

Foodservice Updates

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Thinking about selling? Optimize your value first.

The past few years have tested the will of many restaurant owners who managed to make it through the pandemic but have struggled with economic headwinds ever since. If you're looking to sell your restaurant business, you'll need to organize many of the same items mentioned above that can help you secure financing. But it's also important to review the expenses you have accrued in the business and translate them into benefits that have value to a new owner.

Robin Gagnon, cofounder and CEO of We Sell Restaurants, explained in a recent episode of the Restaurant Rockstars podcast that her role as a broker is basically the inverse of what a CPA does. Instead of looking for expenses to legally deduct, she's identifying expenses that bring value to a restaurant business and can be added back in to boost the value of the operation to a buyer.

While you might review your your tax returns and be disheartened if you see negative earnings, working with a broker can help you view that information through a different lens. By aggregating the seller's discretionary earnings, or the amount of actual value you receive as an owner from such expenses as insurance, mobile phones, and employee bonuses and incentives, you can uncover the value that a buyer is gaining through the sale — value they might use themselves to free up cash and restructure the business.



Tech Talk

The opportunity in invisible AI

The Nation's Restaurant News 2023 Restaurant Technology Outlook survey found that while a large portion of restaurant operators are planning to invest in guest-facing technology, there is a large untapped opportunity in back-of-house artificial intelligence functions that aren't visible to your guests. The survey found that only 12 percent of respondents say they use AI-powered sales forecasting and labor scheduling, for example. But there is great potential for savings in these back-of-house functions. Using AI in combination with your collected data can help you analyze your inventory to ensure you're not overpaying for ingredients, as well as to automate payments — tasks that often require employee labor but don't have to. Where might you be able to use AI for back-of-house tasks in ways that free up your staff?



Keeping pace in the automation race



As more restaurant brands embrace automation — whether it be through bots capable of taking orders, machines that can prep ingredients faster and more precisely than humans, or simply the tracking of guest preferences — they are raising the bar for not only themselves but also for other brands. “Now most consumers expect their local pizza place and their favorite coffee house to remember their last order, know what credit card they want to use, and make it quick and easy for them to complete an order,” said Aaron Nilsson, chief information officer of Michigan-based Jet Pizza, in a recent article in the *Economic Times*. “Society has moved on and automation is expected — even from the small-time operator.” As you consider potential technology investments, look at your biggest pain points and areas of waste. From labor to inventory management to food prep, there are incremental steps you can take to automate processes and ensure your brand isn't left behind as highly established brands show what's possible with the technology.

Trends

Sriracha mix-ups

Sriracha varieties are on the National Restaurant Association's What's Hot list for the year — and in addition to being popular with guests, they're also a versatile, cost-effective item to have in your toolbox. Sriracha sauce mixes well with such commonly used condiments as ketchup, mayonnaise, honey and butter. From there, you can translate it into a wide range of applications and menu categories. Whip up a dipping sauce, sandwich topping, chicken marinade or snack seasoning, or use to it add some spice to soup or brownies.



What's your contingency plan?

As extreme weather becomes more common, more parts of the country that haven't historically seen many hurricanes, floods or other extreme conditions must plan for the worst. Having an updated emergency plan can help you to keep your employees informed and safe, as well as protect the food you have in your inventory. Ensure you have an accurate list of emergency contacts including the Red Cross and other public health authorities, utility companies, your plumber, rental equipment firms, and suppliers of water and dry ice, for example, and ensure that your employees have access to it. The same goes for your emergency supplies. Have flashlights, batteries, tarps, first aid supplies and other emergency supplies on hand for during and after extreme weather events. If your facility has lost power but it's otherwise safe to remain there, you'll want to protect your inventory from spoilage. Know which items should take priority for placement in an ice bath, for example, and what might be safe left alone in the freezer for 24 hours. If your staff has been relying on digital tools to track and log the temperatures of foods and appliances, ensure they know how to manage these processes manually so you're able to save as much of your inventory as possible.



#FoodSafety

Consistent food safety across locations

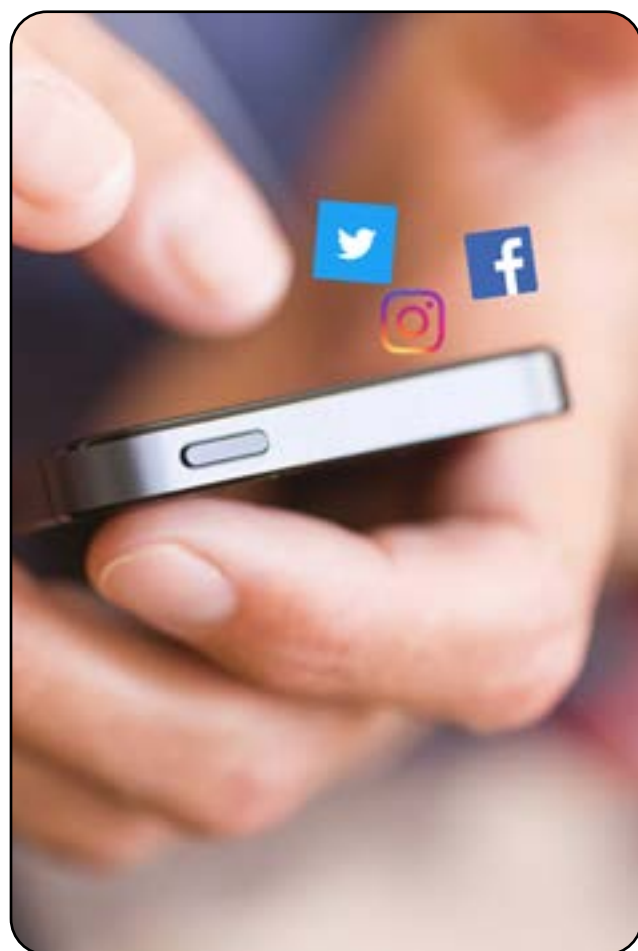
Have you digitized your food safety management yet? The benefits of doing so become especially clear when you're operating multiple stores. You can run your food safety program from a centralized system that applies procedures and training consistently across the different operations. In addition to helping you pinpoint and respond to hazards quickly, a centralized system ensures your guests have a consistent experience with your brand regardless of where they encounter it — a major bonus if your guests can currently taste differences in the food served at your various locations. It enables real-time data analysis and response across all operations, so an error you detect in one store is one you can quickly prevent in another. This automatically feeds into comprehensive reports that you can analyze across stores. You will more readily spot outliers that may need attention — something that also casts your brand in a favorable light with regulators when it comes to compliance.



Foodservice Updates

Allow guests to order from where you connect with them online

Where do your guests interact with you online? If you have a strong social media following and a consistent presence on select platforms — or even if you have plans to launch social media-based marketing campaigns in the future — you could probably benefit from social media ordering. The recent announcement that Deliverect was acquiring ChatFood, a company specializing in social media ordering, is likely to make the capability far more common. Restaurant Business reports that Deliverect works with about 41,000 restaurants around the world and roughly one-third of them are located in the U.S. The deal will give restaurants that use Deliverect a new stream of orders: People can order food from these restaurants directly from their Facebook, Instagram and WhatsApp accounts without having to leave the app and place their order from your website or a separate app. Restaurant food is often an impulse purchase and the social media ordering functionality removes some of the barriers that currently exist between your food and potential guests. Imagine sending someone in your loyalty program a WhatsApp message with a targeted offer. Instead of leaving WhatsApp to visit your app or website to order, all they have to do is reply. They can even use the same app to coordinate the order with their partner.



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