FOODSERVICENEWS

Volume 20. Issue 2

The News and Information Source for Restaurants and the Foodservice Industry

arch 2018

www.foodservicenews.net

Fig + Farro

Can a 5th eatery make it in the Figlio space? This plant-forward, comfort food concept says yes



Dennis Monroe

charm, so now we have what amounts to the fifth try at the Calhoun Square restaurant space in Uptown. Figlio, a Parasole restaurant, had a 20-plus-year run in this spot, but when it was time to rebrand, the new restaurant Il Gato didn't crack the fickle Uptown diners' code. The last site, Parella, which came after Primebar, had great food, a good chef and a well-known restaurateur but just never found its audience. So now we have a fifth effort at the Calhoun Square space, Fig + Farro.

The first questions this business writer asks himself are: How is Fig + Farro different and how will it attract and keep Uptown traffic? The obvious answer is that this is a vegetarian restaurant with vegan offerings and a good percentage of Uptown's population has become more affluent and health-conscious, so therefore Fig + Farro's offering and the Uptown population make a good pairing. However, there are two other vegetarian restaurants vying for this niche population: Agra Culture (across the street) and People's Organic (just a few feet from Fig's front door). Of the three restaurants, however, Fig + Farro is the only full-service restaurant with a full bar.

We reached out to both the landlord and the owners of the restaurant, but didn't receive a call back, so note that these are my impressions based on years in the industry.

It doesn't appear as if the new owners invested heavily in décor or kitchen improvements. The space looks very much like the Parella space. They did utilize the full bar, and there are a large number of seats for this type of restaurant. My educated guess is that the rent was priced very favorably to allow Fig + Farro to open and have a reasonable chance at success. This doesn't appear intended as a high-revenue restaurant, evidenced by the pricing on the menu. The food and beverage menus are priced moderately. Tuesday is soup night, when all-you-caneat soup is priced at \$12. The rest of the menu is not available on that night. The most expensive items on the menu are \$16, with an option for a smaller portion at \$7. A Feast of Nations, the chef's choice, feeds four to five people for \$125. Vegan cheesy shells made with cashew cream sauce and Shakshuka (a tomato-based dish with a poached egg) are both \$16 for brunch.

The previous four tenants were priced to be high-revenue restaurants, and Fig + Farro has stayed away from this model, probably wisely. It is unlikely that this space will ever be another high-volume, high-revenue restaurant, due to its location within Uptown. Revenue will likely be a challenge for Fig + Farro, but keeping prices more moderate will help.

The question becomes, can this business model drive revenue? I am not entirely sure they have a revenue stream that will provide more than \$1 million. Most vegetarian restaurants maintain a lower check average due to the lack of protein, and it may be a recipe for less hearty revenue numbers.



One change to the décor is a retail corner with cookbooks and food items for sale, such as mushroom jerky. There is lots of seating, individual and group, but common tables aren't always a hit in Minnesota. One thing that will be a hit with Minnesotans is an organic-looking play area in the front of the restaurant for kids. Another clever bit of kitsch is the gender IDs on the restrooms, a stalk of farro for men and a sliced fig for women (my dining companion mistook it for a pomegranate, but was still able to use the correct the restroom).

When we visited at 1 p.m. on a Saturday, which should be primetime by any restaurant standards, they were already out of the top three entrées. The items they did have, such as biscuits and mushroom gravy for \$13, seemed expensive for what you got. The restaurant was only moderately busy, but it took a long time to get something as

simple as iced tea and even longer for our meal.

Here's my assessment:

Investment: In terms of investment, I certainly give them a high grade, because it appears that they were able to get the restaurant up and running without a lot of out-of-pocket costs. I really hope the rent is cheap, so they can get back their investment.

Service and Labor: In terms of service and labor, they had a ton of open tables, but still had to clean one off for us. In terms of staffing, it looks like they're keeping that light. But, according to the website (which is professional and eye-catching, although I think they should make the type easier to read on the black background), they pay \$15 an hour, have pooled tips, profit sharing, paid vacation, paid medical/dental, a 401(k) program and a \$2,500 travel stipend. They're also earth-friendly, which will attract employees.

Our server had an iPad, but it doesn't appear to be terribly efficient—in fact it's distracting. Normally, the server would write down the order and then take their time at the POS, but in this case the diner waits

for the server to constantly catch up and find what she's looking for on her iPad. I wouldn't call this food on demand. It is still the early stages in the business, and while service has been attentive, it hasn't been knowledgeable during my visits.

Revenue: One thing Fig + Farro has going for it is a full bar and a limited wine selection, although, neither of which will likely drive much revenue. If they could get to 20 percent alcohol-to-food, that would be tremendous, but I think it will likely be more in the 10 percent range. One thing that might help is developing a bar program that plays to healthy cocktails, utilizing cues, such as organic, veggie juices and fresh-squeezed.

Food Costs: As it relates to the components that we evaluate, first is food cost. It seems to me that their food cost is pretty much in line. The problem is, each time I've have been in to dine, they have been out of various items. This doesn't really drive consumer acceptance, but they certainly have kept their inventories and buying at a level that food costs are kept down, maybe at the expense of additional

revenues. But on a recent visit to their website, I did notice an announcement that they had expanded their menu based on feedback from customers. That's a smart business move.

Return on Investment: I do like the fact that they kept the costs down. But ROI will depend on whether they are able to do the volume necessary at their current price point.

While I didn't do my normal numerical rating, I give them stars for low costs, but in terms of revenue, this restaurant is probably right around \$1 million. Let's hope that's enough to keep them going, because I like their sincere approach to sustainable farming methods and caring not only about the environment, but their staff. But Uptown is a hard nut to crack.

Dennis L. Monroe is a shareholder and chairman of Monroe Moxness Berg PA, a law firm specializing in multi-unit franchise finance, mergers and acquisitions and taxation in the restaurant industry. You can contact him at (952) 885-5999 or dmonroe@mmblawfirm.com. For more information, please refer to www.MMBLawFirm.com.