

Reimagining Restaurants

The new normal in a post Covid-19 world

An Insightful Story of a Leader

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My romance with Restaurants started in 1979, when as the topper in the induction training programme of Arthur Young & Co's Chicago office, I was scheduled as an Audit senior on the 1979 McDonalds Corporation's annual audit. Just entering the restaurant in their Oakbrook headquarters made my pulse race. The first experiment we were a part of was a new Zucchini fry! Even the standard fare when combined innovatively could create a lasting gastronomic experience. Soon we went into the entire operating manual and I lapped it up as it was all new! In Dallas, I performed my first field audit. Reaching there and quickly establishing credentials, I was led to the Kitchen, where the first item on the field audit programme was to reconcile Food input- output. Patty turning times and proportions were all tested. Next was a test of strict adherence to pricing norms and an analytical audit of cost equations! The next three months were a whirl of learning, experimenting and mind opening. This experience is as fresh in my mind as if it happened yesterday!

After returning to India in 1980, life exposed me to hundreds of restaurants and my learning and romance grew. Over the last 40 years, I must have eaten at audited over a thousand different restaurants. Come Corona, and the last four months of lock down have left me only reimagining the future. Great to share it with whoever reads this.

The restaurant activity can be broken down into many sub components and each one of them needs reimagining. These sub components are:

- Choosing the location
- Clearing the site
- Getting the permissions
- Starting and completing the construction
- Planning the Kitchen and the Bar
- Buying the equipment
- Designing the space utilization

- Buying the furniture
- Establishing the Menu
- Designing the Menu card
- Planning the service
- Recruiting the people
- Training and induction
- Creating the experience
- Planning the marketing strategy
- Executing the strategy till the first customer walks in
- Creating the unique experience
- Interacting with the customers and obtaining feedback
- Sourcing the food
- Buying right and paying on time
- Creating high standards of cleanliness (QSCV- Quality, Service, Cleanliness, Value)
- Managing the back office
- Billing and receiving payment
- Obtaining customer feedback
- Acquiring customer loyalty
- Managing reputation
- Getting recognized for uniqueness
- Constantly benchmarking and innovating

While every activity is up for reimagining, my focus is on a few:

- Experience as a service
- Recipe as a service
- Variabilising all costs
- Capex being converted to Opex
- Scaling on platforms

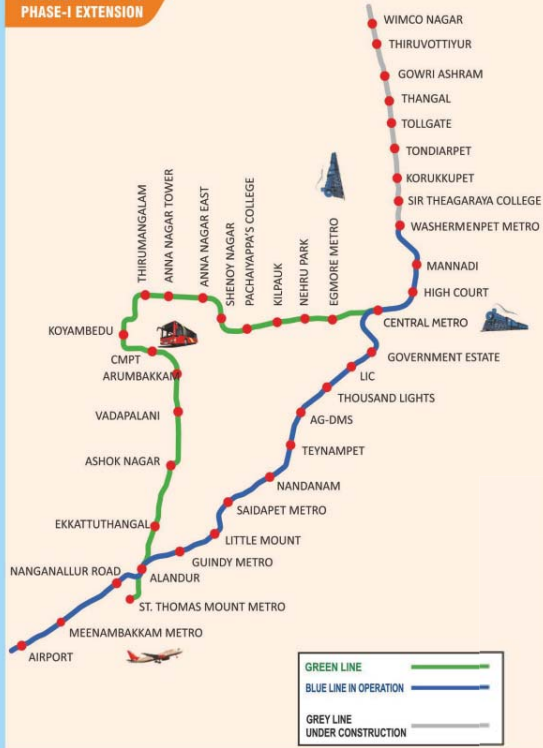


Reach Landmarks of Chennai through

CHENNAI METRO RAIL

CHENNAI METRO RAIL CONNECTS AIRPORT – CMBT – EGMORE – CHENNAI CENTRAL – HIGH COURT – GUINDY INDUSTRIAL ESTATE – EKKATUTHANGAL IT PARK AND MAJOR COMMERCIAL DESTINATIONS

CHENNAI METRO RAIL PROJECT PHASE-I & PHASE-I EXTENSION



- 6.70 crore passengers have travelled in Chennai Metro Rail from 29th June 2015 to 29th Feb 2020
- More than a lakh passengers travel in the Chennai Metro Rail everyday

Facilities and Services in Metro Stations and Trains

- ♦ First Class Section and Woman Only Coach with Lower Hand Grip
- ♦ Travelator Facility from Chennai Domestic and International Terminals to reach Airport Metro Rail Station.
- ♦ Smart Cards are available at all Metro Rail stations for Seamless Travel.
- ♦ Easy Access to all Star Hotels and consulates from Chennai Metro Rail Stations.



Expanding Chennai Metro Rail Projects

Extension of the Phase - I from Washermenpet to Thiruvottiyur/Wimco Nagar covering 9.51 km expected to be completed in 2022.

10% Discount on Travel Card

50% Discounted Fare on all Sundays & Government Holidays.

CHENNAI CENTRAL (SCC) TO AIRPORT (SAP)	CENTRAL		AIRPORT
	First Train	04.32 Hrs	04.37 Hrs
Last Train	23.07 Hrs	22.59 Hrs	

WASHERMENPET (SWA) TO AIRPORT (SAP)	WASHERMENPET		AIRPORT
	First Train	04.23 Hrs	04.22 Hrs
Last Train	23.00 Hrs	23.01 Hrs	

- Vertical farming and open cooking

Let's deep dive into each of these.

Experience as a Service

Every space where a family can eat and every meal has the potential to be turned into an experience. The scale of a restaurant business need not be limited by the available physical space today. In any case that space will need to be reorganized to meet personal hygiene, safety and security needs in a PC world. Every meal can be catered, either as a regular one or a special one depending on the occasion, the affordability and the marketing reach. Reputation will be the biggest lever, and it has to be created online and be visible to all current and future customers.

In the post Covid(PC)world, nothing will be more important than creating a customer experience which becomes a draw for the next one and serves as a memory of the last one executed. Thinking out of the box, an experience can be created anywhere: at the home of a customer, at a location of the customer's choice, at a remodeled physical restaurant, in specially segregated, family settings or at a lounge or bar setting with social distancing and safety norms in place. If the emerging demand is for consuming the experience at home, a curated, special service by trained servers and food warmers, with or without the cutlery, can significantly scale the business. every dining table in a chosen geography. Can become an extension of the Restaurant. Cooking can be split between in restaurant and in home, to suit the sanitary, safety and other considerations in customer minds! If the deintegrated offering is liked by the customer, the 'Net promoter score' of the restaurant can soar. Word of mouth is the best form of promotion for a personalized experience. Hyper personalisation and hyper localization can both be delivered at scale if the systems, processes and time lines can be super structured. The practice of getting onto Webinars and video calls will support the delivery of this experience. The ability to innovate and create distinctive experiences will grow exponentially!

Recipe as a Service

For families that have newly discovered the joys of watching seasons after seasons of Master Chef, and used up the dusted copies of old recipe books, an online, ever- refreshed, modern ingredients driven, set of tailor made recipes, chosen after determining the family's current mood, can fly off a restaurant's digital shelf! The chefs can be left to innovate, to discover rare ingredients and their source of availability and to generally have fun with the feedback. This is infinitely scalable good margins. across geographies and can be marketed using Social media effectively. This is an idea whose time has come.

Variabalising All Costs

This is one business where every cost can become variable.

Rent can be flexed based on a percentage of customer revenue, salaries too can vary with revenue from distinct streams that identified and tracked individuals participate in creating and the management costs can be met out of the residual surplus. Stricter monitoring of input output costs and a consciousness driven by accountability can significantly reduce waste, theft, under billing and other losses that are today tolerated because of the good margins. If the entire set of people involved become part owners, these practices can shift the cost curve noticeably!

Capex to Opex Conversion

Just as physical space can be made into a variable cost, all the traditional capex in a restaurant can be converted into Opex by using Fintechs, which can flexibly make available kitchens (cloud or otherwise); equipment for the bars, toilets and other spaces; and furniture on a rental or lease basis. If fact the mood in every segregated room can be tailor made to customer preferences. A Hussain or an Anjolie Ela Menon, a Davinchi or a Harry Potter room can be made available just by holographics. Also the private rooms can be converted to conference facilities to support virtual offices. Equally, time and food can be separately and distinctly priced. The new restaurants that will be created will be hyper personalized and super flexible to cater to even change of moods during an usage. Cloud kitchens will be more and more the norm.

Scaling on Platforms

The deintegrated, digitalised restaurant of the future will more often than not be a part of a platform. Platforms will grow around design of themes; kitchen scale, flexibility and use; supply of speedy construction materials; supply of equipment and furniture; recipes; mood themes; art themes and every other aspect that can be flexed. As value will be exchanged on the platforms, the ability to extract consistent margins and ROI will grow. Execution on time and on budget will become the drivers of success. Loyalty will also become a platform as the important thing is not only to get the same customers back in but also to convert each customer into a net promoter! As the value gets released off the platforms, they will become more sophisticated and will be owned by non restaurateurs!

Vertical Farming and Open Cooking

Growing and consuming fresh vegetables, salads, berries and fruits using attractive vertical farms housed in the Restaurant will change the oxygenation, the experience of safety and freshness, and the naturalness of taste in every Restaurant space. This is a revolution waiting to happen as QSCV becomes the watchword in a PC world.

Restaurants are ripe for disruption, digitalization, variabalising, demonetisation (much lower casts and therefore much higher margins) and democratization as more and more people avail of the personalized experiences. Artificial intelligence, machine

learning, touch free and safe service and VR-AR driven realities will make this space the most exciting growth prospect most unexpectedly. Let's collaborate to get this going!

***Mr. Shailesh Haribhakti FCA** is one of India's most reputed Board Member and leader. Currently, he is on the Board of some of India's top performing organisations including- L&T Finance Holdings Ltd., L&T Mutual Fund Trustee Ltd., Blue Star Limited,

Future Lifestyle Fashions Ltd., NSDL e- Governance, ACC Limited, Ambuja Cements Limited, Bajaj Electricals Limited, Bennett Coleman and Company Limited and few others. He is a Chartered and Cost Accountant, a Certified Internal Auditor, Financial Planner and Fraud Examiner. He is Chairman, Shailesh Haribhakti & Associates, and also, Chairman- Mumbai Region, Institute of Directors. ■



NOTICE

(For kind attention of all Current Active Members of Institute of Directors)

Annual General Body Meeting (IOD AGM-2020)

The Next Annual General Meeting (AGM 2020 - 2021) of the Institute of Directors will be held on
Wednesday, August 26, 2020 at 1500hrs
at the IOD Head Office, M-56 A, Greater Kailash Part-II (Market), New Delhi - 110048

The Agenda for the AGM is as under:-

1. Confirmation of the minutes of Annual General Meeting (AGM 2019-2020) held on June 22, 2019.
2. Presentation of the Annual Report of IOD for the year 2019-2020.
3. Presentation of the Audited Balance Sheet, Income & Expenditure Account for the Financial Year 2019-2020.
4. Presentation of the Financial Budget for the Financial Year 2020-2021.
5. Appointment of Financial Auditors for the Financial Year 2020-2021.
6. To elect the "Governing Council Members" for the period 2020-2023.
7. Any other points, with the permission of the Chair.

All Current Active Members of the IOD are requested to attend

Please confirm your presence on or before August 24, 2020 in order to arrange required safety measures from the ongoing COVID -19 Pandemic. (Email: info@iodglobal.com)

(Earlier, the General Body Meeting was scheduled on Monday, March 23, 2020 at 1600 hrs and it had to be postponed due to pandemic Covid-19, vide Govt. restrictions and safety measures)
For Institute of Directors

Sd/-

Manoj K Raut

Secretary General (2017-2020)

Date: 01/08/2020