

Dear Valued Customer,

We are all looking forward to the day when our restaurants are back in full swing, and our dining rooms are fully staffed, providing your eager guests with restaurant-quality dining experiences once again.

As we look ahead, planning for a successful restaurant re-launch will likely be as complicated as a full distribution onboarding and will require a high level of coordination across all stakeholders. The COVID-19 'Shelter in Place' challenge has negatively affected virtually everyone in our industry, from your restaurants to the vendors and distributors that support them. To help ensure a smooth restaurant re-launch we have established a full checklist of tasks to help guide us.

Before turning to the attached checklist, it is important to consider the following important components of a successful re-launch:

1. Time:

Communicate to leadership, and all key organizational stakeholders, that rebuilding supply chain will require coordination and adequate time.

2. Communication:

All parties need to be communicative and work collaboratively to address any ramp-up challenges. Any adjustments need to be communicated to the field quickly and accurately.

3. Flexibility:

Key vendors may be challenged to meet demand as the entire industry tries to re-launch simultaneously. This may require substitute product flexibility and menu adjustments.

4. Managed Approach:

Consider a limited initial menu size and controlled new item activity.

Your account managers will be reaching out to review the attached Re-Launch Checklist and work with you to establish a detailed re-launch process and reasonable timeline. As always, we appreciate your business and look forward to a successful return to our new normal!

Sincerely,

Your DMA Distribution Team

COVID-19 Restaurant Re-Launch Checklist

Below is a comprehensive checklist that should be referenced as Operators and Distributors work collaboratively for a successful Re-Launch to full restaurant operations, as the COVID-19 'Shelter in Place' rules are relaxed. This list, and associated timeline may be slightly different from operator to operator, but it is extremely important that we consider this full list to allow ample time for a successful Re-launch.

Re-launch Plan Timing:

(up to 6 weeks planning time may be needed for full re-launch)

- Will all restaurants re-launch at once or is a phased approach by market or state more appropriate?
 - Specific Re-Launch Target Dates should be established and mutually agreed to prior to restaurant re-launch expectations being established.

Restaurant List Review:

- Have there been any permanent closures?
- Were there any ownership changes (need to establish credit and new account #'s)?
- Have there been any staffing/GM changes (need for policy and procedure training)?
- Revisit New Restaurant Opening schedules as appropriate

Product Planning:

- Menu/Order Guide Management:
 - We recommend a phased in approach to the re-launch menu, especially for restaurants that were completely closed during the pandemic.
 - Start with a limited menu, then phase in additional items as the business builds and dining room restrictions are lifted.
 - Adjusted sales forecasts will need to be established?
 - Re-launch order guides should be reviewed and agreed on.
 - Identify pre-approved product subs from distributor stock?
 - Identify need for COVID-19 related items (sanitation and packaging)
 - A standard Re-Launch Opening Order should be established, then adjusted and signed off on by each restaurant based on their inventory needs.
 - We may need to build lead time into opening orders and in extreme situations break the opening order into more than one delivery.
 - Consider product rationing or allocation needs where appropriate.

- Vendor/Distributor inventory level review:
 - Are there items in distribution that need to be addressed? (i.e. **“Fresh to Frozen”** items)
 - Can opening order force-shipments be schedule?
 - Are restaurants prepared to adjust cooking and handling procedures to accommodate frozen products?
- New Products – **we suggest that new items be kept to a minimum:**
 - Are there any new product needs? (i.e. To-go packaging and condiments)
 - LTO activity requiring new products should be delayed.

Vendor Considerations:

- Have key vendors been contacted to assess COVID-19 business impact?
 - Production limitations? (Staffing? Raw/ingredient access? Ramp-up capacity and client prioritization? Plant closures?)
 - Required lead times?
- In extreme cases, is there a need to find and set-up alternative vendors or pull from a different facility?
- Is there a need to identify short-term alternative product(s) to fill supply gaps?
- Will there be a need to adjust pricing brackets/minimums?

Credit and Payment Review:

- **Addressing credit and payment terms as a top priority cannot be overstated. This cannot wait.**
 - Are there any accounts receivable balances that need to be addressed?
 - Have payment terms been adjusted, communicated and addressed?
 - Was there a change in ownership at the corporate or restaurant level?
 - Revisit Electronic Payment options.

Delivery Planning:

- Restaurants that have remained opened:
 - Delivery frequency review may be needed.
- Restaurants that closed temporarily and plan to re-open:
 - There is a high likelihood that new routing schedules will need to be established, including an adjustment to delivery frequency. THIS WILL NEED TO BE HIGH PRIOTITY!
- Gain alignment on any delivery protocol changes:
 - Safety procedures?
 - Alarm code changes?

People Changes:

- Has the Operator Supply Chain staff changed?
- Have there been any changes on the Operations Field Support team?
- Any Unit level GM changes?
- Have there been any changes in the extended DMA Account Management team (DMA and Distributors)?

Master Distribution Agreement review and reset:

- Distributor Performance metrics implications:
 - Maintaining contractual fill rate levels and delivery related measurements will be extremely challenging throughout the extended re-launch process. Flexibility and understanding will be an extremely important component of this re-launch. We will need to temper expectations at the restaurant level. Remember, predicting sales volumes and menu mix shifts accurately will be difficult. This will present upstream Supply Chain Challenges.

Examples:

- Managing accurate inventory levels will be difficult, and current overstock challenges will make building a heavy “Safety Stock” buffer nearly impossible.
 - Vendor production, and subsequent fill rates, will likely be challenged and PO lead times may be longer than normal.
 - Delivery windows and regular route adjustments will be necessary as drop size grows across all customers. This will need to remain fluid through the re-launch period.
- Timing of cost management:
 - Inventory levels will dictate when we can move away from “inventory based” costs.
- Restaurant KPI management (drop size, product performance, incentives).
 - This will need ongoing evaluation and possible adjustments as we work toward our “New Normal”.

Communication and Organizational Alignment:

- Is leadership and all functional departments on board with the Re-launch timeline?
- Have all proprietary vendors been looped in?
- Are field operations, restaurant GM’s and franchisees prepared for relaunch?

- NOTE: *We have found that involving DMA in the crafting of the initial communication or be given the opportunity to review it, prior to sending to the field will help avoid confusion and expectation misalignment.*
- How do we maintain alignment with Marketing to ensure that re-launch messaging to restaurants and to customers does not get ahead of Supply Chain's ability to support necessary product needs?