

Restaurant

Startup & Growth

MAY 2016

RestaurantOwner.com



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Does the World Really Need Another Burger Joint? (And Should You Be the One to Create It?)

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“Real Italian” Values . . .



President Tom Cortopassi with his youngest son Conner in one of our tomato fields in Stanislaus County, California.



Amerigo Cortopassi making sausage with his grandson Tom.

I grew up learning many of the “Real Italian” values which guide our family-owned company from my Italian parents and grandparents. Values like . . . “Always work hard,” “Never cut corners,” “Always do your best,” and “Keep your word.”

I’m especially grateful that my Nonno Amerigo passionately believed in passing along his values and traditions that he learned from his parents and grandparents while growing up in Lucca, Italy.

To our restaurateur family of customers who depend on the quality and consistency of our “Real Italian” tomato products to help in your success, you have my word that we won’t let you down!

Tom Cortopassi

*Tom Cortopassi
President and Co-Owner*

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18 **Does the World Really Need Another Burger Joint?** by Howard Riell (And Should You Be the One to Create It?)

Chain concepts from McDonald's to Burger King to Shake Shack have made ground beef between two slices of bread their signature items, and have flourished across the landscape — never mind the countless successful independents that have local loyal followers. If you aspire to go down this well-worn path, you need to do some serious soul searching on what you can bring to this crowded table.

24 **Press Send** by Diana Lambdin Meyer **The Case for Online and Mobile Ordering for Independent Operators and How to Get Started**

If you can manage an iPhone or order a movie through Netflix, you can figure out online ordering systems that work for your operation. And if you can't perform those basic tasks, you better find someone who can do it for you.

45 **Structures** by Timothy J. O'Connor **Coming to Terms: Understanding the Concepts, Provisions and Terms of Your Lease Is a Key to Restaurant Profitability**

How do you know that you have the right lease for your restaurant? Unfortunately, this may be a hard question to answer since owners may not understand many of the details about the lease. Should this worry them? Maybe it should.



About the Cover Illustration by Doreen Hann

A lot of operators have hit the proverbial jackpot by building concepts around the all-American burger. Is there room for yet another burger place? Plenty of independent restaurateurs seem to find ways to bring something new and exciting to the market.

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MAY 2016

Start Turning Your Restaurant Into a More Successful Business Today

The Official Website of **Restaurant Startup & Growth™**

Whether you're a seasoned veteran or are in the process of opening your first restaurant, you know that creating a restaurant from scratch and turning it into a profitable and successful business is one of the most challenging propositions there is.

The restaurant business is very complex, especially if you're an independent. Achieving success today requires more than a timely concept, good food and friendly service. Restaurants must also have effective systems and very good controls to generate a sufficient profit.

RestaurantOwner.com specializes in providing systems training and templates to help independent operators standardize their operations to provide their guests with what they want most—a consistent, high quality, excellent dining experience every time—regardless of who's on the floor or in the kitchen.

Independents often struggle with developing internal systems, procedures and controls, resulting in disorganization, inconsistency, frustrated employees and disappointed diners. On RestaurantOwner.com, you'll find a comprehensive download library of professionally developed restaurant forms, procedures, manuals, systems, checklists, training manuals and other templates that can be easily customized and adapted to the specific way that you do business.

In addition, RestaurantOwner.com contains a wide array of content and resources on direct-response marketing, cost control, financial management, staffing and much more.

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RS&G Magazine

Together, *Restaurant Startup & Growth* and RestaurantOwner.com provide a wealth of insights and resources that can help you achieve your dream of creating a restaurant that consistently delivers an exceptional experience for your guests, a satisfying work environment for your staff and sustainable financial rewards for you and your family.



Reaching New Restaurant Operators is a Key to Successful Foodservice Marketing Programs

To learn more about marketing opportunities in **RS&G's** print, online or e-mail programs please call 816-741-5151 and ask to speak with Gary Worden or Mark Young.

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Mind Over Matters

Don't Let a Lizard Run Your Restaurant

By Barry Shuster

Only Thing We Have to Fear Is Fear Itself

- Franklin D. Roosevelt

President Roosevelt understood that people are often controlled by fear, and that fear makes people make bad decisions.

In fact, if you can make people sufficiently afraid, you can control them. Think about the messages that are often conveyed by people running for political office these days.

The most primitive part of our brain is called the amygdala. You might have heard it called our “lizard brain.” It is the source of our most primal instincts. As marketing guru Seth Godin said, among other things, our lizard brain “makes us hungry, scared, angry, and horny.”

Certainly, the lizard brain helps us survive. It provides cues regarding what is edible and when to flee from danger. Some of our most basic and critical vital functions depend on its signals.

Lizards want to eat, procreate and not get eaten. A lizard brain serves them just fine. We are not primitive creatures, however, and, unfortunately, the lizard brain also gets in the way of our success by overriding our abilities to reason. For example, if you’ve ever been paralyzed by “stage fright” when faced with giving a presentation, that was your lizard brain taking control. If we experience a business downturn and panic, we are prone to make hasty decisions, and enter a nosedive from which it is nearly impossible to recover.

Certainly, we want to avoid harm, whether physical, psychological or economic; however, we are gifted with a higher brain — our cerebral cortex — that allows us to confront our fears and apply reason. It lets us learn to get past our fear of public speaking and flying. It is able to process a great deal of information and make rational decisions.

We develop our brain’s ability to be calm and reasonable via education, experience and training. It is why we are able to rely on certain people to manage situations

that would cause others to freeze, such as skilled pilots who are able to safely land an airplane that unexpectedly loses power to an engine or emergency room physicians who can save the life of a critically injured person.

You might not be an airline pilot or a surgeon, but you are responsible for the success of your restaurant, and are often faced with unexpected challenges in difficult circumstances. There is no substitute for experience; however, you have to survive in business long enough to get experience. In the meantime, you might have to rely on the experience and expertise of others.

Our magazine’s tagline, as you will see on every other page in this issue, is “Profitable Restaurateurs are Always Learning.” Our goal isn’t to help you become a walking encyclopedia on all things foodservice, but to help you make decisions driven by knowledge and reason, rather than simply reacting to problems.

Large organizations, such as national chains, have a cadre of talent to navigate crises and obstacles. As an independent operator, you often need to rely on your own amazing cerebral cortex. Feed it continually with information and knowledge, and use it early and often.

RS&G

Barry



Barry is founding editor of *Restaurant Startup & Growth* magazine. He is an American Hotel & Lodging Association certified hospitality educator, and interim chair and professor at North Carolina Central University School of Business, Department of Hospitality and Tourism Administration, where he teaches hospitality law and hospitality financial management.

PROFIT INSIGHTS

The most primitive part of our brain is called the amygdala. You might have heard it called our “lizard brain.” It is the source of our most primal instincts. As marketing guru Seth Godin noted, among other things, our lizard brain “makes us hungry, scared, angry, and horny.”

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CUSTOMER SERVICE...

Are You Losing Customers Due to Long Ticket Times?

It's better from a customer perception viewpoint to lose a guest for one night due to a long waiting list than to lose them forever due to poor service.

If your kitchen design limits the number of dishes that can be prepared in a time frame, then one method for “getting out of the weeds” may be to leave some open tables for a short period to increase guest satisfaction and keep ticket times within range. Have your servers pass out free appetizers to ease guest impatience while they wait for an open table.

Large parties or too many guests being seated at one time can overwhelm many restaurant kitchens and easily put your entire staff into the weeds. Here are some tactics that can help improve cook line productivity.

Big-party ticket management. One method for handling large parties is to divide the order tickets into groups of no more than eight to 10 guests per ticket. Rather than assign the same table number to each check, the server assigns the table number + 1 for the first ticket, 2 for second, and so on (i.e., table 30 would be numbered 301, 302, 303, etc.). This tells the kitchen that all of these tickets go together, but allows them to process each ticket separately so that other tables can get their food without waiting for the entire big top to get served. Breaking orders into manageable tickets keeps the plating and holding areas clear and organized.

“Price is and will always remain the success factor of the QSR ... so there is no point to fight that battle.”

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Switch menu emphasis to another station by creating specials.

Identify the nights you are most likely to do heavy business in short time spans. For example, if your kitchen routinely gets bogged down at the sauté station, then offer several specials that are produced at other stations such as the fry, grill or salad station. Never offer a special that will overload the sauté station on busy nights.

Do a preshift line check and prep ahead. The most important factor in achieving faster meal production is to prep and preportion enough product before the shift begins. Use a line check form before each shift to ensure stations are properly stocked and ready for the rush.

Redesign kitchen line — temporarily. Although this may not be an option for some restaurants, consider adding a temporary or portable cooking station to prep areas for handling overloads. Many POS (point-of-sale) systems can temporarily redirect a menu item to another station. Consider adding a POS printer for the temporary station and, for designated periods, send all orders for dishes there instead of to the station that typically gets bogged down.

Space your reservations and seating times. Tabletop reservation placards can be used as a tool to offset negative customer perception of empty tables while a wait list is in effect. If your kitchen design limits the number of dishes that can be prepared in a time frame, then the only way to reduce ticket times may be to leave some tables open for a short period to increase guest satisfaction and keep ticket times within range.

MENU MAKEOVER...

[Avoid Improper Product Placement On Your Menu](#)

Many operators don't give much thought to where items are placed on the menu. In most cases, product positioning is more of an afterthought than a strategic decision. But it's an easy fix with the right knowledge.

Depending on the menu style you've chosen, your best profit items need to be placed in order of importance. Make sure the best plate contribution in your restaurant goes in one of the top three positions, at the very least.

A word about appetizers, sides and desserts: All of these products are important to your overall success. But when a customer decides what to eat, it's best to have these items in locations that do not take up the overall best locations on your menu.

As an example, many restaurant operators are tempted to place appetizers in the No. 2 position on a four-page view menu. This is a mistake, because it's a missed opportunity to sell something more valuable like sandwiches or other entrées.

The best place for the appetizers is on the back of the menu, which might seem counterintuitive. When menus are placed with the appetizers facing the guest, and the servers point them out, the sales of appetizers increase.

PROFIT INSIGHTS

But if you are a fast casual establishment or carry-out and delivery are at least five percent of your business model, you are simply losing opportunity by not implementing an effective online ordering system.

Read more...

[Press Send](#)

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RESTAURANT ECONOMICS...

Beware When Your Current Liabilities are Significantly Greater Than Current Assets

After recording all your weekly sales and vendor bills, go to your balance sheet and divide your current assets (e.g., cash, credit card receipts in transit, accounts receivable, food and beverage inventories) by your current liabilities (e.g., vendor bills, sales tax, lease payments and short-term loans due). Consider the following example:

Current Assets = \$32,000

Current Liabilities = \$28,000

Current Ratio = $\$32,000/\$28,000 = 1.14$

This means that there is \$1.14 of current assets for every \$1 of current liabilities and is a rough measure of your ability to pay your outstanding bills. In most industries a ratio of 1:1 is considered reasonable. Restaurants typically have lower ratios because they maintain relatively small inventory levels combined with a quick cash turnover (meals are paid for the same day as they are served). Well-established and professionally run restaurants will typically have ratios of more than 1:1. Newer and less-established restaurants will almost always be below 1:1. If your ratio is below 0.7:1, then you should be concerned.

While restaurants can survive for long periods with lower ratios than this, it does typically indicate that without an increase in either sales or working capital that you and your business are looking at rocky times ahead.

Manage Your Garbage Like It's Inventory (It Just Might Be)

While it is not the most pleasant aspect of kitchen management, it is vital for back-of-the-house supervisors to oversee how employees handle trash. Trash removal should not be seen as the lowliest job in the house, but an important sanitation measure with security issues.

Glassware and silverware often find their way into the trash can, as busy assistant servers often don't take the time to sort out the tableware from the plates they scrape for the dishwasher. The problem is so prevalent that there are trash magnets that are sold for restaurants to keep the silverware from disappearing into the trash cans.

Getting garbage from the back of the house to the outdoor receptacle is a big deal when designing a restaurant. You have to consider simple issues, such as whether the doors are large enough to exit with trash cans.

The positioning of the garbage storage area relative to the kitchen is crucial in other ways, as well. Theft is also a consideration. Every kitchen has experienced good wrapped food products exiting the kitchen via the trash can, then removed and hidden outside until



Though the owners were not inexperienced in the restaurant industry, this particular restaurant concept was new to them and they weren't advised by any of the professionals they hired that the lease was too expensive. The short term outlook for their restaurant appeared rocky until the terms of the lease could be modified.

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the shift is over. When the outdoor trash receptacles are close to the kitchen, you make it easier for employees to use the bins to hide stolen supplies. One operator found that a cleaning person was storing towels and cleaning supplies in a plastic garbage bag in the bin. When no one was looking, that employee tossed the bag in her car trunk.

Liability is also a key management issue. Garbage and trash should be stored in a secured area. Large garbage containers should be locked or otherwise made inaccessible by the public, particularly children. You can invite liability by creating "attractive nuisances," which can injure trespassing youngsters. Protective enclosures should be considered in the design stage of your operation.

When considering liability, also consider workers' compensation issues. The safety of your employees is a paramount concern. For example, is the trash site on a slope where an employee could lose control of a trash can on wheels, causing an accident? At one restaurant in the Midwest several years ago, an employee severely cut himself while attempting to compact trash with his hands. It resulted in a hospital stay, a number of stitches and a stiff medical bill.

Choosing the proper trash cans is also important to prevent unnecessary workplace injuries. If they're too big, they become unwieldy when full. If they are not commercial-grade, they can

PROFIT INSIGHTS

If someone in your organization accesses medical information on an employee from the “all-in-one-file” and wrongfully bases an employment decision on that information, the company will likely find themselves at the other end of discrimination lawsuit. Equally bad, if the company is audited by the government and you have an “all-in-one-file,” the government could impose fines against the company for not segregating certain information.

Read more...
[Ask a Lawyer](#)
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break apart from wear. All trash bins in your house should be on wheels, and easily passed through doorways and rolled to the outdoor receptacle.

Don't leave anything to chance when training your employees to handle trash. Provide good equipment, and sound training, especially to younger and less experienced workers. Don't be afraid to play “what if” during the design phase of your operation.



Do You Know Which Factors Should Drive Seating Design?

Here's an interesting quiz. You are designing the seating capacity for a new location, or redesigning your existing restaurant. You will need to answer three important questions. Can you guess which three?

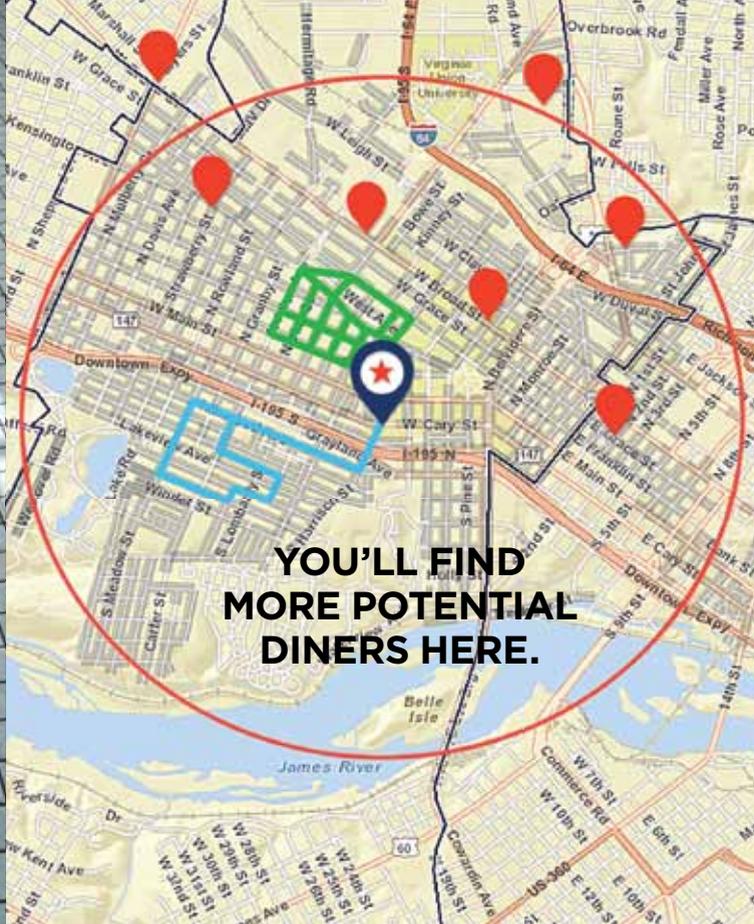
- A. What is the menu?
- B. What are the size and flow restrictions of the dining room space?
- C. What is the desired capacity?
- D. What size do you want your tables and/or booths to be?

If you answered a, b and c, go to the head of independent restaurateur class. If you answered “d,” you are typical of many restaurateurs who look at the problem the same way many couples purchase a dining room set. They find one they like, space be damned, and figure out how to make it work in their hacienda.

Rule No. 1: At no time should the size of your tables and booths drive your dining room layout. This article looks at the variables that



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*According to BizReport 2010, up to 85% of a store's customers come from within a 5-mile radius.
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PROFIT INSIGHTS

“In New York especially, you have to know your neighborhood really well and they have to know you as an individual and as a business, otherwise, you’re taking a huge risk.”

Read more...

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affect dining room table configuration. As you will see, there is no right answer. The trick is to consider the proper questions and, from there, apply reasoning.

Always start with the menu. Like so many questions facing the startup restaurateur, determining optimal table configuration begins with the menu — the heart of the concept. In turn, the concept describes the customer you are attracting, the style of service you will employ, and the size and amount of flatware and glassware you will use. It drives the length of time your customers might stay at the table, affecting your table turnover and the size and comfort level of the chairs required.

If your menu includes service courses rather than all a la carte dining, you may find you will need a larger tabletop. If the menu includes a well-rounded wine list, you will need to consider wider aisles for the wine bucket stands, and larger tabletops for wine bottles.

Tray service requires a wider aisle for the tray jacks. A formal restaurant menu typically means centerpieces on the tables, and the need for wider aisles to allow for movement of the dessert carts and portable presentation tables for tableside cooking. Wider aisles can restrict the size of your tabletop.



KITCHEN TRAINING...

Waste Not, Want Not

Prepared vegetables often leave a bounty of fresh trimmings that are perfect for the soup pot. Vary your soup offerings to take advantage of your vegetable purchases.

In the spring, the peelings and ends of asparagus marry well with the addition of ginger peelings. Crisp fried tortilla chips tossed with a touch of soy adds an inexpensive tasty crunch.

Staying in close contact with your produce purveyor can result in

savings for soups. A case of overripe tomatoes will make an easy batch of tomato bisque. Add a slice of toasted day-old bread slathered with some puréed avocado or melted goat cheese with roasted garlic, and the selling price easily goes up a buck. When cauliflower has brown spots, it lends itself to the soup pot as well.

Toss the cauliflower with a little olive oil and some sweet Madras curry, cooked with chicken stock and puréed with some cream. This low-cost soup is made special with a grilled shrimp or a timbale of sautéed brunoise vegetables.

Fish scraps saved and frozen from butchering portions for service go straight to the bottom line. For homemade fish stock, ask your fishmonger for whitefish bones (e.g., halibut, grouper or bass). If your relationship is solid, they should come free, as fish purveyors routinely throw them away.

Fish stocks are quick and cheap to make, and fish soups and stews are always good sellers. Since the shelf life of fish soups is short, freeze portions for future use or use them for staff meals, helping keep costs in line as well.

The key with soup is watching for quality ingredients that get overlooked or even thrown away. A quick training tip for new prep cooks or line cooks is to make them save every scrap as they set up for their shift. Before service, shift through the saved food, explaining to them along the way what's usable and why. When your staff can differentiate between trash and treasure, you won't spend as much time looking in the garbage for their waste.

HEALTH AND SAFETY...

Know the Score

While local health departments across the country share common underlying goals with their health inspections, scoring systems and the methods by which they display inspection results to the dining public can vary.

Inspectors record observations as they tour a facility and check for possible violations listed on their inspection forms. Violations generally fall into two categories: critical violations and noncritical violations.

Critical violations, if left uncorrected, are more likely than other violations to directly contribute to food contamination or illness.

Examples of critical violations include:

- Failure to maintain proper food temperatures during preparation, storage or service.
- Infected employees not restricted from handling food.
- Poor hygienic practices, including washing hands when required.
- Bare-hand touching of ready-to-eat foods.
- Toxic items improperly stored, labeled or used.
- Presence of pests in the establishment.

It always seemed ironic that the competitive element most responsible for success in the hospitality business – the real “silver bullet” – is also the piece most commonly absent ... hospitality itself!

Read more...

[House Call](#)
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PROFIT INSIGHTS

Noncritical violations are those that do not directly relate to the cause of foodborne illness, but if uncorrected, could lead to critical violations.

Examples of noncritical violations include:

- Improper storage of food-dispensing utensils.
- Employees failing to wear hair restraints.
- Failure to keep floors and walls of establishment clean.
- Equipment in disrepair.

Each possible violation is assigned points depending on both the type and extent of the violation and the risk it poses to the public. At the end of the inspection, the points are tallied together for an inspection score. Depending on the scoring system, a higher inspection score could indicate a better compliance with the health code, with points being earned for proper compliance, or it could mean poor compliance with demerit points being issued for observed violations.

Dallas, for example, has a scoring system that begins with a perfect score of 100. Violations result in deductions from the maximum score. Scores ranging from 80 to 100 are considered good to very good, and do not require a follow-up inspection. Scores ranging from 70 to 79 are considered passing, but require a reinspection within 30 days. Any score below 70 is considered failing and requires a passing follow-up inspection within 10 days or the establishment will face closure. Anything below 60 results in immediate closure and requires inspection before reopening.



MANAGEMENT 101...

Cut the Gossip

Great restaurants need managers who can be trusted, display leadership, and can be confided in. But restaurants are full of gossip. It can be hard to get through a shift without hearing stories that

may or may not be true about co-workers, guests and the restaurant across the street. Sometimes you come home from work thinking you have absorbed more dirt about people than viewers of a Hollywood gossip show.

The solution at one of the organizations I worked with was to have a “no gossip” rule. That’s a tough one to live by, but, as a new manager, it is important that you exemplify leadership and get out of the gossip mill immediately. Don’t instigate it, don’t pass it on and, if you can, don’t listen to it. People respect managers who steer clear of gossip.

PROFIT TIP...

Do You Have a Cost Control Strategy?

Most operators, whether new to the business or seasoned veterans, know that controlling food and beverage cost is essential to the success of any restaurant. Even so, many will admit they are not confident that their costs are what they should be.

Controlling food and beverage costs requires a basic three-point strategy: planning, execution and measuring results. Failure to include any of these steps in your cost control efforts will lead to lost profits.

1. Planning. Before you can know if costs are high, you must know what they should be. First, establish the ideal cost for each menu item. This means that you must define recipes and portions for everything you sell. Then, update the ideal cost periodically to reflect price increases from vendors. The next step is to calculate your overall ideal cost by adding the cumulative costs of the individual items based on sales mix.

2. Execution. To hit your ideal cost you must properly execute the preparation and portioning of your recipes. This requires that you adopt effective procedures, such as portion control scoops and ladles, preportioned prep of ingredients, effective storage and prep procedures to reduce waste. It also requires proper training so that all involved in the preparation of menu items are aware of the correct preparation procedure and portions for each item.

3. Measuring results. Finally, you must adopt an effective system to measure actual costs. Only by comparing actual cost with ideal cost can you know if you have a cost control problem. The first step is to get an accurate sales mix report. This can be achieved by properly programming your POS system so that all items sold can be accounted for. Next, you must routinely compute your actual food and beverage cost for a specified period, usually weekly, but at minimum each month. This can only be achieved by taking routine inventories and tracking your purchases:

(Beginning Inventory + Purchases - Ending Inventory = Actual Cost).

By comparing actual cost with ideal cost, you’ll be able to identify if you have a cost control problem.

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Does the World Really Need Another Burger Joint?

(And Should You Be the One to Create It?)

Chain concepts from McDonald's to Burger King to Shake Shack have made ground beef between two slices of bread their signature items, and have flourished across the landscape — never mind the countless successful independents that have local loyal followers. If you aspire to go down this well-worn path, you need to do some serious soul searching on what you can bring to this crowded table.

By Howard Riell

In a restaurant landscape filled with iconic burger concepts, you may well wonder if America needs another one. In this business, hope springs eternal, which explains why thousands of new concepts open their doors each year. Moreover, many of them feature the burger as signature items.

The evidence shows that startups can stand out and build a following in this niche. While no mean feat, the challenge is to find the right blend of beverage offerings, buns, condiments and toppings, décor, flavor profiles, location, marketing, pricing, service style, sourcing, and what other items share the menu with beef — or any number of other proteins — on a bun. So, what will be your “secret sauce”?

An Enduring Love Affair

Even Chick-fil-A, for whom burger concepts are, arguably, its chief rivals, fully acknowledges our love affair with burgers in its brilliant advertising strategy built around their endearing cows

who beckon us to eat chicken rather than them.

A number of foodservice pundits believe the burger romance will endure. “The dining public’s love affair with burgers continues to flourish,” says Chris Tripoli, FCSI, the principal of the A’La Carte Foodservice Consulting Group in Houston, “and I believe there is still room for concepts that feature unique burgers.”

When gearing up to enter the market, you need to determine whether your style of service is fast, slow or in-between. Indeed, a number of burger concepts are occasion-based, Tripoli says. He points to the sit-down, full-service casual operations that offer burgers that are meals and include 8-ounce patties presented on custom-baked rolls with fresh lettuce, tomato and pickle along with a side of fresh-cut specialty fries, beer-battered onion rings, fried okra, coleslaw, etc., and fresh shakes or local craft beer to wash it down.

Abbey Road, a long-standing independent concept in Cary, North Carolina, fits this bill, and offers live music and a full bar, in addi-

EQUIPMENT NOTES

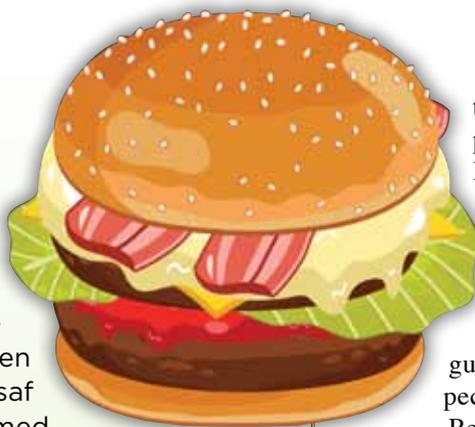
Different types of grills produce different types of burgers, and so are central to the concept's identity. When it comes to the grill, Assaf prefers charcoal or flamed flavors or a flat top. "All are good," he says. "Yet for each comes in specific techniques," which means staff training must accompany the purchase.

"The flat grill, or griddle, is still the most popular burger cooking method," says Tripoli, "but the open charbroiler as well as rotary oven or smoker are preferred by some others."

Kathryn Bors, a marketing manager with Vulcan/Wolf, a division of ITW Food Equipment Group, recommends that operators look for equipment rebates in the area to lower their purchase cost. "Invest in quality equipment to meet the standards of the consumers, Bors says. "Look for equipment to speed up burger cooking time such as a clamshell accessory, and which gives operators the ability to prepare large batches of food, such as burgers, easily and efficiently."

There are a great many pieces of equipment on the market today that can aid in creating consistent, safe and outstanding burgers while minimizing both the level of skill in the kitchen as well as time to create the item. Double-sided clamshell grills, for instance, do an outstanding job. Many conveyor technologies add speed and consistency to the product. Accelerated cooking equipment can be used.

"If you want intense throughput with minimal wait times and labor, equipment choices become a huge part of the start-up dynamic," Malody says. "Also, with concerns today about food safety, I recommend going with new equipment that takes the guess work out of doneness issues. If an operator truly wants a char-grill look and flavor, he must accept that the grill cooks must be trained impeccably and use thermometers."



tion to family-style sit-down service. As expected, the décor is built around the iconic Beatle's album, and popular music is the theme of the concept, which is executed nicely by a young, hip staff. That is your "slower," hang-out-with-us-awhile concept. Abbey Road, and many similar burger-centric concepts highlight that the guest experience counts — and perhaps it especially counts in the burger space.

Revvng up the pace of service is "the quick, convenient occasion where a burger is the perfect handheld, wrapped-in-paper fast food from a drive-thru window alternative to a sit-down meal," Tripoli says.

In addition to these is what he calls the ever-growing fast-casual occasion in which the expectation is for a better grade and a larger portion than the fast-food burger, which can be obtained by ordering from the counter.

"To demonstrate the popularity of burgers and the growing demand," he says, "one only needs to look at the newly developed master plan developments to find an example of all three types of concepts located on the same corner."

As evidenced by places like Abbey Road, "consumers love independent, local burger joints," says Karen Malody, principal of Culinary Options, a restaurant consultancy in Portland, Oregon. "Burgers are iconic in the U.S.A. With the focus today on local, seasonal, all-natural, etc., independent burger places have considerable room to carve a unique niche and create points of differentiation that place them solidly in a category that the big guys cannot touch. Independents can also charge more." That said, independents need to offer a unique experience to justify higher prices.

Unless Abbey Road, there are no guitars decorating the dining room, pool tables or live music at McDonald's. Burger King does not offer a wine list, as does California concept Gott's Roadside.

Thinking 'Outside the Bun'

While he is perhaps less enamored with concepts built around the burger, Bill Guilfoyle, an associate professor at The Culinary Institute of America in Hyde Park, New York, says, "people are always bringing them out. The first thing I think you need to focus on is that very few restaurants have a burger menu only, so that independent burger restaurant label encompasses a broader category of restaurants." Guilfoyle underscores an important caveat: Few restaurants are going to survive on burgers alone. If you want a place in this niche, you need to have a well-developed menu that stands out from local competitors.

Like Chick-fil-A, Taco Bell® acknowledges that burgers are often the first item that comes to mind for quick-service diners, and chides us to think "outside the bun."

Prospective burger restaurant operators might well heed that advice, as well.

When designing a menu, operators would do well to remember, “The world is your burger,” Tripoli says. “They can be successfully presented as a locally sourced bakery and produce item with chemical-free beef, as one example,” he says. “Or, burgers can be presented as an ethnic item, such as a Greek burger with ground lamb and melted feta cheese.

“Or the South of the Border burger with ground beef and chorizo, topped with cotija cheese. The Italian might be a large pressed meatball topped with melted mozzarella and covered with marinara sauce. Offering turkey, buffalo, chopped chicken, and shrimp make for unique burgers.”

Restaurant startups can separate themselves from the pack by offering what the others don’t, says Jil Assaf, managing partner with Lumen Hospitality, a global restaurant consultancy based in Metn, Lebanon. “Reliable quality, better taste, and by being the antipode of the QSR [quick-service restaurant] — more local and less global; basically by being authentic and less plastic,” Assaf says. A good part of that relies on a more focused and limited food offering, but one that is best-in-class.

That kind of approach to the menu aids in more economical purchasing, as well. “Going limited-menu allows the operator to be focused in terms of procurements, which leads to better prices, better quality as more bargaining power,” Assaf says.

Right Pricing

Price is and will always remain the success factor of the QSR, Assaf says, “so there is no point to fight that battle.”

“But consumers are looking for a better product,” Assaf says. “And I believe there are two trending roads here, depending on the market and consumer behavior.” The first is by going back to basics: building the best traditional burger. The second is the novelties: creating new burgers rich in flavors and spices. “I have to admit that the first has more chances to be timeless, with a longer life span,” he says.

If you’ve been following dining trends during the past few years, it is likely not news to you that guests today are gravitating to things like organic toppings on burgers, grass-fed or high-end ground beef and other meats like lamb or chicken, as well as veggie burgers. Hand-formed patties, artisanal buns, made-from-scratch sauces and global flavor profiles all add luster and can raise the average ticket.

Consumers expect differentiation and tantalizing options in independent burger spots that they would never expect to see in the chains. “Again, many think nothing of paying \$8 to \$12 for a specialty burger at a local independent burger place,” Malody says. “They would never accept that at McDonald’s or Burger King.”

According to Chicago-based Technomic, 61 percent of responders in a recent survey said that it is important for a restaurant to offer topping and condiment customization. In fact, sides and condiments are excellent areas to provide points of difference, such as spiced sauces, homemade ketchup, and garden-grown vegetables.

Los Angeles-based Umami Burger, as an example, uses a collection of dry toppings and flavors ranging from Parmesan frico and shiitake mushroom to truffled aioli, house beer-cheddar, bacon lardons, smoked-salt onion strings, roasted Hatch chiles, seared ahi patty, daikon sprouts, crushed avocado, gingered carrots, and wasabi flake to create unusual offerings.

Mind the Buns

The hamburger bun is as much a star of the plate as the patties. When choosing signature buns, Assaf counsels against going with the brioche or croissant “eccentric” ones. The better choice is regular buns with minor adjustments such as poppy seeds or toasted with clarified butter. Next to the burger, he says, “Fries should be top-shelf.”

Malody says buns are “Probably the biggest attribute of a great burger and the most challenging to source.” Their texture must hold up to the meat and toppings without logging out, yet they cannot be “too artisanal or else you can’t bite through the burger without everything squishing out the sides of the bun.”

A factor to weigh is that good bread is costly today. An artisanal bun can cost 60 cents to 70 cents each. Malody recently helped a hot sandwich concept open with a high-quality locally produced roll that cost 88 cents. The owners made the call that it was needed, and the cost justified, to convey the promise of the brand.

Guilfoyle says that he has not seen a lot of places go with fresh-baked buns. “I think that one of the issues there is that the burger bun companies may do better products than even the fresh-baked buns,” he says. “It’s an interesting idea, but I really haven’t seen it.”

Quality Is Job No. 1

The importance of product quality cannot be overestimated. In fact, it is more like the price of admission to this niche, rather than the ticket to success on its own.

For years, Tripoli says, the burger market segment has been competing to become “faster and less expensive. However the buying habits of today’s consumers indicate that there is always room for better.” A better-made, better-tasting burger can be priced a little higher, he says, “and still be received with good value perception.”

Tripoli points to Fuddruckers as an example of a groundbreaking concept. Years ago, the concept created the successful perception of freshness and value by displaying the bakery where they baked fresh buns daily, opening up the cooking process with the visible kitchen and allowing customization with the toppings bar. (Fuddruckers was founded by restaurateur Ray J. Romano, later changed owners, went into bankruptcy and was eventually acquired by Luby’s, which owns and operates 74 Fuddruckers locations, and is the franchiser for 106 Fuddruckers in the United States, Canada, Latin America and Europe.)



THINK SMALL

Another way burger startups can compete is by staking out space in a smaller market. Guilfoyle, who lives in New York's Hudson Valley, says the bigger burger chains have not and won't go into tiny towns like Rhinebeck or Cold Spring. Competing in smaller markets is a good idea, he says, "but that doesn't mean that they can't also compete in larger markets. Jackson Hole has been a classic in New York City, as has Umami Burger and Beer Garden."

Tripoli also mentions O! Burger, another Los Angeles-based concept, which he says is one of many successful independent concepts that feature organic, locally sourced product and chemical-free meat products. "Bernie's Burger Bus in Houston represents an increasingly successful movement with burgers, from food truck to brick and mortar," he says.

One of the most obvious ways in which a startup can stake its claim in a crowded market is with ingredients that provide exotic flavors. One thing that has proven very popular has been special proprietary burger blends. Shake Shack, for instance, has a proprietary blend that was first given to them by one of their suppliers, Pat LaFrieda of Pat LaFrieda Meat Purveyors in North Bergen, New Jersey.

"He's been the burger-blend king," Guilfoyle says. "He did the burger blend for New York City's Spotted Pig," where the owners tested 25 different blends before choosing one. "So you have this special blend that doesn't actually intentionally help them differentiate themselves, but it does in the minds of the consumers. They think it has to be a better burger."

One of the best examples of this is Salvation Burger in New York City, which has in-house butchers and tells diners which farms have raised the animals they consume. "They are actually using a blend of the entire animal in their burgers as a way to differentiate themselves," Guilfoyle says. "So there you are talking about local, sustainable, plus the taking of blending to that next level with butchered, hand-ground meat," he says.

It's the Spice of Life

To Guilfoyle's point, an important caveat for startup burger restaurants is including variety on the menu. This includes a variety of proteins.

For example, ground chicken and lamb are showing up more, and a solid core of consumers will always want chicken breast. "And one must seriously consider developing a signature veggie burger mixture," Malody says. "Not everyone wants ground beef."

Accompanying whatever protein one chooses, each burger must have a thoughtfully developed combination of sauce and other inclusions to make the item stand out.

"If you look at Spotted Pig, which is famous for its burger, they do a pretty extensive menu," Guilfoyle says. "Or P.J. Clarke's, one of the classic burger restaurants in New York City; that's got a very diverse menu. Indeed, P.J. Clarke's burger options include The Clarke Burger (with Roma tomatoes, cheese, lettuce, and bread-and-butter pickles), the Hamburger Au Poivre (cracked pepper sauce, Cabot cheddar, Jimmy peppers and onions) and the Organic Turkey Burger (with pickled tomato jam). Prices range from \$12.95 to \$16.70.

Beverages also add variety. Alcohol-based shakes, Tripoli says, have proven to be well-accepted at some burger-based concepts such as the Grub Burger Bar in College Station, Texas. The concept's "spiked" shakes include Bourbon & Caramel, Mint Chocolate Chip, Birthday Cakefetti, Dirty Kitchen Sink, Tippy Worms & Dirt and ET Drunk Dial.

Gott's Roadside, a Northern California restaurant group with four locations in St. Helena, Napa, San Francisco and Palo Alto, offers a variety of beverages; however, in a nod to its wine-country roots, guests can enjoy a glass of Napa Valley cabernet with their burgers.

Local Color

"We believe the world likes local," says Dennis Byrd, president of Island Famous Inc. in Galveston Island, Texas, which operates five restaurant beachfront concepts: The Spot, Tiki Bar, Sideyard, Rum Shack and Squeeze. "Local businesses, locally sourced product, local community involvement."

Says Byrd, "We sometimes say that our menu can be duplicated but our culture cannot." Island Famous is known for its Burger of the Month promotion. A recent one was The Big Kahuna, a quarter-pound burger topped with Swiss cheese, ham, fresh grilled pineapple, and plum sauce on a sweet roll.

Single-unit operators also have a competitive advantage in being independent, Byrd says. The advantage is that one that can create a culture and be involved in the community more easily than a chain operation can — another good way to stress the local appeal to consumers.

And while burgers are not traditionally considered the "breakfast of champions," operators are successfully appealing to the shift to eating more healthful foods. "We've seen this whole profusion of vegetarian burgers, and in some cases vegetarian concepts," Guilfoyle says.

“Superiority Burger, a tiny little burger place that The New York Times called one of the top 10 new restaurants in 2015, does a really great vegetarian burger down on the Lower East Side.”

“For any establishment, including a burger start-up, consumer trends need to be taken into account,” says Jaclyn J. Morgan, the principal of JM Foodservice Consulting LLC in New Berlin, Wisconsin. “According to the National Restaurant Association, at least seven out of 10 adults want healthier choices. Additionally, locally grown produce and locally sourced meats are key drivers in consumers’ choices. These trends aren’t going away anytime soon.”

Menus need to be developed that not only appeal to guests’ taste buds, but also to their desire to eat better. “It’s more than noting a gluten-free bun or listing out country of origin,” Morgan says.

“The menu needs to be a key part of an overall marketing plan,” she says. “It’s a traditional burger, meet the anti-burger sort of concept.”

Meeting (and Exceeding) Expectations

Byrd and his management team have found that consumer expectations of burger restaurants are changing. He has seen an expectation of sourcing more local ingredients and purchasing more local products. “We recently moved a number of our menu items to locally sourced and indicated such on our menus,” he says.

The company also re-engineers its menu annually. “Seventeen years ago we were a local, independent burger joint,” Byrd says. “In 2015, we are still thought of as a burger joint but in reality, only 30 percent of our plates sold were burgers. That’s still a lot of burgers when you’re serving 700,000 guests annually, but what it shows is that the consumer likes options.”

When the featured “Burger of the Month” proves to have sustainable popularity it can be added as a permanent menu item. “We also do daily specials,” Byrd says. “Again, those that are a success are at the top of the list to make it on the permanent menu.”

According to Byrd, calling your product the best, or using the phrase, award winning can prove counterproductive. “We believe in putting the best-quality product on the plate and allowing the guest to determine who is the best,” he says. “If we win an award, we are humbled. However, that award status will never make it to our menu as a selling point.” At the same time, he says, “Failures are predecessors to success. Learn from them; don’t repeat them.”

Standing Out From the Crowd

The upshot: Startup burger places can succeed, but first and foremost they have got to get people’s attention. “I think there are lots of ways to differentiate yourself,” Guilfoyle

SELLING THE SIZZLE

Consumer perceptions about the concept itself can also impress consumers and even enhance their dining experience. Bill Guilfoyle, an associate professor at the Culinary Institute of America in Hyde Park, New York, describes a conversation that arose in one of his classes.

“We were doing a short case study on Shake Shack in my marketing class and everyone who said they’d gone to Shake Shack said they thought it was a really good burger,” he says.

“But when I asked them what differentiated it from others they really couldn’t put their finger on it. Then I asked them, ‘Did the fact that you had a higher level of expectation influence your perception of the event?’

“That is a classic marketing 101 idea; [in other words] that your expectations, to some extent, form your perceptions. So I think as people got more intrigued by the gourmet or artisanal or whatever burger, that maybe that has impacted their expectations.”

says, “even though it is becoming a very crowded marketplace, especially for small independents.”

According to Guilfoyle, the “classic” mistake of any new restaurant is that the owner overexpands or tries to do more volume than he can. “Then, because of that, quality falters and they lose their idea of who they are and what they are. They lose their mission and the concept entirely,” he says.

“If you are going to open a burger place and compete against the chains, then you have to pull out the stops,” Malody says. “You have to be beyond comparison, because your burger will cost more due to less volume and higher-quality ingredients than the chains. So the value perception proposition shifts.

As Malody says, “Most major metropolitan areas have multiple independent burger restaurants now, so a new operator must clearly think through what their pillars of differentiation are.”



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The Case for Online and Mobile Ordering for Independent Operators and How to Get Started

If you can manage an iPhone or order a movie through Netflix, you can figure out online ordering systems that work for your operation. And if you can't perform those basic tasks, you better find someone who can do it for you.

By Diana Lambdin Meyer

David Krikorian began his adult life as a financial consultant, and was an early adopter of cloud-based computing technology. When Krikorian made a career switch into hospitality and restaurant management, he was surprised by the lack of technology implemented in most independent operations.

He was working for Tom and Chee, a small soup-and-sandwich chain in Cincinnati when, in 2014, he went to the National Restaurant Association show in Chicago with the express purpose of finding the best online and mobile ordering system available.

"Frankly I was discouraged, but at the same time, I talked with enough people to know that others were discouraged as well and solutions were in the works," Krikorian says.

Therefore, in February 2016 when he opened his first restaurant, Nashville Hot, a fast-casual chicken con-

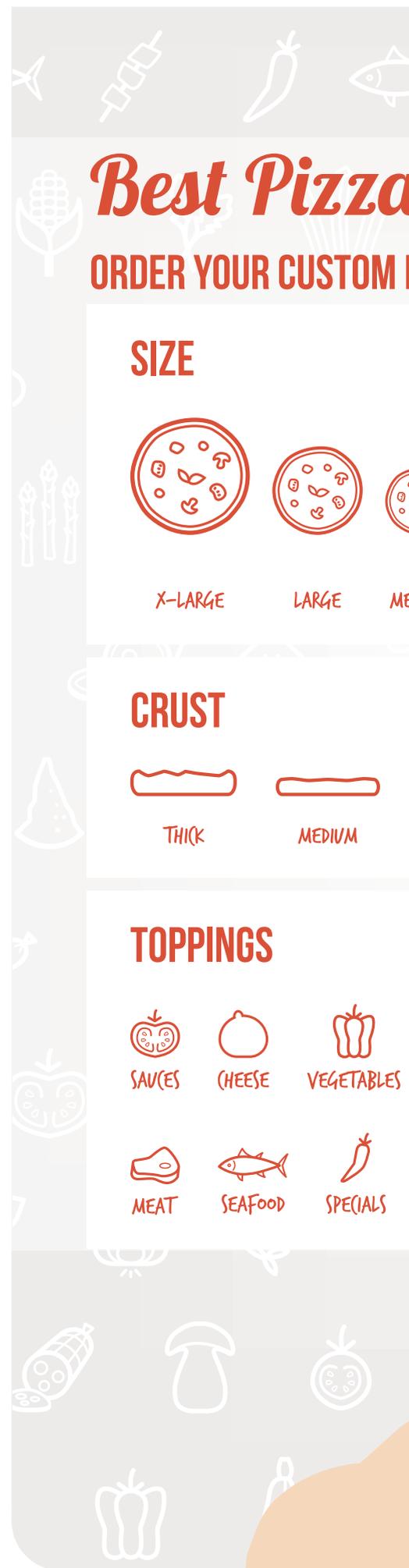
cept located in the Cincinnati suburb of Crescent Springs, Kentucky, one of his most important decisions was a cost-effective, integrated POS system that handles all online and mobile orders in a seamless transaction.

"We cater to millennials and anyone who wants to reach that market segment must have an effective mobile ordering system," Krikorian says.

So why have independent operators been so slow to incorporate this component of technology into their business plan? What's so scary or off-putting? And what exactly can a mobile ordering system do for you?

Why So Slow?

Independent operators tend to be managed by only a few people, particularly in the startup phase. Simply getting food production and service up and running efficiently is complex. Plus, they are in the game because



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they like creating good food and providing a good customer experience. Finance and technology seem to take a back seat to foodservice operations, and that is why you can have a good restaurant but not a great business, to paraphrase the RestaurantOwner.com tagline.

“The big places like Domino’s or Pizza Hut are in business first and they are fined-tuned into making a profit, which is why they were the leading edge of online ordering,” says Michael Shepherd of Growing Pizza, a consulting firm based in central Ohio. “They are simply making widgets and this particular widget is a pizza, but they would take the same approach to selling any other product. They are in the business of profits.”

You need to make a profit to stay in business. That not only requires operational efficiency, but competitiveness, as well. Plenty of research and others in the business indicate that individuals who order food online spend as much as 30 percent more per ticket than phone in or in-house orders.

Simply perform an online search using the terms “online mobile ordering systems” and dozens of companies will appear, each with a variety of options and support mechanisms that promise to solve any number of problems your operation may encounter while boosting the bottom line.



Not Necessary for Everyone

That said, online and mobile ordering is not a necessity for all restaurant operations. If you are a fine dining establishment, it might not be worth the time and money. To justify the expense, you need a significant percentage of carryout dining and/or a fast concept; i.e., guests don’t want to wait for their food.

But if you are a fast-casual establishment or carryout and delivery are at least 5 percent of your business model, you are simply losing opportunity by not putting in place an effective online ordering system.

For pizza operators, online and mobile is probably a necessity. “Perhaps the only type of business that can get

away without it today is a well-established neighborhood pizzeria that’s been around for 50 or 60 years,” Shepherd says. “Part of the charm of that kind of business is the old-fashioned experience of picking up the phone and calling in an order, but that’s not going to work for a start-up in today’s world.”

Sifting Through the Technology

In the early days of online ordering, and that really was just 10-15 years ago, customers would visit a restaurant’s website, peruse the menu, and when they began to actually place their orders, they would be transferred to a third-party site. It was very visible that a switch had taken place and disconcerting to the customer who was, and still is, concerned about identity theft and other issues with using their credit and debit cards online. Many customers didn’t complete the transaction.

While working with Tom and Chee in the early days, Krikorian said that the visible transfer to a third-party system resulted in as much as a 50 percent abandon rate.

“It created an uncertainty in the customer’s mind and they weren’t willing to take the risk, and that created a negative impression for the restaurant,” Krikorian says.

Early leaders of third-party sites were Seamless and GrubHub, which merged in 2013 and remain dominant in the game. The GrubHub brands include Allmenus, MenuPages, DiningIn and Restaurants On the Run. Very quickly, the technology improved and became much more seamless for customers. GrubHub charges restaurants based on the amount of business they receive, up to 10 percent or more of the ticket. This can be problematic. For example, based on information from several pizza consultants, the average profit per pizza sold by independents is 7 percent. Know with certainty your profit per order before moving too far into this discussion.

GrubHub has become a market leader, as a result of aggressive promotion that appears to have won consumer trust. According to the company website, in 2015 GrubHub sent more than \$1 billion in gross food sales to 40,000 take-out restaurants, processing roughly 234,700 orders each day in about 1,000 North American cities.

That effective marketing campaign translates to sales for any restaurant that is affiliated with the site. GrubHub is basically managing a portion of your marketing efforts and getting your name out to their customers. That’s part of what you’re paying that 10 percent or more for. Customers go first to GrubHub and then find you as an affiliate.

When Sammy Mandell opened Greenville Avenue Pizza in Dallas in 2007, he partnered with GrubHub and another system called Eat24. At the time, orders

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COMBINING ONLINE ORDERING WITH DELIVERY SERVICES

Online and mobile ordering go hand in hand with delivery services. Blackwood BBQ in Chicago uses a third-party bike messenger service to deliver from its two downtown locations, but with the new neighborhood location opening up, co-owner Stephanie Simpson says they are investigating a partnership with UberRUSH.

In addition to staffing your own delivery operation, other options include Caviar and DoorDash. DoorDash has been around since 2013 and promises delivery in less than an hour. Caviar has a presence in about two dozen major cities and is a part of the Square product brand. Each of these systems charges the operator about 20 percent of the ticket price for delivery, which is a huge chunk of change.

Since its inception, Greenville Avenue Pizza in Dallas has used its own in-house delivery drivers. However, when Mandell was short-staffed for a few months, he signed up for services with DoorDash. He didn't like the price, but figured it was better than losing a customer to a competitor or having that customer become frustrated as they waited two hours.

But like GrubHub, now that he has the partnership, Greenville Avenue Pizza appears on the DoorDash website, effectively marketing the product to customers that Mandell may not have accessed otherwise.

"I figure part of that 20 percent I'm paying is for marketing, not for delivery, and it's money I'm not spending on payroll," he says.

However, after one regular customer told him that the third-party driver pulled the pizza out of the trunk of his car, Mandell has become more concerned about losing control of his product as it goes out the door.

Therefore, Mandell has started charging a higher delivery fee for orders placed via DoorDash than through the Greenville Avenue Pizza site as an incentive for customers to find his site. But despite that, he still gets more than 100 delivery orders per week through DoorDash, and for that reason he maintains the partnership.

"I think very quickly that these delivery systems, including Uber, will have to up their game and train their drivers or they won't be around very long," Mandell says. "This side of our business is going to continue to evolve very quickly and I believe the operator and the consumer will be the winners in the end."

came into the restaurant via fax, requiring an employee to re-enter the order into the POS, thus introducing the potential for human error and overlooking or delaying orders during really busy periods.

Greenville Avenue Pizza does \$2 million in sales a year. On a busy day, they'll make between 500-600 pizzas. Currently, about 20 percent of sales come from telephone orders; 10 percent from the Greenville Avenue website; and 6 percent from third-party sites, such as GrubHub. The average ticket from the website and third party is \$7 higher than phone orders and in-house orders.

When another platform, ChowNow, arrived on the market, offering a flat monthly fee and what he considered a less cumbersome ordering process, Mandell added that to the online ordering options for his customers. Orders arrived via an iPad sitting next to the restaurant's POS system. The ordering process still requires a human interface to get it into the restaurant's POS system. The iPad alerts kitchen staff that an order must be entered into that system.

Among the options available from ChowNow, the company can provide an application for your customers to download onto their mobile devices.

Other Platforms to Consider

In addition to GrubHub and ChowNow, there are at least several other providers with which smaller independents might consider. This list is not exhaustive, and you should contact your POS system represen-



tative to determine if the company can integrate third-party ordering systems, or have a proprietary system that can be added on, or is part of a new system — if you are in the market for an upgrade.

Revention. Mandell and Greenville Avenue Pizza also added Revention to its online ordering arsenal. The system came on the scene in 2005, and among its salient features is that it allows orders to immediately populate his POS system. Daily specials are easily entered into the platform.

The cost of incorporating Revention into his operations included an upgrade to his POS system, in addition to paying a monthly flat fee of \$100. He has noted that every month or two, Revention has an upgrade or improvement, which, he says, builds his confidence that the company is dedicated to continual improvement.

The proverbial icing on the cake, however, for Mandell was Revention's ability to create a customized application that his customers can download onto their phone. "I love that the name of the app is 'Greenville Avenue Piz-za.' It's right there in their face," he says. "It's not the name of a third-party app — it's our name."

That said, Mandell says he has not been as aggressive promoting the app as he should be. Currently, about 100 customers have downloaded it, and he believes the restaurant can do better. Plans to boost awareness of the app include announcing it on "box toppers," increasing signage in the restaurant that promotes it, and having a presence at summer festivals, at which goers can receive a free slice of pizza in exchange for downloading the app right there and then.

In the meantime, Mandell has returned to using GrubHub and Eat24 to benefit from their effective promotion. For now, Mandell says that there is a significant market segment that is firmly addicted to GrubHub. In his view, he says being able to reach them is worth the price paid to the site. "GrubHub's user interface is

so great and the system is engineered so perfectly that people naturally gravitate to it and they end up spending more money," he says.

Says Mandell, "my profit is more than the 10 percent they take so it's a sale, some cash I wouldn't have had anyway and maybe I've introduced our pizza to someone I would have not reached." His hope: If he can more effectively promote his Revention application, more customers will begin to use it, rather than third-party platforms, thus increasing his profit per sale.

Toast. Toast is more than an online ordering system, but rather an all-in-one point of sale and restaurant management system, which incorporates online ordering. When Krikorian chose a POS system for his concept Nashville Hot, he chose Toast, in large part because of the strong reviews of customer service and recommendations from one of his primary suppliers. Toast allows for easy changes to the menu within seconds. In addition to online ordering, gift cards and the customer loyalty program are handled in one platform.

He has just one phone line into the restaurant and four stations. The entire POS system was roughly \$10,000, including hardware, and now he pays a flat \$100 per month for Toast.

However, one of the big selling points for Krikorian is that Toast aggregates credit card processing fees with all of its clients, thus creating a significant savings on the operator's credit card fees. Two or three percent per transaction adds up quickly, particularly in a busy, established restaurant.

Although Nashville Hot has just been open and using Toast since mid-March, Krikorian is completely satisfied with his decision. Staff training has been smooth, complications minimal and customer satisfaction very high. At this point, the system takes in about 15-20 orders a day. And consistent with research into customer behavior, online orders are as much as 30 percent higher than orders placed on the phone or in person.

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✓ CHECKLIST: QUESTIONS TO ASK BEFORE COMMITTING TO AN ONLINE ORDERING SYSTEM

- ✓ Who stores the database of customers who order from you online, and will you have access?
- ✓ Ease with which to change menu, add specials, customer loyalty numbers, etc.?
- ✓ Credit card fees? Cash transactions? PayPal? What are the charges per transaction? How does it affect your profit margin?
- ✓ Ability to order directly from your Facebook page?
- ✓ Does the software populate your POS automatically? Equipment requirements?
- ✓ Marketing support? Customized apps, Web and social media badges.
- ✓ 24-hour tech support — (you gotta have it!).
- ✓ Advance ordering. Is it possible? Is it important for your market share?
- ✓ Delivery options?
- ✓ Dashboard analytics. What are people looking at, considering, time spent on site and how does that translate to bottom line?

Regardless of which POS platform you are using, you should contact your representative to determine if it can integrate online and mobile ordering into your existing system.

For example, Sarah Clelland, a spokesperson for Oracle Hospitality (formerly known as MICROS Systems Inc.), says that Oracle “provides both multisite and growing independent operators with mobile and online ordering through extending the POS cloud capability by connecting partners and their integrations to the cloud. Mobile and online ordering solutions are available through partners that have entered the Oracle Partner Network.”

Zuppler. Zuppler with its monthly flat fee is the online, mobile ordering system of choice for Blackwood BBQ with two locations in Chicago’s downtown business loop. About 90 percent of the restaurants’ business is Monday through Friday during lunch and about 20 percent of that comes from online orders.

“Ordering ahead for delivery at a specified time is very attractive for our business customers and Zuppler allows customers to pinpoint a delivery time,” says Stephanie Simpson, co-owner of Blackwood BBQ.

“By creating ease and customer satisfaction, we recognize we are generating repeat business, which is much of what business in the downtown loop is about.”

However, Blackwood BBQ will soon open a third location in a residential neighborhood. The menu will be slightly different and the high-volume periods should switch from lunch to evening. Simpson and her partners don’t anticipate any unique challenges with using Zuppler in this new market, but recognize that for the first time in years, they will be seeking out a new customer base.

Zuppler is frequently chosen by restaurants with an established website by simply adding the online ordering component. Zuppler also allows for customers to click through ordering from the restaurant’s Facebook or other social media pages. Simpson says she and her colleagues like Zuppler because of the customer data made available to the restaurant and the analytics that help them make better choices about menu items, delivery and price points.

“My advice for anyone starting out is to avoid GrubHub,” Simpson says. “Build our own brand from the beginning, build traffic to your own site, keep your site mobile and current, then you’ll never have to worry about transitioning those customers from GrubHub to your site.”

SquareOrder. New on the scene in 2014, this mobile system is ideal for a bakery or coffeeshop with a lot of foot traffic and carryout. Customers may place and pay for their complicated latte or espresso prior to arriving at the shop. Because payment has already been processed, the long lines and wait are eliminated and people simply grab their order and go on their way.

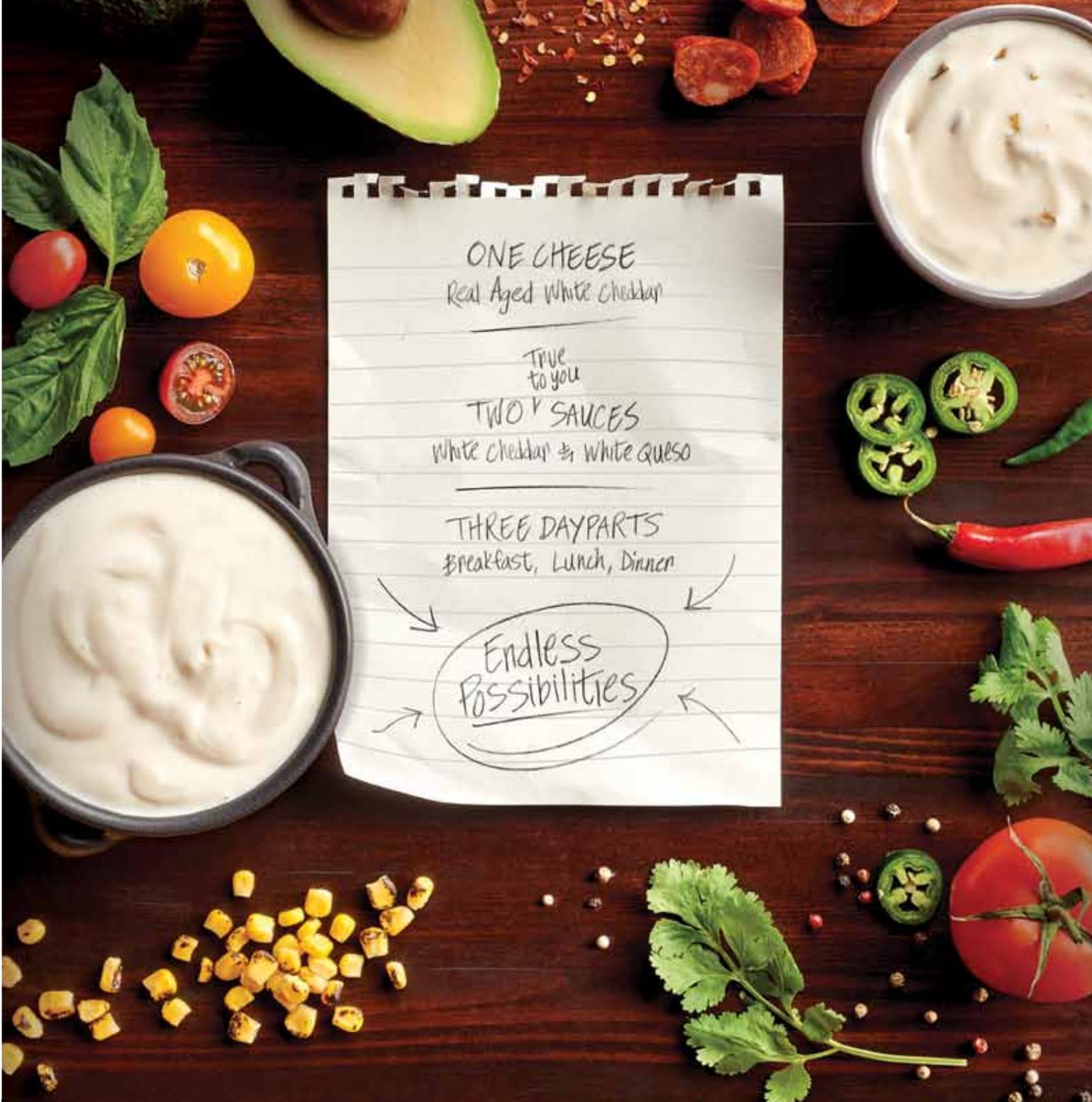
Where to Go From Here?

Simply perform an online search using the terms “online mobile ordering systems” and dozens of companies will appear, each with a variety of options and support mechanisms that promise to solve any number of problems your operation may encounter while boosting the bottom line. It’s mind-numbing, and we can’t provide a catalogue of every available system.

If your customer base is young and/or looking for fast turnaround, and your main product competes with offerings by chains that have effectively incorporated online and mobile ordering, then you need to think seriously about providing the same convenience to your guests.

The experiences of the aforementioned operators provide perspective on the process. As far as your choices, well, it is not unlikely that as this article is being written, so is the code for another online and mobile ordering platform.

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RECIPE MAPPING™

HOW TO TURN GOOD RECIPES INTO GREAT MENU ITEMS

A good recipe for home cooking doesn't always work out when you attempt to replicate it in the restaurant. Startup restaurateurs find out quickly that a recipe intended to yield four, six or even 10 servings might not be practical when feeding dozens or even hundreds of guests — every day.

Success in the restaurant business is often measured in pennies. Inaccurate purchase orders, wasted product and inefficient labor use are ingredients for losing money. And while your friends and family never minded waiting an extra half-hour or so for your home recipes or varia-

tions in presentation, your restaurant guests will not forgive slow service and inconsistency.

For good recipes to become great menu items, you must learn to make them pleasing to both your guests and your accountant. You must break them down into stages that assist purchasing and inventory control, organize prepping, reduce production time, and maximize yield. Then you must build them up to serve dozens of covers.

Our proprietary name for this process is RecipeMapping, and it is designed to help you add new items to your menu consistently, methodically and profitably.

Step 1 – Add Ingredients to the Master Inventory List.

Every restaurant should maintain a Master Inventory List that includes all of the ingredients that a restaurant must use in the preparation of their menu items. This list can be maintained using a spreadsheet format that includes purchasing information, such as the pack, size and price of the ingredients — information that is useful when creating other management forms, such as inventory and order forms. But to accurately calculate the real cost to produce a menu item, the Master Inventory list should not only reflect the purchasing cost and unit of measure, but also the corresponding recipe cost and unit of measure. Any ingredient used in cooking can be expressed in one of three units of measure when using it in a recipe — weight measure (typically ounces or lbs.), volume measure (such as tsp., tbsp., cups, qts. or gal.), or by piece. Many products are purchased by weight units of measure but are measured for recipes in terms of volume (fluid) measure. To determine a true recipe unit cost, it can require measuring a pound of product to determine its recipe yield. We provide Recipe Conversion Notes to assist in this process.

Step 2 – Create the Prep Stages.

Here we identify parts of the menu item that can be prepared prior to final cooking and presentation, to reduce the time from order to service. Even a simple, single menu item often requires several subrecipes that are produced in batch and become part of the routine preparation tasks. Each subrecipe is then added to the Recipe Manual for reference by the kitchen staff. The cost of each subrecipe ingredient is calculated by multiplying the number of recipe units used by the recipe unit cost listed in the Master Inventory. The subrecipe batch is then assigned its own recipe unit and cost based on total cost to produce the batch and how much it yields.

Step 3 – Calculate Menu Item Cost.

Finally, the cost of the menu item is determined by calculating the cost of each recipe or ingredient needed to produce the menu item, then affixing a selling price that produces the desired profit. Restaurants should review their menu item cost every three to six months to ensure that cost expectations are accurate.

THIS MONTH'S FEATURES:

Calamari Steak Lunch and Crustless Southwestern Quiche

This month's article is courtesy of Pietro's, Lodi, California. Thanks to Pietro Murdaca and his staff for their assistance with the calamari entree.

Tom Bruce of Central Coast Food & Beverage worked with Pietro's to create the recipe mapping for these dishes.



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MENU ITEMS

Menu items featured in our RecipeMapping department are available online at www.RestaurantOwner.com/recipe.htm.

CALAMARI STEAK LUNCH

- 6 oz. Breaded Calamari
- 2 fl. oz. Cottonseed salad oil
- 0.25 ea. Choice lemon
- 2 fl. oz. Sauterne cooking wine
- 0.25 oz. Parmesan cheese
- 0.1 fl. oz. Kosher salt
- 0.17 fl. oz. Lemon juice
- 1 ea. Risotto
- 1.5 oz. Green bell pepper
- 1 oz. Jumbo red onion
- 4 oz. Zucchini
- 1.5 fl. oz. Tartar sauce



LINE COOK INSTRUCTIONS:

1. Preheat a medium sauté pan and add the cottonseed oil.
2. Place the calamari portion in the pan and allow to brown.
3. While the calamari is browning build the risotto portion in an additional pan.
4. When thoroughly browned, plate the calamari. Deglaze the sauté pan with the wine and lemon juice.
5. Add the risotto and grilled veggies, and finish the calamari with the pan sauce.
6. Finish with parmesan dusting, tartar sauce and a lemon wedge for service.

CRUSTLESS SOUTHWESTERN QUICHE

- 1 ea. Southwestern Quiche
- 0.5 oz. Spring mix lettuce
- 1 ea. Citrus Salad Mix
- 0.5 ea. Hass avocado
- 8 ea. Mint leaves

LINE COOK INSTRUCTIONS:

1. Place the individual portion in a medium oven to reheat when ordered.
2. Place the spring mix on a room-temperature plate, top with the citrus salad and garnish with a mint sprig. Finish with a fanned avocado half.
3. Place the heated quiche on the plate and serve.



STEP ONE: INVENTORY MASTER

Item Description	Case Pack/Size	Purchase Unit (PU)		Recipe Cost Unit (RU)			
		U/M	Current Price	U/M	# RU per PU	Yield %	Cost
* Avocado, Hass	1/48-ct.	Case	32.19	EA	48	100%	0.671
** Breadcrumb, panko	1/25-lb.	Each	27.10	OZ-wt	400	100%	0.068
** Calamari, steak	6/5-lb.	LB	4.99	OZ-wt	16	100%	0.312
* Cheese, cotija	1/12 0.5-lb.	LB	6.39	OZ-wt	16	100%	0.399
** Cheese, marscapone	4/5-lb.	Case	82.17	OZ-wt	320	100%	0.257
* Cheese, Mexican blend	4/5-lb.	Case	45.21	OZ-wt	320	100%	0.141
** Cheese, parmesan	1/24-lb. avg.	LB	4.97	OZ-wt	16	100%	0.311
* Corn, sweet white	1/48-ct.	Case	22.50	EA	48	100%	0.469
*** Cream, half & half bulk	3/96-oz.	Case	36.65	OZ-fl	288	100%	0.127
* Dressing, citrus vinaigrette	1/1-gal.	Case	14.10	OZ-fl	128	100%	0.110
*** Egg, fresh large	12/15-dzn.	Case	35.01	EA	180	100%	0.195
** Garlic, whole peeled	4/5-lb.	Case	52.00	OZ-wt	320	100%	0.163
** Lemon, choice	1/140-ct.	Case	42.15	EA	140	100%	0.301
** Lemon, juice	1/1-gal.	Each	9.77	OZ-fl	128	100%	0.076
* Lettuce, spring mix	1/3-lb.	Each	6.71	OZ-wt	48	100%	0.140
* Mint, fresh bunch	1/6-ct.	Each	6.44	EA	480	100%	0.013
* Mushrooms, medium white	1/10-lb.	Case	21.30	OZ-wt	16	100%	1.331
* Oil, olive extra-virgin	1/10-ltr.	Each	85.82	OZ-fl	338.1	100%	0.254
** Oil, salad cottonseed	1/35-lb.	Each	31.44	OZ-fl	563.2	100%	0.056
** Onion, red jumbo	1/25-lb.	Bag	19.25	OZ-wt	400	91%	0.053
* Oranges, blood fresh	1/20-lb.	Case	22.56	OZ-wt	320	44%	0.160
* Oranges, Cara Cara	1/20-lb.	Case	23.54	OZ-wt	320	44%	0.167
*** Pepper, bell green	1/25-lb.	Case	31.54	OZ-wt	400	84%	0.094
* Pepper, bell red	1/25-lb.	Case	33.65	OZ-wt	400	84%	0.100
** Pepper, black whole	1/19 0.5-oz.	Each	16.20	OZ-wt	19.5	100%	0.831
* Pepper, hatch	12/28-oz.	Case	39.50	OZ-wt	336	100%	0.118
** Rice, arborio	12/1-kg.	Case	36.00	OZ-wt	422.4	250%	0.034
** Salt, kosher	12/3-lb.	Case	16.98	OZ-fl	307.6	100%	0.055
** Sauce, tartar	1/1-gal.	Each	12.54	OZ-fl	128	100%	0.098
* Sauce, Worcestershire	1/1-gal.	Each	6.67	OZ-fl	128	100%	0.052
** Squash, zucchini	1/5-lb.	Case	7.52	OZ-wt	80	91%	0.103
** Wine, cooking sauterne	1/1-gal.	Each	7.49	OZ-fl	128	100%	0.059

*Crustless Southwestern Quiche **Calamari Steak Lunch *** Both

The first step is to identify each ingredient for all the subrecipes and then to get the purchasing unit pack, size and cost information from your foodservice distributor. Raw ingredients for these menu items were chosen based on availability from local distributors. Once you have the purchasing information, you're ready to calculate the number of recipe units in each purchase unit.

RECIPE CONVERSION NOTES:

Many products are purchased by the weight unit of measure but are measured for recipes in fluid measures, such as teaspoons, tablespoons or cups. Precise conversion formulas are necessary to attain accurate costs. Here are some facts we noted when calculating the number of recipe units:

- Both oranges yielded 44% after peeling and cutting.
- Kosher salt weighs 0.534 oz. per Tbsn.
- Mint yields about 80 garnish leaves per bunch.

STEP TWO: PREP STAGES CONTINUED

GRILLED DOMESTIC LAMB BURGER

C. C. F. & B. - Recipe Card			Recipe Cost			
Citrus Salad Mix			Batch			
INGREDIENTS	MEASURE	PROCEDURE	RU	# of RU	RU Cost	Cost
Oranges, blood fresh	12 ozs. peeled	1. Section the oranges using a paring knife. 2. Place the sections in a medium mixing bowl and add the dressing. 3. Carefully blend the mixture to avoid breaking up the oranges. 4. Lightly chill or hold at room temperate for service.	OZ-wt	12	0.160	\$ 1.92
Oranges, Cara Cara	12 ozs. peeled		OZ-wt	12	0.167	\$ 2.01
Dressing, citrus vinaigrette	½ cup		OZ-fl	4	0.110	\$ 0.44
					-	\$ -
					-	\$ -
					-	\$ -
					-	\$ -
					-	\$ -
					-	\$ -
					-	\$ -
					-	\$ -
TOOLS/EQUIP.: Ounce scale, measuring cup, paring knife and medium mixing bowl.			Total		\$ 4.37	
STATION: Pantry			RU		EA	
YIELD: 10 3-oz. portions			# of RU		10	
SHELF LIFE: 1 shift			RU Cost		\$ 0.44	

CHEF'S NOTE: This is a great light salad option and can be used as a garnish on any number of menu items.

STEP THREE: CALCULATE COSTS

The final step for turning the recipe into a menu item is to add the cost of the ingredients needed to produce it. Calculating the cost of each recipe needed to produce the menu item makes it easy to cost out the finished menu item and affix a selling price that is profitable.

Menu Item: Calamari Steak Lunch				
Item Description: Calamari steak, lightly breaded and grilled, finished with lemon and white wine.				
Recipe Unit	Quantity	Ingredient	Unit Cost	Extension
OZ-wt	6	Breaded Calamari	0.31	1.88
OZ-fl	2	Oil, salad cottonseed	0.06	0.11
EA	0.25	Lemon, choice	0.30	0.08
OZ-fl	2	Wine, cooking sauterne	0.06	0.12
OZ-wt	0.25	Cheese, parmesan	0.31	0.08
OZ-fl	0.1	Salt, kosher	0.06	0.01
OZ-fl	0.17	Lemon, juice	0.08	0.01
EA	1	Risotto	1.32	1.32
OZ-wt	1.5	Pepper, bell green	0.09	0.14
OZ-wt	1	Onion, red jumbo	0.05	0.05
OZ-wt	4	Squash, zucchini	0.10	0.41
OZ-fl	1.5	Sauce, tartar	0.10	0.15
			0.00	0.00
			0.00	0.00
			0.00	0.00
EA	1	Plate cost (Q-cost)	0.35	0.35
			Total Cost	4.71
			Menu Price	15.00
			Gross Profit	10.29
			Food Cost %	31.38%

Menu Item: Crustless Southwestern Quiche				
Item Description: Roasted corn, bell peppers, mushrooms and hatch peppers with 4 cheeses. Served with a blood orange and avocado salad.				
Recipe Unit	Quantity	Ingredient	Unit Cost	Extension
EA	1	Southwestern Quiche	1.10	1.10
			0.00	0.00
OZ-wt	0.5	Lettuce, spring mix	0.14	0.07
EA	1	Citrus Salad Mix	0.44	0.44
EA	0.5	Avocado, Hass	0.67	0.34
			0.00	0.00
EA	8	Mint, fresh bunch	0.01	0.11
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
EA	1	Plate cost (Q-cost)	0.35	0.35
			Total Cost	2.40
			Menu Price	12.50
			Gross Profit	10.10
			Food Cost %	19.23%

What Our Readers are **BUILDING, BUYING & REMODELING**

INDEPENDENT STATS

<http://avenidacantina.com>

Number of seats: 80.

Number of staff: 30 part time.

Square feet of kitchen: 70.

Square feet of restaurant and bar: 3,700.

Signature items: Breakfast tacos served all day, \$6; Frito Pie enchiladas, \$13; South of the Border Burger (with chorizo), \$12.

Hours of operation: Seven days a week, 11:30 a.m. to 1 a.m.

Total project cost: \$500,000.

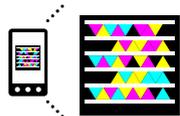
Where and how you got your financing: Private investors.

Catering/banquet service offered? Minimal catering.

Average check: \$30.

If you had the chance to do it over again, what would you do differently?

"It would be nice to budget in some time to get some sleep," co-owner Christen Hagan says.



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East of the Rio Grande Avenida Cantina of New York City

If you've seen the 1993 Matthew McConaughey movie, 'Dazed and Confused,' you know a little bit of the inspiration for Avenida Cantina, an authentic Tex-Mex restaurant that opened in January 2016 in New York's East Village.

By Diana Lambdin Meyer

Avenida Cantina co-owner Christen Hagan is a native Texan and she, along with numerous other Lone Star transplants to the Big Apple, were craving an authentic, really good Tex-Mex restaurant.

While New York has some great Mexican restaurants, Hagan and her partners believe them overpriced and, well, Mexican isn't Tex-Mex, and true Texans know the difference.

Having been part owner in another East Village restaurant for more than six years, Hagan knows that New York can really put an entrepreneur to the test. But after locating a soon-to-be empty spot, a former sports bar, in her neighborhood, she says it was time to respond to the demands for good Tex-Mex.

"New York is and will always be a sellers' market with landlords holding all of the cards, so we found what looked like a good location and went with it," Hagan says.

What's unique about the building from a New York perspective is that it is single-story with a basement and no residential space above. So within a few days when Hagan and team ran into plumbing issues, the landlord actually kicked in on some of the cost for repairs, something that wouldn't have happened if the above space was residential.

Renovation and remodeling began in early November and right away it was determined that the kitchen would need to be completely rewired. Each of the electric appliances, including a tortilla maker and salamander broiler, needed its own breaker, thus a complete reconfiguration of the breaker box.

The front of the house features picnic tables and two-top tables. A focal wall is covered in old doors painted in muted colors reflecting Texas and Mexico. Another wall features a mural depicting a scene from "Dazed and Confused," the Matthew McConaughey movie. It was shot in Austin and released when Hagan was growing up in Texas. Anybody who knows and loves Texas should know that movie, she says.

The building is basically two businesses in one. Downstairs is a speakeasy bar dubbed "The Mockingbird Bar," so named after the state bird of Texas. Tequila is the focal point, but other south-of-the-border brews are equally popular.



The owners worked with local artists to create some of the murals and other décor, thus contributing to the local buzz. Working with locals was very important to co-owner Christen Hagan who has lived and worked in the East Village for years.

As the renovation progressed, The Mockingbird Bar was finished first, so despite the upstairs and food component not being ready, the doors opened downstairs. The cash flow was as necessary as the buzz on what was happening upstairs.

They also contracted with local artists to create some of the murals and other décor, thus contributing to the local buzz. Working with locals was very important to Hagan, who has lived and worked in the East Village for years.

“In New York especially, you have to know your neighborhood really well and they have to know you as an individual and as a business, otherwise, you’re taking a huge risk,” she says.

Despite having worked in restaurants for years and owning another East Village restaurant, Hagan had

never hired a public relations firm to assist in getting the word out. But this time, they did, hiring the New York office of Turner Public Relations for the first couple of months.

“They helped us focus our message and then did a great job of reaching out to restaurant bloggers and other local media, including the Village Voice,” Hagan says. “Sure, it can be expensive, but if PR is done right, it will pay for itself in a month or two and it worked for us this time.”

As a result, Avenida Cantina opened at full speed, with as much as a two-hour wait every day of the week. “Sometimes we have to stop when it gets really stressful and group-hug-it-out, but we’re doing great and this is what we wanted,” she says. **RS&G**



File Quirks

6 Questions You Should Be Able to Answer When Employees Ask to See Their Personnel File

It happens at the worst moment. You're in the middle of a busy lunch service, midtask, and an employee says, 'Hey, can I have a copy of my personnel file?'

By Amy Weber

"Ask the Lawyer!" is a new department in Restaurant Startup & Growth magazine, in which we address legal matters of concern to independent restaurateurs. Please note that these articles are for your general information. You should seek local counsel to address issues specific to your business and local or state jurisdiction.

Your sous-chef saunters into your office and says, "Hey, boss can I see my employee file?"

If you are like most restaurant owners or managers, your first response is likely, "Why?"

Let's face it, most employees don't want their file "just because" and the request should alert you to put your human resources hat on; doing a quick pause, knowing you got this. You're prepared because you're "in-the-know." You spent two weeks a few months ago during fleeting down time to organize, put procedures in place, and you know what to do.

(Please note: For purposes of this article, the term "personnel file" shall be used interchangeably with the term "employment" or "employee" file. Therefore, in this article, *personnel*, *employment*, and *employee* file means any file containing documents that are job-related.)

1. Does the Employee Have a Right to Inspect the File?

Do employees have the right to inspect their employment files? In a majority of states, the answer is no. However, in a minority of states, the answer is yes, a current employee has a right to review his or her personnel file. In those states permitting review of the personnel file, the employee generally must make the request in writing, an email is OK, and access must be provided within a reasonable amount of time. (See "States That Allow Employees Access to Their Employment Files" on Page 42.)

Access generally should be provided during normal business hours at the location where the files are kept, which is typically at the restaurant where the employee works. Most of the states that allow access also provide that the employee has a right to a copy of the file free of charge or at a nominal copying cost. Only a couple of the states allowing access do not give the employee a right to copy the file.

Special issues can arise here, including:

What if the file is paperless? See Step 4, later in this article.

What about terminated employees? Can they view records? Generally, yes, terminated employees can also view records. But laws and timing of review by a terminated employee (i.e., how long after an employee left the employment) vary by state, so check with your employment attorney as to the laws in your state.

2. What Should Be Included In a Personnel or Employee File?

Like most issues involving employment, there is no clear, one-size-fits-all answer. Some states have very detailed laws defining what must be in a personnel file; other states' laws are vague or nonexistent. As the employer, your primary concern should be to make certain that only a specific type of information is contained in the file and nothing more.

If information that is otherwise considered private is contained in the personnel file (i.e., medical records, criminal background record, etc.) and/or available to everyone to review with unfettered access, you are setting up the company for a whole host of legal issues. Therefore, the personnel file should be limited only to items that are job-related.

Special issues can also arise here, including:

What are 'job related' documents? Job-related documents consist of documentation of employment decisions, excluding hiring decisions, any information that may have an effect on future employment, and acknowledgment that the employee understands company policies and procedures. Typical documents that should be found in a personnel or employment file include 1) performance reviews; 2) commendations and awards; 3) training records; 4) records of dis-

STATES THAT ALLOW EMPLOYEES ACCESS TO THEIR EMPLOYMENT FILES

The following states have laws allowing access and copying of personnel files by employees of private employers:

- **Alaska.** Employee has right to inspect personnel file; employee may get a copy for the cost of copying.
- **California.** Employee has right to inspect personnel file; employee may receive a copy if requested.
- **Connecticut.** Employee has right to inspect personnel file; employee may get a copy for the cost of copying.
- **Illinois.** Employee has right to inspect personnel file; employee may get a copy for the cost of copying.
- **Iowa.** Employee has right to inspect personnel file; employee may get a copy for the cost of copying.
- **Maine.** Employee has right to inspect personnel file; employee gets one free copy each year.
- **Massachusetts.** Employee has right to inspect personnel file; employee may receive a copy if requested.
- **Michigan.** Employee has right to inspect personnel file; employee may get a copy of the cost of copying.
- **Minnesota.** Employee has a right to inspect personnel file; employee may get a copy free to charge.
- **Nevada.** Employee has right to inspect personnel file; employee may get a copy for the cost of copying.
- **New Hampshire.** Employee has right to inspect personnel file; employee may get a copy for the cost of copying.
- **Oregon.** Employee has right to inspect personnel file; employee may get a copy for the cost of copying.
- **Rhode Island.** Employee has right to inspect personnel file; employee may get a copy for the cost of copying.
- **Washington.** Employee has right to inspect personnel file. No rule as to whether copying is permitted.
- **Wisconsin.** Employee has right to inspect personnel file; employee may get a copy for the cost of copying.

The following states have laws allowing access to personnel files, but not copying:

- **Delaware.** Employee has right to inspect personnel file; employee may take notes only. No copying.
- **Pennsylvania.** Employee has right to inspect personnel file; employee may take notes only. No copying.

ciplinary actions; 5) attendance records (but not medical excuses); 6) last-chance agreements; 7) termination letter; and 8) signed acknowledgments that the employee understands company policies and procedures.

What's that, you say? You've got more stuff than that? Yes, you probably do. Let's take a step back so you can understand the theory behind the madness for the "best practices," which will be shared momentarily. For example, if you have medical records, I-9's and criminal background records all contained in one file with the job-related documents listed earlier — we'll call it an "all-in-one-file" — a manager may learn a wealth of information about an employee that the manager does not have a need to know and on which the managers should not be basing employment decisions.

Chances are the manager accessing the file needs only one small piece of information from the file, but because of the "all-in-one-file" approach, the manager now knows a lot of personal and confidential information on one of your employees.

The laws are designed to maintain certain levels of confidentiality for the benefit of the employees on all the various types of information that naturally accumulate in any employment setting.

To safeguard against the dissemination of unnecessary and personal information, it is best to establish multiple subject folders based on the category of information in the documents and have a file for each employee that are separate from the main personnel file that is easily accessible by the managers at the restaurant. Yes, it is cumbersome. Is it necessary? Absolutely.

If someone in your organization accesses medical information on an employee from the "all-in-one-file" and wrongfully bases an employment decision on that information, the company will likely find themselves at the other end of discrimination lawsuit. Equally bad, if the company is audited by the government and you have an "all-in-one-file," the government could impose fines against the company for not segregating certain information.

So what are best practices? I'm totally confused! Best practices are to have subject folders for the various categories of documents, explained later, and an employee file for each employee, as necessary, contained within the subject folder. So, yes, one employee could have five or six files depending on the subject folders that are applicable to them.

Can you do a quick recap to make sure I got it? Yes. It is a best practice to set up your recordkeeping by creating subject folders, and within each subject folder set up a file for each employee, as necessary. As an example, three typical types of employees at a restaurant are part-time servers, line cooks and managers. You'll probably need the following subject folders: personnel/employment, hiring, medical, benefits, payroll, tax, and I-9 forms. Within each subject folder, you'll have an employee file if the specific employee has those records.

From the aforementioned example, all three of your employees will likely have a file in the personnel/employment, hiring, payroll, tax, and I-9 forms subject folder, but only two employees (line cook and manager) may have files for medical and benefits as full-time employees.

3. Who Should have Access to the Various Subject Folders?

Answer: Not everyone! It is imperative that you set up policies outlining who has access to the various subject folders with training procedures informing the employees with access to the files of their duties and responsibilities with the information they access. All files should be kept personal and confidential. The folders should be password-protected or kept under some type of security protocol (i.e., lock and key). The employees who access the files should have access to only those files necessary to accomplish their duties. For example, the employee who processes payroll needs access to the payroll subject folder, but likely not the other folders.

4. Can I Go Paperless?

Absolutely and most employers are keeping their personnel files electronically, which makes keeping subject folders on each employee more manageable. Federal employment laws are generally satisfied when records are stored electronically so long as there are reasonable controls to ensure the integrity, accuracy, authenticity and reliability of the records in electronic form. When developing any electronic storage database, the primary concern needs to be focused on finding a secure platform; i.e., where data cannot be breached or accessed and where data is consistently and reliably backed up.

When devising the electronic storage system, keep in mind that all records must be maintained in a reasonable order and capable of being readily inspected or examined. The documents should also be stored in such a manner that does not restrict a person's ability to comply with any reporting or disclosure requirements; e.g., if the Department of Labor shows up, the I-9 Folder should be readily accessible. The records should be readily convertible into legible and readable paper copies, as needed, to satisfy reporting and disclosure requirements.

What if your records are paperless and the employee asks to review the documents? You can do one of two things: 1) make a copy from your records and let the employee review the hard copy at your designated viewing location or simply provide the copy to the employee, if allowed; or 2) allow the employee to inspect the records from your database. Obviously, this last option may be more cumbersome to ensure the employee has access only to their records when reviewed in electronic form, but it can be done with a little planning. For example, you can put all the records into a PDF format and let the employee view the records online at the designated viewing location.

RULES OF THUMB: EMPLOYEE RECORD RETENTION

To the extent this table conflicts with the "good rule of thumb," it is because the "good rule of thumb" accounts for the longest time a record must be maintained considering all sizes of employers and all applicable laws to the various category of records.

- One year after creation of the document or the hire/no hire decision, whichever is later: Hiring records, recruiting file, any requests for an accommodation; and EEO-1 forms.
- Three years: I-9s should be kept for three years after hire date or one year after termination, whichever is later. FMLA requests must be retained for three years post-termination.
- Four years: Payroll records (including basic employee data; time sheets and time cards; base and rate employee's wages are paid) and tax records.
- Five years: Files related to job-related illnesses; OSHA records. These records are likely contained in the medical records, or workers' compensation records. But, all records related to medical exams must be kept for 30 years.
- Six years: Benefits records, including summary plan descriptions, notices, and plan termination.
- Seven years: Personnel/employment files.
- Thirty years: Toxic substance exposure records, medical exam records.

In situations in which a lawsuit has been commenced, retain all records related to the matter until a resolution has been reached in the action or the action is terminated. If you are unsure if there is finality, check with the attorney handling the matter.

Amy Weber is an attorney with the Atlanta law firm Taylor English Duma LLP.

When the time post-termination has run and you are ready to destroy documents, be sure to create a destruction log and destroy records by shredding to ensure no confidential employee information is inadvertently released.

5. How Long Must I Retain the Records?

After an employee departs, how soon records can be destroyed depends on the record, the law that applies, and the number of employees. There are both federal and state laws related to record retention, and your employment attorney should be consulted when necessary. To be on the safe side, a good rule of thumb: two

✓ CHECKLIST:

Typical Personnel File Contents

Here are some suggestions on the types of subject folders and the information that should be contained within these folders:

- ✓ **Personnel/employment file.** The personnel/employment file should contain only items that are job-related, as explained earlier.
- ✓ **Recruiting/hiring records.** Recruiting information including college transcripts, exam scores, employee questionnaires, interview notes, employment test results, and hiring records, such as the hiring decision, employee's resume, application form, test results, reference check results, background records, and notes from the interview.
- ✓ **Medical records.** Medical records should contain, obviously, medical records, such as medical restrictions or limitations, accommodations, ADA administration, FMLA leaves, and other items pertaining to an employee's medical history. An employer is required by law to maintain these records separately and to limit access on a need-to-know basis.
- ✓ **Benefits.** Benefit records should contain enrollment forms and personal information collected for insurance and other coverages.
- ✓ **Payroll records.** Payroll records should contain payroll records like signed authorizations to make payroll deductions, ACH wage transmissions, child support and garnishment orders, and wage-and-hour records.
- ✓ **Tax records.** Tax records should contain signed W-9, W-4 and 1099s. While an employer is not required by law to maintain these records separately, keeping them separate from payroll records keeps them from being included in an audit by the Labor Department.
- ✓ **Investigation records.** In the event a situation occurs in which an investigation is warranted, keep a separate file so that unproved allegations, co-worker names, confidential interviews, statements and findings will not be generally accessible to all managers.
- ✓ **I-9 forms.** I-9 forms are required by law to be kept in a separate file and are subject to rules regarding retention and accessibility by governmental officials.
- ✓ **Workers' compensation records.** Workers' compensation records should compile all information regarding any claims made by the employee for workman's compensation. Again, to the extent these records include medical records, which they most always do, they are required by law to be kept separate from the general personnel file and for access to be limited.

years post-termination for hiring records; three years post-hire date for I-9 forms; six years post-termination for medical/benefits; and seven years post-termination for personnel files.

See "Rules of Thumb: Employee Record Retention" on Page 43 for a more detailed timetable regarding the estimation of how long certain records should be kept after the employee has left employment with the company.

6. What If There Is a Lawsuit Pending?

Should I let the employee or former employee review and copy the personnel file if there is a lawsuit pending? It depends. The first call after receiving the request should be to the attorney handling the case to make him/her aware of the request and discuss whether inspection will be permitted. Generally, the response of the attorney will be to allow the employee to view the records per the company's policies; i.e., inspection, review and copying as applicable. If the company policies do not allow for inspection and the law does not mandate it, tell the employee to have their attorney ask for a copy of the file through the formal procedures provided in the court case.

Finally, make a record (email or note to the file) documenting the request from the employee, documenting your agreement for inspection (or not depending on the advice of your attorney), and that you asked the employee and your attorneys to address the request within the scope of the pending lawsuit, too. If the employee is given copies of documents, make an exact copy for yourself and give these documents to your attorney, too. Your attorney will need to know what was provided. If the documents are only inspected by the employee, and no copy is provided, make a copy of all the documents inspected by the employee, and give the copy to your attorney.

Back to the Beginning...

You are in midlunch service and the server asks to have a copy of the personnel file. You respond by asking them to put the request in writing and to let you know what, specifically, the server wants to review. You then review the state law applicable to your restaurant and if it requires you give the employee access to his/her personnel file, you should determine when, where and which documents the employee is allowed to inspect pursuant to the applicable law.

Since employee information is divided into subject folders, you might have to pull several of their employee files from the various subject folders depending on what the employee is permitted to review. Further, you can generally ask for reimbursement of general copying charges, as appropriate. It is entirely appropriate to ask the employee the reason why he/she wishes to review the file.

Although the employee is not required to disclose their reason, and you can't withhold the information, it's appropriate to ask.

RS&G



Coming to Terms

Understanding the Concepts, Provisions and Terms of Your Lease Is a Key to Restaurant Profitability

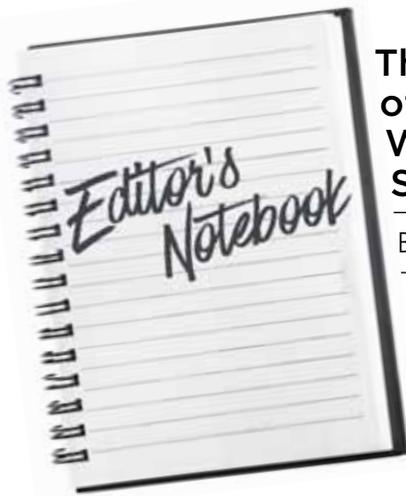
How do you know that you have the right lease for your restaurant? Unfortunately, this may be a hard question to answer since owners may not understand many of the details about the lease. Should this worry them? Maybe it should.

By Timothy J. O'Connor, CPA, MST, MPFP

The terms of a lease can make or break a new restaurant concept, yet many startup operators do not understand their implications and consequences. Location is one of the aspects of a new restaurant that cannot be easily changed, and once you sign the lease it is often difficult, if not impos-

sible, to negotiate better terms.

The more you know about restaurant leases going into this process, the better you can work with your professional advisers — including your accountant and attorney — in securing the best arrangement for your business.



The Advantage of Working With Restaurant-Savvy Advisers

By Barry Shuster

As a practicing business lawyer, I had the privilege of working with a restaurateur, for whom I reviewed and help negotiate several leases for his expanding business.

A commercial lease is a lease is a lease, right? Well, it wasn't until I began parsing the language of restaurant leases that I truly appreciated the details and nuances that can be overlooked if they are not read with a careful eye to the business.

If you have the opportunity to work with an attorney and accountant for whom your restaurant lease isn't their "first rodeo," that is preferable. In any event, you would be best served to read your lease as carefully as your attorney, and ask questions. When it comes to the future of your business, there are no dumb questions.

For example, lessees of strip mall space, which are common restaurant sites, might encounter language restricting the type of menu fare, so as not to compete with current tenants. This language sometimes has to be carefully crafted and negotiated.

For example, if the restrictions require that you may not serve "pizza," and one of your signature items is a pizzalike flatbread that is critical and relevant to your concept — even if it is nothing like the New York-style pizza being served three doors down, it still could be a point of contention if a co-tenant business wants to take issue with it after its owners believe you are drawing business at their expense.

Another example is a requirement that the business does not emit "noxious" odors. While you might overlook this provision, given most of us associate noxious odors with chemical plants and the like, the scent of your hamburgers grilling during the lunch shift might be raised as an issue by nearby clothing retailers. You don't want to have to install expensive scrubbing units that you did not anticipate in the buildout budget.

Leases can be complex legal documents that require significant review and negotiation, as addressed by the author in the main article. As a matter of due diligence and to protect the future of your business, don't leave this part of the opening process to the last minute.

Rule of Thumb

A good lease should cost no more than 5 percent to 8 percent of annual restaurant revenues. Most experienced operators understand this and aim to find a location that will work for their concept and stay within the projected budget.

Usually, the trouble with a lease begins when forecasted revenues for a site location are overly optimistic, or the operator does not have enough experience to understand that a lease will not work for a particular restaurant.

To demonstrate this idea, let me relate two very different scenarios. First, recently, I met with a group of restaurant owners. I was referred by the banker who had financed the restaurant a year earlier. He expressed his concern over the financial reports he had recently received. He became more concerned when he noticed recent overdrafts on the checking account.

Upon meeting with the owners at the restaurant, it became obvious that the lease was a problem. The annual rent expense represented nearly 22 percent of revenues. Though the owners were not inexperienced in the restaurant industry, this particular restaurant concept was new to them and they weren't advised by any of the professionals they hired that the lease was too expensive. The short-term outlook for their restaurant appeared rocky until the terms of the lease could be modified.

Shortly thereafter, I met with another restaurant group. The two owners had terrific success with an Italian food concept. They had recently been approached by a group of investors to open multiple locations and they were eager and excited about this opportunity. The investors had a great location, but the space was expansive.

After spending hours with the two owners running multiple scenarios, all of us agreed that the location was not right for them. It was too risky based upon the existing lease arrangement. At first, the investors were not happy and called to better understand the logic behind the decision. After reviewing all aspects of our forecast and the terms of the lease, the investors understood our position and agreed with the decision.

Fortunately, a few weeks later the owners found a great space located in the same neighborhood. Based upon the projections for the new location, the annual cost of this lease should be about 3 percent to 5 percent of revenues due to a better seating arrangement and better foot traffic.

Will the space work well for the restaurant and the projected growth in sales? Will the landlord allow you to sublease the space, if this option proves

necessary? If sales are stronger than expected will there be enough room within the building to accommodate an expansion? Can the kitchen be expanded? To avoid future confusion, these issues should be considered and addressed in the lease.

Concepts, Provisions and Terms to Know

Common area maintenance (CAM). CAM charges are considered additional rent and are usually billed separately from the base rent. CAM charges are additional fees charged to tenants for maintenance work performed on the common areas of the building/property and should be clearly defined in the lease and understood by all parties.

When there are multiple tenants in a building, each tenant will have to share the upkeep of the common areas. These costs will include heating, snow plowing, landscaping, air-conditioning and general maintenance to the building.

These costs can be significant and therefore careful attention should be paid to these items. CAM charges can be problematic from a cash flow perspective if you have a seasonal restaurant. You should negotiate payment of the CAM charges during months when cash flow is at its highest level.

Landlords are usually open to negotiating the payment terms for CAM charges. Oftentimes, they will allow the tenant to pay an estimate throughout the year and “settle up” once the year has been closed and all expenses have been accounted for by the landlord.

Gross lease versus a triple net lease. The restaurant operator as the tenant or lessee under a lease should understand the difference between a gross lease and a triple net lease.

A gross lease typically involves a commercial lease whereby the landlord is responsible for paying the property taxes, insurance costs, and repairs and maintenance of the building. The tenant pays a fixed monthly rent based on the terms and conditions of the agreement. This arrangement is a win for the lessee because they know what the rent figure will be for each month and they do not have to be concerned with additional charges from the landlord.

A triple net lease requires that the landlord track expenses for items such as real estate taxes, insurance, and common area repairs and maintenance. The proportionate share of these items is “passed on” to the tenant based upon the tenant’s occupied square footage compared with the total square footage of the building.

Most triple net leases will specify the items to be charged to the tenant. The lessee is provided with a breakdown on an annual basis of the total expenses for the year to verify the accuracy of the charges.

Under normal circumstances, a tenant would prefer a gross lease and a landlord would prefer a triple net lease. The customary arrangement is for a landlord to offer a triple net lease because the landlord is ensured that most, if not all, of the operating costs of the building will be paid by the tenants. Under a gross lease arrangement, the landlord bears the risk of an increase in the costs to maintain the building and therefore, most landlords do not offer this type of lease arrangement.

Percentage lease arrangement. Restaurant owners should be aware of a percentage rent provision that may be included within the lease. This clause allows the landlord to charge the tenant extra rent in the event the tenant reaches a break-point sales number. For example, the landlord may ask for an additional 5 percent in rent on all sales of more than \$1million collected by the lessee over a 12-month period.

This clause is quite common with commercial real estate such as shopping malls and multiunit buildings, which have a predominant number of retail businesses. Landlords that structure this type of lease start with a minimum base rent that will be paid by the tenant based upon a dollar amount per square foot of space to be occupied.

There are two types of “breakpoints” in a percentage lease arrangement. The first type is called an artificial breakpoint, which means that the tenant and the landlord decide on an arbitrary number at which the percentage rent clause will apply. The landlord and the tenant may, for example, decide that the percentage rent will start after the tenant reaches \$1.2 million in revenue within the year. Any sales over this amount will be subject to the percentage rent clause in the lease.

The other type of arrangement is known as the natural breakpoint, which is calculated by dividing the base rent by the established percentage. For example, if the base rent is \$60,000 and the percentage rent is 5 percent then the natural breakpoint would be calculated by dividing the \$60,000 by 5 percent, which would give a value of \$1.2 million. Any revenues collected over the \$1.2 million would be subject to the percentage rent.

Tenant improvements. The real estate definition of leasehold improvements, also known as tenant improvements, are the customized alterations a landlord makes to rental space as part of a lease agreement in order to configure the space for the needs of the tenant.

Oftentimes the tenant improvements can be negotiated with a landlord. Depending on the condition of the space, and current rental market, many landlords will work with a tenant to assist with the tenant improvements.

For example, a landlord may be willing to pay for a portion of the improvements if the landlord believes the restaurant will help bring more customers to the other tenants

within the building. Also, the restaurant may be a nice anchor tenant for the location, which will attract better tenants in the future.

For example, let's assume a franchisee of a national coffee chain would like to open a store in a strip mall. The landlord may be willing to negotiate a more favorable deal to the franchisee if it can be demonstrated that the increased traffic count and foot traffic will substantially benefit the other tenants.

This would be especially true if the landlord has a percentage rent clause with all tenants in the mall. The landlord may be willing to contribute more to the deal if vacancies exist in the mall. The landlord does not want the property to look vacant because it is unattractive to potential tenants and it weakens the landlord's negotiating power.

Renting new space versus used space. Many owners will choose to open a new restaurant in a location formerly occupied by a failed restaurant. This option is attractive because the landlord may offer rent concessions to fill an otherwise vacant space in the building. Also, the kitchen may be ready for use and the former owner may be willing to sell/provide the furniture and fixtures at a substantially reduced price.

This represents a huge benefit to someone starting out in the business with limited capital. However, caution should also be exercised. Many times the limitations and negative aspects of the location cannot be overcome.

There has to be something very special about a new restaurant concept for people to visit a location they know failed in the past. History has a way of repeating itself and great caution must be exercised before signing a lease for a location that could be doomed to fail from the start.

The other alternative is to build a restaurant on a new site. This can represent both a great opportunity and a great risk. The potential benefit is that the restaurant can be designed to the owners' needs and in a way that provides optimum conditions for success. However, this is also the most expensive option. Failure could be financially disastrous for the owners and investors.

Care has to be exercised and due diligence has to be considered with every aspect of the restaurant down to the tiniest of details. The biggest concern is always competition. Will the restaurant have what it takes to draw new customers away from other local, well-established restaurants?

Special clauses within the lease. An operator may also want to give consideration to specialty clauses in the lease if the restaurant boasts a special theme or has a specific concern. For example, the owner of an Irish pub may want to have a clause within the lease allowing them to have extended hours on St. Patrick's Day.

Other restaurants include clauses for parking, especially in urban settings where parking may be difficult. Many new restaurants have an entertainment theme. Special consideration should be given to the lease under these circumstances. A restaurant that has live music should carefully negotiate with the landlord to ensure noise levels are considered and neighbors are not disturbed. It will be important to discuss these types of issues with the landlord and address them within the lease to avoid a future conflict.

Summary of Best Practices

- If the restaurant is opening under a new location, be conservative with your projection of revenues and expense items.
- Engage professionals who specialize in the restaurant industry. It may cost more in the beginning but the cost savings will be substantial in the long run.
- Ensure you have read and understood the lease before signing it. Review the lease with your attorney and your accountant to make sure that the terms will work for your location.
- Develop a good relationship with the landlord. This will be beneficial when your lease renews. Also, a good relationship with the landlord will benefit you in the event you need to renegotiate the lease before the term expires.
- A bad lease can ruin a restaurant's opportunity for success.
- Do not rent more space than you need. It's better to have a line out the door with people waiting to enter your restaurant than to have a restaurant that looks empty. Perception is everything.
- Focus on projecting accurate annual revenue. Many operators overestimate the potential revenue because they are too confident in the potential success of a location.
- Do your best to find a location and negotiate a lease in which the annual rent will represent 5 percent to 8 percent of revenues.
- Be cautious in choosing a location where a prior restaurant failed.

A restaurant operator who follows these steps will have a far better understanding of their lease and be in a better position to determine that the lease and the location is right for their restaurant.

RS&G

Timothy J. O'Connor, CPA, MST, MPFP, is a partner in the Boston accounting firm Edelstein & Company LLP. His practice includes assisting clients with tax planning and reporting, complex business transactions, and evaluating business opportunities. He has particular expertise working closely with clients in the restaurant industry.

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Benefits to Your Independent Restaurant: Interesting vegetarian items are becoming an increasingly important component of menu appeal for many guests. This is great news for operators, as skilled chefs can meet this demand and lower food costs, as vegetarian items are generally much less expensive to offer than those that require proteins. To learn more, visit missionfoodservice.com.



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What is it? Ideal as a base for all white sauces and soups, Trio White Sauce and Cream-Style Soup Mix adds a subtle savory seasoning and a creamy texture to any dish. Created by chefs for chefs, this mix uses high-quality ingredients that are selected, sourced and handled with care to the highest standards of quality and food safety.

“White Sauce and Cream-Style Soup Mix is perfect as a component in speed-scratch cooking as well as cook and chill applications,” said Trio Marketing Manager Todd Muller. “The wide versatility of this mix makes it a great multifunctional ingredient in any busy operation.” Trio’s White Sauce and Cream-Style Soup Mix contains zero grams of trans fat and no added MSG. Low in fat and calories per serving, this mix is also lacto-vegetarian and contains 140 mg of sodium per serving. Operators can create tasty dishes customers love with no slurry required — just open, pour and stir. Easy to store with recloseable packaging, chefs have the ability to make White Sauce and Cream Style Soup Mix in small and large batches.

Benefits to Your Independent Restaurant: With recipes developed by world-class chefs, Trio’s White Sauce and Cream-Style Soup Mix is the foundation for dishes such as New England Lobster Bisque, Chicken and Mushrooms with Lemon Parsley Sauce, and Dill Sauce for Salmon. For more recipes and information, visit www.triotripleplay.com.

Hobart Advansys™ LXGe New Glasswasher

What is it? Hobart introduces the new glass washer, the first machine designed to clean and sanitize glassware in bars and restaurants. The new ENERGY STAR®-qualified washer produces cleaner glasses by eliminating chemical sanitizers, resulting in better-tasting drinks and an improved customer experience.

“As the trend in craft beers and handcrafted cocktails continues to grow, bars and restaurants are looking at the entire drink experience, and a cleaner glass is a key part of that,” said Carrie Sherman, product line manager. “The LXGe glass washer gives operators the ability to serve customers their best, in a glass that’s free from the negative effects that chemical residue can have on the taste, smell and appearance of beer, wine and cocktails.” The Advansys LXGe glass washer offers operators a choice in how to clean and sanitize their glassware with two models, and it boasts features to save significant costs in water, energy and labor:

- The LXGeR model uses high-temperature rinsing from a cold-water supply, eliminating the need for chemical sanitizers.
- The LXGePR model uses potable water to thoroughly rinse away chemical sanitizers and chemical smells from the final product.
- “Soft Start” feature helps prevent and reduce glass damage (available on both models).
- Auto-clean cycle saves time spent on manual cleaning (available on both models).
- Automatic alerts save troubleshooting time and makes machine maintenance easier.
- The LXGeR model uses 0.62 gallons of water per rack.
- The LXGePR model uses 1.14 gallons of water per rack.

Benefits to Your Independent Restaurant: With increasing labor costs in many markets, automating or making more efficient tasks such as ware washing is making more financial sense. This equipment also reduces use of chemical sanitizers and promises a reduction of breakage, which is costly for many concepts, particularly upscale. For more information about the new Advansys LXGe glass washer, visit www.hobartperfectglass.com.



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Preferred format for images is in a resolution of 266-300 dpi and converted from RGB to CMYK. Acceptable file format is .eps or .jpg. We cannot guarantee that your product will be featured in "New Products and Services." Useful information includes what makes the product or service unique, and how it might benefit a restaurateur in the start-up phase.

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In Search of the Silver Bullet

Great food and service are only the price of admission to be in the restaurant game. The quality of your hospitality is what separates you from the pack.

By Bill Marvin, 'The Restaurant Doctor'

This month's cover feature clearly shows how much detail can be involved in designing a hamburger that can make a restaurant great enough to stand out from the herd. The process is impressive, and you may be thinking that applying the same diligence to crafting every item on your menu would be the "silver bullet" that ensures your financial fortunes. It would certainly be a good start, but long-term success will take more than just that.

It's always a great time to open a great restaurant ... and it's always a terrible time to debut a lame eatery. Truth is, the world doesn't need one more place to eat. If all you're offering is a (hopefully) better version of what your competitors have on their menus, get in line and hope you can get your proportional piece of the pie.

OK, you already have good food and friendly service ... but those are simply the price of admission to the restaurant game. Every restaurant says they have good food and friendly service — those that don't aren't likely to stay in business — so that claim alone won't make you stand out in the marketplace.

Food and service are major elements of the guest experience and you must get them right, but there's another critical dimension that has been largely taken for granted: Hospitality. It always seemed ironic that the competitive element most responsible for success in the hospitality business — the real "silver bullet" — is also the piece most commonly absent ... hospitality itself.

You can be adequately fed and reasonably well-served in most foodservice establishments, but how often do you experience the warm feeling of heartfelt caring and personal connection that shows the staff is delighted you're there and your enjoyment really matters to them?

Most operators will say the word hospitality but then go on to talk about service, apparently thinking the two words mean essentially the same thing. In reality, they are quite different ... and understanding that difference

SERVICE IS ...	HOSPITALITY IS ...
<p>Procedural Service is the mechanical delivery of the product, a series of actions you can identify, plan out, organize, train and educate. It's serve from the left, clear from the right, don't spill wine on the table. It's about timing, temperature, and how to efficiently process credit cards.</p> <p>All these actions are important parts of the overall service sequence and you must execute them accurately and well.</p>	<p>Personal Hospitality is how the delivery of that service makes the guest FEEL. It is a human equation, a personal gift of caring. It's me taking care of you ... because it's YOU, not because you're one of 75 people coming through my station tonight.</p> <p>You don't serve 75 people anyway. You serve one person at a time in 75 different scenarios and it is the quality of those interactions — the level of hospitality you provide — that determines how successful you will ultimately be, both professionally and financially.</p>
<p>Monologue Service is one-sided. You can flawlessly deliver all elements of your service sequence without the guest needing to get involved in the process.</p>	<p>Dialogue Hospitality, on the other hand, must involve the diners. It is an exchange of energy at some level between the staff and the guests ... a dance of sorts.</p>
<p>Execution The measure of service is how efficiently the service staff performs the steps and functions of the service sequence.</p>	<p>Embracing The measure of hospitality is how guests FEEL about what you do for them; that "warm fuzzy feeling" that lets them know it actually matters to you they are there.</p>
<p>Systematic Service can (and should) be organized into a replicable series of steps so the staff and guests know what to expect at each point in the dining experience.</p>	<p>Organic By its personal nature, hospitality doesn't lend itself to structure. Comparatively speaking it is messy — an organic process that must be conceived (and only exists) in the moment. This is why chains can't deal with it that well ... and what makes it such a powerful force in the market for independent operators.</p>
<p>Doing Service is about what you DO.</p>	<p>Being Hospitality is about how you ARE.</p>
IN A NUTSHELL ...	
SERVICE is efficiently doing what is EXPECTED.	HOSPITALITY is spontaneously doing what is UNEXPECTED ... and uniquely personal to that guest in that moment.

From "How to Become the Restaurant of Choice" by Bill Marvin, Copyright© 2013 by Hospitality Masters Press, all rights reserved.

will help elevate your game in ways that will astound you, your guests, and your accountant.

The competitive edge belongs to those who understand and appreciate the distinction between service and hospitality. For now, just be aware that once you have your food act together, the silver bullet that draws your guests back has two separate aspects — what you do for them and how you do it. You must excel at both. **RS&G**

Bill Marvin, The Restaurant Doctor™, is an authority on how good restaurants can become great restaurants. He helps "independent operators create organizations that can prosper in tough times and bring out their workers' innate ability to deliver exceptional service." Bill may be contacted at Bill@restaurantdoctor.com.



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Shila, President and co-owner, also gives a lot of credit to **Restaurantowner.com** and **Restaurant Startup & Growth** magazine for providing down-to earth,

solid information that provides insights, articles and useful online access. She says “We knew we needed systems if we were ever going to be successful in this industry and didn’t want to start from scratch. That’s why we were thrilled to find the excellent resources from **Restaurantowner.com** and **RS&G** magazine.

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