

An AI-driven Approach to the Restaurant Hiring Crisis

How Intelligent Automation is Transforming Recruitment & Retention in the Food Service Industry



Record low unemployment, tight profit margins, and more restaurants opening than closing mean the industry is struggling harder than ever to hold onto a quickly shrinking piece of the labor market pie.

The restaurant industry is in a bit of a pickle. On one side, a robust economy and tight labor market, are making it more difficult than ever to find available help. On the other side, long-awaited wage growth in competitive industries make it even more of a struggle to keep workers who are always eager to take home a higher paycheck from a new opportunity.

Stories of understaffed front- and back-of-houses, full kitchen walkouts, and clueless servers are circulating from the mountains of Tennessee to the new culinary centers of Washington state.¹

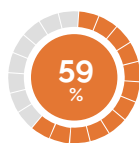
Even for an industry well accustomed to hiring and retention challenges, today's talent shortage and exacerbated turnover rates are sounding the alarm.

Staffing difficulties and the extent to which they affect the bottom line is top of mind for decision-makers, and only those taking steps to tackle the problem today will find themselves prepared to succeed in the future.

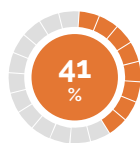
The good news is that just as restaurants that have tapped into innovative new technology to delight customers with instant online ordering and camera-equipped kiosks that can recognize regulars, those that 'keep it fresh' with AI-powered solutions to the hiring problem can expect the same kind of positive return on investment.

What follows is a more formal investigation into how truly intelligent automation and software can build a more effective and delightful recruiting lifecycle, all while delivering the kind of second-to-none human experience Gen Z and Millennial workers demand.

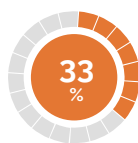
Biggest Challenges in the Restaurant Industry



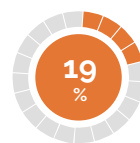
Hiring, Training, & Retaining Staff



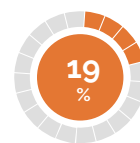
High Operation/ Food Costs



Attracting & Retaining Customers



Optimizing Speed & Efficiency



Tough Competition

Source: [Restaurant Success in 2018 Industry Report](#)

How to Get More Applicants Without More Staffing Resources

All across America, job ads for open restaurant positions are going stale on online boards, vacancies are remaining unfilled for weeks on end, and experienced cooks and servers are jumping ship for better opportunities to work with higher profile chefs.

1.6 million
new jobs will
WILL NEED TO BE FILLED
in the restaurant industry
by **2028**

created by 2028 in the restaurant business, the shortage doesn't seem to be disappearing.

In short, as is the case across the job market, demand for talent is outstripping supply, and with **1.6 million new jobs predicted to be**

Many in charge of recruiting operations are getting creative, tapping into previously untouched labor pools like ex-cons and offering better perks. However, improving the nuts-and-bolts of your operations with AI technology, like AllyO, could be an easier and more effective way to attract better quality candidates.

Here's how AllyO uses texting technology and natural language processing to boost application completion rates and better leverage an existing talent pool. The result is a simpler and more cost-effective solution to generating a larger cache of potential hires.



3 Ways AI Tech Finds & Attracts Candidates

1 Converts Customers to Candidates with Text-to-Apply Tech

60% of potential workers say they would still check out a restaurant in person to ask about job openings. Get them instantly into the application funnel without compromising a manager's time with AllyO's text-to-apply technology.

2 Simplifies the Application Process

60% of jobseekers don't complete an application because of its length. Eliminate fallout by leveraging AllyO's natural language processing and conversational psychology functionality to conduct real-time prescreening. No resume submission or review necessary.

3 Easy, Scalable, and Proactive Pipeline Outreach to Staff up New Restaurants

Re-engage former hires and candidates quickly and efficiently to staff up new restaurants with AllyO's en masse texting feature and its ability to handle hundreds of thousands of simultaneous conversations.

Leveraging Intelligent Automation to Free Up Business Critical Time for Managers

Restaurant managers are a crucial linchpin in the hiring process, yet they can also be the primary bottleneck.

Charged with everything from overseeing day-to-day operations to managing financials, these key leaders are notoriously overstretched and short on time, which can make it difficult to find space on their calendar to review candidates, conduct interviews, and check-in on new hires.

And where they can be hard-pressed to allocate a few hours each week to vital parts of the recruiting life cycle, they absolutely can't afford to waste a moment on tasks that aren't business critical, like the back-and-forth that comes with interview scheduling or engaging with a poor-fit candidate who hasn't been properly screened.

Intelligent automation can not only give back managers (and recruiters alike) invaluable time, it can also streamline everything from candidate evaluation to candidate communication - providing an exemplary candidate experience along the way.

5 Key Ways Intelligent Automation Decreases Time to Fill and Increases Managers' and Recruiters' Value Time

- 1** Automates interview scheduling by seamlessly integrating with digital calendars and confirming interview times with candidates thanks to AI capabilities
- 2** Automates strong candidate communication best practice by sending interview reminders, facilitating interview reschedule, and following up post interview
- 3** Automates candidate pre-screening via natural language processing capabilities that eliminates applicants who don't meet deal breaker requirements (e.g. minimum age) or who don't have baseline skills
- 4** Automates background checks
- 5** Automates new hire check-ins at the 30, 60, and 90-day marks

Food for Thought: AI Texting Technology Can Help Managers Handle No-call, No-show Employees

When a server or crew member bails on their shift, managers can leverage AllyO's texting technology to reach out to team members efficiently at scale, finding a replacement before that Friday rush. Far faster than calling each individual, texting also comes with a 98% open rate and an average response time of 90 seconds.

“

In early 2017, we rolled out AllyO's end-to-end A.I. recruiting software to help engage, qualify, and schedule candidates for our restaurants across Arkansas and Tennessee. Today, we can standby on auto-pilot as qualified, interested applicants walk in for interviews when managers are available.

-Sivan Aballi, Director of Operations for Five Guys Burgers & Fries

Boost Retention by Levelling Up Employee Engagement

The accommodation and food services industry has a mind-boggling turnover rate, **outpacing the retail industry by 100,000 each month.**

Aside from the considerable impact on customer service and recruitment workload, this churn-and-burn is expensive, with the [Council of Hotel and Restaurant Trainers](#) reporting that **it costs \$20,000 to replace a restaurant manager and \$2,225 to replace an hourly employee.** This doesn't even take into consideration the extra costs incurred paying existing staff overtime to cover last-minute shifts left unfilled by quitters.

Restaurants that can stretch out average job tenure and reduce quit rates even minimally can see immediate impact on the bottom line. This means that those who focus on levelling up employee engagement at an early stage are more likely to keep their profits from shrinking or plateauing.

AI technology, like AllyO, can complement the human workforce already in place and make it easier to provide the kind of on-point employee engagement that Gen Zers, the new majority of restaurant workers, value.

Among employees working in services related occupations, those in the food service industry have the absolute lowest median job tenure.

Among other things, these mobile natives want more recognition and they want to receive feedback at least once a week.

Here's how truly intelligent end-to-end recruitment software can create the kind of constant, continuous feedback loop this new generation demands without putting pressure on your current resources or compromising the kind of experience you want to deliver:

- **Communicating with candidates on their mobile devices, where and how they want to be reached**
- **Always-on availability (24/7), with real-time responses during and after the application process**
- **Easy scheduling and rescheduling processes**
- **Interview reminders and follow-ups**
- **Delivery of onboarding materials**
- **New hire check-ins at 30, 60, 90 days**

Cost to Replace Restaurant Employees

Restaurant Manager \$20,000

Hourly Employee \$2,225

3 Proven Ways Restaurants Can Retain High Performers

1

Consistent Employee Communication from the Start

2

Thorough Onboarding Procedures

3

Formal Check-ins

How to Attract More Gen Z Workers with a Better Candidate Experience

Gen Z will continue to make up the largest segment of the restaurant workforce in the now and immediate future, and restaurants looking to solve their hiring and retention challenges need to fundamentally understand the digital natives' mindset to succeed.

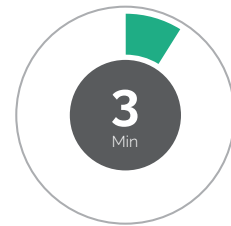
For one, this generation wants to be associated with organizations that have a positive reputation, and for restaurants grappling with staffing struggles, that means treating both customers and candidates to a first-class experience.

What's more, Gen Zers and their limited attention spans have a need for speed, a reality that extends to the job application process, response times, and the hiring cycle in general.



The Traditional Application Process

No interview scheduled



The New Conversational Process

Job matching, screening & assessing, scheduled interview

64%

of Gen Zers are influenced to apply for a job by a positive review on an employee rating site

63%

of Gen Zers are influenced by a positive experience eating at the restaurant

73%

of younger workers say the restaurant's reputation as a good place to work would influence or highly influence them to apply for a job

The right AI recruitment software will help you tick all of the required boxes, not only simplifying and speeding up the entire application process and decreasing time to fill, but also by ensuring that every candidate has a more delightful experience - even those that don't make the cut.

Candidate Experience Functionality Restaurant Recruiting Tech Must Have

| Functionality | Why It's Important |
|--|---|
| Mobile messaging | Gen Z prefer texting to any other form of communication |
| 24/7 availability | Gen Z demands round the clock internet access |
| Automated reminder and response candidate communication that feels human | Gen Z values individual, personalized communication |
| Simple, short application process | Gen Z have an attention span of only 8 seconds |



Are you ready to get out of the “pickle” and leverage AI technology to overcome your hiring challenges?

To learn how AllyO can help your business streamline its hiring processes with an end-to-end AI recruiter, [contact us](#) today.

LET'S CHAT

1 Steinhauer, Jennifer. "A Worker Shortage is Forcing Restaurants to Get Creative." *New York Times*. April 5, 2018.

2 "Restaurant Industry Facts at a Glance." National Restaurant Association. Accessed April 9, 2019.

3 "Serving the Next Generation of Restaurant Leaders." National Restaurant Association Educational Foundation. Fall 2018.

4 Zielinski, David. "Study: Most Jobseekers Abandon Online Job Applications." *Society for Human Resource Management*. March 8, 2016.

5 Cohen-Sheffer, Nathalie. "Text Message Response Times and What They Really Mean." *Viber*. November 6, 2017.

6 "Economic News Release." Bureau of Labor Statistics. April 8, 2019.

7 "Employee Tenure in 2018." Bureau of Labor Statistics. September 20, 2018.

8 "Restaurant Success in 2018 Industry Report." *Toast*. Accessed April 10, 2019.

9 Ruggless, Ron. "Gen Z Labor Crisis Looms in Restaurants." *Nation's Restaurant News*. September 26, 2018.

The Most Recognized End-to-End AI Recruiter



AllyO is an AI technology company with a simple mission — to make recruiting delightful and efficient for everyone. AllyO addresses the traditional inefficiencies of lost applicants and conversions due to poor candidate experience, high cost of recruiting due to overburdening of administrative tasks on hiring teams, and lack of visibility and control for HR leadership. It utilizes deep workflow conversational AI to fully automate the end-to-end recruiting workflow by intelligently engaging via texting over mobile and web. It is used by Fortune 500 companies and leading staffing agencies including Randstad, Staffmark, G4S, Allied Universal, and GQ4, that have experienced 2-6X increase in applicant capture and conversion rate, 91% application completion rate, and over 50% reduction in cost and time to hire.

Today, our AI recruiting platform is integrated across your recruiting and productivity tech stacks including applicant tracking systems (Taleo Enterprise, ICIMS, Workday Recruiting, Lever, Greenhouse and any platform supporting flat files and or APIs) and calendaring tools (G-Suite, Office 365, and Microsoft Exchange). Please e-mail hello@allyo.com for an updated list of integrations.

AllyO is backed by leading investors such as Google, Randstad Innovation Fund, Bain Capital Ventures and Cervin Ventures.



Capture & Apply



Screen & Assess



Schedule & Hire



New Hire Check-In



Talent Pool Engagement



Employee Referrals



Candidate Connect



Analytics

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