

Reinventing your Restaurant Concept

By **Dennis Monroe**

Restaurant concepts, be they single-units, multi-units or chains, must evolve or, more extremely, “re-concept.” There are many examples of restaurants that have tried to reposition themselves by reinventing their concept to attract new or bring back existing consumers. Let’s look at a few examples of those who have tried—some have succeeded and some have not.

Obviously one of the best examples in recent years is Taco Bell. Twenty years ago you would not go out of your way to eat at Taco Bell: It had little appeal and a very limited customer base. What they have done since then is to reposition themselves and evolve. Their food quality and customer experience have greatly improved. Clearly, they listened to their customer base and are offering tasty and value-oriented products.

In that same vein, one of the best evolutions ever is Domino’s. Domino’s pizza was probably not the substandard product many considered it to be, but the chain nonetheless addressed product quality, first by altering their crust and then by creating an on-demand system with state-of-the-art technology and responsiveness to the consumer.

Everyone knows of a restaurant that’s not working. They can change their name, change the concept, and sometimes relocate. But in most cases, I don’t see a lot of individual restaurants that can effectively re-concept and significantly improve. Consider Lettuce Entertain You, particularly the Chicago-area \ one-off locations. If their concept isn’t working, they’ll just close it and convert to a different one. So it’s really not re-concepting but just using the existing real estate to open a new restaurant.

The concept that, until recently, hadn’t done a good job of evolving is Applebee’s. Once the darling of casual dining, trends changed and their attempt to maintain the concept, but nip away at the edges by introducing hand-cut, wood-cooked steaks was a disaster.

There are five points that I would like to make about evolving, or re-concepting a restaurant.

The first point is that we should get away from the idea of “re-concepting” altogether. A decision to re-concept implies the original concept isn’t working. It is better to evolve the concept, a la Taco Bell and Domino’s. In neither case was the concept changed—they didn’t even change their

name. What they did do was start listening to customers and evolving to meet those customer needs, particularly Domino’s with their technology emphasis.

The list of concepts that haven’t evolved and sputter along for years is long and infamous. One of the most striking cases are some of the buffet concepts, which have mainly consolidated into certain geographic areas, rather than appealing to a broader set of consumers.

The second point concerns a name change. As with re-concepting, I haven’t seen many cases where a name change has transformed the business. There are times that names have to be changed because of infringement or some other reasons, and those must be handled carefully. Sometimes an additional tagline can help out, but in most cases if the name itself has a negative connotation, then it’s time to shut down and start over. You must always look at something more fundamental.

My third point concerns location. A concept may be good, but the site isn’t appropriate anymore because the trade area has moved. I can recall an upscale seafood chain that built a unit in a downtown financial area. But the restaurant was right across from a warehouse, so not exactly in the right area to attract the kind of customers needed for high-end seafood. In that case, a relocation is a must.

Currently many mall locations aren’t working very well, prompting the concepts to relocate. The concepts may still be good but just don’t work in malls. Every restaurant company needs to constantly evaluate their locations to gauge if the site is appropriate, the demographics have shifted or the traffic has changed.

The fourth point to keep in mind concerns business format. There is a major trend these days for concepts to go from casual dining to fast casual and sometimes from QSR to fast casual or some hybrid format. Some brands are evolving to meet the needs of food-on-demand trends, putting in takeout counters or making delivery easier. A change in format is probably the number one thing that needs to be considered for concepts that are stalling. What is their delivery system? Is it meeting consumer needs? Who are their customers? The form of delivery is crucial and must match the preferences of the customer.

My fifth recommendation: ask whether the restaurant should be closed because the concept is no longer viable.

Cut your losses and move on. If you developed some products that have consumer appeal, that's great, then maybe those products can be incorporated into another concept. But sometimes closing can be the very best thing you do, particularly if you have other restaurants that are doing well and can absorb staff from the closed restaurant.

So when you're thinking about modifying your concept, don't jump too quickly. The most important thing is to analyze who your customers are and which customers aren't coming anymore. Second, analyze the competition – what is working in your sector and what is not. Third, analyze

your location. Fourth, analyze your service format. And fifth, see if you should really close the restaurant—there might be ways to extend your brand outside that restaurant.

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Dennis Monroe is chair of Monroe Moxness Berg, a law firm which focuses on M&A, taxation and other business matters for multi-unit restaurant businesses. You can reach him at dmonroe@mmbllawfirm.com, or at 952-885-5962.