

Long Island Business News

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Post-pandemic opportunities

By: [Adina Genn](#) March 26, 2021

Matt Tesoriero had a vision.

A restaurateur, Tesoriero was sitting in a Chipotle when he saw a new restaurant concept.

In a flash he knew he and his team could launch a Mexican-style eatery that would satisfy the taste buds of everyone, from burrito enthusiasts to Keto and Paleo followers and vegetarians alike. That vision is Guac Shop Mexican Grill, which now has locations in Garden City, Jericho and Seaford, and soon, Wantagh and Freeport.

Things were just getting underway for the eatery when the COVID-19 pandemic hit, grinding plans for expansion to a halt. As painful as that was, Tesoriero knew he wasn't alone.

"There were a ton of businesses like ours," he said. "For example, our Jericho store for Guac Shop – we were on the five-yard line when this thing shut down.... We had brought on a ton of staff, taking the road right out from underneath us."

But having resources, economies of scale and innovation helped.

"We just carried staff for three months trying to get ready," Tesoriero said. "We quickly pivoted. We opened up a ghost kitchen [a professional food-prep space usually for deliveries only] out of our sister restaurant in Seaford, Cara Mia Due, right behind our ice cream concept, Spoons, and we were able to generate revenue."

But now, with the increasing reopening of the economy and the widening availability of the COVID-19 vaccine, business is getting back on track for entrepreneurs like Tesoriero.

The reopening economy brings new opportunities for the hard-hit retailers and restaurateurs. New financing arrangements and funding through government programs are providing an opening for entrepreneurs to get back into the game. With that, they are bringing the lessons and innovation that became essential to navigate the COVID-19 pandemic.

Yet even with federal assistance such as the various incarnations of the Paycheck Protection Program, small business owners struggle.

Still, "anytime a business owner can get their hands on financing, especially when the government steps in and provides it, it is always a major benefit back to small business," said Patrick Manning, chief revenue officer of ROK Financial in Great River. "It is ultimately going to help propel even our local economy here on Long Island in the months coming up."



LOU BISCOTTI: For those that can bounce back, economies of scale help, especially in second generation restaurant spaces.

That kind of assistance is essential to retailers and, especially restaurants, which have been so hard hit, said Lou Biscotti, the national practice leader for food and beverage for Marcum, the accounting and advisory firm with offices in Melville.

Pointing to statistics from the National Restaurant Association, Biscotti said that 110,000 restaurants have closed permanently – “that’s one in six,” he said – across the nation. “There’s a lot of hurt,” Biscotti said.

Such dire need put advisors like Manning to find new ways, including through the U.S. Small Business Administration, to help clients and prospects.

“We’ve learned so much about the SBA ... and other ways that we can continue to get creative and bring financing back for small businesses,” Manning said.

“Had we not been faced with that challenge to make that pivot, we may never have dabbled into that world, where today we’ve assisted many clients through the SBA,” he said. “It made us a little bit more dynamic in what we’re able to offer back to the business owners.”

But every businesses’ circumstances are different.

“We’ve had many people come to us that just fell in very unique scenarios that unfortunately PPP wasn’t covering,” Manning said.

There are a host of programs available, including the \$29 billion Restaurant Revitalization Fund, a component of President Biden’s \$1.9 trillion American Rescue Plan Act. It covers not just restaurants, but also food stands, food trucks, inns, bars, tasting rooms and more, Biscotti said, noting that they must have fewer than 20 locations. This funding comes in the way of grants for those who can show significant reduction in receipts in 2020 versus 2019, Biscotti said.

And for employers, the employee retention credit could provide a \$14,000 tax credit per employee, Biscotti said.

Keeping track of all the programs available and the requirements needed can be cumbersome for anyone trying to run a business. Biscotti said that Marcum set up a special task force that deals with today’s complicated situations, helping owners access the “wonderful [programs] done to aid the industry.”

For those that can bounce back, economies of scale help, especially in second generation restaurant spaces where retailers can find favorable terms, Biscotti said.

“Larger chains that have multiple branches in their portfolio find opportunities to grow – you’ll see a lot of movement there,” Biscotti said.

Tesoriero said he’s ready.

“We’re anxious for corporate to come back because that’s going to add a huge component to our Jericho store,” Tesoriero said, referring to the surrounding office parks and retail spaces in the area. And there are opportunities available regardless of industry.

“One great way to grow your business is acquiring local competition,” Manning said. “If we were making comparisons to real estate, the market is low, so take advantage of that and there are signs out there that show it’s a good time to get aggressive and do exactly that,” he added.

Going forward, Biscotti expected that in the restaurant field, ghost kitchens, such as the one deployed by Guac Shop, would continue to prevail. “It keeps overhead low, and companies will be able to operate in a different way,” He said. “People don’t care [with] takeout – as long as it’s the same food, they’re happy.”

Other trends including food halls – such as the one at Chelsea Market – may take some of the abandoned retail space. “Food halls are popping up around the country,” Biscotti said, including in New York, Florida and Georgia.

And innovation such as robotics, “for some of the more mundane tasks” will become increasingly popular, Biscotti said. Digital, no-touch menus would remain prevalent, and tech will be used to handle inventory, revenue projections, schedules and more, Biscotti said.

Such innovations – much of it born out of necessity amid the pandemic – will help businesses thrive. “When you put a business owner in the corner and you force them to get creative, they’re now going to take these tactics that they learned and in a normal lifestyle apply these,” Manning said. “I think businesses are going to come back with a vengeance.”