

# RESTAURANT INSIDER

"NEWS YOU CAN USE"

NEWSLETTER... WINTER '08



It's not just a matter of opinion anymore, it's a fact... our industry is changing, and so is the environment in which we operate. We're

bombarded with the evidence on a daily basis - increased costs, labor challenges, a weakening economy, and a host of other issues that you are all too familiar with already. There's so much "doom and gloom" coming at us that it's depressing to read the newspaper or turn on the television, and it seems like there's no end in sight for the bad news. Enough! Obviously there are more than enough obstacles out there to confront, but let's not let it overwhelm us; after all, we have a business to run, so let's get to it!

One of the keys to not letting the current circumstances get the better of us is to stay positive. We're not suggesting *denial* here, just a realization that there are issues to deal with and they are not going away anytime soon, so we might as well take an affirmative approach to addressing them. Operating your business in a constructive and encouraging manner makes the task easier and typically produces a greater result.

The next step in the process is to manage the business *comprehensively*. Gone are the days when we could supply good food, friendly service, and the rest would take care of itself. Don't get me wrong, these things are still critically important. In fact, they are probably more important now than they ever were; however, those things alone are not enough to ensure financial success. The accomplished owner/operator of today needs to wear many hats and be involved in virtually every aspect of the business.

Things like lease negotiations, POS systems, insurances costs, product purchasing, equipment choices, employee staffing and marketing strategies have enormous impact on your business and its ability to generate profits. The importance of providing proper direction and making correct decisions in these areas cannot be overlooked.

*Continued inside*

## Restaurant with Real Estate

Freestanding restaurant building and residential Real Estate on over 3/4 of an acre located at 3734 E. Thomas Road with access from both Thomas Road and 38th Street. Originally built as an IHOP, this facility was operated for over 40 years by the same family as a Mexican food restaurant. The facility is fully equipped and includes a Series #7 Liquor License. This excellent location already has C-2 zoning in place for both parcels, high-density demographics, easy access, great visibility, plenty of parking and is surrounded by numerous businesses and other successful restaurants. An outstanding investment and/or redevelopment opportunity for only \$1,150,000 # 1523



## North Scottsdale

- Spectacular upscale restaurant in a high-volume shopping center with great visibility, easy access and plenty of parking. This totally unique freestanding building has a dynamic entry, beautiful indoor/outdoor bar, two patios and a private dining room for up to 30 people. Large, well equipped kitchen with dual cooking line and plenty of room for additional catering volume. Available as a conversion only, this outstanding location would make a great steakhouse, high-end Italian or chef-driven restaurant. Now being offered at less than half of the original construction cost for only \$500,000 #1450

## 50's Style Diner

- Outstanding commercial Real Estate and business package offered in the East Valley. Nostalgic breakfast, lunch and dinner restaurant located at a Regional Mall near the Route 60 & 202 interchange with a strong client base and a ten-year history of profitability. Revenue for 2007 was in excess of \$1.1 million while generating strong cash flow with room for additional growth. There is a current appraisal on file for the land and building at \$1.82 million. This excellent opportunity is being offered to qualified buyers only at \$1,950,000. #1458



## The Ultimate Catering Spot

Unbelievable high volume catering production facility located in Scottsdale Airpark. No expense

was spared in the design and construction of this facility. Must be seen to be appreciated. Perfect space for a growing catering business or a new company looking to capture market share. Includes sales offices on premises. Space available at a fraction of the original build-out cost. Favorable leasing terms. \$250,000 # 1510



## CASH FLOW

Popular restaurant serving simple, yet high-quality, traditional Mexican dishes in a warm and cozy atmosphere with a reputation for great food and friendly service. An excellent staff is in place and all recipes are included with the sale. Annual revenue exceeds \$900,000 and profits are \$150,000. A unique opportunity to acquire a profitable business that continues to build their loyal clientele base. \$295,000 #1505

## #6 Bar in Old Town

- Situated in the heart of the Scottsdale Entertainment District, this hard to find opportunity won't last. With over 15 years of continuous operation, this high-profile, high-energy bar attracts a consistent clientele of casual 21 to 30 year olds. The possibilities are endless with over 2,000 sq. ft. of additional space upstairs available for immediate expansion. First right of refusal to purchase the real estate makes this a "can't miss" opportunity. \$625,000 #1469

Visit our website to view additional listings  
[www.therestaurantbrokers.com](http://www.therestaurantbrokers.com)

# RESTAURANT INSIDER

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## Be Great in 2008 Continued from front page

For example, if you are not involved, and knowledgeable, in something as basic as selecting the POS system, you will be dealing with the outcome for years to come. By choosing the right system for your particular business you will be investing in a tool that can help you to control shrinkage, utilize staffing resources effectively, track payroll, monitor revenue, order products and control costs. Order the wrong system and you can end up with an ineffective, difficult to use and expensive to maintain *nightmare* that can have far reaching consequences going beyond the items mentioned above to negatively impact staff morale and the customer experience. That's quite a discrepancy.

This was just one small example. The question is: Are you involved in all of the aspects of your business that you should be? When you are, do you make the right decisions? Do you understand the impact of those decisions on your business over the long term? You need to get more involved. Don't leave your fate in someone else's hands. These things are just too important to the future of your business to take that chance! ~ *The Restaurant Brokers*

## THE RESTAURANT BROKERS RECENT SALES

**Sugar Daddy's** (Business and Real Estate) at 3102 N Scottsdale Road in Scottsdale was purchased by Sugar Operations, LLC and is being operated by Eric Briggs.

**Famous Sam's** (Business and Real Estate) at 7134 E Thomas Road in Scottsdale was purchased by LCD Partnership, Inc. and converted into Max Sports Grill.

**La Mesa Pit BBQ** at 20 W Adams Street in Phoenix was purchased by the Thai Basil Restaurant Group and converted into Thai Elephant.

**Series 6 Liquor License** was purchased by A to Z Property Management, LLC for use at an undisclosed future location.

**Tullies Restaurant** at 1661 S Val Vista Road in Gilbert was purchased by The Field House, LLC and converted into The Field House Bar & Eatery.

**Chef's Hut Concession Kiosks** at both the Route 60 & Country Club and Alma School & Chandler locations were purchased by Jesus and Faith Rodriguez.

**Olive Tree Café** at 15125 N Hayden Road in Scottsdale was purchased by Catois, LLC and converted into Café Paris.

**Madi G's & Tanked Fish Sushi Room** at 4855 E Warner Road in Ahwatukee was purchased by Parker Ganem and is being operated by Shawn Perazzo.

**Ohana Hawaiian BBQ** at 865 N Gilbert Road in Gilbert was purchased by P & L International, Inc. and is being converted into Masa Sushi.

**Series 6 Liquor License** was purchased by Zima's Bar & Grill LLC for use at Jackie's Praying Mantis in Phoenix.

**Taco del Mar** at 13802 N Scottsdale Road in Scottsdale was purchased by Fresh Mint, LLC and is being converted into a Vietnamese Vegetarian Restaurant.

**Cook N' Jacks** at 7042 E Indian School Road in Scottsdale was purchased by Chef Eddie Matney and will be converted into Eddie's House Restaurant.



Catherine and Cheryl

**NEW FACES** - The Restaurant Brokers would like to introduce you to the newest members of the team. Catherine Ritthaler is our Transaction Administrator and Cheryl Spears is our Sales and Marketing Coordinator. They are both licensed agents with years of Real Estate experience and bring lots of additional talent into our office. We're very happy to have them on board and look forward to a happy and prosperous 2008 for us all!

## JOKE OF THE MONTH

A man tells another man in a bar that if you jump out the window at the exact right time, you will fly right back in again. The first man does, and it works. Then the second man does, and he falls out and dies. Then the bartender says, "You're a real jerk when you're drunk, Superman."

# RESTAURANT INSIDER

## Frequently Asked QUESTIONS at TRB

### Q. Where do our clients come from?

A. The Restaurant Brokers have been in existence since 1980 and in those twenty-eight years we have developed quite an arsenal of tools for communicating with clients on local, regional and national levels. On a local level we have been involved in over a thousand transactions through the years and have a database of more than 6,500 past and current clients. On a regional level we participate in the Arizona Business Brokers Association (AZBBA) where we work with over fifty other members to market the listings we have for sale at any one time. On a national level we are very heavily invested in internet marketing. Our clients receive paid advertising on more than thirty websites, plus we maintain our own site at [www.therestaurantbrokers.com](http://www.therestaurantbrokers.com). As over a thousand people continue moving to Arizona on a weekly basis, we get many inquiries from potential buyers that owned and operated a restaurant or bar in another state and are looking to do so again when they relocate here.

### Q. Why should I use the services of The Restaurant Brokers?

A. There are many reasons why we are the best choice when it comes to selling your restaurant, but first and foremost is that we specialize in buying and selling restaurants [and related businesses like bars, nightclubs and catering companies]. It's what we do. It's ALL we do! We understand exactly how the restaurant business works from every aspect. This means we have very effective systems in place for marketing a business that are most accommodating for the seller, while maintaining the strictest confidentiality. This knowledge also means that we have the ability to work very closely with buyers to position the sale of your business to achieve the best result.

## PEARLS OF WISDOM

~ Sullivision.com

### Five-Foot Rule

Follow the "five-foot rule." Offer assistance to or acknowledge any customer who is standing or passing within a five-foot radius of an employee.



### Invisible Customers

Market to your invisible customers. Distributor sales reps, delivery people, meter readers, postal workers, and vending-machine stockers are all potential customers, so be sure to treat those folks with courtesy and respect. Offer gift certificates or free appetizer coupons to encourage them to dine with you or patronize your take-out business. P.S. Those folks are also keen observers of how safely you handle your food behind the scenes, and they will talk about it.

### Don't Make'm Wait

Don't keep people waiting. Customers hate to be kept waiting in person, online, or on the phone and are being conditioned, in all spheres of life, to become ever more impatient. Acknowledge new customers you can't serve promptly with a smile or a quick verbal assurance that you'll be right with them. Use eye contact to buy time especially at the bar. Drop a cocktail napkin or coaster in front of the guest in recognition that you'll be right back. Pause for 30 seconds of silence at a training session with your service staff to give them a sense of how long 30 seconds feels to the waiting guest at a table, host stand, deli counter, or telephone.

### No Train, No Gain

Don't ever practice on the customer. Effective employee performance is your fiercest weapon and biggest competitive edge in the battle for the customer. No train, no gain.

Want to hear more? Go to: [www.therestaurantbrokers.com](http://www.therestaurantbrokers.com), click on "Newsletters" and open page 4.

*"I learned more from the one restaurant that didn't work than from all the ones that were successes." ~ Wolfgang Puck*

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### R·E·S·P·E·C·T

Respect the special moments of people's lives. If you wait tables, you are a steward of very special moments in customers' lives. Restaurants are the setting for key events, like engagements, divorces, birthdays, anniversaries, first dates, weddings, reconciliations, reunions, rejuvenation, or just plain nourishment. Respect the sacred trust you have to serve, and enhance those occasions through respect, courtesy, and service. It may be just another meal to you, but to the customer, it's always a special occasion.

### First Timers

If you could identify every first-time customer in your restaurant, you'd be a winner. It costs six times as much money to acquire a new customer than to keep the one you've already got. When you see someone in your restaurant, and you're not sure if they've visited before, don't say, "Have you ever been here before?" Because if they have you'll look, sound and feel a bit foolish. Instead, say, "You've been here before, haven't you?" That phrasing assures a positive response no matter how they answer. If they indicate this is their first visit, maybe buying them an appetizer or dessert is an appropriate how-do-you-do.

### Employees' Creed

Employees' Creed: For every dumb system you create that we don't like, we will create an equal and opposite system.

### Look at Me

Look at me/Smile at me/Talk to me/Thank me. I first heard those four steps of service from "Coach" Don Smith in 1987, and I'm here to tell you that if you want to boil down the basic behaviors of the Four Essentials of Service, there they are. Post 'em in your employee areas in your retail store, restaurant, supermarket deli, or hotel. Those four steps are appropriate service behavior whether you're a housekeeper or hostess.

### Fishbowl

A restaurant classic that works well. Place a fishbowl by your front door with a sign that says, "Please drop in your business card and/or e-mail address for a weekly drawing for a free lunch (or dinner) for two. Add your birthdate for a special gift." The drawing doesn't have to be random. Carefully review each card before choosing a winner, and ask yourself this question: "Which person here is most likely to bring me the most business?" When you spot the card from a decision-maker with a lot of employees within a short drive of your restaurant, declare a winner, and make that call! That free lunch pays for itself many times over. Now draw a truly random card and feel better about the process. Put all the names, businesses, and birthdays from the cards that didn't "win" into your database software for your seasonal, special occasion and email lists, and start collecting again for next week's winner.

*The*  
**Restaurant**  
**BROKERS**



# What's Your RESTAURANT Worth?

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## Numbers that COUNT

**22**

The number of pounds of tomatoes that the average American eats annually. Over half of which is consumed in the form of catsup and tomato sauce.

~US Department of Agriculture

**1/2**

The portion of world's population that live on a staple diet of mostly rice.

~Nutritional Management Services

**46,000**

The average number of glasses of milk produced by a cow in a year.

~US Department of Agriculture

**1%**

The percentage of food shipments that are tested for pesticides. In the United States, farmers use 1.5 billion pounds of pesticides that end up in about half of the food we eat.

~US Department of Agriculture

**4.9%**

The percentage of increase in overall food prices for the year 2007 according to the Consumer Price Index. Milk and cheese were the hardest hit with prices increasing 19% and 13% respectively.

~US Bureau of Labor Statistics

**\$13,696,091**

The total dollar value of the restaurant and related business sales brokered by The Restaurant Brokers in 2007.

~The Restaurant Brokers