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BAR MANAGEMENT 101

LEARN HOW TO **MANAGE A**
TEAM, YOUR INVENTORY AND
MAXIMIZE BAR PROFITABILITY



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BAR MANAGEMENT

In this guide, you'll find valuable information and top tips from some of the best in the industry on how to manage key areas of operation in a bar.

So let's take your bar to the next level!
Get started by clicking on content below...



LEADING A SUCCESSFUL TEAM



MENU PLANNING



INTRODUCING FOOD



OPTIMIZING RANGE



MANAGING INVENTORY



HEALTH & SAFETY



“ Success is so much more than the bottom line, or awards; widen your outlook for where successes come, and without believing the hype, remember to smell the roses! ”

-Ryan Chetiyawardana, a world-renowned bartender, mixologist, and bar owner.

LEADING A SUCCESSFUL TEAM

1

The team is the most valuable asset your venue has. A happy team leads to happy customers so it's crucial you invest in and strengthen your team through training and development – enabling them to offer consistent, remarkable hospitality and stay motivated in their role. Well trained staff offer a better guest experience and keep guests coming back for more!

THE MOST SUCCESSFUL BUSINESSES:



1. Clearly define and articulate the service strategy and culture in their venue. This helps assess culture fit.



2. Value passion over experience, but measure performance in the role.



3. Invest in staff, learning and development.

“Remember your team doesn't work FOR you but works WITH you.”

~Bannie Kang, World Class Winner 2016

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LEADING A SUCCESSFUL TEAM

HIRING STAFF

Hiring staff is one thing, but hiring great bar staff is another. You want to entice them – create a job ad that speaks to the right people in the right places and focus on hiring those with a positive, can-do attitude. Bar skills can be learned, but hiring someone with the right attitude will benefit in countless situations for example, managing customers, or being a collaborative team member.



Throughout the hiring process, clearly articulate business strategy and culture – as well as the key values and standards you expect the team to deliver on. This ensures you are hiring the candidate with the right cultural fit.

An inclusive and diverse culture makes for a better business, one where every team member feels a sense of belonging and can thrive. From drafting an inclusive job ad to including diverse groups in talent pools helps achieve this.

LEADING A SUCCESSFUL TEAM

HIRING STAFF

Attract new hires using competitive pay and relevant benefits i.e. benefits that the staff value. An appealing benefits package could include some of the following:



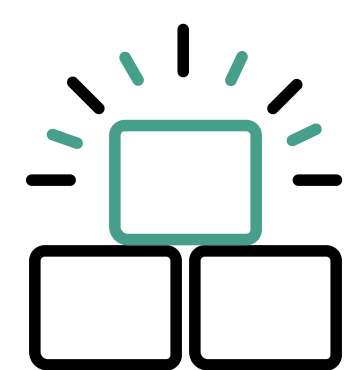
1. FLEXIBILITY

Offer work/life balance with the opportunity to work hours and off days that allow for quality time for recreation and rest outside of the work environment.



2. WELLBEING

Offer gym memberships, yoga classes, health plans.



3. LEARNING AND DEVELOPMENT

Support career progression through sponsored professional courses, exchange programmes and other developmental plans to upskill.

“ Understanding is a two-way channel. This isn't just about the team needing to understand your brand, as a leader we need to communicate clearly to help them understand.”

~Bannie Kang, World Class Winner 2016

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LEADING A SUCCESSFUL TEAM

Investing in staff training will encourage your team, as they will feel more valued, engaged and are therefore less likely to leave. Evaluating their performance quarterly or more often will help to motivate and assist with training requirements.

Providing all new starts with clear, updated, and easily accessed training materials, as well as deadlines and expectations during their induction, is crucial for getting them up to speed efficiently.

Ongoing training must then be provided in the form of a training plan to grow staff skills and support career progression. You can then offer ad hoc training to train the team on the latest drinks trends or new tools for venue operation.



IMPORTANT TIP

Recognize skills held by staff and ask them to deliver a team training session on their area of expertise.

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TRAINING CAN BE AS SIMPLE AS:

1

CREATING A LEARNING ORGANIZATION

Create a work environment where every staff member is a patient teacher and an avid learner. Adopt best practice that would ensure everyone has some level of training in every role and be able to support struggling co-workers during peak hours. Form teams of more experienced team members with junior staff to encourage knowledge and skills sharing.

2

USING AVAILABLE EXPERT MATERIALS TO TRAIN

For example, Diageo Bar Academy's Masterclass sessions, e-learning tools, face-to-face training or live skills workshops.

3

FORMULATING A CUSTOMISED DEVELOPMENT PLAN

Get your staff to be involved in their training plan by checking their areas of interest, strengths and areas of development. Providing them with an area of responsibility with some autonomy can create teachable moments.



LEADING A SUCCESSFUL TEAM

STRENGTHEN YOUR TEAM IN 4 SIMPLE STEPS

1. COMMUNICATE

Share vision and set clear goals. Every team member should be provided with an opportunity to know the business goals and how the business is tracking. Keeping staff in the know provides a sense of ownership.

2. MEASURE & REWARD PERFORMANCE

Measuring and rewarding good work performance motivates staff to do better. Regular feedback and a fair incentive system supports positive changes.

3. SAFE AND HEALTHY WORKPLACE

Staff working in a safe and healthy environment are more likely to feel motivated and engaged.

4. FOSTER A STRONG TEAM SPIRIT

Hold regular team-building activities and opportunities for team members to bond and get to know each other. If everyone is relaxed and having fun, the customers will be too.

“Communication is key, especially in a small bar. Ensure you develop both qualitative and quantitative ways of showing support, whilst also building trust between your team.”

– Natalie Ng, bar owner at Door Knock, Sydney.

MENU PLANNING

2



Menus are critical for inspiring your customers and helping them make quick, informed decisions about what to order. A well-conceived menu can make a great impact on your business by differentiating your bar e.g., highlighting signature serves and offerings; influencing customers' choice & creating opportunities to upsell.

TIPS FOR DESIGNING A PROFITABLE MENU

- Get the right mix of drinks on your menu – popular serves, add offers, add a signature serve and/or seasonal serve like a summer cocktail.
- Less is more – don't overload your customers with lots of serves. Divide your list into sections with 5-8 drinks in each section.
- Place your menu where guests ordering takes place.
- Ensure consistency of drinks – train all bartenders to make the serves on the menu.
- Train staff to recommend and upsell using the menu.

**1 OUT OF EVERY 3 CUSTOMERS
DON'T KNOW WHAT TO ORDER WHEN ENTERING A BAR.**

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MENU PLANNING

HOW SHOULD I LAY OUT THE DRINKS MENU?

There are different ways to lay out a drinks menu, depending on the style of your bar and the type of drinks you serve. Here are some key tips on how to lay out a drinks menu:

CATEGORIZE THE DRINKS

Grouping drinks into categories such as cocktails, beers and wines can make it easier for customers to search. Remember to position what you want to sell in front.

CLEAR HEADINGS AND DESCRIPTIONS

Menus need to be clear and easy to read, especially in low light condition. Descriptions must be short but concise.

HIGHLIGHT SPECIALS

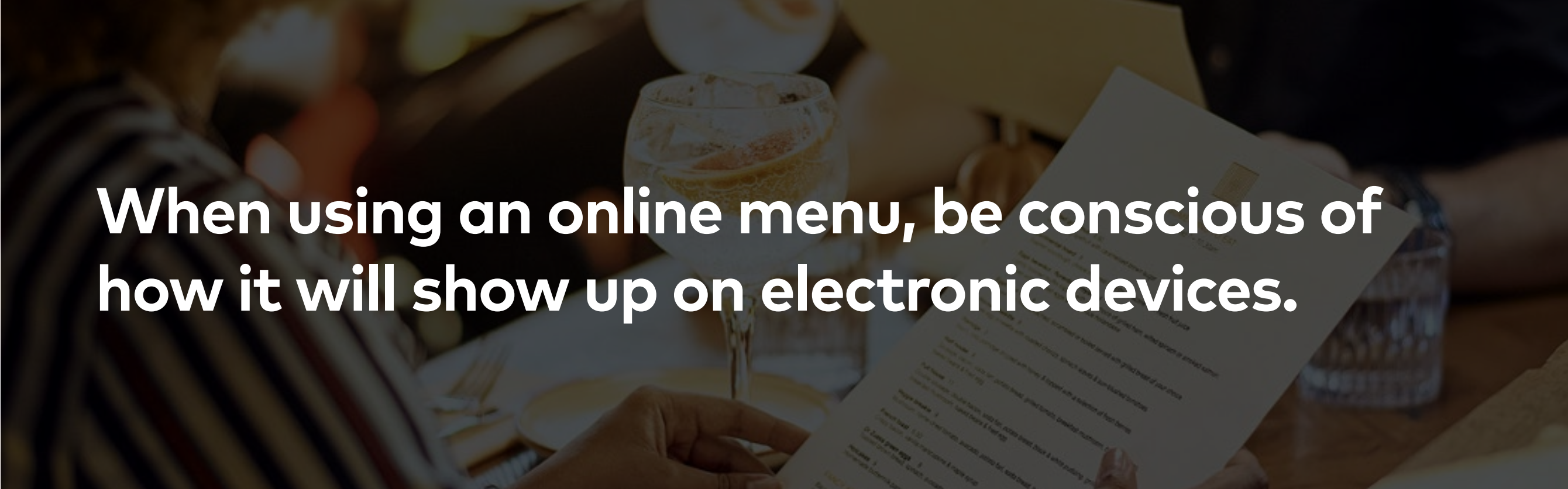
Draw attention to popular or trending drinks to entice customers to experiment.

LIST PRICES

List prices clearly and avoid complicated price structures. Calculate the cost of your items carefully to ensure your pricing is profitable.

DESIGN

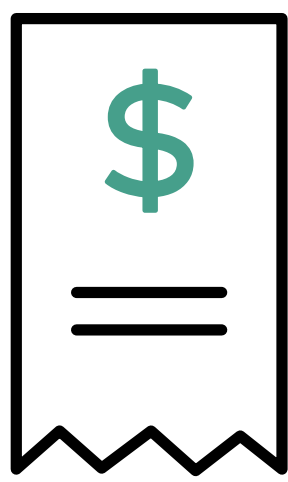
The design of your menu must match the style and atmosphere of your venue.



When using an online menu, be conscious of how it will show up on electronic devices.

INTRODUCING FOOD

3



More bars are elevating the customer experience by offering food as part of their service. Let's look at how to create and implement a simple food and drinks menu that will give your guests the full experience.

1. Research

Before implementing a food menu, conduct research on what's popular and suitable for your venue. Your customers, staff and peers are good source of information. Always use the best and freshest raw materials possible while supporting sustainability and local micro producers.

2. Be passionate about flavor

Look at adding food to your offering as an upselling technique to complement your drinks. Ensure your bar and kitchen staff are working well together to create the ultimate dining experience. Develop a language of flavour among staff, so they can introduce food and drink in an authentic way.

For more information on how to introduce food to your bar check out the below:



**FOOD & COCKTAIL
MOMENTS - HOW AND
WHY WE DO IT**



**MASTERCLASS:
SPIRITS & FOOD**



**BENEFITS OF
OFFERING FOOD AT
YOUR VENUE - PT.1**



**BENEFITS OF
OFFERING FOOD AT
YOUR VENUE - PT.2**

OPTIMIZE YOUR PORTFOLIO RANGE

4

When it comes to planning for your bar's product range, usually less is more. Ensure that your portfolio is aligned with your venue's target audience and volume of business. Too big a range can be overwhelming for customers, hold up valuable capital and reduce efficiency.

Creating a back bar that has clear categorisation can be hugely beneficial for your bar.

CLUSTER YOUR RANGE INTO 3 DIFFERENT CATEGORIES:

1
MUST-STOCK

Standard spirits used when customers do not call brand do not need to be visible in backbar.

2
CORE

Best-selling premium spirits that offer a better drinking experience and should make up the majority of your portfolio.

3
EXCITE

Innovative, seasonal, or super premium spirits for celebrations.



MANAGING INVENTORY

5

Managing inventory (how much of each item to stock) is crucial to ensure the smooth running of the business. It prevents stockouts, saves storage space, and avoids over-ordering leading to spoilage and waste.

Bar managers will need to consider some of the following to make informed decisions about inventory levels:

- **Shelf life & storage conditions**
- **Delivery lead time**
- **Popularity of item**
- **Business forecast**
- **Volume discounts**

Plan ahead with any purchase and examine usage and stock to make sure you are ordering the correct items and right quantities.



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MANAGING INVENTORY

STOCKTAKE

Whilst it's not the most exciting of tasks, it is mission critical to take time to stocktake and measure variance (the difference between the recorded quantity of inventory vs the actual quantity of inventory). A high variance eats up your profit and could be due to several reasons such as wastages, spoilage, recipe errors, poor record keeping and pilferage.

Monitor and control variance by conducting regular stocktake (weekly or monthly) using the right tools, measurements, and people.



COST CONTROL

Keeping track of your costs on a monthly basis will enable you to get a much more accurate cost of sales.

When conducting a cost analysis don't neglect wastage, maintenance, or irregular costs, investigate everything!

HEALTH AND SAFETY

6



Managing health and safety as a bar manager is critical to ensure the wellbeing of both your staff and guests. Below are some of the mandatory elements to consider when managing your health and safety protocols.

- 1. Training:** Train staff on the health and safety protocols, such as proper handling of equipment, cleaning procedures and emergency response can help prevent accidents and injuries.
- 2. Regular inspections:** Regularly inspect the bar and its equipment to ensure they are in good working condition can help prevent accidents and equipment malfunctions.
- 3. Proper storage:** Store cleaning supplies, chemicals and other hazardous materials in designated areas, away from food and drinks, can help prevent contamination and accidents.
- 4. Responsible serving practices:** Implement practices such as checking IDs, limiting alcohol consumption and training staff to identify signs of intoxication can help maintain a safe environment.
- 5. Emergency plan:** Have a plan in place for emergencies such as fires or medical emergencies (including regular practice runs/drills) can help ensure a prompt and effective response.

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OUR MEMBERS LEARN FROM THE BEST IN THE BUSINESS!

Whether you want to upskill, find out about opportunities in the industry or progress your career, we've got all the tools to help you on your way.

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Check out [Diageo Bar Academy](#) for all the essential e-learning resources to help you on your bar management journey.