

HGEM

FOR HOSPITALITY OPERATORS

The 1% Fix

Optimising Guest Experience: Turning small improvements into commercial results.

5
Frameworks from outside hospitality

1
Continuous improvement loop

5
Actions to start implementing

© HGEM 2026

01

A five-step continuous improvement loop

Examples borrowed from elite sport, manufacturing, and quality science. **Now applied to hospitality.**

1	2	3	4	5
Isolate	**Rank**	**Focus**	**Act**	**Compound**
Signal from noise	Vital few	Theory of constraints	Kano categories	Marginal gains

You are already measuring guest experience.

The frameworks kick in from there to turn measures into actions and decisions.

© HGEM 2026

02

Why bother with frameworks?

Hospitality is a people business run at speed. Most of the **decisions** you make will be made with **instinct**, with pressure, with what the team in front of you is telling you, and with the ten things waiting after this one.

Frameworks are not a replacement for operator judgement. But when the number is drifting and you cannot see why, or when the team is working harder every week and the score is not moving, a framework can help you see **something your instinct is not surfacing.**

This guide covers five of them. All five come from outside hospitality: a statistician, an economist, a physicist, a professor, and a performance director. None of them were thinking about restaurants, pubs, or hotels. All five, correctly applied, help you **make better decisions** in those businesses.

One percent better across many small things beats a single big push.

Small, disciplined improvements compound. This is known as the aggregation of marginal gains.

+13%

after 12 weeks of improving one percent a week (1.01 to the power of 12)

+68%

after a year of improving by one percent a week

In hospitality the numbers rarely come out quite that clean, because the system is noisier than a velodrome. But the principle holds: a culture of **small, measurable, repeated improvements** outperforms a culture of big occasional initiatives.

© HGEM 2026

03

Isolate signal from noise



W. Edwards Deming

FRAMEWORK 1 | DEMING AND SPC

Who

W. Edwards Deming was a statistician. He developed the ideas that became Statistical Process Control (SPC). After the Second World War he was invited to Japan to help rebuild its industry. Toyota's production system runs on his thinking.

What

The core discovery

Every process produces variable results, even when nothing has changed. The variation comes in two flavours.

Common cause variation **(noise)**

The normal wobble of a stable system. Weather, moods, minor timing shifts. Predictable within a range. Nothing has changed. It is just the process being itself.

Special cause variation **(signal)**

A real change in the system. A new supplier, a broken oven, a manager leaving, a viral post, a menu overhaul. Something identifiable and different is now happening.

The failure mode

Managers who cannot tell the difference make things worse by **reacting to noise.** Deming called this tampering.

The funnel experiment

Deming demonstrated tampering by dropping marbles through a funnel aimed at a target. If you adjust the funnel after every miss, the marbles land further from the target than if you left it alone. **Doing something felt responsible. Doing nothing was better.**

© HGEM 2026

04

The hospitality translation

FRAMEWORK 1 | DEMING AND SPC

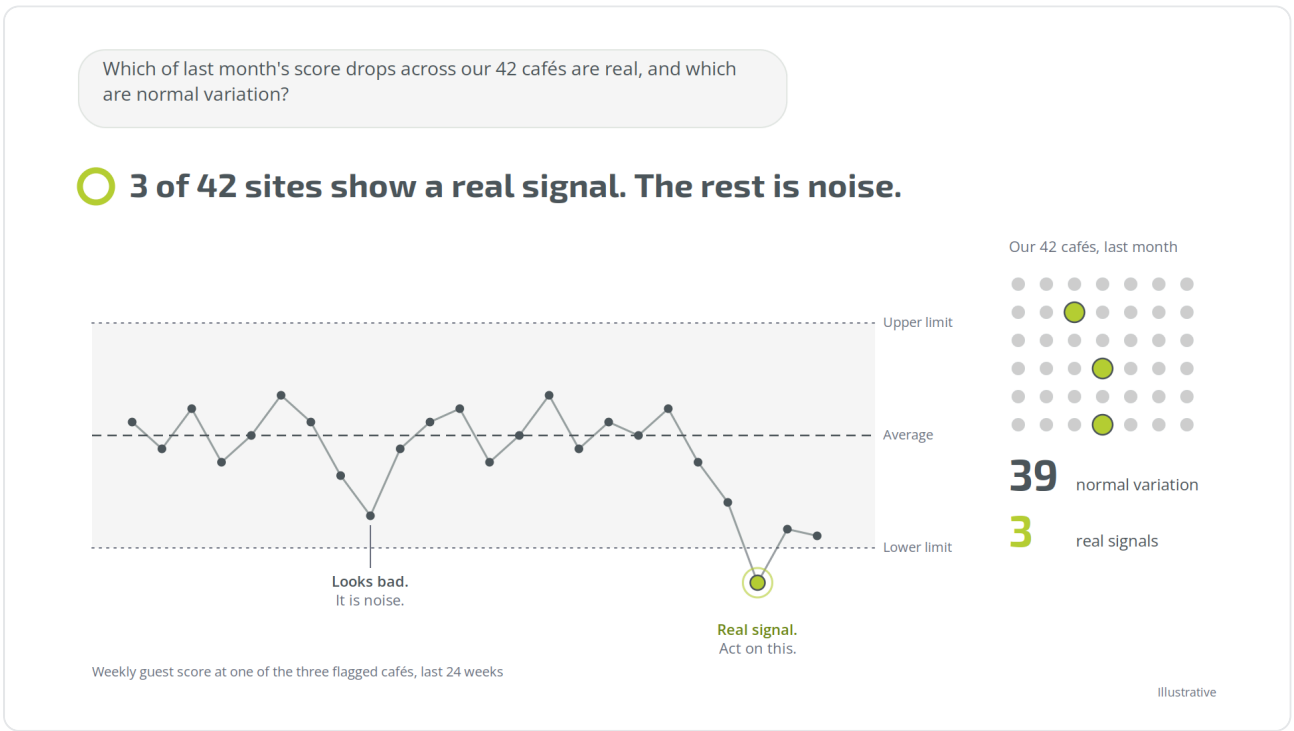
Think about your Saturday night NPS. Some Saturdays it's 72, some 78, occasionally 65. That does not mean the restaurant got better or worse. Same team, same menu, same standards. Rain, a coach party, a bad shift or a viral post make the numbers wobble around a true average. **Most wobbles mean nothing.**

The trap is treating every wobble as a crisis. Every dip triggers a meeting, every spike a lap of honour. Six months in, the team is exhausted from chasing weather.

Deming's rule: set the normal range. If your NPS is normally 68 give or take 5, 64 is weather and you do nothing. 58 is a signal, and that is the only one you investigate.

The killer insight

Do not try to raise the average directly. Shrink the swings. When the wobbles get smaller, the average lifts on its own, because the bad outliers pulling it down are gone. Take twenty sites clustered around 68 to 75 and two stuck at 45. Fixing the two 45s lifts the estate average as much as training all twenty, for one tenth of the effort. **Chase the outliers, not the average.**



© HGEM 2026

05

Deming's three rules for the hospitality operator

FRAMEWORK 1 | DEMING AND SPC

You do not need statistical software. **You need twelve weeks of data on a metric that matters**, and the discipline to look at it as a range rather than as a series of events.

1 Set the normal range

Pull the last twelve weeks of your top metric (NPS, VFM, like-for-like, mystery visit score, whichever is most actionable). Note the highest normal week, the lowest normal week, and the average. That spread is your normal range.

2 React only to real signal

Inside the range is weather. Do not meet about it and do not change anything in the operation.

Outside the range is a signal: investigate and name the cause. Three or more weeks moving in one direction is also a signal, because the system has changed.

3 Standardise where you find high variance

Decide whether to standardise or correct. Use training and specification, not targets. A team that varies too much needs clearer process, not louder targets.

Worth knowing

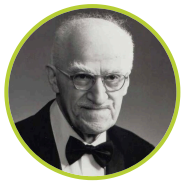
SPC needs a stable process with a normal range. New restaurants, new menus, fast-growing estates and sites under acquisition are not stable yet. Allow eight to twelve weeks of settled data first. Until then, rely on judgement and benchmarks.

© HGEM 2026

06

Rank the vital few


Vilfredo Pareto


Joseph Juran

FRAMEWORK 2 | PARETO / JURAN

Who

In 1896 the economist **Vilfredo Pareto** observed that 20 percent of the Italian population owned 80 percent of the land. He found the same pattern in many other distributions and concluded it was close to a natural law. In the 1950s the quality engineer **Joseph Juran** applied the idea to industrial problems and coined the phrase the vital few and the trivial many. It became the Pareto principle, or the 80/20 rule.

What

In most systems, **a small number of inputs account for most of the output.** Twenty percent of your dishes drive 80 percent of your revenue, 20 percent of your SKUs cause 80 percent of your waste, and 20 percent of your sites generate 80 percent of your complaints. The ratios are rarely exactly 80/20, but the shape is remarkably consistent.

Why it matters in hospitality

Operators drown in data. A multi-site business can produce thousands of guest comments a month, hundreds of mystery visit scores, tens of complaints and dozens of operational metrics. The temptation is to improve everything. The Pareto principle says don't. **Find the vital few things driving most of the pain**, fix those, and the rest will follow.

The volume question

A fair pushback on the 'vital few' idea is that **count still matters**. If 200 guests mention slow service, that is one issue with 200 witnesses, not 200 separate tickets. Volume tells you the depth of the problem, not just its existence. It is a weight, not a dismissal.

© HGEM 2026

07

Weighting what you rank: loss aversion

FRAMEWORK 2 | PARETO / JURAN

Behavioural economics adds one refinement. Daniel Kahneman and Amos Tversky showed in their work on prospect theory that losses hurt two to three times more than equivalent gains feel good. **A bad guest experience costs you more than a good one earns you**, so each detractor comment carries more commercial weight than each promoter comment.

When you Pareto your guest comments, weight detractor themes more heavily than promoter themes. Detractors do not matter more as people, but one bad experience shifts return intent more than one good experience does.

Hospitality application

Three practical uses, in order of leverage:

1 **Pareto your guest comments**

Pull the last 30 days of negative comments and group them into three to five themes. Rank by count, weighting the top two by severity. Most operators try to fix ten themes at once. Fix the top two.

2 **Pareto your menu**

Rank your dishes by sales volume and by margin. The twenty percent that drive most revenue and most margin are your protect-at-all-costs items. The twenty percent that drive most of the complaints (if any) are your fix-or-cut items. Everything else is noise.

3 **Pareto your estate**

Rank your sites by NPS, like-for-like growth, complaints per visit or mystery visit score. A small number will drag the estate average down. Fixing those outliers moves the headline more than evenly spread training.

© HGEM 2026

08

How you would measure it

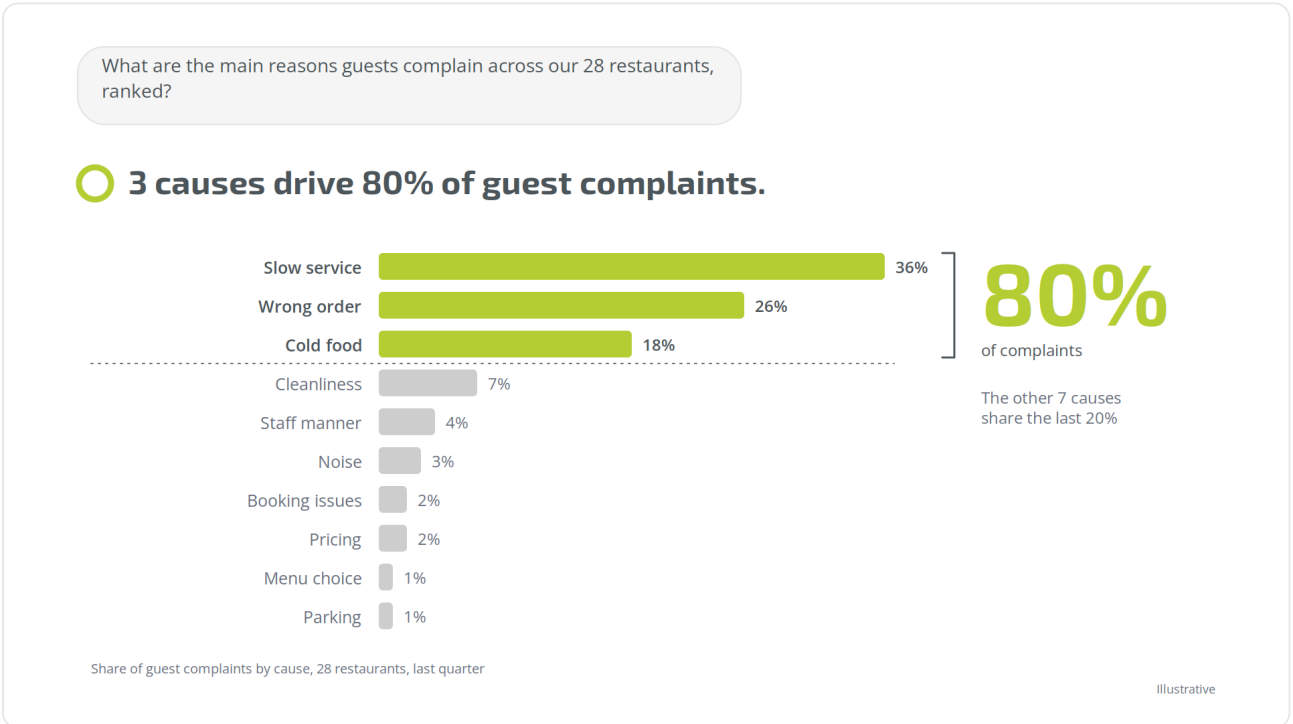
FRAMEWORK 2 | PARETO / JURAN

Pareto is not a metric, it is a lens. **The measurement that matters is: did acting on the vital few move the overall number?** Set a baseline before you intervene, concentrate effort for a quarter on the top two to three themes, remeasure. If the headline moved, Pareto worked. If it did not, you probably picked the wrong vital few. Try again.

Worth knowing

The 80/20 rule is not a law, and the ratios vary by domain. More importantly, it only tells you the vital few exist, not what to do about them. Pareto gives you focus. The other frameworks in this guide tell you what to do with it.

The hospitality tool that fits here is theme analysis across guest comments at scale. If your feedback platform cannot group thousands of comments into a short list of themes with volume, severity and site attribution, Pareto is harder than it needs to be. HGEM's Halo does this automatically; the discipline is the same with any tool.



© HGEM 2026

09

Focus on the constraints



Eliyahu Goldratt

FRAMEWORK 3 | THEORY OF CONSTRAINTS

Who

Eliyahu Goldratt was a physicist who turned to manufacturing. He wrote The Goal in 1984, a business book that remains one of the most widely read operations management texts ever. His Theory of Constraints (TOC) revolutionised how factories think about throughput.

What

Every system has a constraint: the single step that limits the rate of the whole thing. Improving any step that is not the constraint does nothing for overall throughput. Improve the constraint, and the whole system speeds up. Improve it enough, and a different step becomes the new constraint.

Goldratt's five focusing steps

1 **Identify the constraint**

2 **Exploit the constraint**
Get the most out of it without extra investment.

3 **Subordinate everything else to the constraint**
Do not run other steps faster than the constraint can absorb.

4 **Elevate the constraint**
Invest to raise its capacity.

5 **Return to step one**
The constraint has moved. Find the new one.

© HGEM 2026

10

FRAMEWORK 3 | THEORY OF CONSTRAINTS

Why it matters in hospitality

A guest visit is a flow: arrival, seating, order, drinks, food, payment, exit. If the kitchen takes 30 minutes to send a main, improving the host stand won't speed up dinner. If payment takes 7 minutes, nothing during the meal gets the guest home faster. **The constraint sets the pace.**

Most improvement effort goes to the step that is most visible to management or the one the team most wants to change, not the one choking the system.

Finding the constraint in a hospitality operation

Ask this of any site that feels slow or inconsistent:

At what stage of the guest journey is the problem concentrated? Arrival. Ordering. Food service. Drinks service. Payment. Exit. Which stage keeps coming up?

Then check:

- Where does the queue form? That is usually the constraint.
- Where does the team look most stressed? Follow the stress, not the complaint.

The subordinate rule, which operators often skip

Goldratt's step three is the counter-intuitive one: slow down everything that is not the constraint. Running other steps at full speed just builds queues at the constraint. If the kitchen is your constraint, do not let front of house take orders faster than the kitchen can process them. If payment is your constraint, do not let drinks service outrun the exit queue. **Discipline the whole system to the pace of the slowest step. Then raise the constraint.**

© HGEM 2026

11

A worked example

FRAMEWORK 3 | THEORY OF CONSTRAINTS

1 The theory

A pub chain was losing late-evening covers. The theory was that food quality had slipped. Mystery visits suggested food was consistent. Guest comments were about waiting too long. The ops director **assumed the kitchen was the constraint** and considered adding chefs.

2 The diagnosis

A proper diagnosis found something different. The kitchen could cope. **The constraint was the bar**: on a busy Saturday, drinks orders took so long that tables sat empty of drinks for 20 minutes after being seated. Guests then stayed longer per table (nursing the slow drinks), fewer tables turned per night, and the kitchen was being blamed for a service perception problem that originated at the bar.

3 The fix

A second bartender on Saturday nights and a **drinks-only station** near the door. Covers per Saturday rose 11 percent. The kitchen never changed.

+11%
covers per Saturday

© HGEM 2026

12

How you would measure it

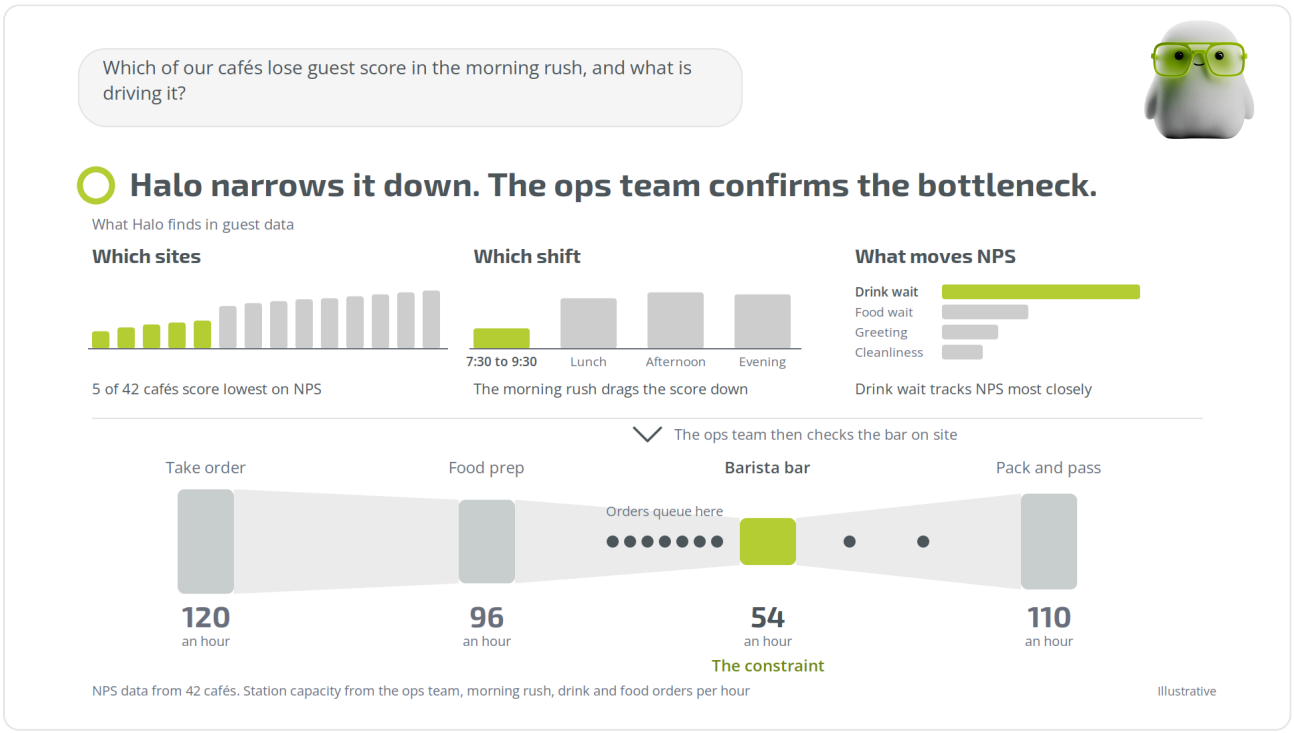
FRAMEWORK 3 | THEORY OF CONSTRAINTS

Pick one metric per stage of the guest journey: average time from seated to drinks on table, order placed to main served, and bill asked for to exit. **Measure** for a week. The longest or most variable is your constraint. **Attack** it, then remeasure.

Worth knowing

TOC is a factory framework, and guest experience is not entirely a flow. The mood of the room, the welcome and the taste of the food are not throughput. Use TOC for the mechanics of service, and Kano and Pareto for the softer qualities that drive loyalty.

Your feedback platform needs to show which stage of the guest journey a complaint relates to. An aggregate NPS without stage-level attribution hides the constraint. A good system breaks comments down by stage so you can find and attack it.



© HGEM 2026

13

Not all improvements are equal



Noriaki Kano

FRAMEWORK 4 | KANO

Who

Noriaki Kano was a professor of quality management at the Tokyo University of Science. He published his model of customer satisfaction in 1984. It was adopted first by manufacturing and now underpins most product management thinking.

What

Kano's insight is that **customer satisfaction is not linear with investment.** Different kinds of features have different return curves. He grouped them into three tiers.

Basics

Also called must-be or threshold attributes

Things customers assume will be there. Unnoticed when present, deeply resented when absent. Getting them right earns nothing; getting them wrong punishes heavily.

Hospitality examples: a clean toilet, allergen handling, correct change, the dish as ordered, the booking honoured. Nobody gives five stars for a clean toilet; many give one when it is not.

Performance

Also called linear or satisfier attributes

Things where more is better, in a roughly linear way. Investment pays off proportionally. Guests notice when you do them well and reward you with higher scores.

Hospitality examples: speed of service, menu variety, portion size relative to price, loyalty discounts, availability of favourite dishes. These sit on a sliding scale and guests respond proportionally.

Delighters

Also called attractive or excitement attributes

Things customers do not expect. Absent, they are not missed. Present, they produce disproportionate satisfaction and word of mouth.

Hospitality examples: a free taster, a handwritten thank you on a receipt, the manager visiting a birthday table, a free coffee when a dish is late. None are expected. All lift the memory of the visit.

© HGEM 2026

14

Why it matters in hospitality

FRAMEWORK 4 | KANO

The most common misallocation of effort in hospitality is investing in delighters while basics are still slipping. A new signature cocktail launches while the ladies' toilet still has no soap. The cocktail might be great, but the **basic failure will cost you more in detractors than the delighters earn you in promoters.**

Kano's practical rule: fix basics first, always.

Promote performance second. Add delighters third, only when the first two are solid.

Common misclassifications in hospitality

1

Correct order is a basic, not a performance attribute

Bring a beef burger to a chicken burger order and you failed. The correct order is the floor, not an upside; treating it as performance misdirects attention.

2

A warm greeting is a delighter, not a basic

A functional greeting is a basic; a warm one (eye contact, remembering a returning guest) is a delighter. Most teams score the basic and miss the bigger upside.

3

Music volume is not a Kano tier, it is a configuration

Music volume is not a performance attribute. The right volume is simply correct for the venue, time and audience: treat it as a daily check, not a performance curve.

© HGEM 2026

15

How you would use it

FRAMEWORK 4 | KANO

Once a quarter, print your list of top ten guest complaint themes and your top ten guest promoter themes. Tag each one Basic, Performance, or Delighter. Then ask three questions:

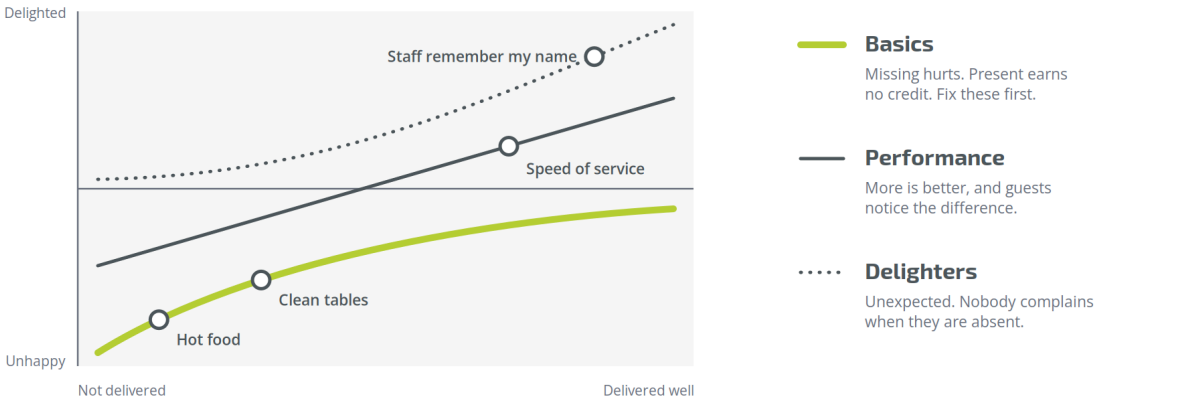
1 **Which basics are failing?**
Fix them first. Budget comes from anywhere.

2 **Which performance attributes have the biggest proportional upside?**
Invest where the leverage is.

3 **Which delighters are our guests actually responding to?**
Keep them. Drop the ones nobody noticed.

Sort what guests say in our reviews and surveys into Kano categories. Which are basics, and which are delighters?

Two basics need fixing before anything new.



Guest themes from reviews and survey comments, 28 restaurants, plotted by how guests react

Illustrative

© HGEM 2026

16

Small improvements that compound



Sir Dave Brailsford

FRAMEWORK 5 | MARGINAL GAINS

Who

Sir Dave Brailsford became Performance Director of British Cycling in 2003, when the sport had won one Olympic gold in a hundred years. Nine years later the team won eight golds at both the Beijing and London Olympics and produced world champions across the board.

What

Brailsford's thesis was that if you broke performance into every **component part** and **improved each by one percent**, the gains would add up to something remarkable. He meant it literally. His teams redesigned saddles for comfort, rubbed alcohol on tyres for traction, and tested which pillow improved sleep.

Each change was trivial alone. Across hundreds, they were **transformative**.

Why it matters in hospitality

Most operators default to one of two modes: the big initiative (a new menu, a brand refresh), which is rare and absorbs most attention, or firefighting (today's crisis, the next margin squeeze). Neither leaves room for small, disciplined improvement.

Marginal gains is a third mode: **hundreds of small, measurable improvements**, run weekly, owned by someone and reviewed with the team. None moves the number alone. Together they move the business.

© HGEM 2026

17

Hospitality examples

FRAMEWORK 5 | MARGINAL GAINS

Front of house

- Pre-wrap cutlery to save 30 seconds per table at opening
- Move the host station two metres to greet arrivals in 10 seconds, not 30
- Put the top three drinks on the till home screen
- Refill water at half glass, not empty

Kitchen

- Standardise one prep step that varies between shifts
- Pre-portion the one SKU that most often gets over-served
- Move the garnish station closer to the pass
- Land plates 15 seconds faster

Operations

- Add a line to the shift pre-brief naming yesterday's biggest guest comment
- Set one weekly metric every GM reports in two sentences
- Turn the 60-minute Friday review into a 15-minute standing meeting
- Cap it at three items

How you would measure it

Marginal gains is often invisible in headline metrics because any single change is too small to see. Measure it one of three ways:

1 **Count the changes**
How many small, specific, named improvements has your team shipped over the last quarter? Target 50, see what happens.

2 **Measure the leading metric for each change, not the headline score**
A faster greet does not immediately move NPS, but it does move average greet time, which you can track from mystery visits or your own stopwatch.

3 **Watch the compound after a quarter**
If 20 small changes have landed, guest scores should be nudging up. If not, they are not the ones that mattered. Pick different ones.

© HGEM 2026

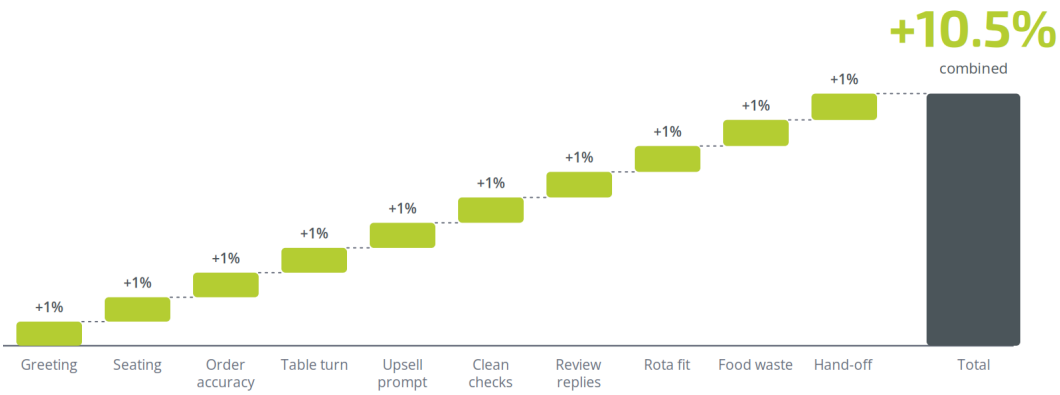
Worth knowing

Marginal gains is not a replacement for strategy. If the location is wrong, the food is bad or the pricing is off, small improvements will not save it. It widens the gap between a decent operation and a great one; it does not fix a broken one.

The hospitality tool that fits here is mystery dining, measured consistently: timings, standards, consistency scores. It tracks small operational changes at estate scale without a stopwatch per site. Guest surveys show whether the compound is working; audits show which changes landed.

Which small things across our sites could each improve by 1%, and what do they add up to?

Ten changes of 1% add up to +10.5%.



Guest score index, today = 100. Ten small changes of 1% each, compounded

Illustrative

© HGEM 2026

The frameworks in action

FRAMEWORK CASE | TORTILLA'S PORTION GATE

The clearest hospitality example of the five frameworks working together is Tortilla's recent work on portion presentation, which Emily Bagshaw (Director of Transformation) described at HGEM LIVE 2026. It's a useful case study because every one of the five frameworks shows up in the story. Applied deliberately, they give an operator **a clear path from guest data to a focused, measurable fix.**

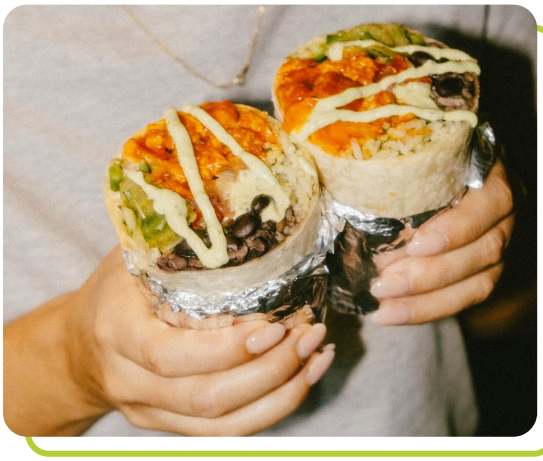
The situation

Tortilla is the UK's largest Californian-Mexican chain, with over 60 sites. Under new central-operations leadership, it spent two years overhauling its food. Food quality scores hit record highs, but value-for-money scores did not move with them.

Finding the real driver

Emily's team turned to HGEM's guest feedback data. Guests were commenting on portion. The obvious fix, bigger portions, would have hit margin at exactly the wrong time.

A deeper look showed the portioning training guide had not been updated since 2020. Dishes built to the current spec came out smaller than the brand's own 'generous' positioning promised. Guests were not asking for more food per se. They were reacting to portions varying from staff member to staff member and site to site.



FOOD QUALITY

At a record high

REAL DRIVER

Inconsistent portions

© HGEM 2026

20

The fix

FRAMEWORK CASE | TORTILLA'S PORTION GATE

Tortilla did not change the grams of rice. As Emily put it: 'We have changed how we serve it: one scoop and a half, instead of a big mountain.'

They changed the training instead. The portioning guide and recipe book were rewritten, then rolled out in order: regional operations managers, general managers, then every store on one go-live day. Three months of preparation, with one focus held for a full quarter.

The result

Twelve months after the launch:

+49.2 pts
Net Promoter Score

-89 %
Negative portion-size citations in food-quality feedback

+18.7 %
Food quality scores

+23.9 %
Value-for-money scores

+12.7 pts
Portion-size sentiment

© HGEM 2026

21

Where each framework shows up in the story

FRAMEWORK CASE | TORTILLA'S PORTION GATE

1 **Isolate** (Deming / SPC)

Emily waited six months after launching the survey before drawing conclusions: 'you need a good amount of time before you make a really important decision.' Small samples give noise, not signal, so she did not react to the first few weeks of data.

2 **Rank** (Pareto)

Emily ranked the themes and picked one: 'you might have three, four areas of focus. We just stuck with one.' Value-for-money was the headline metric and portioning the top driver. She kept to it for a full quarter instead of spreading effort across every low score.

3 **Focus** (Goldratt / TOC)

Value for money was the symptom, portioning the operational cause, and inconsistent serving the real constraint. Fixing the headline would have cost margin; fixing the constraint cost almost nothing.

4 **Act** (Kano)

Portioning is a basic in Tortilla's category. Guests do not write a five-star review for a correctly portioned burrito, but they do write a one-star review for a stingy one. Emily fixed the basic before investing in anything flashier.

5 **Compound** (Brailsford / Marginal Gains)

No single big launch: an updated training guide, recipe book and serving script, rolled out through ROMs, then GMs, then every store. Each change was small; the compound effect over twelve months was transformative.

© HGEM 2026

22

Actions to start implementing

Five actions, mapped to the five frameworks. Together they run one full loop.

1 **Set the normal range** (Deming)

Take twelve weeks of your top metric and note the high, low and average. React only to weeks outside that range, or a run of three or more in one direction.

2 **Theme your recent detractors** (Pareto)

Group the last seven days of negative comments into three or four themes. Find the top two by count, weighting by severity if volume is close.

3 **Find the bottleneck stage** (Goldratt)

For each top theme, ask which stage of the visit it happens at: arrival, ordering, food, drinks, payment or exit. The stage that keeps coming up is your constraint.

4 **Categorise by Kano tier** (Kano)

Classify the top theme: Basic (big downside, no upside), Performance (linear return) or Delighter (unexpected joy). Basics get the budget first.

5 **Set a 1% target** (Marginal Gains)

One measurable action, one review date, small enough to move. Try pre-wrapping the cutlery, moving the host station or renaming one dish.

One full loop

If you do all five, you have completed one loop. Repeat it weekly and you compound roughly 13% in a quarter and 68% in a year.

© HGEM 2026

23

Further reading

Each framework in this guide has a wealth of literature behind it. These are the primary sources, chosen for being readable rather than exhaustive.

DEMING AND SPC

Out of the Crisis
W. Edwards Deming

Understanding Variation
Donald Wheeler

PARETO

Juran's Quality Handbook
Joseph Juran

The 80/20 Principle
Richard Koch

LOSS AVERSION IN PARETO

Thinking, Fast and Slow
Daniel Kahneman

THEORY OF CONSTRAINTS

The Goal
Eliyahu Goldratt

KANO

Attractive Quality and Must-Be Quality
Noriaki Kano, 1984

The Innovator's Dilemma
Clayton Christensen

MARGINAL GAINS

How 1% Performance Improvements Led to Olympic Gold
Eben Harrell, Harvard Business Review, 2015

Atomic Habits
James Clear

Hospitality examples

For worked hospitality examples, see HGEM's blog.

Read the HGEM blog

© HGEM 2026



HGEM

THE 1% FIX

Questions on the 1% Fix?

To talk through the frameworks or how to measure them in your venues, get in touch.

GET IN TOUCH

hgem.com

enquiries@hgem.com

HGEM