



THE TRIFECTA TOOLKIT:

A Guide to Surviving Inflation, Labor, and Supply Chain Disruption



 **HungerRush™**

Restaurant owners are facing some of the toughest economic times in modern history.

THE GLOBAL PANDEMIC HAS LEFT A TRIFECTA OF CHALLENGES IN ITS WAKE:



Soaring inflation sending prices up across the board



Supply chain disruption causing menu chaos



Shortage of labor separating you from skilled staff

But if you're still standing after COVID, you're in a strong position to overcome these challenges. This guide is packed full of practical tools you can use to survive these disruptions and future-proof your business against whatever comes next.

We split this guide into three parts. Simply click one of the options below (or keep scrolling) to get started.

INFLATION

SUPPLY CHAIN

LABOR



The Inflation SURVIVAL GUIDE

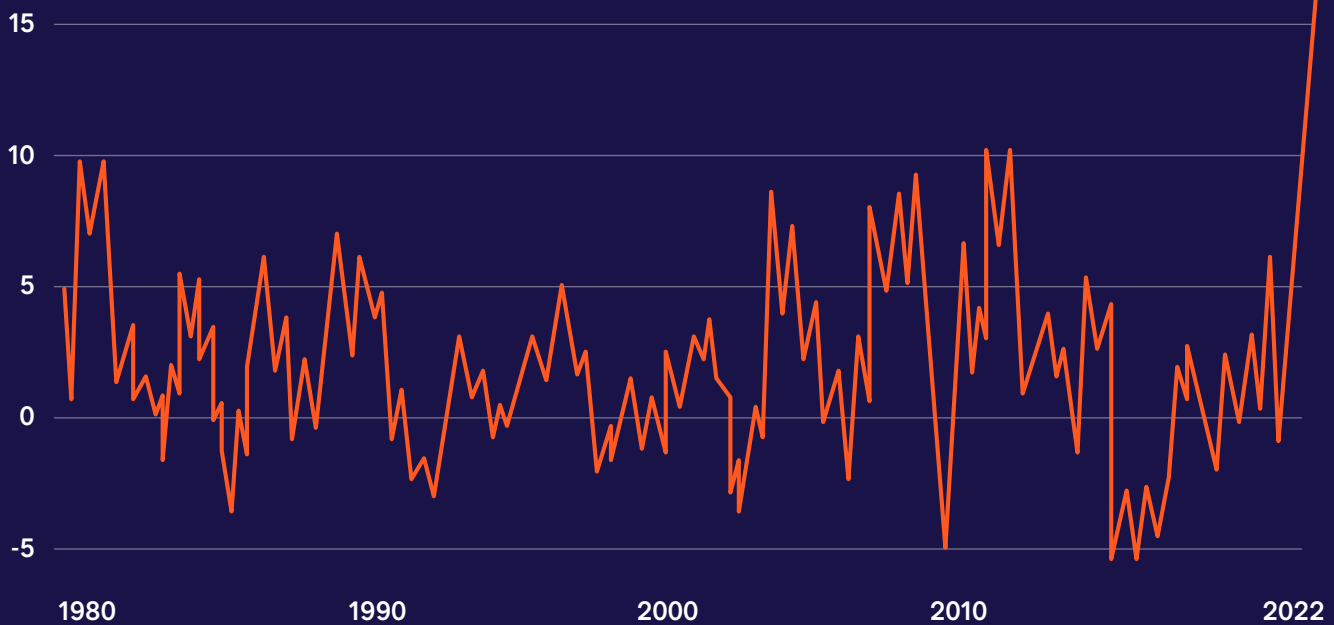
According to the **Federal Reserve**, 1–2.5% inflation is normal and healthy. The annual inflation rate in May 2022 was 8.6%, according to **Trading Economics** — that’s the highest it’s been in 40 years. We tapped into our network of restaurant industry veterans and came up with three tools you can implement right now to tackle the threat of inflation.

16.3%

April 2022

**Food Cost
Inflation: PPI**

SOURCE: BLS



TOOL 1

The Taco Bell Strategy



WHAT IS IT?

Taco Bell was one of the first restaurant chains to become hyper-efficient with their menu planning. They only buy and use ingredients that can be applied across the menu. Everything can be swapped, subbed, and repurposed for other dishes.



HOW IT HELPS?

This means Taco Bell has a simple menu with a very low number of total ingredients. Restaurants that imitate Taco Bell's strategy of consolidating their menu can buy a higher volume of a smaller number of items. That's far more cost-effective and leads to less waste.



NEXT STEPS:

Make a list of all your ingredients that are only used in one or two dishes, then either substitute those with ingredients you use more of or cut menu items that are dependent on those one-off ingredients.

TOOL #2

Renegotiate Your Supply Chain



WHAT IS IT?

Find a better deal on your supply chain. That means talking to competitors or renegotiating your existing deal to see if you can get a better one.



HOW IT HELPS?

The creeping rise of inflation means that the deal you struck with your suppliers two years ago might not look as attractive right now. Your suppliers are in the same boat as you—by talking to them, you might be able to find a middle ground and save money.



NEXT STEPS:

Make a list of all your ingredients that are only used in one or two dishes, then either substitute those with ingredients you use more of or cut menu items that are dependent on those one-off ingredients.

TOOL #3

Raise Prices



WHAT IS IT?

With inflation averaging at 8% and set to continue rising, the simplest solution is to raise your menu prices. As much as customers might not like price hikes, they understand that everyone is in the same boat and expect restaurant prices to increase.



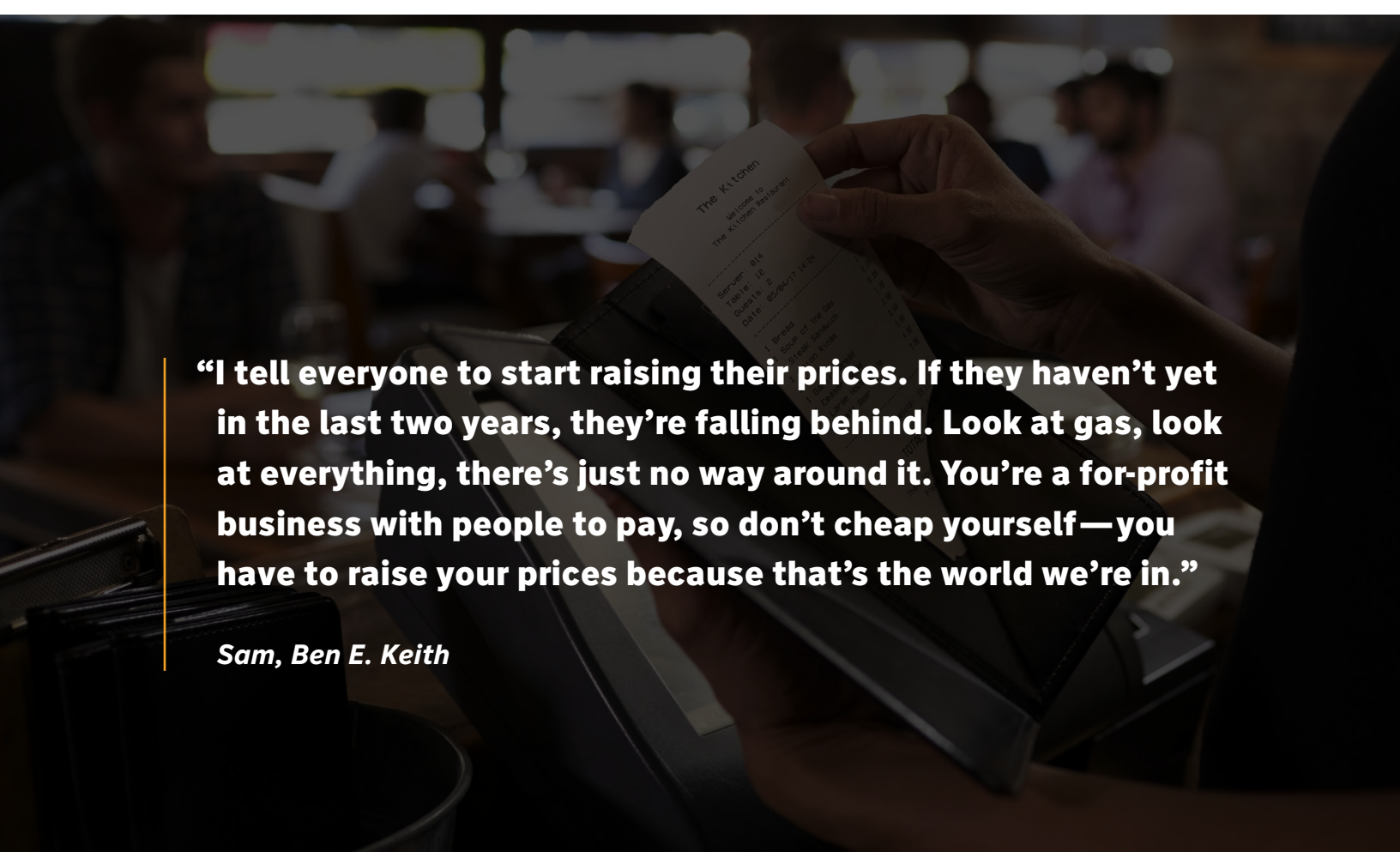
HOW IT HELPS?

Inflation isn't just happening for food, but also labor, rent, supplies, and utilities. Most restaurants operate at a 3-8% profit margin — this rise in inflation can gut your profits. As much as customers might not like price hikes, they understand that everyone is in the same boat.



NEXT STEPS:

Raise your prices more than eight percent. Price increases will continue, so plan ahead for them by proactively raising your prices more than the current inflation rate of eight percent. Here's what Sam from [Ben E. Keith](#) (a food distributing company) had to say:



“I tell everyone to start raising their prices. If they haven’t yet in the last two years, they’re falling behind. Look at gas, look at everything, there’s just no way around it. You’re a for-profit business with people to pay, so don’t cheap yourself—you have to raise your prices because that’s the world we’re in.”

Sam, Ben E. Keith



The Supply Chain

SURVIVAL GUIDE

Supply chains across the world have been disrupted by COVID-19 and that's had a cascading effect. Restaurant owners and operators need to stay on their toes and get creative to outmaneuver whatever particular shortages are common in their area. Here's how to do it:

TOOL #1

Make Menu Substitutions



WHAT IS IT?

If an item or ingredient on the menu is getting too expensive or supply chain issues mean you've suddenly run out, see if you can swap another ingredient instead of just pulling those dishes from the menu.



HOW IT HELPS?

In Australia, KFC was forced to do just that when flooding impacted their supply of lettuce in the country. They swapped it out for cabbage. This works for straightforward swaps, i.e., similar proteins and vegetables. Keeping the item on the menu is often better than cutting it completely.



NEXT STEPS:

When a short-term substitution is required, turn it from a disruption into an event by training your staff to pitch the substitution as an experiment gone well that customers are now lucky to try.



**SWITCH TO
VEGETABLES
AND
INGREDIENTS
WITH A
LONGER
SHELF-LIFE**

TOOL #2

Minimize Urgency By Minimizing Spoilage



WHAT IS IT?

Make the most of what you have to minimize waste. Switch to vegetables and ingredients with a longer shelf-life. Adopt longer-lasting alternatives like frozen instead of fresh. Consider cutting portion sizes to make your supply go further.



HOW IT HELPS?

Waste and spoilage are a liability, eating not only your profits, but also your agility.



NEXT STEPS:

If you're in the habit of over-purchasing or over-producing food, cut back on what you buy and make in a day incrementally. Find the ingredients that are most likely to go to waste pre-production and cut back on the next purchase order.

TOOL #3

Get On The Same Page As Your Suppliers



WHAT IS IT?

Call your supplier and talk about your must-have items. Create a plan for what you can do if they run out: Is there another supplier they can contact in emergencies? Can they sub something out on a moment's notice that's acceptable to you? Planning this out beforehand will make fires that much easier to put out.



HOW IT HELPS?

Large suppliers who see you as a number on a list are not going to help you overcome shortages. You need to develop a relationship with your suppliers and prepare an emergency plan before said emergency happens. And if they do see you as a number on a list, you might want to start searching for a better supplier.



NEXT STEPS:

Identify your 5-10 must-have items, the things that'll create significant disruption to your menu or customer experience, then call up your suppliers and make a Plan B for each item.

“Unfortunately, my buying team thinks we are going to be in this economic predicament for the foreseeable future. We will all have to adjust but I don’t think it’s changing any time soon. We’re here for the long haul.”

Kyle, Ben E. Keith





The Labor Disruption SURVIVAL GUIDE

The pandemic left some significant scars on the service industry. According to the BLI:



70%

of restaurant owners
are having trouble
filling positions



1.4M

job openings
in the restaurant
industry



16%

percentage that
minimum wage
is up

Restaurateurs that want to attract and keep good staff need to make some changes. Here's what to do:

TOOL #1

Invest In The Latest Technology



WHAT IS IT?

Modern advances in technology have revolutionized the restaurant industry. Invest in tech partners that can supply you with voice and text ordering, automated first-party ordering systems, and perhaps even a robotic kitchen to maximize the productivity of every labor hour.



HOW IT HELPS?

You can save up to 21% on labor costs and maximize the employees you do have by taking a lot of unnecessary busywork off their plates. It's not about replacing staff—a human touch is always important for customer experience. But a dash of technology will bring out the best in your staff.



NEXT STEPS:

One of the biggest levers most restaurants still need to pull is automating the call-in order. Tech like [OrderAI Text and OrderAI Talk](#) can erase disruptive call-in orders and keep your staff on high-priority tasks, like producing food and serving customers.

In what areas do you expect your technology spending to increase over the next two years?



60%

of operators are increasing their tech budgets in the next 2 years

SOURCE: Technomic 2021

TOOL #2

Nurture Your Existing Employees



WHAT IS IT?

Invest in the staff you have. Keep them smiling, offer a raise that matches inflation at a minimum, and give them opportunities for growth.



HOW IT HELPS?

Doing things like offering additional employee training, perks like better parking or extra days off, and shift flexibility are great ways to foster a positive work environment that people want to participate in. Being kind to your employees can improve retention — which means you're less likely to be forced back onto the hiring hamster wheel. (We wrote about this in-depth [here](#).)



NEXT STEPS:

Start by raising employee wages to match the rise in inflation (8%) to demonstrate your awareness that they're in the same boat. Then run an anonymous survey with employees to understand how you can develop a more rewarding employee experience that retains talent long-term.

The restaurant industry had a **130%** staff turnover in 2020.

SOURCE: [BLS](#)





WHO DOESN'T LIKE WORKING SIDE-BY-SIDE WITH THEIR FRIENDS?

TOOL #3

Employee Referral Program



WHAT IS IT?

Implement an employee referral program that rewards your staff for recommending friends and family to your restaurants.



HOW IT HELPS?

Your staff are likely to make strong recommendations—no one wants to look bad by suggesting someone who isn't up to the task. A reward program for successful referrals will incentivize them to do so, helping you fill your vacant spots and keep your existing employees happier—because who doesn't like working side-by-side with their friends?



NEXT STEPS:

Communicate to your staff that they'll receive a cash bonus (\$100+) for referred hires. Even a small incentive will turn employees from non-vocal workers to evangelists.

HungerRush Has the **Tools You Need** to Beat Back the Trifecta

The trifecta of inflation, supply chain disruption, and the ongoing labor crisis aren't going away anytime soon. This isn't something you can just ride out.

The tools outlined in this ebook are designed to help you beat back these challenges and let you focus on providing a great dining experience while turning a healthy profit. Need help implementing any of these or just want to chat with our team of restaurant industry veterans? HungerRush is here for you.

HungerRush helps restaurants of every size not only survive, but thrive—whatever the economic climate. Our success is proven and built on years of personal experience in the restaurant industry.

Whether you're struggling with inflation, dealing with difficult suppliers, or just can't seem to find the right staff for your restaurant, HungerRush is here to help.

[Call our sales and customer success team today to see how HungerRush can help you.](#)



I'M READY TO DEFEAT THE TRIFECTA.



HungerRush helps restaurants and chains of all sizes leverage advanced technology to understand their customers, run more efficient operations and drive more revenue so that they can set a path towards sustainable growth.

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