

## **How the current times have changed...**

Few could have imagined how times have changed in just the last nine months as a result of the COVID-19 pandemic. For restaurant brands, most saw an immediate drop in sales as customers sheltered in place, and many businesses were forced by mandates to close temporarily. Most of the 130 Lee's Famous Recipe® Chicken locations were fortunate to adapt and remain open. Even so, being in the restaurant industry for decades has proven the importance of:

- 1) Data – one thing that is reliable in times of uncertainty is data. Lee's has identified from online and app order data that almost 10 percent of our customers over the past few months are new to the brand. Our online orders are up 200 percent, so now it's up to us, and other brands that have engaged new fans, to retain these customers by supplying high-quality products that are popular and cost-efficient to produce and deliver.
- 2) Paying attention to customer demand – the products on your menu need to be a balance of traditional, core items that customers have come to know and newer products the new consumers are after. We didn't shy away from introducing two new chicken sandwiches in March and it paid off. Both are popular menu items with the spicy chicken sandwich outselling the traditional two to one.
- 3) Rethinking building design – many concepts, including Lee's, are rethinking the way we deliver products. Eat-in dining is limited in most states under current restrictions, so dining rooms right now can be inefficient for many operators. Increasing drive thru capacity and curbside pick-up options will be important in the days ahead.
- 4) Being more prepared for supply chain disruptions – one of Lee's suppliers had a manufacturing issue that delayed delivery of some products to our stores at the onset of the pandemic. The situation was resolved quickly, but supply chain disruption is now something restaurant brands need to be more attuned to and prepared for in the future.
- 5) Planning for staffing – like some other QSR brands, Lee's experienced a 25 percent increase in business after the initial shock of the pandemic passed and customers wanted out-of-home meal options. This required teams to adapt quickly and work long hours to meet demand. It is important to be adequately staffed to meet customer demand. Hiring and training are critical.

Change is inevitable, perhaps not pandemic level, but it is happening. Dine-in will likely have a very different future. Online ordering and app and third-party delivery services are here to stay. With these changes come new ways of thinking, and the restaurant industry is filled with individuals and brands that will revolutionize the future of food service. If being a part of this evolving dynamic is of interest as a franchise investment, we would love to talk with you about being a part of the expanding Lee's brand that's been innovating and adapting to changing times for more than 50 years.