Building a Path to Re-Opening

Wednesday | April 22, 2020
About Oyster Sunday

Oyster Sunday is a hospitality services group based in New Orleans and New York City with the mission to reimagine a sustainable and supportive infrastructure for the food and beverage industry.

We establish strategic partnerships to support independent restaurants and small food and beverage companies because we believe that businesses of all sizes should have access to the professional services that promote healthy growth, so we're building an economy of scale that gives us all a seat at the table.
Reimagining the hospitality industry’s business infrastructure.
Our Services

Whether you are opening your first location, or have multiple units or concepts, by providing consolidated resources and support we enable you to focus on what you do best—running your business. As we share these resources, each independent operator is able to increase their negotiating power, leveraging a network that extends beyond your physical location.
Our Services

Openings
- Concept Development + Branding
- Menu Development
- Critical Path + Project Management

Full Service
- Brand Development + Positioning
- Marketing + Ecommerce
- Communications + Social Media
- Operations + Training Resources
- Accounting + Bookkeeping
- Technology + Data Management
- Human Resources
Re-Opening
Critical Path
Overview
What We Know Today

There are many (!) variables we cannot predict but we can distill down what we do know today. We believe — at the root of every restaurant — there are foundational tasks that operators can set up in advance of opening their doors. This allows you to prepare for the operational hurdles ahead, including incorporating new COVID-19 policies and protocols into your daily operations.
What We Know Today

- Restaurants can never go back to ‘normal’
- Food insecurity is growing
- Supply chain has been disrupted
- COVID-19 standard operating procedures (SOPs) and personal protective equipment (PPE) will become part of daily operations
- Customers will dictate what the future looks like
- Customer acquisition will be difficult
- Feeding a hyper-local community is vital
- Clear, consistent communication is key
Critical Path

About

While we don’t know when restaurants will reopen, we understand the foundational business infrastructure it takes to run one, and are here to help operators think through how to reopen. This CP provides operators with a playbook to navigate daily operations in the midst of the COVID-19 crisis when ‘normal’ is no longer an option.

Sections

Finance
Accounting
Operations
Human Resources
Marketing + Communications
Technology
Compliance + Insurance
Facilities
# How To Use Data Inputs

- **Task**
- **Department**
- **Category**
- **Status**
- **Owner**
- **Notes**
- **Resources**

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## Oyster Sunday Reopening Critical Path

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
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</thead>
<tbody>
<tr>
<td>Onboarding</td>
<td>14</td>
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<tr>
<td>Benefits</td>
<td>7</td>
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### Onboarding

<table>
<thead>
<tr>
<th>Task</th>
<th>Department</th>
<th>Category</th>
<th>Status</th>
<th>Owner</th>
<th>Notes</th>
<th>Resources</th>
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</thead>
<tbody>
<tr>
<td>[Paperwork] Offer Letter</td>
<td>Human Resources</td>
<td>Onboarding</td>
<td>- Onboarding requirements vary by state. This link is to a <a href="https://example.com">Resource</a></td>
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<tr>
<td>[Paperwork] Notice + Acknowledgement of Pay It</td>
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<td>Onboarding</td>
<td>- Onboarding requirements vary by state. This link is to a <a href="https://example.com">Resource</a></td>
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<td>[Paperwork] Notice + Acknowledgement of Payday</td>
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<tr>
<td>[Paperwork] USOIS-8 Form</td>
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<td>Onboarding</td>
<td>- If employee is a retiree only section 3 needs to be completed. This link is to a <a href="https://example.com">Resource</a></td>
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<td>[Paperwork] IRS W-4</td>
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<tr>
<td>[Paperwork] Employee Handbook - 08-21 Supplement</td>
<td>Human Resources</td>
<td>Onboarding</td>
<td>- [NEW POLICY]: Connect with your labor attorney. This link is to a <a href="https://example.com">Resource</a></td>
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<tr>
<td>[Paperwork] Direct Deposit Form - If Applicable</td>
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<tr>
<td>[Paperwork] Tip Policy + Credit Acknowledgement</td>
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<td>Onboarding</td>
<td>- Onboarding requirements vary by state. This link is to a <a href="https://example.com">Resource</a></td>
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<td>[Paperwork] Qualified Transportation Benefits - If Applicable</td>
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<td>- Onboarding requirements vary by state. This link is to a <a href="https://example.com">Resource</a></td>
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<td>[Paperwork] Non-Solicitation Agreement - Optional</td>
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<td>- Onboarding requirements vary by state. This link is to a <a href="https://example.com">Resource</a></td>
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<td>[Paperwork] Non-Compete Agreement - Optional</td>
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</table>

### Benefits

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<thead>
<tr>
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<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>[NEW POLICY] Understand the DG’s Families First</td>
<td>Human Resources</td>
<td>Benefits</td>
<td>- In the wake of COVID-19, please be aware of the DG’s Families First. This link is to a <a href="https://example.com">Resource</a></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Re-Hire Bonus</td>
<td>Human Resources</td>
<td>Benefits</td>
<td>- Recommended as a way to incentivize teams</td>
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<tr>
<td>Immediate Reimbursement of Benefits</td>
<td>Human Resources</td>
<td>Benefits</td>
<td>- Ask your health insurance broker if they need to be reported</td>
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</tr>
<tr>
<td>Immediate Reimbursement of Travel (for PTO, etc.)</td>
<td>Human Resources</td>
<td>Benefits</td>
<td>- Honor your team’s previous benefits – PTO, etc.</td>
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</tr>
<tr>
<td>Employee Referral Program</td>
<td>Human Resources</td>
<td>Benefits</td>
<td>- Consider offering a referral program to your team. This link is to a <a href="https://example.com">Resource</a></td>
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<tr>
<td>Employee Profit Share</td>
<td>Human Resources</td>
<td>Benefits</td>
<td>- Optional</td>
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<tr>
<td>Employee Ownership</td>
<td>Human Resources</td>
<td>Benefits</td>
<td>- Optional</td>
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</tbody>
</table>

[11 cells selected]
It is important to immediately identify cash on hand. This will allow you to make key decisions around operations, labor, and general revenue structures.

(1) Identify cash on hand
(2) Determine any outstanding APs + ARs
(3) Determine how + when to rehire
(4) Understand how long you can sustain operations with your current cash flow
(5) Identify revenue needed to break even

Everything else follows
Re-Opening
Critical Path
By Section
Financial viability is crucial and understanding your cash on hand should inform initial reopening decisions from labor, to guest capacities, to menu offerings. Below we have outlined the key considerations you should make as you move toward reopening—everything from forecasting operational costs, to resetting operating profit expectations, to rebuilding your labor model and schedule, considering alternative revenue streams, + beyond.

<table>
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<tr>
<td><strong>Operational Costs</strong></td>
<td></td>
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<tr>
<td>1. [TOP PRIORITY] Identify Cash on Hand</td>
<td>Finance</td>
</tr>
<tr>
<td>2. Forecast Operational Costs</td>
<td>Finance</td>
</tr>
<tr>
<td>3. Group Expenses into Mandatory vs. Optional</td>
<td>Finance</td>
</tr>
<tr>
<td>4. [Reestablish + Renegotiate] Lease Terms</td>
<td>Finance</td>
</tr>
<tr>
<td>5. [Reestablish + Renegotiate] Loan + Interest Payment Terms</td>
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<td>6. [Reestablish + Renegotiate] Vendor Terms</td>
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<tr>
<td><strong>Operating Profit</strong></td>
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</tr>
<tr>
<td>7. Determine Operating Profit</td>
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<tr>
<td>8. Set Expectations of Operating Profit</td>
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<tr>
<td>9. Contact Bank About Setting Up a Borrowing Facility</td>
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<tr>
<td>10. Determine Thresholds for Scaling Business Back</td>
<td>Finance</td>
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<tr>
<td><strong>Labor</strong></td>
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<tr>
<td>11. Build Labor Schedule from Revenue Assumptions</td>
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<td>12. Build Headcount Tier as Demand Grows + Capacity Restrictions Lift</td>
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<td>14. Update Bonus Letters for All Exempt Employees</td>
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<td>15. Update Rates of Pay for Non-Exempt Employees</td>
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<td>16. Update Tip Pool Structure</td>
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- Operating Costs
- Operating Profit
- Labor
- Revenue Streams
- Banking
- Training
Ensuring you have proper accounting systems set up is more crucial than ever to help predict the cash flow of your business. Here we outline everything from the importance of reviewing sales data, to tracking accounts payable and receivable, to tracking COGS, to setting up inventory systems.

- General Accounting
- Sales
- Accounts Payable
- Accounts Receivable
- COGS
- Inventory
When it comes to operations, quickly establish clear COVID-19-specific standard operating procedures (SOPs) to ensure your team and your guests are safe. Consider your budget projections and revenue sources as you think through your menu. This will impact how you renegotiate vendor terms, set ordering pars, and additional operational decisions such as delivery and pickup protocol.

- General Operations
- COVID-19 SOPS
- Menu Development
- Vendors
- Ordering
- Delivery
Human Resources

Your team is the heartbeat of the hospitality industry. Below we help you think through all possible HR considerations from rehiring protocols to new COVID policies such as PPPL, Employee Retention Tax Credits, FMLA + FFCRA.

- Recruitment + Hiring
- Onboarding
- Benefits
- Training
- HRIS - Human Resources Information Systems
- Payroll
- Compliance
Clear, consistent communication is imperative. As you reopen, here is a list of internal and external information you need to share — whether with the public or your team. This includes adjusted operations as well as ongoing safety measures to keep your team and your guests safe.

- External Communications
- Internal Communications
- Website
- Social Media
It is likely that the majority of your technology has been in place since you initially opened your doors. As you are now in a different financial position, it will be key to review the terms and conditions of your existing contracts. We recommend reviewing your contracts and vendor terms to see if there are opportunities to reduce ongoing costs.
Presumably you have already connected with your insurance company, and now is the time to think through risk management, department of health compliance, and how to properly train your employees using COVID-19 protocol. We anticipate additional policies will be made available post-COVID to cover future public health crises.

- Risk Management
- Training
- Department of Health
- Insurance Needed
- Permits + Licenses Needed
- Signage
Whether your restaurant is completely closed or open for pickup and delivery, review your facilities contracts — particularly since most, if not all, of these require monthly payments.
### Oyster Sunday Reopening Critical Path

#### Operational Costs
1. (TOP PRIORITY) Identify Cash on Hand
   - Department: Finance
   - Category: Operational Costs
2. Forecast Operational Costs
   - Department: Finance
   - Category: Operational Costs
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#### Operating Profit
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15. Update Rates of Pay for Non-Exempt Employees
    - Department: Finance
    - Category: Labor
16. Update Tip Pool Structure
    - Department: Finance
    - Category: Labor
At Oyster Sunday, we are committed to supporting independent restaurants with *free consultations* in the wake of COVID-19. This service is available to both restaurants in our community and operators we have yet to meet.

oystersunday.com
@oystersunday

hello@oystersunday.com
Thank you.