Pandemic Relaunch Toolkit

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Queens Economic Development Corporation

REBOOT & RESTART: Navigating Entrepreneurship Post COVID-19

Presenters

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Today’s Agenda

Where Are We Today?

Reentering the Market

Operational Adjustments

Messaging & Communications

New Business Models
  TAKEOUT
  DELIVERY
  CATERING
  GROCERY + RETAIL

Technology Resources

Discussion / Q & A
Where Are We Today?

More than 8M restaurant employees have been laid off or furloughed

Industry has lost $80B in sales as of May 1

Quick service restaurant revenues are down 59%

Full service restaurant revenues are down 74%

As of June 1 there are signs that the pandemic has reached its peak in the US

New York City has entered Phase One of reopening on June 8, 2020

The pandemic economic recovery models show a long road back to 2019 levels
CUSTOMERS WHO ARE “VERY CONCERNED” ABOUT CORONA VIRUS ARE SLOWLY TRENDING DOWNWARD

“definitely avoid” eating out
“CLEAN & SANITARY” IS NOW THE MOST IMPORTANT CONSIDERATION FOR CONSUMER DEMAND

<table>
<thead>
<tr>
<th>Considerations when selecting a restaurant</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Clean &amp; sanitary</td>
<td>43%</td>
</tr>
<tr>
<td>Nearby</td>
<td>30%</td>
</tr>
<tr>
<td>Value</td>
<td>28%</td>
</tr>
<tr>
<td>Supporting restaurants that need help</td>
<td>28%</td>
</tr>
<tr>
<td>Great taste</td>
<td>27%</td>
</tr>
<tr>
<td>Locally / independently-owned</td>
<td>22%</td>
</tr>
<tr>
<td>Good service / staff</td>
<td>20%</td>
</tr>
<tr>
<td>Healthy</td>
<td>19%</td>
</tr>
<tr>
<td>Speed</td>
<td>12%</td>
</tr>
<tr>
<td>Variety</td>
<td>11%</td>
</tr>
</tbody>
</table>
Phased Reopening of Business

Each region will reopen businesses in phases, with at least two weeks in between each phase. This allows state and local leaders to monitor the effects of the reopening and ensure hospitalization and infection rates are not increasing before moving to the next phase and permitting more economic activity.

There are seven total health metrics required to meet for a region to enter phase one. New York City currently has met 7 of 7 metrics and began Phase One of reopening on June 8, 2020.

**Phase One:**
- Construction
- Agriculture, Forestry, Fishing and Hunting
- Retail - (Curbside or in-store pickup only)
- Manufacturing
- Wholesale Trade

**Phase Two:**
- Professional Services
- Retail
- Administrative Support
- Real Estate / Rental & Leasing

**Phase Three:**
- Restaurants / Food Services

**Phase Four:**
- Arts / Entertainment / Recreation
- Education
STATE REOPENING PLAN

Governor Cuomo has emphasized that all businesses should begin working on their reopening plans immediately. In order to reopen, they must also meet the following criteria:

1. **Strict cleaning and sanitation standards** must be met.

2. **Social-distancing** protocols must be in place and workplace hours and shifts must be designed so as to reduce the density of people working at the business.

3. Mandatory **face masks** for all employees and customers in situations where there is frequent person-to-person contact.

4. Coronavirus **cases must be traced, tracked, and reported** to regional public-health officials.
INDUSTRY GUIDANCE

In phase one of reopening, restaurants will only be allowed take out and delivery, as today. For phase two of reopening, restaurants and bars will be allowed limited outdoor dining. A few notable requirements are outlined below:

Payment
Contact-less payment systems are highly encouraged and every effort should be made to minimize cash transactions.

Reservations
Reservation systems are highly encouraged for outdoor seating areas to avoid guest queues while waiting for tables.

Social Distancing
No groups of larger than 10 may be seated together; six feet of distance must be kept between all dining parties.

→ Read More: Phase Two Interim Guidance on Outdoor Dining

PHASE THREE

Guidelines have just been released that outline reopening indoor dining in the coming weeks. Please read the latest document in the toolkit for more information on mandatory and suggested actions.
Reentering the Market

TIMING THE MARKET

• Be Careful and Be Conservative
• Pick the Right Time to Reopen
• Lifting of the Restrictions May Not Be the Best Time to Reopen

REOPENING REQUIREMENTS

• What Does Less Seating Mean for You?
• At What Capacity Does Your Business Break Even?
• Reworking the Floor Plan

MANAGING YOUR CAPITAL

• Knowing Your Capital Resources
• Establishing Back-Up Resources
• How Long Will Capital Last?
• Being Ready for the Second Wave
• Streetsense Capital Planning Tool
Staffing

TOP PERFORMERS
• Preserve Your Top Performers
• Focus on Flexibility + Team Mentality
• Develop Cross Training Plans
• Bring Contract Labor In-House

RESPONDING TO NEW LEVELS OF BUSINESS
• Communication is Key
• Staff Only to Your Revenue Levels
• PPP + ERC Considerations
• New Talent in the Market

EMPLOYEE CULTURE
• Now is the Time to Remind Your Employees Why You Are Great to Work For
• Don’t Race to the Bottom with Wages
• Understand the Strain That the Pandemic Has Caused on Your Staff and Their Families
Operational Adjustments

**MENU CONSIDERATIONS**
- Tighter + Focused on Best Sellers
- Look for High-Margin Items
- Family-Style + To-Go Options

**SERVICE MODEL**
- Less Interactive
- Pre-Ordering Capabilities
- Touch-Free Processes + Technology
- Digital/Single Use Menus
- Wait-Free Reservations

**PICK-UP + DELIVERY CONSIDERATIONS**
- Dedicated Space for Pick-ups
- Social Distance Queuing
- Sanitizing Stations + Sanitizing Wipes
- Tamper Resistant Packaging
Social Distancing Recommendations

- Increase spacing between tables to ensure six feet of separation between tables or groups of guests.
- Remove every other bar stool to ensure comfortable separation options for guests or completely eliminate face-to-face service interaction for a time.
- Increase private or semi-private dining opportunities with flexible partitions or screens.
- Ensure service pathways that are comfortable for guests and staff.
- Remove excess tables and chairs to facilitate the distancing requirements.
- Determine storage areas for excess furniture and equipment.
- Add hand sanitizing stations throughout the restaurant, specifically at the entrance, near each server station, and near the entrance to the restrooms.
SOCIAL DISTANCING: SAMPLE DIAGRAMS

- SEAT COUNT: 185
- SEAT COUNT: 105
  - MAX GROUPS: 31

Features:
- PINCH POINTS
- BARTENDERS
- SERVERS
- HAND-SANITIZER STATION
- TRASH/RECYCLING & BUS STATION
“EATING OUT HAS BECOME A MINEFIELD”

- To reopen and recapture guests, action needs to be taken to minimize and mitigate the risk or perceived risk that patrons have.

- Customers are not only open to changes required by health code but are actively demanding that any establishment they patronize enact new procedures to protect their safety.

<table>
<thead>
<tr>
<th>Activity</th>
<th>% Who Believe It Would Increase Likelihood to Contract Coronavirus</th>
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<tbody>
<tr>
<td>Touching door handles in restaurants</td>
<td>78%</td>
</tr>
<tr>
<td>Self-serve food (salad bar, buffet, etc.)</td>
<td>77%</td>
</tr>
<tr>
<td>Using public restrooms in restaurants</td>
<td>74%</td>
</tr>
<tr>
<td>Sitting in a crowded restaurant</td>
<td>69%</td>
</tr>
<tr>
<td>Self-serve drinks (fountain drinks, coffee carafe, etc.)</td>
<td>68%</td>
</tr>
<tr>
<td>Sharing condiments (ketchup bottles, etc.)</td>
<td>64%</td>
</tr>
<tr>
<td>Sharing food at restaurants</td>
<td>63%</td>
</tr>
<tr>
<td>Eating food with your hands</td>
<td>56%</td>
</tr>
<tr>
<td>Using dishware / silverware / glassware at restaurants</td>
<td>48%</td>
</tr>
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Safety & Sanitation

OVERVIEW

The post-COVID-19 reality requires a different course of action for guests to feel confident and comfortable going out again. This section outlines strategies and procedures that operators can implement to protect their staff and their guests and plan for a mid-pandemic restaurant relaunch.
Staff Retraining

Update HR Policies + Processes
- Daily Staff Screening
- Update Sick Leave Guidelines
- Shift A and Shift B
- PPE Policies and Procurement

Sanitation Processes
- Mandatory Periodic Handwashing
- Focus on High Touch Areas
- Cleaning + Disinfecting Processes
  - Service Stations + Tools
  - Tabletops + Chairs
  - Salt + Pepper, Condiments, etc.
  - Bar Surfaces

New Service Models
- Lower Touch Service Models
- Updated Food Delivery Standards
New Policies

Update BOH Sanitation Standards
- Kitchen Cleaning + Disinfecting
- Restroom Cleaning
- BOH Distancing
- Waste + Laundering Processes

Facility Updates
- HVAC System Review
- Ventilation Standards + Updates
- Social Distancing Barriers
- Touchless Fixtures
- Free-Standing Sanitizer Stations
- Additional Safety + Sanitation Resources
Messaging & Communication

Educate the Guest

Communicate Options

Highlight the Experience
Signage & Communications

• Sanitation Policies (Guests)
• Sanitation Must-Do’s (Staff)
• Wayfinding and Queueing
• Floor Stencils
• New Hours of Operations
• New Offerings
• Restroom Signage
• Reserved Signs
• Delivery + Pick-Up
• COVID-19 Sign Templates
How To’s
• Food + Cocktail Recipes
• Food Preparation + Cooking
• Team Member Skills

Community Engagement
• Neighborhood Support
• Charitable Work
• Customer Surveys + Polling
• Advocacy

Reminder Videos + Content
• Wish You Were Here
• Behind-the-Scenes
• New Offerings
• Coming Soon
New Business Models

OVERVIEW

Thinking about what may be next for the industry highlights potential new revenue streams for operators and new experiences for guests. This section introduces opportunities for restaurants to diversify and explore new ideas about the future of eating and drinking.
CUSTOMERS ARE READY FOR CHANGE AND WOULD SUPPORT THE FOLLOWING AT RESTAURANTS:

- Changes to consumers dining experiences are expected and required in order to win back consumers
- Furthermore, customers are now open to new experiences, particularly those that they feel keep them safe and protect them from the dangers of the virus
Business Diversification

Responding to the New Normal

- Every Business as a Start-Up
- Maximize the Revenue Generation
- Be Flexible, Aggressive + Creative

Additional Business Opportunities

- Takeout / Pick-Up / Curb-Side
- Delivery / Virtual Restaurants
- Off-Site Catering
- Market + Grocery Business
- Meal Kits for Grocery Stores / Markets
- Liquor Delivery
- Private Dining
NEW BUSINESS MODELS ARE HERE TO STAY!

Delivery and order-ahead may be permanently accelerated.

Even once shelter restrictions are lifted, consumers anticipate a net increase in ordering online or ordering ahead. These behaviors were already trending prior to COVID, and it seems likely that the pandemic has sped up their adoption. By contrast, a net decrease is anticipated for both on-premise dining and ordering at the counter.

Compared to their PRE-COVID behavior, what consumers plan to do more/less of shelter restrictions are lifted plan to do plan to do

- Go to the drive-thru up
- Call to place an order up
- Use restaurant site/app to order up
- Use third-party site/app to order up
- Order at the counter down
- Eat inside a restaurant up

29%
One of the most successful formats that restaurants have leveraged during the pandemic is takeout. Because this format is both convenient and allows for minimal contact with the staff, it has become a go-to strategy for sit down restaurants looking to capture some revenue and keep some of the lights on during the pandemic.

**Survival Tools**

**Takeout & Pickup**

STEP ONE
Choose Online Partner

STEP TWO
Establish Pickup Procedures

STEP THREE
Adjust Your Menu

STEP FOUR
Packaging & Collateral

STEP FIVE
Market Your Offerings
STEP ONE
Define Delivery Strategy

STEP TWO
Establish Procedures

STEP THREE
Optimize Menu

SURVIVAL TOOLS

Delivery

Many guests won’t feel comfortable dining out of their homes regularly for the foreseeable future. Setting up a reliable delivery service can help offset lost dine-in revenue and will help position your business to capture new guests who may not be familiar with your offerings.
One of the more creative strategies to come out of the early stages of this pandemic is restaurants who have used their venues as curb-side grocery businesses. Since restaurants often have great relationships with local producers, the best meat and seafood vendors and are specialists in prepared foods, the combination between essential groceries and prepared foods delivered curb-side is hard to beat. Below is a step-by-step guide to transitioning your restaurant space into a curb-side grocery and prepared meals business.

###STEP ONE
Determine Offerings

###STEP TWO
Learn the Rules

###STEP THREE
Plan the Experience

###STEP FOUR
Integrate Technology

###STEP FIVE
Market New Experience

**Grocery**
Catering

As offices get back to work and gatherings are planned for small groups, off-site catering can provide critical incremental revenue. Simple, large format packaged offerings can be planned and executed ahead of time, create operating efficiencies at scale, and expand your customer base beyond your immediate neighborhood.
Technology Resources

On-Line Partner Overviews
- Online Takeout Partners
- Timed Curbside Delivery
- Delivery Apps (Seamless, Caviar, PostMates)

Other Tech Resources
- Tableside Payments
- Self-Ordering Kiosks
- QR Code Menus
- Waitlist + Paging Assets
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Questions?

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REBOOT & RESTART:
NAVIGATING ENTREPRENEURSHIP POST COVID-19

Queens Economic Development Corporation
Q. What POS system do you recommend for online payment or takeout of onsite dining? Is Square ok?

A. Square is great; it’s very easy to use, simple to set up online ordering platforms and integrates well with the retail strategies we suggested. It’s easy to manage and add new items to, and it has a simple online ordering interface. A different one that is a bit more robust but easier to use is a POS program called Toast. It allows you to use your own hardware/software while still having a robust online ordering system that’s easy to integrate with third parties, as well as provide for your own delivery/takeout service. These are my go-to recommendations for simple-to-use POSs that are relatively low cost and can be set up quickly for online ordering.

Q. Any thoughts on converting a restaurant that already has outlets at every table and Wi-Fi into a work remotely space, while also using the kitchen just for takeout?

A. It’s a great idea. The tricky thing will be creating a social distancing environment, and you’re probably not going to be allowed to do that until phase 3. Thinking about low-cost ways to separate tables and how to gain more capacity from a social distancing perspective is a good way to go. This question touched on two important things; first is how you’re able to change your core business model (going from a sit-down establishment to a takeout dining establishment), and second is finding other ways to fill those seats (as long as you have the social distancing requirements met). It’s a great plan to get people in the door and have a new revenue stream.
Q. How to reopen/bring staff back to work to make sure your business is protected?

A. Evaluate how much working capital you have; it’s quite possible that when you open back up you won’t be making money day 1. Look at how much you need to take in to both make money and pay a skeleton crew. We recommend planning for a smaller, more flexible staff on an ongoing basis, as well as doing anything you can (within reason) to bring down your fixed expenses. The goal is to limit your capital exposure so that your operations are as lean as possible, and that you have enough money to operate them with a limited occupancy and limited amount of people coming in; assuming 40-50% of your business returning, make sure you have made a plan and thought it through.

Q. What can restaurants do about all of the debts they’ve accumulated during this time?

A. This is where capital management comes in, the capital management section of our toolkit can help with this. We also know that landlords are aware of this problem, and we know that they’re willing to work with people; about 75% of landlords in the US are currently working with tenants and have some form of rent mitigation/program. As far as debts and failure to pay bills, again this is one of those things that really is lender by lender, landlord by landlord, and vendor by vendor. I think that people are more flexible but will cut businesses off if they feel that they will not make it through the pandemic and/or won’t make it in the long run. Again, all we can say is that you should communicate, communicate, communicate; everybody is in the same boat, nobody is making a lot of money and nobody expected this to happen. Nobody wants businesses to go under over this, and no landlord wants to replace 10 tenants in their building. There is also business interruption insurance, something a lot of people have and don’t know about. You should definitely look at your insurance policy to see if you have that to offset your current debts.
Q. What should I do if my landlord is inflexible regarding the current situation?

A. We’re also hearing some stories about this. If landlords are charging you rent while you’re unable to make money, that’s a recipe for putting businesses out of business. I wish I had a better answer than that, but we’re finding that the landlords that see the value of a quality tenant are being very flexible, even if they don’t want to be. I think the second that you tell them it will put you out of business they may be more flexible than if you just have a casual conversation. On the opposite end, a lot of landlords may have their own agenda and want to do something different with the building, using this as an excuse to crack down on people who don’t have the ability to pay right now. It’s unfortunate, but we all know that there is a whole spectrum of different landlords and relationships with them. Other than that there isn’t a whole lot of recourse. There are some short-term emergency government regulations that have come out, but in the long-term I’m not sure there is a lot you can do about a bad landlord.
Q. Our shop had plans to expand in two years which has now had to be rescheduled. Is there any research/study on what our industry will look like 2 years from now?

A. The truth is that nobody knows. If they come up with a vaccine tomorrow and are able to produce it in a month or two, then it will look much different compared to if they don’t. Being conservative and cautious with everything we know, the restaurant industry will probably take 12-18 months to get back to 2019 levels. The National Restaurant Associate says about a third of restaurants will likely go under during this period. The reality is that those restaurants that do survive through the coming months will be in a smaller market, have more people available to go out to eat, have more staff available and have a period of lower competition; the restaurants able to make it through this may see an uptick in their business more quickly than other industries. Additionally, the nature of the business will change and continue to change; COVID-19 has really accelerated trends that were already in place such as increased delivery, increased takeout, increased off-site catering and a decrease in traditional dine-in eating/ordering. These things are not new to COVID-19 and will continue to change/move in that direction and further accelerate. The nature and amount of revenue may change as it recovers over the next 12-18 months.
Cleaning Tips for Reopening Safely

What’s the difference between cleaning, disinfecting, and sanitizing?

- **Cleaning**: Physically removes germs, lowering their numbers.
- **Disinfecting**: Kills germs using chemicals, but does not necessarily clean dirty surfaces or physically remove germs from the surface.
- **Sanitizing**: Lowers the number of germs to a safe level defined by public health standards and is achieved by either cleaning, disinfecting, or a combination.
- A disinfectant is more effective on a clean surface, therefore, it is always best practice to clean the surface first, then apply a disinfectant.
- It is best to fold your towels into neat squares, do not ball them up when cleaning.
- It is best to spray the cleaner or disinfectant onto the towel and not the object.
- It is best to always wipe in one direction and overlap your wipes.

What should you clean and disinfect?

High touch and horizontal surfaces. The virus can live on certain surfaces for an extended amount of time. High touch surfaces would be doors, doorbells, mailboxes, light switches, refrigerator handles, etc., as well as horizontal surfaces people are most likely to touch, which include countertops, desks, vanities, etc.

How can I keep myself and others safe?

- Wash your hands often, scrubbing for at least 20 seconds using hot water and soap.
- Do not touch your mouth, nose, or eyes with unclean hands.
- Wear a mask. Masks are primarily for the protection of those around you working by trapping your respiratory droplets from talking, coughing, and sneezing that may transmit the virus to others. It also may serve as a physical reminder not to touch your mouth with your hands.
ABOUT QEDC

This webinar was produced by the Queens Economic Development Corporation

Our mission is to help entrepreneurs start and maintain successful small businesses by partnering with local organizations to develop commercial districts and promote Queens as a destination for residential, business, and visitor growth.

During the COVID pandemic, QEDC will provide a wide array of resources, promote small businesses, help food makers in the Entrepreneur Space prepare meals for Front Line caregivers, and offer virtual counseling and webinars to guide business owners as they reopen.

BUSINESS SERVICES OFFERED BY THE QEDC:

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➢ Entrepreneur Assistance Center
➢ M/WBE Certification Assistance
➢ Entrepreneur Space Business Incubator
➢ Queens Start UP! Business Plan Competition
➢ Home Improvement Contractor Training

To virtually meet with a Business Advisor visit queensny.org/booknow or email info@queensny.org