

The Hospitality Industry 2020 Resilience & Readiness Report by Loaded

AUSTRALIA AND NEW ZEALAND



It won't come as any surprise that 2020 has been the most challenging year I have seen the industry face in the 16 years I have been involved as both an operator and a builder of hospitality software solutions.

We had always planned on completing our inaugural hospitality readiness study this year. We know that pressure on labour, stock and overheads will continue to grow in the future making the efficient management of a hospitality business more important for business survival and success than it has ever been.

In 2019 readiness for us meant understanding how capable the hospitality industry is of adapting to a future where the use and mastery of technology will be a prerequisite to success.

With the onset of Covid-19 and the torrid time this has created for everybody in the sector, we made the decision that it was also important to understand the health of the people who are owning and managing bars, restaurants and cafes across Australia and New Zealand. The readiness survey therefore became the resilience and readiness survey, and while unplanned, we think the information gleaned from both gives us a much more powerful view of how we can best help the industry going forward.

While the results give us great pride in the resilience the industry has shown, we also recognise just how tough 2020 has been and we are now looking at the development of solutions and partnerships in areas as diverse as mental health to the super simplification of stock ordering and receiving, to even further the reduce the headache and cost of managing your inventory.

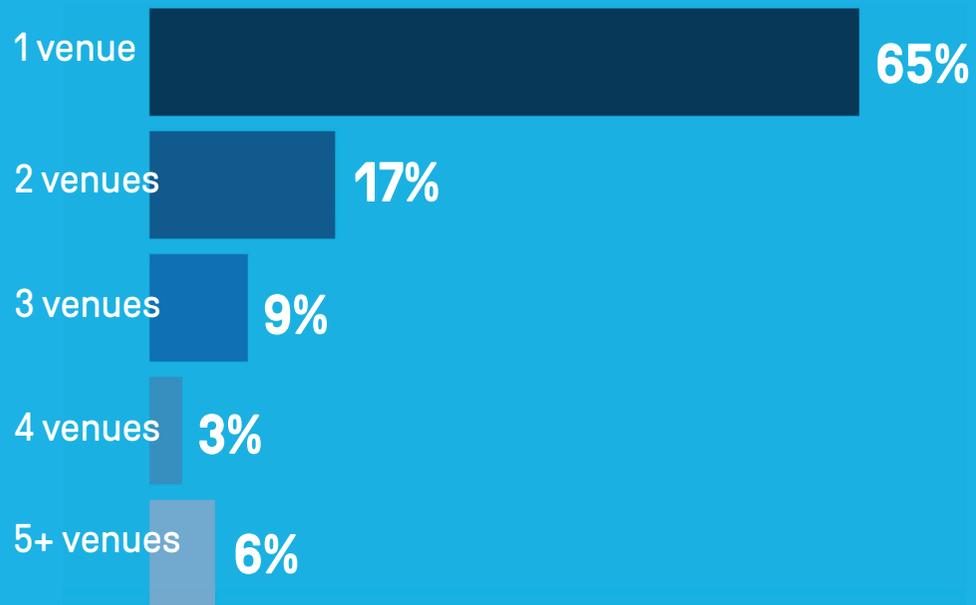
Our team has taken significant time to study the survey results and provide four key recommendations for your business to consider implementing heading into 2021. The recommendations are developed from both the findings of the survey and the 16-years experience we have developed running our own 13 outlet hospitality business. We wouldn't recommend anything to you that we wouldn't consider doing in our own business.

I sincerely hope the information gained from reviewing the survey and the recommendations will give your business and life the best chance of success in 2021.

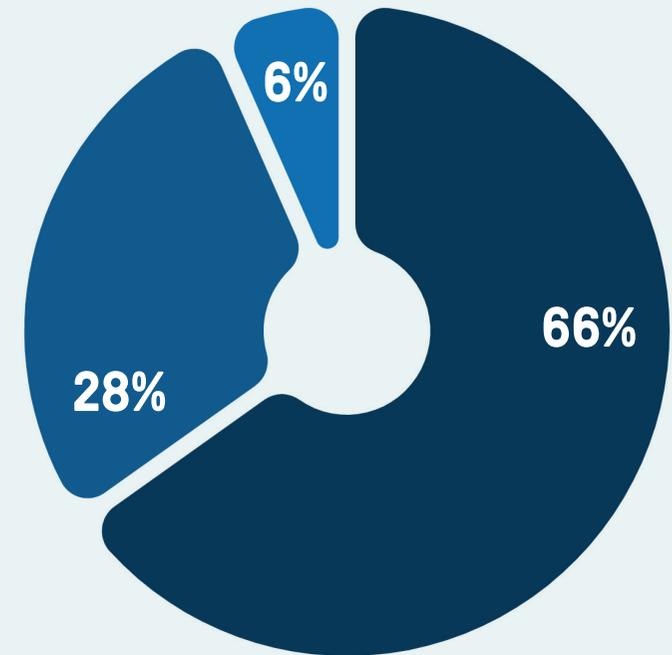
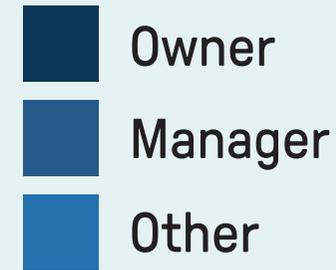


Richard McLeod
Loaded CEO

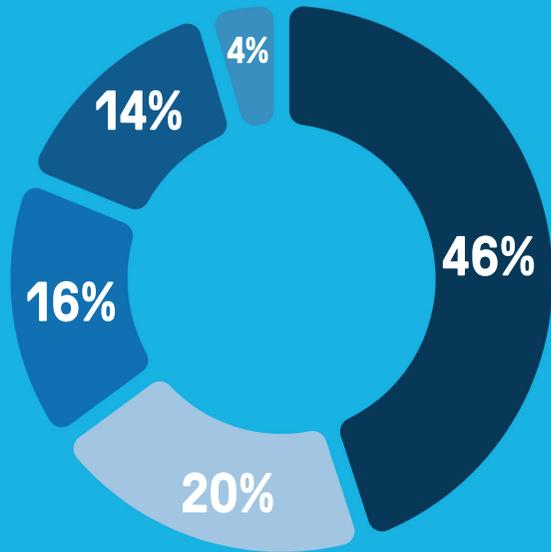
Q1. Number of venues your company operates?



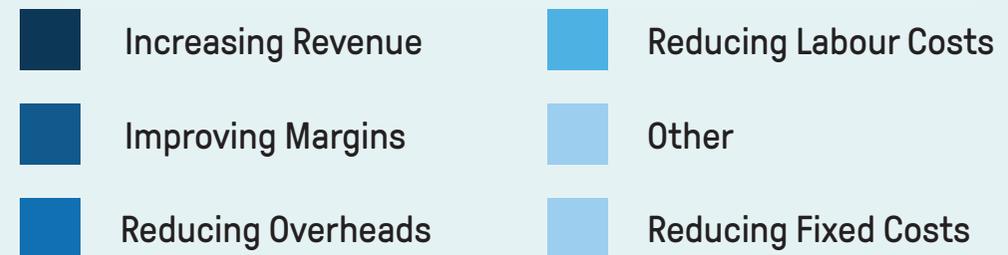
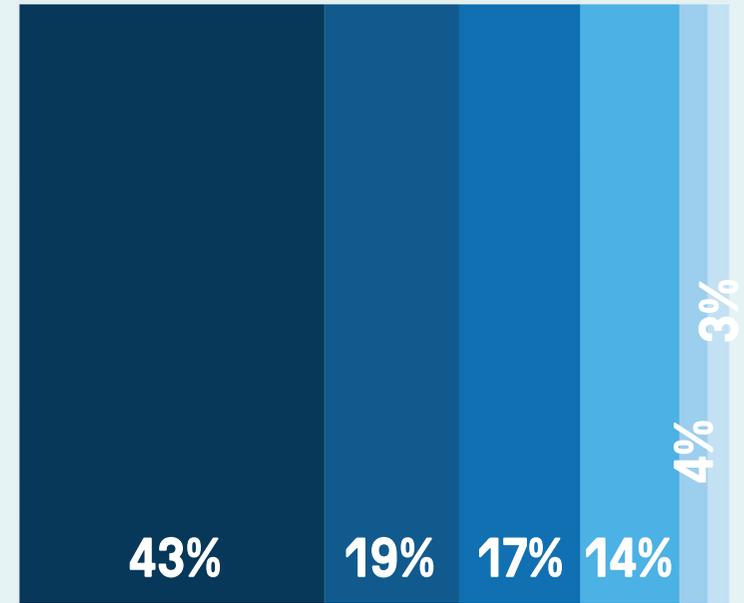
Q2. Your position?



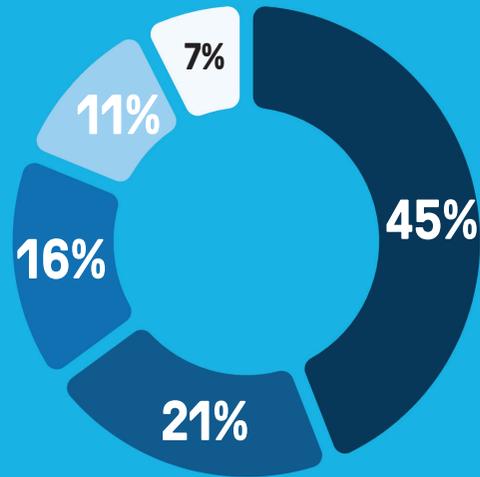
Q3. How do you feel about the prospects for your business in the next 12 months?



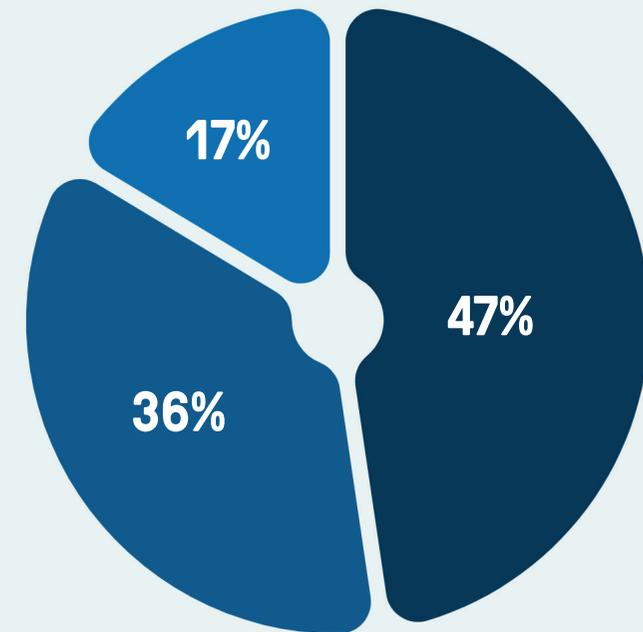
Q4. What are you currently most focused on to ensure the survival or prosperity of your business in the next 12 months?



Q5. Has the impact on the mental health of your team members been better or worse than you expected than when we first went into lockdown?



Q6. Do you expect to employ more or less team members in your business in 12 months time?



Q7. Has your business embraced any new technology since Covid hit which you believe will improve business performance over the next 12 months?

“ We have upgraded a majority of our operating systems Including our property management system and point of sale. We are working to introduce online ordering in our food and beverage outlets as well as early self check in for reception so it's been a positive change”

“ Increased e-commerce focus”

“ No but I'm actively seeking new systems to streamline my operation”

“ I helped build our online ordering platform, for delivery and pick up to lessen the amount the phone rang, it proved largely successful over the lockdown, it has definitely died off with customers dining in and not getting food delivered though, assuming that it will hold steady and more and more people will continue to use it rather than ordering over the phone or face to face it will be a very profitable portion of the business”

Q8. What would you say has been the most stressful part of operating your business during the coronavirus pandemic?

“ The uncertainty. The closed borders. The guessing games”

“ Not knowing if we were going to switch between levels so had anxiety around ordering stock. Trying to keep a smile on my face for the staff!! Knowing that we have an asset that may be hard to sell now, our plan was to sell and move to another town and open up there but will have to put that on hold for a while now”

“ The most stressful part is not knowing if I'm going to have customers because without them I can not pay my power, phone, insurance, wages and rent. I am still not sure if the business will make it to next year”

“ Not knowing what to forecast for. It was so dire during lockdown. I am a optimistic person and to me most people thought the world was going to end. We all needed to realise we couldn't change what had happened and just look at what we could do to get through it. We worked on worst case scenario which was under what the reality was once we opened back up again”

“ The unknown How long would we be locked down, would customers come back, would there be mass unemployment with the resulting drop in trade. How could I use technology more to help plan and forecast. Could we make a viable online product. Will we be able to survive or would we need to close. If we closed the business what would our staff do. How would we survive?”

Q9. If new or existing technology could solve two things in your business to make life easier or increase the prospects of your business in the next 12 months what would they be?

“ Streamlining review systems and better Social Media management platforms”

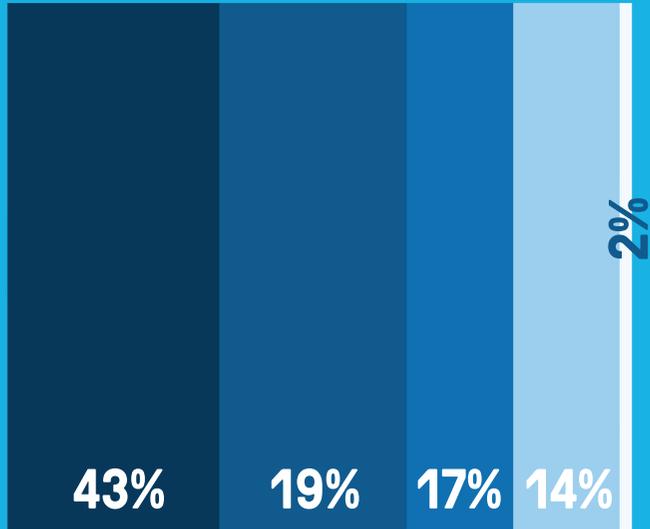
“ Accurate cash flow forecasting, more in depth customer insights”

“ Simplify systems Suite based solutions as opposed to so many different platforms”

“ Technology that truly integrates with other systems. The so called integration and APIs are not as easy as they seem in some hotel software and companies promise but don't deliver”

“ Quicker check in so guests are not waiting as long to be seated. Some older generation guests find the process takes a little longer than others”

Q10. If technology could free up five hours in your current working week what would you do with it?



- Spend the time growing my business
- Spend the time improving other areas of my business that I enjoy
- Spend more time on personal leisure activities
- Spend more time with family
- Other

Keep reading to find out four key recommendations for running a hospitality business in 2021

Four key recommendations for running a hospitality business in 2021.

1. Simplify your offering

Less is more for 2021. A number of highly successful operators we deal with have already significantly reduced the size of both their food and beverage menus and offerings since re-opening post Covid. This means that they are now carrying less inventory which generates cash, they are spending less labour time on the ordering and monitoring of their stock and in some cases they have been able to reduce the numbers required in the kitchen during service, because the menu doesn't require the same level of labour.

The unexpected upside to simplifying your offering is that it focuses your attention on what your core product and brand is, who your best customers are and how you can produce more revenue with less stock items and labour time.

Simplifying your offering while still delivering a high quality experience is efficiency at its best.



Resources to help



Stock management with Steve Logan
[- *Legendary restaurateur at Logan Brown*](#)

Four key recommendations for running a hospitality business in 2020.

2. Lock in communication and planning sessions every week at the same time

Every high performing hospitality business we have worked with has a regular scheduled meeting with key managers and team members. This has never been more important than right now. In a constant changing business environment a solid weekly planning and communication session is your opportunity to keep everyone on the same page and ensure the entire team is laser focused on your key priorities.

Laser focused means your organisation should never have more than three key priorities that your team is focused on improving

- Good communication and planning sessions have;
- The key people in the business
- Zero distractions (phones off)
- Actions and accountability
- Lots of energy



Resources to help



Weekly communication and planning session template [Request Access](#)



Watch - [How to set a strategy and run a weekly management meeting](#)



Interview - [George Eason, High performance Operations manager on how to manage your team](#)

Four key recommendations for running a hospitality business in 2020.

3. Set clear targets and share your financial information with your team

In a world where change will be the constant for the foreseeable future it is extremely important that your team understands the financial performance of the business and how they can help. We have always believed in financial transparency to achieve success, but turbulence in your financial performance is even more of a reason to ensure your team understands the key financial levers in your business and how they can affect them.

While 43% of survey respondents identified that increasing revenue is their highest priority, we know that having a well rounded focus on all key areas of financial leverage is very important for hospitality business success. The starting point is to set a clear budget and financial targets for your labour cost and percentages, and your stock cost and cost of goods percentages.

If this is an area in which you are not comfortable with your ability to achieve accuracy then we would recommend an initial chat with our partners at [The Hospitality Company](#). They have studied and regularly meet with the world's best hospitality groups to understand their operating processes, then coach hospitality operators to introduce these processes into their own business. If you want to get transparency and accurate financial targets implemented in your business rapidly, this is the way to achieve it.



Resources to help



Zingermans Hospitality Group
- [Open Book Management](#)



Going Open book
with [Leon Magowan Wilson](#)

Four key recommendations for running a hospitality business in 2020.

4. Implement Mental Health Check In's for all of your team

You and your team have been through a significant amount of stress and anxiety in 2020. Some of the effects of this will have already surfaced however research suggests that the negative effects will continue to be felt by your staff for some time to come. Send a specific communication to all your team or have an informal catchup over coffee acknowledging what you have all been through over the year. Ideally select a manager or senior member of your team that any of your staff can reach out to if they are suffering any negative mental health issues and they feel they need support. It's obviously important that this person is very approachable and has a strong empathy with the rest of the team. This is a significant responsibility to ask one of your management to undertake so you will want to ensure they are also supported. We have provided some good places to start this process in the resources section.



Resources to help

-  [Check out the wellbeing basics](#) - Connect, Give, Take notice, keep learning and be active
-  Join the [Hospitality Industry Mental Health Pilot Programme](#)

World's first Mental Health Pilot Programme - Loaded is excited to announce a joint venture with world leading Mental Health Application 'Kite'. We are looking for 30 operators to join us in the pilot programme who are serious about improving mental health and wellbeing in the industry.

[Find out more](#)

BONUS - Quick lead generation & revenue tactics to implement now.

- Improve your search engine optimisation (SEO) capability and allow diners to leave a review on your website - good SEO will help you out rank your competitors.
- Google is the first place customers go to research a business, and Google Reviews act as social proof for potential customers. Claim your business in Google My business to enable google reviews.
- Use social media to reach your specific target audience. Get familiar with [Facebook Business Manager](#), and develop ads with highly targeted audiences that focus on converting local leads directly into paying customers.

[Read more here](#)

- Maximise revenue in off-peak times. Try [First Table](#) which allows you to connect with a huge database of diners and drive them into your restaurant at the start of the night. You're able to specify exactly how many tables are available, and when, meaning you can introduce new clientele into your venue, build your atmosphere and increase revenue, with total control of the experience.



