

RESTORE

RESOLVE

RESILIENCE

RETURN

# Re-Restaurant 2020

The Restaurant Operator's **PATH TO THE NEXT NORMAL**

A Collaboration Between:



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# Re-Restaurant: Why & How

## Why Re-Restaurant

Re-Restaurant has been developed for operators by operators. It includes timeless best practices for every phase of your recovery from restoring yourself to returning to the *next normal*.

At a time when inboxes are flooded with newsletters and webinar invitations, we wanted to help you where you are both in your recovery journey and as a leader in your company.

The information presented here empowers you to lead your team and company successfully through the COVID-19 crisis.

And, we hope you refer to this tool in the future at pivotal moments for your company, the crew, customers, and community you serve.

## How to use this document?

We know that now may not be the best time for you to read and reference this entire document. Each slide and section in Re-Restaurant has been designed to be self-contained. The design allows slides to be quickly re-configured to make shorter guides *by topic or by phase*.

		TOPICS		
		Lead	Plan	Act
		Principles & Imperatives to Lead	Information & Resources	Make Your Plan
RECOVERY PHASES	Restore	Slide 05: Reset Yourself Slide 06: Faith Conquers Fear	Slide 07: Plan an Uncertain Future Slide 08: Plan an Uncertain Future Slide 09: The COVID-19 Impact	Slides 10 & 11
	Resolve	Slide 13: Communication is Critical Slide 14: Safety, then Sustainability Slide 15: Resolve Imperatives	Slide 16: Operating Alternatives Slide 17: Serve Safely Slide 18: Drive Sales Slide 19: Keep Business Relevant	Slides 20 & 21
	Resilience	Slide 23: Have Financial Clarity Slide 24: Resilience Imperatives	Slide 25: Managing Cash Slide 26: Financial Assistance Slide 27: Visibility = Sustainability	Slides 28 & 29
	Return	Slide 31: Safety, Speed & Discipline Slide 32: Return Imperatives	Slide 33: Address Emerging Concerns Slide 34: Take Adv. of Downtime Slide 35: Create Stability	Slides 36 & 37

# Executive Summary

Current as of April 6, 2020

## The Situation Today

- COVID-19 is a global health & humanitarian crisis.
- To reduce the outbreak, Federal/State/Local governments have acted.
- Consumption has shifted to grocers with restaurant dining rooms closed.
- Operators are leveraging takeaway and delivery to manage slow demand.
- [View the Johns Hopkin's COVID-19 Case Count Dashboard](#)
- [View the National Restaurant Association's COVID-19 Tracker](#)
- [View Black Box Intelligence's Weekly Sales & Traffic Reports](#)

## How The Situation May Evolve

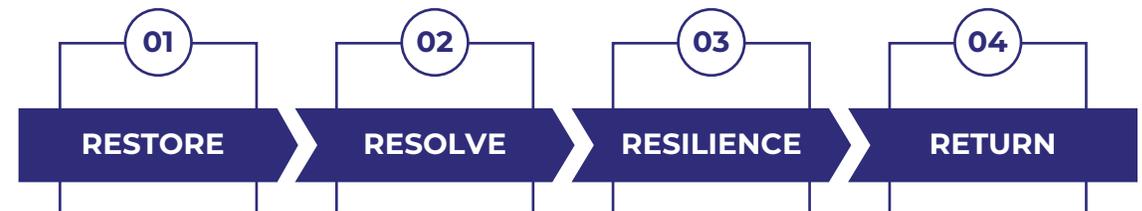
- In the US, COVID-19 spreading is pre-crisis with respect to public-health and economic headwind.
- The scale & speed of testing continues to advance providing better visibility into the disruption COVID-19 will cause.
- Learnings from other countries could provide insights to slow the spread of the virus and to serve as a basis for an economic restart.

## Actions For Restaurant Operators:

The rapid decline in customer demand is bringing unprecedented personal, professional, and financial challenges to restaurant operators.

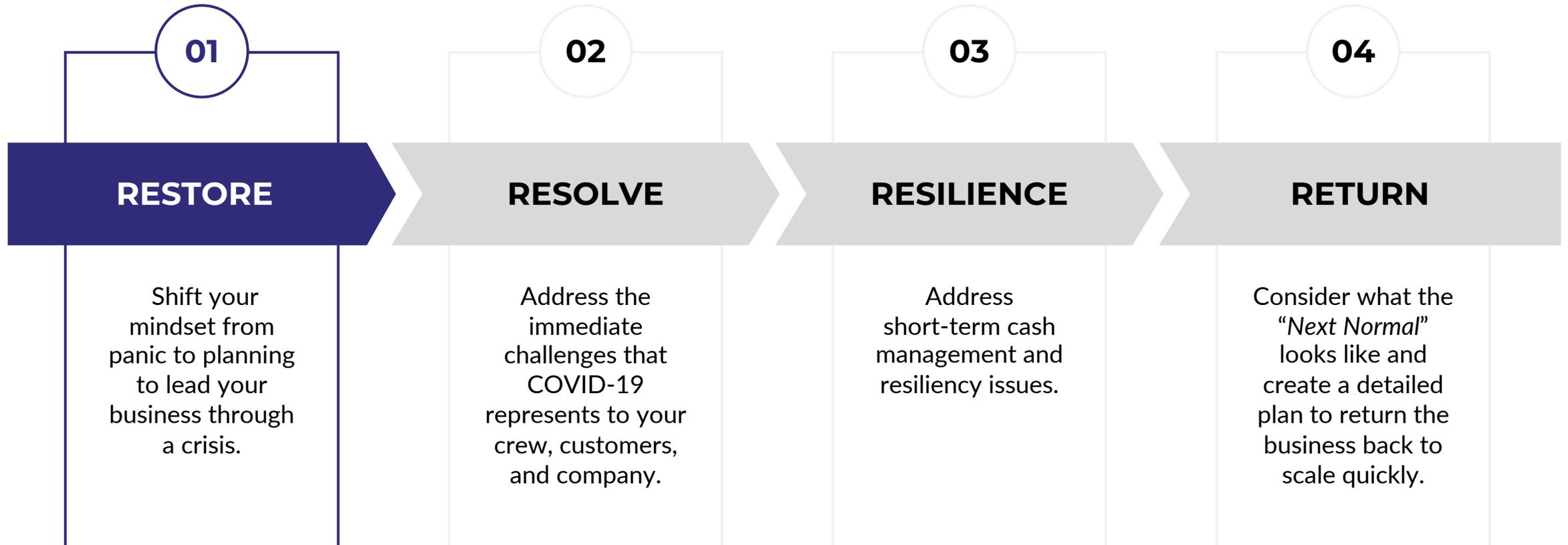
To survive, restaurant operators must embrace the realities of the *Next Normal* and begin working immediately to restore their business, resolve current issues, build financial resilience, and prepare for a relaunch of their restaurant(s) post-outbreak. Restaurant operators must lead, plan, and act through crisis.

Quick-moving and disciplined restaurant operators should emerge from the crisis with the ability to create advantages in a world with more talent and fewer competitors.



**DISCLAIMER:** [Consult to Grow](#) and [Kathleen Wood Partners](#) worked collaboratively to assemble and develop this information to create a path through the COVID-19 crisis and beyond. We do not provide tax, legal or accounting advice. **This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice.**

# Contents



# Leading to [Restore]: Reset Yourself



## Reset Your Mindset

Your business has been turned upside down. As much as the COVID-19 crisis is scary, it is also freeing. Begin to look at your business with a fresh set of eyes.

- **Refresh:** Be nimbler and more adaptable to the *next normal*.
- **Re-assess:** Look at every aspect of your business including the people, products, and place in the market.
- **Re-focus:** Focus on what matters the most – the ideas, projects, and steps that will help you create the most sustainable business.

**Your Mindset will Drive  
Your Business Success**



## Build A Support Network

The people around you are all going through their own personal crisis . They need you and you need them.

- **Yourself:** take care of yourself by eating well, hydrating, and getting sleep. Everyone needs you at your best.
- **Team:** be empathic, keep your crew focused on short-term goals, and have open lines of communication.
- **Crew:** keep them focused on their role in the business, focus on safety, and express your gratitude for their front-line work every shift.
- **Family & Friends:** at the end this crisis, make sure you still have your family & friends to go home to.

**Remember Stress Effects Everyone**



## Talk Through It

We are wired to talk our way in and out of situations rather than think our way through them. Talking to others about the situation allows us to avoid “fleeing or freezing.” It helps us process the situation and coordinate with others to respond. Research shows us the more we “think” about our issues, the more upset it makes us. We can’t sleep, we have anxiety, and we freeze. Talking to others uses the parts of the brain that allow us to reason toward a solution and involve others who can offer valuable help.

Adapted from Verne Harnish’s & Scaling Up’s PDF [Why Talk Time is Fundamental](#)

**Isolation is NOT the Solution Right Now**

# Leadership Principle: Faith Conquers Fear



## Address Your Personal & Business Fears

Get your personal & business fears out of your head and onto a piece of paper. If you keep your fears to yourself, they will paralyze your actions.

Be a problem solver – prioritize your issues into next day, next week, or next month. Set aside the next month issues – the situation is changing that fast.

Then phone a friend, family-member or a professional and talk about your personal concerns. Trust your crew and engage them on solving the immediate business concerns.

**You are never alone and there are plenty of people to help!  
And, remember progress versus perfection.**



## We are truly all in this together. Have Faith!

We all need a lot of faith. Faith in ourselves, each other, our crews, customers, and communities. We need to have faith for a better day.

Here is a mantra to center yourself, your day, and your focus:

- You can manage today and plan for tomorrow.
- You are never alone there is always someone to call.
- Your leadership is needed as the world needs leaders.
- You must take care of yourself for your family and friends need you.
- Your work is meant to help the world, make it meaningful.

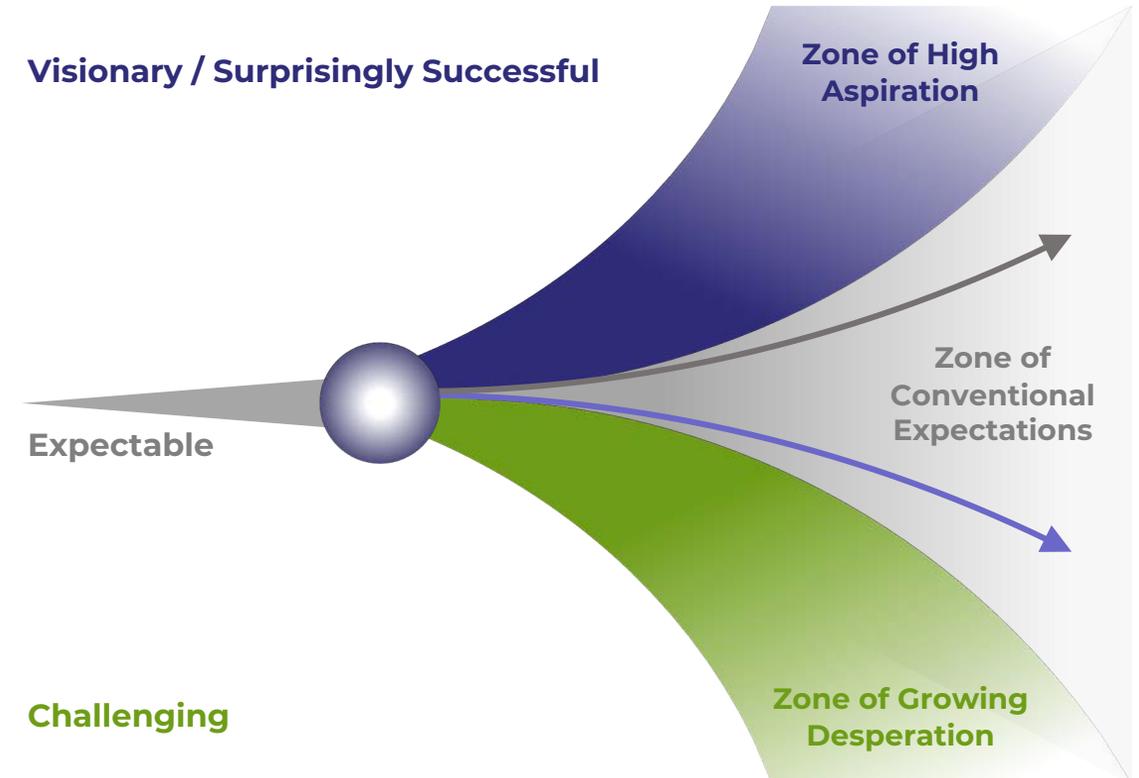
**As our lives have been impacted by an invisible deadly virus.  
We must move forward being impacted by an invisible  
loving force of faith!**

# How to Plan when Your Future is Uncertain



## Planning an Uncertain Future in Five Steps

- 01 Start with what you know.
- 02 Ask, what don't we know.
- 03 Track and update your lists.
- 04 Explore the future in scenarios.
- 05 Ask, what can we do today to improve our future?



Adapted from Rebecca Ryan, AFP's Medium Article: [Scenario Planning for Anxious Times](#).

Source: Institute for Alternative Futures

# How to Plan when Your Future is Uncertain



## 1. What we know today (April 6, 2020)

- Coronavirus is a global pandemic.
- The US is still pre-crisis and pre-peak of hospitalizations.
- We can look to China, South Korea and Italy to guide expectations.
- The pandemic will be linked to a recession (the type is unknown).
- Fear impairs people's decision-making, but people are creative and resilient.
- CARES Act passed to stimulate the economy. More stimulus expected.

## 2. What we don't know

- How long the outbreak will last – locally, nationally and globally?
- How long or deep the economic after-effects will last?
- The long-term social impacts:
  - How will people re-emerge after being sheltered-in-place.
  - Will people experience PTSD and continue to self-isolate.
  - How will people handle the grief of lost loved ones, co-workers, care givers.
- What does the *Next Normal* look like for restaurants?
- How the outbreak will impact political cycles?

## 3. Track and update your lists

Regularly revisit what you know and what you don't know. As the situation evolves, your what-you-know list should become longer than your what-you-don't-know list.

## 4. Explore the future in scenarios

- What's the worst-case scenario?
  - What could make this situation worse?
  - What missteps might you or others take, that could deepen your desperation?
  - What else could occur, that would make the future feel more dire?
- What's the expected-case scenario?
  - Use the past to predict the future.
  - How did congress, your state, community, customers and crew react to the great recession? Expect a similar response.
  - How has your community and similar companies handled other crisis: 9/11, the great recession, hurricanes, etc.
- What is the best-case scenario?
  - What if we effectively flatten the curve?
  - What if you fully leverage government aid?
  - What other events or activities could improve the situation?
  - What does it look like for everyone to act their best?

## 5. Ask, what can we do to improve or reimagine our future.

Adapted from Rebecca Ryan, AFP's Medium Article: [Scenario Planning for Anxious Times](#).

# Estimating the Impact of COVID-19



## SCENARIOS:

	Fall Recovery	Summer V-Shape	May Reboot
Economy	Extended Contraction	Deeper Contraction, Bigger Recovery	Quick Recovery
COVID Case Peak	June	May	April
Recovery	Downturn, slow growth starting in September	Stronger Recovery starting in Q3	Gradual Rebound Starts in May

## WATCH FOR:

### VIRUS SPREAD AND PUBLIC HEALTH RESPONSE

How effective the public health response is in controlling the spread and human impact of COVID-19.

<b>Rapid &amp; Effective Control of Virus Spread</b>	<ul style="list-style-type: none"> <li>Outbreak Contained</li> <li>Lower long-term growth with industry damage</li> </ul>	<ul style="list-style-type: none"> <li>Outbreak Contained</li> <li>Slow recovery</li> </ul>	<b>BEST CASE</b> <ul style="list-style-type: none"> <li>Outbreak Contained</li> <li>Strong growth rebound</li> </ul>
<b>Effective Response, but (regional) virus resurgence</b>	<ul style="list-style-type: none"> <li>Virus Resurgence(s)</li> <li>Slow long-term growth</li> </ul>	<b>EXPECTED CASE</b> <ul style="list-style-type: none"> <li>Virus Resurgence(s)</li> <li>Slow long-term growth</li> </ul>	<ul style="list-style-type: none"> <li>Virus Resurgence(s)</li> <li>Return to growth trend</li> </ul>
<b>Broad Failure of Public Health Interventions</b>	<b>WORST CASE</b> <ul style="list-style-type: none"> <li>Outbreak Escalates</li> <li>Prolonged downturn</li> </ul>	<ul style="list-style-type: none"> <li>Outbreak Escalates</li> <li>Slow recovery</li> </ul>	<ul style="list-style-type: none"> <li>Outbreak Escalates</li> <li>Delayed but full recovery</li> </ul>
	<b>Ineffective</b>	<b>Partially Effective</b>	<b>Highly Effective</b>

### ECONOMIC POLICY RESPONSE

Speed and strength of recovery depends on the ability of government policy and stimulus to slow or mitigate the economic impact of the virus.

Adapted From: [“COVID-19 Scenarios: Rebooting an Economy in Free Fall”](#) and [“Safeguarding our lives and our livelihoods: The Imperative of our time”](#) as of March 2020.

# [Restore] Operator's Action Plan



## Read:

- [COVID-19 Scenarios: Rebooting an Economy in Free Fall](#) [Conference Board]
- [Safeguarding our lives and our livelihoods: The Imperative of our time](#) [McKinsey]

## Track Updates:

- [View Black Box Intelligence's Weekly Sales & Traffic Reports](#)
- [View the Johns Hopkin's COVID-19 Case Count Dashboard](#)

## Start with what YOU KNOW and DON'T KNOW:

What DO YOU KNOW about the future of your business?	What DON'T YOU KNOW about the future of your business?
<ul style="list-style-type: none"> <li>-</li> <li>-</li> <li>-</li> <li>-</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>-</li> <li>-</li> <li>-</li> <li>-</li> <li>-</li> </ul>

## Explore your future in scenarios:

Worst-Case Scenario	Expected-Case Scenario	Best-Case Scenario
<ul style="list-style-type: none"> <li>-</li> <li>-</li> <li>-</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>-</li> <li>-</li> <li>-</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>-</li> <li>-</li> <li>-</li> <li>-</li> </ul>

# [Restore] Operator's Action Plan



**What are you Top 3 critical “must-do” priorities for your business?**

Focus on what matters the most. What can you do to improve your future?

PRIORITIES	1	2	3
WHAT we need to accomplish.			
WHO & HOW we will accomplish these priorities.			
WHEN will we be successful.			

# Contents



# Leading to [Resolve]: Communication is Critical



## Create Daily Habits

- 1) Communicate often.
- 2) Care for Crew, Customers, Community, and Company.
- 3) Clean Up and Catch Up.
- 4) Cash: Focus on maintaining cash.
- 5) Be Calm, Considerate, and Consistent.



## Communicate Often

Communicate with facts, provide direction, and share gratitude.

- 1) **Confident:** The crew reflects the leader – the more confident you are the more confident the crew and your customers will be.
- 2) **Cadence:** Communicate hourly, daily, every shift, etc. The key is to provide constant communication to keep people connected. It is also an excellent way to check in with your crew, too.
- 3) **Channels:** Use all the channels of communication such as telephone, video conferencing, text messaging, email, and scheduling tools (i.e. *HotSchedules*).
- 4) **Circle Back:** Check back in with the crew to ensure they understand. They have a lot going on too and sometimes things get lost in translation.



## Make Tough Decisions

- 1) **Use your Values:** Consider your company's vision, purpose, mission, core values, and non-negotiables. Live in those values every day.
- 2) **Ask Yourself:** How do we do the right thing for our: Crew, Customers, Community, and Company? What can we afford to do or not do and still have a business to relaunch later?
- 3) **“Explain the WHY”:** Write a brief note or email to yourself or your crew about questionable decisions that answer the following questions:
  - Why the Decision is important?
  - How we are living our values?
  - What facts are we using to make this decision?
  - How does this decision protect our crew, customers, community, and company?

# Leadership Principle: Safety; then Sustainability



## Crew and Customers Safety are your Number 1 Priority; then Business Sustainability

- 1) Keeping your crew safe is your Number 1 Priority. Keep them safe:
  - With proactive communication and decision making.
  - In your workplace with safe operational policies and practices.
  - By understanding no order or sale is more important than your crew.
- 2) Keeping your customers safe is also your Number 1 Priority. Keep them safe:
  - With great operational procedures.
  - By limiting their exposure and person-to-person contact.
  - With proactive communication, signage, and service availability.

## 3) BUSINESS SUSTAINABILITY IS YOUR NUMBER 2 PRIORITY

## Decision Making Priorities as a Restaurant Leader

- 1) Make decisions to protect the safety of your crew and customers this also protects your brand reputation.
- 2) Make decisions proactively to (i) make it easier for crew to execute and (ii) minimize operational disruptions.
- 3) Stay informed and be on the proactive side of managing your business – not the reactive.

# The Leader's [Resolve] Imperatives



The Power of being Flexible and Agile versus being Stuck or – worse – Frozen.

## Resolve

Firm determination to do something.

## Flexible

Ready and able to adapt to different circumstances.

## Agile

Able to move quickly and easily.



**Don't let your past determine your future!**

# Consider Alternative Ways of Operating



## 1) Scale down (MOST restaurants)

- Especially drive-thru and concepts with deliverable products.
- Consider how you scale your business to cycles of customer demand.
- Plan to safeguard the lives and livelihoods of people in and around your business.

## 2) Hibernate (SOME restaurants)

- Especially fine dining and high tourist trade areas with cash on hand.
- Consider how you maintain your relationship with your crew and fortify your future.
- Plan to retain your top talent, maintain customer connection, and relaunch with stronger systems.

## 3) Pivot (FEW restaurants)

- Especially for unsuccessful restaurants pre-crisis.
- Consider how you close, sell or reimagine your restaurant.
- Plan to reinvest in a new concept, [sell or liquidate](#).

## 4) Partner (NEW idea for restaurants)

- Look at your competitor as a collaborator.
- Find ways to leverage your collective strengths.
- Focus on serving your community, keeping your crew employed, and your business relevant.

## 5) Some combination of the four.



# Safely Serve

Operate to safeguard lives and livelihoods.



	Crew	Customers	Community
<b>Serving Safely</b>	<ul style="list-style-type: none"> <li>- Hygiene/sanitation focused</li> <li>- No lingering or huddles</li> <li>- Limited overlap between shifts</li> <li>- Minimize person-to-person contact</li> <li>- Aggressive use of sick leave</li> <li>- External visitor policy</li> </ul>	<ul style="list-style-type: none"> <li>- Contact-free ordering and delivery</li> <li>- Reassure customers through self-evident safety measures</li> <li>- Tamper-proof packaging</li> </ul>	<ul style="list-style-type: none"> <li>- Abide by government orders</li> <li>- Maintain physical and social distance</li> <li>- Protect your crew and customers</li> </ul>
<b>Serving to Build Sales</b>	<ul style="list-style-type: none"> <li>- Clearly communicate standards</li> <li>- Live into your values and highlight crewmembers who do the same</li> <li>- Train, re-train, and cross train</li> <li>- Creatively retain and motivate top talent</li> </ul>	<ul style="list-style-type: none"> <li>- Help them celebrate special occasions like birthdays, and anniversaries</li> <li>- Engage them in your work supporting your crew and communities</li> </ul>	<ul style="list-style-type: none"> <li>- Serve others in essential businesses: healthcare, government, utilities, and retail</li> <li>- Outreach to hungry kids, furloughed crew, and isolated seniors</li> </ul>



## Crew and Customer Safety is a #1 Priority!

Your leadership and brand reputation will be remembered how you kept your crew and customers safe. No one will remember how many days you were closed, how much money you made, or what you innovated. **They will always remember you cared!**

# Drive Sales



## Portable, Craveable & Connected

### Make your food accessible

- Add takeaway and delivery
- Develop family-style, curbside & delivery menus
- Adjust hours of operation focused on demand & operability

### Adapt your products

- Optimize your menu/processes to a new experience
- Adapt and innovate daily based on current circumstances
- Shift to fewer menu options and higher-end family favorites
- Adjust price, food & labor to maintain your margin (be fair & transparent!)

### Create in-home excitement

- Community comfort foods and meals to celebrate occasions.
- Interactive pantry boxes with virtual cook along.
- Ready-to-prepare meals that prepped & par cooked
- Be irreverent: toilet paper, Tiger King, nostalgic favorites

## Innovators

- 1) Walk On's Family Packs: <https://walk-ons.com/to-geaux>
- 2) Fine Dining Limited: <https://homewooddallas.com>
- 3) Whiskey Cake Kits: <https://bit.ly/3bGbVfL>
- 4) Oceans 234 Grocery: <https://www.oceans234.com>
- 5) Donati's / Suzy's Swirl Partnership: <https://bit.ly/2UIOFg1>
- 6) Ruffino's Curbside: <https://www.instagram.com/ruffinos/>

## Success Stories!



A fine dining client had \$7,000 in dinner sales on a single Saturday by building a curb-side dining program: limited menu, call ahead to order, pull in and pick up with owner interaction.



A client created a delivery program using retained crewmembers and has maintained 90% of budgeted sales.

## Flexible and Agile Come Alive with Driving Sales

Leverage the creativity of yourself and your crew to innovate products and services to make your customer's lives easier, surprise and delight, and sometimes to provide comfort on good, bad, and challenging days!

# Keep Your Business Relevant with your Customers



## Close the business gap created by distancing

- 01 Go outside:**  
Drive-thru and curbside is now essential to be competitive. Optimize the experience for drive-up customers and your & third-party delivery drivers.
- 02 Go online:**  
Use online and mobile ordering features to ease ordering and build enduring relationships with your customers.
- 03 Go public:**  
Enhance exterior signage, window graphics, menu boards and walk up windows to bring the indoor experience outside to visitors and passing by traffic.
- 04 Go to them:**  
If customers can't come to you, bring your experience to them through food trucks, food carts, essential workplace delivery programs, etc.



Adapted From: [SRG: Hospitality and the New Normal](#)

# [Resolve] Operator's Action Plan



What is the best next step(s) for your business?

**Alternatives:**

- Scale Down
- Hibernate
- Pivot
- Partner
- Some combination

**Consider:**

- What strategic alternative(s) did you choose?
- Why did you choose that/those alternative(s)?
- What are the implications of this strategy for relaunch?

**READ:**

- [Sterling-Rice Group: Hospitality and the New Normal](#)
- [FSR Magazine: Why Takeout and Delivery Code Save Your Business](#)

**POSTERS TO POST:**

- [Coronavirus: What You Can Do Fact Sheet](#)
- [Handwashing 101](#)
- [Before You Come to Work](#)
- [Cleaning vs. Sanitizing](#)
- [DOL Paid Sick Leave Poster](#) (more than 50 and less than 500 employees)

Evaluate how you and your crew are living and leading through your cultural pillars.

<b>You</b>	Where are you? Excited, Motivated, or Desperate?
<b>Your Crew</b>	Where are they? Excited, Motivated, or Desperate?
<b>Purpose</b>	Are you more inspired in how you want your business to impact your customers, community, and the world?
<b>Vision</b>	Is it the same as before the crisis? Are you adjusting your purpose to speak to your heart and passion?
<b>Mission</b>	Is your mission the same or do you want to lead, operate or contribute differently?
<b>Guiding Principles &amp; Values</b>	Are your guiding principles the same or are you looking to change the core tenants of your business? How would you add, modify, or change them?

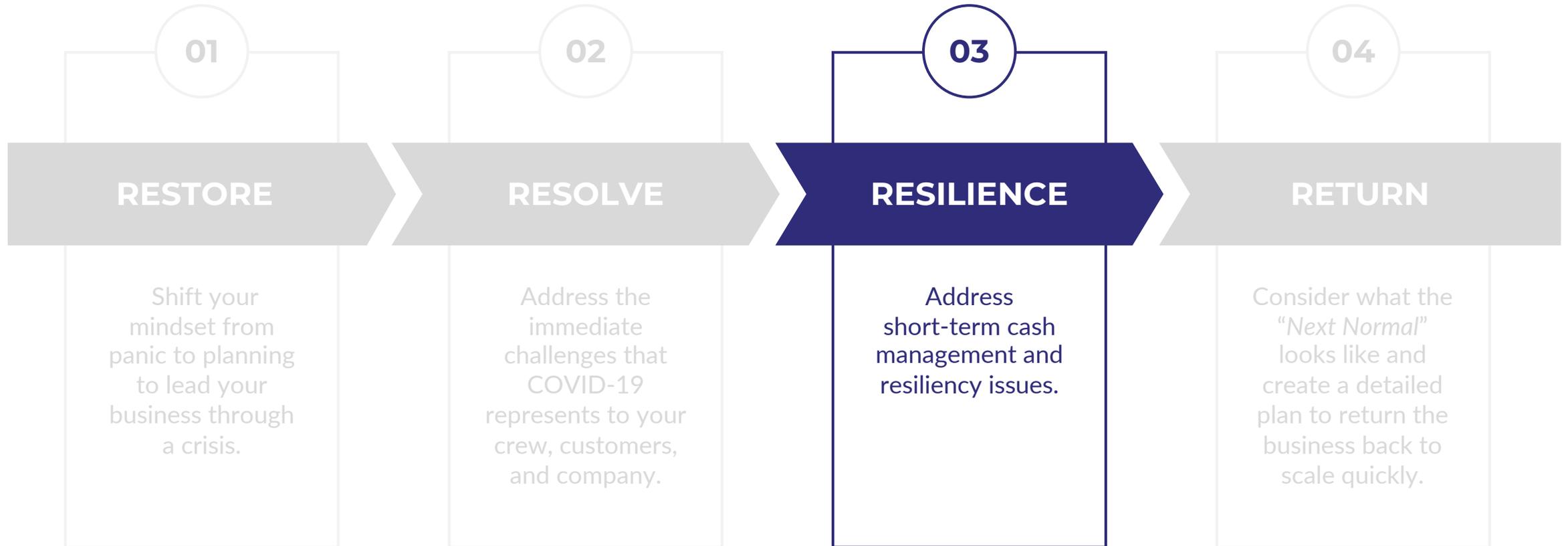
# [Resolve] Operator's Action Plan



Focus on what matters the most. What can you do to address the immediate challenges that COVID-19 represents to your crew, customers and company. **How will you serve others, drive sales and maintain relevance.**

	Serve Others	Drive Sales	Maintain Relevance
WHAT we need to accomplish.			
WHO & HOW we will accomplish these priorities.			
WHEN will we be successful.			

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# Leading for [Resilience]: Having Financial Clarity



## Have No Fear

In a crisis, there is no time for

- **Uncertainty**
- **Frustration**
- **Fear**
- **Shame**

It is okay to experience these feelings, but it is not okay to give in to them.

Take control of your near- and short-term financial situation to create resiliency for your company and crew.

Many businesses become insolvent not because they aren't profitable but because they don't have enough cash.



## Know Your Finances

### Your Financial Situation

- Cash, Adjusted Revenue, Fixed and Variable Costs, Deferred Payments

### What Financial Aid is Available

- SBA Emergency Aid
- Employee Retention Tax Credit
- Delay of Payment of Payroll Taxes

### Quick Sources of Cash

- Angel Investors
- Friends and Family
- Mergers and Acquisition
- Strategic Partnerships



## Talk to Trusted Advisors

**Investors:** If you have investor(s), communicate with them regularly about your current financial position, take steps to protect and grow their investment and cash you may need to continue securing the business.

**Accountant:** Discuss tracking COVID-related expenses and preparing to apply for financial aid. Assure you have current financials and tax return filings.

**Banker:** Ask for a deferment on any traditional loans in place and begin collecting information on the Paycheck Protection Act, and other assistance that may be available to you through SBA approved lenders.

**Other Creditors:** Reach out to the SBA, landlords, and other creditors to discuss your circumstances and request payment deferrals and other financial assistance.

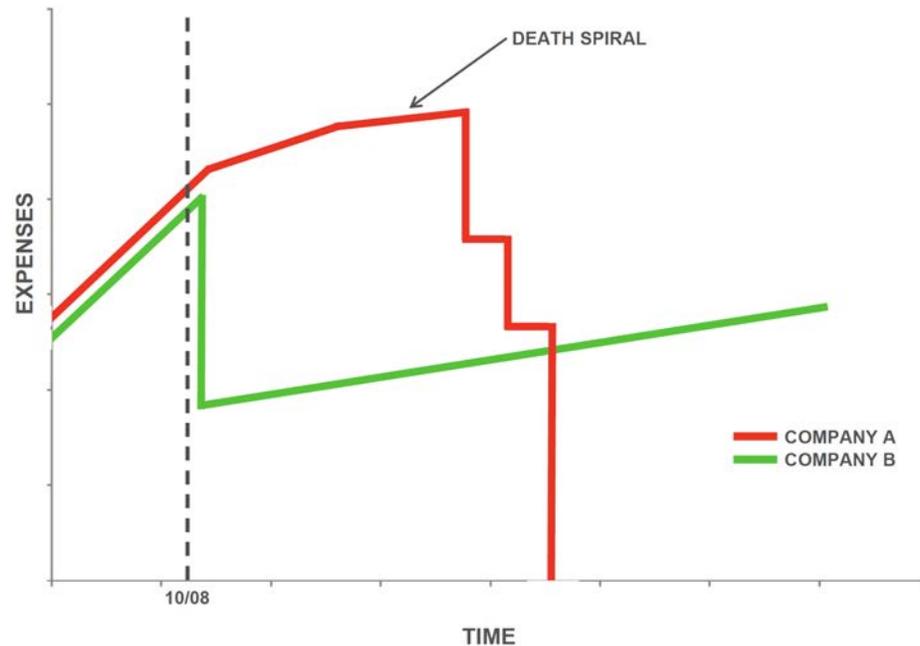
**Hammer:** Make sure you have a person who you can have honest and frank conversations with and who will hold you accountable. This is critical for success moving forward.

# The Leader's [Resilience] Imperatives



## Preserve Cash & Avoid (what Sequoia Capital called) the Death Spiral.

Illustration from Sequoia Capital during the Great Recession:



## Have Financial Clarity:

- Be clear on your financial position.
- Preserve cash and track expenses.
- Prepare to quickly adapt and innovate.
- Know what decisions you must make.
- Consider the decisions you will wish you had made.

## Find Fresh Cash:

- Get your financial house in order to maximize emergency funding.
- Quickly apply for SBA Emergency Loan(s).
- Be transparent with investors about your cash position and potential cash needs.
- AVOID SCAMS.

# Managing Cash for [Resilience] & [Return]



## Preserve Cash

- Communicate with:
  - Landlords; defer rent.
  - Vendors; defer payments.
  - Franchisor; defer royalties.
- Pause monthly subscriptions.
- Reduce hours and salaries.
- Pause or defer bonuses.
- Re-budget 2020 for worst, expected, and best-case scenarios.
- Think in months; not weeks



## Track Expenses

- Regardless of coverage, carefully journal every financial decision related to COVID-19 (extra expenses to adapt, changes to hours of operation, dates and times of changes to service format, government mandates that impact your business, etc.) This could be useful in the future.
- Consider adding an expense line item called COVID-19 and code all related expenses in there including your crew and personal time spent dealing with a crisis. This may make it easier to apply for government assistance when it comes available and to make year-over-year comparisons in the future.



## Be Prepared

- Avoid Scams
  - **There will be scams, short term online loans. Avoid these at all costs.**
- Get Your Financial House in Order
  - Organize your business and personal tax returns.
  - Be clear on your current business [debt schedule](#).
  - Proactively ask for increased lines of credit and/or payment deferments.
  - You will need all of this information in some form to help with loans, capital, and other forms of cash-infusions.

# COVID-19 Financial Assistance

[March 29, 2020]



## SBA Payroll Protection Program Loans (PPP)

For businesses and non-profits the CARES Act provides forgivable loans backed by the SBA called the Payroll Protection Program. Applications for the PPP will be taken through banking institutions. Banks who are already SBA Preferred or SBA authorized should be your first call. Banks are generally reserving these loans for their existing customers.

Info: [https://www.uschamber.com/sites/default/files/023595\\_comm\\_corona\\_virus\\_smallbiz\\_loan\\_final.pdf](https://www.uschamber.com/sites/default/files/023595_comm_corona_virus_smallbiz_loan_final.pdf)

Application: [Paycheck Protect Application](#)

## SBA Economic Injury Disaster Loans (EIDL)

Qualified small businesses and non-profits may apply directly to the SBA for Economic Injury Disaster Loans (EIDL). These loans carry a low interest rate of 3.75%. An immediate loan advance of \$10,000 may be received while the SBA reviews your loan application. The SBA's new short form loan application can be completed using the link below.

Application: <https://covid19relief.sba.gov/#/>

## CARES Act, H.R. 748 Tax Legislation

Individuals will automatically receive an Economic Impact Payment from the IRS.

Website: <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>

## Business Payroll Tax Credits and Deferrals

Employers are eligible for a refundable tax credit against their payroll tax if they are shut down by a government authority or have a more than 50% decline in revenue.

All employers are eligible to defer the employer portion of payroll taxes until December 2021 and 2022.

Website: <https://www.irs.gov/coronavirus>

## Families First Coronavirus Response Act, H.R. 6201 (FFCRA)

The FFCRA changes the requirements for how employers provide paid and unpaid leave to their crewmembers. The requirements cover employers with greater than 500 crewmembers and all small employers with less than 500 crewmembers. There is a small exception for employers with less than 50 crewmembers whose business would be jeopardized by following the new FMLA rules. Tax credits are available to cover required leave.

Website: <https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>



Discuss  
these with  
your business  
accountant  
and banker.

# Financial Visibility is the Path to Business Sustainability



<b>Annual Budget</b>	<ul style="list-style-type: none"> <li>- What does your budget need to be for the rest of the year to break-even or be profitable? Can it be achieved?</li> <li>- How badly has your community been impacted? Plan a budget with 1/2 of your customers coming back and a budget with all your customer coming back.</li> </ul>
<b>P&amp;L</b>	<ul style="list-style-type: none"> <li>- What is your current financial position? Do you have enough funds to re-launch and stay open if only 1/2 of your customers come back?</li> <li>- What happens if only 1/4 of your customers come back? Prepare for the worst first so you truly understand what is necessary to re-launch.</li> </ul>
<b>Cost Management</b>	<ul style="list-style-type: none"> <li>- What costs can you cut, streamline or do without that could help your cash flow?</li> <li>- What product and service re-engineering can you do to help you conserve cash?</li> <li>- What other creative ways can you operate your business to lower your overall operating expenses?</li> </ul>
<b>Sales Growth</b>	<ul style="list-style-type: none"> <li>- What have you changed or modified in your business to meet the needs of customers?</li> <li>- Do you know how many customers per day you need to have in store and what their average transaction needs to be?</li> <li>- Do you know your what your sales need to be daily, weekly, and monthly to cover your costs, and are your monitoring them consistently?</li> </ul>
<b>Cash Flow</b>	<ul style="list-style-type: none"> <li>- Cash is king in a challenging economy and not having enough will prevent you from building the momentum to re-launch your business.</li> <li>- Do you need to borrow money, do you need a loan, you must plan that this recovery will last for a minimum of 12 months.</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>- What types of funding do you have immediately available? Local Bank Loan or Line of Credit, Friends and Family, Angel Investors, or Assets you can re-finance?</li> <li>- Think outside the box - what partnerships can you build to offset costs or perhaps provide a cash infusion.</li> </ul>

# [Resilience] Operator's Action Plan



## Preserve Cash

- [Contact landlord for rent relief](#)
- Contact banker and debt holders for payment relief
- Clearly understand cash on hand and burn rate
- [Defer payment of employer payroll taxes](#)
- Track and triage your debt and deferred payments

## Utilize Emergency Financial Assistance

- Review the [SBA Loan Application Checklist](#)
- Apply for SBA [EIDL](#) and/or [PPP](#) Loan(s)
- File Business Interruption Claim (just in case)

## Leverage Tax Credits

- [Employee Retention Tax Credit](#)
- [Qualified Improvement Property](#)
- [Modifications for Net Operating Losses \(NOLs\)](#)

### What is your monthly cash burn rate?

Start of Month Cash Balance		End of Month Cash Balance		Difference Monthly Cash Burn
	-		=	

### What is your cash runway?

Cash on Hand		Monthly Cash Burn		Period(s) of Available Cash On Hand
	÷		=	

### What are the major factors that impact your cash hand?

Income/Payment	Date(s)	Monthly Total
<b>Net Sales</b>		
<b>Payroll</b> (Salaries, Wages, Benefits)		
<b>Critical Supplier Payments</b> (Food, Produce, Packaging, Cleaning)		
<b>Monthly Fixed Cost Payments</b> (Rent, CAM, Loan Payment, Insurance, Utilities)		

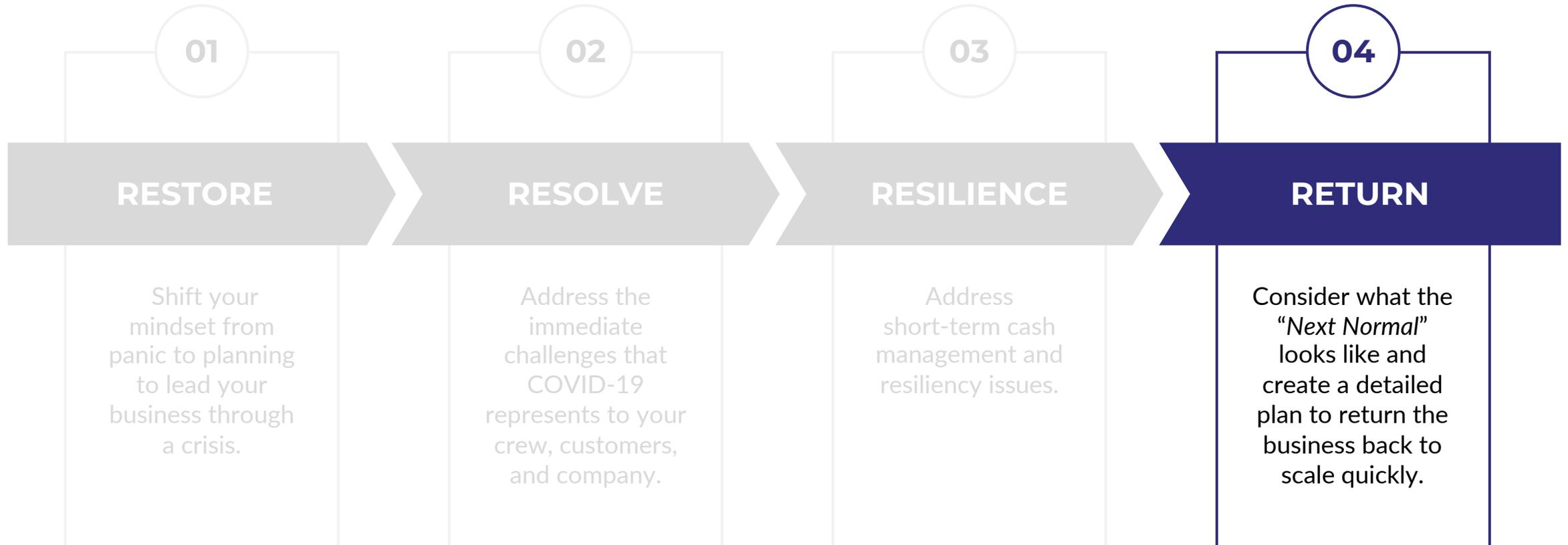
# [Resilience] Operator's Action Plan



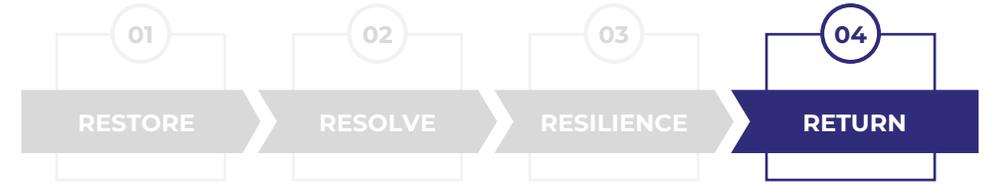
How will you preserve cash, have financial clarity about your business and find fresh cash resolve and re-launch. Focus on what matters the most. What can you do to address near term cash management and resiliency issues.

	Preserve Cash	Have Financial Clarity	Find Fresh Cash
WHAT we need to accomplish.			
WHO & HOW we will accomplish these priorities.			
WHEN will we be successful.			

# Contents



# Leadership Principle: Leading with Safety, Speed, and Discipline



## Safety, Speed, and Discipline – the key to a Resilient Return

Operators need to achieve a small lead and extend that lead into the future.



SAFETY	Crew and Customers will demand more safety protection.	Improve and enhance your messaging and communication on your efforts to protect your crew and customers. Building confidence is key!
	Brand Reputation will be based on visible displays of safety.	Elevate the visibility of your efforts, policies, and training practices so crew and customers can visibly see safety in action.
SPEED	Maximize profit and revenue to secure a future.	Sustain and grow revenue early in your relaunch and throughout your recovery through planning and crew communication.
	Move early, focused, and fast. Pivot quickly.	Returning companies move faster and focus on productivity to preserve growth capacity. They pivot quickly, too!
DISCIPLINE	Divest and invest ahead of the marketplace.	Returning companies divest more during rapid declines in demand and any economic downturn that follows and then invest more in their recovery period.
	De-leverage and strengthen your balance sheet.	Returning companies clean up their debt, take advantage of financial aid, work toward loan forgiveness, and stabilize for the future.

Adapted from McKinesy & Company's Covid-19 Briefing

# The Leader's [Return] Imperatives



## Prepare

Yourself, Crew, Operations, and Financial Results

- Be clear what your expectations for all of the above.
- Communicate your expectations clearly, consistently, and continuously.
- Continue to be flexible and agile, the marketplace is still dynamic.



## Relaunch

Plan for your return, relaunch or reopening.

- Leverage downtime.
- Plan your work and work your plan.
- Track your results.

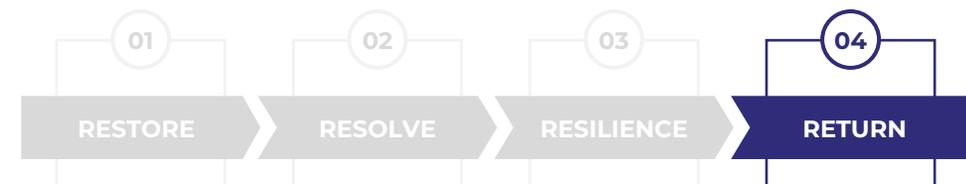


## Stabilize

Recognize the Impact of COVID-19

- Recognize that your crew, customers, and vendors may have family and friends who have had a bombardment of news and have been impacted by the virus.
- **Your Crew:** continue to watch and monitor their health and inspire them to provide great customer service and stay diligent with safety procedures.
- **Your Customers:** have been impacted in different ways, their financial position has changed, and they are coming to you for a break – give them a great break!
- **Your Community:** everyone has been working together the best way they can – it's an amazing opportunity to continue the good will and community support.

# Prepare to Address Emerging Concerns in the [Return]



	Emerging Concerns	Ideas to resolve concerns and prepare for the <i>Next Normal</i>
<b>People</b>	Furloughs, layoffs, pay reductions, accelerating unemployment all during an unprecedented health crisis.	<ul style="list-style-type: none"> <li>– Remain in contact with your crewmembers to understand how their personal situations evolve.</li> <li>– Create a talent dashboard using our <a href="#">9-box tool</a> for above-restaurant teams and restaurant-level managers and crew.</li> <li>– Prepare to re-train, re-orient, and re-align people as they return to operate in the <i>Next Normal</i>.</li> <li>– Consider post COVID-19 implications to turnover, restoring key talent, and employee value propositions.</li> </ul>
<b>Operations</b>	Rapid shifts in menus, formats, hours of operations, new channels, and abandoned activities will have ripple effects.	<ul style="list-style-type: none"> <li>– Clarify what COVID-19 SOP procedures will re-start, stop or continue, and on what timeline or triggers.</li> <li>– Review and adjust the priority of critical and important projects pre- and post- relaunch.</li> <li>– What operational “patches” were put in place that need to be removed or stabilized &amp; properly implemented.</li> <li>– Upskill managers for shifting demand: people management, forecasting, labor management, and inventory management.</li> </ul>
<b>Customers</b>	Without a vaccine, demand may cycle, and customers will demand stricter protections.	<ul style="list-style-type: none"> <li>– Build a plan to prioritize and protect customers when they interact with your brand.</li> <li>– Focus on customers mostly likely to emerge from shelter first: essential crewmembers, young, healthy, etc.</li> <li>– Build trust through transparency and find ways to create more value. Don’t pursue revenue at any cost.</li> </ul>
<b>Suppliers</b>	Social distancing requirements and shifting consumer and commercial demand with impact SKU availability, logistics, etc.	<ul style="list-style-type: none"> <li>– Communicate with suppliers about your shifting demand and need.</li> <li>– Seek to understand the impacts of the COVID outbreak on key suppliers that might require you to adjust.</li> <li>– Make plans to restock pars as you relaunch your traditional menu and add new inventory for safety and sanitation.</li> </ul>
<b>Debt / Liquidity</b>	Rapid declines in demand and complex government stimulus has led to a restaurant company cash crisis.	<ul style="list-style-type: none"> <li>– Carefully manage available cash and reserve cash needed to relaunch.</li> <li>– Apply for available financial aid and debt forgiveness (if applicable).</li> <li>– Triage and prioritize debts and monies-owed; create a plan to reduce debt over time.</li> <li>– Monitor further action by the federal, state and local governments to restore the economy.</li> </ul>

# Take Advantage of the “Downtime” in the [Return]



Tweak Your System	Leverage the “Downtime”	Set Strategic Priorities
<p style="text-align: center;"><b>Tweak your Crews</b></p> <p>You don’t need to bring back every crewmember, and most likely, you won’t need every crewmember as you begin to relaunch. Re-balance your Crews.</p>	<p style="text-align: center;"><b>Clean and Rearrange Dining Rooms</b></p> <p>Deep clean (top to bottom, back to front, side to side), rearrange and retrofit idle dining rooms while you don’t have to worry about having the place back together in time for the next day’s service.</p>	<p style="text-align: center;"><b>Let go of Underperformers.</b></p> <p>There has never been a better time to acknowledge that a location or business wasn’t meant to be given current business and financial factors.</p>
<p style="text-align: center;"><b>Tweak your Systems</b></p> <p>Adjust your standard operating procedures and training materials that may have long been on your “to do” list or that are needed to address emerging concerns.</p>	<p style="text-align: center;"><b>Sequence your Relaunch</b></p> <p>You don’t need to reopen or relaunch all locations, across all day parts, in all markets. Use public health and customer demand to decide how you return your business to the <i>Next Normal</i>.</p>	<p style="text-align: center;"><b>Look for Opportunities in the Market.</b></p> <p>A 10-20% restaurant closure rate is expected coming out the COVID-19 outbreak which will create opportunities for brands looking for new locations and merger and acquisition targets.</p>

# Create Restaurant Stability in the *Next Normal*.



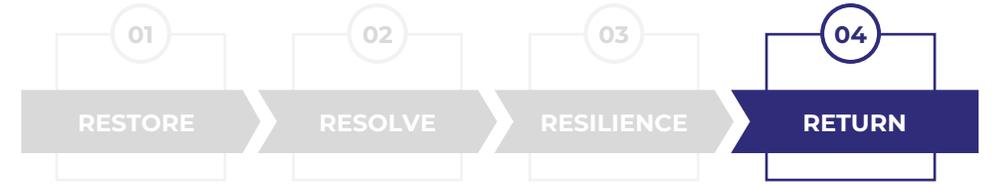
What does stability look like?

How long will stability take?

How will you know when to adjust?

People	Operations	Financial
Best of Best Crew	Safety and Cleanliness is #1	Sales Consistent and Building
High Accountability	Measured Standard Operating Procedures Consistency	Costs Managed
Turnover Managed	Measured Food Quality	Cash Positive
Restaurant Crew Stabilized	Measured Service Quality	Reducing Debt

# [Return] Operator's Action Plan



## Plan for Your Return!

How will you prepare for your return, re-launch and stabilize your business into the *Next Normal*?

Your re-launch will be helped by a clarity of re-launch plan of action for your business.

	Prepare	Re-Launch	Stabilize
WHAT we need to accomplish.			
WHO & HOW we will accomplish these priorities.			
WHEN will we be successful.			

# [Return] Operator's Action Plan



## Planning for the next 90 days, 1 Year, and 3 Years

Your relaunch will be helped by a clarity of your near, short- and long-term plan of action for your business. Across each time horizon, what do you want to achieve for your business, crew and financially? What are your top three goals for each of those areas? If you know where you are going it will make it easier for your crew to follow you.

	90 Day Goals	1-Year Goals	3-Year Goals
Business	- -	- -	- -
Crew	- -	- -	- -
Financial	- -	- -	- -

### TRACK RESULTS

#### Scorecard

Develop a daily, weekly and monthly scorecard of your key metrics - Sales, Transactions, Ticket Times, Average Check, Crew Health, etc.

The minute your relaunch use this daily and review it with your team to make changes or adjustments as needed.

#### Performance

Develop a weekly review of key cost management metrics - COGS, Labor, Other Expense - Planned and Unplanned

The minute your relaunch use this weekly and review it with your team to make changes or adjustments as needed.

#### Monthly Deliverables

The most successful business owners in the world have scheduled reviews of their business on a routine basis.

Commit to monitoring your cash, crew, and business results monthly.

# You're not in this alone.

Let us help you  
Re-restaurant.



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