INTRODUCTION

https://www.montyaccounting.co.uk/hospitality

You've seen *My Million Pound Menu* - great chefs, fantastic concepts, brilliant food...

and rubbish business plans.

From ridiculous sales figures to margins and costs that just don't add up. You hear the investors pull the plans apart and wonder to yourself "how the hell can these guys get it so wrong?"

Well, mainly, because it is hard.

But not that hard.

With a little bit of help, anyone with the drive to open their own venue can pull together a solid business plan.

So that is what we have set out to do in these guides.

About the author
I am a bit obsessed with restaurants. I got bitten by the bug when I joined the Gordon Ramsay finance team 8 years ago. After leaving GR, I went on to become Finance Director for an AIM listed restaurant group.

I now run Monty. We work with restaurants of all shapes and sizes, sorting out all their financial needs.

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"I don't need a plan, I'm not going on TV. And who cares about numbers, it's the concept that matters."

I have to agree. When it comes to restaurants / bars / coffee shops, a slick set of numbers is pretty far down the list when it comes to success factors:

- Staff
- Concept
- Food quality & execution
- Location
- Marketing in its many guises
- ......
- How clean the toilets are
- The little mints you get with your bill
- A slick set of numbers

BUT that massive list of success factors all have one thing in common. If this one thing is missing the whole house of cards comes tumbling down.

Cash.

Marketing is fun. Menu development is fun. Numbers are bloody boring. But you need to keep a proper eye on the money if you are going to open a restaurant.

And you are going to need A LOT of money.

Opening a restaurant is a great way to lose a boatload of money

Hospitality venues are cash hungry.

Before you even open the doors you need to pay for your stock, pay staff, pay rent, pay for your tills, pay for kitchen equipment, pay for the chairs, pay for loads of other stuff I've forgotten about, and pay a fortune to the builders for fitting out the place.

Every day you need to make sure you have fresh food (pay suppliers), you are properly staffed (pay employees), all your equipment is up to scratch (pay for repairs) etc etc.

I've seen owners give up on venues just as they were beginning to fly as they had run out of cash.

I know owners with fantastic venues who have gone bankrupt personally as they had thrown absolutely everything into their restaurants and hadn't controlled their costs.

So have a plan. Then get going.

It won't go exactly as you expect (nothing ever does) but you will get a better result if you have planned it all out.

INTRODUCTION

Six great reasons to do a business plan

Not sure you need a business plan, here are 6 reasons to work on one:

- You'll find out how much cash you are going to need.

- You'll be able to tweak your concept to get the cash right before you start spending money (i.e. you can plan to spend what you have and not start spending what you don't have).

- You'll spend less money if everything is planned out.

- It helps keep you focussed and motivated while you are looking for a site (which takes ages btw).

- You'll get a feel for how much work this is actually going to be and whether you want to risk it all by taking the plunge.

- Landlords and lenders will want to see a business plan.

Who these guides are for

If you currently manage restaurants and you want to open your own place, these guides will help you.

If you run a food truck and you want a permanent site, these guides will help you.

If you work in an office and you have a dream of selling churros and coffee to the masses, these guides will help you.

These guides are for anyone who is thinking about opening a venue, or has recently opened a venue. Or anyone else who can be bothered to read them.

We're not writing for restaurant experts or number geeks. If you can tie your shoelaces you should be fine with this stuff.

(And if you know anyone who would like to open a restaurant / coffee shop, these guides will help them - so make sure you tag them or share).

Fun topics that will be covered in our guides

1. What is a cash flow projection
2. Finding money to open your restaurant
3. Getting your site
4. HOW MUCH?! - site fit outs
5. Working out your overheads
6. Menu pricing
7. Estimating sales
8. Double checking your sales estimates (they'll be too high)
9. Estimating staff costs
10. Pulling it all together

I'll be posting a new guide every few days, with the first one on Thursday, so if you want to keep up to date with the guides, make sure to follow me or send a connection request.

If you can't wait a couple of days, head over to our website to see the next guide.

Keep up to date
Our next guide will be posted on LinkedIn in a few days so make sure you follow me or send me a connection request to keep up to date.

Can't wait a few days? Head over to our website, find our blogs and the next guide will be there

And if you know someone this will help - let them know!

Questions?
If you have any questions, stick it in the comments, DM Tim or head to our website to book in a call