 20 people totaled \$8. A server is typically responsible to share the tip with the bartender and the hostess, resulting in a net tip of \$4.

Remembering the group who failed to tip got me to thinking about customers who may not be profitable. Do businesses have the right to "fire" customers? In the example above, the group paid their bill in full, but failed to pay the full cost of the labor.

My opinion is that we owe it to our businesses, employees and quality clients to periodically cut off ties with those customers that do not currently meet our profitability guidelines or do not have the potential to meet those guidelines. It is a very hard thing to do. First it takes level of sophistication to understand which clients are profitable and which are not. Next it takes a lot of nerve and a high level of tact to follow through with the act. In the end it is like pruning a tree, cutting off the sickly branches to make the rest of the tree healthy.

Jenni has been successful as a server and enjoys the people she works with and that come into the restaurant. Some nights tips are better than others but for a college kid, she does OK. She will continue to serve all her customers the very best that she can and with luck, she will not have any that tip as poorly as the group from the basketball tournament.

Small Business Today is a bi-weekly feature written by Tom Friedman, market president of First National Bank, Ames-Ankeny.