



Espresso 50 7/9
Cortado 9
Macchiato 8/9
Cappuccino 10/13
Americano 12
Cold coffee 16
Cold soy 16
Tea (pot) 16
Chocolate 13
Black coffee 10
Soft drink 10
Soy +3

COVID-19

recovery toolkit

introduction

As New Zealand looks to reset and rebuild from the impacts of the Covid-19 pandemic, this toolkit looks at how the hospitality industry can also plan for recovery. Information and resources in this recovery toolkit cover essential topics, including managing working capital, pivoting the business to embrace different opportunities, adjusting operations, managing the workforce and increasing customer engagement in the wake of the crisis. To help build a more resilient industry we look to the future, forecasting trends and highlighting new ideas that will help make the industry stronger, post COVID-19.

executive summary

While New Zealand seemed to have won the first battle in the fight to get on top of Covid-19, the return of the virus into our community showed that we still have some way to go. The length of our economic recovery and the severity of the downturn is currently unknown but it is expected that the impacts of Covid-19 will remain with us for many years to come. As our businesses are currently open (but at times in different Alert Level trading capacities) customers have been encouraged to return and support the industry. Preparing for your future operational success will need to be conducted carefully and with a plan to adapt in the future if necessary. There will be significant changes to pre-pandemic approaches to financing, workforce management, operations, marketing and more. Therefore, now is the time to:

- Prepare a plan for the future
- Implement changes to position your business to maximise recovery
- Assess financial plans and protect cashflow
- Consider modified operations and customer engagement
- Review existing business strategy.

Financial Planning

Depending which Alert Level the country is in, you will need to keep in mind the need to react quickly to how the hospitality landscape unfolds. More than ever, it's essential to constantly monitor your income and expense as there is so much unknown for the future. As there is so much unknown about the current situation it is recommended to be conservative with sales projections, and aggressive with potential labour costs. For some businesses income will not return to normal levels for some time, particularly while strict border controls are in place.

Operational Adjustments

Dining in the post-pandemic era may be different due to changes to customer habits, flexible work arrangements continuing for some organisations (impacting areas of high density work operations) and safety concerns. Hospitality businesses may need to make critical adjustments to ensure that customers and staff stay healthy and safe. Dining areas and bars may need to be reconfigured at times (should we continue to move between different Alert Levels) to accommodate for physical distancing. Pickup and delivery procedures initially introduced at Level 3 should continue to be reviewed and finessed. Service may need to be reconsidered, particularly at Level 2, to reduce table touches and ease potential moments of friction like arrival, table setting, dropping food and payment. Stringent sanitation and disinfection procedures should still be in place and will require staff refreshers as Alert Levels change, while staff sickness policies will be essential to promoting the integrity of your establishment.

Messaging and Communication

Some customers, staff, and the general public will be looking for guidance and a sense of safety and security, particularly if there is ongoing uncertainty as a result of Covid-19 flare ups and resulting movement up and down Alert Levels. Communication efforts must be focused on educating customers on measures that the business is continuing to take and highlighting experiences that they have been missing. Your communication channels, including digital and social channels are meaningful ways to engage with your customers. 'Support local' campaigns are also a great way to rally the local neighbourhood around getting back into their local businesses.

Preparing for the Future

To survive Covid-19, businesses need a long-term survival strategy. The crisis has accelerated consumer trends and has introduced a number of new platforms and services that will remain post-pandemic. Diversification is key to help businesses to adjust to our 'new normal'. Adaptability is important and contingency planning is also critical to help your business to become more resilient to any future crisis or emergency, using what you have learned in 2020 to help prepare you for the future.

The goal is to ensure you are best poised for short-term recovery and long-term success.

financial planning for economic recovery

This section covers the key measures operators can take to ensure there is capital to get through this crisis and plan ahead.

As a starting point, an understanding of different economic recovery models, based on previous global pandemics, will help to identify how recovery from Covid-19 may unfold and how to utilize this information to assist your business. This is about being prepared for a variety of scenarios and being agile to respond to the changing landscape.



analysis of economic recovery models

According to the Harvard Business Review, whether economies can avoid the recession or not, the path back to growth under Covid-19 will depend on a range of drivers, such as the degree to which demand will be delayed or foregone, whether the shock is truly a spike or lasts, or whether there is structural damage, among other factors.

To forecast an economic recovery model for the Coronavirus, they looked back at the economic impact of previous pandemics such as SARS, MERS, Bird Flu, and Spanish Flu to see the arc of the economy coming out of these crises. This analysis shows that COVID-19 recovery will likely fall into one of three economic models, referred to as the 'V,' 'U,' or 'L'.

Three models for economic recovery:

V

The V-Model represents an economic recovery similar to what China experienced following recent epidemics similar to COVID-19. This model is represented by a dramatic dip in the economy as the virus hits, followed by a relatively narrow trough, and a quick recovery over a period of three to four months – a classic 'V' shaped recovery. Evidence following previous pandemics show this is the usual pattern, as unlikely as that may seem.

U

The U-Model represents a similar precipitous drop in the economy followed by an extended, longer term trough before an eventual and gradual upswing. In this model, once the spread of the virus is under control restrictions are slowly and carefully lifted. Customer confidence will take some time to return in the U-model.

L

The L-Model is the most dire - and is believed to be the least likely. The recovery model here shows a dramatic dip in the economy followed by a very long period of minimal, incremental improvement. The L-Model is a highly unlikely scenario that may be triggered if reinfections occur or if a vaccine is not possible. This is the worst-case scenario for a recovery and is not a model that economists find likely.

**What Coronavirus Could Mean for the Global Economy by Phillip Carlsson-Szlezak, Martin Reeves and Paul Swartz*

**<https://hbr.org/2020/03/what-coronavirus-could-mean-for-the-global-economy>*

financial support

Unless your business is blessed with unlimited capital (or incredibly generous business partners), chances are you will need to reach out for additional capital to make it through the crisis. For many small or single-ownership businesses, this may be the first time that you have gone through this process. The following are schemes or avenues that may be available:

Government support:

Wage Subsidy

There have been several iterations of the Government's wage subsidy scheme, which assists businesses that have recorded a decline in revenue (of 30% for the original wage subsidy scheme and 40% for subsequent schemes) related to Covid-19. It is not yet clear whether wage subsidy schemes will be extended further if Covid-19 continues to impact.

Covid-19 Leave Support Scheme

This scheme is to help employers pay employees who can't work because they are in an affected group that the ministry of Health recommends stay at home. This includes employees who have tested positive for Covid-19, have come into contact with someone who has Covid-19 and needs to isolate as per MoH guidelines, are in a high-risk group or have someone at home who is at high risk. The payment is equivalent to the wage subsidy scheme
www.workandincome.govt.nz/covid-19/leave-support-scheme

Small Business Cash Flow Loan Scheme (SBCS)

This is available to small businesses (up to 50 employees) that provides a loan of \$10,000.00 per business + an additional \$1,800.00 per employee. This has an interest rate of 3% but is interest free if

repaid in the first year, for up to five years and no repayments due for the first two years. Businesses have until the 31st of December, 2020 to apply through MyIR.

Temporary loss carry-back scheme

Businesses expecting to make a loss in either the 2019/20 year or the 2020/21 year are able to estimate the loss and use it to offset profits in the past year. In other words, they could carry the loss back one year. This change means you could be eligible for a refund of some or all the tax already paid for the year they were in profit. It means firms could cash out all or some of their losses in 2019/20 or 2020/21. Without this change, firms would have to carry forward any loss to a year when they make a profit. You must let the IRD know if you are going use the loss carry-back scheme. You can do this in the 'I want to' section of your income tax account in myIR.

Other Inland Revenue schemes

The IRD has implemented a number of changes to help through this time. You can write-off the interest charged for late payments, also known as use-of-money interest (UOMI). There has been an increase in the provisional tax threshold from \$2,500 to \$5,000 from 2020/2021. An increase in the small asset depreciation threshold from \$500 to \$1,000, and to \$5,000 for the 2020/21 tax year. They are allowing

depreciation on commercial and industrial buildings from 2020/2021.

In addition, they are removing the hours test from the In-Work Tax Credit (IWTC) from 1 July 2020.

www.ird.govt.nz/covid-19/business-and-organisations

Apprenticeship Boost Initiative

The government is providing support to employers of first- and second-year apprentices in an approved apprenticeship programme. Restaurants that fit the criteria can take on an apprentice and receive \$1000.00 per month for the first 12 months and \$500.00 for the next 12 months. You must top up their wages to at least the minimum wage or training wage. There is also the Mana in Mahi and Flexi Wage schemes.

www.workandincome.govt.nz/employers/subsidies-training-and-other-help/apprenticeship-boost

Commercial Rent Disputes Package

A temporary amendment to the Property Law Act has inserted a clause in commercial leases requiring a fair reduction in rent where a business has suffered a loss of revenue because of COVID-19. If tenants and landlords can't reach agreement on a fair rent reduction they are able to enter taxpayer-subsidised arbitration (up to \$6,000).



The package also provides guidance on how parties can negotiate “a fair proportion of rent and outgoings”, including:

- No rent being paid for a period
- Reduced rent being paid for a period (including reductions of varying levels over successive periods)
- A scheduled rent increase being deferred
- Rent continuing to be paid unabated
- A mix of these options.

To be eligible a business needs to have 20 or fewer full-time staff at each leased site and be New Zealand based. However, where businesses and landlords have already been able to reach agreement in response to COVID-19, they are not able to use the new process.

Other Avenues for funding:

Your bank

Get in contact with your bank if you're experiencing cash flow issues, especially in regards to loans repayments or lack of funding. They might be able to help. Support available through the bank may include:

- deferring capital repayments on business loans (interest only) for 3 months
- temporary overdrafts to address immediate cash flow issues and
- deferred payment of business Credit cards to assist businesses. (COVID-19 Policy)

Through the Government's Business Finance Guarantee Scheme a range of participating banks are offering business support loans. Business Support Loans are 80% government guaranteed, however each lending request is still subject to standard policies, practices and processes. Because of the risk of taking on additional debt to individuals and small businesses, it is strongly recommended that members speak to their accountant before applying.



Friends and Family

One of the most common forms of funding is bringing friends and family on as investors. This is often in the form of a line of credit, loan or a cash advance. It is important to rely on this source of funding only if your investors are clear about the risks and the transaction is recorded in a legal document. Friends or family are also only suitable as investors if they can survive the loss or significant delay in the repayment of their capital.

Crowd Funding

Increasingly common, businesses and people are using crowd funding as a way of funding a project or a business (often in start up phase). This is typically organised through online third-party platforms and involves accepting investments from a wide network of smaller donors.

Typical crowd funding platforms include:

- Boosted
- PledgeMe
- Kickstarter NZ
- Givealittle
- Spark Foundation.

Some crowd funding efforts are all-or-nothing, so if you do not reach that goal, you have to return the money. Other types give you the funds you raise even if you don't reach your goal. With reward based crowd funding businesses provide rewards to donors to incentivise them to contribute.

Launching a crowd funding campaign does require careful planning and effort in securing support. Research has shown that there is a direct correlation between the strength of your social media reach and success in crowd funding. By utilising this reach, some people have found that even if their original funding campaign was unsuccessful, they were able to garner attention and capital from other investors.

operational adjustments

This section outlines strategies and procedures that operators can implement to manage operations. At different Alert Levels operators are faced with distinct requirements. In this section we look at ways to optimise service levels despite any restrictions.

While some customers will be carefree and ready to get back into our businesses, the reality is that others will feel some apprehension about their safety. Business owners and staff will need to respond to customers cues in ways they have never had to before.



considerations for trading under COVID-19 restrictions

Be Careful and Conservative

When trading under different Alert Levels, at different times, as we can expect may continue to be the case in the near future, it is clear that operating your business will be confronted with difficulties. Trade may be curtailed and due to physical distancing requirements operating safely is more expensive than in the past. However, running your business with discipline for the current levels and a focus on the best outcomes for the situation will be essential.

Addressing customer fear

If we continue to move between Alert Levels there will be different levels of customer concern with dining out. While many people will be eager to get out and socialise and may even have a careless attitude to safety, there will be many who are apprehensive and nervous.

Ensure your systems are squeaky clean and will stand scrutiny from the public. People may be only too happy to report you or post on social media any real or perceived breeches of your obligations.

It is critical to plan and budget for re-training, and refresher training, as well as extra staff that may be required to run your operation safely. Below are some key considerations for trading successfully at different Alert Levels:

- You have modified your dining areas and are ready for physical distancing (Level 2)
- Staff retrained on modified safety and cleaning procedures (Level 3 and 2)
- Essential services (rubbish, recycling, food suppliers, etc.) are back and available (all Alert Levels)
- You have working capital to sustain the business
- You have a marketing plan in place to let your customers know when you are open and what you are doing to keep the premises safe.

Seating and physical distancing

Social distancing may become the norm for many people for the foreseeable future. It would be wise to plan how to maximise your layout whilst maintaining distancing requirements (particularly when it is a requirement at Level 2).

Remove unused tables and chairs etc from the premises, or ensure you have a suitable location to store them, when necessary. Customers will be tolerant for a while but eventually it will start to look messy and cluttered and they will lose patience. Continue to refine your seating so you can accommodate the maximum number of customers safely.



Building capital

The Government has repeatedly warned of the possibility that the virus may continue to return. While it is difficult in the face of uncertainty, here are some considerations to prepare your business operationally and financially.

Training your staff, altering your operation and protecting your capital are the best ways to position your business for long-term viability.

- Focus on maintaining your essential staff while tightly controlling additional labour
- Cross train your staff so they can fill different roles in the business during the recovery period
- Consider focusing on a smaller menu which will be more manageable if there are supply inconsistencies and enables ease of traceability
- Strictly budget food costs and expenditure - now, more than ever, it will be essential to stay on top of these costs
- Communicate what you are doing with your customers and the measures you have in place to keep things safe.
- Review your loyalty programme and controls on discounts and comps and ensure your staff fully understand your expectations in regard to these
- Explore opportunities for your business to diversify or introduce additional services to generate revenue
- As difficult as it may seem, consider putting aside some cash in case we return to different, more restrictive, Alert Levels.

workforce

Staff are essential to your business. There are a number of considerations to retain your key staff and provide great service in a challenging environment.

Top Performers

Feedback from the industry indicates that skilled staff are still in short supply. Therefore, when there is significant ongoing uncertainty around business operations, ensuring you can maintain continuity by retaining your top staff will be critical. These are staff who not only provide great service but are also adaptable, responsible and willing to do what it takes to get your business through. Provide additional training so they can take on different roles when required.

Managing staffing levels

In the current environment it is sensible to be cautious with staffing levels and carefully consider the business needs regarding any increase in staffing. Unfortunately unemployment levels will rise, particularly when and some businesses will close and this may mean that you will find you have more suitable people to choose from when the time comes to increase your staff.

In addition, if you need to restructure your business we have resources on the

Restaurant Association website to explain the procedure. Don't hesitate to contact our Helpline team if you need advice.

Forward Planning

Have a plan for managing ongoing Covid flare ups that may result in us having to go back to higher Alert Levels. Consider various staffing scenarios at each level and have a plan for each. Remember that you may need extra staff for different situations, for example to cope with additional cleaning procedures at Level 2, or for managing pick up and delivery processes at Level 3.

Company Culture & Health and Wellbeing

At this time, staff may be concerned about the security of their jobs and there may be health and wellbeing concerns as a result of this and other stresses. We need to prioritise mental wellbeing in our workplaces and it is important to reinforce your support for staff over this time. Remind staff of support mechanisms available such as EAP, policies etc.

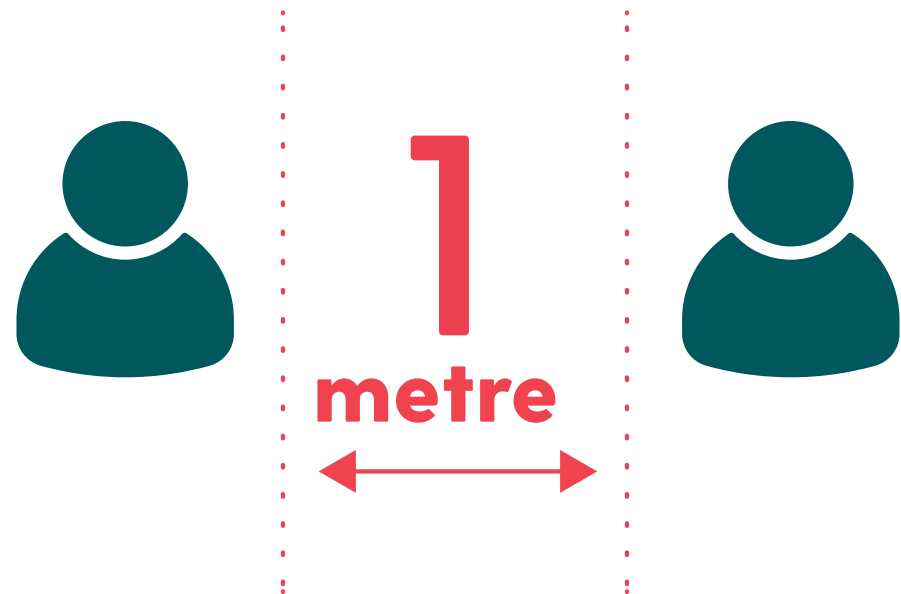


social distancing

Due to Alert Level restrictions, service may need to be modified and /or condensed to minimize contact and to allow for staff to manage time efficiently when managing sections on their own. Here are some suggestions for modifying service, and training tips for staff.

managing a section

- Ensure customers are evenly spread amongst the sections – keeping good communication with the server and Maitre D' (if applicable).
- Look out for non-verbal cues from customers to know when to take the orders, clear plates etc. Try to reduce numbers of unnecessary trips to and from the table.
- Using your 'radar' when leaving a table, make sure you clear anything you can.
- Keep communication with guests clear about wait times, and that service may be different to what they have been used to in the past. We also suggest using your social media to inform and engage your customers to let them know what service will look like.
- Have a clear table policy, cutlery, glassware and condiments should be delivered to the table once the customers have been seated and removed after each customer group. Follow the recommended sanitizing and hygiene procedures for these items, including menus, napkins, salt and pepper shakers etc.
- Encourage guests to order their entrée and main orders at the same time, to reduce additional visits to the table.
- Put the guests experience at the center of your service, ensure they feel welcome, and comfortable, and not rushed. Despite modifying your service to be more efficient, use nonverbal cues to anticipate the customer's needs.





tips for training staff

- Keep more experienced staff managing sections and use entry level staff to assist with stocking up, doing cutlery and prepping the waiter's station. Consider having a pass controller to expedite and manage communication and kitchen and floor staff.
- Ensure all staff are trained on how to take orders correctly and clearly to minimise having to return to the table for further clarification.
- Train staff to have good knowledge of the menu and ingredients/allergens – minimising having to go to the kitchen and return to the table to provide more information.
- Train staff to be able to clear all plates in one trip from the table, reducing number of trips involved.
- Make sure all staff know the usual expected wait time for an entrée, main course after calling away and then if anything changes during service, this is communicated. This is so staff can anticipate when food will be ready for their tables
- Train staff to know how to approach customers and address the service in a way that does not make the customer feel rushed or uncomfortable. Have clear guidelines for staff from your establishment for the language to be used. We also suggest covering the conversations that might occur with customers where you have condensed your service, and your language around this, for your guests.
- Train staff to upsell and ensure they know to look for the cues to know when to keep drinks refreshed and offering additional drinks for all guests at the table in one trip if possible.
- Review your establishment's order of service and condense as many steps as possible to reduce number of trips required for the staff member and table. Plan conversations before service but ensuring the customer does not feel rushed.

optimised order of service at level 2

1. Customer arrives is met, greeted, completes customer register and is seated. Consider a space for your customer waiting area/queue, maintaining physical distancing requirements at all times. Your Maître D' will be spending considerable time at the door and managing and directing traffic, checking the bookings system and directing guests to their table with distancing from that guest and other guests at all times.
2. **Drinks Order and Menu:** Waiter goes with menu, drinks list at the same time – immediately and while giving the menu take water and drinks order at the same time if possible and read out the specials if applicable.
3. **Drinks delivered and food order:** When delivering the drinks, ask customer if they are ready to order.
4. **Delivering the food:** Deliver the tables food order in the least number of trips as possible. If any specific cutlery needs to go out (soup spoon, or steak knife etc.) consider having a service plate with these items at the pass, so they can be taken out with the dishes. When leaving the table after delivering the food, train staff to clear anything that can be cleared, and take any additional drink orders.
5. **Meal check:** When doing the meal check, consider timing your meal check with any further beverage service.
6. **Clearing the table:** Clear when everyone is finished and clear in one sweep if possible.
7. **Dessert Menus:** Offer dessert and coffee, and dessert wine orders at the same time if possible, without rushing the guest.
8. **Delivery of Dessert and/or coffee:** Consider having dessert cutlery ready at the pass to take out with the dessert. Clear any glassware or items no longer in use from the table.
9. **Final table clear and delivery of bill:** Communicate to the customer the process of payment – whether it be at the table with a mobile terminal or at the payment counter area.
10. **Payment:** Use contactless payment at the table when possible and encourage customers to pay one bill per table. Follow the guidelines on accepting payments. Ensure communication with customers is clear around where and when to queue for payment if a wireless eftpos terminal is not available.
11. **Resetting:** Ensure all hygiene practices are adhered to, with menu and condiments removed and sanitized (not taken back to the table until the next customers are seated), tables and chairs sanitised, tablecloths and napkins replaced.



Pick-up and Delivery

Online or phone ordering and payment methods

The customer orders online or via an app using the venue's online ordering system, or, views the menu online and makes their order by phoning (or texting, (if this is set up) the business.

To reduce any risk of transmission of the virus, payment should be made online or by phone using cashless methods.

However, if this is not possible, you can accept payment at the point of pick-up if you have good systems in place to maintain physical distancing and good hygiene. If online or phone payment cannot be made, payWave should be utilised as the secondary payment option, as this maintains a contactless transaction.

Service in the Era of Social Distancing

While much is unknown, some research indicates that in the near term a much lower interaction style of service may evolve. This may take a variety of forms as the industry feels out what style resonates best with guests anxious about the pandemic. For many restaurants, personalized high-touch service is the very definition of their guest experience. However, COVID-19 will undoubtedly change the public's perception of what service means – specifically as it relates to interpersonal distances, the quantity and volume of personal contact, and what is safe and hygienic. may include:

Some examples of this new style of service may include:

- Altering service strategy to a less interactive model with less personal touches per table.
- Mobile pre-ordering capabilities that allow guests to skip the menu and ordering process at the restaurant.
- New food delivery processes, transitioning from hand-carried plates to tray or cart service for less server contact with the plates.
- The elimination or transition of self-service components like buffets.

- Coverings over meal plates that are removed tableside.
- Consider an interim cash-free policy with pre-pay options.
- Digital guest checks with table-side credit card processing.
- A transition to e-receipts in lieu of paper.
- Implement single-use menus or digital menu tablets with anti-microbial screens.
- Update your reservations processes to bring in guests at set intervals with no anticipated wait times to prevent overcrowding your waiting areas.

Short and long Term Planning Strategies

While it may seem difficult to plan in the midst of a crisis where day to day survival is a struggle, we believe it is important to consider a long-term strategy for your business. The existing covid crisis aside, the developments in the restaurant industry over the last ten years are astounding. Apps, Instagram, deliveries and home meal kits weren't even on the horizon, now they are essential. While you don't need to be a fortune teller you do need to read the wind to achieve stability and success. Equally a short term strategy for more immediate challenges is needed. This will be particularly important if we continue to move in and out of various Alert Levels, either nationally or locally. The first time we went to lockdown was a shock to us all however if Alert Levels continue to change in the future at least we know what to expect so you can plan your response.

- Be on the lookout for early signals that a lockdown may be coming
- Reduce ordering of perishables and return any stock that you can
- Ensure staff are aware of close down procedures and cleaning required
- Clearly communicate with your staff as to what you anticipate happening over the coming period

One of the few benefits to have come out of the previous lockdown is that restaurant owners have had some time to think and plan. Owners are normally so busy putting out fires that they seldom have time to think about the long term strategies needed for running a successful business. Even if they did have time, what would they plan for?

Goals help a business get to the next level. They help measure success and set standards. How do you know if your kitchen is profitable if you don't calculate food costs accurately? You and your team should have measurable, realistic and achievable goals.

The five main areas of any hospitality business are:

1. **Service:** The most important cog in a restaurant's engine. Customers are much more forgiving of an incorrect order than they are of poor service. An example of a service goal might be that all customers should be seated, offered menus and a drink within a certain time frame. You might set a goal of increasing dessert sales by 25% over a three month period.
2. **Menu:** there are many ways to set goals in the kitchen. You could set a goal of all ingredients being sourced from a 150km radius, you could swap out ingredients to be organic, you might wish to have 50% of your menu to be plant based or gluten free. These things take time to research and achieve but can be a great team building exercise for your kitchen.
3. **Marketing and communication:** We have covered tips and techniques earlier. If your service and food quality is how you keep your customers, Marketing gets them through the door in the first place. Have a goal for how many customers per day you wish to reach and keep count.
4. **Staff:** the backbone of your business. How you treat your staff and how engaged they are will be reflected in the service they provide. The Restaurant Association runs many Professional Development webinars. A goal might be to have each staff member attend one every six months
5. **Financial:** The most obvious but also the end result of achieving your goals in the previous categories. If you are not reaching your financial goals, look back at your other goals to see where you are lagging and work on resetting those.

Every goal, no matter how small, can increase turnover, improve service, save money and help your bottom line. Set goals that are appropriate for your business, your customers and staff. Setting goals and achieving them will help your business achieve success.





messaging & comms

With ongoing uncertainty concerning Covid-19, some customers may feel apprehensive about safety as well as having to adjust to different ways of dining. Your communications to your customers are a vital tool to reassure them and to manage their expectations. This section covers communication strategies, educating customers, and opportunities to engage with your customers.

messaging & communications

On premise strategies

As Covid-19 lingers you may find that while some customers are comfortable to get out and enjoy some social interaction, others will be apprehensive about their safety. Be prepared to provide a memorable, and safe, experience for all types of customer. Not only must you be safe, you must be seen to be safe. Some customers will be watching and will report if they think you are not following your obligations. Make sure your staff are aware of this too.

Educating the Customer

It is also important to make clear to the customer the rules and expectations for dining at different Levels.

- Use signage to communicate the business' rules..
- Make Contact Tracing as easy as possible.
- Have decals on the floor so it is clear where people are to stand.
- Have signage for takeaway pickup areas.
- Train your staff to deal with customers who may think the rules do not apply to them.

Communicate Options

Some customers may not feel comfortable engaging

with your restaurant in the same way as before. Use every channel you can to let people know your offering, changes in hours, policies and operational changes as conditions evolve.

Cleaning and sanitising

Give your customers peace of mind that you are doing everything possible to keep them safe. Clearly post your cleaning protocols in a prominent position in your premises and on the website. You may choose to have clearly marked cleaning stations around your premises, particularly at the entrance/exit and bathrooms.

Digital and Social Media

The key to successful digital and social promotion is the authenticity of your content. Use your assets, personalities and brand that made your business successful in the first place to generate compelling content. Share your stories and invite engagements from your business community.

Reminder Videos and Content

Post images of new menu items, do a walk through of your premises, create quick personal messages

- these are some great ways of engaging and enthusing your regulars.

Community Support

Engage with your community and suppliers to share experiences and collab on promotions. Involve your local restaurant community in ways to cross promote your businesses. Let people know what you are doing to support your local community, charities or essential workers.

Behind the Scenes

If you were closed for a period of time, let people know what you have been up to while closed to keep them and your staff safe. Show them the prep you are doing in the kitchen.

Special events

Promote any special events, dishes, menus, cocktails or whatever you are planning. Remind your customers of what they loved about your restaurant in the first place to encourage them to come back again (and again).



preparing for the future

For many restaurants and bars, the goals during the pandemic are to keep as many of their employees as possible, generate much-needed cash flow, and support their local community. Unfortunately, for many owners, this is not going to happen with their traditional business model.

Here we detail straightforward, near-term strategies to generate cash flow, keep your staff busy, and diversify your business for future uncertainty. None of these strategies are a silver bullet for your business, but in combination, they just might get you through the crisis and create a more profitable business on the other side.

preparing for the future:

diversification & alternative revenue streams

Delivery

Over the last few years the demand for deliveries has rapidly increased and now it is going to be even more important for many businesses.

Before COVID-19 hit the demand for food delivery was skyrocketing. Now it will be even more important. We believe that every food service business should strongly consider getting good at the delivery business. It's not a cure-all for restaurants suffering but it does represent a good way to slightly diversify your business and maintain another revenue stream if these measures continue for a much longer period.

Note: If you haven't done it before, delivery is tricky to execute well. Very few things travel well, the packaging can be difficult to get right and the transport of your food safely and expertly takes a good amount of trial and error. There are guidelines on the MPI website for ensuring you are compliant with the various regulations. Also, many traditional third party delivery apps are expensive and can take a big chunk out of your profits with their fees. While

we strongly recommend restaurants get good at delivery moving forward, it is not as simple as flicking a switch.

Virtual Restaurants

This concept was getting a lot of press before the pandemic and has been a hot topic of discussion since. A 'Virtual Restaurant' is simply a restaurant marketed in the online ordering world that does not have a physical presence on the street. This allows a fine dining restaurant, for instance, to run Mexican food out of the back of the restaurant without anyone being the wiser. In this way, anyone with a commercial kitchen can add a 'Virtual Restaurant' on to a delivery platform using the existing facility, making it a low-cost way to turn a single revenue stream into multiple revenue streams without increasing overhead.

Ghost Kitchens

The idea behind a Ghost Kitchen is slightly different than a Virtual Restaurant. A Ghost Kitchen (as the term has evolved) has come to signify a purpose-

built commercial kitchen facility that has no guest seating space but has been built to accommodate multiple virtual restaurant operators under the same roof. It is like a delivery-only food hall with many operators under a single low-cost roof.

Note: The challenge of Virtual Restaurants and Ghost Kitchens are the same as with regular delivery service – it's difficult to do right. Delivery businesses require real expertise, the right menu strategy, solid online marketing and the right packaging and equipment.

Expanded Catering Options

Catering presents a whole new host of opportunities in the current and post-pandemic world. Catering kitchens can produce a la carte menus for virtual kitchens, lunches for newly back-to-work offices, full-meal delivery options, meal kits, and much more. Target offerings to accommodate guests who are tired of standard takeout but who may not be ready to return to normal just yet. Publish posts on how to order, prepare and stage a special experience at home.

business contingency planning

The events of 2020 so far have highlighted the need for planning for emergency business situations that may affect the ability for your business to survive. While we're hopeful we won't see disruption of this scale again for some time, it is important to prepare yourself for other future events that may disrupt your business. Continuity and contingency planning is about being prepared for all types of disruptions – and quickly getting back on your feet.

Use this step-by-step guide to help you get your plan sorted.

Business Continuity Planning = Plan B

A business continuity plan (BCP) pinpoints the most important parts of your business, identifies potential risks to these critical areas and prepares you to recover as quick and easy as possible.

Contingency planning is a crucial part of continuity planning and shouldn't be limited to what to do after a major event such as we've had this year. It provides you with a Plan B - a backup if your original plan no longer works - covering any risks or threats that could disrupt your most important business activities.

Why you need to plan

There are many reasons to put time and energy into

your plan and it greatly improves the likelihood that your business will survive.

Other reasons to do BCP:

- It's a plus for potential buyers and investors – it shows you've thought about other scenarios than simply business-as-usual.
- It gives your staff confidence, especially if you get them involved in planning.
- It helps you spot good opportunities for your business now, eg outsourcing payroll.
- It could help you negotiate lower insurance premiums – the more resilient you are, the more likely insurers will consider you a lower risk.

Step-by-step guide to business continuity planning

This guide will get you thinking about how to protect the most important aspects of your business.

As you go through each step, consider:

- Your particular risks if something goes wrong.
- How you might get back to business-as-usual as quickly and smoothly as possible.
- What the options are if you can't get back to business-as-usual.
- It's important to think of different options rather than absolutes.

Step 1. Identify core products or services

Questions to ask:

- What are the biggest risks to your most profitable activity? How can you reduce these risks?
- Which of products / services are critical to maintaining essential contracts or customer relationships?
Example: Core products/services for a café:
 - Priority 1: Coffee and drinks
 - Priority 2: Baked goods made off-site
 - Priority 3: Meals made on-site
- What is essential to produce or carry out these key activities, eg raw materials, beverage supplies, a fully functioning website?
- Can you get by without your full service offering – eg reducing your menu items, closing some areas of the business?
- What is your least profitable activity? Be prepared to pause or stop this until you get back on your feet eg dropping opening hours on some days, or stopping lunch service?

Step 2. Identify key internal people

Questions to ask:

- If you have staff, could your business continue without some or all of them on deck?
- Does your business rely heavily on one person for key tasks – eg the head chef – and what happens if this person is unavailable? What are the main duties of all staff? Are there staff that are trained to do more than one role?
- How might you get temporary staff at short notice?

business contingency planning

Step 3. Identify key connections

These might be suppliers, customers, service providers.

Questions to ask:

- How robust is your supply chain?
- Identify the suppliers/service providers that you could not run your business without.
- Which customers/clients provide you with the majority of your income?
- Which customers/clients have a strong relationship with your business or organisation?
- Who might help you get back on your feet? Do you have good relationships with your bank, landlord or advisors?
- Who can help if you can't get into your premises or IT systems?

Step 4. Identify essential equipment and supplies

Questions to ask:

- In hospitality we are reliant on different equipment to be able to run our business, could you borrow or rent alternative equipment (or even premises) if yours are out of action?
- As hospitality businesses rely heavily on external suppliers, Are there alternative suppliers who can provide the same products?
- Are there alternative products that could be substituted into your processes?
- Consider your specialist equipment? Is it easily replaced and how long could it take to get a

replacement?

- Can you get replacement equipment from a local store, or borrow or hire from another source?
- Is there alternative equipment that can be used instead?

Step 5. Pop ups and temporary relocation options

Questions to ask:

- If you need to vacate your usual premises unexpectedly, are there any options available that would mean you could keep the business running (at least in part) elsewhere? Eg a pop up venue while a business premises is recovering from a major event like a fire.
- If you need to close the premises temporarily (or move temporarily), how can you best communicate with your customers about this? Will your regular customers still be able to get hold of you?

Step 6. Consider insurance options

Questions to ask:

- Is business interruption insurance, which covers against losses after an emergency (but not pandemics), a good option?
- Is your insurance policy tailored to your business or organisation's needs?
- Do you have sufficient funds and insurance cover to either close temporarily or operate in a more

limited capacity, if required?

- Is business interruption insurance, which covers against losses after an emergency (but not pandemics), a good option?

Step 7. Identify who can run the business in your absence

Questions to ask:

- As an industry of owner/operators, if something takes you or another important team member away from the business, who can take over important tasks?
- Who can make strategic decisions, order supplies, pay staff bills, update your website, access your intellectual property etc.?
- If there's a major disruption, what is each staff member's role in getting the business back on its feet?

Step 8. Keep contact details handy

Questions to ask:

- Do you have emergency contact details handy? This list may include staff, emergency services, clients and suppliers. You may also include your insurance details, security company and neighbouring businesses.
- When were contact details last updated – is it time to check for any changes?

Step 9. Back up important data

Questions to ask:

- What data – customer details, emails, files and spreadsheets – are critical to your business?
- What sensitive data – personnel files, bank details, tax documents – do you need to keep safe?
- Do you regularly back up data on a hard drive, server or in the cloud? It's time to start if you don't do this already.

Step 10. Put it into practice

Much like emergency plans, a business continuity plan shouldn't sit on the shelf. It needs to be tried and tested with relevant staff at least once a year. This doesn't need to be expensive or time-consuming.

Run 20-minute stress test exercises where you give staff a scenario to plan for. Rather than fixating on the cause of the potential disruption, focus on how to manage the consequences:

- What will they do if an important machine isn't working?
- What options do they have if a major supplier is unable to deliver for a week or longer?

No two crises are the same. But together, you may find similar solutions to different situations. Your plan will change as your business evolves, so make sure you debrief after each test and update the plan if necessary. Staff need to know what to do even if you're not available. Make sure your plan is easily accessible.

Source material, used with permission: Business NZ Contingency and Continuity Planning guide and Get Prepared.co.nz.



post pandemic

Restaurateurs looking to come out strong on the other side of the pandemic need to be extremely cautious with their capital, shrewd with their reading of the market, and closely follow the news for indications that would signal an upswing in the economy and the return of consumer confidence. Here's what to listen for:

Lifting of Government Restrictions

While certainly one of the more positive signs that a recovery is in progress, this does not signal a wholesale return to normalcy. This will be an indicator that people will be beginning to re-enter the market more confidently.

Recovery in Other Markets

China, South Korea, and Japan are all beginning to re-emerge from the pandemic and can serve as indicators as to what an eventual recovery looks like. At present, early indications show a

very tentative return of available business followed by slow and gradual recovery lasting several months. The key to successfully navigating the end of the crisis will be to time the market right with the capital available to you to ensure the long-term success of your business.

Timing of a Vaccine

Real and credible evidence of the widespread production of a vaccine will be the strongest signal of a return to relative normalcy following the crisis.

The road ahead is going to be a long and bumpy one but with careful planning you can make it through while building a strong and sustainable business. You will need to fiercely protect your cash, be ruthless with expenses, an imaginative marketer, a hygiene expert while still retaining the hospitality and wonderful offerings you are renowned for. No easy job but the Restaurant Association is here to help you through.

the link between good food and good business

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