

# CAB CONNECTION

## Tasteful ways to help

by Miranda Reiman, Certified Angus Beef LLC



If you've ever made changes to your typical business model, you probably have a good idea of the

process. There's information you gather to make decisions, some bit of intuition and then the actual plan to make the switch.

What if you found out you had to recreate your entire business model overnight? What if you also found out you'd be operating within ever-changing economics and government restrictions

(sometimes varying day by day), fluctuating employee morale, with sometimes hard-to-procure resources? If you navigated through all of that, you might not have a market to sell into.

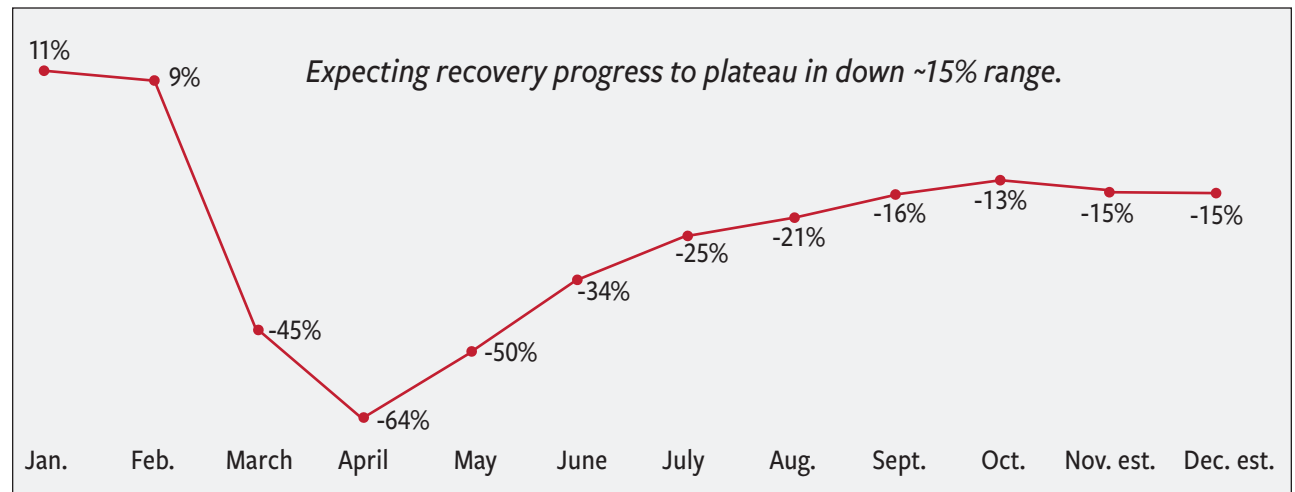
For restaurateurs across the country, that was their reality for much of 2020.

Back at the ranch, I know you experienced market uncertainty of your own. However, here in rural America, it seemed much of our day-to-day tasks remained the same. The cows don't care much about COVID-19.

### Hard choices

In early spring, restaurants were forced to make hard choices: Do they furlough employees, or try to make a go with a suddenly new model? Do they make investments hoping they'd pay off later, or cut losses right then and there? For many who made it their life's work

Fig. 1: Independent restaurant same-store sales, percent change year-over-year



SOURCE: CRC Independent Restaurant Survey (Oct. 2020, n=237).

to serve people good food, that calling didn't make sense anymore.

April represented the toughest month for foodservice, according to a Cleveland Research Group study last fall of 360 Certified Angus Beef® (CAB®) licensed partners. Year-over-year sales were down 64%.

Recovery came, but in increments: down 34% for June, 25% in July, 21% in August, until November-December showed flattening out at 15% below a year ago — for surviving businesses (See Fig. 1).

Places that had never done carryout reworked logistics. Their tried-and-

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**Through April 11, dine in or order carryout, post on Facebook or Instagram and use that official #RestaurantChallenge hashtag for a chance to win weekly \$100 gift cards.**

true recipes didn't fit a takeout model. They made investments in air purification and personal protective equipment (PPE), hand sanitizer and Plexiglas®. Employee turnover was high.

It's no wonder data from the National Restaurant Association shows 110,000 establishments closed last year. That's one in six.

You don't have to work in the restaurant business to feel the weight of that.

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## Our destinations, our friends

In communities across the United States, these are our favorite places to celebrate a completed harvest, branding or ball game win. You go there when you treat your mom to lunch. They are the places where we have laughed in the company of good friends, or tried to ease the sting of bad news.

They aren't just nameless restaurants, they're our places.

Here at CAB, foodservice typically represents more than one-third of our annual sales in the three-legged approach that includes retail and international. Last year's foodservice sales totaled 324 million pounds (lb.), down 22% — which represented a disappointing blow in a space where there was much momentum headed into 2020.

Our sales team doesn't look at those numbers as just numbers. They represent friends and business associates who lost their livelihoods. They feel it.

Many of the restaurants that have closed were well-established, open for 16 years on average according to the restaurant group. In fact, 16% of the now-shuttered places had been open for at least three decades.

My parents farm the same area my family has ever since Great-Great Grandpa Herman came over from Germany. I think that's why the idea that legacy businesses are disappearing really gets to me.

### #RestaurantChallenge

Yet, amid the hard-luck stories, there's good news. There's creativity and turn-on-a-dime responsiveness. There are loyal customers and people committed to making things work.

Each of us can be part of that story of hope.

Typically we use this space to give you tools for targeting quality, or data that explains why you ought to. Usually, I'd encourage you to study the economics or select bulls for more marbling along with



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everything else. Today's call to action is much less subtle and somewhat unusual for this column: Please, go order carryout or eat at a restaurant (if it's safe and you can do so).

We're inviting you to be part of the movement. Last month, the brand launched #RestaurantChallenge to drive foodservice sales. The effort is anchored by a two-minute video that ends in calls to action:

- ▶ Grab takeout.
- ▶ Dine in at a favorite steak house (if that's an option).

- ▶ Buy gift cards.
- ▶ Share favorite memories on social media with the hashtag: #RestaurantChallenge.

From now through April 11, dine in or order carryout, post on Facebook or Instagram and use that official #RestaurantChallenge hashtag for a chance to win weekly \$100 gift cards.

That's a good incentive, but I tend to find the idea of giving even more motivating than receiving.

Tag a CAB partner restaurant in your post and each week during the course of the campaign, two selected restaurants will receive \$2,500 for their staff.

It's a pretty good proposition for you: good food, a chance to help and a few less dishes.

Let's be the reason restaurants survive. Learn more and get involved at <https://challenge.certifiedangusbeef.com/>. |

Editor's note: Miranda Reiman is director of producer communications for CAB.



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