

DELIVERING

THE DIGITAL RESTAURANT

THE PATH TO DIGITAL MATURITY



WORKBOOK EXERCISES



Welcome, reader! We're happy to see you here.

We've heard from many of our readers that our first book is dog-eared, highlighted, underlined, and sticky-noted.

We love it!

A well-worn book is a sign of intentional use. For *Delivering the Digital Restaurant: The Path to Digital Maturity*, we wanted to make it even easier to apply what you learn to your own business. In this companion workbook, you can write your intentions, doodle your dreams, and generally make use of what you are reading.

As always, reach out to us on LinkedIn (@delivering the digital restaurant, @carl orsbourn and @meredith sandland) or our website (DeliveringTheDigitalRestaurant.com) with questions and thoughts.

We love hearing from you.

CHAPTER 1: BE FOUND

1. Check your merchant portals across the marketplaces your restaurant participates in. What maketime is set? Can you reduce it to 10 minutes or less?

Platform	Maketime
1	
2	
3	
4	

2. Spot-check the production times for your delivery menu's 10 top-selling items from the last month.

Item	Product Mix (% of Sales)	Production Time
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

3. What action can you take this week to help reduce the production time of the top-selling items that take more than 10 minutes to produce?

4. During the peak time of business for your restaurants, create a new customer profile in each marketplace as if you were a guest who lives at an address nearby.

How far down the home page is your restaurant? First result? 17th? Repeat the process in your restaurant's primary category, then repeat the process in each major carousel.

Platform	Homepage Result	Category Result	# of Appearances in Carousels

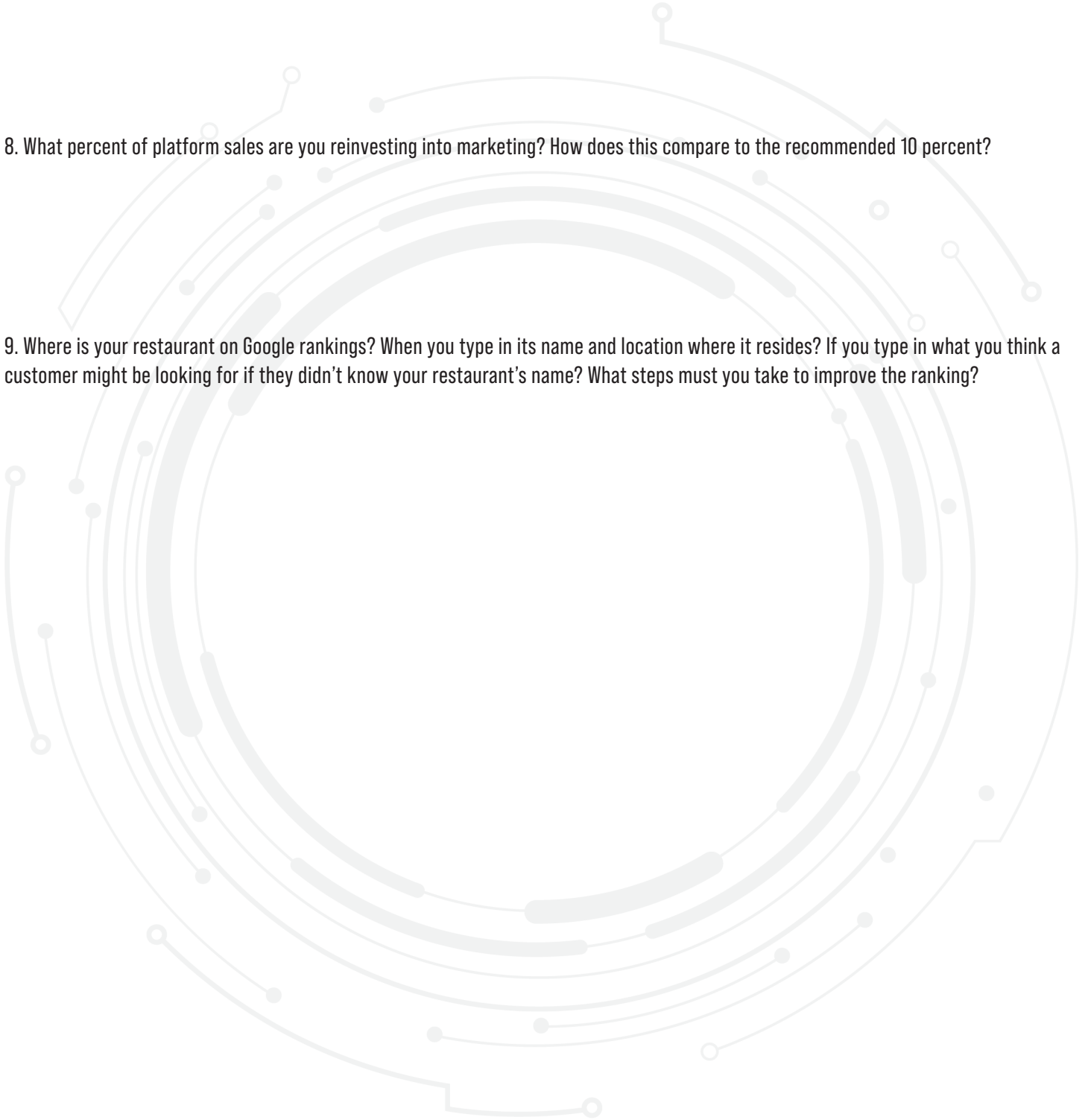
5. Which carousels does your restaurant appear on? Which carousels are the most effective for your restaurant? Are they different in different marketplaces? What do you notice about the results?

6. What is your chargeback percent of sales by platform? How does this affect your restaurant's overall bottom line?

7. Have you developed a process to regularly monitor the chargebacks your restaurant receives? How can you improve operations to prevent chargebacks? What actions can you take to improve the chargeback recovery process?

8. What percent of platform sales are you reinvesting into marketing? How does this compare to the recommended 10 percent?

9. Where is your restaurant on Google rankings? When you type in its name and location where it resides? If you type in what you think a customer might be looking for if they didn't know your restaurant's name? What steps must you take to improve the ranking?



CHAPTER 2: CONVERT FANS

Download the app offered by any one or all of these companies onto your phone: Chipotle, Panera Bread, McDonald's, Chick-fil-A, Cava, Starbucks, Sweetgreen, Itsu, or Wingstop. Choose one that you've never used or registered with before.

If you don't have these restaurants near to you, choose a big brand that you respect that has clearly invested in a high-end first-party ordering channel.

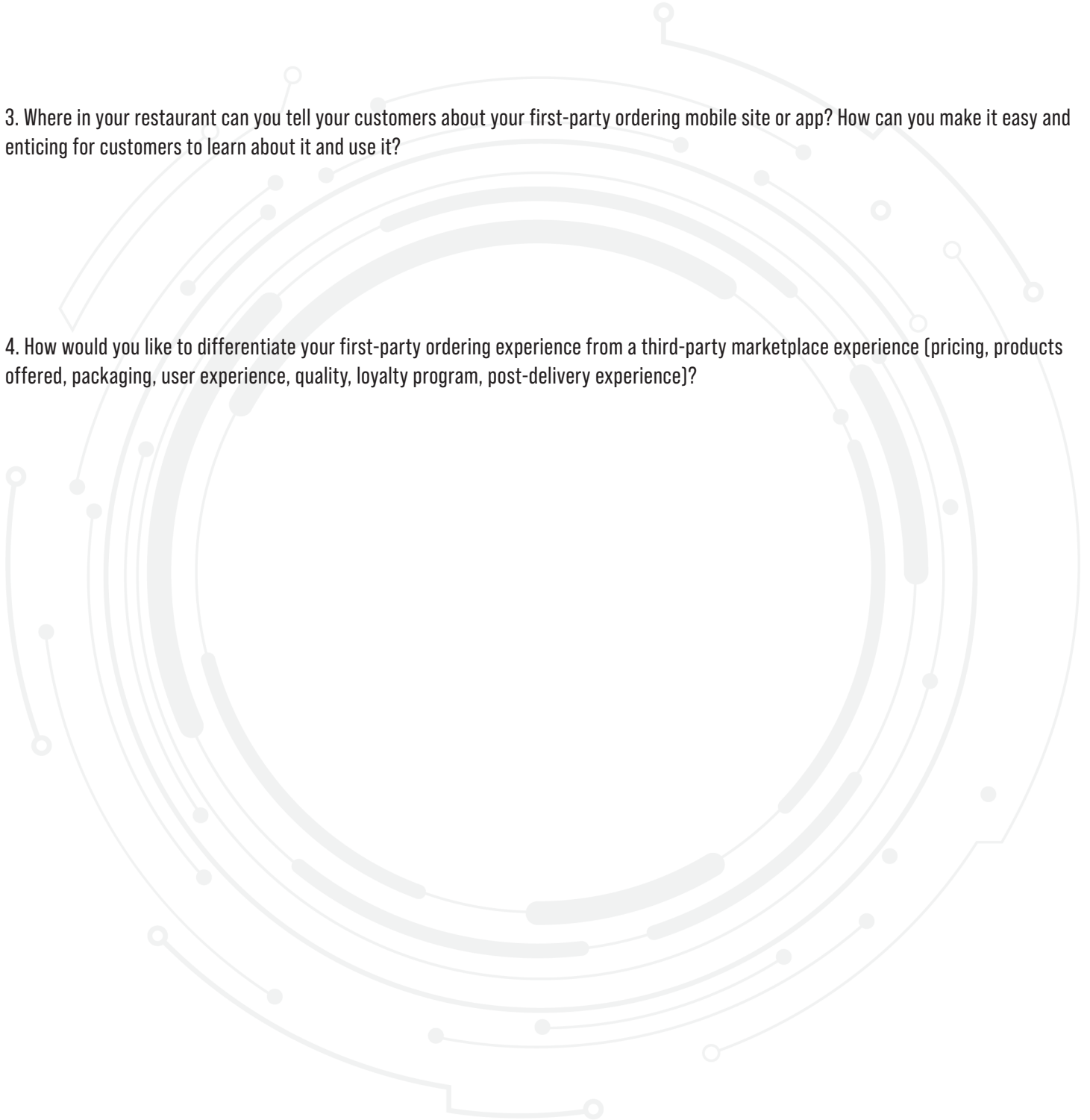
1. With that app in mind, what do you like/dislike about the following and what would you incorporate into your own direct ordering channel?

	Like	Dislike	Incorporate into your own channel
Registration sign-up process			
Welcome email/text message			
Menu design and item descriptions/imagery			
Process to add items to the cart			
Payment setup			
If you can, order something from the app for delivery.			
Information provided to you post-transaction			
Packaging and information provided to you about the brand/first-party channels			
Overall impression			

2. What steps can you take to improve the relationship between your restaurant team and the drivers who take your food to customers?

3. Where in your restaurant can you tell your customers about your first-party ordering mobile site or app? How can you make it easy and enticing for customers to learn about it and use it?

4. How would you like to differentiate your first-party ordering experience from a third-party marketplace experience (pricing, products offered, packaging, user experience, quality, loyalty program, post-delivery experience)?



1. Which metrics do you regularly analyze? Based on what you've read in this chapter, which metrics do you think are most appropriate for you to start measuring?

2. Find your conversion rate from each of the marketplaces you use today and your first-party platform. Notice how they differ from one another.

3. How do most guests find your restaurant's website? Check your Google Analytics dashboard. If you don't have it set up, do so, then come back to this question after your dashboard has been active for a month.

4. Find the ROAS from your last marketing campaign on your primary marketplace. What was the objective of that marketing campaign? If it was to drive profitable sales, the ROAS should be at least 5:1. If it was to acquire new customers that would later repeat at full price, the ROAS might be lower.

5. On a scale of 1 to 10 (10 being amazing), how structured and detailed are your menu recipe cards? Do you have a detailed breakdown of how much of each ingredient goes into each dish? If you scored yourself less than 5, what can you do to improve?

6. For the next month spend on marketing guest acquisition efforts, track how much is spent (A). Also track how many “new” guests have you served during the month (B). (Note—you may need to be more focused than usual on how you measure this if you don’t have a system in place.) Divide A by B to get your Customer Acquisition Cost.

7. What is the average number of times in a year that a guest uses your restaurant, including those who never return (A)? What is their average check size (B)? What is your typical restaurant margin (C)? Multiple $A \times B \times C$ to get an average lifetime value within a year. Segment your customers by different metrics (channel, product, daypart) to compare LTVs.

8. What percentage of marketplace revenue have you spent on advertising each month for the last 6 months? DoorDash, by way of example, believes average promotional sales can grow by up to 20 percent and see a 5-6x ROAS (return on advertising spend). Calculate this for your restaurant and determine whether your restaurant sees this level of return.

	Ad spend \$ (promotional placements & discounts offered)	Absolute sales attributed to ad campaign	ROAS = sales / advertising spend
Last month			
Two months ago			
Three months ago			
Four months ago			
Five months ago			
Six months ago			

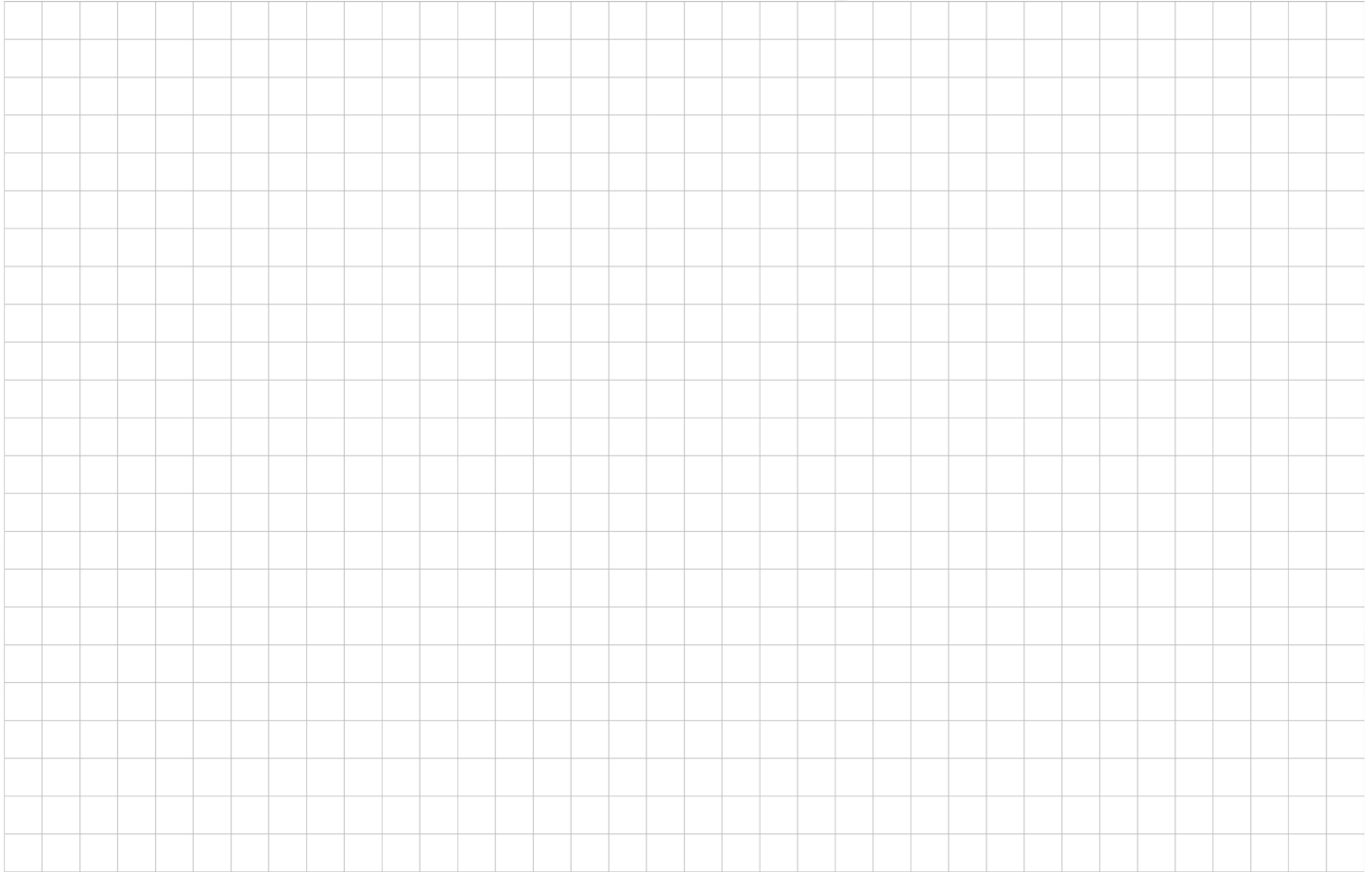
1. Do you believe you have a capacity challenge at your restaurant? How would you describe the challenge? How would your team describe it?

2. When is your team most stretched? Which part of your team is stretched? Is this because of available staffing, or due to the amount of orders?

3. Work with your cooks to look at their workspace (think 5S). Is everything as organized as it could possibly be? What cleaning practices can be modified to improve cleanliness, but also ensure everything has a clear and obvious home when not in use?

4. Sketch out the process for making one of your most popular menu items. Measure the time it takes for that item to be completed through each step. For the lengthier steps, is the time taken because of the location of the work, the process itself, or something else? Consider which part of the process is the weakest link and what could be done to eliminate that element, or move it earlier in the workflow to prevent bottlenecks.

5. Sketch out a bird's eye view of your kitchen layout in the space below. Find a place where you can observe the team without getting in the way. Ask the team to go about their business as normal and do nothing different than usual. Consider which role in the kitchen has the most likely chance of distraction. For 30 minutes, hold a pencil to that worker's location and don't lift the pencil as they move around the kitchen. This will create what's called a spaghetti diagram as you draw their movements around the kitchen.



6. Review your spaghetti diagram. The points at which the individual had to move many times to the same location outside their immediate workspace is where an opportunity likely lies to improve the process of what the individual is doing or the location in which that individual is doing it. What other observations did you make? Where can you improve the workspace or workflow?

7. Now spend 30 minutes during a busy sales period in the week counting the number of footsteps per transaction taken. Also count the number of times the expo left their station and went to the pick-up area. How many journeys were made during those 30 minutes? How many steps per journey? What efficiencies could be made by addressing the expo station location or the pick-up area location?

1. What “similar” cuisine types to your current offer could be supported through your current kitchen and operational processes (e.g. poke to sushi, hot dogs to burgers, Mediterranean to salads)?

2. What small consumer niche food types (e.g., vegan pancakes, southern Indian curries) would fit your local customer demographic?

3. How many additional orders of an entree that takes less than 10 minutes to produce (from your existing menu) could your kitchen handle in an hour without needing incremental labor or equipment, and without each item going above the 10-minute prep time? Estimate or test the answer (A) at your quietest time of the week and (B) at the busiest time of the week.

4. Calculate the revenue potential of (A) and (B) from above. The sum (C) gives you an indication of the theoretical revenue potential of a brand that could sit on top of your current cuisine without adding complexity, cost or throughput inefficiency. Would the effort of producing another product (from a virtual brand) be a more effective means to reach that revenue potential versus what it would take to drive the same amount from your current brand?

5. If the incrementality of a virtual brand is appealing to you based on the answers to the previous questions, which type of growth strategy works best for you and why?

A: License to virtual restaurant licensor

B: License a virtual brand from a licensor

C: Create own virtual brands for own restaurant

D: Create own virtual brands for others

6. Rank the following five benefits of a ghost kitchen in order of what is most important to you now to what is least important (the highest being the most important). Why did you place the first item first? Why is the last item last?

- A: Expand capacity in a capital-light manner
- B: Testing products/concepts
- C: Increase reach/delivery speeds
- D: Improve bulk preparation/commissary efficiencies
- E: Improving off-premise consumer experience

7. If the efficiency of growing through ghost kitchens is appealing to you, which of the following suits your ghost kitchen expansion strategy best?

- A: Have someone else operate the concept in a ghost kitchen
- B: Have ingredient preparatory work completed in one location and distributed from there
- C: Utilize other ghost kitchen infrastructure so that you can focus your team on cooking
- D: Develop a ghost kitchen yourself so everything can be designed around one optimal system

8. What would be important to do more of, less of, or differently compared to how you do digital marketing today so that you can succeed with virtual brands or ghost kitchens?

1. Think practically about small steps you can take toward giving your guest a better experience, and what data you need to make it happen. Personalization demonstrates hospitality. How can your restaurant make your guests feel like you've "seen" them? For example, how should late deliveries be treated compared to normal orders? How should first-time app customers be treated compared to loyal regular users? What could you do to improve personalization to your guest orders tomorrow, next week, next month, or in the next year?

TOMORROW:

NEXT WEEK:

NEXT MONTH:

NEXT YEAR:

2. What is your business case for a CDP, keeping in mind that it will cost \$10k to \$50k a year plus a resource to fully utilize it? If the business case doesn't stack up for your restaurant, what steps can you take to consolidate your customer data into one place and use it as and when you are able?

3. Once a decision for a CDP is made, rank the list below—starting with the greatest area of opportunity to address through your new functionality and ending with the least-critical area. Why did you choose this order of ranking?

New customer retention

Improved visit frequency

Higher check average

Higher customer LTV

Lapsed customer recovery

4. If you utilize pay-at-table (order and pay) technology today, speak to three guests who have used it. Ask them what they like about using it and ask them what could be better. If you don't offer it, find and visit a nearby restaurant that does. Ask one of their servers what they like about it and what could be better. Consider using digital in-store ordering if you don't today. If you do, modify your process and configuration based on what you learned.

5. During a busy delivery window, calculate the average wait time for delivery drivers. Is the wait over 5 minutes? If so, why? What could be done to ensure drivers don't have to wait at all while also ensuring the food isn't waiting for them to pick up?

6. What elements of your pick-up area could be improved to add a better experience for your dine-in guests and for your take-out customers/drivers collecting on behalf of customers?

1. Where do you see yourself on the digital maturity path today? How long has it taken to get there? Where do you see your restaurant in 2 years time? In 5 years?

2. What is the biggest challenge for your restaurant in developing greater digital maturity? Try the “3 Whys” technique: explain why you feel it is the biggest challenge. Then ask yourself “why” again? Repeat this process one last time. This will get you closer to the root challenge holding you back.

3. What steps can you take to address those challenges?

4. What is the best next step for your restaurant on the path to digital maturity?

5. Consider the next restaurant category that will capture the highest growth in the industry. Implicit in the Digitally Native Restaurant is a need to rip up the business model to increase value across all five levers (experience, quality, variety, price, and convenience). Can you see yourself taking that step? Why? Why not?

6. What costs would your restaurant have to eliminate or radically reduce to profitably serve consumers at 40 percent food costs?

7. Finally, what would you need to learn, build, or buy to underpin the new model?

8. If you don't see yourself adopting this new approach, how would what you wrote above affect your current restaurant if you took lessons from it?

