

RESTAURANT INSIDER

"NEWS YOU CAN USE"

NEWSLETTER...FALL '07



HOT PROPERTIES

HIGH-VOLUME RESTAURANT SPACE

Excellent opportunity available to qualified buyers in the prestigious I-10 & Ray Road corridor. This beautifully designed restaurant features two patios, an indoor/outdoor bar, stage, private dining room and extensive kitchen. Located at 900 N. 54th Street in a prime shopping area of Chandler with plenty of parking, this magnificent facility has only the highest quality furniture, fixtures, equipment and finishes. Offered as a conversion only; trade name is not included. Reduced to \$295,000 #1446



FREESTANDING RESTAURANT This Mesa location has ample parking, great street exposure, a comfortable patio and vibrant interior. It features separate dining rooms, a bar and an excellent banquet room. This facility was recently converted from an office building and has all new plumbing, electrical and FF&E with an original cost in excess of \$850,000. It is in excellent condition, well equipped and designed to accommodate most any concept or conversion into a banquet and catering operation. The trade name is not included in purchase price. \$475,000 #1486

N. SCOTTSDALE NIGHTCLUB Located at Scottsdale & Shea, this completely remodeled nightclub is fully equipped with indoor/outdoor bar, large patio, plenty of parking and unprecedented visibility on Shea. The state-of-the-art sound system, stage and D.J. booth make it ideal for an Ultra style lounge, upscale sports bar or live music venue. The live music use permit and #6 (bar) liquor license are already in place! \$575,000 #1490



FAST FOOD w/ DRIVE-THRU Located at 1730 W. Southern Avenue in Mesa, this fabulous freestanding building has great signage, easy access and plenty of parking right across the street from Mesa Community College. This former restaurant has plumbing, electrical, a hood system, walk-ins and a grease trap already in place. A new 5-year lease with a 5-year option is available to qualified tenants at only \$26 per sq. ft. + NNN #1482

OLD TOWN SCOTTSDALE Located at 7042 E. Indian School Road, this premium Old Town location is ready for an easy conversion to any number of concepts. Current upscale interior lends itself to a steak or Italian themed restaurant and includes a top of the line POS, sound system and complete kitchen with additional display kitchen out front making this a perfect chef/owner opportunity. One of the nicest patios in Scottsdale! Just reduced to \$295,000 #1431



N. SCOTTSDALE Located at Frank Lloyd Wright & 100th Street in a busy neighborhood center with exclusive rights to pizza and gelato sales. Currently operating as a gelato store, sales could be dramatically increased with the promotion of its pizza business. This facility is located in a brand new shopping center in the heart of northeast Scottsdale with easy access, plenty of parking and heavy traffic flow. Fully equipped and ready to go! Just reduced to \$99,000 #1481

FORMER "IVAN'S TACOS" Located at 930 W. Broadway Road in a busy strip center with great visibility on a main thoroughfare surrounded by a large industrial area and other successful retail businesses. This facility has an ideal kitchen configuration for Mexican, burgers, sandwiches or BBQ menus and includes a #12 liquor license. Lots of potential for breakfast and lunch delivery. Just reduced to \$99,000 #1479

Visit our website to view additional listings
www.therestaurantbrokers.com



Wow! To say that this has been a challenging year would be a HUGE understatement. Profits in the restaurant industry are getting harder to find than honesty in politics. We're surrounded... they're coming at us from every direction... people with their hand out trying to get your money: mandatory wage rate hikes, commodity, supply and utility price increases, skyrocketing insurance costs, the list goes on and on. When we add in things like increased competition, high gas prices, the housing market fiasco and a slowing national economy, it's easy to see why our profits are being pinched.

It is in times like this that we need to seek wisdom and courage - "Grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference." The reality is that you cannot change any of the things noted above; however, that said, you still need to operate a profitable business and this is where the "courage" part comes in. If increased costs are a reality of doing business that you can't change, then the obvious conclusion is that you will have to do more business to make the same profit that you used to make on less revenue. In other words, the only way to increase the bottom line is to drive top-line sales increases and this means that you must *promote* your business.

Continued inside

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PROFIT PRESSURE

Continued from front page

Now, before you run off and waste a bunch of money on ridiculous advertising that costs a fortune and doesn't produce results, let's go through some opportunities that are available to every restaurant operator. We want to start with "4 Walls Marketing" – this means taking care of what's inside the four walls of your business first. The base premise here is that it's far easier and less expensive to take care of the customer you already have than it is to generate a new customer through advertising. Think about it; if you could get the customers you already have coming through the door to spend more money while they were there, what could it mean to your business? If you could get the family that comes to visit you once a month to come twice, how much would it increase your revenue?

Making these things happen is certainly doable, but the reality is that many operators don't take the time and make the effort necessary to produce the desired result. The first step is to really and truly look at your restaurant through the customer's eyes. What do they see? Is the facility clean and well-maintained? Are your signs, menus and promotional materials interesting, colorful and up-to-date? Are your employees friendly, neat and efficient? Is your food fresh, attractive and presented on time? The truth is that if this isn't the case then promoting your business effectively will only damage it. There is an old saying – "the fastest way to go broke is to do a great job marketing a bad business." ~ *The Restaurant Brokers*

THE RESTAURANT BROKERS RECENT SALES

- Slices Pizza** 711 S. 5th Ave in Scottsdale was purchased by Gennaro and Monica De Gennaro & Ciro Giunta. It has been converted to Best of Italy.
- El Galeon** 1805 E. Elliot Rd in Tempe was purchased by Tom & Karen Knight. It has been remodeled to Boney Maroney's, a Cowboy Saloon & Grill.
- X-Tapa Joe's** 7500 E. Pinnacle Peak Rd in Scottsdale was purchased by Todd Morgan.
- Citrus Café** 2330 N. Alma School Rd in Chandler was purchased by Andrew Paparella, Jr.
- Hail Mary's Food Spirits & Sports** 3941 E. Chandler Blvd in Phoenix was purchased by Joe Zappulla. The name has been changed to The Sports Den.
- Bada Boom Pasta Room** 4151 N. Marshall Way in Scottsdale was purchased by Bob Nabsny. The menu and wine list have been expanded.
- El Comal** 1621 E. Van Buren in Phoenix was purchased by Isidro Araiza and converted into a Federico's.
- Heart Attack Grill** 440 W. Warner in Tempe was purchased by KT Restaurant Management. It has been converted to Pudgie's Steak & Chicken.
- Passion Fruit** 1245 W. Baseline Rd in Mesa was purchased by Roger Clemens. The name has been changed to Surfside Smoothies.
- Sunset Diner** 414 S. Mill Ave in Tempe was purchased by Robert Krosting. It has been converted to Dragonfly Vietnamese Restaurant.
- Café Carumba** 7000 E. Mayo Blvd in Phoenix was purchased by Paco Belhassen and Guy Coscas. The name has been changed to CAFEPINO and is currently under renovation.
- Devil House** 829 S. Rural Rd in Tempe was purchased by Demetri Constantinou. The name has been changed to Euphoria Bar. A full remodel is underway.
- Uncle Charlies** 5285 W. Bell Rd in Glendale was purchased by Lynette Braun-Neil.
- Rockfish Seafood Grill** 3095 W. Chandler Blvd in Chandler was purchased by Marjeles 9, LLC. It is going to be converted to Marjeles Sports Grill.
- Saigon Express** 11 E. 6th Street in Tempe was purchased by Zahra Aminbitaraf. It has been completely remodeled and converted to The Munchies Café.
- On 16th Street Café** 3102 N. 16th Street in Phoenix was purchased by Ioannis Papamatheakis. The name has been changed to Alexi's Café.
- Quizno's** 1455 W. Elliot Rd in Gilbert was purchased by Crystal Turgeon and Don Lyons.
- Yusef's** 15236 N. Cave Creek Rd in Phoenix was purchased by Jim Khnanisho.
- Aji Dulce** 148 W. Orion Street in Tempe was purchased by Ron & Melva Willis. It has been converted to Unique Wireless Café.
- JP Pancake** 9619 N. Hayden Rd in Scottsdale was purchased by Chad & Jeanne Dahl.

RESTAURANT INSIDER

Frequently Asked QUESTIONS at TRB

Q. Who pays for services that The Restaurant Brokers provide?

A. As the listing broker, we represent the seller and therefore they pay all of the costs for our services. We provide numerous services to buyers during the course of searching for a restaurant to purchase, and throughout the transaction process, but those services are all free of charge to the buyers.

Q. Do the restaurants offered for sale include Real Estate?

A. Although we do have some listings that include Real Estate, the vast majority of our listings are for the sale of the business only. If Real Estate is included in a particular restaurant listing it will be very prominently mentioned in description. If Real Estate is not mentioned, then that listing is for the sale of the business only.

Q. Do I have to sign a separate Confidentiality Agreement for each new listing I receive?

A. Our listings are confidential and as part of the services we offer to the seller, we must have a signed agreement on file before we send out information; however, you do not need to fill out and sign a new Confidentiality Agreement for every listing you inquire about. Once we have received your signed agreement we log it into our data base and can simply add additional listings to it as more information is requested. The Confidentiality Agreement is valid for 90 days, after which a new one would be required, and the process would start over again.

PEARLS OF WISDOM

~ Sullivision.com



12 MONTH ACTION PLAN

OCTOBER: Make it good to go. Get it together on take-out or don't do it at all. Stop leaving the process in the hands of a cranky bartender or impatient hostess. The takeout guest is your job, not an interruption of it.

NOVEMBER: Fix what needs fixing. Don't leave those operational problems unattended this month. Never leave a nail sticking up where you find it.

DECEMBER: Small is big; focus on the little things. Instead of trying to be a 100% better than the competition next year, try to be 1% better in a hundred different ways. Same result, better odds. Happy days.

JANUARY: Get help in the mail. For the next 12 weeks, save every piece of promotional and advertising material you receive in the mail. Make two stacks—one for material that appeals to you visually, and one for pieces that don't. Then keep those visual and copy elements in mind when you sit down to design your next marketing, catering, large group brochure, or menu.

FEBRUARY: Institute mandatory pre-shift meetings. If you don't focus and energize your team before every shift, who will? If you already do them, use this month to do them better.

MARCH: Know the price of nice. There are only so many ways you can put food and beverage together; the real secret of hospitality success is in the service. Focus first on eliminating all the things that cause dissatisfaction in guests. If you succeed at that you're 90% ahead of every other operator. *Continued on the electronic version of this newsletter:*
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JOKE OF THE MONTH "FAVORITE FLAVOR"

"What flavors of ice cream do you have?" inquired the customer.

"Vanilla, strawberry, and chocolate," answered the new waitress in a hoarse whisper.

Trying to be sympathetic, the customer asked, "Do you have laryngitis?"

"No...." replied the new waitress with some effort, "just...mmm.... vanilla, strawberry and chocolate."

*"If you strive to be 1% better everyday,
how much better will you be in 100 days?" ~ Service That Sells"*

PEARLS OF WISDOM

continued from inside, 12 Month Action Plan

APRIL: Re-focus training needs on performance issues. Employee problems originate from one of three perspectives: "Don't Know, Can't Do or Don't Care." Design your new—and ongoing training programs to address these three areas for every person you train.

MAY: Prune your deadwood. This month, commit to getting rid of all low-performers. It's not the people you fire who make your life miserable, it's the people you don't fire.

JUNE: Focus on finding keepers. Hire people that share your values and culture as part of who they are instead of trying to inject it via a "training program".

JULY: Learn how to eat an elephant. We do that one bite at a time. Break period or monthly goals into SHIFT execution. By the yard it's hard, by the inch it's a cinch.

AUGUST: Make time to find time. The newest iphone has a "to-do" list for 1,850 items. Pretty sobering thought. But maybe we also need a "stop doing" list, too. Look at your business this month and see if there's something that you could stop doing to take away unnecessary policies, procedures, restrictions to bring more energy to your workplace.

SEPTEMBER: Plan your holiday business no later than 9/15. Get ahead of the curve for once and plan your holiday business, gift card merchandising and service goals for the next 3 months.

The Restaurant
BROKERS



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4500 S. Lakeshore Drive, Suite 595
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Numbers that COUNT

862

The approximate number of jobs saved and/or created in the restaurants bought and sold by clients of The Restaurant Brokers over the last 12 months.

~The Restaurant Brokers

1 in 4

The number of restaurants in the U. S. that are minority owned.

~National Restaurant Assoc

300,000

The number of "Scoville Units" (method of measuring the heat level of chile peppers) scored by Habeneros - a bell pepper has zero.

~The Chile Heat Scale

48%

The percentage of American adults that have worked in the industry, with 32% getting their first job experience in a restaurant.

~National Restaurant Assoc

10.3%

The percentage that Restaurant and foodservice workers represent of total statewide employment in Arizona.

~National Restaurant Assoc

935,000

The number of national restaurant locations that generate direct annual industry-wide sales of \$537 billion a year...more than \$1.5 billion a day.

~National Restaurant Assoc

Layout & design courtesy of The Menu Designer. (www.themenudesigner.com)