

chapter 1

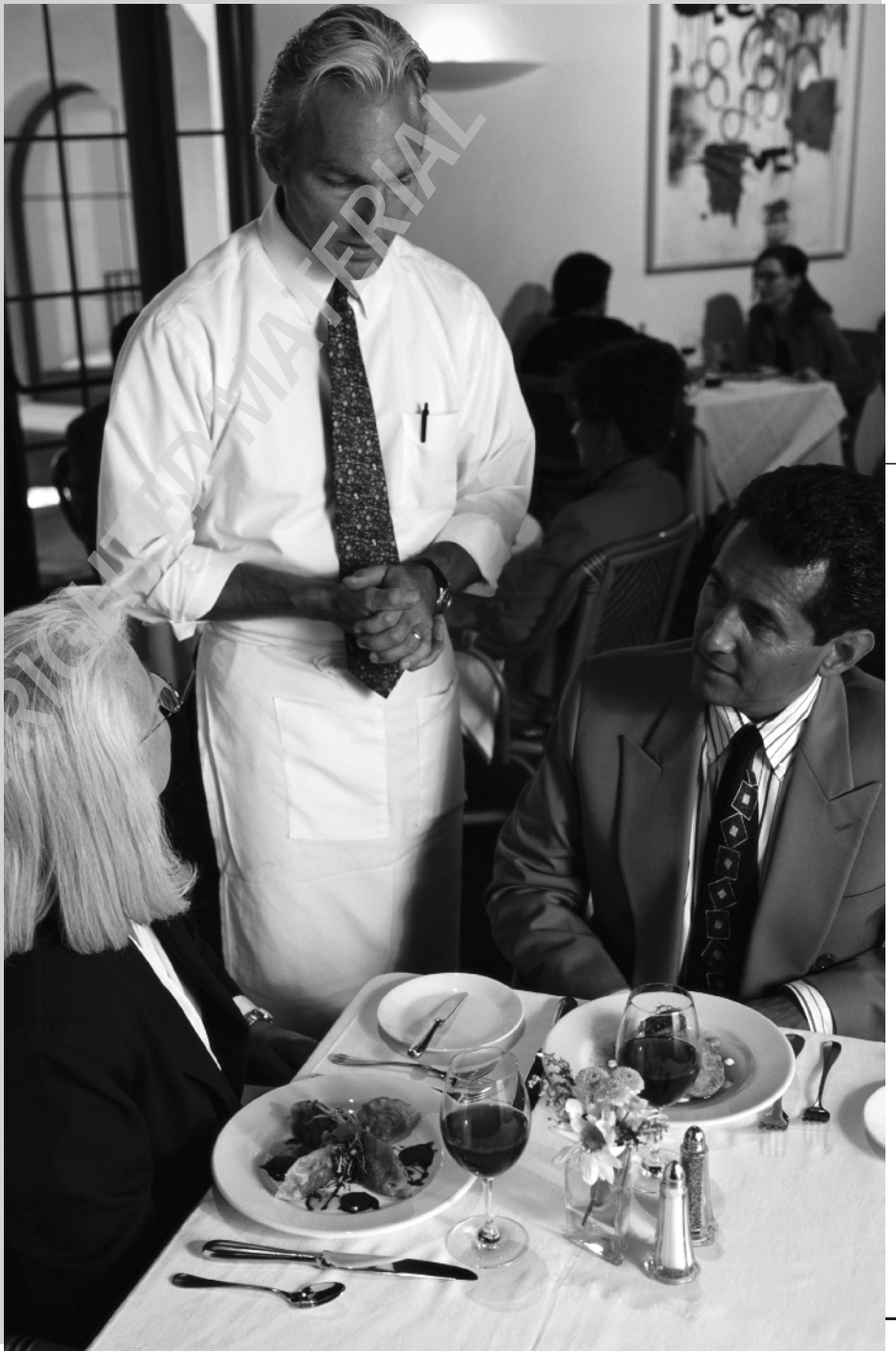
introduction

LEARNING OBJECTIVES

After reading and studying this chapter, you should be able to:

- Discuss reasons why some people open restaurants.
- List some challenges of restaurant operation.
- Outline the history of restaurants.
- Compare the advantages and disadvantages of buying, building, and franchising restaurants.

Courtesy of PhotoDisc/Getty Images



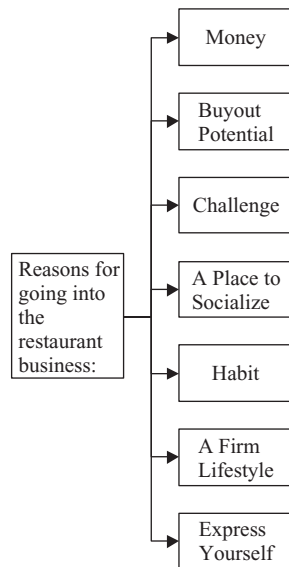


FIGURE 1-1: Reasons for going into the restaurant business

Restaurants play a significant role in our lifestyle, and dining out is a favorite social activity. Everyone needs to eat—so, to enjoy good food and perhaps wine in the company of friends and in pleasant surroundings is one of life's pleasures. Eating out has become a way of life for families. Today, more meals than ever are being eaten away from home.

The successful restaurant offers a high return on investment. One restaurant, then two, perhaps a small chain. Retire wealthy. To be a winner requires considerable experience, planning, financial support, and energy. Luck also plays a part. This book takes you from day one—that time when you dream of a restaurant—through the opening and into operation. What kind of restaurant? Quick-service, cafeteria, coffee shop, family, ethnic, casual, or luxury? Most restaurant dreamers—perhaps too many—think of being in the middle of a restaurant with lots of guests; skilled, motivated employees; and great social interaction, food, service, and profits. The kind of *restaurant concept* you select determines, to a large extent, the kind of talents required. Talent and temperament correlate with restaurant style. Managing a quick-service restaurant is quite different from being the proprietor of a luxury restaurant. The person who may do well with a Taco Bell franchise could be a failure in a personality-style restaurant. The range of restaurant styles is broad. Each choice makes its own demands and offers its own rewards to the operator.

This book shows the logical progression from dream to reality, from concept to finding a market gap to operating a restaurant. Along the way, it gives a comprehensive picture of the restaurant business.

Going into the restaurant business is not for the faint of heart. People contemplating opening a restaurant come from diverse backgrounds and bring with them a wealth of experience. However, there is no substitute for experience in the restaurant business—especially in the segment in which you are planning to operate.

So why go into the restaurant business? Here are some reasons others have done so, along with some of the liabilities involved. Figure 1-1 shows reasons for going into the restaurant business.



Chef-owner Bob Kinkead, of Kinkead's Restaurant, Washington, D.C.

Courtesy of Bob Kinkead

- **Money.** The restaurant is a potential money factory. Successful restaurants can be highly profitable. Few businesses can generate as much profit for a given investment. A restaurant with a million-dollar sales volume per year can generate \$150,000 to \$200,000 per year in profit before taxes. But a failing restaurant, one with a large investment and a large payroll, can lose thousands of dollars a month. Most restaurants are neither big winners nor big losers.
- **The potential for a buyout.** The successful restaurant owner is likely to be courted by a buyer. A number of large corporations have bought restaurants, especially small restaurant chains. The operator is often bought out for several million dollars, sometimes with the option of staying on as president of his or her own chain. The older independent owner can choose to sell out and retire.

- *A place to socialize.* The restaurant is a social exchange, satisfying the needs of people with a high need for socialization. Interaction is constant and varied. Personal relationships are a perpetual challenge. For many people there is too much social interplay, which can prove exhausting.
- *Love of a changing work environment.* A number of people go into the restaurant business simply because the work environment is always upbeat and constantly changing. A workday or shift is never the same as the last. One day you're a manager and the next day you could be bartending, hosting, or serving. Are you bored of sitting behind a desk day after day? Then come and join us in the constantly evolving restaurant world!
- *Challenge.* Few businesses offer more challenge to the competitive person. There is always a new way to serve, new decor, a new dish, someone new to train, and new ways of marketing, promoting, and merchandising.
- *Habit.* Once someone has learned a particular skill or way of life, habit takes over. Habit, the great conditioner of life, tends to lock the person into a lifestyle. The young person learns to cook, feels comfortable doing so, enjoys the restaurant experience, and remains in the restaurant business without seriously considering other options.
- *A fun lifestyle.* People who are especially fond of food and drink may feel that the restaurant is "where it is," free for the taking, or at least available at reduced cost. Some are thrilled with food, its preparation, and its service, and it can also be fun to be a continuous part of it.
- *Too much time on your hands.* A lot of people retire and decide to go into the business because they have too much time on their hands. Why a restaurant? Restaurants provide them with flexibility, social interaction, and fun!
- *Opportunity to express yourself.* Restaurant owners can be likened to theatrical producers. They write the script, cast the characters, devise the settings, and star in their own show. The show is acclaimed or fails according to the owner's talents and knowledge of the audience, the market at which the performance is aimed.

When restaurant owners were asked by the author and others what helped most "in getting where you are today," the emphasis on steady, hard work came out far ahead of any other factor. Next in line was "getting along with people." Then came the possession of a college degree. Close also was "being at the right place at the right time." Major concerns were low salaries, excessive stress, lack of room for advancement, and lack of long-term job security.

Opening and operating a restaurant takes dedication, high energy, ambition, persistence, and a few other ingredients discussed throughout this text. As Karl Karcher, founder of Carl's Jr., said, in America you can easily begin a restaurant as he did, on a cart outside Dodger Stadium selling hot dogs. Then there was Harlan Sanders, better known as Colonel Sanders, who lost his restaurant

(Sanders Case, known for its special graham cracker cream pie) when the highway moved and he was forced to sell his restaurant at auction to pay off his debts. He was 66 years old and down to a monthly \$105 in Social Security checks when he took to the road with his “secret blend of herbs and spices,” his home-style pressure cooker, an old car, and a lot of motivation and sales ability. Sleeping in the back of his car at night, he traveled from restaurant to restaurant promoting his chicken and eventually sold out for big bucks.

We all know about Ray Kroc, who, back in the 1950s, was selling soda fountains when one day he received a call from the McDonald brothers for two soda machines—everyone else ordered one—so he went out to California and met the brothers at the now-familiar “Golden Arches.” Ray was astounded not only at how busy they were and how clean the restaurant was but also by the simplicity of the operation. The brothers were content with one restaurant and had no plans to expand so Kroc, then 52, persuaded them to allow him to franchise their operation. Billions of hamburgers later, the reasons for success are quality, speed, cleanliness, service and value.

■ French culinary history

The first restaurant ever was called a “public dining room” and originated in France. Throughout history France has played a key role in the development of restaurants. The first restaurant ever that actually consisted of patrons sitting at a table and being served individual portions, which they selected from menus, was founded in 1782 by a man named Beauvilliers. It was called the Grand Taverne de Londres. However, this was not the beginning of the **restaurant concept**.

M. Boulanger is thought to be the father of the modern restaurant. He sold soups at his all-night tavern on the Rue Bailleul. He called these soups *restorantes* (restoratives), which is the origin of the word *restaurant*. Boulanger believed that soup was the cure to all sorts of illnesses. However, he was not content to let his culinary repertoire rest with only a soup kitchen. By law at the time, only hotels could serve “food” (soup did not fit into this category). In 1767, he challenged the *traiteurs*’ monopoly and created a soup that consisted of sheep’s feet in a white sauce. The *traiteurs* guild filed a law suit against Boulanger, and the case went before the French Parliament. Boulanger won the suit and soon opened his restaurant, Le Champ d’Oiseau.

In 1782, the Grand Tavern de Londres, a true restaurant, opened on the Rue de Richelieu; three years later, Aux Trois Frères Provençaux opened near the Palais-Royal. The French Revolution in 1794 literally caused heads to roll—so much so that the chefs to the former nobility suddenly had no work. Some stayed in France to open restaurants and some went to other parts of Europe; many crossed the Atlantic to America, especially to New Orleans.

■ birth of restaurants in America

The term *restaurant* came to the United States in 1794 via a French refugee from the guillotine, Jean-Baptiste Gilbert Paypalt. Paypalt set up what must have been the first French restaurant in this country, Julien's Restaurator, in Boston. There he served truffles, cheese fondues, and soups. The French influence on American cooking began early; both Washington and Jefferson were fond of French cuisine, and several French eating establishments were opened in Boston by Huguenots who fled France in the eighteenth century to escape religious persecution.

Delmonico's, located in New York City, is thought to be the first restaurant in America. Delmonico's opened its doors in 1827. This claim is disputed by others. The story of Delmonico's and its proprietors exemplifies much about family-operated restaurants in America. Few family restaurants last more than a generation. The Delmonico family was involved in nine restaurants from 1827 to 1923, spanning four generations. Delmonico's continued to prosper with new owners until the financial crash of 1987 forced it to close, and the magnificent old building sat boarded up for most of the 1990s. Delmonico's has since undergone renovations to restore the restaurant to its former brilliance. Restaurants bearing the Delmonico name once stood for what was best in the American French restaurant.

With most family restaurants, the name and the business fade into history. The last of the family-owned Delmonico restaurants, at 44th Street and Fifth Avenue in New York City, closed in humiliation and bankruptcy during the early years of Prohibition.

Prior to the American Revolution, places selling food, beverages, and a place to sleep were called ordinaries, taverns, or inns. Rum and beer flowed freely. A favorite drink, called flip, was made from rum, beer, beaten eggs, and spices. The bartender plunged a hot iron with a ball on the end into the drink. Flips were considered both food and a drink. If customers had one too many flips, the ordinaries provided a place to sleep, as mentioned.

■ challenges of restaurant operation

Long working hours are the norm in restaurants. Some people like this; others get burned out. Excessive fatigue can lead to general health problems and susceptibility to viral infections, such as colds and mononucleosis. Many restaurant operators have to work 70 hours or longer per week, too long for many people to operate effectively. Long hours mean a lack of quality time with family, particularly when children are young and of school age. Restaurant owners have little time for thinking—an activity required to make the enterprise grow.

In working for others, managers have little job security. A shift of owners, for example, can mean discharge. Although restaurant owners can work as

long as the restaurant is successful, they often put in so many hours that they begin to feel incarcerated. Family life can suffer. The divorce rate is high among restaurant managers for several reasons. Stress comes from both the long hours of work and the many variables presented by the restaurant, some beyond a manager's control.

One big challenge for owners is the possibility of losing their investment and that of other investors, who may be friends or relatives. Too often, a restaurant failure endangers a family's financial security because collateral, such as a home, is also lost. Potential restaurateurs must consider whether their personality, temperament, and abilities fit the restaurant business. A few years ago, a well-known and highly successful football coach described the perfect football player as "agile, mobile, and hostile." In the same vein, the perfect restaurant operator could be described as "affable, imperturbable, and indefatigable." In other words, he or she is someone who enjoys serving people, can handle frustration easily, and is tireless.

Lacking one or more of these traits, the would-be restaurant operator can consider a restaurant that opens on a limited schedule, say for lunch only, or five nights a week. Alternatively, an operator can be an investor only and find someone else to operate the restaurant. However, most restaurants with limited hours or days of operation have problems with financial success. Fixed costs force operators to maximize facility use.

Operating a restaurant demands lots of energy and stamina. Successful restaurant operators almost always are energetic, persevering, and able to withstand pressure. Recruiters for chain restaurants look for the ambitious, outgoing person with a record of hard work. The trainee normally works no fewer than 10 hours a day, five days a week. Weekends, holidays, and evenings are usually the busiest periods, with weekend sometimes accounting for 40 percent or more of sales. The restaurant business is no place for those who want weekends off.

Knowledge of food is highly desirable—a must in a dinner house, of less importance in fast food. Business skills, especially cost controls and marketing, are also necessities in all foodservice businesses. Plenty of skilled chefs have gone broke without them. A personality restaurant needs a personality; if the personality leaves, then the restaurant changes character.

Whatever the true rate of business failure, it is clear that starting a restaurant involves high risk, but risks must be taken in order to achieve success. Restaurants may require a year or two, or longer, to become profitable and need capital or credit to survive. A landmark study by Dr. H. G. Parsa found the actual failure rate of restaurants in Columbus, Ohio, was 59 percent for a three-year period. The highest failure rate was during the first year, when 26 percent of the restaurants failed. In the second year, 19 percent failed, and in the third year, the failure rate dropped to only 14 percent.

Dr. Parsa's study is valid because it used data from the health department in determining the restaurants opened; some studies obtain their data from other sources, including the Yellow Pages. Parsa adds that many restaurants

close not because they did not succeed financially, but because of personal reasons involving the owner or owners.¹ If a restaurant survives for three years, its chances of continued operation are high. This suggests that in buying a restaurant, you should choose one that is more than three years old.

One reason family-owned restaurants survive the start-up period is that children and members of the extended family can pitch in when needed and work at low cost. Presumably, also, there is less danger of theft by family members than from employees who are not well known. Chain restaurant owners reduce the risk of start-up by calling on experienced and trusted personnel from existing units in the chain. Even restaurants started by families or chains, however, cannot be certain of a sufficient and sustainable market for success. When a new restaurant opens in a given area, it must share the market with existing restaurants unless the population or the per-capita income of the area is increasing fast enough to support it.

Many restaurants fail because of family problems. Too many hours are spent in the restaurant, and so much energy is exerted that there is none left for a balanced family life. These factors often cause dissatisfaction for the spouse and, eventually, divorce. In states such as California, where being married means having communal property, the divorce settlement can divide the couple's assets. If a divorcing spouse has no interest in the restaurant but demands half of the assets, a judgment of the cost can force a sale of the operation.

When a husband and wife operate a restaurant as a team, both must enjoy the business and be highly motivated to make it successful. These traits should be determined before the final decision is made to finance and enter the business.

■ **buy, build, franchise, or manage?**

A person considering the restaurant business has several career and investment options:

- To manage a restaurant for someone else, either an individual or a chain
- To purchase a **franchise** and operate the franchise restaurant
- To buy an existing restaurant, operate it as is, or change its concept
- To build a new restaurant and operate it

In comparing the advantages and disadvantages of buying, building, franchising, and working as a professional manager, individuals should assess their own temperament, ambitions, and ability to cope with frustrations as well as the different risks and potential rewards. On one hand, buying a restaurant may satisfy an aesthetic personal desire. If the restaurant is a success, the rewards can be high. If it fails, the financial loss is also high, but usually not as high as it would have been if the investment were made in a new building. When buying an existing restaurant that has failed or is for sale for some other reason, the

purchaser has information that a builder lacks. The buyer may know that the previous style of restaurant was not successful in that location or that a certain menu or style of management was unsuccessful. Such information cuts risks somewhat. On the other hand, the buyer may find it difficult to overcome a poor reputation acquired by the previous operator over a period of time. There are no quick fixes in overcoming a poor reputation or a poor location, but clearly, knowledge of these circumstances decreases risk. Figure 1-2 illustrates the restaurant career and investment options.

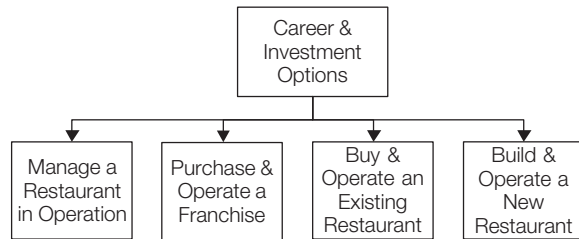


FIGURE 1-2: Restaurant career and investment options

Without experience, the would-be restaurateur who builds from scratch is taking a great risk. Million-dollar investments in restaurants are fairly common. Finding investors who are ready to join in does not reduce that risk.

A 100-seat restaurant, fully equipped, costs anywhere from \$6,000 to \$10,000 or more per seat, or \$600,000 to \$1 million. In addition, a site must be bought or leased. Examples can be given of inexperienced people who have gone into the business, built

a restaurant, and been successful from day one. Unfortunately, more examples can be given of those who have failed.

By contrast, a sandwich shop can usually be opened for less than \$30,000. As one entrepreneur put it, “All you really need is a refrigerator, a microwave oven, and a sharp knife.”

Franchising involves the least financial risk in that the restaurant format, including building design, menu, and marketing plans, already has been tested in the marketplace. Even so, franchises can and have failed.

The last option—being a professional manager working for an owner—involves the least financial risk. The psychological cost of failure, however, can be high.

Luckily, no one has to make all of the decisions in the abstract. Successful existing restaurants can be analyzed. Be a discriminating copycat.

Borrow the good points and practices; modify and improve them if possible. It is doubtful that any restaurant cannot be improved. Some of the most successful restaurants are surprisingly weak in certain areas. One of the best-known fast-food chains has mediocre coffee; another offers pie with a tough crust; yet another typically overcooks the vegetables. Still another highly successful chain could improve a number of its items by preparing them on the premises.

The restaurant business is a mixed bag of variables. The successful mix is the one that is better than the competition’s. Few restaurants handle all variables well. In all of France, only 18 to 20 restaurants are granted the Michelin three-star rating. In the United States, hundreds of restaurants do what they were conceived to do and do it well—serve a particular market, meeting that market’s needs at a price acceptable to that market. The advantages and disadvantages of the buy, build, franchise, or manage decision are shown in Figure 1-3.

	Original Investment Needed	Experience Needed	Potential Personal Stress	Psychological Cost of Failure	Financial Risk	Potential Reward
Buy	medium	high	high	high	high	high
Build	highest	high	high	highest	highest	high
Franchise (A) Ex. Subway	low to medium	low	medium	medium	medium	medium to high
Franchise (B) Ex. Applebee's	high	high	high	high	high	high
Manage	none	medium to high	medium	medium	none	medium

FIGURE 1-3: Buy, build, franchise, or manage — advantages and disadvantages



The Beach Bistro, Anna Maria Island, Sean Murphy's award-winning restaurant
Courtesy of Sean Murphy

The person planning a new dinner house should know that even huge companies like General Mills can make big mistakes. Once owner of two profitable dinner house chains, Olive Garden and Red Lobster, General Mills bombed with Chinese, steak, and health-food restaurants.

The small operator lacks the purchasing power of the chain, which can save as much as 10 percent on food costs through mass purchasing. The new operator is usually unsophisticated in forecasting. Compare this with Red Lobster's system, which provides the manager with the number of each menu item to be prepared the next day. Each night, the manager uses a computer file on sales records to forecast the next day's sales. Based on what was served on the same

day in the previous week and on the same day in the previous year, sales dollars for each menu item are forecast for the next day. Frozen items can be defrosted and pre-prepped items produced to meet the forecast. Wholesale purchasing and mass processing give the chain an additional advantage. The Red Lobster chain processes most of its shrimp in St. Petersburg, Florida. Their shrimp are peeled, deveined, cooked, quick-frozen, and packaged for shipping daily to Red Lobster restaurants. Swordfish and other fish are sent to several warehouses, where they are inspected and flown fresh to wherever they are needed.



City Zen Restaurant table view
Courtesy of City Zen

Quality control is critical; all managers should carry thermometers in their shirt pockets so they can check at any time that food is served at exactly the correct temperature. For example, clam chowder must be at least 150° F when served; coffee must be at least 170° F and salads at 40° F or lower. Swordfish is

grilled no more than four or five minutes on a side with the grill set at 450° F. A one-pound lobster is steamed for 10 minutes. In chains, illustrated diagrams tell cooks where to place a set number of parsley sprigs on the plate.

Individual operators can institute similar serving-temperature and cooking controls. They may be able to do a better job of plate presentation than chain unit managers can. Independent operators can develop a personal following and appeal to a niche market among customers who are bored with chain operators and menus. This puts individual owners at an advantage over chain competitors. Being on the job and having a distinct personality can really make the difference.

The restaurant business has both the element of production (food preparation) and of delivery (takeout). Food is a unique product because in order to experience the exact taste again, the customer must return to the same restaurant. The atmosphere is important to the patrons. Some would argue that restaurants are in the business of providing memorable experiences. Successful restaurateurs are generally streetwise, savvy individuals, as evidenced in *The Life of the Restaurateur*, attributed to a consummate restaurateur, Dominique Chapeau, of the Chauntaclair Restaurant, Victoria, British Columbia:

It's a wonderful life, if you can take it. A restaurateur must be a diplomat, a democrat, an autocrat, an acrobat, and a doormat. He must have the facility to entertain presidents, princes of industry, pickpockets, gamblers, bookmakers, pirates, philanthropists, popsies, and panderes. He must be on both sides of the "political fence" and be able to jump the fence. . . . He should be or should have been a footballer, golfer, bowler, and a linguist as well as have a good knowledge of any other sport involving dice, cards, horse racing, and pool. This is also useful, as he has sometimes to settle arguments and squabbles. He must be a qualified boxer, wrestler, weight lifter, sprinter, and peacemaker.

He must always look immaculate—when drinking with ladies and gentlemen, as well as bankers, swank people, actors, commercial travelers, and company representatives, even though he has just made peace between any two, four, six, or more of the aforementioned patrons. To be successful, he must keep the bar full, the house full, the stateroom full, the wine cellar full, the customers full, yet not get full himself. He must have staff who are clean, honest, quick workers, quick thinkers, nondrinkers, mathematicians, technicians, and who at all times must be on the boss's side, the customer's side, and must stay on the outside of the bar.

In summary, he must be outside, inside, offside, glorified, sanctified, crucified, stupidified, cross-eyed, and if he's not the strong, silent type, there's always suicide!²

■ starting from scratch

Occasionally a faculty colleague from another discipline (usually arts and science) says that he or she is thinking of opening up a restaurant and do I have any advice. My reply is: "Let me bring a few of my friends over to your house

for dinner for the next month, and then after that we'll talk about it." So far, no takers. Joking apart, doing all it takes to prepare 100 meals or more night in and night out is very different from having a few friends over for dinner because, for one thing, there are multiple choices on the menu.

Would-be restaurant operators may have already worked in their family's restaurant, perhaps starting at an early age. Hundreds of thousands of aspiring restaurant operators have tasted the restaurant business as employees of quick-service restaurants. For others, their first food business experience was in one of the 740 cooking school programs offered in vocational school or community college programs or at cooking institutes. Yet the industry still does not have nearly enough employees, and turnover rate is high. The tens of thousands of young people who work in restaurants know that, but also welcome the experience and enjoy working with other young people who never consider the job as a career. One message comes through loud and clear: The restaurant business is highly competitive and requires inordinate energy, the ability to work long hours, and the willingness to accept a low salary. According to the National Restaurant Association, the restaurant industry is expected to add 1.9 million jobs by 2016, for total employment of 14.4 million in 2016.³

The cost of attending culinary training programs varies from none, at the many public high school programs offered around the country, to the \$27,750 charged by New York City's French Culinary Institute for a six-month course (this includes uniforms, tools, and books). The Culinary Institute of America offers a two-year associate degree program at \$8,470 for freshman/sophomore and \$6,090 for junior/senior years; uniforms, tools, and books are extra. A number of strong apprenticeship programs are offered by the American Culinary Federation and local community colleges, as well as by area chefs in restaurants, hotels, and clubs.

Following the European tradition, students who wish to become known as master chefs often seek jobs at the name restaurants in big cities, such as New York, Atlanta, Baltimore, Chicago, Orlando, Las Vegas, Houston, New Orleans, San Francisco, and Los Angeles. Many go abroad for the same reason, building their skills and rounding out personal resumes.

■ restaurants as roads to riches

Probably the biggest reason thousands of people seek restaurant ownership is the possible financial rewards. With relatively few financial assets, it is possible to buy or lease a restaurant or to purchase a franchise. Names like Ray Kroc of McDonald's, Colonel Sanders of KFC chicken, and Dave Thomas of Wendy's exemplify the potential success one can experience in the restaurant business.

Dozens of McDonald's franchise holders are multimillionaires, yet some McDonald's restaurants fail. Some owners and franchisees of KFC stores are also wealthy. A surprise billionaire is Tom Monaghan, the Domino Pizza

entrepreneur. Hundreds of lesser-known people are also making it big, some by building or buying restaurants, others by becoming franchisees.

Here are some of the things this book will help you with:

- *Ownership.* Sole proprietorship, partnership, company or franchise.
- *Development of a business plan.* A good business plan may take a while to develop, but you're not going to obtain financing without one.
- *Marketing/Sales.* You need to know who your guests will be and how many there are of them.
- *Location.* Will your location be freestanding, in a mall or a city center, suburban, or something else?
- *Who is on your team?.* Your chef and staff, lawyer, accountant, insurance, sales, marketing and public relations.
- *Design/Ambiance.* What design/ ambience will you select?
- *Menu.* What will your menu feature? How many appetizers, entrées, and desserts will you offer?
- *Beverages.* Who will develop your beverage menu, and what will be on it?
- *Legal.* What permits do you need?
- *Budgets.* What will your budget look like?
- *Control.* What kind of control system will you have, and how will it work?
- *Service.* What style of service will you select and how will it operate?
- *Management.* How will your restaurant operate?

■ summary

Earlier we mentioned some of the things this book will help you with. The purpose of this book is to take the would-be restaurateur through the steps necessary to open a successful restaurant. Sitting in a busy restaurant can be a fascinating experience. Food servers move deftly up and down aisles and around booths; guests are greeted and seated, orders are placed and picked up, the cashier handles a steady stream of people paying their bills and leaving. The flow of customers, the warm colors, and the lighting create a feeling of comfort and style.

Food servers are usually young, enthusiastic, and happy; the broiler cooks tend to their grilling and sandwich making with a fierce concentration. Food orders are slipped onto a revolving spindle to be taken in succession or pop up on the electronic printer in the kitchen; the orders are prepared, plated, and placed on the pickup counter. A silent buzzer informs the food server that an order is ready. The entire operation could be likened to a basketball team in action, a ballet of movement.

Among the players, the restaurant personnel, the emotional level is high. This ensures that each player performs his or her assigned role, one player's actions meshing with those of the other players. The observer may perceive an elaborate choreography paced to the desires of the customer; the restaurant is

orchestrated and led by a conductor, the floor manager. How intricate, how simple, how exciting, how pleasurable—perhaps.

When the characters are in their places, know their assigned roles, and perform with enthusiasm, the restaurant operates smoothly and efficiently. To keep it that way means attention to detail and to the product, its preparation, its service; the personnel, their training and morale; cooking equipment, its maintenance and proper use; cleanliness of people, the place—and don't forget the toilets. A hundred things can go wrong, any one of which can break the spell of a satisfying restaurant experience for the guest. Most responsible positions require that the jobholder control a number of variables. Many jobs require precise timing and deadlines, but few are conducted in settings that, as in a restaurant operation, feature one deadline followed by another, on and on, around the clock, every day of the week. Few jobs have the degree of staff turnover found in a restaurant. Few jobs require the attention to detail, the constant training of staff, the action, the movement, the reaction to and the attempt to satisfy the multitude of personalities appearing as customers and staff, day after day, week after week, year after year. The variables that must be controlled to ensure a smoothly operating restaurant can be overwhelming; the restaurant can, indeed, become a multivariate nightmare. Good luck on your way to becoming a small-town or, perhaps, a large-town, dignitary!

key terms and concepts

Franchise
Quality control
Restaurant concept

review questions

1. Give three reasons why someone would want to own and operate a restaurant.
2. Success in any business requires effort, perseverance, self-discipline, and ability. What other personality traits are especially important in the restaurant business?
3. In entering the restaurant business as an owner/operator, the individual has a choice of buying, building, or franchising. Which would you choose for minimizing risks? For expressing your own personality? For maximizing return on investment?
4. How important do you think it is to have restaurant experience before entering the business as an owner/operator?
5. Give three reasons people patronize restaurants.

internet exercises

1. Search for a popular franchised restaurant's home page. Find out how much it costs to obtain a franchise and how much you would need to pay in royalties and other costs to maintain the franchise.
2. Use a search engine (check with your library, if necessary) to find the article entitled "How to Start Restaurant" by Entrepreneur.com. Be prepared to discuss this article in class.

endnotes

1. H. G. Parsa, presentation at the ICHRIE Conference 2003, Indian Wells, California, August 2003.
2. Personal correspondence with Holly Carvalho. November 17, 2006.
3. www.restaurant.org.