

Things to Remember That Get Lost in the Day to Day

By Dennis Monroe

I really don't want to write another article about what we learned from the pandemic, you probably don't want to read one. But, I would be remiss if I didn't point out a few things that are important in terms of your business's economic value and soundness going forward.

These are six key things I think you should concentrate on:

1) Landlords: I have seen landlords use an extreme amount of pressure and action to recoup what they believe is back rent. This applies to abated or deferred rent, with landlords trying to make up for lost time. Don't be lulled into thinking things are going to go back to the way they were. We're in a new era. I've worked with a number of clients whose landlords have said they either want to restart the old lease and amortize a repayment of deferred rent, or attempt to rewind the lease to the terms prior to the pandemic.

The key for many restaurant operators still struggling is to negotiate a new shorter-length of lease because we really don't know what is going to happen. Limit your exposure and figure out ways you can get out if needed. Maybe it's a dollar buyout or maybe it's paying some back rent, but at least have a safety valve in your leases so that if things don't work out, you have a walk-away.

2) Concept: We've all thought about what a post-pandemic concept looks like. The most common view is it should include take-out and another other profit center, such as a to-go marketplace. These changes were important prior to the pandemic, but the ones to focus on now include take-out and delivery, some sort of market with grab-and-go items, as well as staples and special events like pop-ups and private room dining. Your products and menu offerings have to take these new profit centers into account.

3) Service charges: I'm now convinced the service charge/gratuity approach in lieu of tipping, except in some unique cases, is not the best one. I still think that unless you're doing fast-casual or some other kind of grab-and-go, you should try to do a traditional approach to service. If your model includes servers with tips, you should continue.

You may be able to still incorporate a 3% to 5% service charge into the check, since diners seem willing to accept some level of that. Make sure you are right-sizing your compensation for servers, and particularly do so for the back-of-the-house. Going forward, it's going to cost you more for good service. Also, consumers don't like high gratuities—they want to control their tips. The only exception is in the case of private parties.

4) Special customer service: In so much of the service world that I've witnessed post-pandemic, there seems to be an anger component. Whether it is bad behavior on airplanes or taking it out on restaurant workers, people are irritated on both sides. That's why it's more important than ever to insist on a strong service style, especially since, due to labor shortages, you may be providing slower service and there are empty tables on view while patrons wait. Coach your staff to make guests feel welcome and to let them know you'll seat them as soon as a table in a server's section opens up, or why their entrée may be delivered to the table slower than usual. Bar seating seems to be more popular than ever because people want that direct interaction with a bartender or server. Make sure your service style, and how you treat your customers, duplicates that bar experience.

5) Capital improvements: Your restaurant needs something new and exciting to win back customers. Even a true institutional restaurant needs to improve its décor, be more modern looking and exhibit an element of fun. Fun is key to the restaurant industry now in all segments. New, but comfortable, is something we are craving after the pandemic.

6) Employee involvement: A key to success in today's restaurant business is to have total employee involvement. Make pre-shift meetings beneficial and team-building. Hold employee meetings with full disclosure and use each meeting as a teaching component. Get people involved on a daily basis and make it safe for them to contribute their ideas, get involved with social media, new service styles, and then provide rewards for their participation. Think of this as a time to build a whole new culture.

Going back to basics—those tried-and-true solutions we all know but sometimes forget—is what is going to make your restaurant culture stronger. It's too bad that sometimes it takes a disaster to make us stronger and smarter.

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