

Start and WIN With Your Own Restaurant!



DISCLAIMER: This information is provided "as is". The author, publishers and marketers of this information disclaim any loss or liability, either directly or indirectly as a consequence of applying the information presented herein, or in regard to the use and application of said information. No guarantee is given, either expressed or implied, in regard to the merchantability, accuracy, or acceptability of the information.

Start and WIN With Your Own Restaurant!

Table of Contents

- 1. What Do You Know About Running a Restaurant?**
- 2. What Kind of Restaurant Do You Want to Own?**
- 3. How Will You Design Your Restaurant?**
- 4. Startup Costs That Can't Be Overlooked**
- 5. How to Advertise the Restaurant**
- 6. Market Analysis**
- 7. Cash, Check or Charge?**
- 8. How to Write Your Menu**
- 9. How to Select the Equipment and Furnishings**
- 10. Hiring Your Staff**
- 11. Preparing a Business and Financial Plan**
- 12. Should You Borrow?**
- 13. Location, Location, Location**
- 14. Restaurant Industry Long-Term Future**

- 1. What Do You Know About Running a Restaurant?**

Things to Note in Running a Restaurant

Having your own restaurant is one of the most fulfilling and enjoyable business ventures that you could undertake. Food is a renewable commodity. This means that people won't stop looking for different sources of food because dining out is entertaining as well as functional.

Many people dream of owning their own restaurants, whether it is fast food, coffee shops or gourmet. In reality, many people fail to sustain their restaurants and most of them die during their first year of operation. This is due to the lack of preparation and dedication on the part of the owner. Many people jump into the industry too fast without really weighing the pros and cons of the project or having the necessary expertise.

There is a way to lessen the risk, however, that is associated with new ventures such as restaurants. Preventive planning and proper management are key ingredients for success, but there are also small things which count in the whole process of owning a restaurant.

Every business needs a business plan. Business plans are meant to lay down the different conditions and characteristics that should be inherent in the business. The availability of a good business plan that

has been carefully formulated is a step towards success. You will find information about creating a business plan in an upcoming chapter, however, some points to consider are :

- Crystal clear description of the concept of the restaurant
- Target market
- Food category, food items and their prices
- Financial evaluation
- Ownership
- Marketing plan

You need a crystal clear description of the concept of the restaurant. The objective and the general description of the restaurant need to be specific. This will give a general overview of what the restaurant intends to do and for whom it intends to do it. The concept of the restaurant needs to be established because it is the core idea by which everything else will follow.

There are many things to be considered in designing the overall concept of the restaurant (excluding food) such as:

- What type of restaurant do you want?

- What special features would it have which would set it apart from all the other similar restaurants in town?
- What's the overall selling factor of the restaurant?

The restaurant's target market needs to be identified. No single restaurant should try to aim at targeting all kinds of people. Even fast food restaurants have a specific target market. It may seem at first, though, that they cater to people from all walks of life.

The concept of the restaurant needs to be aligned with the target market. The target market will depend on the owner of the restaurant, and the selection can be based on the type of food or even the personal preferences of the owner.

Food category, food items, and their prices need to be considered before starting a restaurant or even before entertaining the thought of opening up a restaurant. The kind of food to be served is usually identified first.

Most owners put up restaurants according to their favorite kind of food. There are also restaurants which are inspired by one time experiences such as eating excellent foreign foods.

There are many choices that are available for aspiring restaurant owners. The details of the food category should be identified next. The specific items in the menu should also be identified. Of course, the pricing of these items is very important for it will determine the feasibility of the business.

After the prices of the food items have been determined, it's time to develop the financials of the project. You can hire a professional consultant in determining the financial viability of the restaurant. All the project costs and risks should be included in the business plan.

The ownership of the restaurant also needs to be considered. An enthusiast may consider creating a small corporation or a partnership or a single proprietorship to be able to give the restaurant a legal entity. You should check the local requirements for creating such institutions

Include a marketing plan because it is integral to the success of the restaurant. You can find useful tips for successful marketing at www.readstogo.com/restaurant.

There are so many other things that should be considered before entering into the restaurant business. The ones listed above are only part of the whole scheme of restaurant creation. The most important thing is that the restaurant should reflect the preferences of the owner so as to make it enjoyable. However, a lot of thought should be given as to the way it's going to generate money because this is the only way that the restaurant will become sustainable.

We have covered some of the important information about having a business plan. This subject, as well as other relevant planning information is covered in depth in upcoming chapters.

2. What Kind of Restaurant Do You Want to Own?

Different Types of Restaurants

Entrepreneurs who are thinking about starting their own restaurants should realize that restaurants are generally seen as good business ventures. Why? Because people are always looking for food.

There are different types of restaurants that businessmen can look into starting up and the decision regarding what type of restaurant or what style to put up is based on different factors.

The decision regarding the general concept of a restaurant business will be dependent on different major things. Listed below are some of these factors:

Location

The style of the restaurant will be dependent on the location. For example, if someone is thinking about putting up a Chinese-style restaurant in a place where there are many types of Chinese restaurants, he might want to tweak some details about his restaurant to be able to have a competitive advantage against the other Chinese restaurants in the area. Perhaps he would stick with the general concept of having a Chinese restaurant because the place is popular for this type of food, but he might want to add different types of cuisine as well. He may even want to explore fusion cooking.

Be sure and read Chapter 15 for more information on location, or go to www.readstogo.com/restaurant.

Target Market

The target market is very important in determining what style of restaurant to put up. A busy place where Class B society thrives may

be an optimum location to put up a mid-scale fast food restaurant.

Different restaurants cater to different types of people, and no single restaurant aims at capturing the whole of the market because it would just end up in confusion.

Availability of Materials

The budding restaurateur might want to look closely at the availability of the materials in the area. For example, a seafood restaurant will depend greatly on the availability of fresh ingredients and seafood in the local market. If the needed materials are not readily available, the owner will have to look for other alternatives which can cost him additional money.

Availability of Good Cooks

Many areas have more than enough restaurants. The only thing that separates the good ones from the average are the types of cooks that are employed. The style of the restaurant should match the skills of the hired chef. There are good chefs who can easily adjust to styles which they aren't trained in or familiar with, but these chefs are very hard to find. They may also ask for a very hefty salary.

Personal Preference

Of course, every business is built upon vision and the personal preference of the owner will ultimately determine the style of restaurant that he will start. There are ways to beat the normal odds which go against the success of new restaurants.

There are a lot of different styles of restaurants which one can choose from. The different types of restaurants are steakhouses, seafood restaurants, casual dining establishments, pizzerias, and coffee houses.

Steakhouses

These restaurants usually cater to the middle and upper class markets. These are also usually oriented towards families and have a very relaxed and homey atmosphere. The meals in steakhouses are usually deemed as good buys. There are also the high-end steakhouses which concentrate more on the quality of the meat which they serve.

Seafood Restaurants

There are different types of seafood restaurants. There are the quick service restaurants, there are those that cater to the middle class, and there are the expensive, classy establishments that cater to the upper

class. The quick service seafood restaurants are very much similar to fast food restaurants. Generally, seafood restaurants offer a wide variety of seafood, and they serve it in different fashions.

Casual Dining

This type of restaurant caters to almost all kinds of people. People go here to be able to have a lot of food choices and to enjoy the relaxed atmosphere. The prices in casual dining restaurants are usually not very high.

Pizzeria

There are basically two choices in creating a pizzeria. The first one is to construct a full-blown restaurant which not only serves pizza, but also many different kinds of Italian food as well. The other choice is to specialize in pizzas and a few other items such as beer.

Coffeehouse

More and more people are being enticed by coffeehouses. These coffeehouses offer the coziest atmospheres for small talk and coffee conversations. They are very relaxed and intimate establishments that

specialize in beverages and light fare.

These are only a few of the choices that you have in developing a concept for your restaurant. Explore other choices and stick with the one which satisfies your heart the most.

3. How Will You Design Your Restaurant?

A Good Design

A good design and layout plan are necessary for having a good restaurant. Restaurants are good businesses which can be very fulfilling. The mere fact that people go to your restaurant to eat is already something to cherish. It's like having people inside your home craving your homemade goodies.

A successful restaurant will need a good design and layout plan.

Design and layout plans are dependent on different factors which will influence the final decisions later on.

In fact, the output of the layout plans can definitely affect the success of the restaurant. People often go to a new restaurant and think to themselves, "They should have put that plant elsewhere, it obstructs

the good view,” or, “I wish they hadn’t put so much light in here.”

These are small things that can really add up and end up influencing the customers to go to the other side of the street where another restaurant is calling out to their taste buds.

After the type of food and service are identified, the next step is to hire consultants regarding the design of the restaurant. There are some of the things that you need to take into consideration when considering different floor and layout plans for the restaurant.

Density of customers

The layout plan should be based mostly on the comfort of the patrons. Even fast food restaurants consider the density of people, especially in peak hours, even though it may seem that these restaurants become too crowded during lunch time.

For formal dining restaurants which cater to the upper class, it may be wise to provide more space between the tables since these restaurants don’t really rely on the number of people per day. Their revenues depend on the pricing of the food items. There should be more provision for eye candy such as furniture and works of art.

Style of service

The layout and floor plans should also be based on the type of service that the restaurant will provide. Fast food restaurants and self-service restaurants need less distance between the tables because the food won't be served there. For restaurants that provide table service, the space between the tables is very important so as to prevent too much clutter in the restaurant.

Type of building

The layout plan is restricted by the type of structure where the restaurant will be built. You should be able to take into consideration all the different curves and the minor details in the structure before proceeding.

Lighting

Proper lighting is very important for every restaurant. The lighting should match the mood and the type of service of the restaurant. A relaxed atmosphere can be complemented by bright lighting while serene and serious moods can be accompanied by subtler shades.

Designing the restaurant will be divided into two important parts: the dining area and the production area.

Dining Area

The dining area is important because this is the essence of the structure of the restaurant. The people should be comfortable eating in the restaurant, and this will be determined as early as the designing phase. Studies have revealed that people come into restaurants in pairs fifty percent of the time. Thirty percent of customers come alone while the remaining twenty percent usually come in groups.

Production Area

The production area is the second major part of any restaurant. The biggest focus of the production area should be efficiency. The organization of the kitchen will determine the speed with which the food can be cooked and served. The production area design should take into consideration other things like space for storage, food preparation, baking, cooking, trash storage, production aisles, employee facilities and other such matters.

In hiring design consultants, the restaurant owner should always remember to put a clause of confidentiality in the contract. This is to prevent the consultants from leaking certain parts of the design to other people, especially to the competitors. This can be as simple as a

single-line clause which states that everything regarding the design will be owned by the client.

These are some useful things to remember in designing your restaurant. The most important thing to remember is the people who will be eating at the restaurant because they will determine its success or failure.

4. Start Up Costs That Can't Be Overlooked

Know Your Restaurant's Start Up Cost

The cost of opening your own restaurant business is a very important matter to be dealt with and often the hardest to determine because, to a great extent, it depends on the type of restaurant that you want to open.

Your restaurant "start up costs" are outlined as expenses incurred for the acquisition or creation of your restaurant business. "Start up costs" are comprised as any incurred amounts or out-going capital in relation with your restaurant's activity directed for income generation before your restaurant business starts. In other words, any money that you spend in order to open the restaurant before the restaurant itself

begins generating income is a start up cost.

Start up costs generally include the following expenses:

- Potential market surveys
- Evaluation of available supplies, labor, facilities, etc.
- Advertisements
- Business equipment and fixtures
- Equipment and fixture installation
- Decorating and remodeling
- Employee uniforms
- Salaries for employees undergoing training and their trainers.
- Costs of travel for acquiring prospective suppliers, distributors, or customers.
- Fees and salaries for consultants and executives and other similar services.

It is a wise decision to study your start up costs estimate with a qualified accountant.

1. Begin by recording then adding up the restaurant equipment which you consider is necessary to begin and manage your restaurant. See the chapter on

Thank You for previewing this eBook

You can read the full version of this eBook in different formats:

- HTML (Free /Available to everyone)
- PDF / TXT (Available to V.I.P. members. Free Standard members can access up to 5 PDF/TXT eBooks per month each month)
- Epub & Mobipocket (Exclusive to V.I.P. members)

To download this full book, simply select the format you desire below

