

# Managing F&B Operations During COVID-19

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*Food For Thought*



# Food For Thought – F&B Impacts of COVID-19

COVID-19 has caused a sea-change in regard to guest behaviors and expectations:

- **Safety and cleanliness**

- Guests will have a heightened sense of safe food handling practices, and properties will need to modify their operations such as increasing the frequency of general sanitation, ensuring staff can work safely, are properly trained

- **Handling of food and commonly used items**

- Need to rethink service of common items; money exchange, utensils, sharing of coffee/teapots, transporting plates, beverage and condiment servings, etc.
- Consider additional labor to physically staff buffet lines and serving, increase pre-packaged goods for group/convention type F&B offerings, adapt to-go and room service options

# Food For Thought – F&B Impacts of COVID-19 (con't.)

- **Physical Distancing**

- Restaurant/bar table configuration and guest proximity guidelines will impact # of covers, turn over rate, staffing and revenue

- **Group Business**

- Group revenue will be impacted heavily for months to come; and consequently, a la carte related F&B costs will be scrutinized under a larger microscope

- **P&Ls**

- Low F&B cost performance on the P&L have quickly changed; loss of higher group catering profit margins will impact overall food and beverage costs

Now is the time to think about how your business can adapt to these changes.  
On the next slides, Avendra offers several tactics to help you manage a new path forward.

# Know Your Margins



- ✓ Know input costs and B/E points
- ✓ Treat each outlet like a separate P&L
- ✓ Calculate overhead costs (labor, electricity, rent, paper goods)
- ✓ Monitor, measure and frequently adjust
- ✓ Point of sale must be correct and accurate, menu engineering analysis is necessary

# Evaluate Purchasing Practices



- ✓ Collaborate with finance and adhere to a weekly spend threshold
- ✓ Centralize purchases and direct orders
- ✓ Reduce specialty product ingredients
- ✓ Limit transactions, delivery times and frequencies
- ✓ Suspend non-essential Capex spend/projects
- ✓ Inquire with supplier/distributors on what they may be discounting

# Staffing Considerations



- ✓ Revise staffing guidelines
- ✓ Now is a great time to precisely calculate labor for forecasted covers/revenue
- ✓ Set thresholds for varying levels of occupancy, covers and expected revenue
- ✓ Reconsider contract/buyout labor and instead, cross utilize current employees

# Menu Adjustments



- ✓ Increase frequency of analytics and profitability reports; be ready to change/alter menu options and price points
- ✓ Capitalize on specials to utilize inventory, be flexible to change/alter menu options
- ✓ Flex to a la carte, grab-n-go and smaller fixed menu offering options
- ✓ What specials, promotions, etc. can be created to draw guest interest?
- ✓ Are there impulse buys, especially during breakfast, that can appeal to guests?

# Product Alternatives



- ✓ Reduce menu items that are highly perishable and require frequent inventory turns (live shellfish)
- ✓ Adjust specs to lower cost choices
  - ✓ Where applicable, downgrade branded coffee options
  - ✓ Move away from premium labels (prime, organic, other notable brands)
  - ✓ Promote “plant forward” (smaller protein portions, more veg)
- ✓ Evaluate food and beverage deadstock (freezer/wine/liquor)



# How can we help?

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