

HOW TO CREATE A

# RESTAURANT BUSINESS PLAN



Preparing a business plan is the foundation of any marketing strategy and doubles your chances of succeeding in opening your own restaurant. The currently dominant minimalist trend suggests that we desire simplicity combined with a need for high quality actions and results.

The "less is more" approach will help you create effective restaurant marketing. Using this approach will allow you to easily develop your restaurant business plan ([source](#)). Preparing even a small restaurant business plan can seem to be a complex and time-consuming task. However, you must remember that lengthy plans are less favored nowadays.

In this eBook, you will learn why you should actually develop a restaurant business plan and what it should contain. We will also present several restaurant business plan samples, as well as some restaurant management tools and restaurant marketing tips. You will realize that planning is very important in the process of building a new restaurant brand and for the future management of such a business.

# 1. Why should you develop a business plan

There are many important reasons for having such a document. Think about what you could need it for. The obvious reasons include:

- estimating all costs (e.g. how much money will you have to invest? When will the business turn a profit?),
- obtaining investment capital,
- obtaining a bank loan,
- renting premises,
- creating guidelines (operating instructions) for managers which will allow them to concentrate on the execution and actual management of the restaurant rather than planning, once the restaurant is open,
- communicating with professionals and specialists who will help you choose the correct restaurant management tools.



## 2. When should you write your business plan

A business plan will be especially useful for entrepreneurs who want to open their first restaurant. The vision for your company's launch and the development you have in your head may seem to be the only correct one. However, when translated onto paper, you will often see issues that you haven't noticed before.

Start with a description or a drawing of your concept. You can use mind mapping to make the drawing. A mind-map is a visual presentation of steps related to a business process, from the beginning to the end ([source](#)).

Present your vision in a clear, transparent, and easy to understand way. It should be attractive to investors, banks, and managers but also to your friends and family. Of course, you can hire marketing specialists to prepare your restaurant business plan but remember that no one knows your idea as well as you do.



## 3. How often should you update your business plan

After you implement your restaurant business plan, it is worth regularly verifying your forecasts - every three months, semi-annually, and annually. At those times, assess your plan and adapt it to the changing market conditions and your newly acquired business experience.

## 4. What should a business plan contain

Below are suggestions - examples and tips on what information should be included in your restaurant business plan. What to include?

### Description of the planned business (summary)

Write the summary at the end, then you will be more credible in conveying the concept on which you want to build your brand. Use this description as a preliminary restaurant management tool for your entire business plan. You have a chance to attract your reader's attention - maybe they could be a potential investor?

### Market and competition assessment

If you are not bringing genuine innovation to the market, you should analyze your business space with special care. The key to the success of every restaurant is its customers. Your knowledge of the demographic structure, preferences, and habits in a given location can be a deciding factor in your success or failure.

Checking if there is already a restaurant in the planned location will help you avoid financial failure. If you are planning to open another pizzeria in a town with at least a few, you can use their example to analyze your chances for success.

### Investment costs

The most significant ones include the fitting out of the kitchen and the dining room; graphic design (restaurant website, online food ordering system on your website or in a mobile app, logos, menus, etc.), liquor license, work clothes for employees, organizational and legal costs.

### Operating expenses

These costs include labor and the cost of ingredients. It is worth making a list that specifies how many people you plan to employ, in what positions, and estimate their typical earnings.

### Financial forecast

Finances are among the most problematic issues, especially for novice restaurateurs. It is worth preparing a small restaurant business plan which will deal strictly with the financial matters. Consider the various funding options - including all their advantages and disadvantages - bank loans, grants, or loans from friends or family.

The assessment of costs necessary to start operations, as well as the margin you need to add on top of the ingredients and other costs, will allow you to evaluate the probable return on investment. Anticipate, take various options into account -- what will you do if you fail? What restaurant management tools and marketing tips do you need to succeed?



## Sensitivity analysis

This should be done in order to consider a negative scenario. It will let you financially prepare for various types of crisis and reduce stress levels if such a situation occurs.

## Staffing description

Even when creating a small restaurant business plan, you need to know what staff you will require. Don't forget to include wages in your restaurant business plan as well as the training costs for every employee.

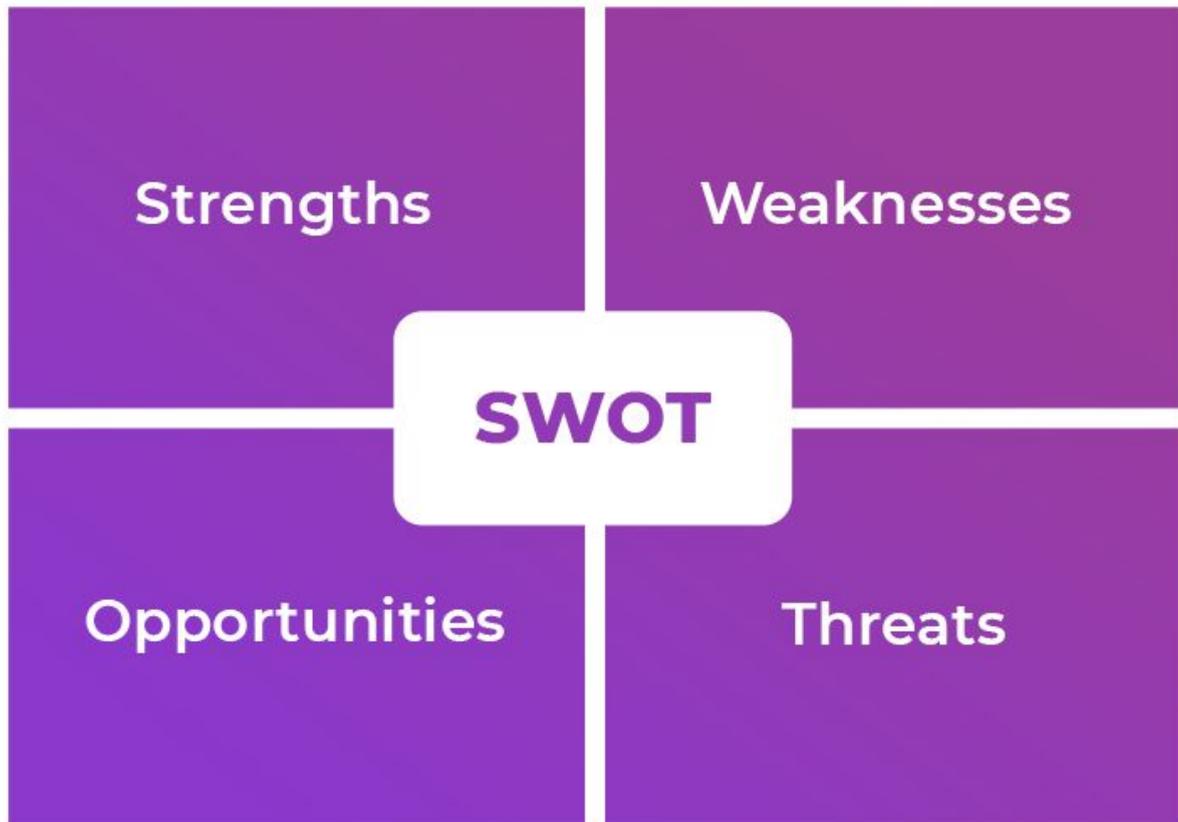
## Marketing plan outline

If you do not feel up to developing a marketing strategy yourself, it is worth employing a specialist who will undoubtedly provide you with excellent restaurant marketing tips that you can use to successfully start and grow your business. You can find out more about online restaurant marketing in the ["Restaurant marketing"](#) tab of the UpMenu blog.

## SWOT analysis

The abbreviation stands for Strengths, Weaknesses, Opportunities, and Threats.

[\(source\)](#) The S and W fields describe the present - the restaurant at the moment of its opening. However, the O and T fields relate to the success of your project in the future. Such an analysis is best presented as a table. For example:



## 5. Lean Canvas - a restaurant business plan on one page

This model has been created by Ash Maurya, inspired by the [Business Canvas Model](#). Lean Canvas is a simple table that fits on one sheet of A4 paper. Its very simplicity will help you determine what is most important and most needed. For example, you'll be able to focus on the details of your restaurant management and restaurant marketing strategy.

<p><b>Problem</b> List the 3 main problems or existing needs of customers that you want to satisfy.</p>	<p><b>Solution</b> List 3 functionalities of your catering business that meet the needs/problems of your model customers.</p>	<p><b>Unique value proposition</b> A simple, clear, convincing message that says why your restaurant is different and worth spending money on.</p>	<p><b>The distinguishing feature of your restaurant</b> What will be difficult to copy or buy your competition?</p>	<p><b>Customer profiling</b> Description of the target customers of your restaurant whose needs / problems it meets.</p>
<p><b>Alternative solutions</b> How do customers currently cope with the situation?</p>	<p><b>Key statistics</b> Key activities performed by customers that you will measure.</p>		<p><b>Channels</b> Ways to reach customers.</p>	
<p><b>Cost structure</b> The cost of shopping enabling the restaurant to function. What will you spend the most on, and at least?</p>		<p><b>Revenues</b> All the ways of revenues for your restaurant: - orders in the premises - online orders - catering - organization of events.</p>		

Supporting communication is also important here - let's say you literally have just one minute to describe your project to someone in an "elevator pitch". Clarity is another advantage of Lean Canvas -- it is more intuitive than a standard business plan. The components of this model include problems, customer segments, unique value proposition, solution, channels, revenue streams, cost structure, key indicators, and unfair advantage.

## Create your own Lean Canvas project

You probably realize that some parts of the Lean Canvas model table are very easy to complete, while others can present quite a challenge. Before you create a project, check out how others do it, look for examples, and get inspiration.

<p><b>Problem</b></p> <ol style="list-style-type: none"> <li>1. Lack of healthy lunch in the area.</li> <li>2. Lack of deliveries at lunchtime to work.</li> <li>3. Lack of dinners at a good price.</li> </ol> <p><b>Alternative solutions</b></p> <p>Customers bring food with them from home or leave work during lunchtime.</p>	<p><b>Solution</b></p> <ol style="list-style-type: none"> <li>1. Domestic lunch with delivery to the office.</li> <li>2. Good price.</li> <li>3. High quality ingredients - healthy recipes.</li> </ol> <p><b>Key statistics</b></p> <p>Conversion of entries to the website, the number of orders, the number of discounts and promotions used, orders from specific addresses.</p>	<p><b>Unique value proposition</b></p> <p>Creation of a bar with healthy lunches, which will be focused mainly on deliveries to offices.</p>	<p><b>The distinguishing feature of your restaurant</b></p> <p>Adjusting the variable menu to different diets and health recommendations by our chef and dietitian at the same time.</p> <p><b>Channels</b></p> <p>Restaurant website Facebook Customer base - newsletter</p>	<p><b>Customer profiling</b></p> <p>Target customers are people who are professionally active in the range of 25-45 who work in office buildings.</p> <p><b>Open to new solutions</b></p> <p>A women or a man about 30 years old who cares about his health, sports, gives a healthy diet, a conscious consumer.</p>
<p><b>Cost structure</b></p> <ul style="list-style-type: none"> <li>- renting premises - \$ 1500 per month</li> <li>- purchase of necessary equipment - \$ 10,000</li> <li>- team wage - \$ 10,000 per month</li> <li>- delivery cost - \$ 500 monthly</li> <li>- cost of online ordering system - \$149 per month</li> </ul>		<p><b>Revenues</b></p> <p>All the ways of revenues for your restaurant:</p> <ul style="list-style-type: none"> <li>- orders in the premises</li> <li>- online orders</li> <li>- catering</li> <li>- organization of events.</li> </ul>		

## Summary

According to research, as many as 40% of respondents say that visiting restaurants is an important part of their day ([source](#)). Offer your future clients an unforgettable dining experience in your newly opened restaurant - show off your best side!

Remember that everything starts with an idea, but you will not turn it into reality successfully if you don't develop a good restaurant business plan and ensure you use the right restaurant management tools and restaurant marketing tips.

