



In disaster recovery mode

2011 began with floods that devastated many hospitality businesses. Ken Burgin offers some tips for getting back on your feet post disaster.



WHEN disaster hits, short term survival must move quickly to positive action, to bring back customers and create a new future. In 2011, we're focused on recovery from floods in Queensland and Victoria. Two years ago it was bushfires. When events like this happen there's usually an initial wave of support but it's generally short term. Public attention will shift, and you're on your own. It's tough, and all the more reason to move fast.

If you're affected, an early move is to talk with suppliers: Have an honest conversation and see what can be worked out. Many suppliers, particularly large groups, have made special provisions for delayed payments or support with replacement stock. Be bold and ask — now's the time to test the 'partnerships' that suppliers often talk about.

Lawyer and former national president of Restaurant and Catering Australia, Con Castrisos, who owns Café San Marco, a Southbank restaurant in Brisbane which sustained extensive flood damage, recommends close and ongoing communication with suppliers, contractors, creditors, landlord and insurers. "We've found creditors have been extremely supportive and the landlord understanding," he said. "Invariably, these type of events are unexpected and therefore you're never really ready for them. There's no point putting our head in the sand and wishing it didn't happen. It's important to

approach the problem in a methodical manner endeavouring to limit our exposure."

Build a local support network: Even if it's just three or four other businesses, it's time to reach out. Over coffee or a beer, plan a joint approach to local or state government, an insurance company or suppliers. Buy water-based paint and put smiley faces on everyone's business to who your unity.

Support your staff: They've worked hard, and they depend on wages. Make this a priority so you don't lose their goodwill. Some staff will have lost possessions and even their home, others will decide to move — some turmoil is inevitable. Movie vouchers are a nice way to show appreciation. Try to be transparent about future work. You should check on the rights and obligations of employers and employees during a natural disaster. Now's the time to maintain staff support and even sympathy, not have them agitated about 'unfairness'. Explaining some of the financial challenges will help staff face reality — most of them have no idea about the fixed costs like rent. Castrisos has also attempted to gain employment for his staff because Café San Marco may be closed for some months.

Keep your customers informed: An easy way is to post news on your business's Facebook page. Share photos — before-and-after shots always make an impression. People will also be more willing to share their emails and mobile phone numbers. It's an opportunity to build a database of true supporters.

Claire Seymour from restaurant site Eat-Out Brisbane noticed a big increase in local businesses watching and using social media during the floods. What some regarded as a toy is now seen as a vital information source and powerful communication tool.

Go local: At times like these, 'local' becomes a very powerful

word in menu marketing. Make sure everyone knows about the local products you purchase.

Use a boomerang special to create future business: Discounts don't do much for your reputation or bank account, but boomerang deals work well. The 'boomerang' is a special voucher for use within the next month, for everyone who dines with you at an off-peak time. Be generous.

Make sure you've double checked computer backup systems, security systems and contact lists. Design for safety when you choose new equipment. How easily can it be disconnected or moved in emergencies? Finally, it's time for a serious discussion with your insurance broker. Flood and disaster cover will be more expensive, but what's the alternative?

If you find yourself in grave financial hardship after a disaster seek advice from the appropriate experts such as a lawyer or accountant, advises Con Castrisos. Affairs may need to be restructured and, in the event that you can't trade you may wish to wind up your business.

Con's priorities, in order, include reviewing your lease to understand your legal obligations; informing suppliers and contractors regularly of what's happening; reviewing insurance policies; putting in place finance to meet shortfalls; salvaging equipment and replacing items not salvageable; obtaining quotes to fit out; and visiting the government site disasterassist.gov.au to check your entitlement to relief funds.

While it's hoped your restaurant was not affected, many of these suggestions are also sound proactive and commonsense business initiatives which will assist with your business growth and development in any event.

Ken Burgin is a leading hospitality industry consultant. For more information visit profitablehospitality.com

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