Nicholas Maticka
ENGL 3040
Professor Martin

DATE: April 26, 2024
TO: Mr. Mark Ware
FROM: Nicholas Maticka
REF: Implementation of delivery services to remedy lack of off-premise dining options.

Key Question/Problem Statement:	Lack of off-premise dining options for customers.
Recommendation	• Partner with online delivery apps to provide delivery services to customers. • Appeal to mostly younger, college-age customer base. Capitalize on success of online delivery, as shown in market trends.
Current Situation and Complicating Factors:	• Currently offers takeout (online or over the phone) as only off-premise dining option. • Has built a strong reputation with the community and its customer base. • Technology experience is limited; may need assistance to effectively implement new services.

Alternative Recommendations Considered:	1. Create an assortment of new grab-and go menu options.
	    i. Extremely popular among younger customers.
	    ii. Offers both quality and convenience and would help to differentiate from competitors.
	    iii. Is more expensive and requires much more time, effort, and training to implement.
	2. Start a mobile kitchen/food truck.
	    iv. Allows SunnySide to establish a presence at games/events.
	    v. Expands the restaurant's overall reach and potential customer base.
	    vi. Would be complex/costly to get off the ground, operate, and maintain.

Other Considerations:	• New marketing materials will be necessary (online, print, social media) to inform customers of new delivery services. • Front and back of house staff will need to be trained on how to make, manage, and distribute online delivery orders. • Another host may need to be hired to help mitigate additional responsibilities involving delivery orders. • Additional to-go items will need to be purchased due to influx of orders (to-go boxes/containers, utensils, condiments, etc.)

Nicholas Maticka
ENGL 3040
Professor Martin

Strategic Plan Summary

SunnySide Cafe should partner with third-party delivery apps to provide online delivery services to their customers. This will appeal to the restaurant's younger, college-age customer base, expand off-premise dining options, and capitalize on the success of online delivery that has been clearly demonstrated in recent market trends. In order to arrive at this conclusion, I conducted a thorough and detailed analysis of the restaurant and the industry of which it is a part of. First, I completed a STEEP analysis to examine the latest trends in the breakfast restaurant industry. Three of the most important trends were the local sourcing of ingredients, providing specialty coffee and tea, and incorporating more off-premise dining options. SunnySide is already ahead of the curve with two of these trends; it locally sources almost all its ingredients and provides local specialty coffee. However, it is lacking in off-premise dining options, with the only options being ordering online or over the phone for pickup. When considering SunnySide's many competitors, such as Eggs Up Grill, IHOP, and Starbucks, it must be noted that all three of these restaurants have already taken full advantage of online delivery apps and provide delivery services through DoorDash and Uber Eats. Although SunnySide has a plethora of differentiators that help to set itself apart from these competitors (as discussed in my VRINS analysis), it must implement delivery services in order to remain competitive and not appear "behind the curve" to its customers. In terms of this customer base, it is heavily comprised of college students and young adults (ages 18-26), who have been observed to greatly value convenience, quick service, and high quality. The popularity of off-premise dining options and food delivery services among this demographic should not be underestimated, and SunnySide should take full advantage of this trend to grow its customer base and increase overall sales. Furthermore, when analyzing SunnySide's business model, it is clear that its current "family style", casual dining experience is effective, but it must adapt to current trends. In recent years, there has been an explosion in popularity of delivery and "fast-casual" business models. SunnySide should take advantage of this and incorporate aspects of these into its current business model. In further consideration of this recommendation to increase off-premise dining options, I devised an overall objective and five key results, as well as an action plan that would ensure effective implementation. I created four quarterly deliverables and three initiatives for each deliverable, with the purpose of guiding the restaurant and its staff through each step of the process. This analysis saw the successful implementation of delivery services within two quarters. I also completed a premortem to address the three biggest risks of failure and the potential challenges that SunnySide may face in the near future. One of these risks was the restaurant's possible failure to integrate such delivery services, which could be caused by a lack of technical knowledge and an underestimation of the value of these services. I provided multiple solutions and methods to help reduce or eliminate the effects of these issues.

Nicholas Maticka
ENGL 3040
Professor Martin

Appendix I: External Trends Analysis & Customer Value Analysis

STEEP Analysis

Trends in the Breakfast Restaurant Industry	Social	Technological	Economic	Environmental	Political
Increasing technology integration		X			
Growth of organic and plant-based menu options	X			X	
All-day breakfast	X		X		
Increased personalization and customization	X				
More grab-and-go options	X		X		
Increasing use of of ethnic and global flavors	X			X	
Hyper-local sourcing of ingredients	X		X	X	
More off-premise dining options	X	X	X		
Specialty coffee and tea	X		X	X	
Rise in popularity/profits	X		X		

STEEP Analysis Summary

I have performed a STEEP analysis on the top ten trends in the breakfast restaurant industry today by determining whether each trend has social, technological, economic, environmental, or political implications. After conducting this analysis, it can be determined that the most important trends focus on customer choice and quality of ingredients. The trends that check the most boxes in the analysis include hyper-local sourcing of ingredients, introducing more off-premise dining options, and providing specialty coffee and tea. Other trends that should also be taken into consideration include the implementation of all-day breakfast and grab-and-go options. SunnySide Cafe has already implemented several of these trends; more specifically, providing specialty coffee and using locally sourced ingredients. However, the restaurant must find ways to keep up with these other important trends, including incorporating more off premise dining options, extending business hours, and providing more grab-and-go breakfast items. Quicker and more convenient breakfast options are becoming increasingly popular, especially among young adults and college students, which is obviously a major demographic in the Clemson area. The ability to enjoy breakfast at almost any time of the day is another factor that will draw in more customers. Increasing off-premise dining options will also be important, as ordering food through online delivery has become extremely popular in recent years, particularly among young adults. These trends are especially important when analyzing competitors in the industry, as many competitors in the area, such as Waffle House and Starbucks, have effectively adapted to these trends. SunnySide must do the same, in order to grow its customer base and increase profitability.

Nicholas Maticka
ENGL 3040
Professor Martin

Top Competitors

1. *Eggs Up Grill*: Within the last six years, this breakfast restaurant chain has tripled in size, with over 170 locations nationwide. It was ranked as the number one breakfast franchise by Entrepreneur magazine's Franchise 500 for the last three years in a row. They are committed to establishing themselves as a "local" restaurant with a strong emphasis on community and customer service.
2. *Waffle House*: A widely known restaurant chain with over 1,900 locations. They are known for being open 24 hours a day, 7 days a week, serving Southern breakfast food all day and night. They have become a staple of most towns and cities across the Southern U.S., their food is fast and affordable, and their locations evoke the feeling of old-timey diners.
3. *IHOP*: A multinational breakfast chain that has over 1,800 locations worldwide. The company has been around since 1958 and has established itself as a primary player in the breakfast restaurant industry. The chain serves a wide variety of pancakes and breakfast options, as well as lunch and dinner items, and some locations are open 24/7.
4. *Starbucks*: The multinational chain known for its hundreds of coffee and drink options also has an extensive menu of grab-and-go breakfast items that have become even more popular in recent years. It is the largest coffeehouse chain in the world, with almost 34,000 locations. Its breakfast items are known for being quick, easy, and convenient, and are served all day.

VRINS Analysis

Business name: SunnySide Cafe					
Product/Service Differentiators	**Valuable?** (yes/no)	**Rare?** (yes/no)	**Inimitable?** (yes/no)	**Non-substitutable?** (yes/no)	**Sustainable?** (yes/no)
Unique/specialty menu options	Y	Y	N	N	Y
"Specials" menu with unique items that changes every few weeks	Y	Y	Y	Y	Y
Locally sourced ingredients	Y	N	N	Y	Y
Many vegetarian, vegan, and gluten-free options	Y	Y	N	Y	Y
Specialty coffee	Y	Y	N	N	Y
Sells local jam, grits, and coffee	Y	Y	N	Y	Y
Massive LEGO castle on display	N	Y	N	Y	Y

Nicholas Maticka
ENGL 3040
Professor Martin

Customer description/demographics: The top customer groups are college students/young adults (18-26) and older residents/retirees (60 and up). Income levels vary greatly, from $20,000 or less a year for college students to $100,000 or more a year for local residents. Education levels also vary, but it is likely that most customers either have a college degree or are working towards one. Customer sex is perhaps slightly more female-based but is otherwise equally male and female. Another customer group is middle-aged, working adults with middle-to-high incomes. This includes locals, visiting parents of students, or fans of Clemson sports who come into town for games and events.

Innovation through addition, subtraction, multiplication, division:
1. Addition: Provide online delivery services in partnership with third parties such as Uber Eats and DoorDash. Implement technology necessary for these food delivery services, and train employees on how to use it.
2. Addition: Provide quick, easy, and convenient grab-and-go options for customers. One way to do this would be to pre-package existing menu items and make them readily available to customers. New menu items could be created for this purpose as well.

Summary: The top competitors of SunnySide Cafe are Eggs Up Grill, Waffle House, IHOP, and Starbucks. Some of the key differences that sets SunnySide Cafe apart from these competitors include the restaurant's specialty menu options, a "specials" menu with unique items that changes every few weeks, the use of locally sourced ingredients, the inclusion of many vegetarian, vegan, and gluten-free options, specialty coffee, and the sale of local jam, grits, and coffee. The most important of these differentiators are the unique specials, the countless vegetarian and gluten-free options, and the sale of local specialty products. These differences are important because they truly make SunnySide stand out from the competition. The specials menu always has incredibly unique and interesting items, and constantly refreshing and updating this menu will keep customers coming back to try these new and delicious offerings. The many vegetarian and gluten-free items ensure that customers with dietary restrictions or those looking for healthier fare will have many options to choose from; something that is difficult to find at most restaurants. Finally, the sale of local products such as jam, grits, and coffee is something that few other breakfast restaurants take part in. This increases sales and customer satisfaction, but it also shows customers that SunnySide is a local establishment that supports other local businesses. To increase the value of the business, I propose that SunnySide Cafe implements online delivery services, as well as grab-and-go menu options. Both innovations will ensure that SunnySide is keeping up with current trends in the industry and satisfying the needs of its customer base, which is comprised heavily of young adults and college students.

Nicholas Maticka
ENGL 3040
Professor Martin

Appendix II: Economic Logic and Talent Management

Economic Logic

SunnySide Cafe employs a "family style" restaurant business model, also known as casual dining. This is a brick-and-mortar business model, with an emphasis on a variety of food options at affordable prices. This model also emphasizes table service, and the environment is casual and family friendly. One suggestion for improving this business model is to add the aspect of food delivery. Adding delivery options will appeal to a customer base that is largely composed of young people and college students. Partnering with delivery apps such as DoorDash or Uber Eats has proven to be wildly successful for a variety of restaurants, ranging from local favorites to fast-food chains, and it would be wise for SunnySide to follow this trend as well. Adding delivery services to the business model would attract new customers, increase revenue, and provide more options for customers. Another recommendation is to implement a "fast-casual" business model. Restaurants that follow this business model provide high-quality, affordable food, but at an accelerated pace, and with little to no focus on table service. Implementing this business model at SunnySide Cafe would be beneficial because again, it would appeal to a customer base that is mainly college-age. Fast-casual restaurants such as Chipotle and Five Guys have become extremely popular among younger adults, thanks to their rapid service and wide variety of grab-and-go options. The inclusion of quicker, more convenient options and service, while maintaining the high quality that SunnySide is known for, would greatly appeal to a younger customer base.

Talent Management

SunnySide Cafe has many advantages when it comes to acquiring and retaining top talent. First, SunnySide has established itself as a local and family-owned and operated business. It has become a staple of the Clemson community, and has established its reputation as a cozy, family-friendly restaurant with amazing food and service. SunnySide can use this reputation to appeal to prospective employees by demonstrating that the owners and management truly care about their employees, and that the staff is like "one big family". This type of workplace culture, where employees feel looked after and cared for by their employers, is something that other restaurants in the area may lack, especially among larger chains. Not only will such a positive work environment aid in talent acquisition, but also with retaining employees once they are hired. Another of SunnySide's advantages when it comes to hiring is the competitive salary it offers to its back-of-house staff, as well as the relatively high compensation through tips that is guaranteed to front-of-house staff. This high compensation helps to set apart SunnySide from other employers in the area, and it is recommended that the restaurant further emphasizes this competitive pay on hiring websites. Finally, to improve SunnySide's employee value proposition, it is recommended that the management provide more benefits to front and back-of-house staff. This could range from retirement plans to health care plans, as well as potential salary bonuses. The provision of such benefits would be greatly appealing to prospective employees and would help set SunnySide apart from its competitors.

Nicholas Maticka
ENGL 3040
Professor Martin

Appendix III: Metrics and Action Plan

<u>OKR</u>

Objective: Create more off-premise dining options for customers.

Key Results:

- Have 10% of total revenue be derived from online ordering by end of Q1.
- Have 20% of total revenue be derived from online ordering by end of Q2, with implementation of online delivery services.
- Have 10% of customers visit new kiosk for grab-and-go options.
- Observe increase of $13,000 in monthly sales due to new grab-and-go options by end of the year (Q4).
- Observe a 15% increase in total customers due to introduction of new off-premise dining options by end of the year (Q4).

Objective- One Year Out	**Create more off-premise dining options for customers.**			
Quarterly Deliverables	1-90 Days (Next quarter) Refine and streamline online ordering system.	91-180 Days (Two quarters Out) Implement delivery service through partnership with third parties.	181-270 Days (Three Quarters Out) Develop grab-and-go menu options.	271-360 Days (Four Quarters Out) Begin sale of grab-and-go menu options and continue development on additional items.
Initiatives	Create a basic plan for the desired design and features of the new website/system.	Research online delivery services/apps and determine the best options.	Work with kitchen staff to develop and refine 5 "grab-and-go" menu items.	Install kiosk/displays for the sale of the new items and train employees on how to operate the new POS.
	Hire web site designer/developer.	Work with third-party services to set up menu items/pricing on their apps.	Develop new point of sale for these items, as well as advertising and displays.	Advertise/promote new menu options to customers.
	Launch new system and analyze employee and customer feedback.	Advertise/promote the new online delivery options and monitor customer feedback.	Create/design packaging and establish pricing for each new item.	Begin work on development of 5 new grab-and-go items.

Nicholas Maticka
ENGL 3040
Professor Martin

Summary: An important objective for SunnySide Cafe this upcoming year is to create more off-premise dining options for customers. One of these additions will be an updated online ordering system. SunnySide will need to hire an experienced web developer to design the new website. This new online ordering system will replace the outdated system that is currently in place, creating a more streamlined and efficient way for customers to order food. Next, it is imperative that SunnySide partner with third-party applications to provide online delivery services to customers. Providing these services will increase revenue and expand its customer base. Such services have seen extraordinary success in recent years. Studies show that 60% of American consumers order takeout or delivery at least once a week, and 31% of American consumers use third-party food delivery services at least twice a week (Fundera, 2023). It will also be necessary to advertise and promote the new delivery options to increase awareness among customers. Furthermore, in developing grab-and-go menu items, management will need to collaborate with chefs to create five new options, which will be either completely new or repurposed from existing menu items. It will be imperative to develop a kiosk or point of sale for these items, as well as new packaging and pricing. Employees must be trained on how to operate the POS and sell these items, and promotion will need to be implemented. These new off-premise dining options will increase sales and expand the customer base, while appealing to the college-age adults that are the restaurant's primary customer segment.

Nicholas Maticka
ENGL 3040
Professor Martin

Appendix IV: Premortem and Professional Resume

Premortem

Biggest Risks of Failure / Potential Challenges	Cause(s)	How to Reduce or Eliminate the Effect
Risk # 1 **Staffing issues/lack of necessary employees/low employee retention rate**	Failure to create positive/welcoming work environment	Increase employee benefits; gather feedback from managers and employees; implement plan to improve workplace environment and culture
	Ineffective hiring practices/advertising of available positions	Be more selective of applicants in hiring process; increase advertising of new positions; establish a more prominent presence on LinkedIn and Indeed
Risk # 2 **Rising inflation and food costs**	COVID-19 pandemic's lasting effects	Refine and streamline menu options; re-evaluate pricing and portion sizes
	Increases in demand and supply-chain shortages	Buy ingredients in bulk; source more ingredients locally; make larger batches from scratch; closely monitor inventory and refrain from unnecessary purchases
Risk # 3 **Failure to integrate delivery services and other off-premise/grab-and-go options**	Lack of technological knowledge and research	Conduct research on customer interest in delivery services; research the popularity and effects of off-premise dining options
	Underestimation of value of online delivery services	Work with third-parties to establish online delivery services

Resume

Nicholas Maticka

Language and International Business Major | Clemson University

245 Campus Dr
Apt C
Central, SC 29630
(253) 514-1439
nmaticka@gmail.com

EDUCATION

Clemson University — 3.65 GPA

AUGUST 2021 - PRESENT

Enrolled full-time and working towards a major in Language and International Business, with a minor in Spanish. Expected graduation date: May 2025.

WORK EXPERIENCE

SunnySide Cafe, Clemson, SC — *Server*

MARCH 2023 - PRESENT

Worked in a fast-paced, high-energy, and collaborative environment. Quickly became knowledgeable about menu offerings. Always went above and beyond to ensure complete customer satisfaction.

Starbucks, Multiple Locations — *Barista*

AUGUST 2020 - FEBRUARY 2023

Crafted high-quality beverages for customers, while providing a world-class customer service experience and creating a clean, organized, and productive work environment.

Harris Teeter, Mount Pleasant, SC — *Cashier*

FEBRUARY 2019 - MARCH 2020; APRIL 2021 - JULY 2021

Engaged with customers, quickly completed cash transactions, and restocked and fronted shelves and endcaps.

CLUBS/ORGANIZATIONS

Spanish Professional Society

Community of Clemson University students who are pursuing degrees with a heavy focus on the Spanish language. Members work to foster the relationship between students and the Spanish professional world, with networking opportunities and career guidance.

SKILLS

Customer service expert

Highly effective and supportive team member

Detail-oriented and critical thinker

Strong communicator and problem-solver

Always seeking to go above and beyond

RECOGNITIONS

President's List and Dean's List (Clemson University)

Dean's List (Trident Technical College)

LANGUAGES

Spanish - Completed 4 SPAN courses at Clemson. Currently enrolled in SPAN 3020.

Nicholas Maticka
ENGL 3040
Professor Martin

References

Fundera. (2023, January 23). *20 food delivery and online ordering statistics*. Retrieved March

14, 2023, from https://www.fundera.com/resources/food-delivery-statistics

Sweitzer, M. (2024, March 25). *Summary findings: Food price outlook, 2024*. USDA Economic

Research Service. Retrieved April 14, 2024, from https://www.ers.usda.gov/data-

products/food-price-outlook/summary-findings/