



CUSTOMER PACKET

No-Tipping

Higher Wages
Happier Employees
Better Food
Best Service
Happier Customers

Contact: Nancy Progar
Abrusci's
Phone: (303)-907-4699
Fax: (303) 279-5638

3244 Youngfield St.
Wheat Ridge, CO 80033
www.abruscis.com

ABRUSCI'S ITALIAN RESTAURANT

PRESS RELEASE

Abrusci's Italian Restaurant institutes "no-tipping" policy effective July 20, 2015.

Full time employees throughout the restaurant will experience higher annual compensation, paid sick leave/vacation, bonuses and more stable schedules.

Wheat Ridge, CO, July 7, 2015: Following the growing US anti-tipping trend due to rising minimum wages, Abrusci's Italian Restaurant today announced that it will be instituting a "no-tipping" policy effective July 20, 2015. The tip line on checks will be replaced with a 20% service charge that goes directly to restaurant payroll and benefits. Customers will be able to evaluate their server, their meal, and their overall experience via a confidential survey that will be provided with each check and deposited in a survey box on departure.

Most servers will be moved to a 34 hour work week and will be compensated with an annual salary, two weeks paid sick leave/vacation, and discretionary annual bonuses. Whether servers are salaried or hourly, they will be paid a minimum of \$20/hour. The average kitchen wage will move from \$11/hour to \$14.50/hour. Discretionary company-wide bonuses will be based on customer evaluations and restaurant profitability. Abrusci's is also exploring health care options for their full time employees.

Nancy Progar, owner, states "all of our employees are like family and they deserve to be treated like family. Everyone who works in our restaurant deserves a living wage. Happier employees mean better food and service which results in happier customers. While this approach to compensation will be slightly more expensive for us, we feel that it will allow us to be more successful in the future. In addition, we believe that a customer's written review will be a much better vehicle for feedback and improvement than an arbitrary tip."

For more information contact Nancy Progar at 303-907-4699.

CUSTOMER FAQ

Why are you making the change to non-tipping business model? After months of analyzing how to create an infrastructure that supports the financial needs of dedicated staff members, we have determined that moving to a non-tipping model is the best model to help us achieve our goal. All of our full time staff will see a consistent living wage, vacation/sick benefits and predictable schedules. This will lead to better team work, improved customer service and increased business. Our customers will benefit from our elevated service goals and will continue to have the opportunity of providing us with feedback that we can act upon accordingly.

Where is the 20% service charge going? All service charge monies will go to payroll and benefits. Full-time kitchen employees will make a minimum of \$15/hour. All servers will make a minimum of \$20/hour with full time servers making closer to \$22/hour. Full-time servers will also receive two weeks of paid vacation and be eligible for annual bonuses based on customer reviews and restaurant profitability.

How will staff be motivated to provide good service? In addition to wages nearly triple minimum wage, all servers will be reviewed via a quick survey on every receipt and a separate feedback card made available in each check-out. The customer will deposit the anonymous survey in a locked drop-box upon departure.

What if a customer wants to tip on top of the automatic 20%? There will not be an opportunity to leave a tip with a credit card as we are eliminating the tip line on the receipt. We would prefer that customers do not leave cash tips but they can obviously do so with cash.

Isn't 20% high for a service charge? Our tips currently average 21% and we thought it best to go with a 20% service charge rather than raise our prices and go with a lower service charge percentage. We believe that it gives our customers more of an "apples-to-apples" comparison to what they would spend at other restaurants.

Quotes from 3 News Articles on Eliminating Tips

“When we switched from tipping to a service charge, our food improved probably because our cooks were being paid more and didn't feel taken for granted. In turn, business improved, and within a couple of months, our server team was making more money than it had under the tipped system. The quality of our service also improved. In my observation, however, that wasn't mainly because the servers were making more money (although that helped, too). Instead, our service improved principally because *eliminating tips makes it easier to provide good service.*”

“I can hear your objection now: *How could servers be motivated to do a good job without tips?* This is a common question, but it is also a silly question. Servers are motivated to do a good job in the same ways that everyone else is. Servers want to keep their jobs; servers want to get a raise; servers want to be successful and see themselves as professionals and take pride in their work.” [What Happens When You Abolish Tipping. By Jay Porter San Diego](#)

“On a busy Friday night in New York `s East Village, the friendly and efficient servers at Dirt Candy took home zero dollars in tips, but they considered it a good night. When you `re a server on salary – rather than relying on often-mercurial guests for your financial livelihood – *every night is a good night.*”

“Tipping boils down to guilt, says Michael Lynn, a professor of consumer behavior and marketing at Cornell University `s School of Hotel Administration. “I personally believe that most people tip because of social expectations, and they want to avoid the disapproval that comes from violating that – which means they `re giving up money not to get anything, but to avoid a negative outcome,” said Lynn. “That suggests to me that overall, they would be better off if they didn `t have to tip at all.”

“Guests might think their tip reflects the service, but Lynn `s studies have found that most diners tip the same percentage, whether it `s 15 or 25 percent, every time they eat out. Therefore, studies have found, the best way a server can guarantee a night of good tips isn `t to provide the most personalized, meticulous service to a small number of tables and hope for a big tip from each; it `s to turn as many tables as possible, even if it leads to slightly worse service for everyone.”

That strategy “makes you less of a team player and more cutthroat,” said Nathan Wilkinson, who tends bar at the Crystal City McCormick & Schmick `s. “You want to bring in as much business for yourself, even to the point where you can `t handle it all. People go away feeling like they got bad service because you tried to take on too much.”

“One of the things that I realized was that no matter how much we explained it, people have to see that it `s going to work, and talk to my servers,” she said. “I `m not forcing anybody to work for me. This isn `t a labor camp. People are here because we `ve explained it to the servers, they `re excited and they want to be a part of this system.” [Why some restaurants are doing away with tipping. By Maura Judkis April 14, 2015](#)

“The timing of this overhaul is largely motivated by increased state and local minimum wage levels. Restaurants often operate on thin margins, so higher wages quickly impact profitability. As opposed to tips, a service charge becomes part of the restaurant `s overall revenue. The restaurateurs say the service charge component will be used exclusively for employee wages, benefits and payroll expenses.”

“With tipping, there `s a pay divide between the back-of-house (cooks and dishwashers) and the better-compensated front-of-house servers and bartenders. Thanks to tips, service staff can take home as much as twice the pay of their kitchen counterparts...Plus, the restaurateurs say, their incentivized, merit-based compensation system will allow for the best servers to elevate on the pay scale...We `re happy to take away that weird feeling at the end of the meal.” [5 Bay Area restaurants taking tips off table, adding surcharge. By Paolo Lucchesi, 10/24/14](#)

**ABRUSCI'S ITALIAN RESTAURANT
CUSTOMER SATISFACTION SURVEY**

IN AN EFFORT TO PROVIDE BETTER CUSTOMER SERVICE AND A MORE STABLE FINANCIAL ENVIRONMENT FOR ALL EMPLOYEES, ABRUSCI'S HAS REPLACED STANDARD TIPPING WITH A 20% SERVICE CHARGE. SERVERS ARE COMPENSATED A MINIMUM OF \$20/HOUR AND EVALUATED BASED ON CONFIDENTIAL CUSTOMER REVIEWS. PLEASE TAKE A MOMENT AND COMPLETE THIS SURVEY. PLEASE DEPOSIT THE COMPLETED SURVEY IN THE THE COLLECTION BOX UPON DEPARTURE. THANK YOU!

Nancy and Jeff Progar

OPTIONAL PERSONAL DATA	
Date -	Your Name -
Server Name -	Email Address -
Ticket # -	Phone -

Upon arrival, I was greeted promptly and courteously by an Abrusci's team member.

1	2	3	4	5
Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree

A server arrived to my table in a reasonable amount of time to take my initial order.

1	2	3	4	5
Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree

Your server was friendly, patient, and knowledgeable during the service process.

1	2	3	4	5
Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree

Your food was served hot and was flavorful.

1	2	3	4	5
Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree

Overall, your experience was excellent.

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General Comments.

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No Tipping On-line Articles

- <http://www.cbsnews.com/news/more-restaurants-adopting-no-tipping-policy/>
- <http://www.nbcbayarea.com/news/local/No-More-Tipping-At-5-Bay-Area-Restaurants--280271712.html>
- http://www.slate.com/articles/life/culturebox/2013/08/tipless_restaurants_the_linkery_s_owner_explains_why_abolishing_tipping.html
- http://www.washingtonpost.com/lifestyle/food/why-some-restaurants-are-doing-away-with-tipping/2015/04/13/cb1b5a86-c299-11e4-9271-610273846239_story.html
- <http://www.latimes.com/business/hiltzik/la-fi-mh-are-we-reaching-the-tipping-point-on-restaurant-tips-20150323-column.html#page=1>
- <http://www.post-gazette.com/opinion/2015/01/13/No-more-tips-Bar-Marco/stories/201501080124>