To Reopen or Not? Restaurants Face a Make-or-Break Moment

AS FULL-SERVICE RESTAURANTS REOPEN DINING ROOMS, THEY FACE A COMPLEX WEB OF LEGAL CODE, SAFETY MEASURES, AND CUSTOMER PERCEPTIONS.

Philadelphia’s GLU Hospitality Group opened its fourth nightclub concept, the intimate cocktail lounge Leda & the Swan, a mere six weeks before coronavirus-related bar and dining room shutdown orders rippled through the U.S.

For a couple of weeks after closing its nightclub venues, GLU didn’t see much activity in its kitchens aside from a skeleton crew who prepared and donated meals to hospitals. Then, less than two months after the initial shutdowns, the group staged a reopening of sorts. Per government regulations, its nightclubs remained closed, of course. But Hunnies Crispy Chicken—a new ghost kitchen brand based on proprietary, rice-flour fried chicken recipes from GLU’s executive chef, Chino Chang—opened in one of the nightclub’s kitchens.

“We’d been talking about starting a brand like this for around six months, because our chef just has some really amazing chicken recipes,” says Derek Gibbons, owner and managing partner of GLU. “When all of the shutdowns happened, we said, ‘We have some free time now; why don’t we start working on this?’ We launched the concept about three weeks after that.”

Motivated by the near impossibility of operating successful nightclubs during the pandemic and its aftermath, GLU stuck out among full-service companies by reopening with an entirely new concept and model. But, in recent months, all full-service groups and chains, including GLU, have faced the same question: How do you reopen at a time when dining rooms and bars can be viewed as vulnerable spaces? And how do you ensure your locations in various neighborhoods, cities, and states are following their own local codes? And what about the threat of future shutdowns from a possible second wave?

This summer, restaurants have discovered that the answer to those questions is endlessly complex, differing from brand to brand. Across the board, however, there’s an emphasis on safety as the top priority.

MIKI'S PARK
Miki’s Park’s saving grace: a to-go window located next to its front door.
Caught Between Opening and Reopening
Miki’s Park, a new bar and grill in Chicago inspired by Korean culture and street food, held its soft opening on March 6. The concept was open for nine days until dine-in bans forced it to close.

The bar’s pandemic saving grace? A to-go window located next to its front door. “The window was already planned for late-night eating and snacks for people leaving bars, but then we took a different approach with it,” says Orville Diaz, Miki’s Park partner and general manager.

The bar quickly generated a few easy, Korean-inspired dishes to serve through its window (think: vegetable dumplings with chili soy dipping sauce and fried topped with bulgogi, kimchi cucumbers, and two house-made dipping sauces). Just a few weeks into business, Miki’s Park also teamed up with third-party delivery service Caviar to reach even more customers.

When the bar reopens for on-site dining and drinking, this time hopefully for good, it will begin with patio dining first. “We have to be adaptable to whatever is thrown at us,” Diaz says. “We’re all in a world of unknowns.”

Hurry up and wait
Smaller chains and groups—like GLU—are better positioned to nimbly pivot in the name of keeping guests and employees safe and healthy. National chains, however, have less flexibility in the process given their breadth. To execute a solid system-wide reopening, large brands must stay up-to-date with recommendations from institutions like the Centers for Disease Control and Prevention (CDC) and National Restaurant Association (NRA), as well as regulations laid down by local governments. Chili’s, which has restaurants in all 50 states and Washington, D.C., put some system-wide practices in place to protect against in-store virus outbreaks. These included requiring face masks and gloves for team members at all times; temperature checks for staff; 6-feet social distancing in-store at all times; contactless to-go, pickup, and curbside orders; disinfecting stations at all restaurant entry points; disinfection of all surfaces every 30 minutes; and rigorous handwashing procedures for staff. Seating was also limited in all restaurants as they reopened, with the exact number of tables dictated by local mandates.

“As we carefully open our dining rooms across the country in accordance with state guidelines, we will deliver on our commitment to our team members, guests, and communities to do so safely,” said Wyman Roberts, CEO of Chili’s parent company Brinker International, in an email to FSR. “We’ve taken a systematic approach to reopening guided by the standards recommended by the CDC and customized by market or individual restaurant based on local mandates. Our team has been thoughtful in taking all precautionary measures to ensure we deliver on our commitment of protecting the safety of our team members and guests who we care deeply about.”

Red Lobster, a similarly large full-service chain, mirrored Chili’s approach to safely reopening; it established several system-wide safety measures while also taking local ordinances into account. “We are reopening gradually and after careful consideration and implementation of additional health and safety procedures and guidelines from the CDC and government mandates, as well as recommendations by the NRA,” says Kara Ramirez, Red Lobster’s mid-South vice president of operations.
By June, Chili’s had reopened more than 80 percent of its dining rooms. In June, the chain had reopened a sizable set of dining rooms, with to-go operations in place at all locations. Aside from ensuring safety in its sprawling network of restaurants, Red Lobster was also facing the monumental task of bringing employees back to work. Through the shutdown, the company was able to keep some of its directors of operations and team members working thanks to off-premises platforms and the Seafood for Heroes program, a seafood-centric meal drive for hospital workers spearheaded by the Napa Seafood Foundation. That program helped Red Lobster retain certain staff for the eventual reopening of its dining rooms.

Chili’s was in a similar position to Red Lobster and other chains at the beginning of the pandemic, when it was forced to furlough half of its hourly team members. But by June, the brand had reopened more than 80 percent of its dining rooms, with more than 870 of 1,060 company-run restaurants open for in-store business.

Those rapid reopenings have required a quick re-staffing of restaurants to ensure operations run smoothly for returning guests. Rick Badgley, Chili’s executive vice president and chief people and administrative officer, told FSR in May that the combined use of a government relations team and an industry relations team allowed Chili’s to stay on top of various government regulations and reopen stores quickly.

"When we’re ready to go, literally the next day, we are open for business and staffed," he said.

The quasi-open phase
Big Whiskey’s, a 14-year-old, 14-unit American restaurant and bar chain, also faced hiring hurdles upon reopening. For the Ozark, Missouri–based brand, the process of re-hiring and re-training existing staff was coupled with hiring and training new employees for two new franchised stores that opened in the midst of the pandemic.

"[Our new franchisees] are some of the most optimistic people; they’ve put their heads down and worked through this and rolled with the punches," says Paul Sundy, founder and COO of Big Whiskey’s. "Don’t get me wrong; it hasn’t been easy for any of us, any of our people. But this is just what we do in the restaurant business."
The company opened one franchised store in Tulsa, Oklahoma, on June 12, and one in Hoover, Alabama, on July 3. Three more franchised stores are slated to open by year-end. Similar to other brand execs, Sundy says paying attention to the varying regulations in different markets is key to reopening (and opening) safely. But offering extended training for all staff has also been integral to the process. For the Tulsa store, Big Whiskey’s began training new employees on increased safety protocols in May, weeks before the store opened in June. Hoover team members started training nearly a month ahead of their store’s July 3 grand opening. And all units, both new and old, have a staff member newly trained and in place for sanitation duties only.

Xperience Restaurant Group (XRG) in Cypress, California, runs 60-plus units of Mexican restaurant concepts El Torito, Chevys Fresh Mex, Sol Mexican Cocina, Acapulco, Sinigual, Solita, El Torito Grill, and Las Brisas. Unlike Big Whiskey’s, the group isn’t kicking any new stores into gear right out of the gate. But, similar to Big Whiskey’s, resuming business post-pandemic for XRG includes a new, in-depth training program. XRG CEO Randy Sharpe says the process still feels like “a brand-new restaurant opening.”

Before an XRG location, like Chevys, can open its doors for dine in, all staff must complete a five-day certification program. “In a nutshell, that’s the approach we’re taking on this,” Sharpe says. “We’re not changing our menus, per se, but we’re not taking anything for granted. We’re taking a look at everything we do and asking, ‘Is that the right way to do this, or is there some different way to consider?’”

Before an XRG location can open its doors for dine in, all staff must complete a five-day certification program that covers updated safety measures, like frequent sanitation breaks; rules against sharing POS systems, host stands, and other equipment; and mandatory temperature checks between shifts. This goes for new staff, as well as team members who were employed before the coronavirus hit (all pre-pandemic employees have been given the option of returning to their previous posts with XRG). The group has also created a new system that allows guests to wait in their cars and receive a call or text when a table is ready, as well as touchless curbside pickup. All of these new measures not only ensure the safety of employees, but also help ease the minds of guests, which Sharpe—echoed by GLU’s Gibbons and Big Whiskey’s Sundy—says is a salient point of reopening for all full-service companies.
Creating environments where guests feel safe is almost as important for business as increasing actual safety and sanitation protocols. To that end, XRG is posting large signs near the entrances to its restaurants that include a bulleted list of all new safety measures.

While GLU plans to pursue growth with Hunnies Crispy Chicken, perhaps even opening some brick-and-mortar in the future, the group’s nightclub venues could remain closed for months yet due to their intimate, convivial layouts. But, when these concepts are able to welcome guests back, Gibbons says the focus will be on VIP areas, where customers can sit in sections separated by individual party, as well as spaces like GLU’s indoor/outdoor garden experience, Germantown Garden. Reservations will also be key to ensuring customer comfort and confidence in the reopened clubs.

“I think one thing with bringing people back to the nightclubs is that we do have seating areas where people will be able to sit with their specific groups, people they feel comfortable with,” Gibbons says. In the throes of the pandemic, Big Whiskey’s off-premises sales climbed up from around 5 percent of total sales to 20–30 percent. Sundy recognizes that some guests will continue ordering takeout in the name of safety, even after all dining rooms in the system are once again open for seated service. Still, he is optimistic about pent-up customer demand from weeks of cooking at home, and cites safe, in-person grand openings as a savvy move for the brand’s new stores.

“I think most of the changes are in public perception,” he says. “I can’t make somebody feel safe. But 60 percent of our guests feel safe in dining rooms already and then 40 percent will still be rocking carryout and delivery, and we love that. We’re a young brand and failure is just not an option for us.”