

## GENE LEE, CEO of DARDEN (DRI): "IT'S A WAR FOR TALENT - HERE'S A "TIP"

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### Gene Lee, CEO of Darden: “It’s a War for Talent” – HERE’S A TIP !!

We wrote last week about Gene Lee’s tutorial, within Darden’s quarterly conference call, regarding successful management of casual dining restaurants, including his comments relative to the “War for Talent”.

We attended the heavily attended MUFSSO (Multi-Unit Food Service) Conference in Dallas earlier this week, and found the CEO Panel (from Del Taco, Longhorn Steakhouse, Red Robin, Smoothie King and Arby’s/Buffalo Wild Wings/Sonic) most interesting.

Most of the discussion was pertinent, but, honestly, predictable. In our four decades following the restaurant industry, attending hundreds of conferences and listening to what must be thousands of conference calls, that shouldn’t be too surprising. However, Todd Burrow’s, President of the very well run Longhorn Steakhouse (within Darden Restaurants) provided an interesting viewpoint relative to the hiring of store level talent. He didn’t say whether he was referring to “crew” or “management”, but the following thoughts would no doubt apply to both categories.

Todd wants to make the first day of employment at Longhorn “the best day of their life”. Higher management meets and greets the new arrival, and provides an enthusiastic orientation in terms of how pleased Longhorn is to have them, the great opportunities that lie ahead, etc.etc. No doubt there are specific training aspects to the first day, as well as paperwork to be done, but Todd stressed the emotional commitment of the company to the new recruit, really “selling it”. There wasn’t a great deal more detail provided, but you get the message, and I have not heard it put this way before. Naturally, this will only carry the company and the new employee so far, but at least the relationship starts with some “romance”. As they say “you only get one chance to make a first impression”.

I honestly don’t remember whether Todd discussed the “last day” of employment. **As an ex-operator (a long time ago), I would like to insert a few thoughts in that regard, which could be almost as important in terms of the corporate culture.**

Later in the day after the presentation, I ran into a human resource consultant that concentrates on building the corporate culture that all restaurants aspire to, and I asked him why the last day is important, and what he would include. He responded that, among other things, he would do an exit interview, obviously to determine the pluses and minuses in the mind of the departing employee. There were a few other less important suggestions but what wasn’t cited, and what I would like to

add, is the following:

**Treat the departing employee with as much respect and encouragement for his or her future, as you can possibly muster**, perhaps even a bit more than you feel is deserved. The reason is: **your remaining employees are paying attention**. If your attitude toward the departing associate is “he was never that important”, “we will do fine without him (or her)”, “we’ll find someone better”, etc.etc., those remaining will get the impression that they are just a “disposable” commodity in your mind, to be used temporarily in your own interest. They will obviously be less committed to their future with your company and inclined to move along at the first opportunity to someplace that will (at least potentially) appreciate them more. Secondly, if the employee did at least a reasonable job for you, they could come back at some point, and perhaps make an even better contribution in the future. So your departing message, under most circumstances, and it takes very little time or effort to do this is: “You did a fine job, gave it your best effort, we are a better company because of you, we wish you the best, if there is anything we can do to help you in the future don’t hesitate to ask, if things don’t work out in the new place we are still here, etc.etc.”

Costs you nothing. It's the right thing to do. Will send an important message to remaining associates, and will pay big dividends over time.

Roger Lipton