

RESTAURANT INSIDER

"NEWS YOU CAN USE"



NEWSLETTER...SUMMER 2012

HOT PROPERTIES



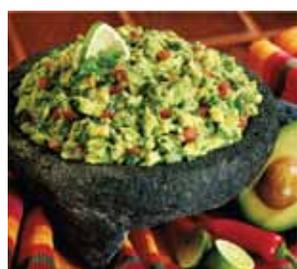
CATERING/FOOD PROCESSING FACILITIES with Real Estate - Ready to grow your catering operation or food production facility? Own your real estate and control your destiny on this oversized, secured lot with tons of room. Currently used for catering, USDA certified food production and food truck storage. Facilities are in excellent condition including entire new roof in January (\$130K). This well equipped kitchen and food manufacturing facility has it all. Plenty of office space and inside/outside storage with great freeway access located near I-17, Grand Avenue and I-10. \$650,000. #1766

MILL AVE RESTAURANT/BAR - ASU! ASU! Outstanding Mill Avenue location with unmatched visibility. This A+ location is just waiting for a hands-on owner that knows how to market to the Tempe demographic. New remodel makes this a turn-key opportunity ready to be whatever concept you bring. Two patios, Aloha POS system, large central bar, under-market rent, large, well-appointed kitchen and amazing AV package. Motivated seller has priced this to sell quickly to a qualified operator. \$135,000. #1792



#12 SPORTS BAR - Great neighborhood sports grill ideal for an owner/operator to take the reins and run with it. This comfortable and roomy restaurant has all the ingredients for success. A 24-tap draft beer system, separate area for pool tables and games, many dining room seats with great visibility for sports, live entertainment on weekends, great parking and a well-designed kitchen that can produce any menu. Below market rent makes this an instant money maker location. \$150,000. #1789

BEACH HOUSE CAFE- Fun, laid back and easy to operate restaurant that is perfect for the first time restaurateur or anyone who just wants to "keep it simple." Located in a busy center with lots of visibility and plenty of parking. Super low rent keeps overhead low and efficient kitchen design with quick serve format keeps labor to a minimum. All the hard work is done and it's priced for much less than starting from scratch. \$59,000. #1788



MEXICAN RESTAURANT - Established over 43 years ago, this neighborhood institution is ready for takeover by a new generation of owners. Take advantage of a well-established clientele base, great visibility and lots of parking. Current building is set up for high volume business and large private parties. This is an excellent opportunity for an established Mexican concept operator to take over as current out-of-state owners are willing to get very creative in making a deal. Real Estate also available for \$1.4M. Business only \$249,000. #1765

RESTAURANT/SPORTS BAR - Recently remodeled, AAA neighborhood pub located on a busy hard corner with plenty of parking and easy access. The very inviting east side shaded patio includes an outdoor service bar and several TV's. Join many other successful neighboring businesses servicing this high-end demographic. This is a must see opportunity available for a fraction of the cost to build. \$185,000. #1775



MARGIN SQUEEZE

To say that the last few years have been challenging would be a pretty big understatement. Profits in the restaurant industry are getting harder to find than common sense in government. It seems like they're coming at us from every direction... people with their hand out trying to stick it into our pocket: annual mandatory wage rate hikes, commodity prices gone wild, utility rate increases and skyrocketing insurance costs; the list goes on and on. Add in things like increased competition, high gas prices and an anemic national economy and it's easy to see why our profits are being pinched.

It is in times like this that we need to seek Wisdom. "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 the top line sales increases and this means that you must promote your business.

Continued inside



Your customers can enjoy exceptional, award winning, locally brewed beer – **Get Four Peaks on tap today!**

Contact Ted Golden (480) 250-0640
ted@fourpeaks.com

MARGIN SQUEEZE Continued

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 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 truth 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 good job marketing a bad business."

If you do have what's within the four walls under control then it's time to train the staff and execute the plan. By the way, you can't do this by yourself or in secret; the only way it works is with the full support of your employees. To get the customers already in your restaurant to spend more money, we must suggestively sell them additional items or get them to upgrade their selection. The key word here is **SELL**. Adding just one appetizer or dessert to a table of four is typically a double-digit sales increase to that check. Adding cheese to that burger or a side of sautéed mushrooms with that steak can pay off big-time.

Well how do we get the employees to do it? I know it sounds corny, but the answer is easy... contests. Create a contest that rewards the employees for add-on sales. It's a "what's in it for me" world out there and you need to get with the program. Besides, as a business owner you know that the only sure way to judge the results of anything is to measure the outcome. The real issue here is one of focus. Once you get your employees talking about who's ahead in the contest, who sold what, and the prizes they can win, they will be focused on add-on sales, and that's what you as a restaurant operator really wants.

In order to sell the add-ons your employees need to be more attentive to your customers so in effect it creates a greater sense of urgency in providing great service, and that is the true benefit of using this strategy. There is absolutely no doubt that more attentive employees providing better service to your customers will generate greater sales – using these methods will certainly make achieving those goals more fun for your staff, and almost make it seem like it's their idea!

Give this program a try; don't take things too seriously, and remember to have some **FUN** with it. Above all, do keep score accurately and deliver the prizes to your employees if you want to obtain positive results from your efforts. ~A.J. Edelstein, The Restaurant Brokers

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The Restaurant Brokers Recent Sales

Iguana Macks at 1371 N. Alma School Chandler was purchased by Iguana Ventures, LLC, the name and concept remain the same.

Mulligans at 7318 E. Stetson in Old Town was purchased by Snitch, LLC, the name has been changed to **Social Tap**.

Garcia's at 1900 S. Milton in Flagstaff was purchased by Signal Butte NNY Restaurant, LLC, the concept and name changed to **Native New Yorker**.

Chuy's at 13752 W. Bell Rd. in Surprise was leased to Uncle Bears at Surprise, LLC, the name and concept changed to **Uncle Bear's**.

Vacant space in Sun Village Center in Chandler was leased to Ruth Nelson, the space to become **Chandler Nutrition**.

Dave's Electric Brew at 502 E. College Tempe was purchased by Mad Hatter Brew Pub, LLC, the name to be changed to **Mad Hatter Brew Pub**.

Bonfire located at 7210 E. 2nd Street in Old Town was leased by Rehab Burger Therapy, LLC, the restaurant/bar named **Rehab Burger Therapy** just opened.

Cardo's located at 203-205 E. Highway 260 #A1 in Payson was purchased by Portabella, LLC, the name and concept will remain the same.

Upper Deck located at 4224 N. Craftsman Ct. in Old Town was purchased by Draft Sports AZ, LLC, the name is TBA.

Sugar Shack located at 6830 E. 5th Avenue in Old Town was purchased in 2011 by John Wamsley, the name and concept were changed to **Grady's Sports Grill**.

Torres located at 1730 W. Southern in Mesa was purchased by Litchfield Exchange and Holding, LLC, the building was converted into **Jimmy Johns**.



Top 10 Ways To Increase Sales

#10. Sell something that your customers don't normally eat at home, such as Cappuccino or Milkshakes. Benefit: you've distinguished yourself from other restaurants and have given customers something to talk about. Be famous for something with a signature product.

#9. Give your staff business cards with their name and a humorous title on them, like Director of Fun. Benefit: your staff feels empowered and handing out business cards to people outside the community is a good way to break the ice and meet people.

#8. You've heard that first impressions count? Maybe so, but when you get home, do you eventually remember the first impression or the last impression? If you said, last impression, then you've won a free Krispy Kreme Donut. Recommendation: Make your last impressions count with a great dessert and fabulous coffee.



#7. Lunchtime customers are in a hurry. Respect this by giving them the service they want. An Express Lunch Menu immediately tells your customers that you're catering to their needs. Recommendation: Believe it or not, lunchtime customers in most restaurants have a "fast food mentality." Give it to them fast. They want in and out.

#6. Invite, invite, and invite. Be pro-active in inviting people to your restaurant. Everyone else is doing it one way or another via TV, radio and direct mail. But, people would rather have a genuine invitation. "Hi, my name is John Doe, I'm the owner and general manager of the "Your Restaurant." I'm also the Director of Fun, and I'd like to invite your (little league team, adult baseball team, women's tennis team, kids soccer team, hockey team) to our restaurant.

#5. Teachers. Seems like we're always going after the students at schools and we forget about the most important profession in the world, those that are partially responsible for educating tomorrow's citizens. Give teachers a special offer to dine at your restaurant. It will be greatly appreciated and you'll get a huge return on your small investment through word of mouth, let alone the teachers bringing their family members to your restaurant.



#4. Want to increase your to-go lunch sales? Here's a great tip. Ever been in an office when someone says, "Where should we order lunch from?" And the person goes to a filing cabinet and pulls out a stack of torn small miniature size menus that require a magnifying glass to interpret the lunch specials. Stand out from the others and do an oversized one or two-color lunch menu. The perception the office staff will get from it will amount in increases in lunch orders. Your menu is one of your most important marketing tools, so let it work wonders for you, especially when it's placed outside of your restaurant.

#3. You know those business cards that people put in the fishbowls?

Those cards represent future visits from customers who are already familiar with you. These folks can be your best marketing ambassadors. Take the business cards and compile a mailing list. Utilize the list to send out thank you notes or invitations for special events such as new product introductions, special samplings and tastings.



#2. Have you ever called your restaurant asking for directions? 98% of the time you're put on hold, then someone gets on the line and fumbles and mumbles through the ways to get to the restaurant. To prevent this from happening, prepare file index cards with exact directions to your restaurant from all areas. Now, remember that anyone who calls for directions is a new customer. When they call, give them directions, and then say, "When you get here, ask for me as I have something special for you." When they arrive at the restaurant, and ask for you, give them a free appetizer along with VIP treatment. You'll win them over for life and get a lot of good word of mouth from them.

This One's Really Big...

#1. Just Be Nice! I call it JBN. We forget that we're in the people pleasin' business and all it takes is a smile and a cordial welcome. A couple of "pleases" and a few "thank you's" on top of a few smiles goes a lot further than any amount of money that McDonald's spends on TV. JBN. Just Be Nice. Tattoo it on your arm, your leg or your butt. It's the foundation of doing business on a people to people level.



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By the numbers



88

The number of pounds of chicken consumed by an average American in a year.
 ~MeatPoultry.com

\$200,000,000

The amount in dollars we spend on Thousand Island Dressing annually.
 ~Fun Food Facts

25¢

The first hourly minimum wage, established in 1938.
 ~Library of Congress

91¢

Every \$1 spent in Arizona's restaurants generates an additional \$.91 in sales for the state economy.
 ~National Restaurant Association

4%

The number of Americans that didn't eat at a McDonald's last year.
 ~Fun Food Facts

\$10 Billion

In 2012, Arizona's restaurants are projected to register \$10 billion in sales.
 ~National Restaurant Association

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