

Welcome to RHI's Webinar: The How and Why of a Food and Beverage Association

Are you dialed in?

- If not, call: US Toll Free +1 8664620164 or International +1 2053540249
- Dial meeting number *8728352* -Be sure to use *
- We will start at five minutes past the hour
- Please mute phones during presentation until instructed otherwise.
- Use Chat Box to submit questions or comments.

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How/Why To Create A Food and Beverage Association

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Food and Beverage
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County



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What is a Food and Beverage Association?



- A trade organization that provides centralized services, resources and representation
- Members
 - Owners/Managers of restaurants, bars, night clubs, and suppliers

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How is it Different from a Restaurant Association?

Licensee Association

- Locally/small business oriented
- Business advocacy
- Focus on operational issues
- Services

Restaurant Association

- State oriented
- Political advocacy
- Focus on government affairs
- Regional/National Chains



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When to Form an Association

When business climate has become unhealthy and irresponsible business practices exist

When there is distrust and friction between businesses, regulatory agencies and residents



When the media portrays the hospitality industry in a negative light

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Why to Form an Association

- Unified voice to approach policy makers/press/community with licensee causes and concerns
- Food and beverage businesses are becoming more regulated and struggle to stay ahead of new regulations and tax information
- A trade association creates professional benchmarks and raises professionalism
- Improve communication amongst licensees who may be isolated from each other
- Issues are specific to this segment of the hospitality industry

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Forming the Association

Create a Focus

- Create a focus
- What gaps exist in other associations that are not being addressed?
- Judge business climate to make sure it doesn't cause friction with other business associations.
- Id potential members
- ID needs (that helps to give mission and determine services)
- Develop benefits (training, discounts,
- Identify leaders that can get others to participate

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How to Organize the Association

Start Small

- Could be organized under another non-profit like a Business Improvement District
- Start with a Part-time operation

Non-Profit Status

- Create independent non-profit entity that is initially funded and has ability to generate revenue to sustain

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Staffing



Executive Director:

- Doesn't have to be full time in the beginning
- Former licensee or non-licensee
- Semi-retired or part time employee

Skills:

- Good verbal and written communication
 - Knowledge of the hospitality industry and political system
- OR
- Practical experience in lobbying, public relations or promotions

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Organization

Committees

- Member Services, Government Affairs, Special Events/Promotions, Education

Board of directors

- Comprised of 2/3 licensees and 1/3 suppliers of goods or services

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Sustaining the Organization

Funding:

- Member dues
- Sponsorship
- In-kind Support e.g. office space,
- Grants
- City Tourism Occupancy Tax, Economic Development, (non-profit status helps here.)

Revenue:

- Get creative. Profit partnerships with insurance companies can be worked out where association receives a percentage. (Some states have insurance laws that don't allow this)
- New Business Consulting
- Sell Books on Hospitality Business Operations.
- Training
- E-Commerce

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Barriers

- Continued funding, interest
- Competition with other associations for members
- Start-up money
- Setting up a legal entity
- Once defined, be prepared for hospitality community to pursue the interests particular to their own group: restaurants, bars, entertainment

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Benefits and Incentives for City



- Improves communication - Recognized organization in industry that is contact point or liaison between industry and regulatory
- Ongoing relationship with regulatory, clearer communication, can review proposed implementation of new regulatory practices and provide input
- Efficiency – doesn't waste city's time or department resources money going to businesses individually
- Consensus - Can take issues to whole of hospitality sector and resolve issues – distill many opinions into consensus

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Incentives for Suppliers



- Forum to create better environment for their customers (hospitality businesses) to be more successful
- More focused access to new businesses

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Incentives for Businesses

Mediation/Advocacy

- Assistance with mediation with different governmental regulating agencies

Compliance

- Newsletter with regulatory updates and compliance reminders
- Free federal and state required posting signs
- Checklists for ABC, Fire Department, Health Department
- Checklists for working with promoters

Human Resource Information

- Employee Handbooks – policy development

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Incentives for Businesses

Training

- Centralized and onsite discounted training for:
 - Responsible Beverage Service
 - Food Handler's Card
 - Manager's Certification
 - Sexual Harassment Training
 - Door Security(Requirements vary from state to state)

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Incentives for Businesses

Insurance

- Group rates for dental and health insurance
- Discount on worker's comp. insurance

Business Services

- Credit Card Processing and Point of Sale Systems
- Payroll and Bookkeeping Services
- Financial Services – SBA finance and equipment leasing
- Discount on music licensing for BMI, ASCAP and SESAC
- Quality Control Services (Secret shopper)

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Resources

American Beverage Licensees
www.ablusa.org

Food and Beverage Association of San Diego
County
www.foodnbeverage.org

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