

From: Mark Dennett [<mailto:mark@dennettgroup.com>]

Subject: Comments on SB 828

With all due respect, as along-time marketing consultant to the hospitality industry, this is a terrible bill. Being a restaurant servers is a tough job. But being an owner of a restaurant is even tougher. The unpredictable nature of the restaurant industry is just NOT compatible with this bill. In fact, this bill will result in less employment for many (not more jobs) and will lower the level of customer service. I believe my son M. Chris Dennett, who owns a Medford restaurant, does a good job of showing why this bill should not be passed:

“If passed, the bill would require small employers like me to (1) pay 4 hours of wage to employees for all shifts irrespective of the amount of time that they actually end up working, (2) pay 4 hours of wage to the employee if they are "on call" irrespective of how much time they spend on shift, and (3) pay four hours wage if the on call shift is cancelled less than 24 hours before the shift. It also has provisions for employees (4) to have direct input into their work schedule, allowing them to dictate their specific hours of employment and the location of their employment if there is more than one location. There are also some difficult situations for large employers, but I won't get into that here. You're welcome to look at the bill itself or talk to large employers (over 100 employees) to see how they feel about it.

Here is why I'm against it.

(1) In a small restaurant, and indeed in this industry in general, we don't know how busy we are going to be. If I'm anticipating a busy Friday night, but somehow my crystal ball is a little hazy, and it turns out I only need 3 people rather than 4 I can a) send someone home for a cost of \$41 or b) keep them around and pay them the \$41 while reducing the earning potential of the other people on staff who now have fewer tables in their section. Servers don't work for wages, they work for tips, and if that potential gets damaged you can have a bunch of unhappy employees on your hands. Or here's a fun one from earlier this January when basically the whole of Medford shut down for two days of snow: I get to pay the entire staff - front and back of house - for two days at 4 hours each. That's about \$552. Thanks a lot, snow. Effect on the consumer? I'll schedule fewer people and service will be slower, because if this just happens twice a month that's \$984 a year for people to not work.

(2) On call shifts are a necessary part of this industry exactly because there is no way to know if your Wednesday with the theater will be busy. This falls into the same category as (1) with regard to cost and predictability of business. The effect: no one gets on call shifts, and now they all belong to me, which means I'm probably laying off an employee. Which is also the solution to (3). If I'm being charged to call off an on call shift, no on call shifts.

(4) No complaint here about working with employees to get a mutually agreed upon schedule, but this provision is a slippery slope, and here's how. 4 servers, all have the shift they demanded from me that they have. One of them leaves, and the other three are staying with their schedule that they have the right to demand. Now I have to search for an employee maybe based not on their ability, but their agreeing to work the empty shifts. And of course they can refuse and demand whatever schedule they want. It could potentially be very difficult to hire people.

This is not a high margin industry. If you're firing on all cylinders a 5% return is about average. That means that if you do \$1000 in sales, your restaurant just made \$50. I believe in treating employees well. You can't punish employers for unforeseen market variation or acts of God.

Please, if you care about the nano-businesses in your area, or any of the hospitality industry businesses in your area, let them know that this bill would have the effect of causing worse service at higher prices, potentially cutting jobs, and maybe pushing businesses on the edge into the drain.”

Mark Dennett

DENNETT CONSULTING GROUP

Media Art / Marketing / Training / Research

/ Mark@Dennettgroup.com