

# THE MAN BEHIND THE NUMBERS

Former FCSI Worldwide President Gerhard Kühnel's area of expertise is analysis and financial acumen. He helps clients to turn their hotel and catering ventures into successful enterprises. Jim Banks finds the success of the numbers man lies in his understanding of people

**A**mong the many ingredients that make a successful foodservice business the design of the dining space, the kitchen and the menu are essential, but equally important are the financial aspects. During his decades of experience in the hotel and catering industry Gerhard Kühnel FCSI has helped many enterprises get these right. He has helped hundreds of clients develop their businesses by focusing on market research, feasibility studies, design, financial analysis and management.

Kühnel is senior partner of Luxenburger and Partner-Unternehmensberatung, based in Wermelskirchen, Germany, and managing director of GBS-

Gastgewerbe Beratungs-Service GmbH (GBS), based in Düsseldorf. A member of FCSI since 1986, he served as member and then chairman of the European board of trustees and in 2006 began a two-year term as FCSI Worldwide President. All of this is a long way from his childhood dream.

"When I was young I wanted to be a teacher. I envied my teachers at school and their importance in the classroom. It didn't work out, but now I am a management consultant and I teach my clients about running a business. I guide people and help them, so in a way I have become a teacher," Kühnel says.

His career encompasses both frontline service and management consulting. After leaving school he

chose the vocational path rather than the academic route and served a three-year apprenticeship as a waiter before a stint as a demi-chef de partie.

"I got to know the basics of the service industry, so then I applied to work at reception and soon became assistant to the head receptionist, then assistant to the hotel director. I had a break for national service but after that I wanted to get back into the hotel business," he explains.

Kühnel's career path seems to run in the family, though he did not realise it at the time. "I got married again last year and my best man was my older brother. In his speech he pointed out that we had taken almost exactly the same steps in our careers. He decided to go into the hotel and catering business, so he trained as a waiter. He became assistant manager, met his future wife and decided to go back to university, and then he started a consultancy," he explains.

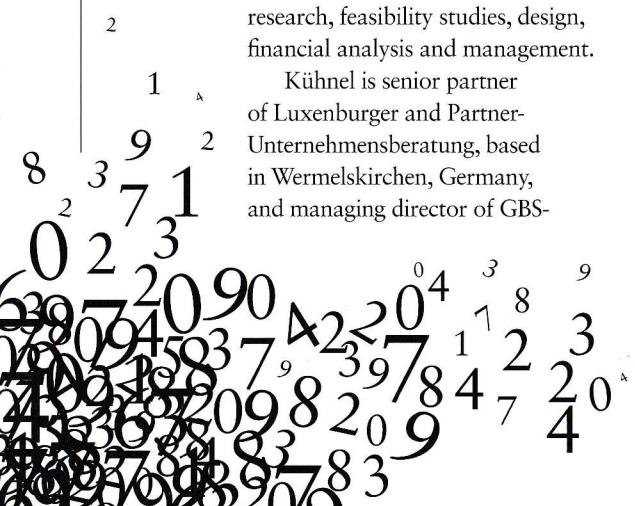
"We even trained in the same hotel. I went abroad to work in the Grand in Eastbourne, UK, and I met my first wife, who persuaded me to go back to university, after which I started a consultancy in Westfalia. It was not intentional. I did not mean to copy my brother, so perhaps it is just destiny. Perhaps we are doomed – or blessed – to do a particular job in life."

## From front line to finance

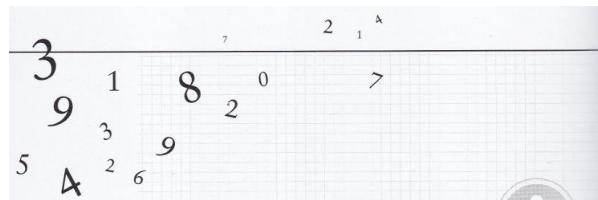
At university in Germany Kühnel gained a degree in business studies. His focus shifted from the service side of the industry to the financial side.

"I do not advise on design at all. All my work is about making a viable business for my clients. It is about the financial aspects of the industry and often I am called in to troubleshoot when a business is in difficulty," he says.

His training in management consultancy came through BBG-Consulting, Germany's oldest







### Everything changes, everything stays the same

In his three decades as a consultant Kühnel has seen his work change in many ways, but the core principles of helping clients build successful businesses remain constant.

"The nature of the projects has changed a lot for us. Small start-ups were a big part of my work when I started out but now they represent only 10% of our business. The kind of work required is more or less the same, though there is more of an international angle, which is more demanding because we have to understand global perspectives and culture. Germany has opened up to many more influences," says Kühnel.

"Nevertheless, food costs and staff costs are still the two biggest overheads, so that has not changed. Consultancy work is much the same, but now more consultants focus on specific areas such as menu design or kitchen design, so there is more specificity. Also, clients in the 1980s and 1990s knew a lot about the industry but were not well trained in the economics of running a business. Now, people are well trained on the business side but may lack specialist skills on the service side," he says.

consulting firm for the hospitality sector, and its current managing director Karl-Heinz Kreuzig FCSI is among those who helped shape Kühnel's career.

"I joined the firm in the mid-1980s and in the four years I was there Karl-Heinz was one of the bosses who taught me the trade. He also introduced me to the FCSI. It was then that I came to realise that my service experience was very useful in the consultancy business. For both, you have to be able to read people. You are always working for the best results for your client, so you need the intuition to understand what people want," he notes.

"You must understand your client's daily routine, so they don't have to explain their business to you. That is where specialists like

us have an advantage over the big management consultancies. You learn how to listen to your clients," he says.

At BBG, Kühnel trained to work on big projects, but was soon handling projects on his own for small hotels or restaurants. It was a steep learning curve, but he was fortunate to be at a firm that understood the importance of teaching as well as learning by experience.

"To some degree my job is about numbers, but really it is about people. Management consultancy is a service industry. We don't come in just to cut staff to save costs because it is actually about helping clients deliver the best possible service," he explains.

"The first big project for me – in terms of size of the task rather than the amount of money involved – was helping a small company that was

nearly bankrupt. It made me worry for weeks because its future rested on my ability to advise it and to persuade the banks to lend to it. The money involved was not huge but it was a big job in my heart because it was so important to the client. As a consultant you have to learn to keep your distance because you can't always get emotionally involved."

### Making a difference

At BBG Kühnel worked with Bernd Luxenburger, a business economist, and the pair left in 1989 to set up their own consultancy – GBS.

"I'm the finance and bookkeeping guy, Bernd is marketing. Our skills complement each other and there must be something good about the partnership because we still work together after 30 years," he says.



Kühnel and Luxenburger have worked on hundreds of projects at GBS for a diverse range of clients, but some stand out in Kühnel's mind due to the scale of the challenge they presented. One such project was for German company Nordsee, which started out in the late 1880s as a deep-sea fishing operation in the North Sea, but later became one of Europe's best known chains of fish restaurants.

Nordsee opened its first fast-food fish restaurant in 1965 and, due to its success, saw rapid growth in its foodservice operations. It now has nearly 400 restaurants.

"Nordsee wanted us to look at its whole operation from production to service. We considered the time to prepare dishes, problems with equipment and how to improve all levels of service. We analysed 10 out of the 150 restaurants it had at the time. It was a big challenge to collect and organise all the data, and an even bigger challenge to get useful information out of that data, but we did it," says Kühnel.

Another major project Kühnel remembers was for Steigenberger Hotel Group, which at the time was exclusively a five-star brand. The company had chosen to diversify into the four-star and three-star market, but the necessary shift in mindset was not straightforward.

"Directors couldn't get the five-star concept out of their head and that made it hard to transition to the three-star market. The challenge

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was to take people along the road to a different concept. We had to teach them to think differently and it was a steep learning curve."

For the last eight years much of Kühnel's time has been spent working on what are known in Germany as integration projects, which have become close to his heart. As projects with social importance that improve the lives of the people involved they touch that part of him that knows the industry is all about the human impact.

"We have done 120 integration projects that help disabled people develop their working lives. Some are businesses that are run 50/50 with able-bodied and disabled people. We look at how to set those up in a viable way, including assessments of how much they need to be subsidised. We have done all of the integration projects that have been put forward in Westfalia, which have involved people with both physical and mental disabilities," Kühnel says.

"They are among the most impressive things I've worked on. They go beyond management consultancy. The most exciting part of my job is trying to solve a new problem. With the integration projects there's always a new challenge," he adds.

Over the years Kühnel has learnt a lot about what it takes to be a good consultant and although his focus is on the financial side many of the most important skills focus on people rather than data.

"The most important thing is the ability to understand your clients. They may want one thing and when you look at the figures you see it is not possible, so you must have the skills to get the client to see they need

something different. Apart from that you also need an analytical mind that allows you to see the whole picture."

#### Words of wisdom

For consultants starting out in the industry Kühnel has some sage words of advice. "This is an industry where you need to develop a new client or land a new contract nearly every day. You can't get just have one big client that keeps you busy all the time. Beyond that, simply remember it is a job that can bring you a lot of joy."

Now that he is looking to gradually hand over his business to the next generation and create more time for his family – and to maintain his four handicap on the golf course – Kühnel can look back on a career that has brought many moments of joy from finding solutions to challenging problems. Like other members of what he calls his 'brotherhood' – the likes of Ken Winch FFCSI and Gerhard Franzen FFCSI – his mark on the industry will last well into the future. ■

#### A COMMUNITY OF TEACHERS

Kühnel's youthful ambition was to teach and his experience has given him many skills that he can pass on to the next generation, but in joining the FCSI he found that it was principally a space in which to be a student and learn new things.

"During my time in the FCSI I have met many people and they have helped me to learn a lot more about the industry. Ken Winch was one of the first members I met 30 years ago and he is one of the people who opened me up to the technical design, even though I am not a designer," notes Kühnel.

Some consultants might see membership of FCSI as a way to generate new work, but Kühnel does not see this as the main benefit of joining.

"It is not about creating new business. It is more about the people you meet and the things you learn. I have learnt about equipment, design and the technical side of the industry, which helps me to build new concepts. I have also learnt a lot about leadership. The community is great and by joining FCSI you are supporting that community."