



REOPENING RESTAURANTS: RELAUNCH TOOLKIT

Triage Strategies

Thinking about what may be next for the industry highlights potential new revenue streams for operators and new experiences for guests. The following is an introduction of opportunities for restaurants to diversify and explore new ideas about the future of eating and drinking.

streetsense.

BUSINESS DIVERSIFICATION

For many restaurants and bars, the goals during the pandemic are to keep as many of their employees as possible, generate much-needed cash flow, and support their local community. Unfortunately, for many owners, this is not going to happen with their traditional business model. Here we detail straightforward, near-term strategies to generate cash flow, keep your staff busy, and diversify your business for future uncertainty. None of these strategies are a silver bullet for your business, but used in combination, they just might get you through the crisis and create a more profitable business on the other side.

Delivery

Before COVID-19 hit, the demand for food delivery was skyrocketing and grew to \$18.1B in 2018, according to Business Wire². Now it is everything. We believe that every food service business should strongly consider prioritizing delivery. It's not a cure-all for restaurants suffering from the stay-at-home orders, but it does represent a good way to slightly diversify your business and maintain a limited revenue stream if these measures continue for a much longer period or are reinstated in the fall or winter after perhaps being relaxed during the summer months.

Note: If you haven't done it before, delivery is tricky to execute well. Very few things travel well, the packaging can be difficult to get right, and the transport of your food safely and expertly takes a good amount of trial and error. Also, many traditional third-party delivery apps (e.g., Uber Eats, Postmates, Grubhub) are expensive, do not allow for a different price for online items, and can take a big chunk out of your profits with their fees. While we strongly recommend restaurants get good at delivery moving forward, we recognize that it's not as simple as flipping a switch.

Virtual Restaurants

This concept was getting a lot of press before the pandemic and has since been a hot topic of discussion. A “virtual restaurant” is simply a restaurant marketed in the online ordering world that does not have a physical presence on the street. This allows a fine-dining Indian restaurant, for instance, to run southern Creole food out of the back of the restaurant without anyone being the wiser. In this way, anyone with a commercial kitchen can add a “virtual restaurant” on Uber Eats, Grubhub, or Postmates using the existing facility, making it a low-cost way to turn a single revenue stream into multiple revenue streams without increasing overhead.

²“North America Online Food Delivery Market to Generate a Value of US \$37.7 Billion by 2024 - ResearchAndMarkets.com” Business Wire, 6 January 2020 <https://www.businesswire.com/news/home/20200106005742/en/North-America-Online-Food-Delivery-Market-Generate>

Ghost Kitchens

The idea behind a ghost kitchen is slightly different than a virtual restaurant. A ghost kitchen (as the term has evolved) has come to signify a purpose-built commercial kitchen facility that has no guest seating space, but has been built to accommodate multiple virtual restaurant operators, like a delivery-only food hall with many operators under a single low-cost roof.

Note: The challenges of virtual restaurants and ghost kitchens are the same as with regular delivery service — they're difficult to do right. Delivery businesses require real expertise, the right menu strategy, solid online marketing, and the right packaging and equipment. It's not as simple as flipping a switch.

Virtual Restaurant Franchises

Restaurants new to the delivery business who would like to jump into the delivery game quickly may want to consider buying into a virtual kitchen franchise. In this model, a restaurant can purchase a fully developed menu concept, recipes, pre-made product (in some cases), and packaging to run a regional version of a larger brand in the virtual environment.

The first example of this that we have seen is Lettuce Entertain You's Wow Bao Franchise — a mostly frozen product that travels well and has all of the packaging available.



Read More:

[QSR Article on Wow Bao Strategy](#)

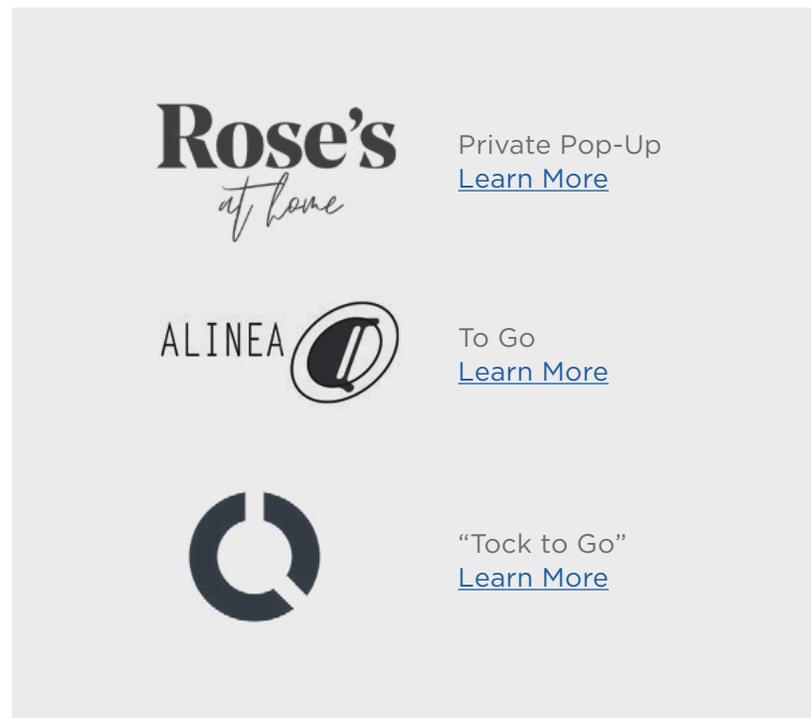


Read More:

[QSR Article on Virtual Franchises](#)

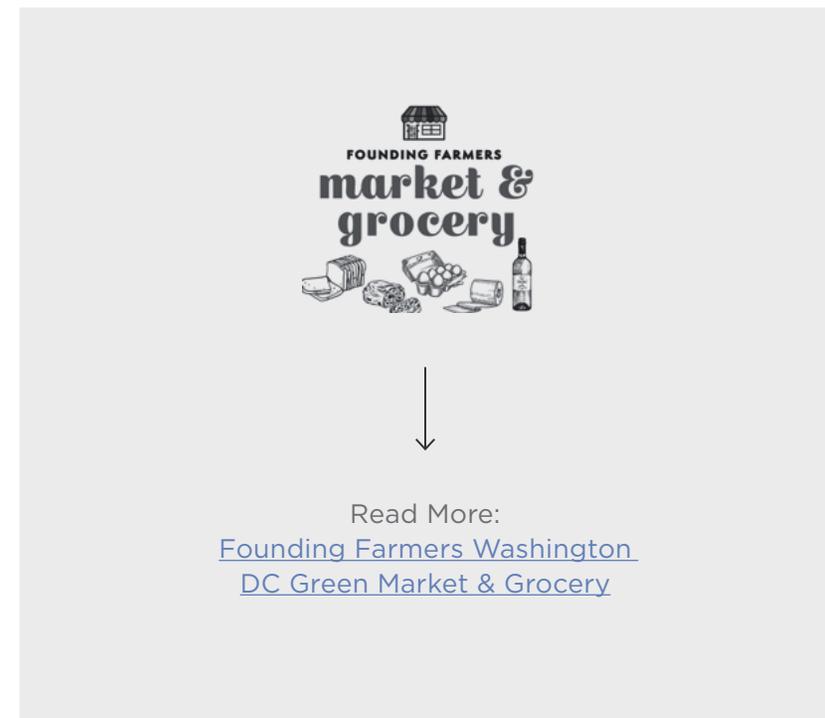
Curbside Pickup

This is a strategy we have seen come out of the upscale and fine-dining sector. During the crisis, some of the best restaurants in the country are offering curbside pickups of multi-course meals for two or more people delivered to your car at a set pickup time. These restaurants are offering single night meals for a family or group and an option for two or three nights' worth of different meals that can be picked up at the same time. Restaurants like Alinea in Chicago and Rose's Luxury in Washington DC have cars lined up down the block for pickup. We are also seeing a similar concept from high-end cocktail bars: Columbia Room in Washington DC does a great job with cocktail kits and snacks that can be picked up curbside — a great option during the crisis (or any time really!).



Restaurant Provisions

One of the more innovative evolutions that we have seen restaurants make during the early phases of the pandemic is the transition of a restaurant into a takeaway grocery store. Founding Farmers, an upscale farm-to-table restaurant in the Washington DC area, made this transition in two of its units about two weeks into the crisis. They chose to convert their restaurants into online grocers offering chef-crafted meals and basic provisions ordered directly through the restaurant via GoTab. Panera Bread is now offering milk and produce for pickup with their baked goods. These services are a great way for outlets to support their local community with meals and pantry essentials during the crisis. (Some of them even offer toilet paper as well!)



Liquor Delivery

As of the writing of this document, seven states and the District of Columbia have relaxed their liquor laws to temporarily allow delivery of alcoholic beverages during the crisis: New York, New Hampshire, California, Illinois, Maryland, Georgia, and Texas. These changes are in addition to the 12 states that already allowed the delivery of alcoholic beverages. This change has spurred innovative offerings from top-notch cocktail bars and lounges, including cocktail kits with snacks along with beer and wine that can be ordered with your food order. With 20–40% of restaurant sales coming from alcoholic beverages, it's likely these restrictions will be relaxed as long as the industry is struggling. Restaurants should take advantage of these new rules to maximize their offerings and check average for their delivery business where possible.

Private Dining

In a post-pandemic world, private dining may be the go-to option for families or groups who have quarantined together and are not ready to go fully into a crowded place. Consider ramping up your private dining offerings with temporary dividers to create more options in your main dining room. Focus on an a la carte-style menu with family-style options for minimal outside participation. Private dining may be a good way to get back into business while providing psychological comfort to your returning guests.

Expanded Catering Options

Catering presents a whole new host of opportunities in the current and post-pandemic world. Catering kitchens can produce a la carte menus for virtual kitchens, lunches for newly back-to-work offices, full-meal delivery options, meal kits, and much more. Target offerings to accommodate guests who are tired of standard takeout but who may not be ready to return to normal just yet. Publish posts on how to order, prepare, and stage a special experience at home.

Direct-to-Consumer

Another surprising evolution that sprung out of the fog of the pandemic is the ability for individual consumers to order directly from wholesale distributors and have items delivered. Baldor, one of the larger wholesale produce distributors, has expanded its services in New York to include direct-to-consumer during the pandemic. Look for local food artisans and craft beverage producers to follow suit, offering a host of regionally based, farm-to-table options for home delivery. While not a direct benefit to restaurants and bars, there may be an opportunity to get an exclusive on a product from one of these artisan producers and include it with a restaurant grocery/retail offering.

Grocery Store Partnerships

As walls between traditional business formats in the food and beverage industry crumble during the crisis, we feel that there may be great opportunities for successful restaurants to partner with mid- to large-scale grocery chains to offer chef-crafted foods for sale in a dedicated and branded area, counter, or finishing kitchen in the restaurant. With sales up 200–500% in some locations, grocery stores now have the cash on hand to partner with top-tier chefs to create special heat-at-home options for guests to take away. Grocery and specialty foods retailers are becoming increasingly experiential, so offering regional, chef-crafted cuisine may fit into their strategy.

TECHNOLOGY RESOURCES

As your business evolves in the wake of the pandemic, there are several existing technology platforms and systems that can support new aspects of your business or service model.

Waitlist + Paging Apps

New social distancing measures will likely make waiting for a table in a crowded bar or a restaurant vestibule a thing of the past. If your restaurant does not currently have one, consider investing in a waitlist app or paging system that allows your patrons to wait for their table at a safe and comfortable distance from one another without missing out on the table when it is ready. See examples below.



Learn More:
[WaitAway](#)

WAITLIST ME

Learn More:
[Waitlist](#)



Learn More:
[JTech Host Concepts](#)

Provide guests with ample and comfortable space outside to wait for their table to avoid crowding the restaurant. Seating and heaters may be necessary if this situation extends beyond summer into the colder months.

Integrated Online Ordering

There is a wealth of new clientele using and exploring new ways to order. Online ordering may already be a part of your business, but consider exploring options for further integration, crafting a better user experience with your service provider, and beefing up the collateral so that revenue can continue to grow. Apart from the large players — DoorDash, Grubhub, ChowNow, Uber Eats, and Caviar — consider looking at alternative platforms that focus on integrating into your brand; see examples below.

Learn More:
[GoParrot](#)

Learn More:
[UpMenu](#)

Learn More:
[Olo](#)

Curbside Delivery

For a la carte restaurants that have not traditionally done delivery, curbside delivery of pre-ordered cocktails or take-home meals can be a quick and lucrative revenue stream. While this will require a change in menu offerings to a more batch or family-style format and the right online service provider, curbside delivery is definitely an option to explore when looking for new revenue streams during this crisis.



Learn More: [Tock](#)



Learn More: [GoTab](#)

Self-Ordering Kiosks

Food service outlets across the globe from airports to McDonald's have adopted some version of in-store self-ordering kiosks to serve their guests. While this has not, to date, been a traditional component of an a la carte restaurant or bar, the pandemic may make this a preferred option for fearful guests looking to limit face-to-face contact. Below are several solid self-ordering platforms.



Learn More: [Pyramid](#)



Learn More: [TouchBistro](#)



Learn More: [Toast POS](#)

Tableside Payment

Tableside payment systems will be accelerated — this was happening before COVID-19 and will continue gaining steam. These systems allow guests to review their bill and process their credit card on a digital device the size of a check presenter that is delivered to the table. This is a very common practice in many countries around the world but something that has not yet become widespread in the U.S. In addition to being easy to clean and sanitize, and clearly requiring less personal contact with the guest, this technology has been shown to both decrease table turn time and to ensure less wasted time by staff.



Learn More:
[Tablesafe](#)



Learn More:
[Tillster](#)



Learn More:
[Ziosk](#)

Antimicrobial Technology

Antimicrobial materials will mitigate person-to-person transmission during the regular course of business. These new state-of-the-art materials are available for a variety of uses, from menus to POS screens and work surfaces. These new antimicrobial materials can be integrated into your business at a relatively low cost, giving the added comfort to your guests that everything they touch has been carefully considered and thoughtfully chosen to keep them safe.



Learn More: [Microban](#)



Learn More: [Risch Menus](#)

Restaurant + Bar Self- Assessment

To better understand your business's unique needs, we have included a quick self-assessment tool to gauge your preparedness for relaunching your business in the COVID-19 world.

Rate your level of comfort with your business's readiness to reenter the market once stay-at-home restrictions are lifted.

1 = Very Concerned — 10 = Not Concerned at All

Capital Management + Planning	_____	(1-10)
Safety + Sanitation Strategy	_____	(1-10)
Social Distancing Plan	_____	(1-10)
Post-Pandemic Service Strategy	_____	(1-10)
Marketing + Social Media Planning	_____	(1-10)
On-Property Communications Plan	_____	(1-10)
Future-Proofing Your Business	_____	(1-10)

Contact

STREETSENSE EAT + DRINK TEAM

For more information or to create solutions tailored to your establishment, contact the Eat + Drink team at Streetsense.



Jay Coldren
Managing Director
jcoldren@streetsense.com



Adam Williamowsky
Director, Restaurants
awilliamowsky@streetsense.com

The information, content, and materials in this Toolkit, including all external links and downloads, are for general informational purposes. Streetsense makes no representation or warranty of any kind, express or implied, regarding the accuracy, adequacy, validity, reliability, availability, or completeness of any such information.

Please consult appropriate professionals before taking any action based on information contained in this document. Only such professionals can provide assurances that the information contained herein — and your interpretation of it — is applicable or appropriate to your particular situation. Use of, and access to, this document or any of the links or resources contained within this document does not create any type of relationship between the reader, user, or browser and Streetsense, its members, directors, officers, employees, or agents.

This document contains names and logos of third parties and links to third-party websites or content belonging to or originating from third parties. The third-party site owners, and not Streetsense, own the intellectual property rights to the materials in any and all linked sites. Streetsense does not investigate, monitor, check, warrant, endorse, guarantee, or assume responsibility for the accuracy or reliability of any information offered by third-party websites linked herein. Streetsense will not be a party to or in any way be responsible for monitoring any transaction between you and third-party providers of products or services. Inclusion of the names, logos, external links, and/or content in this document are only for the convenience of the reader, user, or browser. All product and company names and/or logos are trademarks™ or registered® trademarks of their respective holders. Use of them does not imply any affiliation with, sponsorship, or endorsement by them, and Streetsense does not recommend or endorse the contents of any third-party sites.

Your use of this document and your reliance on the information contained herein is solely at your own risk. All liability with respect to any reader, user, or browser's reliance on this document and/or actions taken or not taken based on the contents of this document is hereby expressly disclaimed.

streetsense.com / © 2020 Streetsense LLC