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To the Riverwest Public House Cooperative Members,

The following business plan contains what I propose are the most important items the Riverwest Public House should address to become a profitable business. I believe that most of these are long overdue and should be implemented as soon as possible.

Open and honest communication with the MEMBERS should be accomplished and their help sought. They are our most valuable resource.

Sarah Ditzenberger

## RIVERWEST PUBLIC HOUSE RE-DIRECTION AND BUSINESS PLAN FOR 2018

THE PUBLIC HOUSE BOARD, WORKERS AND MANAGEMENT MUST PROCEED WITH THE UNDERSTANDING THAT THE RIVERWEST PUBLIC HOUSE COOPERATIVE MUST MAKE MONEY.

### 1. PROFITABILITY

All decision making must consider profitability! This may seem obvious but the Public House board and workers have not created an operating culture that examines profit and loss ahead of time. We tend to think about money when we're having a fundraiser because we don't have enough of it. The day to day business runs like a club where everyone gets a say about how they want things to be.

Instead we must actively evaluate, estimate and **calculate the effects of our plans of action**. It's not hard, it's easy and fun. It's just a process of information gathering and thought. Add up the cost of all the factors involved, multiply their profitability together, subtract any negatives and come up with a positive sum. This is a simplification to show how accessible it is to consider profitability. Estimating profitability well is what a healthy business does. But as we now see, even a business with a community behind it like the Public House, can die without profitability in focus. As a board member I will be present to help gather all the information we can when decision making.

That being said, we want to stay true to a mission of service to community. I believe we can do **many** of the things we want, which have nothing to do with making money, *and* run a profitable business. But we can't do everything everyone wants *and* have a profitable business.

The potential for our community backed bar in an up and coming Riverwest is large. No other bar can be quite what the Public House can be if we live up to our potential. We are a bar and a meeting place

that connects with our customers through causes we believe in. We have a greater purpose and a strong brand identity to match. So much so that our name and logo have already been copied! We are outfitted to be a cool venue. We have had some fabulous shows and events and get the opportunity to showcase our best at Locust St. Fest once a year. We have a known history with the neighborhood which is our place in the history of co-ops developed here in Riverwest. The business idea is solid and the neighbors want to support us but we have failed them in execution. We need to be a profitable well run business to regain the faith of members and customers who once believed in us but don't stop by anymore.

I believe that the Riverwest Public House should continue to take pride in being a host to causes that require awareness and need this kind of space to bring information to the public. The Public House can be a bastion for rights causes and a meeting place for their people. A strong identity and a real connection with our customers and members also happens to be great for business. The Public House could be a much stronger local brand than it is today.

## 2. INSTALLATION OF A MANAGER FOR ACCOUNTABILITY

I believe the Public House is desperate for a MANAGER and a Board with a single vision. It is not enough for a business to have employees. The components of day to day business require a coordinator. The monthly outlook needs a visionary. A good manager takes the place of a good owner. Think about this... You own a nice little neighborhood bar. You like all your employees. They work hard and everyone knows there's always plenty to do. But you want to go away on vacation. Knowing this, would you leave, saying to your staff, "You're all in charge and nobody's in charge. Work it out!"? No. You would designate the right job for each employee and you would appoint one person in charge of seeing that it all gets done. But the Public House puts it's employees and it's business in the first scenario. The Public House doesn't have a manager with a single vision like a traditional business. Instead it has the Board of Directors in the traditional role of an owner but without a single vision and without the thing a good manager or good owner provide: daily guidance and expertise in all aspects of the business. Someone has to fill this role.

The Workers need a way to hold the Board accountable. They can't wait for an annual general meeting to do so. If board members are incompetent, the worker's need a way to address the issue asap. Bad board decisions can ruin the business. Our board is elected out of those members who choose to run. These members often have little or no business management experience. The members elect other members to the board without knowing much about them, their ability or expertise. There has to be some checks on their power. A manager can speak up with authority and specific knowledge. A manager with credibility can write a letter to the membership or otherwise find a way to be heard.

The Workers need a manager because a good manager means job security. A good manager will examine and implement ideas to increase sales in the bar which is increased revenue for workers. A good manager will make the changes to the bar that make the worker's job easier. A manager can make requests to the board and those requests carry weight.

The Board needs a manager to work with the Workers Collective. The board has no power to affect change in the bar if they can't hold the worker's collective accountable. There is no way for 9 people on the board to hold 9 people on the worker's collective accountable. There is too much of an overlap of job responsibilities among the workers to do this and the board is not a first hand witness to most incidents.

The Board attempts but fails to make permanent changes. The way things have been done has resulted in mixed messages, hurt feelings and lots and lots of arguing. The board may get everyone clear on a vision but it falls apart when everyone is implementing the vision in a different way. A manager is needed to understand what the board wants, and has a better knowledge of the businesses' inner workings to implement changes with thought. A manager sees how all the pieces work together and can answer questions about implementation. We can't continue to get bogged down arguing over details.

### 3. DEDICATED PEOPLE IN KEY PLACES: EVENTS COORDINATION, ADVERTISING, ACCOUNTING and MEMBER OUTREACH.

Some of these may be paid positions like Events Coordination and Accounting or volunteer board duties like Member Outreach and Advertising/Marketing. Luckily we have all these jobs covered by volunteers and employees at the moment. It should be understood that these jobs are key to running the Public House and must be viewed as essential. The Board of Directors must strive to make sure these jobs are being covered by someone with ability and integrity, at all times. A proper Point of Sale system behind the bar will help the Accountant do her/his work but these other essential jobs have been somewhat rag-tag in the past. Much more needs to be discussed regarding these jobs and structures and protocols developed to keep them stable and well-functioned.

### 4. FOCUS ON CUSTOMER EXPERIENCE

A business that has to turn a profit can't look at things from an individual point of view, even if these individuals are on the board or worker's collective or very vocal. Instead, a business has to make decisions based on what the CUSTOMER wants. Luckily our customers are largely our members and local community. They are people we know, so we have an advantage when trying to find out what they want. It is a great advantage for our Riverwest bar business.

We *can* move forward to a place in time where everyone who stops by has a great time and comes back again soon! For increased popularity and profitability we must focus heavily on the customer experience. **It is the core of our business.** Making good business decisions means making decisions that make customers happy and wanting to come back often. I can't state this strongly enough. The customer's experience is the largest aspect of what we do. A bar is a place to go and buy drinks and have a good time with your friends. We need to closely examine all aspects that determine whether or not our customers are having a positive experience. Every person who walks through the door needs to be valued and their experience given weight.

Nearly everything that has to do with the customer's experience while at the bar is a factor in retaining their loyalty. *Everything* includes: were you comfortable, did you talk to anyone, did you enjoy the event, did your friends show up..? These may seem like a customer's internal issues but these are all things we can directly effect via our Public House atmosphere and customer service.

I believe our staff needs a re-freshened customer service focus. The bartenders currently in employ and the bartenders we will hire need to be willing to interact with customers. A bartender is different than a barrista. Someone buying coffee isn't looking to socialize. Someone buying a beer and sitting at the bar IS looking to socialize. Our bartenders have to be at ease with others, able to converse, able to listen. A bartender has to have a positive outlook. We go to a bar to have fun. Re-focusing our

attention toward our customers is a change we can make quickly and easily but cuts to the core of how our customers see the Public House, and if they will return.

I am dedicated to creating a new customer service focus for our staff including a written manifesto and manager implementation. I believe we need to curate our bartenders and begin including older bartenders in shifts as well. If we maintain our objectives and provide a great customer experience we will provide a consistent product that folks can put their faith in.

## 5. CURATED AND ADVERTISED EVENTS

In the Past:

There has been a cover charge nearly every Friday and Saturday and sometimes Sunday. The Riverwest Public House is currently seen by some as a sad bar with bad shows and no one wants to pay a cover for that. In the past we have done well as a rock club, even being named the #2 spot in the Shepherd Express for Best Rock Club in 2012. But we also pushed out older founding members and older community members with bad acoustics and loud shows most weekends.

We have been unclear to the general public about our events. The public isn't aware of what shows are coming up at the Public House. Our show attendees have been largely based on whoever happens to come by that night.

The Riverwest Public House has **excelled** at being seen as a space for community events. It has brought the community together time and time again in a safe, friendly, supportive environment. We have had too many fantastic events, musicians and art shows to count. The stage, lighting and sound system are a real plus for the Public House overall.

As altruistic as we have been in the past giving shows to virtually anyone who came along and wanted to book a show, I can't support the exact same practice moving forward. It has been observed and understood by the workers that certain types of charity events and certain types of shows bring in no money for the Public House. The specific reasons for this vary with the group or event. Yet we continue to allow these same acts to book shows time and time again. We can do many of the charity and community focused events that we enjoy but we can't do them all. The Public House shouldn't be hosting low sales events during evening weekend hours. General, local charity events and/or parties may deserve a time slot. But not all the time slots should not be up for grabs to the public.

We can continue to be a host for community events but as a business that has a responsibility to turn a profit we have to focus on allotting time slots to events **with consideration**. Preference may be given to shows which meet a list of criteria that addresses our business needs first.

Our Events Coordinator, sound engineer, bartenders and staff monitor internally how well shows do every night of the week. We need these employees on the front line to **document** what they see and the sales figures associated with events. An easily accessible binder will do the trick. This can be used as a reference when these same acts or events are looking to re-book with us.

We need to transition from being a community center type show place to offering only well curated, well advertised shows. Customers are connoisseurs. They know a good show from a bad show. A good show is one where customers are thrilled, excited and interested even if they previously had no prior

knowledge of a performer or group or cause. Our customers should be able to walk in without having to know what the night's event is, yet leave entertained. Good live music, for example, can do that. No matter what type or genre, no matter what the musicians look like, **good**, live music is exciting and interesting. We know good music when we hear it. It's an accomplishment.

The Events Coordinator should be someone who can find and curate the best shows in a professional manner and with extreme thought and planning. Our events are our face! **Our face/our image IS business and money.** We *are* what we are showcasing on stage. There is an instant and long lasting association. The types of shows we host tell what our bar business is about.

Locust Street Festival gives us the opportunity to advertise and engage with our customers but we are not taking full advantage of that yet. Advertising doesn't mean a cheesy ploy. The coolest way to pull off advertising is to be real. Advertising can be funny or thought provoking but it should also be honest and relateable. Locust St. Fest is a free opportunity for the Public House to speak to the neighborhood. Let's take advantage of that time to speak! The Public House should continue to rally all hands on deck to take full advantage of the Locust Street Festival. That day is similar to the holiday season for retailers. It comes once a year but can boost the business for months to come. The vision of a community bar still garners interest and volunteers are still around with muscle power to back that dream.

## 6. ATMOSPHERE

Some of the easy ones: ugly bathrooms, stiff furniture, no guarantee of good music, no screens, no entertainment from behind the bar and sometimes crabby or disengaged bartenders.

If we begin to spend more time curating the good shows and cut out many of the bad shows we create more nights a week where the Public House gets to create the ambiance. Right now the only permanent or semi permanent ambiance we have in place is the art on the walls. But we can develop the passive entertainment within the bar so that it runs like a well oiled machine without too much effort by the bartenders on duty. I have a plan for this and can elaborate more in person.

When we create a comfortable atmosphere for socializing and drinking we fulfill our basic mission as a bar in our customer's eyes. Many people want to come to a bar to talk with their friends and meet new people. Having more nights without loud music will allow more time and space for the general public and older members to stop in and have an enjoyable evening drinking and chatting. We need to make sure the Public House is never dull again.

I believe we need a complete new visioning of the atmosphere inside the Public House to address major and minor problems of function, comfort and interest. We can use the Public House's personality to full advantage here and in doing so re-double our efforts to develop our brand. If the Public House gives me the job, I will work with Milwaukee artists to create a fresh, hip new look with details carried out by contributing artists. I also plan to ask for other contributions wherever I can. I will ask La Lune furniture makers to contribute or assist us with some new comfortable seating that I believe is desperately needed. Unfortunately I ran out of time to explain my vision here but can elaborate more in person. Overall we need to achieve a clean, exciting, comfortable atmosphere night after night. Customers have to think they can come to the Public House any night of the week and it will be a good time.

## 7. POINT OF SALE TO TRACK INVENTORY AND SALES

There are POS systems specifically designed for bar businesses. A proper point of sale system can add a ton of accountability and peace of mind! A Point of Sale system specifically made for bar businesses tracks all aspects of inventory and sales without extra work for anyone. It tracks inventory levels down to the amount of shots left in a bottle! This accountability can be examined by multiple sets of eyes while also providing safeguards against number tampering and changes made by those who have access. We need this in our co-op where there are often multiple and varied hands contributing. We have a responsibility to our member owners to create accountability wherever we can. The #1 place any business needs accountability is tracking it's money. Our money stems from inventory and sales. There must be open and reliable access to these numbers for the sake of accountability.

## 8. REEVALUATION OF BOARD DUTIES

It is time for the Board to get organized for effectiveness. Each board seat should tie in a job that has been predetermined to be essential to a well-oiled bar business and that is an *appropriate* means of contributing. We have the advantage of having a Board and nine extra volunteers/experts to help the bar excel. But we must redefine the most needed areas where board members can contribute or assist without stepping on the toes of workers who already carry out these jobs. The profitability of the bar business could really use some well thought out help. It is not enough for the Board to set priorities based on what's blowing around as current topic of discussion. At this critical time, day to day functioning of the bar and increasing revenue in the bar is priority. The Board needs to function as an aid to the business, not a constant wind of change. Since the Board has been top dog in our business' hierarchy in the past, much of our failures can be attributed back to them.

Below are areas I believe a volunteer board can truly help the business:

Research and Development

Member Outreach/Being a Voice

Advertising

Effective Coordination with Management to advance approved visions

## IN SUMMARY

There has been an overall lack of effectiveness by the Board *and* Workers Collective to manage the Riverwest Public House **for profit and without turmoil**. It's time to think of the business in a more traditional manner because our approach has not worked since 2011. Evaluation of profitability at every turn is essential. This is a bar business in a city that loves to drink and a neighborhood that does more than support The Public House by buying drinks; it goes to such lengths as paying a \$200 membership fee and volunteering time to work. We **can** turn this business around. We know that we only need to increase daily sales by 15-20 drinks a day to break even.

All of the points in this business plan may seem self-evident after reading. However, they are listed because we **have not** been fully aware of how much these items mean in creating a profitable business. A clear vision of priorities is essential right now.

Steps are mapped out but details will be developed along the way. We have to create documented processes for each area of the business, so that both Workers and Board members can easily become informed on any aspect of the bar. These are internal issues like, where to find invoices and member/patron issues like, how to sign up for an event. There will be space allowed for each worker and board member to solve problems in their work space or area of expertise. It will be essential that board members and workers contribute to the written protocol.