

# Is Opening A Restaurant Right For You?

## Part 2: The Nitty Gritty

Moderator:

Alaina Capasso

RI Small Business Development Center

Presentation by:

Maggie Longo

RI SBDC Restaurant + Hospitality Business Counselor





## C'EST TA-COCO

A VEGETARIAN TACO +  
MACARON CAFE

WARM WOODS  
BRIGHT TILE  
CREATIVE IMAGES  
RUSTIC TOUCHES

FRESH INGREDIENTS  
ETHICALLY SOURCED  
TOP QUALITY  
ORGANIC WHEN  
ABLE

LIMITED SEATS  
ADD COCKTAILS  
2ND LOCATION  
- TOGO ONLY

CREATE  
PROJECTIONS  
BOOTSTRAP  
MY EQUITY  
LOOK FOR  
SOURCES

Pitch your  
concept –  
Share your vision!

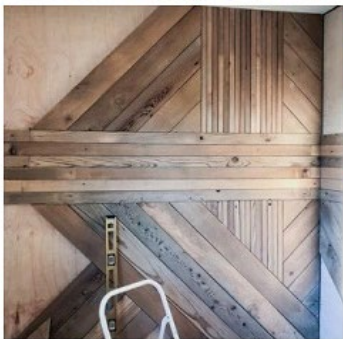
# Brand + Startup Brainstorm

Business name: *C'est Ta-CoCo*

Concept: *a vegetarian taco + macaroon café*

Date: *3 / 11 / 2022*

Mission Statement	Style - Full Service/Limited Service/Quick Serve	Value + Improvement - What is different about your concept vs competitors?	Customer - Who is your target?	Where - Location, Location, Location
<p>C'est Ta-CoCo, RI's only vegetarian taco and coconut macaroon café will create and nurture a warm, welcoming space, with good-for-you offerings – and just a touch of indulgence!</p>	<p>Quick-serve to start, with guests placing their orders at the counter. Guests can wait in the cool retail corner or sit in one of the lounge spaces and a team member will run the food out to the guest.</p>	<p>First and only combo bakery + taqueria</p> <p>Always natural ingredients – Organic when possible</p> <p>Sweet + Savory – Appeals to a larger group</p> <p>Warm, welcoming, inclusive – All are welcome</p> <p>Committed community partner – Available for fundraisers, initiatives, meetings at no care to the non-profit</p>	<p>Students – All day</p> <p>Downtown workers – lunch</p> <p>Afterwork meeting place</p> <p>Stay-at-home parents treat stop</p> <p>Remote workers “office”</p> <p>Take out on way home</p> <p>Late night munchies</p>	<p>High-traffic area with great walkability</p> <p>Near downtown, but not at the heart to avoid “5pm syndrome”</p> <p>New Innovation District?</p> <p>Funky establish corridors – Hope St/Wichenden/Ives</p>
<p>Startup Costs Considerations:</p> <p>Consider an existing space vs whitebox</p> <p>Is there an existing business for sale that I can make my own?</p> <p>Refine equipment list to “needs” instead of “wants”</p>		<p>Revenue Projections:</p> <p>Finalize menu for opening</p> <p>Wrap-up COGs calculators – determine average COGS</p> <p>PPA targets = \$8.50/pp daytime \$15/pp dinner \$22/pp late night</p> <p>Finish getting estimates for buildout/leasehold improvements</p>		



# C'EST TA-COCO

a vegetarian taco + macaroon cafe

## Our Tacos

- Grilled Seasonal Veggies - \$4
- Fried Cauliflower - \$5
- Jackfruit Carnitas - \$6
- Today's Heritage Bean - \$3.50
- Make Your Own - \$4/\$6/\$8
- Turn it into a bowl, add - \$1.5

## Our Macaroons

- Classic - \$2.50
- Classic + Chocolate Dipped - \$3.50
- Chocolate Chip - \$4.50
- Nutella! - \$5.50
- Kiwi, Mango & Passion Fruit - \$5.50
- Today's Special - \$4.50

## Our Hot + Cold Drinks

- Maine Root Sodas- \$3.50
- Mexican Coke - \$4
- Bottled Beer, check the wall - \$4.50
- Margarita - \$8.5
- Paloma - \$8.5
- Ranch Water - \$6
- Espresso- \$3
- Latte, your choice of milk - \$5.50
- Cappuccino, your choice of milk - \$4
- Mexican Hot Chocolate - \$6

# Next Steps – Startup Cost Calculations



Create equipment list – Menu drives need, be cautious with wants

Smallwares + China/Glass/Silver go hand-in-hand with the equipment list

Determine the scope – Is it just paint or do you need an architect and/or designer

Solicit bids for the buildout + equipment

Do your research – Make those calls!

Once you've started to gather your numbers, set up your calculator

C'est Ta-CoCo

## Restaurant Startup Costs

FUNDING	Estimated	Actual	Under/(Over)
<b>Investor Funding</b>			
Owner 1			
Owner 2			
Other			
<b>Total Investment</b>	-	-	-

Loans	Estimated	Actual	Under/(Over)
Bank Loan 1			
Bank Loan 2			
Non Bank Loan 1			
<b>Total Loans</b>	-	-	-

Other Funding	Estimated	Actual	Under/(Over)
Grant 1			
Other			
<b>Total Other Funding</b>	-	-	-

<b>Total FUNDING</b>	-	-	-
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COSTS	Estimated	Actual	Under/(Over)
<b>Fixed Costs</b>			
Advertising for Opening	1,500		
Basic Website Development	150		
Brand Development	1,500		
Lease Security Deposit	3,000		
Building Improvements/Remodeling	75,000		
Business Cards/Stationery	150		
Business Entity	1,000		
Business Licenses/Permits	1,500		
Commercial Cooking Equipment	90,000		
Compliance Permits (Health, Safety, etc)	1,000		
Computer Hardware/Software	1,000		
China/Glass/Silver	6,500		
Employee Uniforms	500		
Furniture/Lighting/Soft Goods	12,500		
Internet Setup Deposit	250		
Smallwares	3,000		
Lease Security Deposit	3,000		
Legal/Professional Fees - Including Architect	10,000		
Linens	200		
Menu Development	1,250		
Operating Cash (Working Capital)	25,000		
Point of Sale Hardware/Software	1,250		
Potential Market Surveys	-		
Prepaid Insurance	4,000		
Public Utilities Deposits	1,000		
Reserve for Contingencies	10,000		

Salaries for Employee Trainers/Trainees	5,000		
Security System Installation	750		
Signage	1,150		
Starting Inventory	7,500		
Starting Inventory - Paper + ToGo	2,200		
Telephone	100		
Other 1 - Exterior Landscaping	250		
Other 2 (specify)			
<b>Total Fixed Costs</b>	<b>271,200</b>	-	-

Average Monthly Costs	Estimated	Actual	Under/(Over)
Advertising (print, broadcast and Internet)			
Business Insurance			
Cleaning Services			
Employee Salaries and Commissions			
Equipment Lease Payments			
Inventory - COGS			
Franchise Fee			
Health Insurance			
Internet Connection			
Loan Interest & Principal			
Legal/Accounting Fees			
Merchant Account Fees			
Miscellaneous Expenses			
Mortgage Payments			
Lease Payment			
Owner Salary			
Payroll taxes or Self-employment tax			
Postage/Shipping Costs			
Security System Monthly Payment			
Supplies			
Telephone			
Travel			
Public Utilities			
Website Hosting/Maintenance			
Other 1 (specify)			
Other 2 (specify)			
<b>Total Average Monthly Costs</b>	-	-	-
<b>x Number of Months</b>			
<b>Total Monthly Costs</b>	-	-	-

<b>Total COSTS</b>	<b>271,200</b>	-	-
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<b>SURPLUS/(DEFICIT)</b>	<b>(271,200)</b>	-	-
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# Next Steps – Revenue Calculations



Whittle down your menu items to develop the opening menu



Think about your offerings + your targeted guest –  
What will an average order/check look like?



Create COGS worksheets for your opening menu items, including pour costs for any LBW



Do your research –  
Demographics/Foot Traffic/Competitors business volume



Determine your meal or service periods –  
Determines hours of operation



Once you've started to gather your numbers, set up your calculator

# Revenue Calculators – An Overview

Projected Revenue - Daytime		Sun - Thur #turns	Fri & Sat #turns				
# of Seats, including Bar seating	35	1	2				
Avg / Food	\$ 8.50	Assumed ppa, including NABev					
Avg/LBW	\$ -	Assume 50% of guests purchase LBW					
Revenue:				Weekly	Monthly (4 wks)	Yearly (52 wks)	
Food		\$ 1,487.50	\$ 1,190.00	\$ 2,677.50	\$ 10,710.00	\$ 139,230.00	
LBW		\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 1,487.50	\$ 1,190.00	\$ 2,677.50	\$ 10,710.00	\$ 139,230.00	
Cost of Goods:							
Food	32%			\$ 856.80	\$ 3,427.20	\$ 44,553.60	
Bar	20%			\$ -	\$ -	\$ -	
				\$ 856.80	\$ 3,427.20	\$ 44,553.60	32%
				\$ 1,820.70	\$ 7,282.80	\$ 94,676.40	68%

Projected Revenue - Dinner		Sun - Thur #turns	Fri & Sat #turns				
# of Seats, including Bar seating	35	1	2				
Avg / Food	\$ 10.00	Assumed ppa, including NABev					
Avg/LBW	\$ 5.00	Assume 50% of guests purchase LBW					
Revenue:				Weekly	Monthly (4 wks)	Yearly (52 wks)	
Food		\$ 1,750.00	\$ 1,400.00	\$ 3,150.00	\$ 12,600.00	\$ 163,800.00	
LBW		\$ 437.50	\$ 350.00	\$ 787.50	\$ 3,150.00	\$ 40,950.00	
		\$ 2,187.50	\$ 1,750.00	\$ 3,937.50	\$ 15,750.00	\$ 204,750.00	
Cost of Goods:							
Food	32%			\$ 1,008.00	\$ 4,032.00	\$ 52,416.00	
Bar	20%			\$ 157.50	\$ 630.00	\$ 8,190.00	
				\$ 1,165.50	\$ 4,662.00	\$ 60,606.00	30%
				\$ 2,772.00	\$ 11,088.00	\$ 144,144.00	70%

Projected Revenue - Late Night		Sun - Thur #turns	Fri & Sat #turns				
# of Seats, including Bar seating	35	1	2				
Avg / Food	\$ 15.00	Assumed ppa, including NABev					
Avg/LBW	\$ 8.00	Assume 50% of guests purchase LBW					
Revenue:				Weekly	Monthly (4 wks)	Yearly (52 wks)	
Food		\$ 2,625.00	\$ 2,100.00	\$ 4,725.00	\$ 18,900.00	\$ 245,700.00	
LBW		\$ 700.00	\$ 560.00	\$ 1,260.00	\$ 5,040.00	\$ 65,520.00	
		\$ 3,325.00	\$ 2,660.00	\$ 5,985.00	\$ 23,940.00	\$ 311,220.00	
Cost of Goods:							
Food	32%			\$ 1,512.00	\$ 6,048.00	\$ 78,624.00	
Bar	20%			\$ 252.00	\$ 1,008.00	\$ 13,104.00	
				\$ 1,764.00	\$ 7,056.00	\$ 91,728.00	29%
				\$ 4,221.00	\$ 16,884.00	\$ 219,492.00	71%

Projected Revenue - Total		Sun - Thur #turns	Fri & Sat #turns				
# of Seats, including Bar seating	35	1	2				
Revenue:				Weekly	Monthly (4 wks)	Yearly (52 wks)	
Food		\$ 5,862.50	\$ 4,690.00	\$ 10,552.50	\$ 42,210.00	\$ 548,730.00	
LBW		\$ 1,137.50	\$ 910.00	\$ 2,047.50	\$ 8,190.00	\$ 106,470.00	
		\$ 7,000.00	\$ 5,600.00	\$ 12,600.00	\$ 50,400.00	\$ 655,200.00	
Cost of Goods:							
Food	32%			\$ 3,376.80	\$ 13,507.20	\$ 175,593.60	
Bar	20%			\$ 409.50	\$ 1,638.00	\$ 21,294.00	
				\$ 3,786.30	\$ 15,145.20	\$ 196,887.60	30%
				\$ 8,813.70	\$ 35,254.80	\$ 458,312.40	70%



# Next Steps – Begin Financial Projections

Food Revenue

Food - Savory

Food - Sweet

Total Food Revenue

Alcoholic Beverages Revenue

Total Liquor Revenue

Total Beer Revenue

Wine Revenue

Total Alcoholic Beverages Revenue

Total N/A Beverages Revenue

Other Revenues

Total Income



Break out revenue by type/location/stream



Delivery – Is 3<sup>rd</sup> Party for you? What's the impact?



Projections vs Chart of Accounts Setup



Expenses are easier to track if there is more detail



Once you've started to gather your numbers, set up your calculator

# Category Considerations Specific to the Industry

Expense		Direct Operating Expenses	
Payroll expenses		Comp Food & Bev	
	Bartenders	Spillage/Waste	
	Servers	Supplies	
	Back of House	Front of House	
Total Payroll expenses		Back of House	
Employee Related		General Supplies	
	Payroll Taxes	Supplies - Other	
	Worker's Compensation	Total Supplies	
	Health Insurance	Music and Entertainment	
	Employee Staff Meals	Paper & Disposables Supplies	
Total Employee Related		Front of House	
		Back of House	
		Janitorial	
		Other	
		Total Paper & Disposables Supplies	
		Small Ware	
		Front of House	
		Back of House	
		Other	
		Total Small Ware	
		Cleaning Supplies	
		Cleaning Chemicals	
		Machine Chemicals	
		Cleaning Supplies - Other	
		Total Cleaning Supplies	
		Outside Cleaning Expense	

Outside Services	
Dues and Subscriptions	
Cash Over and Short	
Licenses and Permits	
Uniforms	
Linen Expense	
Filing Fees	
Certifications	
Equipment Rental	

# breathe

The word "breathe" is written in a large, bold, yellow font with a thick black outline. It is set against a background of stylized, overlapping wavy shapes in shades of green and blue, also with black outlines, creating a bubbly, aquatic effect.

Let's stop a minute  
and regroup....

Questions?  
Comments?  
Clarification?

# Coming Up...C'est Ta-CoCo's First Draft Projections!

How did you come up with that!?

First draft projections =  
Baseline to move forward

What's missing?

Defend the assumptions

Client Name:		C'est Ta-CoCo												The Rhode Island Small Business Department has prepared these financial projections from information communicated by the Client. We are not licensed by the state of Rhode Island to practice Public Accounting and can therefore give no opinion or assurance on the statements.			
FINANCIAL STATEMENT:		Pro Forma Income Statement															
Date Prepared		3/1/2022															
Year	1	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	TOTALS	2022	2023	
REVENUE		\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801	\$54,801
COST OF GOODS SOLD		\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408
GROSS PROFIT		\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393	\$38,393
<b>EXPENSES:</b>																	
Owner's Salary		\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Owner Payroll Taxes	15.30%	\$0	\$0	\$0	\$0	\$0	\$0	\$612	\$612	\$612	\$612	\$612	\$612	\$612	\$612	\$612	\$612
Salaried Employee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Salaried Payroll Taxes	15.35%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hourly Employee Wages	18.00%	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828	\$9,828
Hourly Payroll Taxes	15.35%	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509	\$1,509
Workers Comp	1.80%	\$177	\$177	\$177	\$177	\$177	\$177	\$177	\$177	\$177	\$177	\$177	\$177	\$177	\$177	\$177	\$177
Payroll process fees	8.00%	\$690	\$690	\$690	\$690	\$690	\$690	\$690	\$690	\$690	\$690	\$690	\$690	\$690	\$690	\$690	\$690
Outside Services		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies	2.00%	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082
Maintenance		\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Marketing	1.50%	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573	\$573
Office Expense	0.50%	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$273	\$273
Acid & Legal		\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210	\$210
Rent		\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Telephone		\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Utilities	3.00%	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638
Insurance		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Prepaid Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Credit Card Fees	3.0%	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638	\$1,638
3rd Party Delivery Fees	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES		\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877	\$21,877
NET PROFIT BEFORE TAX		\$18,316	\$18,316	\$18,316	\$18,316	\$18,316	\$18,316	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704
NET INCOME		\$18,316	\$18,316	\$18,316	\$18,316	\$18,316	\$18,316	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704	\$11,704
<b>PROFIT CENTERS</b>																	
Food + NABev Sales		\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728	\$45,728
LBW Sales		\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873	\$8,873
TOTAL		\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601	\$54,601
<b>COGS</b>																	
Food + NABev Sales	32.0%	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633	\$14,633
LBW Sales	20.0%	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775	\$1,775
TOTAL		\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408	\$16,408





The RI SBDC and the internet have great templates and resources as you start your projections

Download the example template in the chat!



# Questions?

Join us next week – Is Opening A Restaurant Right For You – Part 3: Next Steps & Q+A

Contact Us:

401-874-7232

<https://bit.ly/regRISBDC>

[maggie\\_longo@uri.edu](mailto:maggie_longo@uri.edu)

