



12.06.2022 Future of (how we) Work

(Re)Open for Business: An interactive discussion on supporting the local economy in Kendall Square

Featured Speakers

- Cristina Abele, Location Lead at IDEO
- Jesse Baerkahn, President & Founder at Graffito SP (moderator)
- Nicole Liu, Founder of Vester Cafe

Discussion

Opening (Jesse)

- How things are looking in the Kendall Square restaurant community is challenging, especially around staffing. It's a paramount concern about the effects of pandemic that we have to think about as a community.
- The conversation will feature two perspectives within the KSA and greater Kendall Square community, as well as community input from participants on the importance of local.
- What we learn today can help us continue facilitating conversations between the big businesses and our small local restaurants and retail with an upside for all.

Panel Conversation

Question 1 (to Christina): How is IDEO engaging with the local restaurant and retail community? What have been your approaches and programs for working with local businesses?

- We have always centered our catering needs on pulling from small business, more specifically working in a way that positions us as partners, rather than a vending relationship. If we're having an event, we work with local restaurants to identify what the best options are, soliciting from their expertise, recommendations and what they can do.
- We also have a standing partnership with Relish for once a week deliveries. We have a continued back and forth dialogue with Relish with an emphasis on identifying only local vendors in proximity for IDEO's list of options.
- IDEO orders from local businesses that we have identified have their own delivery service rather than those that use a third party that charges fees. (Ex. Beauty's Pizza)
- We also try to figure out when we can be flexible to work with restaurants that do not have delivery. While this requires a bit more effort, we try to leverage flexibility in our work to think of local restaurants we want to support.

Question 2 (to Nicole): How is Vester working with corporations?

- Vester works with clients one on one, and often, I am the one doing the delivery. It is important to listen to client's visions and what they are hoping for in a catering experience - I work with them to build events custom to their needs, budgets and the vibe they are going for. This has resulted in a diverse set of clientele and brings important considerations for long-term sustainability. However, this is something that restaurants can think about integrating over time via a catering coordinator for example, who can assume that 1:1 client-facing role.
- When I work with Christina for example, we talk a lot about what the environment is going to feel like - What is the vibe? Who are the people? I then give her an idea of what may be appropriate for the event. Sometimes we may come up with something more unique, other times it may be based on what's already existing in our menu. In general we're trying to have something fun and creative that meets the client's goals.

Question 3 (to Christina): What is an example of a program or approach that hasn't worked?

What are the challenges you have experienced in working locally?

- We try to seek out local vendors who may be emergent or on the smaller side and utilize their services to make things like care packages for our employees. We recognize that there are layers of supporting local makers and we try to strategize on how to put as much money as possible into the right buckets.
- We also consider how we can support minority-owned businesses. Snacks can be the hardest to be consistent with, particularly in this moment with bigger-batch ordering and inflation. Sometimes we have to supplement supply with bigger, mainstream brands due to the limitations we do have in our budget for purchasing.
- It is challenging to keep things stocked and be consistent given the additional effort and time it can take to work locally. We want these businesses to succeed but sometimes there is a challenge in scaling.
 - In response (Jesse): You bring up a great point about distribution and mass production. When thinking about the role that KSA or Graffito plays for example, it may be important to think about what vendors can do what, and how much they can supply.

Question 4 (to Nicole): Can you share why it's challenging to work with third-party delivery systems?

- To demystify how it works a bit for everyone, when working with third-party apps, the customer often ends up paying for the fees that cover the restaurant subscription. The inflated prices that you can see on a delivery app (ex. UberEats) actually end up going to the third-party app rather than the retailer's pockets. In a way, it's like both the client and retailer are paying (and not necessarily gaining) at the same time.
- As an example, at our new Southie location, we have to partner with Relish to collaborate with the location that we're in. We get charged the service fees for being on the app, plus a 15% commission and credit card fee. In some apps, we get to state the cost of the item (so for example, if my avocado toast is \$10 in store, to compensate for the fees I'm being charged, I may up to \$15 for the toast just to break even). However, with Relish, the restaurant does not have that voice since they "price match" our

on-location prices. They end up still taking their fees, but our margins get diminished and we lose out.

- It is important to realize the climate surrounding small businesses - our teams are squeezed, there's rent and inflation around our supplies. Vester tries to pay at higher per-hour rates (plus tips) and yet, everyone is still struggling. We want to differentiate ourselves from other places and in many ways that requires purchasing more upscale or expensive supplies which also thins our margins out.

Question 5: It seems like many in our community do want to work very directly with our entrepreneurial and small businesses and at the same time, while there's the gift of flexibility and customization it's challenging to shape as a new normal that is sustainable and scalable.

Do you think it's gotten easier over time?

- Christina: In a way it has because online ordering is a lot more standard since the pandemic. Restaurants that perhaps weren't thinking about e-commerce or online ordering now have to have that as a real consideration when designing menus and their offerings. That's not necessarily a bad thing.
- Nicole: The goal is to help drive up revenue so that we can also retain our brick and mortars, and supply the amenities that people want in their neighborhoods. We have learned the power of developing offerings and relationships and want to keep doing that. Consistency and predictability can help alleviate the staffing concerns and challenges to an extent. There's value to knowing the patterns of clients - it helps us space out and schedule appropriately. Even 24-hour notice helps tremendously - the more time you give me, the more I can do for you, and the better the product can be when I have the staffing I need.

Q&A

Jesse invited participants to share feedback on what they're doing in their respective companies, as well as any other questions or considerations they have regarding supporting local.

- It takes a lot to work with local but it is incredibly important to support the local economy and think about how we can make our events unique. At Venture Cafe if we're having a sustainability event or holiday party, we think a lot about who we can work with - we try to set up a meeting to discuss what we're hoping for, as well as what we can do to also promote our catering partners (such as QR codes and information we can feature at the event)
- A real challenge is delivery and where restaurants can deliver. We've seen online information that deliveries are often to certain locations, which doesn't really help us. We're also a small team with limited time so sometimes that's our first filter.
- One thing that may be worth exploring further in the future is the role that company-restaurant reward programs can play in getting returning clientele. What would that look like in a way that can be beneficial to both company (who wants their people

back and out in Kendall Square) and the restaurant (who wants clients and growing their income)?