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# Managing Through Crisis: Funding and Cash Management



# Managing Cash Flow

# Funding is Only Part of the Answer

- With or without funding, all companies need to:
  - Adapt business to the current environment and customer needs
  - Strategize supplemental revenue sources
  - Work with vendors, landlords, others
  - Reduce all discretionary expenses
  - Monitor and project cash flows
  - Consider IRS, DoL and other programs that may help

# Assess Your Business

- Sales: how great is the impact? Other sales options?
- Customers: are you connecting with customers? New channels or content?
- Supply chain: can you sustain supplies?
- Expenses. Which can be managed? Where can you negotiate?
- Employees: recruitment, retention, management

Don't be afraid to start from scratch; what's the right business plan and cost structure now

# Track Cash Flows

- Keep it simple: use bank statements, POS, internal bookkeeping
- Regular tracking: weekly / bi-weekly / monthly
- Major revenue and expense categories
  - Products, categories, sales channel
  - Inventory, supplies, rent, payroll, utilities

Cash flow is the life blood of your business –  
monitor it closely

# Weekly Cash Flow Tracking

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6
	Beginning Cash						
+	Sales & other income						
-	Rent						
-	Utilities						
-	Other operating costs						
-	Payroll						
-	Inventory & other purchases						
+/-	Financing						
+/-	Other						
=	Ending Cash						

Keep it simple; you can always add data as you learn more

# Managing Cash

- Delay or extend payments on invoices
- Exchange goods & services (barter)
- Repair/lease equipment vs. buying
- Reduce and eliminate costs wherever you can
- Consider options to raise cash: sell assets, consider advance payments, subscription
- Debt (credit cards, lease payments, mortgage) can be negotiated

Expense reduction is not the only option

# Lease Payments

- Review your lease; understand key provisions
- Be proactive – approach landlord with ideas
- Think long term – structure for business beyond the current crisis
- Document all communications, including attempts
- Put any agreement in writing & sign it

Your landlord's financial interest is generally aligned with yours

# Vendor Negotiations

- Don't hide; don't wait
- Approach vendors early
- Be prepared to suggest solutions
- Think long term

Vendors understand the current crisis – be proactive



# Funding Programs and Options

# Funding Options

Program	Type	Source	Admin	Amount	Comments
Paycheck Protection Program (PPP)	Loan/grant	SBA	Lender	2.5x monthly payroll	Amounts forgiven based on payroll, other spending over 8 weeks
Economic Injury Disaster Loan (EIDL)	Loan	SBA	SBA	up to \$2M	Loans to facilitate recovery & reopening
EIDL Advance	Loan/grant	SBA	SBA	up to \$10K (\$1K per employee)	Grant amount deducted from PPP forgiveness
SBA Express Bridge Loan	Loan	SBA	SBA		For borrowers with existing SBA relationship
SBA Debt Relief	Payment reduction	SBA	SBA & Lender	\$25K	For borrowers with prior non-emergency SBA loan
Main Street Lending Program	Loan	SBA	Lender	\$500K-\$10M	Support for banks to make below-market interest rate loans
Employee Retention Credits	Tax credit	IRS	IRS	up to \$5000/employee	Businesses with 50%+ revenue decline; can not be combined with PP
Deferral of Employer Payroll Tax	Tax deferral	IRS	IRS	6.2% wages	Amounts due March 12 - Dec 31, 2020 deferred; 50% due by YE21; 50% YE 2022
Shared Work Program	Cash to individual	State*	DoL		Employees on reduced hours eligible for unemployment
Recovery Rebates	Cash to individual	US Govt	US Govt	\$1,200	Sliding scale based on income

*\*State program; availability and program structure may vary by state*

# SBA Programs

- Paycheck Protection (“PPP”): low-interest, short-term loan; potentially forgivable in whole or part
- Economic Injury Disaster Loan (“EIDL”): longer term loan, intended to help restart business
  - Also: EIDL advance, Express Bridge Loan
- SBA Debt relief: SBA covers interest, principal & fees for existing loans
- Main Street Lending Program: supports banks to offer \$500K or larger loans to affected businesses

Objective: Funding to persist through & recover from crisis

# IRS Programs & Tax Credits

- Tax filing date: delayed until July 15, 2020
- Employee Retention tax credit: up to \$5000 per retained employee\* - full period of impact
- Payroll tax deferral: employer's share of social security tax 3/12-12/31/20 deferred until 2021-22
  - Employee retention credit and payroll tax deferral can not be used with PPP

Objective: retain cash in the business

*\*For companies with 100 or fewer employees; terms differ for larger companies*

# Options: Retaining Employees

- PPP: Forgivable 2-year loan, 1% interest
- Loan may be forgiven in whole or part:
  - Must spend proceeds in 8 weeks, 75% on payroll
  - Retain (or rehire) employees; maintain salary levels
- Questions:
  - What happens after 8 weeks?
  - Will companies be eligible for other programs
- Best for: businesses remaining open, staff retained

# PPP Considerations

- Payroll (loan calculation & spending/forgiveness)
  - Includes salaries, taxes, tips, commission, benefits
  - For sole proprietor, self-employed = Schedule C income
  - Not eligible: K-1 income, 1099 employees
- Forgiveness:
  - Spend in 8 weeks, payroll, rent, mortgage, utilities (75% on payroll)
  - Further reduced for reduction in a) FTEs, b) payroll
  - Headcount can be rehired by June 30

# For PPP Recipients

- May be challenging to meet spending requirements
  - Difficult to spend 75% on payroll if staff level reduced
  - Forgiveness calculation further impacted by headcount and/or salary reduction
  - Option to rehire by 6/30, but staff may not return\*
- Amounts not forgiven:
  - Converts to 2-year loan @ 1%, 6-month deferral
  - Unspent amounts can be returned, limiting loan
  - Recipients should segregate funds, monitor closely
  - Forgiveness process may be uneven

*\*SBA has clarified that forgiveness will not be reduced for documented, unsuccessful attempt to rehire*

# Options: Retaining Employees

- Payroll tax credit: refundable tax credit, up to \$5000 per employee
  - For businesses fully or partially closed due to COVID-19, or revenue decline at least 50%
  - Available for as long as decline persists (up to cap)
- Shared Work\*: partial unemployment if employee hours reduced

Challenges to spending proceeds in 8-week period, uncertain longer-term prospects could make PPP less attractive

*\*State program: terms and availability vary*

# Options: Working Capital

- PPP intended primarily for payroll
  - 25% available for rent, mortgage & utilities
  - Must be spent within eight weeks
- EIDL can be used over time (\*\* *currently unavailable* \*\*)
  - Broader range of operational expense
  - 3.75% interest, long maturity / lower principal payments
- Non-emergency SBA loans
  - Six-month deferral if issued through Sept. 27

PPP is intended for payroll; EIDL or other loans more flexible

# Application Process

- **EIDL: apply directly on SBA website**
  - Currently closed to non-agricultural applicants
  - Additional re-opening prospects unclear
  - Two-stage approval process; paid in tranches
- **PPP: loans processed by lenders; approved by SBA**
  - Lenders may impose restrictions on applicants
  - Check with a) your bank, b) smaller or community lenders, c) online lenders
  - SBA find-a-lender tool:  
<https://www.sba.gov/paycheckprotection/find>

# About Score

- Free one-on-one business mentoring
- More than 300 chapters, 10,000 volunteers nationwide
- Technical, operational, industry and subject-matter expertise
- Webinars, resources, local events and expertise

<https://www.score.org/>



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# Appendix: Program Details

# Paycheck Protection Program (PPP)

- Forgivable loan: 250% of monthly payroll
- Forgiven if
  - Proceeds used for payroll, rent, mortgage & utilities
  - Forgiveness adjusted based on retention of headcount, salary level
  - 75% must be spent on payroll
- Terms: 2 years, 1% interest, 6-month deferral, no fees
- Best for: Small businesses retaining employees

<https://www.sba.gov/funding-programs/loans/paycheck-protection-program>

# Economic Injury Disaster Loans (EIDL)

*\*\* Temporarily suspended for non-Agricultural \*\**

- 3.75% for companies; 2.75% for non-profits, up to 30-year maturity
- Best for: businesses and nonprofits profitable prior to COVID crisis - although all organization should apply
- Considerations:
  - Borrower must demonstrate credit quality (earnings, collateral, credit score), although SBA indicates criteria are being relaxed
  - Maturity reduces principal payments; can be repaid without penalty

<https://disasterloan.sba.gov/ela/>

# EIDL Loan Advance

- EIDL applicants may apply simultaneously for advance of up to \$10K
- Revision: max \$1K / employee
- Considerations:
  - Advance does not have to be repaid
  - If business also has a PPP loan, advance will be deducted from PPP forgiveness total

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

# Express Bridge Loan

- Businesses with an existing SBA relationship can access up to \$25K of EIDL quickly
- Bridge will be repaid with (effectively folded into) EIDL
- Considerations:
  - Businesses with a current or prior SBA may choose this, particularly if also applying for PPP
  - Get more proceeds faster; full forgiveness applicable to PPP loan

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-express-bridge-loans>

# Small Business Debt Relief Program

- SBA will cover 6 months of principal, interest and fees on new or existing non-emergency loans
- Best for: borrowers with existing SBA non-disaster loans (7A, 504, microloans) or ready to apply for them.
- Considerations:
  - Should be applied automatically to existing loans; contact your lender with questions
  - Borrowers may separately obtain PPP or EIDL, but debt relief will not apply

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>

# Main Street Lending Program

- Supports lending to small and medium-sized businesses “that were in sound financial condition” pre-crisis
  - \$500K+ loans, EBITDA based
  - 4-year loan, LIBOR + 3%; no principal payments year 1
- SBA will purchase up to 95% of participating loans
  - Funding provided by individual banks
  - SBA support enables lenders to make more loans to smaller, higher-risk borrowers

<https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm>

# SBA Loans - General Information

- **Eligibility:**
  - Small businesses and nonprofits with 500 or fewer employees, sole proprietorships, independent contractors and eligible self-employed individuals
  - Organizations in operation as of February 15, 2020
- **Borrowers may apply for multiple SBA loans - as well as other programs**

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

# Employee Retention Tax Credits

- Refundable tax credit for wages, healthcare costs; up to \$5000 per retained employee
- For:
  - Businesses with fewer than 100 employees\*
  - Decline in revenues of at least 50%
- Credit against payroll taxes owed

*Note: cannot be used together with PPP*

<https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act>

\*Available for companies > 100 employees, but terms differ

# Deferral of Payroll and Self-Employment Tax

- Deferral of employer's 6.2% Social Security tax payments
- Applies to all payments March 12-December 31, 2020
- Payment is deferred:
  - 50% due by December 31, 2021
  - 50% due by December 31, 2022

*Note: cannot be used together with PPP*

<https://www.mwe.com/insights/cares-act-social-security-tax-deferral-and-employee-retention-credits/>

# Shared Work Program

- Retain trained staff; avoid layoffs
- Employees can receive partial unemployment benefits for reduced hours
- Full time, part time and seasonal employees eligible
- Availability and details vary by state

# Pandemic Unemployment Assistance (PUA)

- Expands UI benefits to self-employed, contractors
- For those diagnosed, self-quarantining or caring for COVID-19 patients or otherwise unable to work due to virus
- Additional \$600 / week in addition to UI
- Benefits extended from 26 to 39 weeks
- Apply at <https://applications.labor.ny.gov/IndividualReg/>

YOUR LOGO HERE

Dear Guests,

As a member of this community we are monitoring the latest news about the Covid-19 virus. The health and safety of our team members and guests are our central concern. We want to provide you with an update to the steps we are taking at **[Insert Company Name]** in order to serve you with a safe dining experience. We will continue to monitor the situation closely and continue to communicate our commitment to keep our community safe.

- We are sanitizing surfaces on a regular schedule and after each guest contact. Including: **[enter specific examples]**.
- We are sanitizing these surfaces with more scheduled frequency **[Include specific schedule]**.
- We are providing our guests the necessary sanitizing products such as alcohol based sanitizers and anti-bacterial soap.
- Our staff is trained on food handling and servesafe certified. We are still observing best practices in food handling, taking all additional precautions.
- Our staff is wearing appropriate apparel for safety **[include specifics]**.
- We are monitoring each employee; symptomatic employees are not permitted to work.
- We have followed strict local public health guidelines for food service industry.
- For your safety and convenience, we offer curbside delivery. Please call the restaurant at **[number]** to place your order or make a reservations.

**PHONE:** XXX-XXX-XXXX

**WEBSITE:** Website goes here

**EMAIL:** abcdef@12345.com

**THANK YOU FOR YOUR CONTINUED SUPPORT.**

*Your Name*  
Print Name Here | Establishment Name Here



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## THOUGHTS FOR OPERATORS

### TIMELINE FOR READINESS

#### Now, Next and Beyond

This document addresses workforce considerations and is not inclusive of logistical considerations.

##### FOCUS AREAS:

- Workforce planning
- Human resource policies
- Communication

##### TIMELINES TO BE COVERED:

- Now: Pre-opening
- Next- Day 1- 30
- Beyond- Day 30+

#### Always top of mind

**Communicate with workforce in ways that demonstrate concern for employee's health and safety.**

1. Establish a larger purpose for employees- Opening to help create community and have sense of normalcy in their day
2. Make sure there are no surprises
3. Ensure that employees understand the need for changes to the workplace (importance to adhere to safety guidelines), including the reporting of any changes to personal health status as it relates to COVID-19
4. Make sufficient supplies of PPE available (masks, gloves)



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## THINGS TO THINK ABOUT

### WORKFORCE PLANNING

#### Now

- What are pivotal roles critical for business operations?
- Consider a workforce inventory
  - Who is likely to return to work (dependable)
  - Who might or might not return (uncertain)
  - Who do you think won't return (unavailable)
- Do you need to rethink how work gets done (ex- hostess duties, cleaning tables)?
- Develop your operations for a flexible workforce- who will return, leave requests, call outs, etc.
- Which roles are susceptible to contamination? Need protocols for those roles
- Do you have training protocols for PPE? Do you have enough protective gear in stock?
- Develop contingency plans in the event you cannot get your employees to return to work
- Consider developing and instituting policies that have an end date- see below

#### Next

- Can employees be cross trained in case someone is sick/out, or can roles be combined in order to manage labor expense?
- Maintain flexibility to ensure work schedules can be changed based on unforeseen developments
- Understand potential needs of employees based on leave that may and can be requested
- Stagger schedules (M,W,F crew & T,THR,Sat crew) to avoid potential exposure

#### Beyond

- Continue to assess cross-training needs based on employee performance in first 30 days and service level needs
- Ensure employees are following safety protocols
- Consider plans for possible future virus outbreaks
- Closely monitor legislative developments regarding employer liability
- Consider workforce expansions for increased service needs as business dictates

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# THINGS TO THINK ABOUT

## HUMAN RESOURCES POLICIES

### Now

- Know and understand the recent legislation related to leave and unemployment and incorporate into your workforce planning and revised HR policies
  - What is an employee won't come back to work?, What if they have a child at home?, What if they have a temperature?, Etc.
- Attendance and shift changes- do you have a policy? Does it need to allow for more flexibility if someone is sick or feels sick? Note: some employer's policies include a notice requirement when schedule changes are made. This type of consideration may need to be relaxed
- Coronavirus Procedures (diagnosed and direct exposure)
  - Reporting procedure
  - Someone seems sick onsite (employee or customer)
  - Procedure to communicate with others that may have been exposed
  - Back to work procedure including what type of medical certification will be required
- Teleworking- are there still jobs that can be done remotely? Probably limited but how think outside of the box. If so, ensure it's understood why some can be done remote and others cannot. Don't assume that all employees will see it the same way.
- Understand and comply with state and federal requirements
- Consider temperature checks?
  - Will you do it? Procedure? Who will do it?
  - What if someone refuses temperature take?
  - Ensuring safety during temperature takes- 6 ft apart
  - Need to keep information confidential for compliance with ADA/EOC record keeping

### Next

- Ensure protective gear is sufficient and in stock
- Implement policies on use of devices
- Personal cell phones - not allowing cell phones usage by servers since they tend to dirty and could spread virus if on it
- Credit card handling
- Educate employees on actions needed if another employee or customer is potentially sick
- Consider laws around breaks and other requirements with limited workforce
- Communicate with employees to understand concerns and questions. Make adjustments where needed (operational changes, customer concerns)

### Beyond

- Are the right policies in place? Are they working? What needs to be addressed?
- Stay updated on changes to state and federal requirements

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## THINGS TO THINK ABOUT

### COMMUNICATION

#### Now

- Develop customer behavior standard- what is considered acceptable behavior? Foster an environment where employees feel supported by management
- Posters in breakrooms with reminders
  - Mask- wash hands- don't touch face- space is important- stay home if sick
  - When to wear PPE

#### Next

- Email or text- one way isn't always the best way
- Leave information easy to access and explained
- Encourage two-way communications. Employees should be encouraged to keep the business constantly updated on their ability to work safely

#### Beyond

- Take pulse of employee morale and ensure communication is effective. Find out what employees need- "Take the stress out of guessing"
- Ensure all protocols for health and safety are being followed

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# BACK OF HOUSE CHECKLIST

## OPENING CHECKLIST

- Turn on lights and equipment.
- Unlock coolers, freezers, dry storage area, and loading dock door.
- Turn on dish machine.
- Complete morning inventory checklist.
- Establish prep list for daily production.
- Assign prep tasks to line cooks.
- Issue side towels and aprons to team.
- Check for leftover items that can be used for specials.
- Post items that are not available.
- Pull all needed prep items for stations at one time to prevent back and forth in walk-in cooler and freezer.
- Check temperatures on reach-in line coolers to make sure they are 40 degrees or lower to safely hold food for shift.
- Clean and sanitize line coolers before service.
- Clean and sanitize cooking area after prep to prepare for cooking and service.
- Gather hand tools, sauté pans etc. for stations.
- Make sure printer paper is loaded or P.O.S. screen is on and ready for orders.
- Make sure plates for service are chilled or warmed and on station.
- Have a pre-shift meeting with front and back of the house to discuss daily specials.
- Assign a line cook to receive and put away any incoming deliveries.



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# BACK OF HOUSE CHECKLIST

## CLOSING CHECKLIST

- Turn all equipment off.
- Remove all food from reach-in line coolers to put in fridge or freezer for overnight storage.
- Make sure all food removed from line coolers is wrapped and labeled with date for stock rotation.
- Check food in walk in cooler and freezer to organize, label and date for stock rotation.
- Clean and sanitize floors, doors, racks, gasket seals, hinges and walls of walk in cooler and freezer.
- Clean and sanitize reach-in line coolers including gasket seal and hinges.
- Clean and sanitize shelving, tables, work areas and line area of kitchen.
- Empty, clean and sanitize all grease catches on equipment and replace.
- Bring all dirty pans to three compartment sinks.
- Bring dirty dishes and hand tools to dish room.
- Put together order for food delivery needs.
- Check with dishwasher and front of house for any needs.
- Lock all coolers and freezers.
- Make sure trash cans have been emptied and cleaned and sanitized.
- Make sure lid of dumpster is closed.
- Make sure dry storage area is clean and organized.
- Make sure to lock and arm exit doors.



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# DISHWASHER CHECKLIST

## OPENING CHECKLIST

- Make sure dish machine is on and needed chemicals are full.
- Set up three compartment sink.
- Empty and re-set three compartment sink every hour to keep clean and sanitary.
- Clean and sanitize kitchen, dining room and bathroom floors.
- Clean and sanitize handwashing station areas.
- Clean and sanitize bathroom surfaces and areas.
- Check towels and soap dispensers at hand washing stations.
- Check towels, soap dispensers and toilet paper in bathrooms.
- Check lights to see about bulb replacement.
- Clean and sanitize food delivery area.
- Clean and sanitize dumpster and trash area.
- Make sure trash cans have liners and are clean and sanitized.
- Make a list of any supplies to give Chef for ordering.
- Clean and sanitize parking lot and area outside of restaurant.

## CLOSING CHECKLIST

- Clean and sanitize dish machine and three compartment sink.
- Put away clean dishes, glasses, pots and pans etc.
- Clean, sanitize, and empty trash cans.
- Clean and sanitize parking lot, outside of restaurant and delivery areas.
- Clean and sanitize bathrooms.
- Clean and sanitize floor areas.
- Re-load hand towel dispensers and soap dispensers.
- Clean and sanitize hand washing areas.
- Remove vent hood screens and clean and sanitize.
- Check out with Chef

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# FRONT OF HOUSE CHECKLIST

## OPENING CHECKLIST

- Turn on lights and music.
- Turn on P.O.S. system.
- Sign in or punch in.
- Refill receipt paper.
- Check uniforms for cleanliness.  
Put on gloves and face coverings.
- Clean and sanitize menus.
- Take count of money in register.
- Sweep, vacuum and sanitize floors.
- Position chairs and stools to welcome customers.
- Clean and sanitize chairs, stools, tables and bar area.
- Clean and sanitize windows, doors and door handles.
- Check light bulbs to make sure all are operational.
- Check customer bathrooms for cleanliness and that they are stocked.
- Make sure service trays and tray jacks are clean and sanitized.
- Set beverage stations with clean glasses and flatware.
- Make sure tables are set for service.
- Check reservation list and look for special requests by customers.
- Check with kitchen to make sure all menu items are available and daily specials.
- Check to make sure to-go and delivery area is stocked and ready.
- Check to make sure parking lot, to-go spots, etc. are clean and ready.
- Turn over the sign to show you are open.
- Assign team member to check in and put away incoming deliveries.

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# FRONT OF HOUSE CHECKLIST

## CLOSING CHECKLIST

- Flip the sign to close.
- Clean and sanitize door and windows.
- Clean and sanitize menus, chairs, stools, tables and bar etc.
- Refill condiments and napkins.
- Empty and clean water pitchers and iced tea and coffee machines.
- Clean, sanitize and wipe down glasses and flatware.
- Empty trash, clean and sanitize cans and replace bags.
- Clean and sanitize bathroom sinks and counters.
- Print end of the day report.
- Close out register.
- Clean and sanitize floor areas.
- Make sure no food is left out.
- Check any cooler temperatures to make sure they are 40 degrees or less.
- Make a note for opening crew of needs to address.
- Clean and sanitize trays and tray jacks.

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# EMPLOYEE MANUAL TEMPLATE

## CHECKLIST

- WELCOME STATEMENT for team members
- MISSION STATEMENT
- BUSINESS PHILOSOPHY or approach
- Reason for or HANDBOOKS PURPOSE
- EMPLOYMENT POLICIES
- NON-DISCRIMINATION STATEMENT
- AGE REQUIREMENTS due to alcohol sales
- SCHEDULES related to standards
- CONDUCT
- HARASSMENT
- SEXUAL HARASSMENT
- ABSENCE AND TARDINESS POLICY
- RESIGNATION and TERMINATION POLICY
- PAYMENT PROCEDURES- Time clock, tip procedures, payroll schedule, payroll deductions, personal information, lost paycheck policy
- BENEFITS- Family and medical leave, holidays, vacations, workers compensation, employee meals
- CUSTOMER SERVICE
- TELEPHONE COURTESY
- MANAGEMENT/EMPLOYEE RELATIONS
- MEETINGS
- TEAMWORK
- COMMUNICATION
- DRESS CODE
- SAFETY/SANITATION POLICY and PROCEDURES
- ACCIDENT and EMERGENCY SITUATIONS and PROCESSES
- HANDBOOK RECEIPT for employee to sign

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# DO THE MATH: OVERALL FOOD COST

## What's your percentage – and your chance to profit?



**JUST THINK:** Every percentage point you can come down on food cost, the more money you pocket. Every day, every week, year after year. And there's good news: Plenty of strategies make a difference here, from savvy ordering and inventory tracking to effective menu design to reducing waste in both the front and back of the house. Don't have a clue what your current food cost is? **THEN LET'S START HERE.**

# 28% TO 35%

Food cost generally incurred by profitable restaurants.

## OVERALL FOOD COST (%)

$$\text{FOOD COST \%} = (\text{BEGINNING INVENTORY} + \text{PURCHASES} - \text{ENDING INVENTORY}) / \text{FOOD SALES}$$

First, choose your inventory period, e.g. 1 week

Inventory value at the beginning of that period:	\$	
		+
Purchases made during that period:	\$	
		-
Inventory value at the end of that period:	\$	
		=
	\$	
		÷
Food sales for that period:	\$	
		=
<b>TOTAL FOOD COST</b>		<b>%</b>

Making more money does not mean buying cheaper, it starts with understanding the levers for restaurant profitability.

### SIZE MATTERS:

- Are your portions too big?
- Are a lot of customers getting to-go bags?
- Is product being returned to the kitchen?
- Is kitchen staff using portion control tools?
- Does your kitchen staff always follow recipe guidelines and plating examples?

### PROFIT MARGINS:

- Are dishes priced accurately?
- What's your competition charging for a similar dish?
- Do you have a feel for your comps, or is waitstaff forgetting to charge for add-ons and substitutions?

# PROPER HANDWASHING

How to protect your health and the health of others



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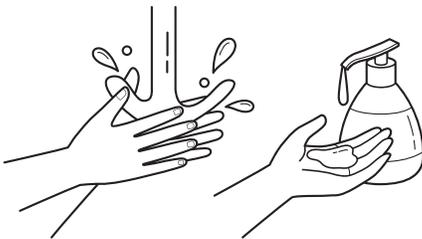
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- ✓ Soap and water are more effective than hand sanitizers at removing certain kinds of germs.
- ✓ Sanitizers are less effective than soap and water, because people may not use enough or may wipe it off before it has dried.
- ✓ Placing hand washing reminder signs in key areas is proven to increase frequency and length of handwashing.
- ✓ Hand washing does not protect people from diseases such as chicken pox, measles, influenzas, tuberculosis and mumps, which are passed through the air or by sneezing, coughing or laughing.

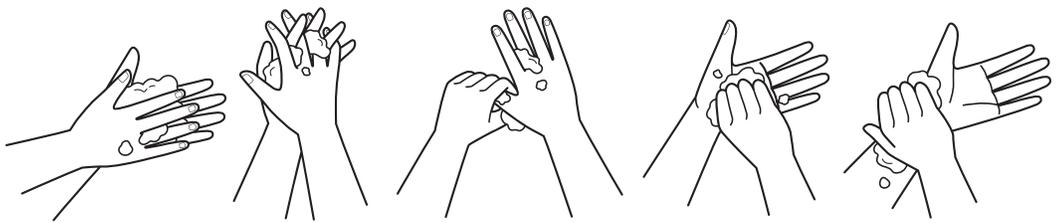
Source: Michigan State University Handwashing Study, CDC

## HANDWASHING DONE RIGHT

**1** Wet hands

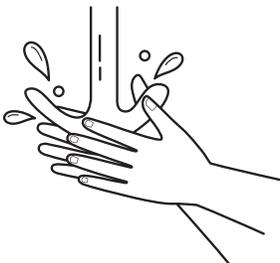


**2** Use soap for 20 seconds, scrubbing all parts of hands

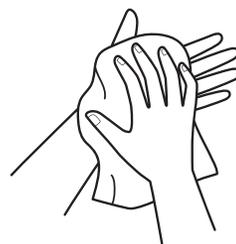


palm to palm & fingers interlaced | thumbs & fingertips | front/back hands & wrists

**3** Rinse thoroughly with warm water



**4** Dry completely with clean towel



**5** Turn off faucet with towel





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# CHECKLIST: ONLINE MARKETING

Are you following industry best practices?



There's marketing – then there's marketing that works. That includes building customer traffic, reinforcing loyalty, leveraging positive feedback and positioning your operation against competitors. Want to achieve all of that? Ask yourself some questions to find out whether your online efforts set accurate expectations for guests – and how your marketing practices match up with today's best practices for selling yourself online.

## ORDER UP

The number has probably changed even while you're reading this, but 37% of restaurants already offer online ordering.

## WEBSITE STRATEGY

SEE HOW YOU MATCH UP BELOW:	YES	NO
Does your restaurant have a website?	<input type="radio"/>	<input type="radio"/>
Is yours mobile, tablet and desktop friendly?	<input type="radio"/>	<input type="radio"/>
Are you using mobile optimized images?	<input type="radio"/>	<input type="radio"/>
Is the design optimized for search engines?	<input type="radio"/>	<input type="radio"/>
Are your address and phone number visible on every page?	<input type="radio"/>	<input type="radio"/>
Does your address open in Google Maps?	<input type="radio"/>	<input type="radio"/>
Is your phone number "one click to call"?	<input type="radio"/>	<input type="radio"/>
Do you accept online reservations?	<input type="radio"/>	<input type="radio"/>
If so, are reservations accessible on every page?	<input type="radio"/>	<input type="radio"/>
Do you include an email sign-up to collect leads?	<input type="radio"/>	<input type="radio"/>
Do you send regular e-newsletters to your leads?	<input type="radio"/>	<input type="radio"/>

### WHATEVER YOU CHOOSE:

- Is your menu posted online in a friendly format?
- Are your food/bev offerings, ambience, parking, etc. accurately described?
- Is someone in-house on top of updates, e.g. specials, events and menu changes?

### SOCIAL MEDIA STRENGTH:

- Do you use social media to engage with your customers?
- Have you claimed your business on the most popular review platforms?
- Have you ever used online advertising?

# Restart Quick Guide



## restaurant

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This list of action items is provided as general guidance and is based on information gathered from government agencies and municipalities across the country. In addition to resources from the FDA and CDC, we recommend that you also reference any state and local protocols in your area to ensure proper compliance prior to opening.



### PROTECT YOUR CUSTOMERS

- Make hand sanitizer available at the entrance to your operation.
- Keep parties at least 6 feet apart at all times.
- Limit groups to no more than 6 per table.
- Enable contactless payment if possible.
- Use disposable menus or digital menu boards.
- Provide condiments only upon request and in single-serve portions.
- Do not leave flatware, glassware or other items on an unoccupied table.



### PROTECT YOUR EMPLOYEES

- Train all employees on proper cleaning, disinfection and hand hygiene.
- Screen employees for illness before coming into restaurant.
- Wash hands upon entering operation and between customer interactions.
- Maintain 6 feet of separation between all individuals.
- Offer masks for employees or encourage face coverings.



### HEALTH PROTOCOLS

- Disinfect all items that come in contact with customers. This includes tables, chairs, stalls and countertops between parties.
- Make hand sanitizer available at the entrance to your operation.
- Clean restrooms regularly, frequently, and keep a log.
- Post signage regarding safe hygiene practices.
- Assign someone to manage and control access to the restaurant to enforce social distancing and prevent patrons from touching door handles.
- Clean and sanitize restaurant daily.



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# DO THE MATH: TABLE TURNOVER

## Measure and maximize your rates



Every operator wants to get the optimal number of table turns during any given shift. Obviously the more customers you serve, the better for your bottom line. And the less time customers have to wait for a table, the better the chance they'll rate your restaurant as delivering a great guest experience. Technology can also help (like POS systems and tableside payment), as can staff training. But the first step is paying attention! So if your grasp on your table-turn numbers is a little wobbly, begin with the exercise below.

During the dinner period, tables usually flip 3 times (every 1-½ hours) for a family restaurant; figure 2 hours for fine dining and 1 hour +15 minutes for a casual venue.

## TABLE TURNS

**# OF PARTIES / # OF TABLES = TURNOVER RATE**

First, choose your time period, e.g. 5 p.m. to 10 p.m. (5 hours)

No. of parties served during that period:

÷

No. of tables occupied during that period:

=

**TURNOVER RATE**

FOR EXAMPLE:

- 20 parties, 5 tables
- 20 / 5 = 4 turns during a 4-hour period

### TICK, TICK, TICK:

- Are servers getting to each table within 1 minute after seating?
- Is staff having issues turning tables during certain times?
- Are certain sections/servers turning more slowly than others?
- Are dishes being cleared as each guest finishes, rather than all at once?

### ASK, ASK, ASK:

- Does staff query whether guests are returning, thus saving time explaining the menu?
- Are servers making tradeoffs with check average (e.g. missing the chance to upsell dessert)?
- Could you invite customers to move to the bar for a free drink, and free up their table?



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# WAITSTAFF TRAINING

Is your program up to speed – and effective?



Even if you have a plan in place, it's probably time to revisit, because customer expectations are now higher than ever for restaurant service. Just as important: The benefits of thorough, on-point training. Higher check averages, more positive online reviews – training is relevant to several critical components of your business success. So make a new commitment to review and upgrade your training program.

**HOW CAN YOUR SERVERS' SKILL SET BE IMPROVED?**

## STICK AROUND!

Staffers who are well trained are also more engaged on a daily basis – and thus more likely to stay with you longer.



### "BUT I THOUGHT..."

- Are job duties clearly communicated?
- Are expectations of job success spelled out?
- Do servers understand the tone you want them to take with customers?
- Are you using several types of training to convey information and reinforce knowledge? (e.g. job-shadowing, demos, written/visual aids, role-playing)

### "THAT HAS NUTS?"

- Do servers know the important details about allergens in dishes?
- Do they also understand the attributes of dishes, such as grilled vs. baked?
- Can servers answer questions about portion size, from number of scallops to how big the entrée salad is?

### "WHAT SPECIAL?"

- Are you keeping waitstaff up to date on LTOs and menu changes, including pricing?
- Can servers describe mouth-watering sides, sizzling plates and layers of chocolate ganache, to upsell customers?