

### RESTAURANT REOPENING GUIDE

COVID-19 Response How to Keep Your Restaurant Running and Successful

### 1-800-616-SBDC (7232)

### ociesmallbusiness.org

Funded in part through a Cooperative Agreement with the U.S. Small Business Administration. All opinions, conclusions, and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA. All programs are extended to the public on a nondiscriminatory basis.

This guide was written by Jay Allis, a Business Consultant with more than 30 years of experience in the food service industry for the Orange County Inland Empire Small Business Development Center Network.

# BEFORE OPENING

Talk to the SBDC About Your Business - No Cost, No Catch Consulting (800) 616-7232 | ociesmallbusiness.org

ιŪο

#### **BEFORE OPENING**



#### **PLAN OF ACTION**

Know what you are going to do before your doors open. This includes everything from what PPE your employees will be wearing both in the front of house and back, to who is responsible for cleaning where and when. Admittance for both employees and customers as well as what to do when problems arise need to be laid out. Have a plan to reduce or eliminate customer touchpoints. Put together new policies concerning table settings, menus, dishwashers, to go orders, delivery, social distancing, etc... Ensure that every member of your staff knows your plan of action and procedures and hold them responsible for following it.

#### PREPARE YOUR DINING ROOM AND BAR

Social distancing is going to still be in effect at least in the short term and perhaps longer. This means that our occupancy is going to be cut nearly in half and our available seating needs to reflect that. Tables need to be spaced 6 feet from each other. Barstools will need to be spaced as well. The amount of seating at any one table is going to be limited (6) to avoid larger group gatherings. Booths that are back to back to back will need to skip a booth or have plexiglass installed between them. Address this situation now and either remove the extra tables and chairs if you have a space to store them or make them visibly unavailable in some way. Perhaps use them as places to store cleaning supplies and sanitizer or other items.

#### **BEFORE OPENING**

3

#### INVENTORY

If you haven't already taken a full inventory of what you have on hand then do so. You don't want to spend money on items that you already have or buy more than you need. Alternatively, you don't want to make assumptions about what you think you have and find that you're wrong. Now is also a good time to put together an actual inventory sheet and to start taking inventory regularly. The best practice is to take inventory at the end of every month. Doing so will help your food cost and your bottom line.

#### MENU ADJUSTMENTS

Now is a good time to look at your menu and decide if it needs any adjustments. Consider removing poorly selling items. Consider alternatives to high cost items. Decide if you want to have a limited menu initially when you reopen or if you're going to start with the full menu. Address the To Go and Takeout menu and determine if it is going to adjusted in any way.

#### ADD PPE AND CLEANING PRODUCTS TO YOUR ORDER GUIDE

Make sure you are ordering the proper supplies to adjust the new Covid-19 concerns. This will almost certainly mean face masks, gloves, and cleaning supplies. Sanitizing wipes, buckets, and solution need to be in stock. Being ready, able, and actively cleaning is going to be paramount to overcoming stigmas concerned with contamination and the spread of disease.

#### **CONSIDER MOVING TO CREDIT ONLY**

I know many won't like this but cash, while being King, is dirty on a good day. Considering the way COVID-19 is transmitted on fabrics and materials handled by those that have it, and considering the way cash moves about our society, it may be best to avoid it for the time being. A credit card machine is easy to wipe down and clean. Cash is not. But if you do take cash, always consider precautions such as wearing gloves while handling it.

#### ALTER YOUR HOURS OF OPERATION

Consider changing your hours to reflect peak business hours. We don't know how business is going to be and how quickly things will get back to normal. Altering your hours will potentially lower your labor costs and, in conjunction with social media, will potentially drive up business during the hours you are open. Maximize your productivity by limiting your availability at least in the short term.

#### **BEFORE OPENING**

8

#### LIGHTEN AND BRIGHTEN

Take a fresh look at your facility. I may have awesome decorations, fabrics, and have a great ambiance. Traditionally, dining rooms have a good warm feel to them with lighting and darker wood tones. Normally that's great, but today's clientele wants to know that not only is it clean but that its vibrant and light. This imbues the feeling of freshness and openness that will also help give customers a sense of cleanliness. Decluttering in order to lighten and brighten up the area will go a long way towards making customers feel more comfortable.

#### MAINTENANCE

If you have not already addressed your maintenance needs then do so before you reopen. Maintenance is everything from deep cleaning, to fixing that squeaky door, to making sure all the tables are gum free, leveled, and stable, to anything else around the shop that needs to be fixed.

#### FOOD SAFETY CERTIFICATION

Make sure that the managers and people in charge of your facility are certified food safety managers and that their certification is up to date. Provide food safety education to your staff to refresh and keep them up to date on proper food handling guidelines, cleanliness, and sanitation. Ensure that there is always a food safety certified person in charge on site during hours of operation.

## AFTER OPENING

#### FRODS:

#### POST 11 V STREAM PARTY IN

calenter

POSSIBLE IN DRIVES.

THE PARTY OF

#### 100 C

A REPORT OF A REPO

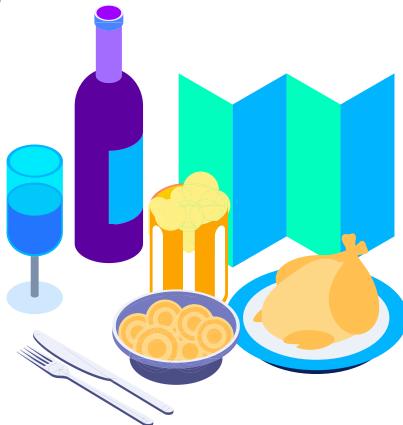
BARRY STATISTIC

A PROPERTY.

CONTRACTOR STRATEGY

Contraction of the second s

#### **AFTER OPENING**



#### MANDATE REQUIREMENTS

As we get closer to reopening federal and state authorities may dictate requirements for various sectors of the economy. These mandates will probably cover distancing, occupancy levels, and group sizes but may encompass other aspects as well. Be on the lookout for these requirements and implement them into your best practices. Put together your own plan but be prepared to adjust accordingly when we get more information.

#### ADMITTANCE

You have the right to refuse service and entrance provided you are not judging on race, creed, sex, orientation, or any other blatantly prejudicial criteria. You can take a person's temperature and/or if they are showing signs of illness then prohibit their access. Masks appear to be a requirement for those entering and while not eating. You control your dining room and how people are admitted. If at adjusted max capacity, then wait until a party leaves before admitting the next group. Consider putting the hostess station outside, if possible, to keep people from entering and crowding the entry area. Consider asking them to make reservations, wait in their vehicles, or texting them to let them know their table is ready. If you have been an open seating establishment consider switching to designated seating. There may be guidance coming from either the state or federal authorities but assume not and be prepare with your own system in place.

#### **AFTER OPENING**

3

#### **CLEANING AND SANITIZING**

Be prepared to clean everything, all the time. Every time a table empties it needs to be thoroughly cleaned. Tables, chairs, booths, salt and pepper shakers, anything that stays on the tables needs to be cleaned. The structures between tables need to be constantly cleaned. Anything anyone could potentially touch, brush up against, sit on, eat from, places anything on, or in any way come into contact with needs to be cleaned. Menus, tables, chairs, check presenters, digital ordering devices, condiments, etc. must be cleaned between every use. Make hand sanitizer available to guests. Sanitize credit cards immediately when you take them from a customer and before they are returned. Likewise, with any server books, check holders, pens, stylus', credit card pin pads, booster seats, clean them before and after each and every use. Clean the restrooms very frequently. It could be argued that cleanliness and sanitization outweigh timeliness during this time. Take the time to do it.

#### **DISPOSABLE MENUS**

Consider, in the short term, to shift to disposable menus. Or consider reusable menus that are laminated and easy to clean. Many standard menus have stitching and borders that are difficult to thoroughly clean. Regular menus even under normal circumstances are often dirty. Remember that if your menu has a spot of food or something else on it then people will assume that it also has the coronavirus.

#### PAPER PRODUCTS

Consider shifting in the short term to a fully disposable table setting. Paper or plastic plates, cups, silverware, napkins, etc..., if your business model can accommodate it, eliminate a good deal of risk (perceived and real) and give the impression that your business is going above and beyond. Your dishwasher is also directly in the line of fire from every table. If the dishwasher is not washing their hands each and every time between loading and unloading the dish machine, then cross contamination is not only possible but probable. Consider using 2 dishwashers with set roles or alternatives to avoid this situation. Obviously, not every restaurant will be able to or want to do this but consider it all the same.

6

#### **TABLE SETTINGS**

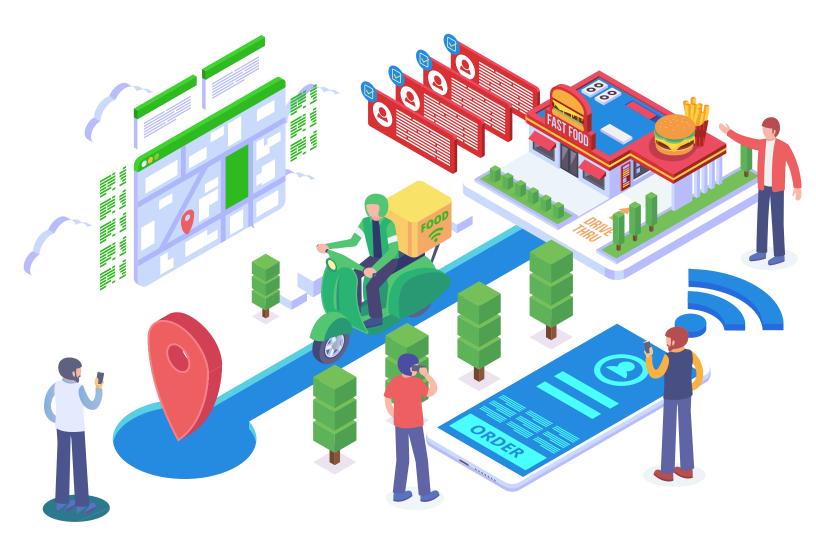
Tables are going to be generally clear of preset items. All silverware will need to be pre-rolled and not preset on the tables. No loose silverware will be allowed. Likewise, no glassware, stemware, chargers, plates, or other serving items can be preset. These items will need to be provide as necessary from a controlled location away from customers. Condiments will be allowed to remain on tables; however, it would be prudent to provide

#### **AFTER OPENING**

these on an as needed basis as well. Regardless, they would need to be cleaned and sanitized after each use. The goal is to minimize items that stay on the table that can be inadvertently contaminated.

#### BUFFETS

If you have a salad bar or buffet they will be temporarily closed until further notice. There is the possibility that buffets could be used as hot line that is only accessible to employees who use is to plate and serve from. However even that is skirting the line and may not be allowed. Combine that with the fact that buffets tend to be in the middle of the dining area and are somewhat difficult to cordon off makes it fairly clear that if you have a buffet that you won't be using it and will have to shift to plated or takeout only.



### BE PREPARED TO ADAPT

MANAGE

#### **BE PREPARED TO ADAPT**

#### WAVES OF RETURNING GUESTS

Be aware that guests will return to life as normal based on their own personal assessment of the risk. Those who are ready to get out of the house and have a higher risk threshold will come out first. They may be more prone to not wear face masks and be concerned with social distancing. Those with lower thresholds will return later, and they may be more concerned with following the rules not only for themselves but for others. Understand this and keep on top of the mood of your guests. What works during the 1st week or two may not be indicative of what will work during week 3 and 4. Understand how your plan of action needs to adapt to how returning to business affects your customers and what they perceive as acceptable norms.

#### POTENTIAL QUICK RETURN

Many restaurateurs from states that have already opened have said that the return of business was very rapid. A large portion of our society has cabin fever and is ready to get out and back to some semblance of normal. Reports have been that customers dining in has been strong but also that takeout and delivery has not slowed down. This affirms the 1st point, that there will be waves of returning guests. Be prepared to potentially be busy and have your kitchen staff ready to multitask making in house and to go items at the same time.

3

#### **GOVERNMENT REQUIREMENTS AND ENFORCEMENT**

What requirements we are to follow are going to change as things open back up. We're going to start with one set of rules, and they will either be relaxed or restricted as the situation unfolds. Be aware of these changes and be prepared to adjust your practices accordingly. In conjunction with these mandates is the question of enforcement. As you may have seen across the country, though a mandate may come from the state level, the county may take a different stance. Police and sheriffs may either enforce these rules or choose to look the other way. This is a very dynamic situation and it would be prudent to understand where your city, county, and law enforcement officials stand on the regulations and whether or not they're going to take a hard or soft line.

## TAKEOUT AND DELIVERY

#### TAKEOUT AND DELIVERY

1

#### TAKEOUT ORDERING AND PICKUP LOGISTICS

Having a plan of action for delivery and takeout dining are going to be crucial for your business. 3 months ago, these services accounted for 10-20% of business and now they account for 100%. Moving forward as we reopen and normalize expectations are that delivery and takeout dining will remain in the 20-40% range. Having easy ordering options such as online, app, or phone ahead orders is going to be very important. The logistics of takeout and delivery are going to be equally critical. Consider having patrons wait in their vehicles to keep foot traffic low and to keep from crowding an already limited capacity restaurant and front area. Perhaps use employees to deliver food to the vehicles. Use texting or apps to alert when clients are waiting and when food is ready.

#### DELIVERY

Delivery options are also going to be a big necessity as we get back to business. Just like take out dining, having an effective ordering system is going to be a must. Services like GrubHub, Postmates, UberEats, and DoorDash can deliver your foods for a fee. Using your own native in-house delivery is also a strong option. Gloves and masks will be required. Consider contactless options. Make sure you address insurance for your drivers.

#### MENU ADJUSTMENTS

Not all foods and dishes are compatible for takeout and delivery. Some dishes just do not travel well. Whipped cream will melt. Buerre blanc will break. Leafy greens will wilt from heat of dressing. Know these limitations and address them. Minimize your menu to what can be effectively executed in to go packaging.

EXPERIENTIAL DINING AND PACKAGES

Putting together product packages is a fun way to get people involved. Consider events like date night, movie night, DIY, wine or beer pairings, indoor party night, or anything else you can come up with. Take for instance movie night. We've all been watching movies from home including new releases. Given that movie theaters face their own challenges reopening, consider a menu designed for an upcoming new movie release. Or, add a big bag of popcorn to the order along. For a DIY package, package the ingredients together and take a video of the raw ingredients being turned into a specific dish. Post it on YouTube and give a link, that way your patrons can take your product and cook along with the chef. Be creative and come up with new ways to market your products.

#### TAKEOUT AND DELIVERY

5

#### PACKAGING, BRANDING, TAMPER EVIDENT

When people get your products in plain to go containers in non-descript plastic or paper bags you have no branding. Address this, regardless of delivery service, as it is an inexpensive way to market your business. Even a simple sticker, or rubber stamp on a bag or container is better than nothing. Put copies your takeout and delivery menus in with every order. Consider using tamper evident seals as it has been reported that up to 70% of the delivery drivers have admitted to sampling the food they are delivering.

#### DELIVERY SERVICES POSITIVES

Delivery services are easy to use. Signing up for them is user friendly. Managing them is not challenging most of the time.

#### DELIVERY SERVICE NEGATIVES

High commissions, usually between 20-30%. By using them you have outsourced your customer service to someone who has no stake in your business. Your branding is virtually nonexistent as the delivery service branding is front and center. You, however, get blamed for any problems with your actual order, customer service, or difficulties the customer must deal with. Also, orders from delivery services are given to your business separated from your POS allowing for mis ordering, confusion, lack of appropriate modifiers, and no sales tracking which means no accurate reporting.

#### NATIVE DELIVERY OPTIONS

Using native (or in-house) delivery puts the power back into your hands. You control the branding. You control the customer service. Orders are placed directly into your POS so all reporting is accurate. Your staff is far less likely to sample the food. You have work for your employees that would otherwise perhaps not be working. You keep the commissions rather than giving them away making this not only cost competitive but a potentially profit making option.

# EMPLOYEES

#### **EMPLOYEES**

DIFFICULTIES IN STAFFING

Most of you have had to either furlough or let go a great many or even all of your employees. Staffing back up for reopening can be challenging. Some employees are not interested in going back to work when they are making more money through unemployment and disaster assistance to stay home. Some have gotten new jobs. What to do? Increased pay is one option. Another is offering them theirs jobs back and if they refuse then reporting them to unemployment. Giving bonuses to returning workers is yet another. Hiring new employee may become a must. Restaurant work has a very high turnover rate to begin with but considering unemployment doesn't last forever and that there are 36+ million people unemployed, there should be plenty of people looking for jobs. 1. Difficulties in Staffing - Most of you have had to either furlough or let go a great many or even all of your employees. Staffing back up for reopening can be challenging. Some employees are not interested in going back to work when they are making more money through unemployment and disaster assistance to stay home. Some have gotten new jobs. What to do? Increased pay is one option. Another is offering them theirs jobs back and if they refuse then reporting them to unemployment. Giving bonuses to returning workers is yet another. Hiring new employee may become a must. Restaurant work has a very high turnover rate to begin with but considering unemployment doesn't last forever and that there are 36+ million people unemployed, there should be plenty of people looking for jobs.

### 2

#### **GIG WORKERS**

Another idea is to take a fresh look at your staffing. Considering that a good chunk of your staff are part time employees and possibly, prior to Covid-19, had multiple jobs it might be more accurate to consider them as gig workers. Using staffing agencies or other staffing resources might be an option.

#### PROCEDURES

Having procedures in place to cover employee expectations is going to need serious attention. Pre-screening employees to know their well-being for 14 days prior to coming back to work as well as daily screening will be important. Expectations on sanitization, social distancing, personal hygiene, hand washing, and cleanliness need to be covered. Now is a good time to ensure that every employee has a valid food handlers' certificate. Educating your staff now will pay off and help keep problems to a minimum.

# MARKETING

#### MARKETING

#### WEBSITE

Having your own website in today's environment is nearly a must. This will allow you to accurately inform your clients about admittance policies, social distancing, preventative actions, takeout menu and policies, delivery options, online ordering, staffing opportunities, and any other changes. If you don't have one, seriously consider getting one. Businesses that have a web presence have in large part weathered this pandemic much better than those that do not. The whole industry is pushing towards a digital platform and doing so now will be a great thing for your business.

#### SOCIAL MEDIA

Akin to your own website, having a strong social media presence is great and inexpensive marketing. Posting updates, food and drink specials, theme nights, new menu items, special events, and more will help get people through the door or ordering online. Having your bartenders or servers posting and encouraging guests and regulars to visit and drives up business. Actively posting on Facebook, Instagram, Twitter, and all the others keeps your business in front of people and in their mind for a minimal cost.

3

#### **EXPERIENTIAL DINING OPTIONS AND PACKAGES**

I mentioned this before under Takeout and Delivery, but it also could work in the restaurant. The whole idea is to repackage your items in such a way as to present them in a different way. Taco Tuesday is one example. Put together a theme night using the food, music, promotions, costumes, whatever makes things fun and exciting and keeps the guests coming back. Sushi Sunday, let's make it happen...

## OPERATION SERVICES OPTIONS

This is not a comprehensive list, but these are some great options to look into. All of them are great in their own ways, but you should research them and determine if they apply to your business model, whether they're cost effective to your bottom line, and whether or not you can find another resource doing the same thing that is a better fit for you.

#### ChowNow - https://get.chownow.com/

Online ordering and app development personalized for your restaurant

**Swipeby - https://swipe.by/** Takeout curbside solutions and efficiency

**NovaDine - https://www.novadine.com/** Online ordering, takeout efficiency, delivery services continuity

ItsaCheckmate - https://www.itsacheckmate.com/ Delivery services continuity and efficiency with POS adaptability

#### ShiftPixy - https://shiftpixy.com/

Solutions for employees, gig workers, scheduling, and native delivery, as well as insurance options for drivers

**Presto - https://presto.com/** Contactless dining kits. Contactless menus, ordering, and payment

#### Dot-it - https://www.dotit.com/

Micro and macro specialized printing, branded packaging, tamper evident solutions

#### **Purveyor Options**

Sysco, US Foods, and other vendors are providing services to their clients including marketing, resources, specials on products, pop up shops, and more. Check with your purveyors to see what they have to offer

#### **Delivery Services**

Postmates, UberEats, DoorDash, GrubHub, Etc...

## FINANCIALS



#### **FINANCIALS**

#### LEASE AND RENT

If you haven't already you need to have a serious conversation with your landlord to address the terms of your lease. Lease adjustments and renegotiations to account for lack of income are paramount unless you can otherwise afford to pay. With so many businesses have closed their doors forever, landlords are more willing than ever to do what they can to work with and retain the tenants they have left. Remember that landlords have bills to pay as well; but also know that in a depressed market with many more businesses closing than starting up, it makes sense for them to want to help you keep your doors open. Don't ask for free rent but rather a renegotiation of terms. If you got a deferment, then you need to know how to make up for the delayed payments. And don't overlook the fact that business is going to be at suppressed levels for the foreseeable future. Do what you can to address your needs now and moving forward.

#### ACCOUNTING

If you do your own books make sure you are doing it properly and weekly or biweekly. Otherwise, hire a bookkeeper to update your books 2-3 times a month. Get an accountant to go over taxes and a deeper review every quarter. And, unless you are an expert at business tax returns get a CPA to prepare your taxes annually. This year's taxes are going to especially difficult to prepare with all manner of forgivable loans, disaster loans, tax credits, interest on forgivable loans, deferred payments on leases and loans, lost product, donations, etc... Do yourself a favor and get someone on your side that knows how to get it done properly.

### 3

#### PROJECTIONS

Updating your projections to account for best and worst case scenarios are important, especially if you are going to need funding in the next 6 months or more. Do your due diligence and update your numbers properly. Many restaurants do not keep proper records, and many of those have seen difficulties in getting either the EIDL or PPP loans because of inaccurate bookkeeping. With a potentially slow reopening, half capacity as compared to previous levels, and a duration of social distancing that is unknown, there is a good chance further financial help will be needed. Get your books ready to be reviewed. Make sure you include new revenues streams such as native delivery and pop up grocery store style shops that some have been doing.

#### PURVEYORS

Check with your vendors to see work out options as it concerns payments, specials, minimum orders, and past balances. Many vendors have changed their practices to retain business as a great many of their clients have closed and they've seen a massive reduction in their sales. Consider doing features or specials based upon products they have on sale. Some have done away with minimum orders for the time being. Consider doing features or specials based upon products they have on sale. A conversation about reopening and payments needs to be had. Work out a payment program to get back on track. Some restaurants have an outstanding balance from before the shutdown that needs to be addressed as it may cause difficulties in ordering supplies for reopening. The business landscape has changed, your purveyors know it, and they are willing to help work with you going forward. But you need to contact them.

### 5

#### LOANS

If you have an existing or new SBA 504, 7(a) or Microloan you may qualify for debt relief from the SBA, which will cover 6 months' of your principal, interest and fees for loans disbursed prior to September 27, 2020. This relief is not available for Paycheck Protection Program loans or Economic Injury Disaster loans. Borrowers do not need to apply for this assistance. It will be automatically provided. Ask your lender for more information or visit: www.sba.gov/funding-programs/loans/coronavirus-relief-options/ sba-debt-relief.

Another option is restructuring or refinancing your loans to potentially get payments deferred, lower interest rates, consolidate, or extend the loan term to lower your monthly payments. If you have applied for and been funded by the PPP make sure you are accounting for all the funds that you spend. Make sure you are following all protocols to take advantage of the forgiveness aspects of this loan. If you received an Economic Impact Disaster Loan, ensure that you are prepared to start making payments

### 6

#### INSURANCE

Insurance issues are a bit of a wild card right now. There is potential legislation being proposed and debated to protect the business and owners from liabilities surrounding Covid-19. Until such a time as that legislation becomes law it is going to be imperative that you contact your insurance company to see what you can do to protect yourself when you reopen and beyond. See what kind of Covid-19 amendments your insurer has if any. Take a fresh look at your insurance needs, reappraise your coverage, and

#### **FINANCIALS**

get a fresh quote. See if your insurer will give you a credit or reduction based on reduction is business or a closure. Look into options for native delivery drivers.



## PREPARE FOR THE FUTURE

#### PREPARE FOR THE FUTURE

EMERGENCY KIT

We don't know if there is going to be a second wave or another pandemic in the future. Stock up and keep some supplies ready for the next time. Having a cache of gloves, masks, cleaning supplies, and the like is a good idea. When things return to normal and all the plexiglass and other protective equipment is taken down make sure to put this is the cache as well.

#### PLAN OF ACTION

Take everything you've learned and rewrite it for next time. Include updates with everything you've learned. Take all the policy changes, logistics lessons, financing options, accounting practices, takeout and delivery options, insurance, marketing, all of it, and organize it into a form you can use should this kind of thing happen again.

### 3

#### **RAINY DAY FUND**

This is potentially going to be the hardest thing to do. Restaurants on average went into the shutdown with 7 to 10 days of liquidity or capital. That is one of the reasons why our industry was hit so hard and accounts for such a high percentage of the overall unemployment numbers. It's incredibly hard to hold on when yoou have a week of funds and you're told to close for 3 months. Saving some money is going to be incredibly difficult in the short term. Do it if you can. Try to get ahead of that 7 to 10 day window. Putting together a rainy-day fund, if you can do it, can save you next time around. Just imagine if you had it 3 months ago...





#### **OTHER RESOURCES**

FOOD AND DRUG ADMINISTRATION: FDA - Restaurant Safety Best Practices https://www.fda.gov/food/food-safety-during-emergencies/ best-practices-retail-food-stores-restaurants-and-food-pickupdelivery-services-during-covid-19

STATE OF CALIFORNIA: CA Guidelines, Roadmap, and Updates https://covid19.ca.gov/

**OCCUPATIONAL HEALTH AND SAFETY ADMINISTRATION:** OSHA Reopening Guidance

https://www.osha.gov/Publications/OSHA3990.pdf

**CENTER FOR DISEASE CONTROL:** CDC Updates and Guidelines

https://www.cdc.gov/coronavirus/2019-ncov/index.html

NATIONAL RESTAURANT ASSOCIATION: NRA Restaurant Specific Resources

https://www.restaurant.org/Home

6

#### FOOD ON DEMAND WHITE PAPERS:

Restaurant Resources https://foodondemandnews.com/white-papers/

Talk to the SBDC About Your Business - No Cost, No Catch Consulting (800) 616-7232 | ociesmallbusiness.org



1-800-616-SBDC (7232) | ociesmallbusiness.org

Funded in part through a Cooperative Agreement with the U.S. Small Business Administration. All opinions, conclusions, and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA. All programs are extended to the public on a nondiscriminatory basis.





