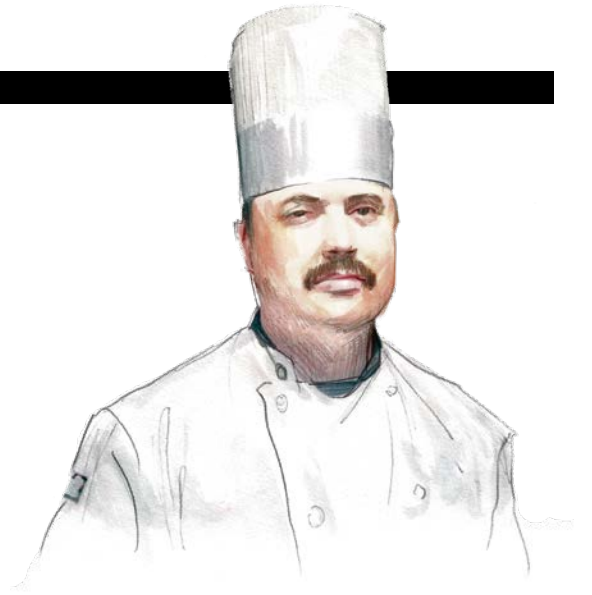# The delivery question

Associate FCSI member **John Reed** addresses the pros and cons of adding a food delivery option to a restaurant operation

Technology companies around the globe are jumping on the food-delivery model, profiting heavily from their role in facilitating delivery. This poses a question for foodservice operators: should they also sign-up for delivery? Whether they choose to use a third-party aggregator or invest in their own delivery fleet and services, there are various factors to consider first.

Think about where you are as a business, where you want to go and weigh your reasons for offering delivery. Are you sinking and think delivery is the answer to increase revenue? Or do you want to create a unique business model, such as a ghost kitchen, where the sole purpose is to cater to this growing demand?

Trying to add an additional revenue stream due to decreasing sales means there will be little room to make the required investments and operational changes to the current facility. Typically, operators will try to maximize their current facility and staff, but often at a cost to the brick-and-mortar operations.

Adding delivery, and the need to expedite orders more quickly than table service, may lead to a shift in focus that could affect quality and guest experience. There is also the potential impact on guest areas, especially if there is no designated area for the delivery teams. I personally experienced a situation where the line I was in to order at a fast-causal operation was stopped so the team could catch up with delivery orders. These inconveniences can add up and have a negative impact on the overall revenue stream if you don't consider ways to avoid them in advance.

Be prepared

There is also the impact on your top line revenue. With traditionally slim margins in foodservice, operators are now faced with the additional double-digit service fees that are levied by third-party aggregators and applied to every order.

So, are you prepared? You need to consider the following when adding delivery services especially in urban areas:

● Are delivery orders prepared on top of current in-house dining menu items and is the kitchen prepared to manage the increased output?

● How are orders placed, online or by phone? Are these integrated into current point of sale systems or do they have to be manually managed?

● How are orders staged and properly held to ensure they are presented to the customer at the same level of quality they would expect if sitting in your restaurant? Delivery companies

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guarantee delivery, not food quality or expectations. That part is on the foodservice operator.

● How are you going to handle the delivery staff waiting for orders and how does it impact customer movement and flow in dining areas, especially if there are no designated areas for delivery and or pick-up orders?

● How is the traffic flow outside of your facility and what impact will delivery, ride share and other forms of transport have on the entrance/access to your facility?

Managing change

As the delivery business expands, significant changes are beginning to occur, such as the gradual elimination of traditional restaurants. Instead, some delivery companies are creating multiple-franchise ghost kitchens, which they build as delivery-specific facilities (see feature on p62).

This is not to say delivery is a bad option. But it needs to be properly managed, the menu engineered correctly and production processes thoroughly planned to ensure profits are maximized. The end goal must be that the operators' brand is maintained, whether dining in house or having food delivered directly to your seat on a train prior to departure. ◼

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