

## Make Key Plans for 2026

By Dennis Monroe

Most of us start the new year with some personal resolutions. Businesses, however, don't need resolutions, but rather concrete plans and ideas. Here are six things I recommend you focus on in 2026 to help achieve the success of your restaurant company.

### 1. Revenue

With uncertainty in so many aspects of the commercial and retail market, building sales is the most important thing you can focus on. First, find and diversify your revenue sources. Some key ways continue to be promoting take-out and delivery, group and private dining, capitalizing on events in your area and creating desirable gathering spaces within your restaurant. These can be additional sources of revenue and will meet the consumer needs of flexibility, uniqueness and sociability.

Another thought about revenue is to leverage your products or intellectual property to create new sources of revenue. For instance, restaurant brands such as Benihana, Romano's Macaroni Grill and Mel's Drive-In have licensed their names to various grocery and household consumer products

Also, in today's tough employment market, coupled with immigration concerns that have caused a shortage of workers, you need to look at revenue sources with low labor and simplified menus. Also, while branding through social media and marketing is important, in the long run guerrilla-style marketing through point-of-sale and in-person contact are the key drivers you need right now.

### 2. Compensation

More than ever before, attracting and keeping experienced employees is vital. A cornerstone of this process is coming up with motivating compensation programs, such as deferred compensation, stock appreciation rights and even an ESOP (employee stock ownership plan). These are all components to providing an overall culture of significant compensation plans for both management and broadly based hourly employees. Keeping top-

performing and high-quality employees is the hallmark of your long-term success.

### 3. Capital Expenditures

Keep your concept fresh. You want to be able to draw consumers into an aesthetic-pleasing environment, not just through lower pricing. Along with new menu items, ambiance is important, and it doesn't have to be about spending a lot of money. If you have a limited budget, concentrate on sprucing up worn-out decor, like banged up walls and tables. In some cases, creating new, private dining spaces; adding a marketplace where you can sell your own products; or creating a compelling lifestyle feeling which can attract new customers.

### 4. Start Building a War Chest

You want to create a theoretical war chest of available funds so you can take advantage of opportunities. Make friends with a private equity group and strategic partners or individuals who are interested in investing in restaurants. The key is to make sure you have the right dry powder when you need it to take advantage, because I believe the prices of restaurant assets are starting to come down. I've already seen some repricing on existing deals that are very attractive. You'll want to stay away from certain concepts that are overpriced, but there are some good multi-unit opportunities out there that you can acquire if you have that dry powder.

### 5. Keep your eyes open for deals

If you have dry powder you can look at businesses where owners are executing their exit strategies, as well as those turnaround situations where stores closing and there are bank problems due to being overleveraged. Check out the concepts you think have growth potential, and try to acquire them. Having dry powder, which can be a partner or even the bank, can help you restructure your existing debt. Look at joint ventures with people who have good concepts or need capital or management talent. Take an inventory of what you already have that

is good to see what is of value to other concepts. It may be the ability to create new food products or concepts or a stellar management team. So take an inventory of what you have to offer and what allows you to move quickly.

## **6. Don't be passive**

Stay informed of current problems like immigration, new legislation and economic slowdowns. Being proactive in all of these areas will keep surprises at bay and make running your business a lot easier.

Finally, be nimble and be able to move quickly and above all else keep your liquidity in good shape for downturns and the opportunities that will inevitably come about.

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