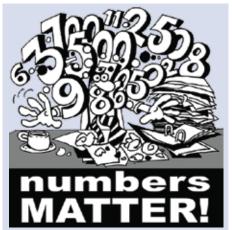
RESTAURANT

"NEWS YOU CAN USE"



INSIDER

NEWSLETTER... SPRING 2019



How do you manage your business? How do you make decisions? How can you tell what's working and what isn't? If the answer to these questions, and a whole bunch of others, isn't "based on the numbers," then you aren't really making decisions as much as you are just *guessing* as it relates to determining the critical factors of operating your business successfully and profitably.

It's often been said that "what gets measured gets managed," however, more importantly, "what doesn't get measured doesn't get managed." These quotes are especially applicable to the restaurant industry. In many instances a couple of percentage points of food cost, labor cost and/or other controllable expenses is the difference between being profitable or not. A lot of money passes through our hands on the top line as restaurant operators and if we are not managing the controllable costs effectively, none of it will remain by the time those dollars get to the bottom line.

Numbers tell ALL! Is your cost of goods too high? Is your payroll exceeding your projected percentage? More importantly, how do you know? Who is counting? How often are they counting? The answers to these questions had better be YOU and VERY OFTEN.

As business brokers specializing in the purchase and sale of restaurants and bars, we have the opportunity to see the books and records of many different operations. Without question, some of the most successful businesses have a common thread *Continued inside*

WOW! This is a premium restaurant and bar in EVERY way - an absolutely beautiful over-the-top buildout in an A+ location. No expense was spared in creating a top-shelf environment that provides the perfect atmosphere for upscale business and social interaction. Amazing décor, outstanding design features, top of the line furnishings and a first-class kitchen all combined to create a quality facility with great curb appeal and excellent visibility that generates in excess of \$2.5M of revenue annually. This is the REAL DEAL! \$575,000. #3046

An excellent family restaurant and bar in the **East Valley** is now available. Located in the end-cap of a neighborhood strip center, this local favorite has a lot going for it – great visibility, tons of parking, large patio out front, plenty of TVs for viewing sports and special events, a brand new fully equipped kitchen, and best of all, an AWESOME rent rate. Always wanted to have your own Sports Bar and local hangout that's part of the community? This is it! \$265,000. #3053





calling all chefs... Located in a beautiful Northwest Valley center, this cute and cozy restaurant has chef's dream written all over it. Perfectly sized at 3,800 SF with 132 seats in the dining room and a fully equipped kitchen capable of delivering any menu, this restaurant has unlimited potential in the right hands. The center is busy with numerous successful merchants and tons of available parking for the local neighborhood demographic that includes a population of 100,000 living within a 3-mile radius. It's all you could ask for! \$195,000. #3048

This **East Valley Mexican Restaurant** with a Series 12 liquor license has an amazing history of success that is all about GREAT FOOD. Featuring time-tested recipes that have kept their enthusiastic customer base coming back for more since 1998, the business generates **\$2M in annual revenue** and over **\$300K of cash flow**. These are serious numbers that easily justify the very reasonable asking price. Located in just over 3,000 SF + a large private patio, this facility is well designed with an authentic feel and set up for volume offering take-out, catering and full service options. Excellent well trained staff and systems in place. This is just too good to pass up at only \$595,000! #3030

Amazing location and build out in this upscale destination center. Join North Italia, Blancos Tacos, RA Sushi and Firebird Grill in this highly desirable shopping center. A well-appointed kitchen allows for a variety of concepts and the large protected patio provides enough space to generate the sales volume this location is capable of. Lots of parking and great visibility with proximity to AJ's, Crate & Barrel and ideally located by Tucson's only Apple store, creating abundance of walk by traffic. **Fully turnkey space** with well-designed and high quality furnishings makes this a must see for the experienced operator looking for a high volume location in one of Tucson's best neighborhoods. \$175,000. #3050



RESTAURANT







numbers matter! Continued

- they keep meticulous, up-to-date books and records. They track revenue daily and compare their performance to prior year's sales to track growth. They do a FULL profit and loss statement (P&L) EVERY month, and it is available very shortly after the month ends, in no more than a week. They analyze current performance against established benchmarks and prior year's records to QUICKLY make adjustments and correct course whenever there is a deviation.

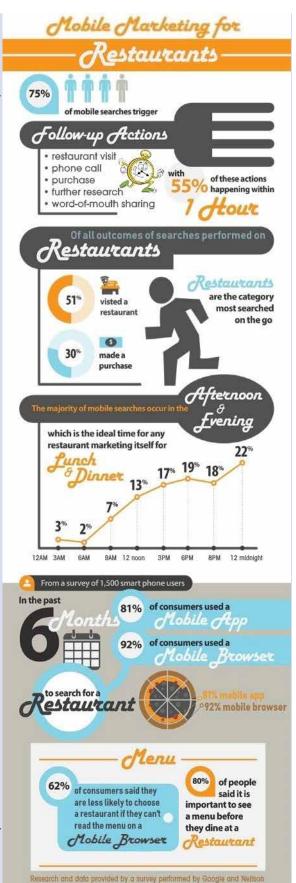
It is only possible to make these course-correction type adjustments if there is ongoing measurement on a daily, weekly and monthly basis. Fortunately, there are methods available to make this data collection and analysis efficient and effective. You knew this was coming... it's the "embrace technology" speech. This is no longer optional. There was a time when the old school methods of operating still worked in the restaurant industry – those days are over! In order to compete, you must, as a restaurant owner/operator, utilize technology to manage your business successfully and profitably.

The good news is that it is now easier than ever to use the tools that are available to obtain and analyze the data that you need to make informed decisions about the way your business is operating. The newest POS systems interface directly with accounting software like QuickBooks and payroll services like ADP or Paychex. These POS systems have now become the information hub of your restaurant. They handle things like scheduling and timekeeping for the employees, credit card processing, routing orders to the bar and kitchen, product utilization analysis, inventory management, and a host of other applicable processes. Many of these systems have been designed by restaurateurs and over years of use and development have been modified and refined into extremely valuable operational tools.

Since the ability to effectively analyze and utilize data to make good decisions will always depend on the accuracy of the information collected (garbage in—garbage out, still applies), the amount of comprehensive data these systems provide along with their ability to communicate with your accounting and payroll services is a critical component to maximizing their benefit. These communication features allow for the data to be transferred instantaneously, accurately and cost effectively, without the need for human interaction. The ability to smoothly and effectively communicate with each other should be a deciding factor in determining your choices for these systems and services. If they don't, you will either need to have these items addressed manually at significant cost and with the inclusion of a human error factor, or this data will not be available to you, which would greatly impact your ability to manage the business as effectively, and ultimately successfully, as possible to maximize profitability.

Why is this important? Why can't I just keep on doing things the same way that I did in the past? Because things are not the same as they have been in the past and the sooner you acknowledge this and do something to address it, the better. Dining habits are changing, competition is growing, the ability to attract and retain quality employees is becoming more challenging, occupancy, overhead and payroll costs continue to rise, product costs are increasing, not to mention a host of other issues that could potentially impact your particular business on a daily basis.

There is a reality to deal with here. As we've said in these pages many times before, *the restaurant industry is a thin-margin business*. Every penny counts! The ability to control costs and make the necessary adjustments *quickly* is critical to the long-term health and overall success of your business. The difference between a restaurant that makes money and one that doesn't very often hinges on the operator's ability to understand what's happening in their business. If you are not staying on top of the numbers, there is no way to achieve that objective. A point or two here or there can have massive impact on profits. Small things that impact your margins take money out of your pocket. Use the tools that are available to you to watch the pennies closely and the dollars will take care of themselves! ~ *The Restaurant Brokers*



QUOTE: "I was eating in a Chinese restaurant downtown. There was a dish called Mother and Child Reunion on the menu. It's chicken and eggs. And I said, I gotta use that one." ~ Paul "Rhymin" Simon

RESTAURANT INSIDEI

HOT PROPERTIES

A PRIME location in the middle of **OLD TOWN SCOTTSDALE** is now available. This place screams FUN with a MEGA party atmosphere and TONS of the coolest outdoor patio space to be found anywhere in town. This location has been the destination for having good times in a relaxed "don't take yourself too seriously" atmosphere for a long time, and it generates \$1.5 M of annual revenue to prove it. All the tools are in place to keep the party going for many years to come, including a **Series #6 liquor license**. If you have the skills and are ready to play with the BIG BOYS, check it out! \$390,000. #3039



This **East Valley** Pub is a GOLDEN OPPORTUNITY for the right operator. The current owner just spent hundreds of thousands of dollars building it out and he needs to sell. This location has great potential and can be acquired for a small fraction of the cost to create it. Located in a strip center with PLENTY of parking, the facility has beautiful furnishings, tile floors, colorful décor and a fully-equipped kitchen that is just waiting for a talented operator with the skills and vision to take it to the next level. \$90,000. #3040

An outstanding **conversion opportunity** located in a vibrant South Phoenix shopping center is now available. This location has it all going on, excellent visibility, easy access, tons of parking and fantastic curb appeal. The surrounding neighborhood is densely populated by young middle-income families that include lots of kids – over 80,000 in a 3-mile radius. The center has a strong draw and this location is just screaming for a fast-casual restaurant concept with broad appeal for the locals. If you've got the right idea, this a great spot to get it going! \$75,000. #3041



Fabulous **Italian Restaurant & Pizzeria** in an excellent East Valley neighborhood center, close proximity to downtown Gilbert, is now available. This is the kind of authentic inspired cooking that the locals just absolutely LOVE, and they have tons of superlative reviews from their raving fans to prove it. Everything that makes for a great restaurant destination is already in place... old world decor, a fully equipped kitchen that consistently delivers delightful food and a truly amazing outdoor patio that provides an atmosphere that is second to none. This is the perfect spot for a hands on operator, a Chef that loves to cook Italian cuisine, and/or husband and wife team that wants to be part of the community. \$175,000. #3045

Beautiful **Breakfast & Lunch restaurant in the East Valley** is now available. This is an established business that has been in operation for over six years and has loyal patrons that absolutely LOVE IT! Situated in a freestanding building with excellent visibility, easy access and tons of parking for the 60,000+ cars that travel the cross streets on a daily basis. This is a well-designed facility with a fully equipped kitchen, spacious 80-seat dining room and authentic home-style décor. With a business that's only open 7A – 2P daily generating \$1M in revenue annually, you can own it and still have a life! \$280,000. #3042



High visibility, high-traffic Sandwich Shop & Deli at the **ASU campus**. This location has been in existence for over 20 years and has a long history of success. Perfectly positioned with easy access and plenty of its own parking, there is a front-facing patio that has in excess of 33,000 cars driving by every day. A long-time destination for students and faculty, the business also provides for luncheons, catering and party planning services for the numerous offices and businesses in the immediate area. Priced to sell NOW- Only \$85,000. #3054

FRANCHISE RESTAURANT OPPORTUNITY. If you like the **Northwest Valley**, have we got the spot for you! Just off a MAJOR highway with over 125,000 cars per day traveling by and situated in a very active shopping center, this 2,400 SF fast- casual restaurant is a star in the making. Featuring a fully-equipped kitchen with tons of equipment, a beautifully decorated dining room with 80+ seats and a cozy patio out front, this BBQ franchise generates over \$800K of revenue and will deliver \$100K of profit for an owner operator. This is a good, solid business for only \$250,000. #3047





Accounting and Tax Services Linda K. Dickerman



Restaurant Specialist



admin@strategicpointstax.com strategicpointstax.com



Liquor Licenses

Buying or Selling a Series #6 or #7? The Restaurant Brokers (480) 491-0123

PROTECT YOUR HARD WORK WITH THE RIGHT

Commercial Property Insurance

- Fine Dining
- Bars & Pubs
- Nightclubs
- Fast Food
- Coffeehouses
- Caterers



David DeLorenzo

Direct: 480.776.6981 | Main: 480.776.6950 DDeLorenzo@Ambassadorins.com www.BARandRESTAURANTinsurance.com

By the numbers



Celebrating 38 years

13,000

The cost in dollars for a pound of Beluga Caviar, also known as "black gold," the best and most expensive in the world.

~ Treasure of the Sea

31

The day of the month in July of 1970 known as "Black Tot Day" in the U.K. which abolished the British Navy's daily ration of rum for sailors.

~ Whiskey Ways

1954

The year the Guinness Book of World Records was created for the purpose of settling pub disputes.

~ Guinness Facts

900

The percentage of increase in broccoli consumption from where it was twenty years ago.

~ A World of Food

174,686

The total square footage of restaurant and bar space that *The Restaurant Brokers* currently has available to potential buyers.

~ TRB

8,000

The number of varieties of grapes there are. Growing them is the largest food industry in the world.

~ Food & Drink Facts 2 million

The number of flowers honeybees must visit to make one pound of honey.

> ~ 100 Random Food Facts



Restaurants and Bars are what we do... It's ALL we do!

- Thousands of restaurant transactions closed
- A database of over 10,000 clients and associates
- Over 50 years of restaurant operations experience
- Paid advertising on 30+ "restaurant available" websites
- Unparalleled knowledge, expertise and creativity in all facets of the restaurant and bar industry
- Providing superior support and assistance with business startup, menu development and industry contacts

You need a SPECIALIST

(480) 491-0123 therestaurantbrokers.com

FIND US HERE













EVEN MORE HOT PROPERTIES

RESTAURANT REAL ESTATE AVAILABLE! This is a 9,100 SF second generation restaurant and bar with TONS of patio space and a mega kitchen still full of equipment. Sitting on over a ¼ acre in a large complex with ample parking at **1371 N Alma School Road in Chandler**, this former home of Iguana Mack's has been a successful food, beverage and entertainment destination for decades. A great facility that provides awesome possibilities for a spectacular microbrewery, distillery or any number of other unique concepts and is priced below market value at \$1,150,000. Make your move!



CASH FLOW! This one is all about the money... an excellent carryout and delivery only **pizza franchise** that is run totally absentee. Located in an excellent South Chandler shopping center with a MEGA grocery store anchor and superb demographics in the surrounding trade radius, this business generates in excess of \$600K in revenue and delivers \$99K of profitability annually for the absentee owner. \$240,000. #3057

Beautiful freestanding restaurant and bar is now available in the center of **Scottsdale**. This fantastic facility includes a full-service bar and community table, a fully-equipped kitchen and a fabulous patio that is the perfect complement for this high-visibility location. Situated in an extremely busy center with numerous successful businesses, the synergy is second to none and the demographics are strong with 35,000 cars per day traveling the cross streets and a population of over 90,000 in the local 3-mile trade radius. This is a GREAT PRICE for a beautiful build-out in an A+ location! \$225,000. #3029

