

**Start your own restaurant business!**

FabJob Guide to  
**Become a  
Restaurant  
Owner**



**TOM HENNESSY AND JENNIFER JAMES**

**Visit [www.FabJob.com](http://www.FabJob.com)**

# Contents

About the Authors .....	8
<b>1. Introduction.....</b>	<b>9</b>
<b>2. Preparing For Your Career .....</b>	<b>15</b>
2.1 What a Restaurant Owner Does.....	15
2.2 Skills You Will Need .....	16
2.3 Ways to Develop Your Skills.....	18
2.3.1 Visit Restaurants.....	18
2.3.2 Work in a Restaurant.....	19
2.3.3 Find a Mentor.....	19
2.3.4 Keep up with the Industry .....	20
2.3.5 Educational Programs.....	23
<b>3. Design Your Restaurant .....</b>	<b>27</b>
3.1 Your Type of Restaurant.....	27
3.1.1 An Independent Restaurant.....	28
3.1.2 Franchising .....	30
3.1.3 Take Over an Existing Restaurant.....	33
3.2 Choosing a Location.....	39
3.2.1 Factors to Consider.....	39
3.2.2 Buy or Lease .....	43
3.3 Building and Renovating .....	44
3.3.1 Internal Traffic Flow .....	44
3.3.2 Layout Specifics .....	46
3.3.3 Working with Contractors.....	51
3.3.4 Codes and Inspections .....	55

<b>4. Business Planning</b> .....	<b>56</b>
4.1 Forming a Company .....	56
4.2 Building Your Business Team .....	62
4.3 Your Business Plan .....	65
4.3.1 Introduction/Description of Your Business .....	66
4.3.2 Your Marketing Plan .....	69
4.3.3 Your Financial Plan .....	74
4.3.4 Your Management Plan .....	80
4.3.5 The Extras .....	82
4.3.6 Resources .....	83
4.4 Your Funding Sources.....	85
4.4.1 Your Own Savings .....	86
4.4.2 Banks .....	87
4.4.3 Investors.....	89
<b>5. Preparing to Open</b> .....	<b>93</b>
5.1 Licensing.....	93
5.2 Insurance .....	96
5.3 Equipment and Supplies .....	98
5.3.1 Where to Find Equipment.....	98
5.3.2 Equipment Specifics .....	100
5.3.3 Equipment Checklist.....	102
5.4 Your Menu .....	106
5.4.1 Menu Basics.....	106
5.4.2 Food Distributors.....	108
5.4.3 The Right Recipes .....	113
5.4.4 Selecting Beverages .....	113
5.4.5 Food Cost and Pricing.....	116
5.4.6 A Menu That Makes Money.....	117

- 5.5 Hiring Your Staff..... 120
  - 5.5.1 Before You Hire..... 121
  - 5.5.2 Advertising for Help..... 124
  - 5.5.3 The Interview ..... 125
  - 5.5.4 Training Employees..... 129
- 5.6 Pre-Opening Schedule ..... 135
- 6. How to Run Your Restaurant..... 140**
  - 6.1 Your Environment..... 140
    - 6.1.1 Lighting..... 141
    - 6.1.2 Music..... 142
    - 6.1.3 Temperature ..... 143
    - 6.1.4 Cleanliness..... 144
  - 6.2 The Operation System ..... 145
    - 6.2.1 The Service System..... 146
    - 6.2.2 Dealing with Customers..... 150
    - 6.2.3 Checklists..... 153
    - 6.2.4 Maintenance and Repairs..... 159
    - 6.2.5 Auditing the System..... 163
    - 6.2.6 The Manager Meeting..... 167
    - 6.2.7 The Bonus System..... 170
  - 6.3 Setting Up Your Books and Accepting Payments ..... 171
    - 6.3.1 Keeping Track of Your Finances ..... 171
    - 6.3.2 Accepting Payment ..... 174
- 7. Budgeting for Success..... 178**
  - 7.1 Tracking Your Sales..... 179
    - 7.1.1 A Daily Sales Report..... 179
    - 7.1.2 Your Sales Pace..... 181
    - 7.1.3 Predicting Sales..... 182

7.2	Tracking Your Expenses .....	183
7.2.1	Cost of Sales.....	183
7.2.2	Labor Costs.....	186
7.2.3	Other Expenses .....	193
7.3	Putting Your Budget Together .....	196
7.3.1	A Sample Budget .....	196
7.3.2	Keeping Score.....	198
7.3.3	Creating Wealth .....	199
7.4	Getting Through the First Year.....	203
7.4.1	The First Two Weeks .....	203
7.4.2	The First Month .....	204
7.4.3	The Next 11 Months .....	206
7.4.4	Happy Anniversary.....	207
7.5	Growing Your Business .....	208
7.5.1	Expanding Your Current Location.....	208
7.5.2	Opening Additional Locations .....	209
7.5.3	Franchising and Licensing .....	210
<b>8.</b>	<b>Marketing Your Restaurant .....</b>	<b>212</b>
8.1	Marketing Tools.....	212
8.1.1	Printed Materials .....	213
8.1.2	Your Website.....	218
8.1.3	Social Media .....	224
8.2	Marketing Techniques .....	227
8.2.1	Paid Advertising .....	228
8.2.2	Free Publicity.....	233
<b>9.</b>	<b>Conclusion .....</b>	<b>240</b>

This edition of the guide is from 2016. You can find the most recently updated information for this career in the [Restaurant Owner Certificate Course](#) offered by International Association of Professions Career College (also known as [IAP Career College](#)) at [iapcollege.com](http://iapcollege.com). Visit [Restaurant Owner Certificate Course](#) to learn more.



## 1. Introduction

I bet if you ask ten people at random if they have ever worked in a restaurant, at least half will say yes. Many people start their working careers in restaurants as cooks, dishwashers, and wait staff. It is a perfect part-time job simply because the tips are good, the hours are flexible, and it is fun. A few people decide to stay in the business, moving up to management and possibly even owning their own restaurant.

If you are one of those who have the restaurant “bug” but don’t quite know where to start, this guide is for you. It is filled with real advice on how to get into the business in practical terms.

## You Can Start Right Now

Whether you are currently working in a restaurant and are ready for the next step, or you remember working in restaurants when you were younger and have never quite had as much fun since, this guide will provide you with all the necessary information to help you down this very rewarding path.

Without spending a fortune, you can at the same time create a business that is creative, responsive to customers' needs, and professional. I believe this is one of the keys to success in the restaurant business: save money where you can, and spend it where it really matters. Everything in this guide is hands-on and used in the real world—no theory here.

My own involvement with the restaurant industry started like many: I worked in restaurants during high school and college. But my life changed one night during a conversation with my university roommate, Tom White. We were working nights in a popular restaurant as wait and bar staff, although I was studying anthropology and he was interested in architecture.

Out of nowhere Tom said, "I was thinking I might like to become a chef." This floored me, as I had no idea he even liked the restaurant business. I had a secret desire to get into the restaurant business myself. I seemed to have a knack for it—much more than I did anthropology. "Great!" I replied. "You go to chef school and I'll learn the management side, and we'll go into business."

Slow-forward eight years, and I'm at the host stand of Scalo, our second restaurant, which we opened with our friend Greg Atkin. There is an unbelievable two-hour wait and I'm trying to juggle it against the reservations. For some magical reason though, no one was upset at having to wait so long.

I remember catching Tom's eye as he was working in our open kitchen. This may sound hokey, but in that second we knew that we had accomplished what we set out to do.

We were definitely in the game and having fun.

## The Growing Restaurant Industry

Anyone can own a restaurant. There will always be a demand for them, and they will always be good opportunities to get started in business. Here are some statistics about this robust sector of the economy.

- According to the National Restaurant Association, there were over one million restaurants in the United States as of 2015.
- In the U.S., the restaurant industry is the largest “employer” after the government, employing about one in ten working Americans.
- In 2016, sales from restaurants in the U.S. were expected to reach more than \$782 billion; about \$2,400 per person in a population of just under 324 million.
- People are eating out a lot! Of the average individual’s dollars spent on food, nearly 53 percent of that amount is spent in a restaurant.
- According to industry organization Restaurants Canada, restaurants employ over 1.2 million people. The country has more than 91,000 restaurants and pubs, accounting for more than \$75 billion in revenue.

In short, there is no shortage of business available to those who choose this profession.

## Benefits of the Career

There must be something universally attractive about owning a restaurant. Who hasn’t sat around and fantasized about an idea they have for a great new place to eat?

That would explain why, even though they have glamorous and exciting careers, and all the money they can handle, stars like Ryan Gosling, Justin Timberlake, Sandra Bullock, Robert De Niro and even Lady Gaga, all own restaurants.

Being a restaurant owner is all about being creative, and being in charge. You run the show and can do whatever you like. Unless you open a franchise, there is no corporate headquarters to check in with.

So if you feel like adding a blue-corn waffle to your breakfast menu, go right ahead!

As a restaurant owner you will never be bored. There are constantly new challenges to face on a daily basis, but they are usually good ones, like how to juggle a reception dinner while at the same time put food out for your regular Saturday night crowd.

As a restaurant owner you will get to know a lot of people. It is a very social business, and with knowing all these people comes lots of invitations to special events, private parties, ball games, and anything else of a social nature.

This is because you will not only get on a first-name basis with your everyday customers, but with the customers who have power and prestige: the conductor of the local symphony, the coach of the university football team, the mayor, real estate agents, TV celebrities, and on and on. When they are in your restaurant, you are the one they want to talk to. It makes them feel important, so they will seek you out to become your friend. I speak from experience!

As a restaurant owner you will become involved in many civic functions, many of which will involve donations to charities and other fundraisers. This is a great way to spread the word about your restaurant, and feel good about giving back to the community.

I think the main reason so many people go into the restaurant business is because it is fun. You work in a dynamic environment where fun and interesting people come and go all the time. Typically many of your employees are young and you catch their enthusiasm, which in turn, keeps you young as well.

## **Inside This Guide**

The *FabJob Guide to Become a Restaurant Owner* is a step-by-step guide that shows you how to plan and open your own restaurant—and then, make it a success.

Chapter 2 will introduce you to the world of restaurant ownership, and help prepare you for the career. Find out what are the key skills to do

this job successfully, and how you can prepare yourself for the job in both conventional and unconventional ways.

In Chapter 3 you conceptualize, plan and develop your restaurant from the spark of an idea through the details of design. You'll also learn about choosing a type of restaurant, the possibility of franchising or buying an existing restaurant, choosing a great location, and building and renovating on time and under budget.

Chapter 4 will guide you through the complex world of entrepreneurship, from writing a great business plan, to forming a company, to building a strong leadership team. It will also take a look at the all-important issue of how to fund your business.

Chapter 5 gets you ready for opening and running a great restaurant. You'll go over getting licenses and insurance in place, where to find restaurant equipment, conceptualizing and fine-tuning your menu, working with food suppliers, pricing your items to make a profit, and hiring staff that will wow your clientele. The section concludes with a day-by-day schedule to follow of training and preparation, leading up to your very own grand opening.

Chapter 6 gets into the day-to-day operations of running your business, including the atmosphere you'll create; how you'll deal with customers and accept their payments; and how you'll manage your staff. It goes into detail on the management end of things, including a tested-and-true business system of helpful checklists and templates to keep you organized, manage costs, and save you money.

Chapter 7 will go over everything you need to know about the most make-it-or-break-it part of your job: budgeting for success. You need to make money and spend it wisely to stay in business, and this section will give you systems to use that have worked in my restaurants for determining cost, profit, and prices, as well as cutting expenses and balancing the budget.

Chapter 8 will explore tools and techniques for marketing your restaurant. This will include how to develop printed materials and your website as well as how to make the most of your marketing budget when purchasing advertising and seeking publicity.

Now if you are ready, it's time to take the first step. But be prepared—you could be operating your own restaurant in a very short time from now!

**You have reached the end of the free sample of the *FabJob Guide to Become a Restaurant Owner*. This edition of the guide is from 2016. You can find the most recently updated information for this career in the [Restaurant Owner Certificate Course](#) offered by International Association of Professions Career College (also known as [IAP Career College](#)) at [iapcollege.com](http://iapcollege.com). Visit [Restaurant Owner Certificate Course](#) to learn more.**

## Get a Restaurant Owner Certificate



The next time someone asks you “Why should I hire you for your dream career?” or “What are your credentials?” imagine being able to say: “I am a trained professional with a certificate from the International Association of Professions Career College!”

A certificate from the **International Association of Professions Career College** may give you:

- **Respect** as a professional plus a sense of confidence and achievement
- A competitive **advantage** when marketing your services
- A **credential** for your resume when applying for employment
- Assurance to clients of your **professionalism** and evidence of your expertise
- **Higher earnings** (according to the U.S. Bureau of Labor Statistics publication Certificates: A fast track to careers)

This part-time 6-week course is open to students anywhere in the world and is offered online, allowing you to earn a Restaurant Owner Certificate from the comfort of your own home.

If you enjoyed this sample guide, you can receive the complete guide as an online textbook when you register for the course. You will also receive access to the comprehensive, self-directed online Restaurant Owner Certificate Course, a faculty member who can provide you with personal teaching assistance and career advice, a beautiful professional Restaurant Owner Certificate upon successful completion of the course, and more.

Visit the [Restaurant Owner Certificate Course](#) page on the IAP Career College website for more information and to register.

Visit [iapcollege.com](http://iapcollege.com) for more dream careers!



- Antiques Shop Owner
- Art Gallery Owner
- Bakery Owner
- Bar Owner
- Bed and Breakfast Owner
- Book Editor
- Book Publisher
- Bookkeeper
- Bookstore Owner
- Boutique Owner
- Brewery Owner
- Bridal Salon Owner
- Business
- Business Analyst
- Business Consultant
- Business Ethics
- Cake Decorator
- Candy Store Owner
- Cannabis Business Owner
- Career Coach
- Caterer
- Chocolate Shop Owner
- Cleaning Business Owner
- Closet Organizer
- Coffee House Owner
- Craft Store Owner
- Dance Studio Owner
- Daycare Owner
- Death Doula
- Digital Marketing
- Dog Daycare Owner
- Dog Walker
- Doula Business Owner
- Economics
- End-of-Life Doula
- Errand Assistant
- Etiquette Consultant
- Event Planner
- Executive Assistant
- Executive Coach
- Fashion Accessories Store Owner
- Fashion Designer
- Feng Shui Consultant
- Fitness Club Owner
- Florist
- Freelance Writer
- Genealogist
- Gift Basket Business Owner
- Gift Shop Owner
- Gourmet Food Store Owner
- Graphic Designer
- Hair Salon Owner
- Handyman Business Owner
- Happiness Coach

- Home Decor Store Owner
- Home Stager
- Human Resources Consultant
- Ice Cream Shop Owner
- Image Consultant
- Interior Decorator
- Interior Redesigner
- Jewelry Designer
- Landscape Company Owner
- Life Coach
- Lifestyle Expert
- Makeup Artist
- Management
- Management Consultant
- Matchmaker
- Motivational Speaker
- Nail Salon Owner
- New Age Store Owner
- Non-Profit Business Owner
- Office Manager
- Organic Farmer
- Party Planner
- Party Store Owner
- Personal Assistant
- Personal Chef
- Personal Concierge
- Personal Shopper
- Personal Trainer
- Pet Hotel Owner
- Pet Sitter
- Pet Spa Owner
- Professional Organizer
- Professional Photographer
- Project Manager
- Psychology
- Public Relations Consultant
- Relationship Coach
- Restaurant Owner
- Sales Professional
- Secondhand Store Owner
- Social Entrepreneur
- Social Media Consultant
- Sociology
- Spa Owner
- Stationary Store Owner
- Tea Room Owner
- Teacher of English as a Foreign Language
- Time Management
- Travel Consultant
- Virtual Assistant
- Web Designer
- Wedding Planner
- Weight Loss Center Owner
- Wellness Coach
- Wine Store Owner
- Winery Owner
- Yoga Studio Owner

