

RESTAURANT PRACTICE GROUP

Multi-site Restaurant Operator Protects Liquidity and Reduces Risk During the Pandemic

BACKGROUND & CONTEXT

As the COVID-19 outbreak gained momentum, a large multi-site restaurant operator in Tampa Bay, FL turned to BKS Partners for guidance about preserving cash flow and managing several emerging risks. The restaurateur wanted a detailed risk management plan to guide both the closing and gradual reopening of the restaurant. The outbreak forced location closures while the shelter in place orders were being enforced. As a result, cash flow was strained with no revenue coming in the door while continuing to pay expenses. The following provides a brief overview of the problems encountered, how they were addressed, and what value was created for the client.

As the demand for delivery and takeout began to surge, it was evident the business model had to evolve. The addition of delivery and more online transactions presented heightened fleet and cyber risks to control. In addition, employment risks were concerning the client as new laws passed.

SOLUTION & TACTICS

Several cash management strategies were utilized to help preserve liquidity. These included premium payment deferrals, exposure base reduction, payroll recordkeeping, and transitioning to a non-auditable umbrella policy. To support sales and client support, BKS colleagues were given takeout allowances and encouraged to use. A workplace safety guide was provided to reduce liability and support compliance. Online fleet safety courses were made available to drivers. Cyber loss control and insurance coverage recommendations were made. Employment law counsel was provided.

VALUES & LESSONS



- The client was able to preserve cash flow desperately needed for ongoing expenses. We deployed creative risk and insurance services to remain resilient during a challenging time.
- Valued restaurant assets were protected more effectively during a time of heightened risk and uncertainty.
- The custom risk management services received have provided the client's leadership team with the confidence in their ability to compete in the new normal going forward.

Restaurants rely on BKS to reduce risk and survive and thrive during challenging times.
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