

Restaurant Survey Results: COVID Impact and Recovery

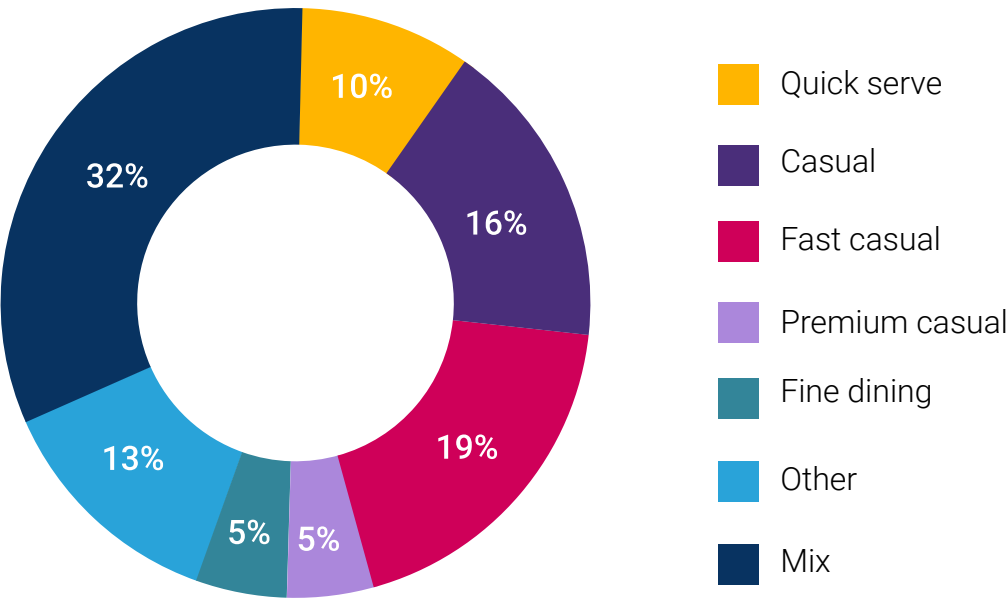
Results from a survey conducted by the National Restaurant Association and Sage Intacct gauging restaurant sentiment on recovery, reactions to the crisis, and technology tools

Product: **sage** Intacct

Partner: PRH Consulting, Inc.



Respondents Represented



Background

The COVID-19 pandemic continues to impact the restaurant industry. With efforts to contain the virus still ongoing, uncertainty is an ever-present obstacle in business decisions.

Restaurants need to react and make quick adjustments to their business, as the constant stream of new information continues to flow in regarding re-openings, government programs and mandates, and customer preferences.

In a survey conducted by the National Restaurant Association and Sage Intacct in Summer 2020, 230 restaurant finance leaders shed light on the impact of the COVID-19 crisis, actions taken in response, and lessons learned.

Here's what they had to share



Contents

Tough decisions restaurants face
amid unprecedented challenges4

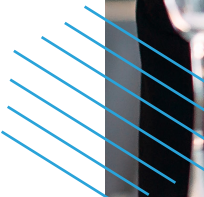
Business models evolve drastically
during the pandemic7

The majority of restaurants
feel the worst is past.....10

The crisis brings to light operational
areas in need of improvement.....12

Cash forecasting tops the list of recovery plan
actions, along with surprising investments.....15

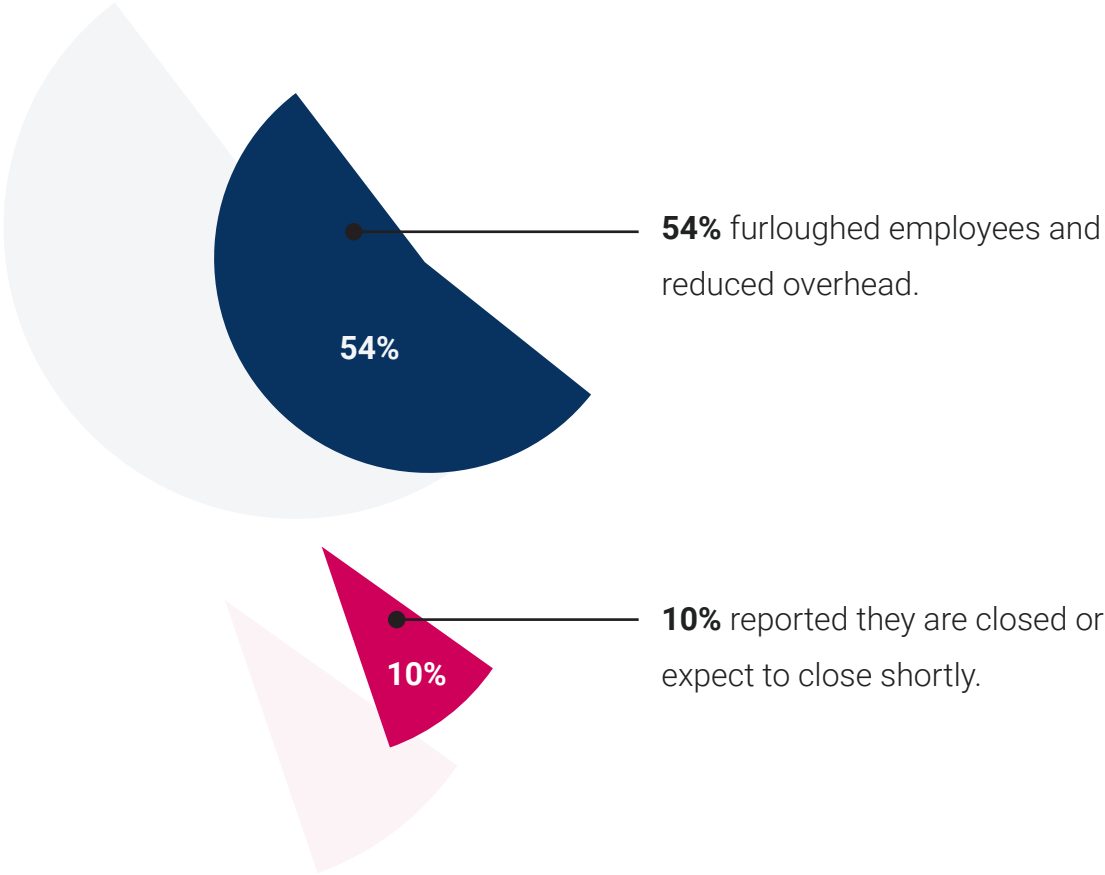
Conclusion.....18





Tough decisions restaurants face amid **unprecedented challenges**

With business operations and demand heavily impacted by closures, many restaurants took measures to stanch the outflow of cash during this time.



Takeaways

Closures and re-opening mandates vary by region and are a significant factor in restaurant performance. Due to mandates and demand outside the control of restaurants, tough choices had to be made in order to cut costs.

With so much at stake and so much in flux, a complete and current picture of your cash footprint is essential to making precise, data-driven decisions. Is it possible to schedule your payment timing more strategically or are there areas you should renegotiate terms with vendors and partners? Cash management tools help restaurants gain insights into the working capital of their multiple locations and entities and adjust to evolving requirements on the fly.



PRH Consulting, Inc



”

Before, we were putting a lot of things in a spreadsheet and not really forecasting. Sage Intacct has really helped upper management see where the money's going out.



Cesar Elizondor, Controller
StarCorp (franchisee of CKE Restaurants)

StarCorp

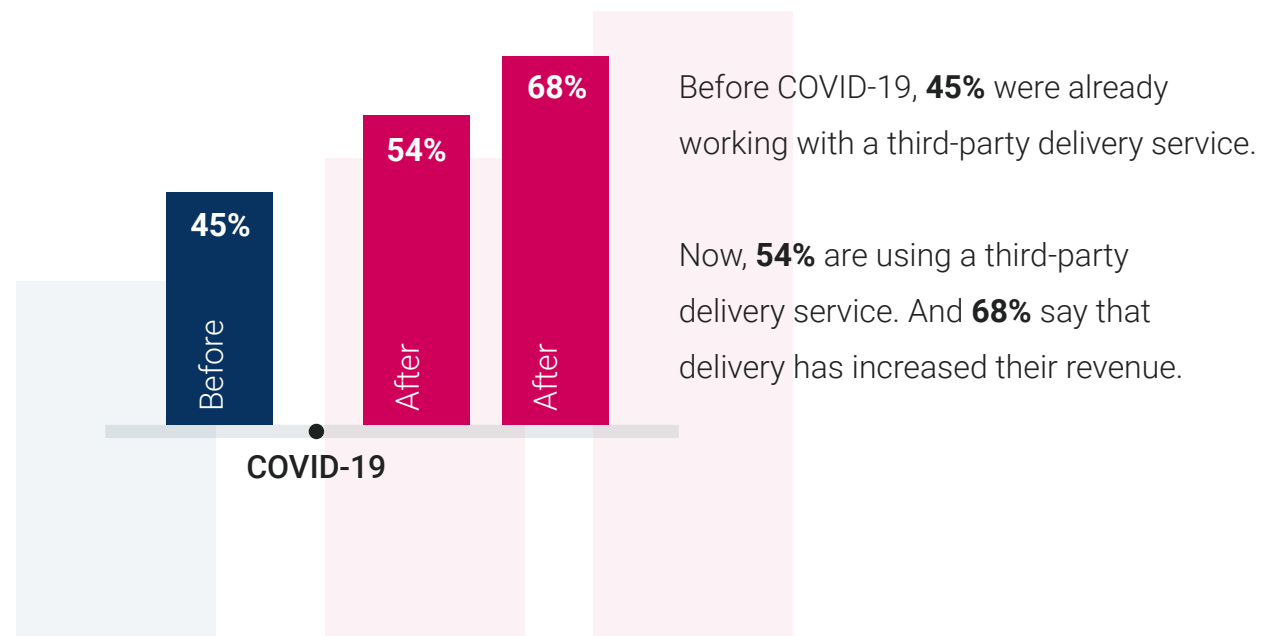
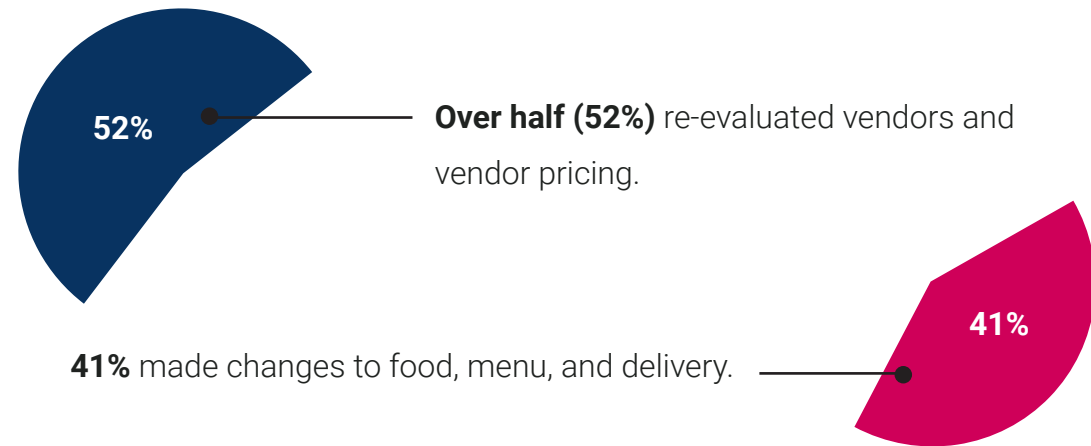
Using Sage Intacct for cash management has enabled StarCorp to gain a forward-looking view of their financials, rather than a rear-view mirror look of the past, leading to greater transparency and better-informed decisions on labor and in-store maintenance costs across its eateries.



2

Business models evolved drastically during the pandemic

In the face of a very different industry landscape, restaurants had to adapt in order to keep their businesses afloat.



Takeaways

The pandemic accelerated the adoption of off-premises food delivery, which has in most cases increased revenue. Delivery will continue to be important in the future as customers are likely to keep these habits. So, double down on takeout and delivery – invest in online ordering on both web and mobile.

Simplify your kitchen operations and menu items to alleviate the pressure on a potentially strained workforce, preserve margins, and accommodate food travel time.





”

We're seeing massive savings due to the automation we've accomplished with Sage Intacct. And rather than crunching numbers all day, we are seen as strategic business advisors...

CREATIVE DINING SERVICES®
Complete Hospitality Management

Jeff Banaszak, CFO,
Creative Dining Services

Creative Dining Services

By implementing Sage Intacct,

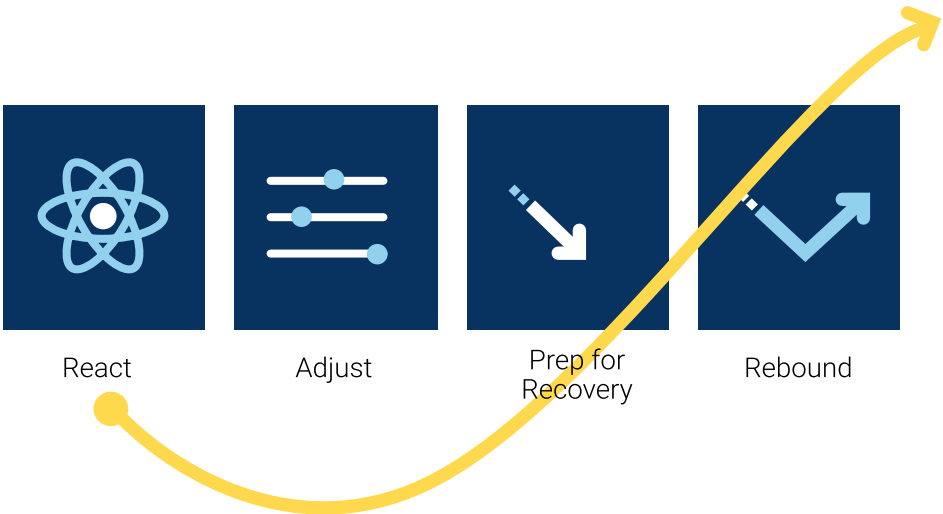
Creative Dining Services now has automated processes that free accounting staff to pursue higher-value work, such as advise on financial performance and cost reductions. On top of that, their automated processes eliminate weeks of time spent waiting for performance figures so they can make more informed decisions faster.

3

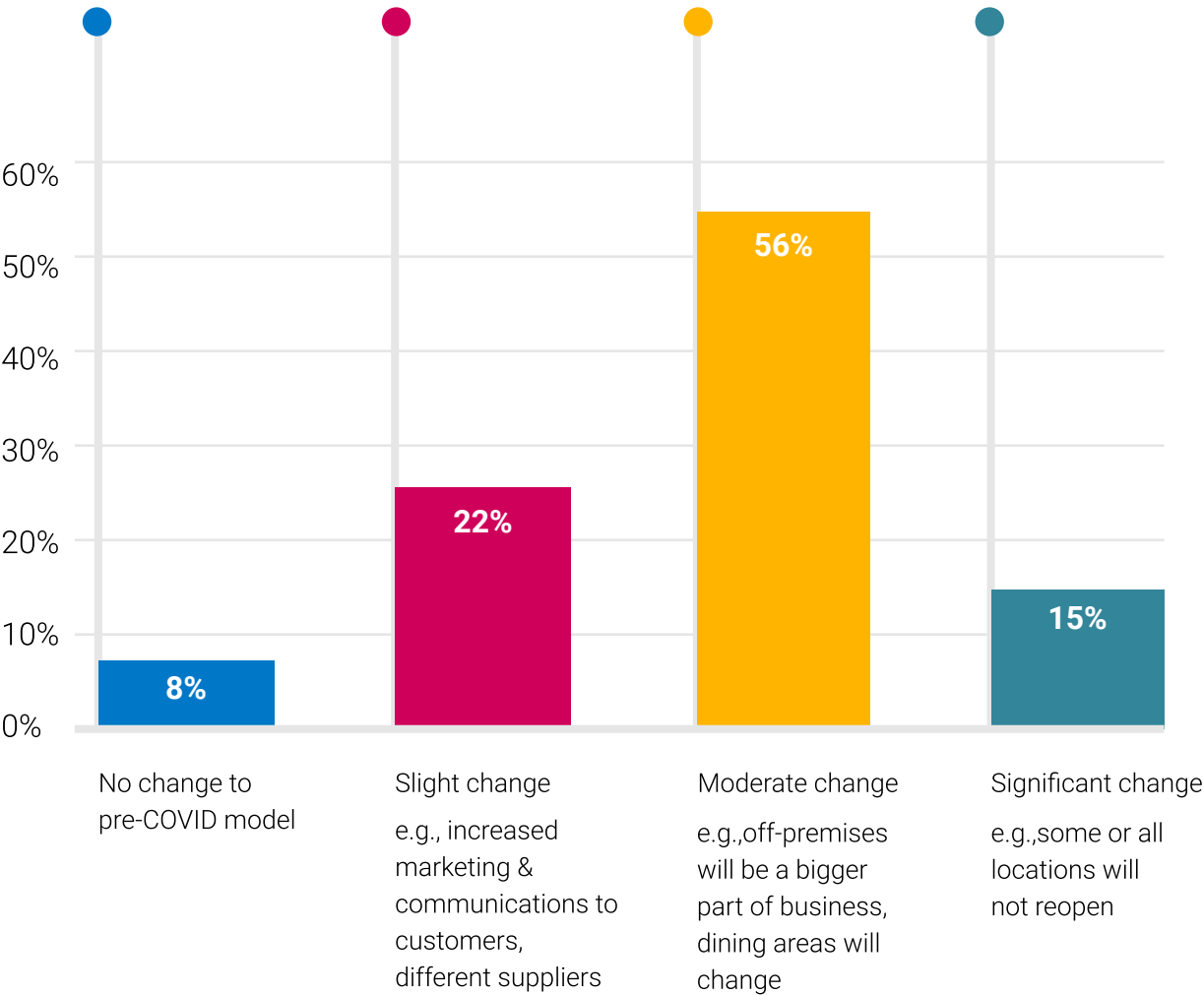
The majority of restaurants **feel the worst is past**

Most restaurants surveyed expressed cautious optimism around the recovery.

52% of restaurants estimated that they were currently in the phase of prepping for recovery, or already rebounding.



Looking ahead to the post-crisis period, most restaurants expect long-term changes to their business models.



Takeaways

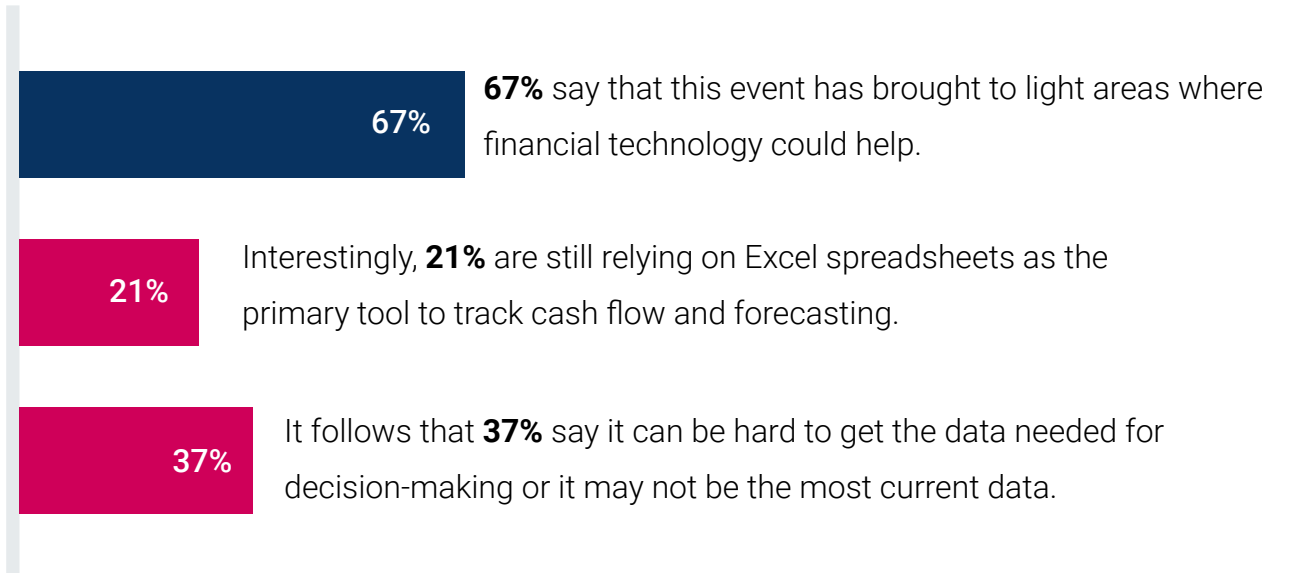
Many restaurants feel they are currently on track for recovery but recognize that in the long-run, operations will continue to look quite different than they did in pre-COVID days. Stay creative and agile, starting with making sure you can distinguish the different regional needs of each store. And, as you increase marketing and communications to customers, highlight the efforts taken to ensure employee and food safety from preparation to delivery.



4

The crisis brought to **light operational areas** in need of improvement

With changes happening on a weekly, even daily basis, restaurants need greater efficiency and visibility in tracking their financials and operations.



If you're still relying on Excel, your reporting processes may be too manual and costing you too much time.



Takeaways

Relying on manual spreadsheets to track your business can delay critical decisions with big effects on profitability.

Continuous financial consolidations and robust, dimensional reporting within a specialized cloud accounting system ensure you can get real-time information at a 10,000-foot view or dive deep into the details, within moments. You will continue to gain returns and a competitive edge from this even after the pandemic has passed.



”

The biggest improvement since we switched to Sage Intacct is the higher-quality information we can leverage to positively impact our gross margin. With complete, immediate transparency, we no longer need to dig through paper files or log into multiple systems to find transaction details. The visibility and drill-down capabilities we have with Sage Intacct are better than I’ve been in any other system.



David Hammack, President and Owner
 NWO Penn Acquisition LLC
 (Penn Station East Coast Subs franchisee)

NWO Penn Acquisition LLC

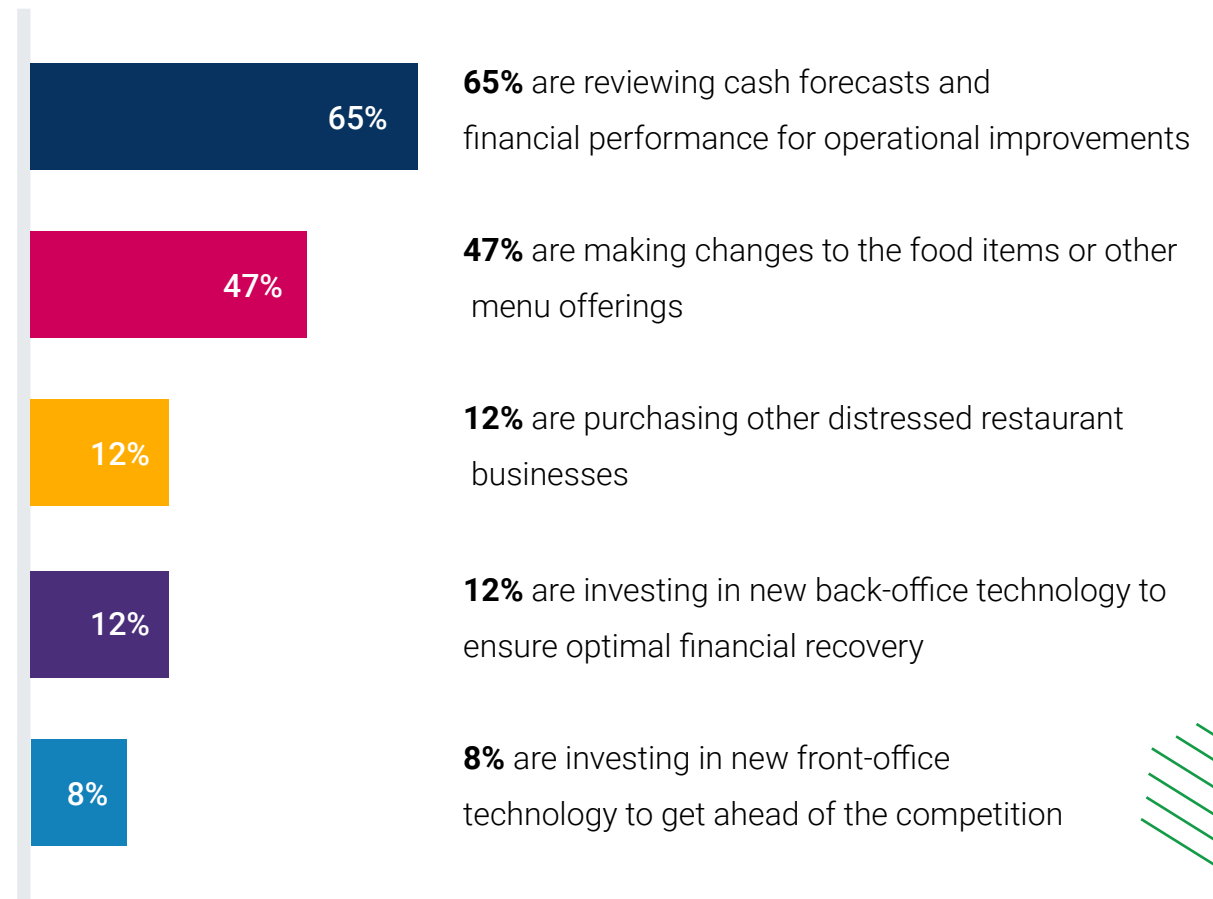
Penn Station East Coast Subs franchisee,
 NWO Penn Acquisition LLC, was able to transform manual processes into efficient, automated, integrated workflows using Sage Intacct. This in turn enables them to save tens of thousands of dollars in finance personnel costs each year, all while being able to make accurate opportunity evaluations without cumbersome data manipulation in Excel.



5

Cash forecasting tops the list of recovery plan actions, along with surprising investments

The top 5 items showing up in recovery plans:



Takeaways

Reviewing cash forecasts and keeping close tabs on financial performance top the list of recovery planning action items. Many restaurants are also taking the opportunity to bolster their recovery with investments in other restaurant businesses and new technologies.

Whether you are planning one or a combination of these – for example, pausing or divesting part of the business to pursue a more profitable venture – model cash forecasts for a variety of scenarios considering re-openings three, six, 12, 18 months out (and factor in the nuances of each regional market you are in). From there, you can determine with more precision and confidence the combination of action items to pursue.





We have more controls and processes in place with Sage Intacct. When I think about how much this potentially saves us, it's astronomical... Now I have helpful dashboards and can provide real-time reporting every single day, which is revolutionary for our business.



Sean Skuro, Controller
Tender Greens

TenderGreens

At a time when margins are even tighter, real-time financial information is critical in monitoring labor and food costs, average check prices for different meal types, sales per labor hour, etc. for each restaurant. Through Sage Intacct, Tender Greens is able to promptly see how restaurant locations are doing with sales, food costs, and labor, to make proactive decisions.

Conclusion

From the survey results, it's clear that restaurants need to cut costs, optimize operations with automation, and make careful investments. Many are cautiously optimistic about their rebound but require financial tools that provide visibility and enable smart decision-making.

A modern cloud accounting system can help you pinpoint areas to cut costs and grow revenue – while increasing operational efficiency – by providing:

- ✓ Real-time insights for decision-making
- ✓ Fast, easy reporting with drill-down right in the system
- ✓ Automation of day-to-day processes – like invoices, payments, consolidations, reconciliations, and other transactions



Sage Intacct is the #1 rated cloud accounting system in customer satisfaction and has helped hundreds of customers just like you.

Sage Intacct helps
restaurants like yours
respond better
and recover faster.

These are unprecedented times. Yet, opportunity exists even in times of crisis. Real-time visibility of your financials and operational efficiency are key to steering your restaurant business to a stronger recovery. Take the next steps in learning how you can emerge from recovery stronger than ever.



eBook

Hospitality Accounting Software Buyer's Checklist

[READ NOW](#)



Webinar

Five Fast Tips for Restaurants Looking to Minimize Revenue Loss

[WATCH NOW](#)



eBook

In the Words of Sage Intacct Hospitality Customers

[READ NOW](#)



sage Intacct

Sage Intacct is the innovation and customer satisfaction leader in cloud Financial Management. AICPA-endorsed and best-in-class, Sage Intacct is a scalable and extensible system that provides multi-dimensional analysis and restaurant-specific capabilities to automate complex processes and improve company performance, so data-driven finance leaders can focus on strategic initiatives.

For more information,

<https://www.prhconsultinginc.com/sage-intacct/hospitality/>



AICPA[®]

Business Solutions

Preferred Provider of Financial Applications