

THE GOLDEN RULES FOR GOOD GROWTH

It is often seen as the secret to survival – and success – but is growth the best path to boosting profit margins?



Every restaurant owner wants their business to grow. But achieving growth and managing it are two different things. How to begin? “First, have a plan,” says **Arlene Spiegel FCSI, president of Arlene Spiegel & Associates** in New York City. “Without a plan – even an exit plan – owners and operators will be guessing about their decisions. Determine ‘to whom will my concept have value’ and design the growth strategy with high-value partners.”

ADAPTING TO OPPORTUNITY

Particularly in the wake of the Covid-19 pandemic, says Spiegel, many operators would be wise to develop multiple versions of their concept to fit into several models: full service, freestanding, in-line models, carts and kiosks, ghost kitchens and delivery only. Having ready models will enable a concept to adapt to any opportunity.

Consider operational logistics before growing your menu. For full-

service concepts, Spiegel suggests: “Have the full breadth of menu. For limited models, reduce the menu to core items only.” Employ a menu-engineering philosophy based on yield management, she adds, to ascertain best use of equipment, staff, and space to create the menu.

MARKETING AND ADVERTISING

The biggest mistake operators make is not doing their homework, Spiegel has found. “They get lured into a location because of vanity or because the occupancy costs are below market. However, their concept may not be a good fit for the neighborhood.” Retail branded items that can be sold from the restaurant and through specialty food channels will keep the brand on the customers’ mind, Spiegel advises. “It’s not always profitable but it is a very good source of marketing,” she says.

Hiring must also be done in a measured fashion. According to

Spiegel, the original prototype model needs to develop an operating model using multi-functional equipment and robotics versus excess manual labor. “Keep labor guest-facing for hospitality interactions and keep back-of-house labor slim.” Partner with suppliers for ready-cut and ready-to-heat products to reduce labor for basic prep.

WORKING WITH A CONSULTANT

For entrepreneurs in doubt as to which way to go, working with a consultant can shed light. Consultants have “a broader perspective of what works based on designing and developing hundreds of concepts over the years,” Spiegel says. “Consultants bring knowledge and ideas to the table that make the concept more attractive to locals and investors, develop an operating pro forma, connect operators with talent and resources, and work with marketing agencies to define the brand messaging.” ■