

# Six lockdown learnings from the hospitality and leisure sector

BGF

From restaurants and bars to hotels and sports centres, the hospitality and leisure sector has been dramatically affected by the coronavirus lockdown. We explore the trends across our portfolio of companies in the sector during lockdown and beyond.



## Safety always comes first

Companies are united on one point: profits and revenues are important, but the safety of customers and staff is the top priority. Personal protective equipment for staff, plastic screens at cash desks and continuous cleaning are some of the measures introduced. Kitchens are a challenge as these environments tend to be especially busy. Stringent hygiene, face masks, flow systems and 'give way' systems are important. The key is to be vigilant and to follow the latest government guidance.

## Don't rush reopening, be flexible and work in phases

Successful businesses have staggered their reopening of sites, beginning by opening a handful of sites for delivery only, then gradually moving to full operations in phases. They have been flexible, testing their strategy as they go along and continuing to assess footfall, competitors and consumer appetite. There have been tough choices to make.

## Social distancing is one of the greatest challenges

The adoption of the "one-metre-plus" rule on 4 July was well received by companies in the hospitality and leisure sector – the previous two-metre rule created many challenges in terms of queuing and table layout. Even with the new guidance, it's essential to have good systems in place to manage human traffic, such as floor markings to show customers where they should stand.

## Engage with your customers and pivot to meet their needs

Coronavirus has changed customer behaviour. It's crucial to be responsive by refining menus where necessary and offering services that are in demand, such as takeaway options. Engaging with customers on social media is a good way to stay informed about their needs.

## Coronavirus has changed the maths about locations' value

Fewer people commuting means less footfall in city centres and public transport hubs, putting hospitality and leisure sites in these locations under pressure. However, market towns, local neighbourhoods, sites with gardens, car parks and drive-through facilities have an advantage. The good news is the government has made it easier, in some regions, to obtain licences to use outdoor space. The hope is that business in city centres will improve as people return to work.

## Be cautious in your planning – there could be a second spike

The watchword is caution. The country seems to be edging back to normality, but there is a risk of a second spike of coronavirus infections, which could lead to a tightening of social distancing measures. We have already seen regional lockdowns. It's important to be nimble and creative, to plan and constantly reassess your plans, and to learn from the experience of other operators and other countries.

*Do you work in the hospitality and leisure sector? Have you observed examples of good practice you'd like to share? As our economy recovers from the coronavirus, we think it's essential to bring together skills, expertise and learnings. Please share your thoughts with us on social media or by email*

## We know hospitality and leisure

BGF has backed 20 companies in the hospitality and leisure sector with a total of £176 million invested and 4 exits to date.

We are the most active growth investor in the world. If your business needs funding to grow, we can help. Learn more about us.