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More Challenges: 5 Ideas for dealing with them

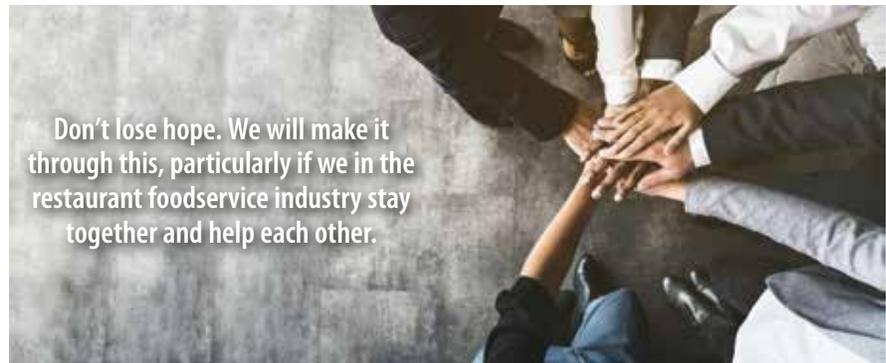


**Dennis
Monroe**

IF IT WASN'T ENOUGH TO CONTINUE dealing with COVID, now the foodservice industry has additional challenges of uncertainty and disturbances in downtown Minneapolis and other retail areas. Here are some ideas on how to deal with these added issues.

1. Pro Forma Analysis Start looking at your pro forma analysis in the longer term, realizing that the issues, particularly for downtown restaurants, are not going to turn around quickly, so you need a longer runway and more resources to make it through. That sounds like an obvious statement, but how do you get those resources? We are hoping for additional PPP monies from the government, but look to your existing investors if you have any, and to your landlords for funding. Research possible grants, crowdfunding or reward funding, such as discounts, future parties, gift cards, anything you can do to accumulate some needed working capital, with the idea that these are going to cost you in the future, but the key is to make it to the future.

Also, revisit the usual suspects by going to your bank and asking for continued interest-only or suspension of payments in general and, of course, your landlord. Make sure you are looking at your lease long-term versus just trying to get through until next



year. We really have put ourselves in a longer window to recovery than was the case just several months ago when we were just dealing with COVID.

2. Legal Solutions There may be legal solutions at your disposal. You may not have applied for business interruption insurance because you think it may not be granted after all that's been written about COVID not being property damage, but many of you may have incurred significant property damage during the recent vandalizing and rioting and that certainly will create a reasonable claim for your business interruption insurance, plus property damage. Also, you may be able to argue a broader casualty loss and it is something you should discuss with your insurance agent. Going forward, when you renew your insurance, try to get broader coverage since you may have liability claims from employees or customers claiming to have contracted COVID in your restaurant. Be creative and talk to your lawyers and talk to your insurance agents.

From a legal standpoint, many leases have what is called a casualty loss provision. Casualty losses may

take into account shutdowns by the governor, obviously disturbances and curfews. These are all what we deemed to be casualties and most leases provide in the case of a casualty that rent is suspended or proportionally reduced until the casualty can be abated. If it can't be abated during a given period of time, there may even be a right to terminate your lease. This is a legal strategy you should talk to your attorney about and it is certainly worth looking at.

3. Partnering What I think may be key is restaurant owners working together, particularly forming groups and pooling resources to approach government authorities and large landlords collectively to deal with these issues. As a restaurant owner in downtown Minneapolis, I'm helping put together a group of restaurant owners in downtown and key business areas in Minneapolis to work together for change, in order to take charge of the situation ourselves. We will be asking for government and business groups' help, along with creative ideas to bring customers back in and fill up the downtown again. Additionally, I am a firm believer that individual

restaurants and possibly small restaurant groups should look at partnering together. By combining forces or merging—whatever legal approach we need to take to become a larger group — we'll have more resources at our disposal than alone, and hopefully the ability to attract funds and some diversification.

Look to your restaurant colleagues and see if there's a possibility of joint ventures, mergers or some kind of partnership to get further critical mass on resources. That being said, it is important that full disclosure of all of the baggage you bring to the situation and what you think the timing or future is, which is obviously somewhat unknown. So this combining is going to be a key element to it.

4. The Consumer is your Best Friend

While consumers have been reluctant to come to the downtown areas of the cities in Minnesota, particularly Minneapolis and St. Paul, it is key to keep in contact with them. Let them know what you're doing, what you intend to do and what the opportunities to be involved with you are. Keep them underneath your tent by communicating regularly with them. Also, don't forget about reward crowdfunding. That may be one of the true secrets to surviving, do everything you can. Social media is more important now than ever. Even though you may not be attracting customers now, you're keeping them, as I like to say, under your tent.

5. Hope Don't lose hope. We will make it through this, particularly if we in the restaurant foodservice industry stay together and help each other. Don't try to take sides or push too hard for resolution. We need help from everyone — the owners, suppliers, landlords, banks, government, our competition and most of all, the consumer. And let's not forget our employees, they need our help as well. 

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