Every Business Should Follow These 3 Principles from The Restaurant Industry

Opinions expressed by Entrepreneur contributors are their own.

In my early years, I spent a decade in the restaurant business — owning several places and dealing with every challenge you can imagine. If I've learned anything from my time in the restaurant industry, it's how to stay sharp, pivot fast and manage chaos calmly.

Years later, as a tech CEO, I still rely on the lessons I learned in those kitchens and dining areas. The restaurant industry runs on principles that translate seamlessly to any sector, and the smartest businesses are the ones that take a page out of their playbook. Three practices are crucial for success, no matter your business. Let me break them down for you.

Related: Your Definition of Leadership Is Outdated — Here's How to Be a Better Leader in the Modern Workplace

1. Have a contingency plan

Always be ready. You know things may go sideways really quickly if you have ever worked at a restaurant. One minute, operations are running perfectly — then in the next moment, the fryer goes down mid-dinner rush, or worse, the point-of-sale system (POS) crashes.

Successful restaurant managers have mastered the art of managing panic. They pivot quickly. Handwritten orders are

scribbled out, alternative cooking methods are deployed and the operation continues without missing a beat. This approach of adaptability is something every business needs to adopt.

In the tech world, we love to plan and strategize, but things still go wrong. Servers crash, products fail and teams get discouraged. How well your business handles these curveballs will define your success. I've brought the restaurant industry's ability to adapt without losing revenue or customer trust into my leadership style. Whether it's a backup system or cross-training staff, a contingency plan guarantees that you'll always be ready for the unexpected.

2. Study your competitors

In the restaurant business, every thriving establishment keeps a close eye on its competitors. As they say, "Success leaves clues." If the new place across the street is packed every night, you'd better believe the local owners are heading over there, taking notes. What's their pricing strategy? How are they marketing? Are their menu items seasonal or trendy? Restaurants study this information not to copy but to adapt and innovate.

Paying attention to the reasons behind your competitors' success is crucial, yet simply replicating their strategies will not lead to significant progress. The real value is found in recognizing opportunities for improvement. Maybe they're attracting a large crowd, but is their service slow? Are their offerings limited? Spot opportunities where you can outshine them. Whether that means enhancing your customer experience, reinventing your product or differentiating yourself with what you stand for, take what works and build upon it.

Although studying the competition has statistical significance, too much attention to them can limit your own potential. You run the risk of moving from proactive to reactive. Use competitor analysis as a springboard for

innovation. By studying their strengths and weaknesses, you can push your business in a direction they haven’t considered.

Related: **Outlast Your Competition By Focusing on These 3 Areas**

3. Work on soft skills

Soft skills are just as important as technical skills in the restaurant industry. It may sound like something that belongs in an HR training module, but in business, they’re essential for survival and growth. For instance, it is imperative for the cook to notify the dining staff and guests right away when a popular dish runs out to manage expectations. Real-time communication among staff, clients and managers helps reduce preventable errors, minimize frustration and preserve high standards of service.

In a more general corporate environment, relationships must be maintained by soft skills, including feedback, empathy and communication. Minor difficulties could develop into major issues if you struggle with effective team and client communication. Maintaining trust, loyalty and efficiency depends on handling circumstances as they abound, whether it means telling a client about a delay or providing a team member with constructive criticism. Leaders who master soft skills tend to have happier teams, lower attrition rates, and more satisfied clients.

Just like restaurants rely on direct communication to manage the customer experience, businesses need to apply the same approach to their past customers. Following up with a past customer doesn’t mean sending a generic email. It could be a personal thank-you note or a tailored offer based on previous purchases. Customers who feel valued are more likely to return, give positive feedback and recommend your business to others. Soft skills build these long-term relationships, turning one-time buyers into repeat customers and brand advocates.

Related: What It Takes to Grow Your Team in a Niche Service Industry

The restaurant mentality

Whether you're managing a law firm, operating a retail business or running a tech company, these principles are my non-negotiables. Customers expect you to anticipate their needs; they expect exceptional service, so your operations need to run smoothly, and you must be able to adapt to changing market demands quickly.

If you fail to embrace these principles, you'll quickly fall behind. Customers will move on to competitors who can provide them with their money's worth. Your operational inefficiencies will eat into your margins, and your inability to adapt will leave you irrelevant.

https://www.entrepreneur.com/growing-a-business/3-practices-every-business-can-learn-from-restaurants/480446