





**As we move through one of the most difficult times in restaurant history, everyone wonders what the future holds.**

Who is left standing? What's their philosophy and how will it bring us into the future?

## **It's time to look ahead to see what's next.**

Join us as we guide you through the new, entrepreneurial mindsets of the Next Gen Operator — They're daring, experimental, and oh-so-innovative — so what exactly are they doing and how are they doing it?



# Meet the Next Gen Operator

Here you'll find six mindsets that define the new approaches operators are taking to running their restaurants.

Whether a long-standing veteran of the industry or an experimental up-and-comer, we believe these mindsets will carry restaurants through the next several years.

*Think: new tricks of the trade, fine-tuning social strategies, streamlining tech & so much more.*

01



## **Trial & Error**

A new approach to building and scaling.

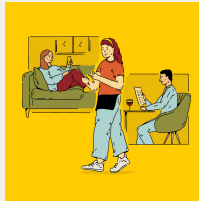
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## **Focused Energies**

A new approach to menu planning.

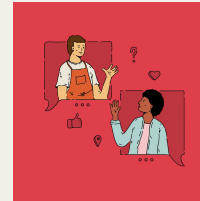
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## **Agile Identities**

A new approach to brand.

04



## **Social Savvy**

A new approach to customer engagement.

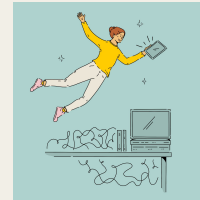
05



## **Stewardship**

A new approach to staff & culture.

06



## **Digital Tranquility**

A new approach to technology.

01

# Trial & Error

**A new approach to building and scaling.**

From extensive planning and large loans to a down-and-dirty, experimental approach, Trial & Error is about building, testing, and refining new ideas until they take off.



Whether they've grown up in restaurants or are entirely new to the industry, operators have seen hard times and are ready to flip the business model on its head into something that better serves them.

Fed up with the high cost, high-risk investments, operators are now taking a more financially conservative approach to new concepts. Before jumping in to combat rising operations costs, they've adopted the prototype mindset of testing, learning, building, and refining. For example, supply chain challenges spark iteration with new products. And labor challenges mean the owner acts like a start-up with a small team wearing the hat of many different roles.

**Simply put:** these operators figure out how to do more with less.

### **Say goodbye to prohibitively expensive brick-and-mortars and those impossibly thin margins too.**

Post-pandemic conditions have leveled the playing field, creating an environment where extensive industry experience is no longer required. What is necessary is an entrepreneurial spirit, a willingness to experiment, and ultimately the desire to rethink the traditional model of what a restaurant “should be.”



### **Now is the time to do your research, trust your gut, and take a risk that'll pay off.**

Take a closer look at your ingredients. Can you do without? Can you make it a star? Do you run a food truck or a virtual brand? Then you're using the Trial & Error mindset!

You might also prove a concept with a low upfront cost, verifying it works before seeking investors. Would you consider sharing — and selling — your learnings by offering a restaurant business workshop or personalized consulting?

#### **Send us a note!**

You'll find this operator running food trucks or operating behind virtual brands, proofing a concept with a low upfront cost, and verifying it works before seeking investors. Expect this class of operators to share — and sell — their learnings, offering restaurant business workshops and personalized consulting that will solidify this way of thinking for years to come.



#### **Quick tip:**

Are you selling packaged products as a new revenue stream? Reach out to us at [hereheremarket.com](https://www.hereheremarket.com).

Case study

# What do Chili's & The Slutty Vegan have in common?

**Both the behemoth chain and the small up-and-comer tested a virtual presence to grow their business, and the low-risk proved great reward.**

Chili's started a virtual brand during the pandemic to boost declining sales for their parent company Brinker International. What started as a long shot at trying something new has paid off and now seems to have become an integral part of their business, generating sales at a rate of \$150M per year in August of 2020. They are now considering opening brick and mortar locations of this current delivery-only concept.

[RESTAURANT BUSINESS ONLINE](#)

The Slutty Vegan is an Atlanta-based vegan burger joint that followed the quintessential prototype and iterate cycle. They started as an Instagram brand in 2018, grew through a food truck, now they have three thriving brick and mortar locations with lines around the block, and are looking to expand nationally.

*"Neither of us have ever worked before in the restaurant industry, so that allowed us to try things without any pressures of how things should be done."*

-Cristina, a virtual restaurant operator in Chicago





02

# Focused Energies

**A new approach to menu planning.**

From “something for everyone” to “we’re the experts at one specialized concept,” Focussed Energies is about streamlining to succeed. This mindset has operators hyper-focused like never before.





A highly competitive restaurant market, driven by increased consumer access to digital options, has forced chefs and operators to excel at a very narrow concept to stand out.

Not only does this strategy elevate the culinary focus – it combats rising ingredient costs and supply chain challenges through an efficient, streamlined menu – eliminating waste by using nearly every ingredient in a multitude of ways.

Whether this specialized food results from generations of passionate home cooks refining a recipe until it is near perfection or simply a career chef recognizing a cuisine gap in their neighborhood – specialization is the key to success.

**Expect to see concepts built around a single offering, like calzones or vegan barbecue.**

Gone are the days of printing a five-page menu with a plethora of options to choose from. This operator knows what the top-sellers are, focuses on them, and forgets the rest. This choice is bold, and it's not offering something for everyone but instead optimizing a few ingredients to do many things.



**Now is the time to take that MVP and really make it the star of the show.**

Are you hyper-focused on the competition or conceiving new brands around the same niche offering? Then you've got Focused Energies. Operators with this mindset are wondering, "how many ways can I do pizza?"



Case study

# How are big chains like Chik-Fil-A, McDonald's, Applebees making bold moves?

**Feeling the pressure to streamline, restaurants are focusing on what they do best, and getting rid of the rest.**

Chik-fil-a has mastered the concept of a hyper-specialized menu, being named the no. 1 restaurant (chosen by half a million consumers) for the sixth straight year. The chicken chain has set a pretty high bar, scoring 84 (out of 100) on the ACSI Index, four points more than No. 2 Chipotle and six points more than the limited-service segment average, beating out other chicken heavy hitters like McDonald's and KFC.

[FORBES CNN](#)

During the COVID-19 pandemic, Applebee's decided to cut nearly 40% of its menu items, and plans to keep it that way permanently.

[EAT THIS](#)

Similar to the uptick in highly specific D2C brands like Away, Harry's, Casper, Quip. Consumers are gravitating towards brands that claim to disrupt the status quo, and are reliable experts.

[BLOOMBERG](#)

*"We started Kororin simply because we couldn't find any Onigiri in Chicago."*

– Yuta, a virtual restaurant operator in Chicago



03

# Agile Identities

**A new approach to brand.**

From legacy brands to superfluid—Agile Identities is all about crafting flexible, ever-evolving concepts to reach many distinct audiences.



The Next Gen Operator is super flexible, ever-evolving, and above all else, relevant to the needs and tastes of the customer—even those with particular tastes or dietary restrictions.

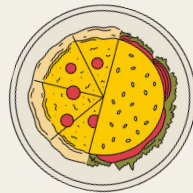
Creating multiple identities in an attempt to rise to the top of third-party delivery apps, turning brands on and off based on the ingredients on-hand at any moment, creating flexible work hours that suit employees — the list goes on for how operators with this mindset respond to market demands.

Operators of the past were rooted in history with a rigid brand story, and now, Next Gen Operators must be nimble to navigate a digital frontier.

### **They're not built to last; they're built to bend.**

Restaurants, especially virtual ones, will need to adjust their brand to survive whenever the social appetite changes. This approach recognizes the brand isn't personal at all; instead, a direct reflection of customer preferences, reshaped repeatedly.

This operator uses Agile Identities to target different customer groups. Dough, sauce, and cheese combine for the perfect family-friendly restaurant by day; by night, it's recreated with fewer options and less attention to detail to serve a hungry 3 am to-go crowd. Serving both audiences used to be a harder sell, with way more labor involved. Today, the experiences can be distinctly branded yet operate out of the same kitchen. Thus, this operator wears many hats in keeping not only one but several brands and customers afloat and fed — at the end of the day they've got to be agile and quick on their feet.



*A little imagination goes a long way, folks!*

### **Now is the time to think less of how you'd like to be known and more of who you want to get to know.**

Do you embrace your competition? Perhaps you're not afraid to pop up a new concept or let go of one that isn't working — this means Agile Identities comes naturally to you. Consider that you're not the face of one restaurant but rather the architect of a flexible brand network.



*They're the man or woman behind the curtain juggling it all and deliciously killing the game.*



Case study

# Where more is more, how does an equally demanding industry keep up with market needs?

## Taking a page out of the fashion industry playbook, restaurants are cranking out more concepts to compete in the fast lane.

Traditional apparel brands are now debuting around 11 seasons a year, while fast fashion brands may issue as many as 52 weekly “micro-seasons” per year. Social media is accelerating this cycle. Shoppers act on that demand instantly, thanks to “See Now, Buy Now” tools on platforms like Instagram and Pinterest. Adept social media strategies translate to strong sales.

CB INSIGHTS

In a nutshell, Future Foods takes different kinds of offerings on a restaurant’s existing menu and markets them as separate restaurants; in a crowded delivery marketplace, there’s a better chance you’ll cut through the noise if you show up eight times instead of once.

VICE

*“It’s not you who are failing, it’s your brand. You can change your brand if you’re willing to acknowledge it needs fixing. Swallow pride. It’s not about you — it’s about product and customers.”*

–Steven, a virtual restaurant operator in Atlanta



04

# Social Savvy

**A new approach to customer engagement.**

From neighborhood celebrity to social media influencer, a Social Savvy mindset is about building a digital community as robust as an in-person one.

*Hint: This means the DMs are always open.*



## Restaurant operators have always served to build community and facilitate meaningful connections with neighboring partners and customers.

The difference now is that these connections are happening online — often on social media sites like Facebook and Instagram and other times interrupted by third-party platforms. The Social Savvy operator uses technology to take a consistently proactive and vocal stance when engaging with their customers.

In many ways, social media was built for small businesses. When utilized effectively, operators can learn a lot about their customers, like demographics, other nearby shops they frequent, when they enjoy the restaurant, and what they're eating. Social Savvy operators engage with their customers and repost their content. They crowdsource ideas and messages directly, fielding customers' requests for new menu items. Communicating with customers this way facilitates a conversation, but also a sale.

### **Social Savvy helps you stay relevant and connected to your customers — so you know what they actually want from your brand.**

Whether the community of choice is Instagram, Facebook, a homegrown email list, or something else, the Next Gen Operator doesn't treat social media like a side hustle or a nice-to-have. They see it as a crucial, digital front door that welcomes new customers and nurtures existing ones to stay.

**Think of it this way: Social Savvy or bust!**

They are consistent, messaging on the platform daily and learning how to optimize their presence to build a following and enable a sale. They remain faithful to the brand voice and are sensitive to what is happening in the world and their community.



### **Now is the time to use social media as a must-have.**

Do you cross-promote with neighboring local businesses or sports teams in your area? Have you enlisted influencers to grow brand awareness and engagement?

Then you employ a Social Savvy mindset, and your customers connect with your human approach to marketing.



Tend to your social channels and watch your following grow!



Case study

# What's better: an influencer, an agency, or DIY?

**There's no right or wrong way, so long as you're using the tools available to you and putting your most authentic voice forward.**

"Mr. Beast Burger, a virtual concept tied to [YouTube star Jimmy Donaldson](#), launched in nearly 300 locations across 35 states on Dec. 21, 2020. Thanks to his legion of subscribers, restaurants quickly sold out of his "Beast Style" burgers and fries.

**RESTAURANT BUSINESS ONLINE**

[Sociovore](#) helps restaurants create their own website and online ordering platform. They strive to become the Squarespace of restaurants after witnessing their parents' thriving hometown restaurant struggle to connect digitally with customers and own the digital relationship.

With the rise of conversational commerce tools like Attentive Mobile, operators are finding new ways to reach their customers directly. Jason's Deli has achieved significant subscriber growth of 110% since partnering with Attentive. With an 81%+ CTR on its triggered welcome messages — and a 68%+ CVR on its cart abandonment reminders—text messaging has proven to be an effective marketing channel for the restaurant's hungry audience.

**ATTENTIVE MOBILE**

**"The way you market your brands and the way you acquire customers is going to differentiate the winners from the losers."**

—Spencer, a restaurant operator in New York City



05

# Stewardship

**A new approach to customer staff & culture.**

From a rotating door of hourly workers to a committed team that's eager to grow, Stewardship is about being the best place to work. This mindset sticks to the motto, "Employees first, always."



“We’ve been doing things the same way since we opened” is a notion the Next Gen Operator simply refuses to believe in.

They strive to create an inclusive, diverse place of work, which has only become more challenging with rising operation costs and a shift in the labor market.

With some fresh thinking and a dash of creativity, operators with this mindset envision a workplace where employees are valued, paid a living wage, and incentivized with thoughtful perks and benefits. Stewardship doesn’t stop here — these operators are clear about their values in a way that speaks to a more discerning, ethically-minded consumer.

A shift towards a kinder, more inclusive industry is evolving for two reasons: personal traumas and a labor market that was struggling, even before the pandemic.

**Former restaurant employees who have encountered toxic workplaces are determined to create a healthy, sustainable workplace to grow the industry they love.**

While some seasoned operators remain skeptical that a more generous model could work, the Next Gen Operator is making it happen. Operators with this mindset can combat constant turnover and eliminate the expense — and time — required to constantly train new staff.



*Feeling appreciated in the workplace goes a long way.*

**Now is the time to shape a smaller team of carefully trained employees committed to the restaurant values.**

Have you considered a smaller team with greater benefits? Perhaps you’ve outsourced routine tasks or invested in automated tools that make it easier on your staff. You are practicing Stewardship, and your employees thank you and your customers notice.

**Quick tip:**

Are you looking for new training opportunities to invest in your staff’s future? Look no further than [Trust20.co](https://www.Trust20.co).



Case study

# Did you know increased pay isn't the only way to make your employees happy?

**Offering benefits, on-demand pay, flexible scheduling technology, and promoting a diverse culture are all ways restaurants have found success in retaining talented employees.**

“We’re seeing those employers [offering cross-training] are more successful in employee happiness and lower attrition.”

–Vivian Wang, CEO, Landed

**RESTAURANT DIVE**

“Building an equitable restaurant — where all workers are paid fairly, have benefits, and work without discrimination — will require undoing the way most restaurants are run.”

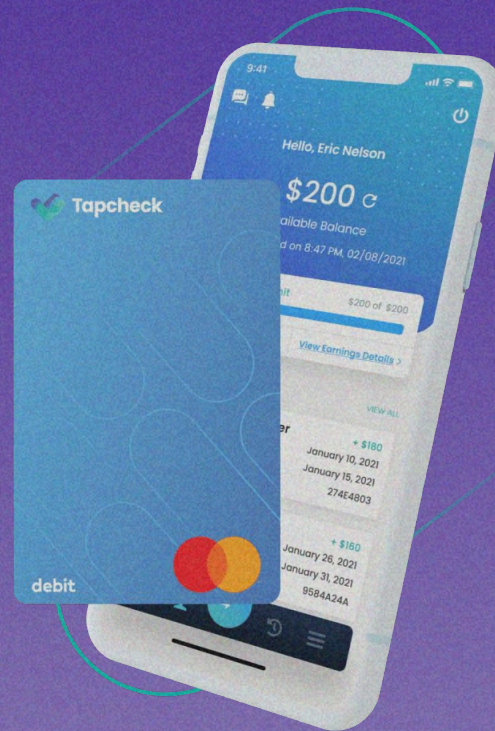
**EATER**

Tapcheck, an app that pays employees on-demand, is making restaurants more competitive with the gig economy. It’s also doubling the amount of applications a company receives and is helping reduce turnover by 48%. Employees are picking up more shifts and absenteeism is reducing by 78%, Gaver said.

**RESTAURANT DIVE**

*“I think the restaurant industry has been behind the game at figuring out how to incentivize and reward employees — if not in pay, maybe in bonus packages or profit-sharing.”*

–Josh, a restaurant operator and tech founder in New York City



06

# Digital Tranquility

**A new approach to technology.**

From overwhelmingly complex tablet farms to simplified technology minimalism, Digital Tranquility streamlines operations towards technology bliss—ahh.



## The Next Gen Operator values a streamlined and simplified digital experience.

Operators who have grown up around technology means they're discerning about the tools they decide to use. They're choosing a simplified, integrated tech stack to replace disjointed tablet farms of restaurants past. It's not just about efficient processes that make employees' lives easier; digital tranquility also reduces technology fees from unnecessary or clunky products, focusing on those that impact the business most.

### Restaurant tech doesn't have to be so complicated.

A simplified stack reduces monthly payments, steers clear of flashy but unnecessarily expensive new features, and eliminates extraneous technology solutions that are not essential to everyday needs.

Digital Tranquility offers operators the benefits of an integrated platform and owning their customer data. Rather than spending precious time fiddling with tech solutions that don't talk to each other, these operators spend time scanning insights and applying them to decisions. They work on the business rather than in it, and they have their tech representative on speed dial, ready to discuss insights or new functionality that could better serve the restaurant's needs.

**Simply put: Digital Tranquility makes it possible for operators to use way less tech, and as a result, do so much more with it.**



Toss the unnecessary tech—it'll make your life easier!

### Now is the time to think less of how you'd like to be known and more of who you want to get to know.

Do you embrace your competition? Perhaps you're not afraid to pop up a new concept or let go of one that isn't working — this means Agile Identities comes naturally to you. Consider that you're not the face of one restaurant but rather the architect of a flexible brand network.



Welcome to streamlined technology heaven.

#### Quick tip:

Share your experiences and find the perfect new solutions for you at [backofhouse.io](https://backofhouse.io)



Case study

# What's the secret to staying relevant?

**Be the master of one: one focused channel is better than an inconsistent, hard-to-manage collection of platforms.**

"Many companies are starting to reduce the number of social media channels they are using to share and influence, and rightly so. With so many channels available, and many companies having tried to stay relevant on all of them, the need to declutter is almost pervasive. Reducing social media channels to only the most relevant will be not only popular but necessary."

–Lisa Apolinski, President,  
3 Dog Write Inc.

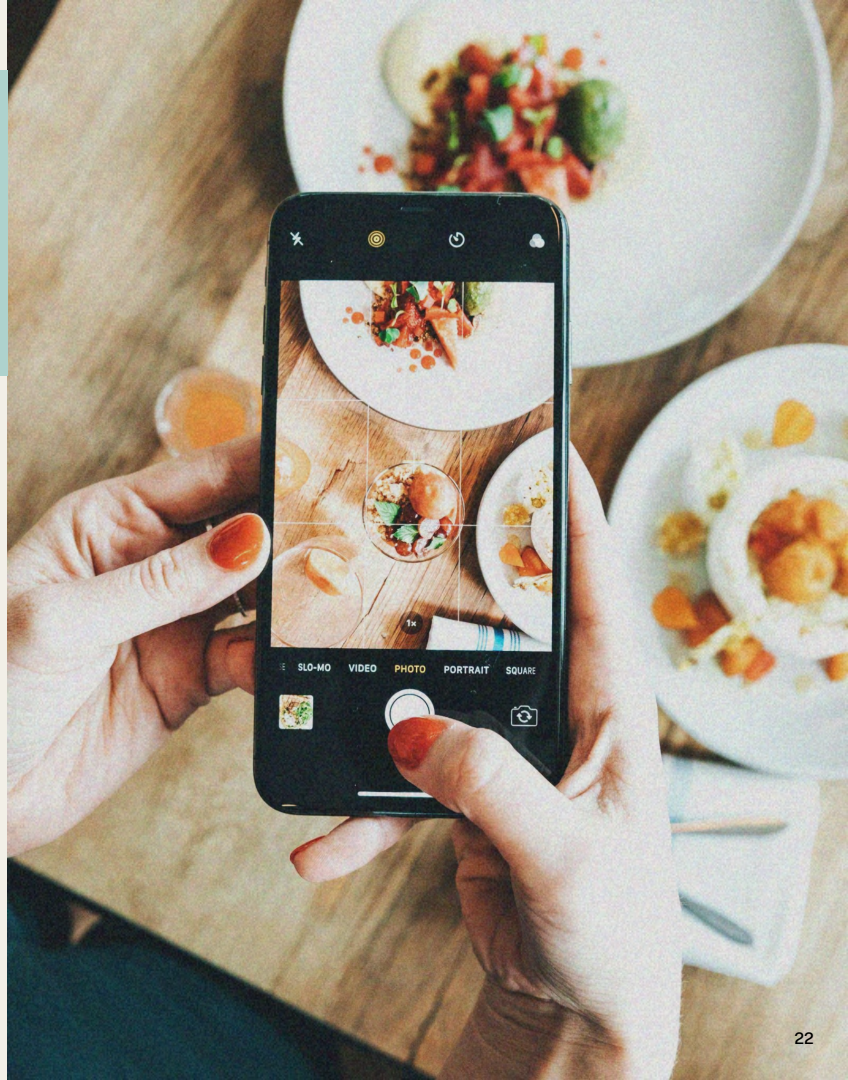
FORBES

Cody Jones, Qu's senior product manager and futurist has created a new product, Kitchen Up, designed to simplify tech for ghost, host, and virtual kitchens, stating "Nobody wants 10 tablets, operators need a resilient and simple approach." He also advocates for creating an integrated tech stack with accessible data that work together as a unit.

QU BEYOND

***"Tock is definitely the backbone of the business. But so too is Instagram. I think those two tools share equal footing. That's our front door: Instagram and Tock."***

–Tony, a virtual restaurant operator in Chicago





# Onward & Upward

We know the future of restaurants is changing — menus are no longer constrained to the four walls or traditional business models of brick and mortar. Today, new brands can emerge from a home, commissary kitchen, or off-hours restaurant.

**Our industry will continue to shift, dip, dive, and ultimately adapt to serve our customers.**

And when it comes to the Next Gen Operator, you'll find them exactly where they should be — right at the customers' fingertips waiting to be discovered, liked, and followed into the new future of food service.

How have you approached things differently in the last 2 years?

[Share your story with us.](#)



# The six mindsets are responses to the growing challenges we've faced as an industry.

While some of these challenges may be temporary roadblocks, many of them are realities that are here to stay. We believe in the relentless and passionate entrepreneurial spirit of operators and the power of the restaurant community to face these challenges head on and shape the future.



**Rising Costs**  
Rising overall costs of operations.



**Supply Chain**  
Shortages in supply chain.



**Labor**  
Challenges in hiring, training, and retaining employees.



**Third-party Platforms**  
Brand disintermediation from third-party platforms.



**Online Presence**  
Increased pool of competition online.



**Consumer Preferences**  
Growing complexity in consumer dietary preferences.



**Digital Engagement**  
Consumer expectations for digital engagement & experiences.

Relish Works is a  
foodservice innovation  
hub exploring the  
future of the industry.

Our everyday work is to understand what's going on in the foodservice industry today and imagine, create, and build solutions that drive the future. To do this work, we talk to restaurant operators – through casual conversations, formal interviews, and quarterly surveys. We track the latest industry news reports, scan the competitive landscape, and form partnerships with new players in the space. We spend countless hours building, testing, and investing in solutions that will solve the most pressing challenges. And we participate as passionate diners in our communities and beyond.

To learn more about the work we do, the topics we explore and the solutions we create, visit [relishworks.com](https://relishworks.com)

# Next Gen Operator

a project by

*Relish*