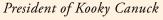


MMH&LA - the source for information and education, and the advocacy voice for the hotel and lodging industry in the metropolitan Memphis area.

Thoughts on COVID-19: Allied Member Interviews

Shawn Danko





Q: How are you holding up?

We're holding up and extremely thankful for the Payroll Protection Program and the dollars we've received from that, because without that, I don't know if we would be talking.

You've got to play each week by each week and hope that if things change, they change for the better and not worse. It's just challenging with the 10 p.m. curfew imposed on restaurants, because one week before that, we had and increase in hours on Fridays and Saturdays to try to give us an opportunity to increase sales.

So, we started off back in March with the closure of our restaurants on March 19. We took a week and took a really deep breath to try to figure out what was the next plan of action with how to handle the to-go orders. We ended up reducing the menu at that time, which was really key. It allowed us to reduce inventory, cut back on labor, and make it easier to execute on to go items. So, we did that until May the 4th when we were able to open back up in the dining room. We opened up at 50% capacity and then planned to open up to 75% in two weeks, and then another two weeks going to 100%. That plan was thrown completely off when they extended phase 2, extended phase 2 again and then reduced capacity on phase 2. So, the planning has been extremely challenging. We decided to go full menu on July the 1st to coincide with Canada Day... just because. You know, being back to full menu I thought really gave us an opportunity to increase revenue. And then increasing the hours of operation was the next opportunity to increase revenue. Now with the 10pm curfew, that's completely out the window. So now we're in this massive holding pattern and there's no way to plan. PPP

dollars run out at the middle of August, so we've got another four weeks left. If nothing changes and we're still at 50% capacity with a 10 p.m. curfew, I don't really know what's in store. I don't know if we have to go back and revise the menu again to make it a little bit more profitable. There's so many questions and it's really scary because you just don't know... you just don't know.

From an operations standpoint, you're looking down the tunnel and there's not even a small glimmer of light at the end of the tunnel at this point. There's none. So, trying to stay motivated, trying to stay positive, trying to keep your staff focused and moving forward is challenging. Hospitality in a world of face masks and social distancing is just alien. It's an alien world. You know, I get it. We got to do it, but for somebody that's been in the hospitality business all their life, this is not what i would call... well, it's not hospitality anymore. It's just not. You are servicing people with a bunch of rules and regulations and you try to be positive, but nobody can see you smile. This is the biggest thing. The biggest joy from owning your own place is putting smiles on people's faces and not being able to see smiles is just horrible. It's next to impossible to gauge

people's body language. You really have to focus on body language because you can't look at people's faces anymore because they have masks on. It's tough, man. It's really really tough. I try not to be too doom and gloom about it, but... I don't know. I don't know how else to get around it.

Q: How are you dealing with staff on a day to day basis? What has changed?

From the staff perspective, they've all settled in on the mask issue. We all understand that it's now a regular part of our daily lives inside the restaurant. It's challenging for the back of house crew with the heat in the kitchen and the guys that are working the grill. It's tough and it makes that job very difficult. The staff is doing okay. They're making money, but maybe not as much as they were before but some are doing okay because we've reduced the amount of hours of the restaurant and there's less people on board. So, they're picking up more tables and working more hours and they're making some decent money at it. They find it frustrating having the mask on 24/7 in the kitchen or in the front of the house, but our staff has been really great and I'm very very thankful for the staff that we have. They're super. They're just troopers. They're doing everything that they're asked to do and required to do. They're showing up everyday and it looks like they have a smile on underneath their mask. So, I'm very thankful for the crew that we've got because you know for every time I'm saying it's challenging, it's equally challenging on their side of it too. We're trying to stay positive about about it, help them through as best we can, make life easier for them, put them into positions where they can make money and just say thank you.

Q: What are your customers saying?

It's a 50/50 split. I think we're at a point now with the mask ordinance to where

about 90% of the people understand and adhere to the regulations and don't need to be asked to put on a mask. However, whether they buy into its effectiveness or whether they don't, it's a 50/50 split right down the middle. It's a very polarized conversation. I try not to talk about it too much since you know it's just one of those conversations you're not going to win. It's just futile. There's no point getting into those conversations because from the restaurant perspective, we're required to wear masks. I'm not going to get into the discussion of whether we should or whether we shouldn't.

Q: Are to-go orders and Ubereats/Grubhub filling the place of dine-in orders?

No. No, not even close. When we were closed exclusively for to go and curbside pickup, that accounted for only about 7.5% of prior years sales. Now it has reached even less than that. We were never set up as a large to-go business. I think our food doesn't carry well long distance or over time. It's not a big component of our sales during this time.

Q: What has been the biggest challenge of COVID-19?

It's all been financial and really trying to figure out how to make the dollars work. How do you operate on 50% less revenue? Cause that's where we're at. We're at 50% less of sales than the prior year. We expect to be that way for the remainder of the year. Concerning the governmental incentives, those programs were extremely beneficial to us. Now we see those programs coming to an end. Now literally every cent counts. Every cent. And trying to manage those fixed costs like your power and gas becomes a challenge because they don't change. How do you absorb that into 50% less sales? The financial aspect presents numerous challenges. How do you budget? How do you forecast? How do you make those numbers look? What services do you cut? Where do you cut the fat without really affecting the overall guest experience and the overall product? Dollars is the biggest challenge, there's no doubt.

Q: What keeps you going on the tough days?

For me personally, this is my livelihood. This is how I put food on the table. So, the days that get really bad and really rough, you've got to remind yourself that packing it in is not an option here, you've got to make it work because this is how I keep the food on the table. So that's the motivator. I'm not working for anybody else. And it's not like "Oh I can find a job anywhere else". Well, for me, if I go find another job somewhere else that means like, "alright, am I shutting my business down?". Is that like giving up? Because giving up is not an option, so we're going to fight to the bitter end. We're going to do whatever it takes to make it work. We're going to scrape whatever pennies we have together and try and make it through it. So you've gotta remind yourself, when those tough days are around, that "I am it. I'm the last line of defense. If I'm not there, then we're done for". So, you've got to stay focused, you've got to get out of the funk, you've got to pull yourself up and remind yourself that this is how we exist.

Q: What words of wisdom could you offer to other restauranteurs and business owners in this current climate?

We have to be as open minded as we have ever been. We've got to look at every aspect of our business model and challenge every aspect of it. Because if we don't, we're potentially leaving dollars on the table and missing out on revenue. We're seeing commodity prices rise, so some typical items you've had on your menu for a long time may have to come off because they may not be profitable anymore. So, you've got to look at EVERYTHING. You've got to challenge EVERYTHING and really evaluate whether or not it's worth it. If it's hurting you, you've got to do away with it.

Jeff Hobbs Sales Marketing Manager for Servpro

of Bartlett/Cordova



Q: How are you holding up?

Oh, we're holding up fine! We've actually been very busy. We've wrote out a program called Certified Servpro Clean. We've been using it. We've actually disinfected over 15 million square feet in Memphis already. All the managers have been busy and last week one of our managers worked 82 hours.

Q: Are there certain products and services you are selling more of now as opposed to precoronavirus times?

The biggest thing we are offering now is the disinfect. We offer fog and we offer wipe and fog. The CDC recommends if you have a confirmed case that you wipe and fog. A lot of people's product has a dwell time of 10 minutes, but the product that we use has a 4 minute dwell time. That means that this product only has to stay wet for 4 minutes on a surface in order to kill the virus. It's an ultra low volume (ULV) mist and when you get through with a room it looks kind of foggy because the droplets are so small and the ultra low volume misters that we use will spray out to 25 feet.

Q: What practices have you started doing differently because of COVID-19?

We always wear PPE. Any job we go to we wear PPE. We wear masks, gloves and we tend to wash our hands a lot.

Q: Has anything during these times surprised you?

To me what's surprising is how people are adapting to it so fast and so easily.

Q: What has been the biggest challenge of COVID-19?

You know, I'm in sales, so not going and making sales calls is very challenging. Since we're so busy, everybody's having to get out of their comfort zone and do other jobs as well. Like you know I tend to go out and do some of the disinfecting myself. You have to suit up in PPE, which that right there is a challenge of it's own hot as that PPE is with the mask on, the tyvex suit, the rubber gloves, and once you get through, you're wringing wet! Even if you're in the air conditioning, you're still hot. People don't realize how hot that PPE is.

You know there are so many unknowns with the virus, and you hear so many different stories and you listen to the news. They'll tell you one thing and you flip the channel they'll tell you another and so you really don't know what the truth is about it, so you've got to show a LOT of precaution because you don't know what the real facts are about it. At first, they said it spreads on horizontal surfaces and it can stay alive up to 72 hours and you know, that's changing every day. So you know, the best thing to do is to treat it like it's very dangerous and that's what you have to do because you really don't know the facts about it cause it seems like the CDC and the WHO don't know the facts either. So, you have to treat it as a dangerous disease. Anybody you meet you don't know what kind of underlying conditions they have, and it seems like everything I've read about people who have gotten really sick and people who have passed away from it, they always have some kind of underlying conditions or they're the elderly. It seems like it targets these people, so you've got to treat everybody with precaution. You've got to keep your personal opinions out of it.

Q: Have there been any positives during this time?

Our employees are really taking advantage of the extra hours they are getting because a lot of these people have spouses who are out of work, so it's helping them get over the hump.

Q: What advice would you give to other vendors in dealing with the new normal?

Treat it like it's a dangerous disease by following mask and social distancing protocol, by keeping your hands washed and by showing extra caution. It's truly better to be safe than sorry.

Bill Anderson

Standard/SK Textile Company South East Region



Q: How are you holding up?

I would say my business is probably down 80-90% from what it would traditionally be this time of the year. April was the low point with virtually no sales. May... a little better. June a little better than that and it appears that July will be a little better. To get back to where I was say in 2019, I'm thinking it may be two years to get back to those numbers. It's by far the most challenging atmosphere I've ever seen and I'm sure Chuck Pinkowski, who's been at it longer than I have, would confirm that himself. My main place to make money is Nashville, and they're really hurting and Memphis is not doing any better than Nashville that I can tell, although the Peabody has sent me some orders. The Gaylord is closed and hasn't reopened and the JW Marriot Nashville is just barely opened. That town has a lot of great hotels and they're just not doing anything, but I guess we just have to play the hand we're dealt and see what happens. I'm to the point in my career that I can ride this out, but these young folks, they're going to have a tough time. A lot of them may be changing jobs.

Q: What keeps you going during the tough times?

Knowing that it will improve and that this has provided me a good living for a lot of years. I'm just fortunate enough that I've started drawing my social security, which I didn't really want to do, but I was able to start doing that to supplement. It's just going to be a long recovery period that everybody was thinking going into this that it would be a few months and would be over this summer, but until they get a vaccine, it may be another year. There are some bright spots, it's just not Memphis. Destin Florida, Panama City. I've got business there and they are doing pretty well.

Q: Are there certain products and services you are selling more of now as opposed to precoronavirus times?

There are. We do sell some of the PPE products which are masks and that kind of stuff, of course those are selling pretty well and we do some of these mattress encasement protectors that were traditionally used for allergies and bedbugs, but now people are using them in hotels for just a cleaner room because all the guests that are staying at hotels want to make sure that the room is as clean as possible. Those are a couple of products that have actually increased, whereas my core business of sheets and towels has decreased because hotels can't afford to buy them since they don't have anybody staying there. It may be a while on those coming back.

Q: What practices have you started doing differently because of COVID-19?

Mainly the videoconferencing. We're not doing many customer visits unless absolutely necessary. Travel's been cut down tremendously and we're doing a lot more training sessions online over the computer instead of doing them in person. I'm out maybe on one trip to Nashville in the last four months and I'm usually there once a week.

Q: Has anything during these times surprised you?

Well, just the severity of this effect on the hospitality industry. Nobody saw this one coming as far as the devastation of jobs and livelihoods. That's surprising. It's surprised everybody though!

Q: What has been the biggest challenge of COVID-19?

Making money.

Q: Have there been any positives during this time?

I've had a lot of leisure time if that's a positive. I've had a lot of fishing time I normally wouldn't have.

Q: What advice would you give to other vendors in dealing with the new normal?

There's going to be some of them that are going to be able to stick this thing out and get on the other side of it and some of them are going to be doing other jobs. If you are are financially able to stick it out, that's the question. Some will, some won't. Some companies are in a lot better financial shape going into this thing and they'll come out of it, but the ones that were shaky going in, they're not going to make it.



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SOUTHERN LODGING SUMMIT

IMPORTANT SLS UPDATE

Through much thoughtful discussion about the costs involved to put on a large scale lodging event within the restrictions of COVID-19 Phase 2 in Memphis, the SLS planning board has decided not to have the Southern Lodging Summit as we know it this year, and will postpone the event until 2021. In its stead, we are going to be pre-recording a President's Panel and a Data Panel for release on our website by September 14. The President's Panel will be sent free to our membership, while there will be a price for the Data Panel. We can also feature sponsorships in the two videos, so contact us directly at admin@southernlodgingsummit-memphis.com or (901) 581-5618 about that. That all being said, many other lodging industry events have been canceled nationwide and saving our resources now can lead to us being the very FIRST conference of next year.

SLS Auction Items Needed!



To donate hotel rooms, dining packages, or any goods & services allied with the hospitality industry, contact President Wayne Tabor at wayne@mmhla.com

Bid Here

2020 CALENDAR

If you would like to volunteer a venue or present a luncheon program please contact Wayne Tabor at wayne@mmhla.com or (901) 581-5618.

 Sept. 14 - Southern Lodging Summit Video Panels MMHLA website access for Data Panel & President's Panel
Sept. 23 - Annual MMHLA Golf Tournament 11:30 AM - 5:00 PM - Timber Truss Golf Course

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