


RESTAURANTS, BARS & PUBS





Addleshaws have been awesome for a bunch of lawyers. They get our business, are super pragmatic, to the point and interested in relationships

REDS TRUE BBQ

RESTAURANTS, BARS AND PUBS: AN APPETITE FOR GROWTH AND DIFFERENTIATION

Shifting consumer tastes, the pressures of new technologies, soaring business rates and Brexit: today's restaurants, bars and pubs are operating in a difficult and turbulent environment. Undoubtedly, some businesses will not survive, but alongside the challenges are numerous opportunities out there for savvy operators and investors: whether making use of multi-channel front-of-house technologies, expanding into the delivery market or capitalising on new leases that come to market. Responding quickly to exploit these opportunities is key. We help our clients do just this and more.

New technologies: operators are increasingly differentiating themselves through the application of new technologies. Some of these technologies are transforming long-held practices to drive efficiencies in the kitchen or front-of-house; whilst others help branded operators grow their audience and get to know and understand their customers' brand interactions. From payment solutions to data-driven apps, what they have in common is an ability to improve the customer's overall experience. Whether you are an early adopter or a reluctant Luddite, there is no hiding from the fact that customers are increasingly expecting such technology-led services alongside quality food and drink.

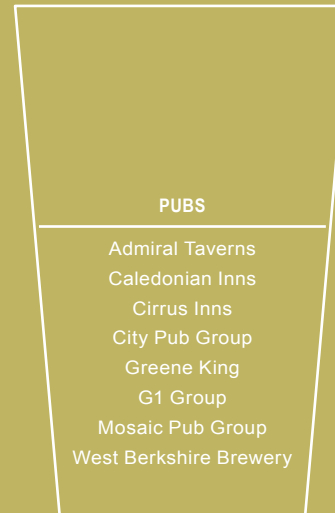
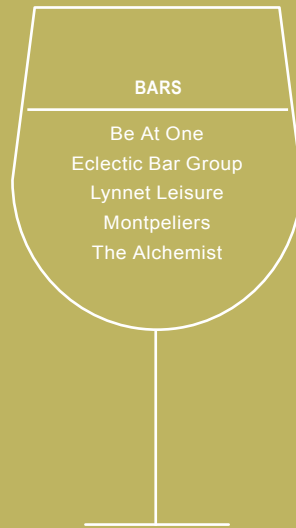
Reviewing property portfolios: ensuring that sites are financially viable, strategically located and appropriately sized are major considerations for our clients. Many are not only reviewing the number and location of their sites, but are also creating new concepts and formats to better engage with customers. With an uncertain market possibly leading to more failures and insolvency processes, those that make a success of the current environment could see a wealth of new potential sites come to market.

Investment appetite: after a flurry of M&A activity in the last few years, the sector seems to be catching its breath. With FX and rent-led cost headwinds, looming legislative changes and increasing questions over the UK consumer economy hitting both profits and prevailing multiples, sector investors and lenders are taking a more cautious approach. Deals are still being done but key players are increasingly targeting concepts that stand out from the crowd and businesses that are run cleanly and effectively.

These evolving trends create new opportunities and challenges. Our restaurants, bars and pubs team is dedicated to supporting our clients by drawing on an expert knowledge of the law and the sector. Whilst operators, investors and lenders can always turn to us for their day to day legal requirements, we believe it is our ability to help clients meet these strategic challenges that really differentiates us.



OUR EXPERIENCE



AN OPERATOR'S MENU

Site Locations

- ▶ Rental growth in 'in-demand' areas has remained buoyant in the immediate wake of Brexit and several chains have remained acquisitive, however business rate and cost pressures combined with uncertainty around the Brexit will likely impact this
- ▶ As shopping centres are becoming increasingly reliant on leisure offerings including restaurants, bars and cinemas to coax consumers to shop in person, there are further opportunities for growth.



Uncertain times ahead?

- ▶ The sector has been enjoying buoyant trading in recent years but with the effects of Brexit yet to be fully realised, we could see a further softening in the market
- ▶ Our expertise in M&A, private equity, equity capital markets and acquisition and development finance helps operators raise finance to rollout, redevelop, refinance or restructure, or to undertake transformational acquisitions or disposals
- ▶ We regularly advise all types of sector participant including operators, landlords, suppliers, investors, private equity sponsors and lenders.



Keep your dream team

- ▶ Retaining talent is a key challenge for employers in the sector. Businesses often find themselves trapped in a cycle of poor retention, non-permanent staff and re-training
- ▶ Incentivisation schemes often align the interests of employees with those of management and owners.



Don't land yourself in hot water

- ▶ Sector operators are particularly at risk because of high staff turnover, multi-site operations and diverse nationalities within their workforce
- ▶ Compliance checks must form an integral part of the recruitment process to avoid fines and adverse publicity.



Health & Safety - A burning issue

- ▶ New sentencing guidelines have encouraged more fines to be imposed on employers
- ▶ The focus within H&S has recently turned to occupational health and the wellbeing of the workforce
- ▶ H&S must be at the top of operators' agendas to ensure that workplace risks are identified and managed effectively.



Deciphering your data



- ▶ Big data refers to information collected through everyday transactions and interactions. It can help give businesses a competitive edge through better understanding behaviours.
- ▶ As the name suggests, big data can take up a lot of space and many businesses do not have the right resources to store and/or process the data themselves
- ▶ With the collection of large volumes of data comes the need to invest in appropriate cyber security measures as well as adhering to data protection regulations.

Protecting your name



- ▶ Data, domain names, collaborations and endorsements, as well as usage of music and the screening of sporting events are all areas that business owners need to be aware of to avoid IP infringement.

Weathering the sector challenges



- ▶ Restaurants, pubs and bars are on the front line of discretionary spend and offerings must remain attractive and relevant
- ▶ Some providers face cost pressures from the national living wage, business rates and the depreciation of sterling
- ▶ Clear strategic thinking, differentiation and responding to challenges quickly is key.

Reputation - The key ingredient



- ▶ Restaurants, bars and pubs are very much in the public sphere and, as such, are at increased risk of facing a media backlash should anything go wrong
- ▶ High profile scandals affecting the sector include immigration stings, food safety issues, cyber and data breaches and social media mishaps
- ▶ We help our clients mitigate and prepare for a possible crisis, as well as managing any fall out.

Credit Appetite

- ▶ The sector remains attractive to many types of financing despite a relative down turn in overall market activity. Businesses are leveraging finance through a variety of channels including, crowdfunding, traditional debt funding and alternative lending
- ▶ Funders will want to see that businesses are addressing the market headwinds such as cost pressures, customers' reduction in discretionary spend and the impact of Brexit.

OUR RESTAURANTS, BARS AND PUBS COMMUNITY

At AG our clients and their teams are invited to be part of our sector community. As well as advising on key sector issues and their legal implications, we hold events, track key developments, provide regular know-how and views and connect our clients with each other. We want to be part of a community that shares challenges, problems, ideas and solutions.

Regular tailored legal updates

We produce legal updates and bulletins tailored to the restaurants, pubs and bars sector to keep you updated with any news and developments.

Training and knowhow

Our clients tell us that we differentiate ourselves by the quality of the training we provide to their teams. We can provide bespoke sessions, tailored to you and your business objectives, or you can come along to one of our programme workshops, roundtables and forums.

Sector events

We hold hot topic sessions on key developments in the sector. Upcoming sessions will focus on crisis management, immigration and the use and protection of data.

Tailored Legal Audit

We also provide a tailored legal audit service specifically focused on the key issues facing businesses in this sector. Whether preparing for an investment, refinancing or simply trying to take stock of your business, through our focused questionnaire we can help you understand your legal obligations and identify any issues before your funders do.

For more information and/or for a copy of our free legal audit questionnaire, please get in touch with us.

Licensing

We work with the market leading regulatory team at Woods Whur, who operate under our rates, terms and conditions.

The Woods Whur team represents operators from all over the UK and internationally in licensing and related regulatory compliance.



*Having worked with Addleshaw Goddard
for a decade on a number of transactions,
I can honestly say that they bring an
extra dimension to the process, helping
you to have the best possible outcome for
what will be, for many entrepreneurs, a
life changing event*

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*We felt that they were
outstanding representing us*

GIGGLING SQUID

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Aberdeen, Doha, Dubai, Edinburgh, Glasgow, Hong Kong, Leeds, London, Manchester, Muscat, Singapore and Tokyo*

* a formal alliance with Hashidate Law Office

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