

Partnership to deliver funding solutions to restaurants

Mr D Food, Retail Capital has launched an ease of access funding solution to help drive growth in the South African restaurant industry.

The pre-approved, turnover based funding is now available to Mr D Food restaurant partners - over 6,900 restaurants nationwide - and can be used for whatever the restaurant needs to run and possibly scale their business, including marketing, buying stock or renovations.



Kaboompics .com via [Pexels](#)

Qualifying Mr D Food restaurant partners will receive details of pre-approved funding offers and can complete Retail Capital's simple online acceptance process to access the funds within 24 hours.

While the partnership has been in the works since before the coronavirus pandemic hit, the simple and quick access to funding has come at a time where the industry needs it the most.

The impact of the virus on the restaurant industry has been undeniable. Recent stats from Retail Capital show that the industry is operating at 85% of their turnover, compared to the same time last year.

Driving operation growth

Due to reduced demand, many eateries have been forced to trim their menus to reduce stock holding and are running with a skeleton staff and shorter shifts. The funding will allow restaurants to recover from this challenging period and look for ways to drive growth in their operations.

"Since the start of the lockdown on 26 March, Retail Capital has provided over R600m in funding support to over 7,000 small businesses," Karl Westvig, CEO of Retail Capital. "Beyond that, we suspended debit orders for our clients during the lockdown, so they could use that money to keep their businesses afloat and pay their staff. Millions of South Africans from all walks of life depend on the survival of SMEs," he added.

Funding, and access to funding, are of critical importance to restaurants right now as Mr D Food looks to adapt its operations to changes in consumer behaviour and ongoing regulations. "With delivery becoming an increasingly important revenue stream for restaurants, we are delighted to add the partnership with Retail Capital to our value proposition to restaurants," said Devin Sinclair, CEO of Mr D Food.

The new partnership will allow restaurants a simple and fast way to access additional funds by leveraging their Mr D Food delivery revenues. **In addition to the new Retail Capital partnership initiative, Mr D Food has also supported restaurants by:**

- Raising over R3.6m in contributions to restaurants through the novel Covid-19 Contribution feature inside the Mr D Food app.
- Implementing a commission relief scheme from May until September which reduced the delivery commission rates for the vast majority of restaurant partners.
- Launching the new Mr D Food **Restaurant Essentials** supplies portal on takealot.com.

The funding has been structured with the restaurant business in mind. In line with the fluctuating nature of restaurant operations, the funding repayment options offer flexibility. Repayment is linked to the performance of the business. Since payments are directly tied to business turnover, restaurants don't need to worry about making payments or missing payment deadlines when having a slow month.

As restaurants and menus start to go back to normal over the festive season, there are signs of hope for the industry. With limited international travel, forecasts show that restaurants will have a busy period, especially on the coast as many Holidaymakers will flock to the seaside.

"We are very excited to bring this critical product to Mr D Food's restaurant partners, so that they can survive and thrive through the busy season and beyond," said Westvig.

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