



Restaurant Business Plan

adapted from: *fastbusinessplans.com*

Do you dream of opening your own restaurant? Many people have had the same dream and have been able to make it real. Opening a restaurant is risky; however, if you plan ahead you may be able to reduce some of the initial risks. This is an example of Business Plan for a start-up American Restaurant.

Executive Summary

The Traditional Home-Style Restaurant ("THR") will be a moderately priced 86 seat restaurant offering family style food and service. Roasted chicken, pot roast, steaks and pork chops along with classic hamburgers, and generous salads are all on the menu. We will offer specialty selections including a lighter options and smaller portions for a children's menu. The restaurant will be family owned and operated by Jeff and Betty Wright. Together they have over 25 collective years experience in the restaurant and catering industry.

The Wrights will be leasing a 3,400 square foot space located at West Roads Shopping Center, an existing retail center located in Benbrook, a suburb in Fort Worth, Texas. The site was previously leased as an Italian Restaurant. Although the location was previously utilized as a restaurant, the previous owner removed the majority of the furniture, fixtures and equipment which will need to be replaced. The location will also require some additional renovation to increase table space in the dining area.

Sales projections assume 1700 customers per week resulting in weekly sales of just over \$19,777, or \$1,028,000 annually. This is considered moderately profitable and therefore a good investment. Total start up costs will be \$363,000, \$174,000 of which will be contributed by the owners and the remainder will be secured by a proposed bank loan.

Business Objectives

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
- 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 providing menu items incorporating quality ingredients at reasonable prices, and we will be mindful of the well being of our customers and staff.

Keys to Success

- Repeat business. Every customer who comes in once would like to return, and recommend us. Word-of-mouth marketing is a powerful ally.
- Have top chefs and offer training to keep them on top of their game, and pay top wages to ensure they stay with us.
- Location. Convenience is essential to us; we need to be close to our market.
- A variety of menu offerings with a "down home" theme, reasonably priced to establish credibility.

Important assumptions

- Meal Price range from \$ 8.00 - \$15.00
- Average lunch price: \$ 8.79
- Average dinner price: \$13.74
- The dining room will be comprised of 20 tables with a seating capacity of 86 seats and 40 available parking spaces to meet the needs of the customers.
- The restaurant will employ 19 employees
- Annual 3% increase for inflation and 5% annual increase in revenues

A) Decide if these sentences are true (T) or false (F)



T F

1. The THR is characterized by low prices and traditional food		
2. The owners of this new restaurant are 25 years old		
3. They are opening their restaurant in a new area of their town		
4. The total costs of the start-up will be covered by a bank loan		
5. The total capacity of the restaurant will be 20 seats		

B) Tick ✓ the information below that should be mentioned in a business plan.



1. Organizations	
2. Employees' names and age	
3. Concept	
4. Market analysis	
5. Local area traditions	
6. Financials	
7. Past Advertising campaigns	
8. Strategy	

C) Choose the correct option looking at the text

1. The expression **PRIME COST RATIOS** means:

- a. the quantitative relation between manufactured products costs
- b. the real value of manufactured products costs
- c. the qualitative relation between manufactured products costs
- d. the incidence of raw material costs on the total budget

2. The expression **WORD-OF-MOUTH MARKETING** means:

- a. oral or written recommendation
- b. written advertising
- c. marketing based on revealing a secret
- d. gossip

3. The expression **TO KEEP THEM ON THE TOP OF THEIR GAME** means:

- a. at their standard
- b. at their worst
- c. at their best
- d. at their place

D) Match the word in the text...

... to the correct synonymous



1. revenue	a. forecasts
2. loan	b. capital
3. projections	c. mortgage
4. inflation	d. income
5. investment	e. increase