



Fáilte Ireland

National Tourism Development Authority

OPTIMISE YOUR OPERATION – RESTAURANTS, CAFES, BARS & GASTROPUBS

Considerations for:

- **Business Model**
- **Space and Style**
- **The New You**
- **Your Team**
- **Your Customer**





Introduction

You've calculated your potential reduced capacity by applying the new physical distancing guidelines to your available space. Now it's time to use the Capacity & Commercial Impact Calculator to estimate potential revenue streams and related costs.

Doing so will help you understand if your business, in compliance with the new guidelines, will generate a profit, break even or make a loss.

This document presents a series of nine considerations with suggestions and guidance to consider the changes you can make to get your business back up and running.

These considerations should be viewed alongside the HSE Covid-19 Operating Guidelines.

These nine topics are outlined over the following pages, with suggestions and insights that may be useful in reimagining your business.

1. Your Business Model & Revenue Streams

2. Your Space & Service Style

3. Your USP

4. Your Chance To Do It Better?

5. Coopetition & Collaboration

6. Practical Considerations

7. Your Costs

8. Your Team

9. Your Customer



1. Your Business Model & Revenue Streams

Adaptability and willingness to change will be critical in the months ahead.

Thankfully the restaurant and hospitality industry are resourceful, resilient and innovative, and from crisis we will see creative solutions.

With reduced capacity, it's essential to make the most of your space and team size.

You may need to consider alternative offerings and different styles of food and service, or additional revenue streams to what you have done in the past.

If your business is a full-service sit-down restaurant, is it feasible to try:

- Fast casual
- One thing done well
- Take-away
- Grab and go
- Meal kits/cook at home
- Retail sales

Flexibility is key alongside being ready to respond to changing and unpredictable customer demand.

- **Fast casual:** A model with speedier turnover of tables and less hands-on service may be necessary. Fast casual tends to have similar service set-ups to fast food but with a high-end food offering. Can this be done while maintaining food quality and a good customer experience, albeit a different one?
- **One thing done well:** Is it worth trialling a different model for a period to get up and running again? What about specialising and focussing on one thing (or a limited selection of things) done well? This model can potentially fit any establishment; fine-dining to casual; it could be the best burger, the best sandwich, or it could be an oyster bar, cheese & wine ... What's that signature dish your customers are dying to come back for? Make sure it's something that generates the margin - you need to make this viable.
- **A hybrid:** Could you combine two or more different models of service and menus, or combine your core restaurant service with some of the revenue streams below?

Supplementary offerings:

- **Take-away:** A reduced menu of your most popular dishes that are suited to take-away. Think about which dishes will hold up best if packaged and not eaten immediately. Test them out.
- **Grab and go:** Could you offer prepared food items that customers can come into the premises to buy and eat off-site? If you have sufficient space for a small counter and to accommodate easy flow of customers, maybe offer a small selection of items such as sweet and savoury baked goods, salads and soups.

Your Business Model & Revenue Streams (cont.)

- **Meal kits/cook at home:** A meal kit containing all the elements of your signature dish with instructions on cooking, combining and presentation might prove popular. Or a prepared dish, along with accompaniments, that's ready for the oven.

The advantage to these alternatives is that they are fully prepped in advance and can be collected/delivered outside of peak service hours. The disadvantage is that you don't have full control over the final result, so careful thought, planning and testing will be needed, along with clear instructions for customers.

- **Retail sales:** Restaurants that make high quality products such as preserves and baked goods in-house could perhaps offer items for retail as an additional revenue stream. Collaborate with local producers to sell their produce so that you can offer a basket of sought-after local foods that are not available in shops. If you don't have space for retail within the restaurant, online or click and collect are options.

Remember: Consult your Environmental Health Officer (EHO) about offering any of the above products and services, and ensure you follow labelling and food safety requirements.

Considerations

- How will you manage the flow of orders to the kitchen?
- What about collections/deliveries?
- How will you manage the volume of customers on site?
- Will you do a 'traditional' take-away model where people submit their order and pick up when it is ready?
- Would 'click & collect' (order in advance and pick up at an agreed time) work better?
- Should you offer delivery? Location and demand will help you decide. Also, will customers pay more for it?

Processes and platforms

Will people order by phone, online or both? It's easy to set up phone orders, but remember to factor in employee costs. Spend may be higher online as people peruse the menu and plan their meal. Getting online takes time and money, but a good site will provide information on popular times and popular items – this will help with planning. Working with an online ordering or delivery platform could reach a wider audience, but don't forget to factor in their fees.

Make it adaptable

Businesses that emerge from this period are likely to have a combination of revenue streams.

Whatever you do, be ready to adapt quickly, but try to develop something that will benefit the viability of your business beyond the crisis period.



2. Your Space & Service Style

Space is at a premium for most restaurants, so optimising your space and capacity, while adhering to physical distancing restrictions, is perhaps one of the biggest challenges.



Reimagine the space: When something has always been a certain way it can be hard to imagine it any other way. Imagine if you took out all furnishings that are not fixed and started from scratch; could things be done differently? Draw out the space and try to reimagine it as a new space.

Divide the space or time: Could you divide the space to segregate sit-in and food collections/retail or to offer different service styles or menus? Could different offerings, service styles or menu options at different times or on different days work?

Room outside or unused spaces: Customers may be more willing than ever to sit outside. What outdoor space have you? Can you use it? Ensure it's attractive and appealing. What additional costs will you incur? E.g. rates if it is an on-street space, staffing, furniture. You could keep costs down by not providing full table service outside. Are there other rooms or spaces previously used for private dining or for storage that could accommodate tables? Again consider logistics and staffing costs – use the Capacity & Commercial Impact Calculator to see if it's worth your while financially to do so.

Service style: If staffing levels, staffing costs and space restrictions make a full table service problematic, could you ask customers to order at the counter and then drop food to tables, or ask them to collect at the counter? Consider the logistics involved in this and space for customers to queue and pass each other.



3. Your USP - Be You, or Be A New You

Whatever route you take, consider what you do best, what your customers know you for, and what your core values are. Consider what you can offer that is unique. Then do something that is true to all of that.

It might be a reduced version, a simplified version, but if it is still the core of your identity and ethos at its heart, that is what your customers will want.

What is the one thing you can't take off your menu? The thing that customers come back for again and again. Focus on that. But make sure it has a good margin and is viable in terms of the gross profit you need to hit.

If it is not feasible to do the style of food and service you are known for, consider doing something entirely different that still reflects your values. Or do a combination of both your previous style, perhaps with a reduced number of covers or simplified menu, alongside a new concept based on a take-out or quick turnover model.

What if you did just one thing? And made it the best it can be.

Find inspiration - there are many examples of innovation already out there in the industry at home and internationally - and then find your Unique Selling Point.

**Whatever you do,
make it the best it can be**



4. Your Chance To Do It Better?

From crisis comes opportunity. Is now the chance to change your model and do business better?

- Question and examine everything you do
- Your business will need to become as efficient as it possibly can be

But maybe this is also a time to make your business work for you. Do you and your team need to work the same hours as before? Do you need to do the style of food and service you did before? Is this your chance to re-invent your business? Things that might have seemed impossible or unacceptable before may now be appropriate and innovative.



5. Coopetition & Collaboration

Coopetition and collaboration are your friends right now.

Co-opetition means business competitors working together to the mutual benefit of all. It serves us all to see a return to a vibrant restaurant sector. Now is the time to work together. Talk to each other – make sure you are not duplicating or undercutting what your neighbour down the road is doing. Can your offerings compliment each other? Can you group with other restaurants to promote what you are doing locally?

Most importantly share your learnings with other restaurateurs and learn from their experiences. There is no point in everyone making the same mistakes. You will also have more clout if you work together to develop ideas around using outdoor spaces or re-imagining how you do business. Support each other.

Consider also how you might collaborate with other non-competing local businesses. Food producers and farmers have suffered from losing restaurant sales too – can you support by providing a retail sales outlet for them, ensuring they survive and can remain on your menu?



6. Practical Considerations

Simplify Your Menu

Consider simplifying your menu to star dishes that are popular, generate a good margin and express your style. You may have a smaller team in the kitchen so a simplified menu will be more manageable. You will also have reduced cash flow to buy in stock and it may be difficult to predict demand, so a simpler menu can mean having to buy in a smaller range of ingredients and minimising waste.

Maintain the Price you Need

If the last recession taught us anything it is that price drops and deals are difficult to recover from. If businesses undercut each other on price and engage in a race to the bottom, everyone loses.

Quality

It may be that you have reduced time for mise-en-place and producing things in-house. There is nothing wrong with buying in products. Just make sure they are the same quality as your customer has come to expect. By doing this you are supporting other local bakers or makers of preserves.

Box clever – maintain the things that are core to your identity and work with outstanding suppliers on other items.

Hours of Service & Bookings

Might it make sense to open for fewer days or reduced hours initially? Small tweaks to hours may keep labour costs in check yet not impact customer numbers and spend.

If doing take-away or other models, do you need to limit this during peak hours to prioritise sit-in customers?

For sit-down guests, carefully manage bookings, dwell time and turning of tables. An online booking platform may help.

Might customers like to choose or order in advance? Alongside a simplified offering, this could help manage labour and waste costs.

Might your customers be willing to pay a booking deposit or even pay for their meal in advance? Remember, the rules of engagement have changed, so everything is possible. This would tackle the possibility of no-shows (which you definitely can't afford now) and again help to manage staffing levels. However, consider whether advance payment may impact on spend and reduce opportunities to upsell.

Whatever your policies, communicate clearly with customers in advance.

7. Your Costs

Food costs

Know the number you need to achieve in terms of average food cost percentage and ensure you are consistently achieving it. This may be the time to forego expensive garnishes that impact the gross profit (GP) of a dish.

Use the [Control Food Costs tips and tools in the Achieving Efficiency Toolkit](#) to tweak dishes and menus to get your desired GP.

- Order in smaller quantities until customer demand becomes clearer and business rebuilds.
- Be more mindful than ever of labelling, rotating and stock-taking – waste must be kept to an absolute minimum.
- Buy in season for best price and quality.
- Design dishes that can be adjusted to incorporate seasonally changing ingredients.

Packaging

If you are trialling take-away or other packaged products, don't over order on packaging. A model that works today may not work in a month's time. You don't want to be left with unused packaging, especially if it's expensive or unique packaging. Could you collaborate with restaurant friends to buy in bulk?

Solutions

Lots of suppliers will offer new solutions, be it technologies or prepared foods.

- Be wary of outlays when cash flow is tight
- Be mindful of maintaining quality
- Be clever; if something can save valuable time and improve efficiency it may be worthwhile in the long-run. Do the numbers!

Talk to your suppliers

It's important to maintain relationships and to support each other. Suppliers are struggling too. Talk to them and find solutions together.

While you need to keep costs down and get the best price, don't forget that working with local suppliers feeds into the local economy and back in to your customers pocket. Avoid knee-jerk reactions to buy cheaper produce and sacrifice quality.

Explore new collaborations with your favourite food producers that can benefit everyone right now – could you help them develop a recipe for a retail product? Help them use seasonal produce that could go to waste?

Your Costs (cont.)

Utilities, waste & efficiency

In the period before re-opening, review all utility costs and seek out the best prices if you have the flexibility to change.

Review all your systems and processes to examine how you can improve efficiency and minimise waste in all areas; this includes food waste and packaging waste, but also power, water, and labour.

Remember, you pay for waste on both ends, when you purchase it and when you dispose of it. Talk to your employees about the need to avoid waste and incentivise them to play their part.

Review all costs for food, consumables, labour and utilities

Labour costs

Unfortunately labour costs will be a huge concern for businesses. It is likely that with physical distancing restrictions and reduced capacity, cuts to employees and hours will be a reality for many businesses. In order to accommodate physical distancing between employees and to protect their health, there may also be limits to the size of the team.

Simplification of menus, new service systems, and alternative business models may assist in delivering your operations with a smaller team.

Rotas and hours will need to be carefully managed and time that employees are on site must be used as efficiently as possible; can downtimes be used to work on areas that have potential to bring in additional revenue?

Talk to your employees about the need to trial different operating hours and rotas as the business re-opens. Flexibility may be required in the early days so that you can respond to changing customer trends.

Factor in additional cleaning and management of Covid-19 protocols into your labour costs.

It is essential to know and understand your labour cost figures when calculating the viability of your models.



8. Your Team

Your team is your most important asset.

Bring them on this journey with you, get their input and buy-in, and ensure they feel valued and cared for.

Morale

This has been a tough time for everyone. It is important to rebuild morale and team spirit. Get your team excited about the new opportunities this presents; involve them in decisions, get their ideas. Ask everyone to 'dig deep'.

Think about how skills will be maintained if you have opted for a reduced or simplified offering. How will you keep up the interest, motivation and learning of your employees? Look at ways they can share skills with each other and remember that everything new you try is a new learning experience for them.

Training

Employees will need to be carefully trained on new service protocols, workflows and operating procedures in order to maintain the health & safety of the team and customers, and to make service as efficient as possible.

Employees will need to be highly efficient in taking orders, delivering food and clearing away, in order to reduce dwell times and turn tables more quickly.

It is important that employees are trained to maintain a high level of customer service while also clearly communicating to customers the policies in terms of physical distancing, when tables need to be returned etc. See our Communications Guidelines for tips on communicating with your customers.

Get their input

Fully briefed

Employees need to be fully briefed on the situation and aware of Covid-19 protocols. It is vital that they understand the importance of not coming to work if they are unwell.



9. Your Customer

After your team, your regular customers are your greatest asset.

1. Talk to them.
2. Get their feedback on your plans and ideas.
3. Tell them that you value their custom and appreciate their support.

You have missed your loyal customers and they have missed you too.

Customer sentiment and demand is likely to continue changing rapidly over the coming months; you will need to be agile and adaptable. Make sure you have lines of communication open to get customer feedback.

When you re-open, what will they come back for, what do they expect, what might turn them off coming out for a meal? Most will be very happy to be asked for their opinion.

It will also be important to communicate very clearly with customers if your offering or business model has changed and to tell them the new 'rules of engagement'.

A clear sales and marketing strategy will be important to promote what you are doing, rebuild customer confidence and get them back through the door.

If you have issued vouchers, have you built a customer contact list through these sales? Can you communicate your offer to them to try and get them in when you re-open and hopefully generate some additional spend?

See our [Communications Guidelines](#) for tips on communicating with your customers post-Covid-19.