Getting to the Right Size

By Amelia Levin, Sr. Associate Editor -- Foodservice Equipment & Supplies, 3/26/2009 9:12:00 AM

All signs seem to be pointing to one trend: Restaurants are downsizing. And this is not necessarily in reference to labor. Multi-unit foodservice operators, in particular, have been making more concerted efforts to reduce excess square footage for new units, and operators across all segments are trying to do more with less, especially during the much analyzed current economic climate.

"Restaurants should have been reacting to this idea of smaller footprints a long time ago, and definitely more than a year ago," says Juan Martinez, principal of Pofitality, and <u>*FE&S*</u> blogger. "The mentality among restaurants used to be, 'If you build it, they will come,' when it came to customers, and that all customers like a lot of space. Sure, you don't want tables that are too small or too close together, but in the grand scheme of things, it's not the space that'll drive customers to come back, it's all about the food and the experience."

Last year around this time, when *FE&S* visited this topic in The Specifier, John Cornyn, foodservice management consultant and co-partner of the Cornyn Fasano Group in Portland, Ore., talked about how rising construction costs have led to downsizing foodservice footprints. "Construction costs have skyrocketed, and space has become so expensive, operators can only afford to have so much of it at the back of the house," he said. "The challenge is trying to balance the back-of-the-house needs with what is necessary to succeed at the front of the house. In the case of fast-food chains, you need to have enough space so customers can comfortably queue up at the cash register. And, in many cases, you have to provide enough seating if you want them to stay."

Not much has changed since then, for better or for worse. With tightening leasing costs and mortgage complications, operators have had to permanently readdress the way they view new construction projects, or determine cost-efficient ways to renovate older projects to both save and boost sales.

Martinez's helpful solution to this scenario is to not only go green, but lean as well. As part of these efforts, foodservice operators need to quantitatively analyze peak production periods in order to determine the right amount of square footage that's needed, both in the kitchen and in the dining area.

In making these calculations, foodservice operators and the consultants assisting them should take a page from the industrial and operational engineering fields. "You want to be as objective as possible, to get to the right size with opinions aside," he says. "You may end up with a design or equipment that costs more up front, but it's the right equipment, the right layout; you need to reduce square feet in the building and reduce real estate, energy use and other costs over time. It's all about the long-term outlook."

For example, an operator might request or have four feet worth of grill space, but after Martinez's calculations, the appropriate grill space to meet the client's peak production periods, which can include peak half-hours, peak hours, peak days and weeks, may be three feet. "The brand owner may ask, 'What's a foot?' Well, that's extra hood space and air conditioning, and the employee has to move one more foot to get closer to the grill — all these things add up in additional costs over time," Martinez says. "At the end of the day, it's not necessarily about being smaller, you just want the right square footage from a ground-up view of the entire building, not a top-down view."

Typically, QSRs can perform productively at just 2,000-square-feet of space; fast-casual at 3,000- to 3,500-square-feet and full-service casual dining at 5,000- to 5,500-square-feet, according to Martinez. While he doesn't use these figures as cut-and-dry decisions, they represent good starting points in which to be a little more aggressive about space-saving. "You can't really have a restaurant that's going to be too small," he says. "You may have a busy kitchen, but you're better off being on the small, busy side than on the high side and not have any business."

An analysis may begin by examining current production vs. square feet, say 2,800- to 3,000-square-feet, and figuring out if the operator can still meet production requirements at 2,000-square-feet instead, without losing "firepower," as Martinez puts it.

The second part of the equation is the "green" aspect. Using energy-efficient equipment and ventilation systems may cost more money up front, but again, in the grand scheme of things, this energy- and water-saving equipment will save more money over the long haul.

So in short, it's less about "getting smaller" and more about efficient design, Martinez says.

Here are some other sources of information about this subject:

In a previously published FE&S articles covering this footprint topic, the late Bob Pacifico of Romano Gatland also discuss the benefits of smaller footprints: doing more with less equipment, labor and other costly resources. Most recently, the foodservice industry has seen the same methods used by Burger King, Baja Fresh, Einstein Bros., Jamba Juice, Ufood Grill, Mama Fu's and others. Here's a recap:

Burger King introduced a new smaller, <u>counter-only style prototype called the WHOPPER Bar</u> where customers can customize their whoppers with 22 different toppings. The first location opened at Universal Orlando Resort in Florida, with additional units planned for other cities.

Baja Fresh Express also represents a scaled-down, more convenient version of its parent QSR. At the University of Southern California, <u>this concept gets hefty traffic at The Lot</u>, a food court erected within a permanent tent structure to temporarily feed students during renovations at the campus's student union.

<u>Smaller Einstein Bros. prototypes</u> have been popping up at universities around the country in the last couple years.

<u>Ufood Grill has opened two, smaller units in terminal food courts within airports</u> around the country, including Dallas/Fort Worth International Airport and Boston Logan Airport.

Jamba Juice unveiled a new quick-service, kiosk prototype at various airports around the country, including Chicago O'Hare, San Diego International, and George Bush Intercontinental in Houston.

Mama Fu's has also downsized its new-build prototype. <u>*FE&S'* sister pub Chain Leader reported</u> that the chain developed a new, contemporary restaurant prototype that streamlines the construction process, enables franchisees to better serve customers, and radically reduces build-out costs.

Chain Leader also reported on such smaller footprint chains as Grill Concepts' debut of <u>Short</u> <u>Order, a fast-casual concept</u> that features sandwiches, soups, and salads from Daily Grill, and Yard House's smaller concept, The Yard House Bar & Grill, a 6,800-square-foot operation and offshoot of the chain's more typical high-volume, big-box stores.

In the non-commercial arena, corporate cafeterias have also gotten smaller, and smaller, existing cafeterias like <u>Café 37 at the Sidley & Austin law offices in downtown Chicago</u>, have become more efficient after redesigns.