



Planning for 2026

A Strategic Guide for Minnesota Restaurants

Prepared in partnership with Performance Foodservice Minnesota and Hospitality Minnesota

A Personal Note from Us to You

Before we dive into planning, we want to say: **Thank you.**

You're creating the spaces where your communities celebrate life's moments. The early mornings, late nights, weekends, and holidays—managing constant challenges while delivering hospitality that keeps people coming back. That work matters, and your communities are better because you're there.

As this year winds down, we hope you find time to celebrate your achievements and recharge. We wish you and your teams a healthy, joyful holiday season.

Now, let's talk about making 2026 your best year yet.

December: Your Strategic Planning Window

The most successful restaurants use December to set clear direction for the year ahead. Research shows 90% of goal-setting studies confirm that restaurants with specific, measurable objectives consistently outperform those without them.

This isn't about luck—it's about having a roadmap.



PFML Compliance: Where You Stand

Minnesota Paid Family Medical Leave is mandatory starting January 1, 2026. No opt-out unless you have an approved private plan.

Critical: If employee notifications aren't complete, address this immediately. The December 1 deadline has passed—penalties are \$1,000-\$10,000 per violation.

What you need to know:

- 0.88% payroll tax (employer minimum 50%, employee remainder)
- First quarterly payment due April 30, 2026
- Employees eligible for up to 20 weeks paid leave annually
- Account setup required at mn.gov/deed

Your Paid Leave 2026 strategy:

- Factor 0.44% employer contribution into labor budgets while maintaining 60% prime cost target
- Set aside reserves monthly for quarterly payments (Apr 30, Jul 31, Oct 31, Jan 31)
- Update employee handbooks and train managers on leave administration

The question isn't whether to comply—it's how to build it into your financial planning effectively.



Setting Effective Goals: The SMART Framework

Vague aspirations don't drive results. Using the SMART method (Specific, Measurable, Achievable, Relevant, Time-bound) creates accountability. Here are some examples:

- **Kitchen Efficiency:** "Reduce ticket time by 15% and food waste by 10% by April 30, 2026, through workflow audit and staff training."
- **Revenue Growth:** "Increase monthly net sales by 10% by June 30, 2026, through menu engineering and strategic 3-5% pricing adjustments." (Note: This generates \$30,000-\$50,000 on \$1M in sales.)
- **Inventory Management:** "Implement FIFO across all stations by February 15, 2026, reducing waste by 12%."

Best practice: Break ambitious goals into incremental milestones. A 10% improvement over three months is achievable; a 1,000% increase in one month sets your team up for failure.



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Your December Action Plan

- ✓ **Week of Dec 1:** Calculate current prime cost, labor %, food cost %. Address outstanding PFML compliance.
- ✓ **Week of Dec 8:** Draft 3-5 SMART goals with metrics and timelines. Identify resource requirements.
- ✓ **Week of Dec 15:** Present goals to management. Assign ownership. Plan customer appreciation initiatives.
- ✓ **Week of Dec 22:** Finalize 2026 budget. Communicate objectives to staff. Schedule January 2 team meeting.

Customer Experience: Navigating Today's Economic Reality

Consumer behavior has shifted significantly:

The Data:

- 37% of Americans dining out less frequently (44% among lower-income diners)
- 82% notice price increases; only 28% believe prices are fair for quality received
- 49% trying to drink less alcohol (44% increase since 2023)
- 65% of Gen Z intentionally reducing alcohol consumption
- Non-alcoholic beverage sales up 350% year-over-year

What this means: Consumers are dining less frequently but more intentionally—making each visit count.

Your 2026 Strategy:

- **Value-Driven Menu Engineering:** Focus on perceived value. BOGO promotions incentivize 58% of diners. Review portion sizes against price points.
- **Loyalty Programs:** Customer retention is 5-25 times cheaper than acquisition. Consider a launch Q1 2026. Focus on bringing first-time visitors back within 48 hours and enhanced service for your top 20%.
- **Beverage Innovation:** Expand non-alcoholic options—sophisticated mocktails, wellness drinks, lower-ABV cocktails that allow longer socializing.
- **Experience Over Transaction:** Every visit must feel special. 60-second greetings, manager table visits, personalized service, Instagram-worthy presentation.

The bottom line: Consumers haven't stopped valuing restaurants—they're just more selective. Winners deliver genuine value and memorable experiences.

Resources & Support

- PFML Compliance: paidleave.mn.gov
- Industry Benchmarks: National Restaurant Association Operations Data Abstract
- Operational Support: Your Performance Food Group representative
- Advocacy & Other Resources: Hospitality Minnesota

We're here for operational conversations, strategic planning discussions, or questions about navigating 2026's challenges. Reach out anytime.



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