

RESTAURANT INSIDER

"NEWS YOU CAN USE"



NEWSLETTER... 1ST QUARTER 2015



It's hard to look at the restaurant industry and not ask ourselves how the heck we got here. Yes, there's a lot that is still the same... hot food *hot*, cold food *cold*, fast, friendly, knowledgeable service, good value for products served, a clean facility – these things remain important and it seems they always will, but those aren't the only things the business is about these days. If we had to look at the biggest change in our industry over the last ten years we could sum it up in one word, *technology*. Technology has become a big part of the restaurant industry... there, we said it! Who could have ever seen that coming? Well, I guess we ALL should have. After all, it's everywhere... literally; there's no escaping technology in today's world, and certainly not in the business world.

Almost every restaurant in existence has a computer in the back office. Most have a computerized POS (Point of Sale), many use online ordering, either offering it for their customers to use, or using it themselves to purchase products from their vendors, and in some instances, both. Cutting edge



An absolutely one-of-a-kind Wild West destination! This amazing facility is known for cowboy style steaks and authentic barbecue (Arizona's largest smoker barbecue) presented in an Old West style atmosphere. A spacious 400 person occupancy outdoor venue for weddings, anniversaries, birthdays and any kind of celebration, or just hanging out and enjoying a spectacular sunset. This family friendly oriented business also features live music on the weekends and more ways to have fun with your customers while generating revenue, than you can even imagine. Saddle up! \$335,000. #1916



Outstanding **East Valley Wine Bar & Restaurant** with a Series 7 liquor license. This beautiful facility sits on an end cap, has excellent visibility, easy access, plenty of parking and a fabulous patio. The well-designed space includes a fully equipped kitchen with a large hood, walk-in cooler, prep kitchen and spacious dry storage. It is perfectly suited to showcase wines, craft beer and a bistro menu that are all about relaxed enjoyment with friends in a cozy comfortable environment. This is a perfect opportunity for a husband and wife team or partnership to enjoy the wine aficionado lifestyle. Only \$95,000. #1920

VERY COOL little **3-meal moneymaker** now available in the East Valley. Situated in a nice retail strip with easy access, excellent visibility and plenty of parking, this cute and cozy quick-serve location is a great place to hang out that features a bright and colorful interior and an excellent patio. Known for their made-from-scratch recipes and light fun fare, this is the perfect opportunity for a husband/wife team or chef/owner/operator. \$179,000. #1919



For over 20 years this neighborhood establishment has enjoyed the reputation of being the *best Italian Restaurant* in the area, if not the entire East Valley. Offering dinner only and hosting busy happy hours, they provide a phenomenal dining experience that incorporates the freshest ingredients with pastas that are homemade daily and paired with an extensive wine list that their loyal customers have come to appreciate. These dishes are presented by a professional staff that is well-trained in the art of wine selection and service. This is your chance to own an established brand with a long history of being a top dining destination. \$195,000 w/ TERMS AVAILABLE for qualified buyers. #1930

Continued inside

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RESTAURANT INSIDER



Technology Continued

restaurants utilize hand-held devices for their servers to place customer orders and some now even have tablets available to let their customers order for themselves. What's next? Well, we don't know just yet, but we do know one thing for sure, you, as a restaurant owner/operator need to embrace technology because it isn't going away, that's a fact! It will only become more integrated into your business in the years to come. You might not have signed up for this when you entered the restaurant business, but no matter, you're here now. For those old school industry veterans that think you have an option, perhaps The Grateful Dead said it best:

Sometimes the light's all shinin' on me;

Other times I can barely see.

Lately it occurs to me...

What a long, strange trip it's been!

Bottom line, you need to get with the program or you will not be able to compete. Look at your customers; what are they doing? If you are really interested enough to look and *see* what's going on around you, it isn't that hard to figure out. It's going on in your restaurant EVERY DAY... people sitting at the same table *not talking to each other*, but instead talking, texting, emailing or browsing on their smartphones. How are you interacting with them? If you don't have a website they can't find you. If it isn't a mobile website those on phones [as opposed to a computer] can't easily access it and will go to one that they can instead. If you aren't managing your Yelp reviews correctly customers that do find you won't like what they see. Do you have a Facebook page and if so, are you engaging your "likes" regularly? Are there pictures of your food available for customers to find on Instagram? What are you doing to position your business for success with today's customer? The days of relying on newspaper ads and radio commercials are over!

You may not like it, but that doesn't matter; this is now *the reality of the restaurant industry*. If you are not using technology to make your business operate more efficiently along with embracing it to communicate and interact with your customers, you are at a severe competitive disadvantage with those operators that do. Just as a few examples, a strong POS system coupled with food cost management software and an online ordering program can very conservatively save 1-2 percentage points off of your food cost. A scheduling program that restricts in/out times and manages employees coverage can do the same for labor cost. Effective use of social media can both increase revenue and reduce marketing costs in comparison to purchasing radio, television, newspaper and magazine advertising. In a thin margin business like the restaurant industry, the ability to increase profit margins by four or five percentage points is a *huge* difference, in fact, for some operators it is all the difference in the world... it's the difference between *making* and *losing* money every month. What could possibly be more important?

~ The Restaurant Brokers

Bacon lovers breathe easy: the hog shortage that sent prices to new highs is over!

In the futures market, U.S. hogs are trading at four-year lows as herds bounce back from a virus that has killed millions of pigs since the spring of 2013. The outbreak of porcine epidemic diarrhea virus, or PEDv, set off a rally that sent prices to record highs last year.

But new vaccines and herd immunity have slowed the spread of the virus. Now, market watchers are bracing for record production as hogs bred after the virus was brought under control reach slaughter weight.

The price slide is benefiting consumers, who are paying less for bacon, ham and other pork products. Investors are exiting bullish bets and increasing wagers that futures will fall further.

The hog market's ups and downs over the last year aren't unusual in commodities markets, where a historic rally can create the conditions for an equally dramatic plunge. For much of 2014, hog futures were one of the few bright spots amid a broad decline in commodities prices. But fat profit margins created an incentive for farmers to beat back the virus and ramp up production, quickly transforming a pork shortage into a surplus. Lean-hog futures are down 13% so far this year, on par with other hard-hit markets such as copper and wheat.

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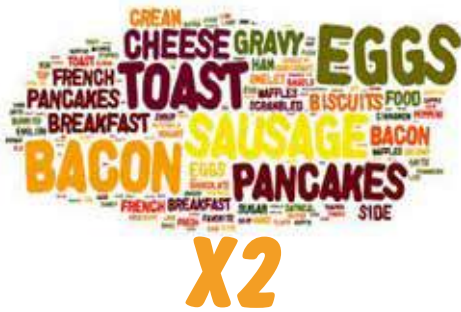


Beautiful **Asian cuisine restaurant** available at the heart of Litchfield Park! Located in the end-cap of a high-visibility strip center, this facility has all of the components already in place – fully equipped kitchen, bright, airy and spacious dining room, easy access and plenty of parking for the 37,000+ cars that drive right by it every day. Continue with the same menu or make an easy conversion to your concept. \$129,000. #1908

Absolutely gorgeous **chef-driven restaurant** available in a PRIME location! This opportunity is perfect for the operator that is serious about their food. It's just the right size to showcase a high-quality food and wine offering with 44 seats in the dining room, 10 at the bar and 20 on the patio, while incorporating an efficient and well-designed kitchen capable of delivering spectacular food, which it has been doing for its extremely loyal upscale clientele for the last several years. This is the REAL DEAL! Only \$195,000. #1926



Two (2) East Valley **Breakfast & Lunch** restaurants available. With one in Gilbert and the other in Mesa, these locations are perfectly situated to capture market share and benefit from strong branding and economies of scale while being in close enough proximity to be easily managed efficiently. \$1.4 million in annual revenue and over \$180K in profits provide a strong base with huge upside potential. Both locations have beautiful interiors, well-designed kitchens, patio seating and solid long-term leases. This is an excellent growth vehicle for the right operator. \$550,000. #1911



Beautiful **Sports Bar & Restaurant** in the East Valley with a Series 6 (bar) liquor license. Situated in a shopping center at a major intersection with 60,000+ cars per day driving by, this facility is gorgeous – fantastic finishes, quality furnishings, a magnificent A/V package and an excellent draft beer system with a huge walk-in cooler. Local demographics are excellent with a population of over 360,000 in a five-mile radius and two major highways located within blocks of this intersection. This is a fantastic business opportunity that's just looking for the RIGHT operator to take it to the next level. \$375,000. #1931

Quick-serve Pizza, Salad & Sandwich restaurant in downtown Phoenix. Occupying a high-visibility location in the most densely populated employment demographic to be found anywhere in AZ, this facility has all of the tools in place to deliver the great products and fast ticket time necessary to maximize revenue at peak periods in our bustling downtown. It features a fabulous patio, open-air dining room and awesome food assembly display area along with a full cook's line, double-deck pizza over AND two Middleby Marshall conveyer ovens – this place can really put the food out! Currently operated absentee, the potential for an owner/operator is off the charts. \$160,000. #1918



Newly renovated **East Valley** gem with a Series 6 (bar) liquor license now available. This facility has just received a MAJOR UPGRADE which includes a fabulous new interior, huge patio and display pizza kitchen with a magnificent wood-burning oven. The fully equipped kitchen and back-of-house facilities are over the top with the ability to cook any menu along with handling private parties and special events with ease. In addition, there is an adjoining 2,000 SF space with new plumbing and electrical already in place that is waiting to be branded with your new complementary concept. This is a BIG-TIME operation for a BIG-TIME operator! \$595,000. #1929

GOLF:

When your next shot has to carry over a water hazard, you can either hit one more club or two more balls.

QUOTE:

“If you're not serving the customer, your job is to be serving someone who is.” ~ Jan Carlzon

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By the numbers



16

the number of rows on an average ear of corn - it's always an even number.

~ *Of Food Great & Small*

2013

the year in which beer began to be considered alcohol in Russia; it didn't contain sufficient alcohol by volume to be taken seriously before then.

~ *Beer Facts*

60

the age of our fearless leader, Broker and Founder, Reuel "Ruly" Couch. That means you've spent more than half of your life buying and selling restaurants for our clients... AMAZING!!!

~ *The Restaurant Brokers*

23,500

the amount in dollars paid at auction for the most expensive fruit in the world, Japanese Yubari cantaloupe.

~ *BuzzFeed*

75

the number of hamburgers McDonald's sells every second, of every minute, of every day. Now that's crazy!

~ *Business Insider*

6,000

the year, B.C., of the first known soup recipe - it called for hippopotamus and sparrow meat.

~ *Ancient History*



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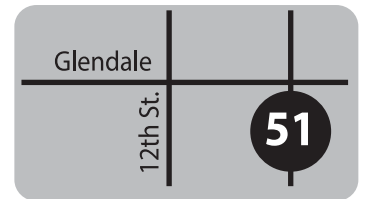


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Well-designed and fully equipped **BBQ Restaurant** with a Series 12 liquor license prominently featured on the end-cap of an excellent North Phoenix strip shopping center. This quick-serve style operation features beautiful décor, an efficient design, a huge hood and big comfy booths ready for the local clientele to relax, kick back and ENJOY! Only \$79,000. #1885 Seller is looking for the right buyer - MAKE AN OFFER!



Well-designed, extremely profitable quick-serve **Taco Shop** in Litchfield Park. This facility occupies a very prominent end-cap with excellent visibility and easy access in a high-traffic shopping center with over 50,000 cars per day traveling the cross-streets. At 1,800 SF it's the perfect size to service the current clientele, but it still has room for the business to grow without incurring additional expenses. Reasonable operating hours and strong cash flow make it a great choice for a husband and wife team. \$165,000. #1917