

How to Max Rev

A reader asks how to increase revenues with limited seating.

Arlene Spiegel is the president of Arlene Spiegel & Associates Inc., and the author of our "Business Transformation" column. We encourage you to forward your questions to her at arlene-spiegel@aol.com or 212-628-3232.

Dear Arlene: I have been operating a successful quick-casual restaurant in a busy urban area for the last two years. We are currently open for lunch and early dinner. How can I increase revenues with only 50 seats? – Todd

Dear Todd: The goal of maximizing revenues is one every operator should have, regardless of size and type of concept. Consider some of these ideas.

Delivery Program – Assuming that you are already optimizing the number of meals served "in the restaurant," let's look at what is possible "outside the restaurant." While it does take strategic planning and the investment in disposables, menu printing, delivery staff and technology, when properly executed, you have unlimited access to serve meals to current and new guests off-premise. Identify and articulate your market within a radius of 10 to 12 blocks from your restaurant. Start broadcasting to your current customer base that you are now providing delivery and catering services and then tap into new markets with this value proposition.

The benefits are measurable: Economies of labor, food preparation and equipment utilization; market awareness of your brand to new markets through compelling logos on bags, delivery staff uniforms and menu distribution; increasing traffic in the store through new market awareness; populating your database by capturing information during telephone orders; and becoming more meaningful to the community. Catering and special events packages can bring in really large orders and are usually booked early so you can plan ahead. With increased off-premise

demand for your product, you may also be able to develop the critical mass needed for leveraging better prices when purchasing goods.

Add a Day/Add a Day Part – If you are currently offering lunch and dinner, consider developing a breakfast component that taps into your current customer base. Invite some of your best customers to a "model" breakfast. Monitor their reactions and ask them if they would value you opening up for this new day part. The value drivers for breakfast often involve "speed of service," so make sure the menu can be executed quickly for sit-down or take-out capabilities.

In addition to incremental revenue, adding a day part provides you with another opportunity to reach new customers who may not patronize you for lunch or dinner; offer bounce-back incentives to drive breakfast customers to the restaurant for other day parts. Adding another day, such as Sunday, for a unique brunch experience can tap into brand-new markets, as well.

Space Utilization – Because you feel you have maximized the revenues from your 50 seats, you need to look at the other available space in your restaurant. Space is truly the final frontier and often "non-performing" space is ignored. Take a walk around your restaurant and look at every square inch of space that is not being utilized for a sales opportunity. This includes countertops, shelving and POS areas.

Other ideas include offering non-peak incentives, and exploiting "downtimes" such as mornings and afternoons. Todd, with rents and general overhead being so high today, it is incumbent on operators to make every minute, every square inch of space and every product contribute to the top and bottom lines. You are smart to be proactive in optimizing your revenue opportunities. 🍷

