PROSPER ACCELERATE THINK TANK

Future-Proofing the Brand: Using PEST Analysis to Navigate What's Next

Navigating Macro Environmental Forces & Disruption in Modern Foodservice & Hospitality

FACILITATOR & STRATEGIC LEADERSHIP SESSION

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Board Member, Women in Restaurant Leadership | Executive Advisor





The Leadership Team's Role …

- Working In Unison To Devise The Strategic Plan
- Monitor KPI's To Ensure Successful Execution
- Work Together To Protect and Defend Brand

Consider PEST Factors to Navigate Global and Macro-Economic Factors



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The Definition of Brand Protection Has Shifted

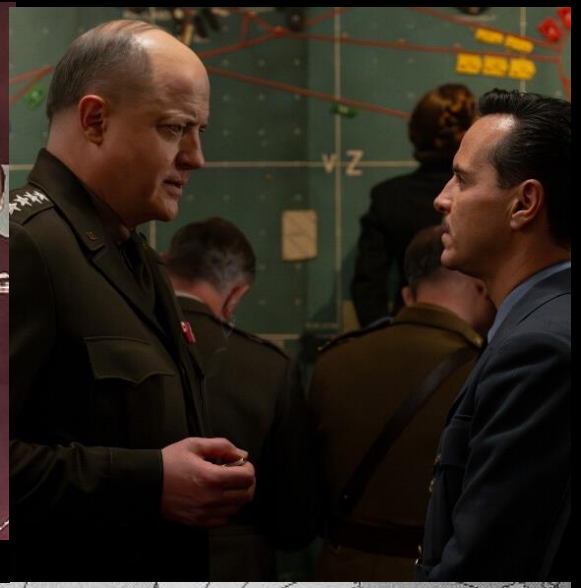
The winning strategy is Navigating “what’s next”



Great Leaders Are Trend Watchers …

There Truly Is No Other Option





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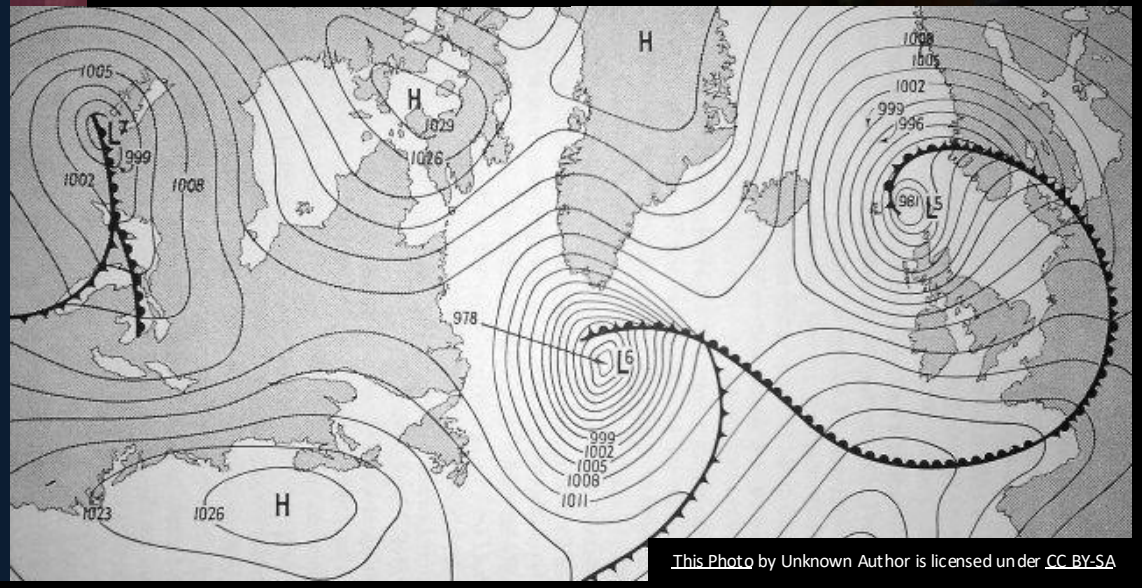

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PEST Analysis

POLITICAL (Government & Regulatory)

ECONOMIC (Headwinds & Wealth Gap)

SOCIAL (Demographics & Sentiment)

TECHNOLOGICAL (Innovation & Risk)

Let’s Play A Game

Good

Not So Good



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Hospitality PEST Strategic Matrix (Executive Preview)

POLITICAL (Government & Regulatory)

- MAHA & Clean Menu Alignment
- Tariff Exposure & Container Bottlenecks
- CA Pricing Transparency (SB 1524)
- USDA Standards & Port Clearances
- Civil Unrest & Team Safety Rules

ECONOMIC (Headwinds & Wealth Gap)

- Macro Inflation & COGS Pressures
- Discretionary Spending Squeeze
- K-Shaped Economy & Enclave Dining
- Labor Cost Floors ($16.90-$20/hr)
- Prime Cost Margin Defense

SOCIAL (Demographics & Sentiment)

- Gen Z Value Menu Stigma
- Shift from 'Cheap' to Choice Bundles
- Ingredient Integrity Demand
- Experiential Dining Expectation
- Community Safety Priorities

TECHNOLOGICAL (Innovation & Risk)

- High-Speed Equipment (HEEP Cooks)
- C-Store Encroachment (Casey's Pizza/Wings)
- AI Sentiment & Asset Creation
- Search Engine Algorithm Bias
- Throughput & Catering Growth

The New Pyramid



Political Forces: Federal Regulations & The MAHA Movement

FEDERAL HEALTH POLICY DISRUPTION

MAHA (Make America Healthy Again) Shift: Federal focus on ultra-processed foods, chemical additives, and seed oils is reshaping consumer health expectations.

Brand Equity Acceleration: Healthy hospitality concepts offering clean menus and transparent nutritional benefits gain automatic trust and media lift.

Legacy QSR Vulnerability: Fast-food brands rooted in seed oils and heavy processing face heightening reputational risk and traffic erosion.

Case Study - Steak 'n Shake: Transitioned fryers to beef tallow. Hired former HHS senior adviser Michael Boes Chief MAHA Officer overhauled menus to European standards.

STEAK 'N SHAKE

CASE STUDY: CHIEF MAHA OFFICER & TALLOW PIVOT

STRATEGIC TAKEAWAY

Ingredient Transparency is No Longer Optional

When federal health narratives shift, brand neutrality disappears. Operators must proactively audit supply chains and menu messaging before public scrutiny forces reactive overhauls.

Brand Teams Have Options and Must Weigh Them Carefully

Optional approaches include a few healthy, healthy-'ish options, leaning into categories you already have access to.

Political Forces: Tariffs, USDA Mandates & Port Bottlenecks … WAR

U.S. TRADE & TARIFF IMPACTS

- Import Duty Volatility: Federal tariffs on raw materials and packaging directly inflate land COGS.
- Lead Time Compounding: Trade disputes delay container shipments at global ports.
- Supply Disruption Example: Main Squeeze Juice Co. experienced a 9-month delay securing a single container of smoothie cups due to port bottlenecks.

GLOBAL VS. SINGLE-SOURCE

- Global Footprint Advantage: Multi-national brands leverage redundant supplier networks across regions.
- Single-Source Vulnerability: Emerging chains reliant on single suppliers face severe stockouts.
- Strategic Dual-Sourcing: Executive planning must establish backup domestic supplier contracts.

USDA & CONTRACT FOODSERVICE

- Institutional Audits: Government, B&I, and school operators face strict USDA sourcing mandates.
- Port Clearances: USDA inspections can halt perishable inventory if docs fail.
- Contract Compliance: Multi-unit operators must maintain real-time supply chain origin tracking.

USDA COMPLIANCE
Government & Institutional Contract Standards

Political Forces: State Regulatory Benchmarks (California Leads The Way)

PRICING TRANSPARENCY & ALLERGEN MANDATES

Honest Pricing & SB 1524 Fee Disclosure: California mandates all service charges and gratuities be displayed conspicuously on menus before ordering. Hidden checkout surcharges prohibited.

Allergen Disclosures (SB 68): Chains with 20+ national locations must provide clear written major allergen disclosures directly on menus.

2027–2029 Mandates: Introduces mandatory children's menu calorie caps (max 550 cal) and added sugar warning icons.

MINIMUM WAGE FLOORS & FAST-FOOD OVERSIGHT

Statewide Wage & Salary Thresholds: Effective Jan 1, 2026, CA general minimum wage reached $16.90/hr; exempt salary threshold rose to $70,304/yr.

Fast-Food Sector Rules (AB 1228): The $20/hour fast-food minimum wage floor continues to shape limited-service chain economics.

Operator Adaptation: Operators adjust scheduled employee hours and streamline kitchen workflows to absorb higher labor floors.

Economic Forces: Global Headwinds & K-Shaped Wealth Disruption

MACRO HEADWINDS & SQUEEZED DISCRETIONARY SPEND

- Global Inflation & Margin Pressure: Food cost inflation and labor growth compress net operating margins.
- Middle-Class Dining Retreat: Cumulative inflation erodes discretionary income for a large segment of U.S. households.
- Traffic vs. Check Trade-off: Multi-unit brands rely on menu engineering to protect average check sizes as guest traffic slows.

K-SHAPED WEALTH GAP & LUXURY ENCLAVES

Diverging Purchasing Power: Net income gaps widen—affluent consumers possess high capital while middle tiers face budget constraints.

Exclusive Master-Planned Communities: A distinct trend: fully master-planned enclaves that lock out general public traffic.

High-End Hospitality Demand: Within these enclaves, affluent guests demand white-tablecloth service, premium wine lists, and bespoke cuisine.

Social Forces: Gen Z Perception, Value Stigma & Civil Safety

ECONOMIC x SOCIAL AXIS: VALUE RE-RAMING

- Gen Z Resentment of 'Cheap' Value: Gen Z and younger diners resent traditional 'value menus'—they feel stigmatized and associate cheap positioning with poverty.
- Legacy Value Struggles: McDonald's struggled to win traffic solely with discount messaging in this environment.
- Taco Bell Luxe Box Success: Taco Bell won by offering $5, $7, and $9 Luxe Boxes—a value play that feels premium and empowers guest choice.

COMMUNITY SAFETY & CIVIL DISRUPTION

- Impact of Demonstrations: Localized civil unrest and urban protests in major cities cause direct structural damage to restaurant property.
- Team & Customer Risk: Protests create severe safety risks for staff and guests entering and exiting physical locations.
- Operational Continuity: Brands must establish real-time emergency shutdown protocols, site security, and flexible hours.

Technological Forces: Equipment Innovation & C-Store Competition

KITCHEN TECH & THROUGHPUT EXPANSION

- Chipotle HEEP Initiative: High-Efficient Equipment (HEEP) dramatically reduces cook times, boosting kitchen efficiency.
- Throughput Acceleration: Faster prep cycles expand peak hour capacity, unlocking greater off-premise, delivery, and catering revenue.
- Labor Productivity: Advanced equipment reduces kitchen physical strain and optimizes staffing hours.

THE FLIP SIDE: NON-TRADITIONAL C-STORE THREAT

- Ventless Tech Disruption: High-speed equipment enables C-stores to execute fried/baked goods with no hood systems, lowering barriers to entry.
- Casey's Pizza & Wings Case: Casey's is now the 5th largest pizza chain in the U.S. and is actively targeting the hot wings business.
- Market Share Erosion: Encroaches on traditional QSR/Casual brands like Buffalo Wild Wings and Wingstop with extreme convenience.

Technological Forces: Artificial Intelligence Power & Algorithm Bias

AI ADVANTAGES: INSIGHTS & CREATIVE ASSETS

- Instant Data Aggregation: AI aggregates guest reviews, sentiment trends, and competitor price changes in seconds.
- Full Campaign Generation: Generates marketing copy, digital creative assets, and social media campaigns instantly.
- High-End Asset Production: Allows emerging brands to create broadcast-quality video spots rivaling Coca-Cola or Pepsi budgets.

AI RISKS: ALGORITHM DISADVANTAGE FOR STARTUPS

- Search Engine Bias: AI search tools automatically feed high-frequency search volume into top recommended dining options.
- Legacy Brand Favoritism: Google and AI answer engines inherently lean toward established legacy brands with massive review volume.
- Startup Disadvantage: Emerging concepts face built-in algorithmic barriers while building initial digital footprint.

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Strategic Planning Integration: Brand Vulnerability Index (BVI)

THE EXECUTIVE PEST STRATEGIC FORMULA

Brand Vulnerability Index (BVI) = (Regulatory Exposure + COGS/Wage Risk) ÷ (Cultural Clean Equity × Tech Efficiency)

• Target Benchmark: BVI < 1.0 (Proactive Positioning) | • Action Threshold: BVI > 1.5 (Requires Immediate Pivot)

1. AUDIT MACRO RISK

Identify federal/state health, labor, and tariff exposures across supply chains.

2. SCORE CULTURAL FIT

Evaluate menu alignment with MAHA, clean eating, and non-stigmatized value packaging.

3. DEPLOY TECH DEFENSE

Invest in high-speed prep equipment and AI tools to counter non-traditional competition.

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Executive Playbook: 180-Day PEST Steering Roadmap

IMMEDIATE (Days 1 - 30)

- Mandate full upfront price transparency on printed and digital menus (CA SB 1524).
- Identify single-source supply vendors and establish domestic backups.
- Verify USDA compliance across government and institutional contracts.

MID-TERM (Days 31 - 90)

- Audit menu recipes for seed oil and additive elimination (MAHA alignment).
- Repackage value offerings into choice-driven bundles (Taco Bell Luxe model).
- Test high-efficiency prep equipment (HEEP) to cut cook times and counter C-stores.

LONG-TERM (Days 91 - 180)

- Integrate AI analytics for real-time customer review sentiment and competitive intelligence.
- Explore high-end/white-tablecloth service models for affluent enclaves.
- Establish formal quarterly PEST audit cycle with executive board.

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Executive Workshop: Your Brand's PEST Strategic Quadrant

POLITICAL (Government & Regulatory)

- What federal health policies (MAHA) impact your menu?
- Where are your supply chain & tariff single points of failure?
- What state laws (CA SB 1524, wages) affect your operations?
- [Your Team Strategic Notes]: _____

ECONOMIC (Headwinds & Wealth Gap)

- How are macro inflation & labor floors impacting margins?
- Are you positioned for affluent enclave dining or mass market?
- What is your prime cost defense plan?
- [Your Team Strategic Notes]: _____

SOCIAL (Demographics & Sentiment)

- Does your value strategy alienate Gen Z or empower choice?
- How are you communicating ingredient integrity?
- What local safety & protest protocols are in place?
- [Your Team Strategic Notes]: _____

TECHNOLOGICAL (Innovation & Risk)

- How can high-speed equipment expand kitchen throughput?
- What non-traditional competitors (C-stores) threaten you?
- How are you utilizing AI review analytics & content tools?
- [Your Team Strategic Notes]: _____

PROSPER ACCELERATE STRATEGIC THINK TANK

Mastering Macro Environmental Forces for Brand Growth

Thank you for participating. Access your 2-page Executive Audit Workbook to lead your team session.

SESSION FACILITATOR

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