

# RESTAURANT INSIDER



"NEWS YOU CAN USE"

NEWSLETTER...SUMMER '08



## Great for Special Events

**RESTAURANT SPACE FOR LEASE** - A spectacular, freestanding restaurant located at the main entrance of the Arizona Grand Resort (I10 & Baseline Road in Phoenix) featuring beautifully landscaped grounds, a grand entry, two spacious dining rooms, a wonderful raised lounge area, two inviting patios and an outstanding kitchen. The Resort is seeking a talented operator with the ability to provide a perfect complement to the exceptional food and beverage offerings currently available onsite. \$16 PSF +NNN #1591



## Brand New Sports Bar

**STATE-OF-THE-ART #12 SPORTS RESTAURANT & BAR** - Beautiful décor package, awesome flat-screen video presentation, new furniture, fixtures and equipment throughout— wow! The business occupies a key location in its North Phoenix shopping center providing for outstanding signage, plenty of parking and easy access from the 51 freeway. This is an incredible value that will require a financially qualified and operationally experienced operator to take advantage of the opportunity. \$159,000 #1588



## Downtown Venue

**#6 BAR & RESTAURANT FOR LEASE** - Prime downtown entertainment venue and restaurant facilities with a Series #6 Liquor License. Located in and adjacent to: Light Rail, Transit Overlay District, Art Cultural & Small Business overlay. Excellent ingress/egress, ample adjacent parking and superb street exposure. Currently in "grey shell" condition however, owner will cooperate with a quality tenant to complete the space. All for lease starting at only \$15,000 per month. #1581

**NORTH SCOTTSDALE #6 BAR & RESTAURANT** - High-profile location with a Series 6 liquor license near the 101 and Shea Blvd. This spacious facility is fully-equipped with a well-designed kitchen, plenty of storage, easy access, plenty of parking and a nice outdoor patio. Past sales history attests to the great local demographics and high-volume potential at this location. This is a conversion only scenario that can provide an outstanding opportunity for the right operator. \$475,000 #1578

**#6 BAR OLD TOWN SCOTTSDALE** - #6 Bar with absolutely fantastic AAA+ location in Old Town Scottsdale. This bar/restaurant has a fully equipped and well designed kitchen, an awesome bar, two great patios, an unbelievable rooftop deck with great views and an extremely difficult to acquire Series 6 liquor license already in place. This highly confidential listing will be made available to financially qualified and experienced operators only. \$595,000 #1572

**PIZZA RESTAURANT** - Excellent sports-themed neighborhood Pizzeria with a #12 liquor license located in a Northwest Valley strip center with great visibility, easy access and plenty of parking. This business offers a very attractive combination of strong cash flow and extremely positive year-over-year revenue growth. There are detailed books and records available to verify every dime. This is a solid business that will provide a steady six-figure income for the right owner/operator. \$269,000 #1590

**FAST CASUAL RESTAURANT** - available in the Ocotillo area of the Southeast Valley. This facility is located in an excellent shopping center with great visibility, easy access and plenty of parking. Get in the mix with an exceptional lineup of operators that are all thriving in this prime location. A financially qualified and operationally experienced restaurateur is a must for this high profile opportunity. Offered as a conversion only, this sale does not include trade name. \$200,000 #1580

**NEIGHBORHOOD BAR & RESTAURANT** - Family-friendly sports bar and restaurant with a #12 liquor license in an active Southeast Valley shopping center with plenty of parking. This well-designed facility originally cost over \$450,000 to build. The business features a large open dining room, full bar, wraparound patio, fully-equipped kitchen, and a functional office with its own bathroom and shower. Current owners have small children and have been semi-absentee. They are selling to relocate out of state. This is an excellent opportunity for a hands-on owner/operator. \$265,000 #1575



With so much going on it's getting difficult to keep things in perspective. There is a lot of information coming at us on an everyday basis, and most of the news is bad... or at least it seems to be. There's no doubt that it's a very challenging business environment out there right now, but all the news is not negative, if you know how to interpret it.

First, if we take a historical look at some of these "bad times" over the years, we will see that tough economic conditions can cause a shift in the spending

habits of the public and savvy business operators have been known to benefit significantly. This is where we ask some of you if your "glass is half-full or half-empty," and the rest if you can see the glass at all?

This is not about being in denial of what's going on in the real world, but more about embracing it [to whatever degree you can], since there really isn't anything you, personally, can do about it anyway. That said, there are some things you can

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## RECENT SALES

**Gelato di Roma** at 14414 N. 100th B-130 in Scottsdale was purchased by Zagoury Enterprises, Inc. and converted into The Spoon.

**Diamond Plate** at 1820 S. 7th Street in Phoenix was leased by Azurite AZ Investments, LLC and being operated by Andrew Hernandez and Jonathan Stevens.

**Sparky's Sports Grill** at 1301 E. University, #114 -115 in Tempe was purchased by Sparky's Pizza & Pub, LLC and is being operated by Glen Irizarry.

**Mulligan's Brick Bar** at 7318 E. Stetson in Scottsdale was purchased by RELAAAX, LLC. No changes are planned at this time.

**Federico's** at 1730 W. Southern Ave in Mesa was leased by Sullivan's Seafood, Inc. and converted into the second location for Sullivan's Pier.

**Union Bar & Grill** at 3815 N. Brown Avenue in Scottsdale was purchased by The Mission Restaurant Group, LLC and converted into Mission Restaurant.

**Quizno's** at the Esplanade, 2425 E. Camelback Road in Phoenix was purchased by Semper Fi Holdings, LLC and is being operated by John Norris.

**Methode Bistro** at 6204 N. Scottsdale Road #106 in Scottsdale was purchased by Stephen Tamras and converted into Bistro Italia.

**US Hamburger & Hotdogs** at 1534 E. Ray Road #110 in Gilbert was purchased by Clagiospa, LLC and converted into La Calabria Ristorante and being operated by Giovanni and Clara Spataro.

**McDuffy's** at 15814 N. 83rd Avenue in Peoria was purchased by RT Restaurant Group, LLC. No changes are planned at this time.

**Primetime Sports Grill** at 20701 N. Scottsdale Road #101 in Scottsdale was purchased by Office Bar, LLC. No changes are planned at this time.

**Series 7 Liquor License** was purchased by La Perla, LLC for use at an undisclosed future location.

**Rosa's Mexican Grill** at 328 E. University Drive in Mesa was purchased by JKG, LLC and is being operated by Jim & Karma Gifford.

**Sports Den** at 3941 E. Chandler Blvd #101 in Chandler was purchased by Rison, Laine & Khan Holdings, LLC and being operated by Staci Ames.

## THE DIFFERENCE BETWEEN YOU AND ME IS...

*Continued from front page*

do to change **your** economics. Are high gas prices reducing the number of lunch visits from your regulars? It could be the right time to start offering the delivery service you've been contemplating. Is the unemployment rate going up? Since there are more potential workers available, maybe now is the time to upgrade your staff and provide your clientele with a better experience. Suffering from "sticker-shock" at the supermarket? Some modest price increases on your menu might not look so bad in comparison. These circumstances can work to your advantage if you have the ability to be innovative in your approach.

The fact is there are numerous businesses that are booming right now as a direct result of the downturn in the economy. Think I'm kidding? Try to buy a motor scooter and you will most likely be put on a waiting list. Revenue levels at many second-hand stores have doubled or tripled in the last six months. The high price of air travel has created huge upside impact for teleconferencing and videoconferencing companies. The loss of discretionary spending dollars for families has created the "staycation" craze and given the revenue that usually leaves town with vacationing families to local merchants. There are many more examples. The point is, as with so many things in life, when one door closes, another one opens. When it does, do you see it, and are you ready to capture the opportunity, or will you just do nothing and complain how bad things are?

As restaurant operators, the good news is that people will always need to eat. Where they spend their money on food might be discretionary, but not **if** they are going to spend it; they will. Being in the restaurant business right now is like the old joke about the two guys being chased by the bear... when one asked the other why he was putting on his sneakers as that would not help him outrun the bear, the reply was, "I don't have to outrun the bear." Same issue; you only have to be better than your direct competitors to operate a successful business. In these challenging times, finding a competitive advantage, and pressing that advantage to maintain, or better yet increase, your market share is key. If you can accomplish that, you'll do much better than just "riding the storm out." ~The Restaurant Brokers



A man walks into a bar and says, "Give me a beer before problems start!" Again, the man orders a beer again saying, "Give me a beer before problems start!" The bartender looks confused. This goes on for a while, and after the fifth beer the bartender is totally confused and asks the man, "When are you going to pay for these beers?" The man answers, "Ah, now the problems start!"

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# RESTAURANT INSIDER

## Frequently Asked QUESTIONS at TRB

### PEARLS OF WISDOM

~ Sullivision.com

### 7 Things to Remember About Your Business

**Q:** I am interested in buying a restaurant. What do I need to make the purchase?

**A:** While most potential buyers would assume that the answer to this question is money, the fact is that they would only be partially correct. In most instances the purchase of a restaurant will require that the existing lease be assigned, and therefore the buyer will need to be approved by the landlord. In order for that to occur, the buyer needs to have what we refer to as a "Landlord Package (resume, business plan and personal financial statement)" completed and ready for submittal. If you are truly serious about acquiring a restaurant, this information will be prepared and available even before making an offer to purchase. The package should then only require a few small adjustments specific to that particular location and be ready for presentation within 24 hours of signing a contract.

**Q:** I want to sell my restaurant. What can I do to help it sell quickly?

**A:** The most important thing you can do is provide your Broker with comprehensive, up-to-date and accurate information about your restaurant in an ongoing manner. While your business is listed for sale, think of your Broker as your business partner and forward a copy of any and all pertinent operational data for inclusion in your file. Things like the most current financial statements, changes to the monthly rent amount, modifications to the business trade hours, revisions to the menu, changes to key employees must be communicated. It is critical that your Broker know what's going on in your establishment so that they can represent your business in the best possible light to a potential buyer.

The restaurant business has always been challenging, but lately it's been tougher than a woodpecker's lips.

Rising prices, falling traffic and labor shortages all add up to an uncertain season for foodservice operators. Here are 7 bite-sized info-nuggets that can help you stay focused on the fundamentals and profitability, despite the cloudy horizon.

**1. The customer is not always right; however, they ARE always the customer** and it's alright for the customer to be wrong. Be advocates, not adversaries, for both your internal customers (employees) and external customers (guests). Don't fight, make it right.

**2. The back bar is not a display case for random inappropriateness.** It is more fun to eat in a bar than it is to drink in a restaurant. But it blows my mind when I visit a million dollar restaurant with incredible attention to detail in the kitchen, menu and dining room, then as I sit at the bar to eat or drink my experience is compromised. Why? Because my view is the back bar. I see dirty towels, the bartender's purse, a bank bag and dirty glasses. Fix this now. Remember, when it comes to a service experience, everything speaks.

**3. What you permit, you promote.** Be tough on standards, easy on people. But hold everyone accountable. Have minimal regulations, but enforce the ones you have. Why are some people on your team low performers? Because they're allowed to be.

**4. Make the food great, beverages cold and the service memorable.** Key word here is memorable. Good service can save a bad meal, but a great meal cannot save bad service. And good service makes a drink or meal taste better. Service is the invisible product. It's free. Pile it on!

**5. Don't let customers overhear the daily activities of running a restaurant.** Managers should never discuss cleanup duties with bussers or directions to servers or bartenders within earshot of their diners or bar patrons.

**6. Labor is not your most controllable cost, retention is.** Fact: Labor costs are rising quicker than food and beverage costs. Now, more than ever, is the time to take control and get serious about improving the team you have by hiring noticeably better people, pruning your deadwood and focusing on retaining high-performers.

**7. Everyone lives by selling something.** So teach your customer-facing servers to suggestively sell. A smiling, knowledgeable salesperson at the table or counter enhances the service experience and makes the guest happy. Happy customers buy more. Happy customers return again and again and again. ~Class dismissed



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**"When hiring, do you interview 27 people to find the right person?  
Or do you interview once and hire the same person 27 times? ~Len Harris, Harvard Professor**

# Numbers that COUNT

**1988**

The year Ronald Regan was President and prices were \$1.29 for a loaf of bread, \$2.30 for a gallon of milk and 89¢ for a dozen eggs

~ Flashback Economy

**17**

The number of degrees below zero required to freeze 80 proof vodka.

~ Keepitcold.com

**70,000**

The number of glasses of milk an average cow produces in her lifetime.

~ Talking Cow

**868**

The size, in pounds, of the world's largest bagel, made at Bruegger's in Syracuse, NY. It was 6 feet wide, 20 inches tall and blueberry flavored.

~ Guinness Book of Records

**15¢**

The cost of a hamburger at the original McDonald's when it opened in 1955

~ McDonald's Trivia

**17,331**

The approximate number of hits received over the last 30 days by the websites that host our listings. WOW, that's a lot of activity!

~The Restaurant Brokers

Layout & design courtesy of The Menu Designer. ([www.themenu designer.com](http://www.themenu designer.com))



## The Restaurant Brokers

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## Business Valuation Services



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