



## **INTRODUCTION TO THIS DOCUMENT**

**Hospitality.net's article on how Restaurants & Bars can survive the COVID-19 pandemic by Helen Rande.**

### **OUR TAKE-AWAYS:**

#### **This is what we learned from this document:**

- **In order to survive the impact of COVID-19, restaurants should constantly assure their customers by communicating their actions.**
- **Restaurants should look to reduce cost exposure and risk.**
- **Restaurants should utilise organisational resources and time even if there are fewer or no guests.**

[hospitalitynet.org](https://www.hospitalitynet.org)

# How can restaurants & bars survive COVID-19 pandemic? | By Heleri Rande – Hospitality Net

*Hospitality Net*

7-8 minutes

---

We are in unprecedented times with the COVID-19 pandemic ravaging the travel and hospitality sector. Public health organisations and governments may advise us on how to deal with the disease here and now, but there are many unanswered questions as to how to deal with the fallout.

In this article we share some of the advice we are giving to our restaurant and foodservice clients in these turbulent times.

## **Ideas to keep sales and protect the business**

Right now, we are dealing with forced closures of services and even borders, public health advice to keep distance socially, and considerable consumer health concerns. This is highly likely to be followed by low consumer confidence, less disposable income and continued health concerns - not to mention the potential societal changes that may result in long term reductions in travel as companies have been forced to manage in (low-cost) remote working modes.

During this time we will be fighting for every sale, but what can be done to keep the money coming in?

1. **Reassure you customers** that you are taking the risks seriously through your processes and procedures. Look to spread out tables more than usual. Communicate the actions you are taking in store and online. Reassure your guests that you take disinfection of surfaces seriously.
2. **Take even better care of the guests that come.** Give them the best experience you can with extra special touches - this will help you drive more repeat business, but also reinforce good old word of mouth and online reviews.
3. **Make more from each guest.** Alongside taking care of each guest, remember that people are likely to be eating or drinking out less often right now, so they may be more willing to spend more when they are. So be sure to upsell those sides, bottles of wine and desserts.
4. **Look to delivery & collection.** Like the old proverb says "if the mountain won't come to Muhammad, then Muhammad must go to the mountain." While people may not come out to your restaurant, they still must eat, so consider how you can maximise the delivery business. If you offer your own delivery, offer to do no-contact drop off or even popping food out to people's cars if they drive to collect. Promote it out to your databases and on social media with keywords such as safe at home and reinforce the actions you are taking in reducing contamination.
5. **Recipe boxes.** A step further on from the delivery and collection opportunity, you could look to offer recipe boxes with the items needed to cook guests' favourite items on your menu.

6. **Encourage people to buy gift vouchers.** Many restaurants have turned to encourage customers to buy gift vouchers for future visits or gifts, which is a great idea. This will bring cash in the short term, and ensure that you will have guests in the restaurant in the future.
7. **Create low key reasons to visit.** With major events being cancelled and potential health concerns around big gatherings, you could look to put on low key seated events on a local level - keeping numbers manageable and distance between the tables.
8. **Convert more guests.** Think about what incentives you can give to the team to help them drive the local marketing on their site. If you are within a hotel, consider incentivising the reception team. Each time make the team ask if they can book the table, not if they would like to, but "Can I book you a table for tonight?", language matters.

### **How to reduce costs, exposure and risks**

Without the sales your exposure to costs will be considerable. Not an easy situation - and one we are all worried about in business. Here are some of the ways you can maximise cash flow right now. It can often be advisable to involve your accountant or legal advisor to ensure that no stones are left unturned.

1. Look for a **payment holiday** on your loans or tax payments.
2. Ask your landlord for a **payment plan** or to move to monthly upfront, rather than quarterly.
3. Discuss **extended credit terms** with your suppliers.
4. Make sure you are **claiming any subsidies** or benefits your government is offering,

5. Ask your team to take **unscheduled holiday** to help with the burden
6. Take companywide or leadership **pay cuts** for a period. This is something we've seen airlines already do.
7. **Reduce your operating hours** to core trading periods to reduce variable costs like energy.
8. **Offer shortened menu** - look to reduce stock holding, removing items that have short shelf life or are low margin.
9. **Make more in-house**: if there are items you are usually buying in ready-made, that could be produced on site with the additional labour hours on hand, consider making these changes.
10. **Delay capital expenditure projects**

### **How to utilise organisational resources and time if there are no or fewer guests**

You are likely to have a considerable fixed cost of employment, with many people's workload linked to the volume of guests you usually accommodate. These resources aren't necessarily completely wasted if you get some of all those things done that normal busy times do not allow time for - with the ambition to emerge stronger from the crisis when it is over.

In some parts of the world we have seen that teams are being encouraged or forced to remote work. This can be difficult in a business environment that is usually so hands on as ours, so requires some help and guidance from management. Here are some of our recommendations on handle this situation.

1. **Plan for the future.** Use this forced down period to have your

team develop new recipes, undertake competitor research, model labour, update costings, build out improved training resources etc.

2. **Train the team.** Make the most of the time to do one-on-one or small group training exercises - especially future manager or senior chefs, who could leverage the time to learn the paperwork that always gets rushed otherwise.
3. **Get your stores looking top notch.** If your teams can still be on site, look to do deep cleans and undertake those small maintenance tasks that never get done.
4. **Build great content.** Use the time to get creative, set photography competitions for your teams, get them coming up with brilliant ideas for social media and plan marketing initiatives for when you are back to full steam and ready to maximise your business.
5. **Protect and build your brand.** They say that reputation is defined during the tough times. Think about how you are communicating with your guests. Remember everyone is going through the same challenges right now and customers will be quick to judge how we react. Think about doing things that add value to your customers, even if they can't or won't come to you right now - maybe think about offering some of your best recipes on a blog or do a Facebook Live video to answer cooking or cocktail questions for instance.