

Connecting our Community | Customer Resources

Covid-19 Information

Overview | Surveying this uncertain foodservice climate, one thing is certain - those that work quickly to adapt, refine departments, roles, and services are best positioned to survive. All of us are having to flex to the needs of our stakeholders by demonstrating empathy in our approach. We are all strategizing on how to have conversations about not just "how I can help," "call me if you need anything" to "can I help with X?" - specific and concrete ways we can assist the person on the other end in meaningful ways.

We need to rally around our communities and everyone to see how we can work together to rebuild and overcome. PRO*ACT is looking at the national landscape to find ways we can demonstrate an increased focus on community, assist in continuing to bring produce so consumers with an expanded B2C model, and help advocate on everyone's behalf.

We wanted to share with you the current climate, the focus for the future, as well as the outcome of what we have aggregated from clients, distributors, and other industry-based companies.

- **Current climate:** Overall, the industry has been hit hardest in major metropolitan areas versus residential or rural because of lack of people traveling in for work, mandatory shutdowns, office buildings closing, or "Shelter in Place" orders. If businesses had cash flow issues before, they will likely not weather this storm. Businesses are looking for hope from the Federal Stimulus Package to relieve financial pressures and help support employees.
 - **B&I / GPO:** Offices like Google, Nike, Blue Cross, and Blue Shield continue to have their employees working from home. Businesses tied to the medical industry are continuing to keep their doors open and take care of folks the best they can. Offering take-home boxes, meal kits or increased grab and go. Extra steps have been taken into place with deliveries to protect from exposure. Hospitals continue to have shortages of equipment to take care of the growing C-19 population coming in for treatment.
 - **Hotel:** Tourism is down 100% with hotel groups closing and consolidating location availability for the few that are having to travel due to the virus. In major cities like San Francisco and New York, some hospitals are being converted to hospitals.
 - **K-12 / College:** Most schools will not be re-opening until the Fall. In many regions in the country, public schools continue to prepare meals and get them to children in hopes they can continue to get sustenance.
 - **QSR:** Those with established take-out, to-go, drive-thru, or delivery are surviving. Concepts are seeing decreases in business but are still able to keep the doors open. Units in more rural areas are seeing decent bumps with limited dining options.
 - **Casual Dining:** This sector has taken the biggest hit as they were not prepared to reallocate resources to a "To-Go" mentality. With furloughed hourly employees, salaried



staff members are working to cook, prep, and run the register to meet the needs of the restaurant. It has allowed them to streamline their businesses with limiting menu options, promoting family four-packs with an appetizer or salad, protein, side, and dessert. In areas that will allow it, they are also offering bottles of wine or beer as an add-on.

Some restaurants are even offering take-to-cook options or have sold inventories to the public to recoup losses. Others were able to launch community food truck operations to continue to capture revenue. Uber Eats, Grubhub, and other food delivery services are offering buy one get one delivery, waiving delivery fees, and more advantageous breaks for locally owned businesses.

- **Local restaurants:** The independent restaurant community employs 11M people in our country. Local and community restaurants are closing their doors, and some will not have the financial means to re-open. Many cannot maintain the overhead to support carryout or pick up orders. Organizations like ours, the James Beard Foundation, and Save Restaurants are doing all they can, not just to raise awareness but raise money.
- **At-home delivery:** Business is up almost 20% nationally in the at-home meal delivery. Instacart, Walmart Grocery, and Shipt have seen their daily downloads surge by 218%, 160%, and 124%, respectively.
- **Now their focus:** All segments are looking at ways of how they can feed and care for employees. From locally owned to national, employees that were furloughed are continuing to struggle. Much like our companies, in hopes that when the businesses that are lucky enough to come out on the other side, they want employees to experience empathy and support while not working. Some companies are opening a community kitchen to feed for free, and opening GoFundMe accounts or asking for donations.
- **90-day plans:** Everyone is looking to the next 90 days to see how the stimulus package can offset losses, "shelter in place" orders to be relaxed and dining rooms to re-open. Each has learned how to be more effective in their operations, become leaner in their expenditures, and creative practices to make money they can continue as we move past this season.

The pandemic has also forced businesses to think about business continuity plans, increased solutions to reduce the spread of contaminants, insurance protection and language, and contractual agreements. Additionally, companies are taking a hard look at financial health with expansions internally or externally of franchisees or, in the case of GPO's, their client base.

- **Future:** Many are calling this an industry "re-boot" with the common theme amongst foodservice operators (national or local) is that this will thin the oversaturated landscape of the restaurant world. It will make a positive impact on the available and skilled labor pool allowing



businesses to hire the right people and for employees to appreciate the opportunity and the companies that retained them.

- Online Resources:
 - Delivery Opportunities
 - [Sevenrooms](#) Commission-free digital ordering solution for delivery and pick-up with built-in marketing capabilities free for the first 90 days
 - [Getting started with delivery](#)
 - [How restaurants can minimize the impacts of COVID-19](#)
 - [Tech Crunch](#): At home delivery data
 - [Market Watch: Home Delivery Service](#)
 - Stimulus Information
 - The Packer overview of [stimulus package](#)
 - [Eater Overview](#)
 - [Business Insider](#)
 - [H.R 6074 | Stimulus Bill](#)
 - Covid-19 and the Industry
 - NRA webinar [Tracking the impact of COVID-19](#)
 - [Technomics Take on C-19](#)
 - [IFDA's feedback](#)
 - [USDA PACA Questions](#)
 - [United Fresh](#) and [PMA](#) partnership resources
 - Current climate of freight [article](#)
 - Helping Those in Need
 - [World Central Kitchen #chefsforamerica](#)
 - [Furlough Kitchen Movement](#)
 - [Save Restaurants](#) for Independent Restaurants
 - [James Beard Foundation Food and Beverage Industry Relief Fund](#)
 - [GoFundMe](#)

For more information about the impact of Covid-19 or about PRO*ACT please contact info@proactusa.com.

