

# Return on Investment

## **Excerpt of Interview with Paul Antico, Food Allergy Expert and Former Fund Manager for Fidelity Investments**

*As printed in Nation's Restaurant News (May 2011) by Anita Jones-Mueller,*

You have developed a case in which you can show that restaurants investing in a high quality allergen strategy will reap a reasonable ROI. Is that right?

My whole career was based on ROI, so I know that financial benefit is a very important consideration for restaurants. Not only will an allergy-friendly restaurant eliminate the "veto vote", but it will also increase its profits.

There are about 15 million people in the United States who have food allergies or diagnosed Celiac Disease (gluten intolerance). Assume 20 percent of those don't feel comfortable eating out, and another 20 percent will eat out anywhere regardless of whether the restaurant is allergy friendly.

That leaves about 60 percent (9 million people) who will spend money in restaurants only if they feel that the meals are safe. I've made a conservative assumption that a new 'food allergy' customer will bring only two others to a restaurant that caters to those with special dietary needs.

Therefore, if 3 percent of the public is the target market of potential new food-allergic customers, then the total revenue opportunity grows to a 9 percent or greater potential increase for an allergy-friendly restaurant when considering the additional people they bring to the restaurant.

... here's where it gets interesting. Assume a casual dining chain averages roughly \$2 million in sales per restaurant annually. For each sales dollar, say the restaurant earns a 15 percent profit, but for each additional sales dollar, the restaurant will earn 25 percent or more since many fixed costs are already covered.

Therefore, a 9 percent increase in sales at a typical casual-dining chain earning \$300,000 per year would increase revenues by \$180,000 per year with an additional \$45,000 or more in annual profits. I'm confident that this is just as applicable to smaller, independent restaurants as it is to large chains.

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Anita founded Healthy Dining with a vision and dedication to contribute to a healthier America by "bringing together the culinary brilliance of the restaurant industry with America's growing quest for great-tasting, healthier cuisine." She is a nationally recognized authority bringing to market innovative nutrition-related strategies and solutions to enable the restaurant industry to prosper while helping to educate and empower Americans to enjoy healthier cuisine. Anita earned a Master's Degree in Public Health from San Diego State University.

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