Loss Prevention Management for Restaurant Operations

Great American's Loss Prevention Department is available to advise and assist you in reaching your goal of conducting a safe and efficient operation.

Restaurant Management is faced with constantly rising costs of operation. However, there is one cost which can be controlled and reduced–the cost of losses resulting from:

- Fire
- Customer Injuries
- Product Liability
- Crime
- Employee Injuries
- Vehicle Accidents

There is a relatively inexpensive method of reducing these losses which can also result in reduced operating costs, increased efficiency and improved quality of service.

What is this method? Very simply stated–Loss Prevention is made a major objective of top management. In turn, management controls are implemented to assure the achievement of safe and efficient operations.

This is not just another "Safety Program". It is a Management approach to a Management problem. Loss Prevention is treated in the same manner as any other Management Responsibility; that is, exercising Management Direction and Management Controls to accomplish a Management Objective–the control of losses due to accidents, fire, and crime.

The following guide is intended to assist Management in establishing and implementing direction and controls to meet its Loss Prevention objectives and responsibilities. Great American's Loss Prevention Department is available to advise and assist you in reaching your goal of conducting a safe and efficient operation.

A. Restaurant Management Controls For Loss Prevention

- Direction
- Planning
- Supervision
- Training
- Self Inspections
- Accident Investigations

B. Guide Lines For Loss Prevention In

- Restaurant Operations
- Fire Prevention
- Customer Safety
- Products Safety
- Crime Prevention

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- Employee Safety
- Vehicle Safety

C. Additional Loss Prevention Materials

- Closing Time Report
- Self Inspection Checklist
- Supervisors Accident Investigation
- Portable Fire Extinguishers
- Protection For Commercial Cooking
- Equipment
- Commercial Cooking Clearance Standards
- Prevent Electrical Fire
- Burglary Prevention
- OSHA-Scope Of The Act
- Back Injuries
- Slips and Falls
- Driver Selection

Direction

The key to management direction is to handle loss prevention as you do other operational responsibilities. Just as in any other phase of the operation, management involvement is necessary to make for an effective loss prevention effort. It is important for management to display active interest and concern for loss prevention throughout the entire operation. Examples of management direction include:

1. Regular management review of accident/loss records, with appropriate action taken.
2. Periodic reports required from supervisory staff as to the status and effectiveness of loss prevention efforts being carried out through the operation.
3. Review of accident/loss investigation reports to assure corrective action is taken.
4. Review of self-inspection reports and follow-up on all safety recommendations, suggestions, complaints, etc.
5. Assure that safety rules and regulations are enforced by supervisory personnel.

Planning

It is important to eliminate or control loss producing causes before the loss occurs. Equipment, material, and operational procedures should be analyzed to be sure that safe working conditions have been provided and that safe work practices are being followed. The same consideration should be applied to avoid introduction of new hazards when purchasing new equipment and materials, or in starting up new operations. Proper planning in the selection, placement, training, and supervision of employees is equally important.

Once objectives are set, good management practices require proper planning, leadership, organization, and control to be sure they are met. Loss Prevention should be no different.

Supervision

Proper supervision is one of the most important management controls for loss prevention. The supervisor is the individual involved with day-to-day operations and is the one most closely linked with employees. The supervisor is a vital key to loss prevention efforts. Supervisory responsibilities for loss prevention include:

1. Training and motivating employees to work in a safe and efficient manner.
2. Establishing safe and efficient operational procedures.
3. Continually observing operations for unsafe acts and conditions and taking immediate corrective action when necessary.
4. Completing periodic self-inspections to identify, eliminate, and/or control loss producing causes.
5. Investigating all accidents/ losses to assure that corrective action is taken.

Good supervision is as essential to efficiency and quality of service as it is to loss prevention.

Training

Training of employees in the areas of fire prevention, customer safety, products safety, crime prevention, employee safety, and vehicle safety is essential to an effective loss prevention effort. Materials included in this brochure should assist in training employees to perform their job in a safe and efficient manner.

The best training is direct contact between the supervisor and the worker. Whether this is on an individual or group basis, both unsafe acts and unsafe conditions should be covered.

Particular emphasis is required for the training of new employees and training those transferred to a new job. Proper training and good supervision will ensure that employees will perform safely and efficiently.

Self Inspection

Periodic inspections should be made of the premises, equipment, and vehicles to discover unsafe physical conditions and observe unsafe acts so they may be corrected before a loss occurs. These inspections should be performed by supervisory and/or management personnel and it is recommended that they be conducted at least monthly. Recommended corrective action should be assigned and follow-up procedures established to assure compliance.

Regular preventive maintenance inspections should be made of all machinery and equipment.

Supervision should have the responsibility for eliminating unsafe acts and conditions as they are observed. This is not a once-a-month responsibility, but a continuous one.

Loss Investigation

Whether they involve injuries to employees, patrons, or the public–property damage, vehicle accidents, fire, or crime–accidents/losses do not just happen. They are caused by unsafe acts and/or unsafe conditions. Once a loss occurs, it should be the responsibility of supervision/management to immediately investigate to determine the cause(s), so that positive corrective action can be taken. If loss producing causes are not identified and corrected, there is no assurance that similar type losses will not continue to occur.

The three most important questions to be answered after a loss are:

1. What unsafe acts and/or conditions caused the loss?
2. What corrective action can be taken to eliminate or control the causes to assure the losses will not recur?
3. What corrective action has been taken?

Guidelines for Fire Prevention in Restaurant Operations

Restaurants have more fires and higher fire losses than any other type of business occupancy. Insurance covers only a part of those losses. During shut-downs for clean-up and repairs, fixed costs and overhead go on–food spoils–key employees and customers are lost. In fact, 43% of burned out restaurants never re-open!

Primary causes of restaurant fires are:

- Grease fires in cooking equipment, hood and duct work.
- Electrical wiring and equipment.
- Unsafe disposal of smoking materials.

Inadequate fire protection is a predominate factor in the high cost of restaurant fires.

Restaurant fire losses can be controlled by careful attention to the following:

Control of Grease Fires

- Commercial cooking equipment, grease hoods, and exhaust ducts installed in accordance with National Fire Protection Association Code No. 96, (minimum of 18" clearance to combustible materials, or combustible materials protected according to code).
- A Fixed Automatic Fire Suppression System installed, including:
  - Protection in hood and duct work
  - Surface protection over all cooking equipment
  - Interlocked to shut off cooking equipment fuel energy supply when system is activated
  - An accessible manual pull box to activate the system mechanically
  - Semi-annual inspection of system by qualified service contractor
  - Tagged showing date of service
  - Cooking Equipment Exhaust Systems:
  - Cleaned at least quarterly by a qualified service contractor, (more frequent if required)
  - Equipped with removable, non-combustible, filters, with daily cleaning of filters.
- Vapor-proof electric lights and conduit wiring provided for electrical installations in grease hoods.
- Deep fat fryers equipped with adjustable operating control (thermostat) and separate excess-temperature limit control.
- Portable fire extinguishers, with a minimum U.L. listed rating of 20BC provided in an accessible location within 30 feet of cooking equipment.
- Grease soaked wiping rags, aprons, towels, etc. disposed of in closed metal containers, removed from the premises daily.
- A double-check made to assure that all cooking and warming equipment is turned off at closing time.

Control of Electrical Fires

- All electrical wiring, fixtures, equipment, and appliances installed in accordance with the National Electric Code.
- Only U.L. listed electrical appliances used.
- Overloading of electrical circuits, makeshift wiring, or use of extension cords prohibited.
- Adequate clearances maintained from electrical appliances to combustible materials.
- All electrical appliances and equipment equipped with pilot light, and a double-check to assure they are turned off at closing time.
- Refrigeration compressors safely installed with adequate clearance and ventilation, overload and thermal cut-out controls. Refrigeration equipment serviced by a qualified contractor at least semi-annually.

Control of Fires from Smoking Materials

- Ash trays not permitted to be emptied into napkins, table cloths, or combustible containers, only into covered metal containers.
- Adequate safe-type ash trays provided for use by patrons in dining rooms, lounges and rest rooms.
- Used table linens stored in closed metal containers.
- Employees permitted to smoke only in designated safe smoking areas. Smoking prohibited in storage rooms.
- All waste disposed of in covered metal containers and all waste containers removed from the premises at closing.

Guidelines for Customer Safety in Restaurant Operations

Injuries to customers and/or the general public can be very costly and have a serious impact on the image and reputation of a restaurant. Good business dictates that a positive effort be made to prevent this type loss.
Prevention of losses involving injuries to customers and/or the general public requires careful attention to the following areas of concern:

Interior

- Chairs, tables, and counter tops maintained in good condition–free of pinch points and/or rough edges.
- Floor coverings well maintained with no holes, loose seams or turned-up edges.
- Stairways (if any) free of trip-and-fall hazards with suitable handrails properly secured.
- Adequate lighting provided throughout public areas, including emergency lighting in good operating condition.
- Exits posted where required, with exitways unobstructed, and exit doors opening outward, equipped with panic hardware and unlocked while open for business.
- Rest rooms maintained in safe and sanitary condition.

Exterior

- Parking lots well illuminated and marked for traffic control with direction signs posted.
- Parking areas and sidewalks maintained in good condition and free of cracks and/or holes.
- Snow and ice promptly removed from parking lot and walkway surfaces.
- Parking lot bumpers and traffic islands arranged in a safe manner.
- Exterior steps safely maintained with handrails secure.
- Playground equipment well illuminated and safely arranged.

General

- Employees trained in emergency evacuation procedures.
- Employees trained in how to handle accidents involving the public.

Guidelines For Product Safety in Restaurant Operations

The primary product safety hazard in restaurants is the possibility of food contamination and/or poisoning. Prevention of this type loss requires that stringent steps be taken to insure adequate employee hygiene, proper food handling and effective sanitation.
Specific attention should be given to each of the following:

Employee Hygiene

- Employees required to wear clean uniforms, including caps and/or hairnets.
- Employees required to wash hands with soap and hot water after using rest rooms.

Food Handling

- Continuous inspection and rotation of all food with immediate disposal of spoiled and/or damaged stock.
- Specified holding times for food established and followed closely.
- Foods stored in covered containers at safe refrigeration temperatures, (less than 45°).
- Foods kept at safe hot holding temperatures, (over 140°).
- No unnecessary use of hands during food preparation and serving.

Sanitation

- Good housekeeping maintained–floors and work surfaces free of food debris–refuse cans emptied frequently.
- Proper cleaning and sanitization of work surfaces, utensils, and equipment after each use with no interchange of use between raw foods and cooked or ready-to-serve foods.
- Kitchen waste materials stored in metal containers with tight-fitting lids.
- Pest control services adequately performed by a qualified independent extermination contractor.
- Dumpsters located away from building.

General

- Safe storage of cleaning and sanitizing agents in properly labeled containers remote from food storage and food preparation areas.
- Pest control supplies and devices stored off premises.
- Local Department of Health rules and regulations carried out.

Guidelines for Crime Prevention in Restaurant Operations

Crime has become a serious problem in many types of business. Restaurants are particularly vulnerable to crime losses in that management, while concerned about the crime threat, is simply not security conscious. The great majority of restaurant crime losses occur because the criminal's job is made easy–through poor cash handling, inadequate protection, and general lack of planning. Conversely, a responsible management attitude evidenced by sound management controls and reasonable protection, can substantially reduce crime losses, at relatively small cost.

The following crime prevention measures should be considered:

Robbery–(loss by violence, force, or threat of bodily harm)

- Cash on hand kept to a minimum by frequent banking.
- Cash registers cleared frequently throughout the day to prevent build-up of cash.
- Checks stamped (For Deposit Only" as soon as received.
- Silent hold-up alarm button provided at cash register with direct connection to police station.
- Rear and/or side doors locked from outside at all times (use panic hardware or alarm type door releases to comply with exit requirements of Life Safety Code)
- Safe kept locked at all times (a key-locked inner steel door with a depository slot and with key kept off premises is preferable).
- Money counting procedures conducted out of view, behind a locked door.
- Daily (or more frequent) bank deposits made during daylight hours, time and route of bank trips varied, escort assigned to accompany messenger.
- Shrubbery in front of building, at rear and side doors, and at dumpster, trimmed to avoid concealment.
- Need for employees to go outside after dark minimized by early removal of trash, garbage, etc.
- Time delay light switches to permit employees to leave building before lights go off.
- Employees move cars to near front of building before dark and leave together via front door at closing.
- Employees instructed to be aware of suspicious appearing persons, cars, etc. Call police immediately.
- At least two trained employees participate in opening and closing procedures.
- Employees trained in proper response to a robbery.
- No firearms on the premises.

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Burglary–(loss by forcible entry when closed for business)

- All doors of substantial construction and secured by double cylinder, long throw, dead bolt, locks.
- Exterior hinge pins on doors protected to prevent removal.
- Rear and side doors reinforced with cross-bars, (wood doors metal lined).
- Openable windows, transoms, and/or skylights protected by burglar screens or iron bars.
- Interior well illuminated during non-operating hours.
- Cash register drawers emptied and left open at closing.
- Safe U.L. listed, class E, anchored to the floor, in highly visible location, and well illuminated at night.
- Final inspection routine established to assure premises is properly secured for closing.
- Security checks by local police department requested.

Fidelity Losses (losses sustained due to dishonesty of employees)

- All money handling personnel and bank messengers bonded.
- Double key night deposit bags used, so that representatives of the restaurant and the bank are required to count deposits.
- Only owners and managers have combination to safe.
- Safe combination changed immediately when employees entrusted with the combination terminate employment.
- Blank checks and check writer kept in locked safe.
- A fixed and firm policy relating to employee dishonesty.
- Keys to premises tightly controlled.
- Security surveillance cameras installed to observe cash registers and customer area.

Guidelines For Employee Safety in Restaurant Operations

Employee Safety requires constant attention to job hazards and proper training of employees in safe work practices. Studies have indicated certain types of injuries which occur most frequently to restaurant employees.

Accordingly, loss prevention efforts should be directed to the control of these types of injury, as follows:

Cuts

- Employees instructed in the safe use and proper care of knives and cutting tools.
- Use of suitable knives for specific jobs enforced.
- Knives and cutting tools kept sharp and in good condition.

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- Sheaths provided for knives and unprotected knives not left in work areas.
- Broken glass disposed of promptly and safely.
- Slicing and grinding machines properly guarded with point of operation guards in place at all times.

Burns

- Thermostatically controlled cooking and heating devices maintained in good condition.
- Exposed steam and hot water lines insulated or otherwise protected.
- Adequate working space maintained around cooking and heating devise.
- Work-flow and traffic patterns in cooking areas enforced.
- Steam equipment operated within manufacturers' recommended limits.
- Steam kettles drained of water before steam valves are opened.

Falls

- Good housekeeping maintained throughout the premises.
- Spills cleaned up immediately.
- Non-slip floor surfaces provided in areas that are normally wet or greasy.
- Work areas and aisleways maintained free of obstructions.
- Wooden mats maintained free from protruding nails; splinters; loose, missing, or broken slats.
- Carpeted areas maintained free of holes, loose edges, and seams.
- Climbing on storage room shelving or use of crates, boxes, etc. in place of ladders prohibited.
- Suitable ladders provided and maintained and in good condition.
- Employees always walk–never run!

Injuries From Lifting

Each employee instructed to:

- Keep back straight, bend only knees.
- Lift with legs, not with back.
- Do not twist body while lifting, instead shift footing.
- Never attempt to lift too much–get help when needed.
- Grasp load firmly; do not jerk load; keep it close to body.
- Keep fingers from pinch points.
- Use available hand trucks, dollies, etc.

Occupational Disease

- Skin or eye contact with ammonia, drain cleaners, strong caustic solutions, soaps, detergents, or other cleaning agents avoided. Use of rubber gloves and goggles or face shields enforced.

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- Inhalation of vapors and/or dusts from cleaning agents avoided. Exhaust systems in operation while cleaning cooking equipment.
- Microwave ovens well maintained and equipped with interlocks to prevent operation while door is open. Units checked periodically for microwave leaks.
- Ovens and charcoal broilers well ventilated to prevent build-up of carbon monoxide gas.
- Employees made aware of potential heat stress in kitchen areas and the need for water and salt replacement.

General

- A properly equipped first aid kit provided and at least one person trained in first aid always available.
- All employees instructed in emergency procedures with emergency telephone numbers posted, including: police–fire department–ambulance–doctor–hospital.
- Appropriate warning signs and operating procedures posted.
- Employees not permitted to engage in horseplay.
- Only authorized employees who have been properly instructed permitted to use power equipment.
- All electrical equipment grounded, including all small appliances, such as fans, toasters, hot plates, blenders, and coffee makers.
- Compressed gas cylinders (carbon dioxide, etc.) secured in an upright position with caps in place on standby and empty cylinders.
- Trash compactors equipped with interlocks to make them inoperable with the lid open.
- All fans within 7 feet of the floor guarded with openings no larger than 1/2 inch.
- Walk-in freezers equipped with an inside door release mechanism and an emergency alarm for use in case an employee is accidently locked inside.

Guidelines For Vehicle Safety in Restaurant Operations

Driving a vehicle in conjunction with a restaurant operation is rarely a full time job. At best, driving is merely incidental to other responsibilities. However, as limited as it might be, it does represent an exposure to serious accidents. It should be understood that driving safely is the most important responsibility an individual has when operating a vehicle.

From a loss prevention standpoint, attention should be given to:

Driver Selection

Be sure that driving responsibilities are assigned only to employees who are physically and emotionally fit, who are qualified by experience, and who have a good driving record.

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Motivation

Make employees aware of the importance of their responsibility to drive safety. Be sure the concepts of defensive driving are understood and followed.

Vehicle Inspection

Provide for periodic vehicle inspections to check for wear, defects, and appearance.

Accident Review

Review accident reports and discuss with driver to determine preventability. Consider suspending driving privileges in case of poor driving performance.

Preventive Maintenance

Establish a preventive maintenance program on a scheduled basis to assure vehicles are kept in safe operating condition.

Conclusion

Many of the areas to be considered in formulating a management directed Loss Prevention effort are covered in the preceding pages. It is not intended that this be regarded as a "package" program which will automatically eliminate losses and improve your record.
It is intended, rather, as a guide to assist Management in determining how they can best meet their responsibilities for Loss Prevention. Which management controls and the extent to which they can or should be implemented will depend to a large degree on the size and complexity of the operation.
Once an organized Loss Prevention effort has been decided upon; however, the extent of its success will depend on top management's involvement. If Loss Prevention is given the same attention as other management objectives, with proper management direction and management controls established, the effort will be a successful one. In addition, it will significantly contribute to management objectives related to efficiency, quality and profit.