Restaurant Business Plan



ABSTRACT

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ABC Industries

Street No, Block Name, City Name, Country Name  
Contact Details # 99999-0000000

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# Executive Summary

Start out with an overview of your entire business plan. Think of it as your introduction.

Make it interesting, to keep your readers attention. Here are some [tips for writing an executive](https://www.thebalance.com/how-to-write-the-executive-summary-for-a-business-plan-2951564) summary geared toward a restaurant business plan.

* You want to give the reader (a potential investor) the basics of your [business idea](https://www.thebalance.com/starting-a-business-finding-business-ideas-2947937). What is the style of your new restaurant, the name, the location?
* Explain why you are well suited for this restaurant venture. Do you have previous cooking experience in restaurants? If not, do you have any experience in the restaurant business? If the answer is no, then you need to sell them on the idea that despite your lack of experience, you are still the perfect person for this new restaurant business.

In today's highly competitive environment, it is becoming increasingly difficult to differentiate one fast food outlet from another. Singapore, a city state, is now becoming the model metropolis for Asia's new economic boom. With more than 11 million visitors yearly, mainly from neighboring countries (Malaysia, Indonesia, Thailand and the Philippines), Singapore's retail sector is the strongest in the region.

Our main priority is to establish one outlet in a crowded mall, preferably in one of prominent shopping malls in Singapore. Later, our effort will be a further development of more retail outlets in the surrounding area.

This plan is prepared to obtain a location for the initial launch of this concept. Additional financing will need to be secured for the two subsequent outlets, anticipated in month 13 and early in year three. The financing, in addition to the capital contributions from shareholders, will allow Fresin Fries to successfully open and expand through year two. The initial capital investment will allow Fresin Fries to provide its customers with a value-driven, entertaining experience through the creativity of its founders.

Fresin Fries will entice youngsters to bring their friends and family with our innovative environment, fresh-cut Belgian fries, and selection of unique signature dipping sauces.

Please note that all tables are in Singaporean Dollars (1 USD= S$1.60)

We recommend using LivePlan as the easiest way to create graphs for your own business plan.

# Objectives

* To establish a presence as a successful local fast food outlets and gain a market share in Singapore's fast food industry.
* To make Fresin Fries a destination spot for mall-goers.
* To expand into a number of outlets by year three, and sell the franchise to neighboring metropolitan cities, such as Jakarta, Kuala Lumpur, Bangkok and Manila.
* The primary objectives of the business plan for Restaurant are below:
* To be the premier home-style restaurant in western Fort Worth, Texas
* To provide quality meals at reasonable prices with exemplary service
* Achieve Cover ratios of 1.00X at each lunch and dinner serving
* To achieve Prime Cost Ratios lower than 65%

# Mission Statement

Our Mission is to provide a unique and relaxing dining experience – similar to dining at home. We will strive to achieve this goal by: 1) by providing menu items incorporating quality ingredients at reasonable prices, and 2) we will be mindful of the well being of our customers and staff– treating each and everyone with dignity and respect – just like we would at our own home!

# Guiding Principles

Being Mindful of our Customers and our Staff

Coinciding with our family values, we will treat both our customers and staff in a manner in which we ourselves would want to be treated (or better!).

# Gratitude

“An attitude of gratitude” shown to our customers, employees and vendors – because without their input, service, labor and time, our business would not be here without them!

# Our Service

Provide the warm and friendly service expected from a family-style restaurant creating an informal, comfortable environment which will make the customers satisfied and want to return again and again.

# Company Description

The company overview introduces information about the ownership and management structure, location, and business concept. Outline the vision for the customer's experience. Describe the brand. Identify the service style, design, layout, general theme, and unique aspects of the overall concept.

# Industry Analysis

The industry analysis section should describe the existing market in the specific location or area in which you plan to open the new restaurant. This section could cover things like the growth of the local economy and restaurant industry, infrastructure projects, nearby business and residential areas, and average traffic counts in the area.

# Keys to Success

To succeed in this business we must:

* Create a unique, innovative, entertaining menu that will differentiate us from the rest of the competition.
* Control costs at all times, in all areas and implement a conservative approach to growth policy. Although, we provide more than enough fund to open more than one outlet, we want to be on the safe side of the business.
* Sell the products that are of the highest quality, as well as keeping the customers happy with all of our product categories from food to store merchandising.
* Provide 100% satisfaction to our customers and maintaining the level of excellent services among other competitors.
* Encourage the two most important values in fast food business: brand and image, as these two ingredients are a couple of main drivers in marketing communications.
* Get access to high-traffic shopping malls near the target market.
* Promote good values of company culture and business philosophy.

# [Market Analysis](https://www.thebalance.com/how-to-write-the-market-analysis-section-2951562)

This part of restaurant business plan is sometimes referred to a marketing stategy. There are three parts to a market anaysis:

### Industry

Who are you going to be serving? Is your [restaurant going](https://www.thebalance.com/guide-to-restaurant-catering-2888386) to cater to the older folks at lunch time? Single professionals at dinner? Families with young children? Explain your customer base and why they are going to flock to your new restaurant, not your competitors.

### Competition

Who is your competition? Many people [opening a new restaurant](https://www.thebalance.com/before-you-open-a-restaurant-2888639)assume everyone will prefer their new establishment to the existing competition. Don’t undermine the other restaurants. They already have a loyal customer base, and luring customers from that base is not always easy. Find out as much as you can about your competition, including their [menu](https://www.thebalance.com/restaurant-menu-4073828), hours and [prices](https://www.thebalance.com/how-to-price-your-restaurant-menu-2888593). Then explain in a paragraph or two how you will compete with the already established businesses.

### Marketing

What methods do you plan to use to [promote your restaurant](https://www.thebalance.com/restaurant-promotions-2888564)? How are you going to target your core audience? Perhaps you will offer a kids eat free night, or free lunch delivery to local offices. What is going to set you apart from your competition? Give specifics on how you plan to [advertise](https://www.thebalance.com/advertising-on-a-budget-2888563)(newspaper, TV commercials.

### Target Market

Who is going to eat at your restaurant? What do they do for a living, how old are they, and what’s their average income? Once you’ve described them in detail, reiterate why your specific concept will be appealing to them.

### Market Overview

Address the micro and macro market conditions in your area. At a macro level, what are the local and regional economic conditions? If restaurants are doing poorly, explain why yours won’t; if restaurants are doing well, explain how you’ll be able to compete in an already booming restaurant climate. At a micro level, discuss who your direct competitors are. Talk about what restaurants share your target market and how you’ll differentiate yourself.

### Marketing & Publicity

The restaurant landscape is only getting more competitive. Discuss your pre- and post-opening marketing plan to show investors how you plan to gain traction leading up to opening day, as well as how you’ll keep the momentum going. If you’re going to retain a PR/marketing company, introduce them and explain why you’ve chosen them over other companies (including some of their best-known clients helps). If not, convey that you have a solid plan in place to generate attention on your own through social media, your website, and media connections.

# Branded Cover

Include your logo (even if it’s not finalized), the date, and your name.

# Concept

Describe your restaurant concept and get the reader excited about your idea. Go into detail about the food you’ll be serving, inspiration behind your concept, and an overview of service style. Define clearly what will be unique about your restaurant.

# Sample Menu

The menu is the most important touchpoint of any restaurant’s brand, so this should be more than just a simple list of items. Incorporate your logo and mock up a formatted menu design (tap a designer for help if needed).

Your sample menu should also include prices that are based on a detailed cost analysis. This will give investors a clear understanding of your targeted price point, provide the first building block to figuring out average check estimations needed to create financial projections, and show investors that you’ve done the homework needed to be confident that you’ll be able to sell these items at these prices and operate within your budget.

# Service

This section is most relevant for fine-dining concepts, concepts that have a unique service style, or if you have particularly strong feelings about what role service will play in your restaurant. It can be a powerful way of conveying your approach to hospitality to investors by explaining the details of the guest’s service experience.

Will your restaurant have counter service designed to get guests on their way as quickly as possible, or will it look more like theater, with captains putting plates in front of guests simultaneously? If an extensive wine program is an integral part of what you’re doing, will you have a sommelier? If you don’t feel that service is a noteworthy component of your operation, address it briefly in the concept section.

# Management Team

Write a brief overview of yourself and the team you have established so far. You want to demonstrate that the work experience you’ve acquired over the course of your career has provided you with the necessary skills to run a successful restaurant. Ideally, once you have described the strong suit of every member of your team, you’ll be presenting a full deck. Most independent restaurant investors are in this for more than just money, so giving some indication of what you value and who you are outside of work may also be helpful.

# Design

Incorporate some visuals. Create a mood board that shows images related to the design and feeling of your restaurant. Planning on cooking in a wood-burning oven? Include that. Photos of materials and snippets of other restaurants that you love that are similar to the brand you’re building are also helpful.

# Location

There should be a natural and very clear connection between the information you present in the “Target Market” section and this one. You probably won’t have a specific site identified at this point in the process, but you should talk about viable neighborhoods. Don’t assume that potential investors will be familiar with the areas you’re discussing and who works or lives there — make the connections clear. You want readers to be confident that your restaurant’s “ideal” diner intersects with the neighborhood(s) you’re proposing as often as possible.

If you don’t have a site, this is a good place to discuss what you’re looking for in terms of square footage, foot traffic, parking, freeway accessibility, and other important details.

# Specialists & Consultants

List any outside contractors you plan to retain, such as:

* Accountant
* Attorney
* Architect
* Designer
* General Contractor
* PR & Marketing

Briefly explain the services they’ll be providing for you, why you chose them, and any notable accomplishments.

# Financing

The financial analysis is often the final section of your restaurant business plan, and the meatiest. Investors expect to see a breakdown of how you plan to spend their investment in the first year. Include projected revenue, anticipated costs, projected profit and loss statement, and expected cash flow. You could even go as far as to create a break-even analysis, outlining how long it should take before you will break even on their investment.

Everything you lay out earlier in the plan is a prelude to this, and will mean nothing if this section doesn’t back up the claims of success you have made. Without a convincing financial forecast, you will lose a lot of faith from potential investors!

# Financial Projections

The following projections are based on past experience with downtown business in Timbuktu. The equipment and leasehold improvement figures come from estimates given to the management team by suppliers and contractors.

* Most Conservative Projection of $420,000/year in sales is based on approximately 245 customers per day (360 days/year) with an average guest check of $4.75 (available upon request).
* Middle Projection of $540,000/year in sales is based on approximately 315 people per day (360 days/year) with average guest check of $4.75 (available upon request).
* Most Optimistic Projection of $720,000/year in sales is based on approximately 420 customers per day (360 days/year) with an average guest check of $4.75 (available upon request).
* Inventory Purchases are based on 40% of sales, which is admittedly high—the goal is to reduce this area to around 33%.
* Labor Costs are based on prevailing wages for necessary employees, hours and duties based on similar operations. Current government tax rates and insurance quotes are the basis for the payroll taxes and benefit package.
* Growth in sales is figured at a 17% increase per year.

# Cost Control Focus

We will control costs at all times, without exception. Cost Control will be an integrated function of the restaurant from the onset. Cost control is about managing the numbers - interpreting and comparing the numbers that impact the bottom line. 80 percent of the success of a restaurant is determined before it opens. Our focus is to reduce the cost of goods sold to meet our profit margin goals by managing the following crucial elements of cost: Purchasing, Receiving, Storage, Issuing Inventory, Rough Preparation, Service Preparation, Portioning, Order Taking, Cash Receipts, Bank Deposits and Accounts Payable.

# Exit Strategy

The owners of Sarrica's Market will exit this endeavor after they have created a flourishing business that could be sold for a substantial profit and/or as a franchise that could serve rural communities across the country.  It is the owners' intention to run this business until they are ready to retire or have decided to sell the business and start another.

In the event the proposed plan is not successful the owners will implement necessary measures to exit the business endeavor with minimal damage to the owners and investors. All equipment and merchandise will be sold to cover any outstanding debts. Any remaining debt will be paid by the owners in the form of monthly payments untill all debts are paid in full. Definitions of "successful" and time limits for achieving milestones have been included in the owners' partnership agreement.