

Social Restaurant Start-Up Guide

HOW TO START A SUCCESSFUL RESTAURANT BASED ON THE INCLUSION OF PEOPLE AT RISK OF SOCIAL EXCLUSION

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This start-up guide was created with an audience in mind: those who work in NGOs who want to start a commercial activity, in particular, one which involves those at risk of social exclusion. Specifically, we are talking about a social restaurant and all the things you need to take into consideration at each step to get your social restaurant off the ground. The idea for the guide comes from the Erasmus+ project "Cook For Future", and each partner country has contributed certain country specific information.

How to use this guide:

Use it like a workbook. Don't just read it. There are spaces for you to draw and write, to jot down ideas and respond to questions, to create to-do lists or even to write questions of your own.

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THE IDEA

So you want to open a restaurant. Not just any restaurant but a social restaurant.

What is a “social restaurant”?

In Italy one definition is that not less than 30% of employees are considered disadvantaged – if you are a cooperative sociale tipo B or a social enterprise, this is the minimum requirement at the time of writing. If you take a different legal form, there are different ways you can achieve the title “social” and be registered as a third sector entity.



So we know it’s going to be a restaurant, a **social** restaurant, but what does that look like to you? Before going any further there are a few things you already need to have a good idea about. Write them down!! These include...

- *Food concept* (seafood, pizzeria, bakery, coffeehouse, ethnic food, sandwich shop...)

- *Service style* (fast food, fast casual, family, fine-dining, food truck...)

- *The target market*

(Find your niche! Who are you aiming at? Who will your customers be? Create the profile of your ideal customer)

Name:

Age:

Occupation:

Annual income:

Eating out budget (monthly):

How often does s/he eat out?

Who does s/he eat out with?

Food preferences:

Hobbies/interests:

- *Legal structure of the business*

(society, company, social cooperative...).

Presuming that you are already part of an NGO in one form or other, it's probable that you will need to create a new entity to be your restaurant (ie it's unlikely that your current legal form will permit you to open and run a social restaurant). Write your initial thoughts here, and later on we will explain your options and what you need to know to decide.

MARKET RESEARCH

This part of the start-up process is extremely important. In this phase we look at what already exists by way of restaurants (and social restaurants in the area, if there are any), if they are going well (or not) and why, and check that our target market really exists in our desired location. In order to know all of this, you will need to consider the following...

- *Industry trends*

What's popular right now vs what will always be popular. Where does your concept fit in with the trends? Is the future of restaurants looking bright or are they struggling?

- *Demographic and economic statistics*

Having a look at these will help you see the sales potential of your restaurant. Do your target market and your ideal customers actually live in the area? Is their income enough to support dining out as regularly as you want them to? Take a look at the basic demographic and economic statistics available to you in your area.

- *Location*

Even if you don't have your specific location yet, you can still look carefully at the area you have chosen and consider... is the location visible? Is it easily accessible? Is it an attractive building/street/part of town? Is it a good match with your concept? How is the industry in the area? Is it close to business or residential populations?

- Competitors

analysing your competitors allows you to see the demand that exists and notice the market opportunities. Look at your competitors strengths and weaknesses and learn from them. Look at the size of the market - how many restaurants are there in the area? Then, more specifically, how many restaurants are there in the area that are targeting the customers you want to target? Identify your direct competition and look closely - what is their concept, what service style do they offer, what are their prices like, what reputation do they have, what sort of quality are their offerings, etc? More importantly, what makes you different?

A good source of information is usually online, on statistics websites with statistics provided by the government or by the restaurant sector. Have a look around and see what's available to you. Of course, you will probably have to do your own research too. Check out what is available from your national restaurant association, local restaurant associations and other industry publications.

The final step in the market research phase is to do a SWOT analysis of your own restaurant – this type of analysis is useful to identify and focus on your strengths as you launch your restaurant, and to prepare to minimize weaknesses. The analysis includes strengths (competitive advantages), weaknesses (shortcomings or lack of expertise), opportunities your restaurant can capitalize on, and threats in the industry of tough competition. You will need this later.

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

VALIDATING YOUR IDEA

Now we are fairly certain that there's room for you in the market, that you can capture a market share and make a viable sustainable business from your idea! Great! However we haven't yet spoken to those all-important people: the potential customers. This brief but important step validates your idea before we go ahead and start spending serious time (and money) on it. There are several ways to do this but for now let's look at the obvious ones.

Perhaps one of the most obvious ways to get validation is through a survey. This should help you identify if there is truly interest in your niche and, in particular, if they are willing to pay for it. It could also identify current spending habits when it comes to eating out. Get it out to as many people as you can in as many ways as possible, always focusing on your target market.

Even better are informal surveys i.e. conversations! Talking to your potential customer will give you an even better idea of what they really think – body language, pauses, willingness to talk... it all says something!

Hopefully you have now confirmed that you will have paying customers and a market share worth pursuing. If so, it's time to get down to it with THE BUSINESS PLAN.

Write down your survey questions here...

E.g. how often do you dine out?

How much do you usually spend on a meal out (per person)?

Would you eat at a restaurant that serves *your food concept* ?

How will you carry out the survey? Online? Surveymonkey? FB? In person? On the street?

THE BUSINESS PLAN

A business plan is a living document. Yes, you need it in order to gain funding and to organize your steps, but above all you need it to grow and change with you, to keep revisiting your blueprint and revising it when you need to. A business plan is made up of several parts, all of which are crucial for that all important funding. It takes time and effort, but don't skimp – the finished document will give you and your investors confidence that you really can create and run a successful social restaurant. Here is what you need to include in your business plan (don't worry, most of these parts are covered in more detail later on in this guide)...

- Executive summary

This is the overview of your business plan, a clear and concise preview of the business and its bright future. Include the objectives of your restaurant and your mission statement. Also include why your restaurant is different from and better than the others, and why it will succeed. But remember – it's a summary, so keep it short!!

Objectives:

Mission statement: Respond to the question, "Why does our business exist?"

- Company description

Here is where all those elements of THE IDEA come in. Describe your company including the target market, food concept and service style. Here you want to portray your vision and direction. Take it further and paint a picture of what it will be like for a customer who walks in to your restaurant – décor, opening hours, atmosphere, music, size of the dining room, menu theme, unique selling points etc! Mention also the legal structure of the business, the location of the restaurant and a quick overview of the estimated capital required to open your restaurant and where you plan to get this money from.

- *Market analysis*

Include an analysis of your industry, competition and geography. All that work in the MARKET RESEARCH phase comes in here. Include those three analyses, and finish off with your SWOT.

- *Menu and sourcing*

A social restaurant is none-the-less a restaurant, so we all want to know what we will eat there and how much it will cost. You also need to explain where you will get all your ingredients from. It's a good idea to include a sample menu, and already have your suppliers. If you have specialty products that make your restaurant unique, list your suppliers now. Have back-up suppliers in case something goes wrong. If you can test the menu ahead of time, even better! Include how that went here. Explain your plan for inventory management and food waste management.

How will we manage the inventory (stock)?

How will we manage food waste? (more detail on this later)

Write here your menu ideas and the suppliers you find for your key ingredients...



- *Marketing strategy*

You already know your target market and its size (and hopefully it's wealth), now we all want to know how you will get them to come to your restaurant!

Describe your target market, then describe your marketing plans for before and after the restaurant is open, i.e. your marketing for your grand opening...

...and your ongoing marketing to get new customers as well as for repeat customers.

Describe how you want your customers to perceive your brand (and restaurant)...



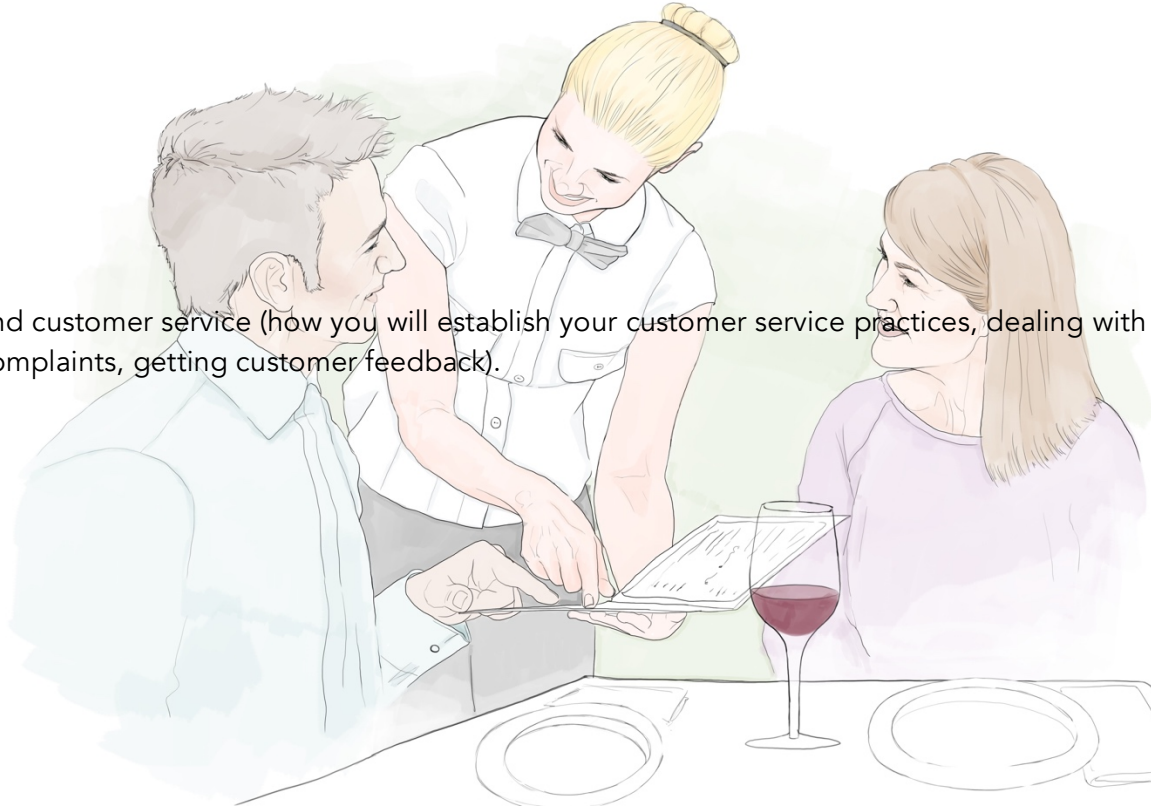
- *Organizzazione e gestione*

Questa sezione dovrebbe includere una descrizione generale di come il ristorante opererà giornalmente (ad esempio operazioni e procedure quotidiane)...

Affronta i seguenti aspetti chiave: risorse umane (ruoli e responsabilità di ogni posizione, strategia di assunzione, scala retributive)

training (employee handbooks, training manuals, in-house training or third-party training);

and customer service (how you will establish your customer service practices, dealing with complaints, getting customer feedback).



Consider also the technology you will need – for example a POS (Point Of Sale) system for taking orders, making payments, tracking sales etc.

Here you also need to include safety and security measures, as well as administrative controls such as your accounting system, daily cash control and payroll processing.

- *Financial plan*

Your financial plan has three main parts: restaurant start-up costs, funding options and a break-even analysis.

Your start-up costs include the one offs like tables, chairs, kitchen equipment, POS (point of sale) system, lease/purchase of the site, recruitment costs etc. Write a list of your start-up costs here...

List your funding options
small business loans, self-funded, crowdfunding, investors...

Finally, but most importantly, you need a break-even analysis. This shows (conservatively) when your revenue will equal your total expenses. Include a profit-loss model, cash flow projections, and a balance sheet.

(This website has really helpful straightforward explanations <https://rezku.com/blog/understanding-restaurant-financial-statements>)

To do this you will also need to calculate your running costs, not just your start-up costs. These include paying your staff, licenses, rent, food cost, drink cost, insurance, taxes...

Write them here...



Profit & loss model

Restaurant Name: Bistro De Lux Profit and Loss Statement Period: Q3

| Costs / Expenses | |
|----------------------|-----------------------|
| Rent / Lease | (\$6,700.00) |
| Service on Debts | (\$18,200.00) |
| Payroll | (\$28,000.00) |
| Taxes and Fees | (\$24,000.00) |
| Food Costs | (\$32,000.00) |
| Utilities | (\$7,800.00) |
| Other Expenses | - |
| | |
| Total Costs | (\$116,700.00) |
| | |
| Income / Sales | |
| Food Sales | \$255,000.00 |
| Beverage Sales | \$87,000.00 |
| Catering | \$19,000.00 |
| Events | 8,000.00 |
| Delivery Charges | \$2,300.00 |
| Other Income | - |
| | |
| Total Sales | \$371,300.00 |
| | |
| Profit / Loss | \$254,600.00 |

*Cashflow projection
model*

Annual Cash Flow Statement

Date
Restaurant Name

| | |
|----------------------------------|--------------------|
| Cash Beginning Balance : | \$865,000 |
| Operating Cash Flows | |
| Income from operating activities | \$967,594 |
| Depreciation | - |
| Gain / Loss from Sale of Assets | (\$2,600) |
| TOTAL: | \$964,994 |
| Investing Cash Flows | |
| Leasehold Improvements | \$7,000 |
| Cash Payments for Equipment | \$45,538 |
| Proceeds from Sales of Assets | \$15,342 |
| TOTAL: | \$67,880 |
| Financing Cash Flows | |
| Service on Debts | (\$135,778) |
| TOTAL: | (\$135,778) |
| Cash Ending Balance: | \$1,762,096 |
| Net Cash Change: | \$897,096 |

Break-even model

Balance Sheet

Restaurant Name: Good Eats

Date: 03/05/xx

| Assets | \$ | Liabilities | \$ |
|-----------------------------|-------------------|-------------------------------|-------------------|
| Current Assets: | | Current Liabilities: | |
| Cash on hand | 3000.00 | Accounts payable | 4,500.00 |
| Cash in the bank | 21,000.00 | Rent/Lease | 3,600.00 |
| Inventory | 6,350.00 | Utilities | 1,500.00 |
| Prepaid expenses | 2,200.00 | Sales Tax | 1,250.00 |
| Accounts Receivable | 1,500.00 | Income Taxes | 2,200.00 |
| Total: | 34,050.00 | Payroll | 14,000.00 |
| Fixed Assets: | | Employee Medical Insurance | 3,550.00 |
| Real Estate (Land/Building) | - | Total: | 30,600 |
| Furnishings | 5,000.00 | Long Term Liabilities: | |
| Kitchen Equipment | 250,000 | Long-term loans | 305,000.00 |
| Other Assets | 45,000 | Other long-term | - |
| Total: | 300,000.00 | Total: | 305,000.00 |
| | | | |
| Total Assets: | 334,050.00 | Total Liabilities: | 335,600.00 |

- *Exit plan*

as an added bonus you could include here an exit plan. It's not obligatory but it does show fore-thought, and a shouldering of responsibility, even if it does seem a bit somber.



If you feel nervous about showing people your Unique Selling Point that's so niche you can't tell anyone else trying to cash in on it, you could consider having anyone who reads your business plan sign a **confidentiality agreement**. It's pretty much standard practice, so at this critical stage go ahead and protect those trade secrets!

FINANCING YOUR RESTAURANT

The most common sources of financing for new start-ups, such as your restaurant, are;

- your own capital
- small business loans, usually government backed
- bank loans
- partners - these could be people with money to invest, or no money to invest but an interest in doing the work.
- private investors - they may or may not have ownership, but will definitely have a payback agreement.

Make sure your business plan is ready to WOW them, and be prepared to talk details - you might have a slightly different agreement with each partner, and you need to be 100% clear on the obligations you have with your small business or bank loan.

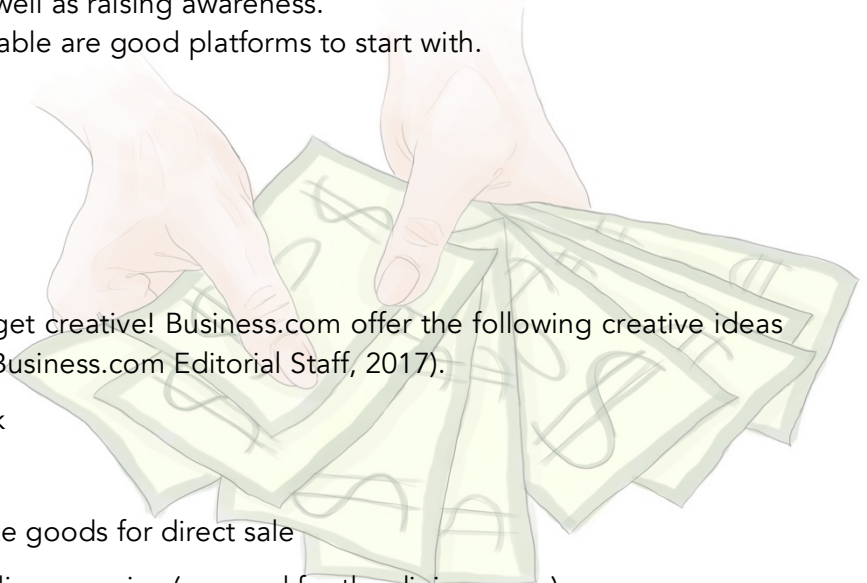
Write down who you can approach here...



A newer source of financing is crowdfunding. Taking place online, it means accepting financing from multiple investors or donors. It requires work, but even for restaurants it can be a good source of funding as well as raising awareness. Kickstarter, Indiegogo and Fundable are good platforms to start with.

If you don't have much capital, get creative! Business.com offer the following creative ideas that should require less capital (Business.com Editorial Staff, 2017).

- Start with a food truck
- Sublease a restaurant
- Rent a kitchen to make goods for direct sale
- Start a pickup and delivery service (no need for the dining room)
- Offer to manage food services within an existing business (such as hotels or event spaces)



LEGAL FORM OF + REGISTERING YOUR BUSINESS

Choosing the legal form of your business

To be considered "social" in Italy, there is no restriction on your legal form. According to the legislative decree 117 of 2017, third sector entities can take any form so long as they then adhere to their requirements to be considered "third sector". "Third sector entities, other than social enterprises including social cooperatives, ... exercise exclusively or principally one or more activity of general interest for the non-profit pursuit of civic, solidarity or social utility purposes." (DECRETO LEGISLATIVO 3 luglio 2017, n. 117 , 2017) Therefore you do not have to take the form of a social enterprise or a social cooperative to be considered "social". Whatever legal form you do take, your "social" activities must be carried out in compliance with the norms laid out in the decree. This means that you can take the form that works for you, and follow the requirements to become a registered entity in the Registro Unico Nazionale del Terzo Settore, and enjoy the advantages that this gives you. You can choose to be a social cooperative type B, or you can be an S.R.L. that is registered in the register of third sector entities. Depending which you choose there will be different advantages when it comes to the work placement and insertion of disadvantaged individuals. These include the payment (or non -payment by the entity) of contributions and various tax breaks.

Impresa, azienda o società? First, you need to know if you are a collective enterprise or an individual enterprise. If you are more than one person, you have many options for your legal form in Italy. Among the key considerations are; how much capital each person has, the level of responsibility each partner will have, the business model, the taxation model for each legal form, and the possible future form of the business. Most likely you will take the form of a society, of which there are many kinds, but don't worry - there are many, many resources online that help you to understand which is right for you.

We will cover the topic of work placement of disadvantaged individuals in the HR chapter.

LICENSES AND PERMITS

You can't operate your restaurant without first getting the right licenses and permits, so you need to get researching! What licenses and permits do you need? Every country is different so do your research well. Food handling and hygiene, cleanliness, suitability of the kitchen etc... Where, how, and for how much do you get these? From the city council, the health office, the chamber of commerce, and even the tax agency? If you want a liquor license, how do you get one of those? Restaurant safety tends to be a big concern, so check what is needed to adhere to the rules.

In Italy, the requirements will vary from city to city, and you will need to visit both the City Council and the Health Office to get your licenses. In the European Union anyone with a food business must adhere to the code for international food standards, the Hazard Analysis and Critical Control Points system (HACCP).

List what licenses and permits you need, where and how you apply for them, how much, when...



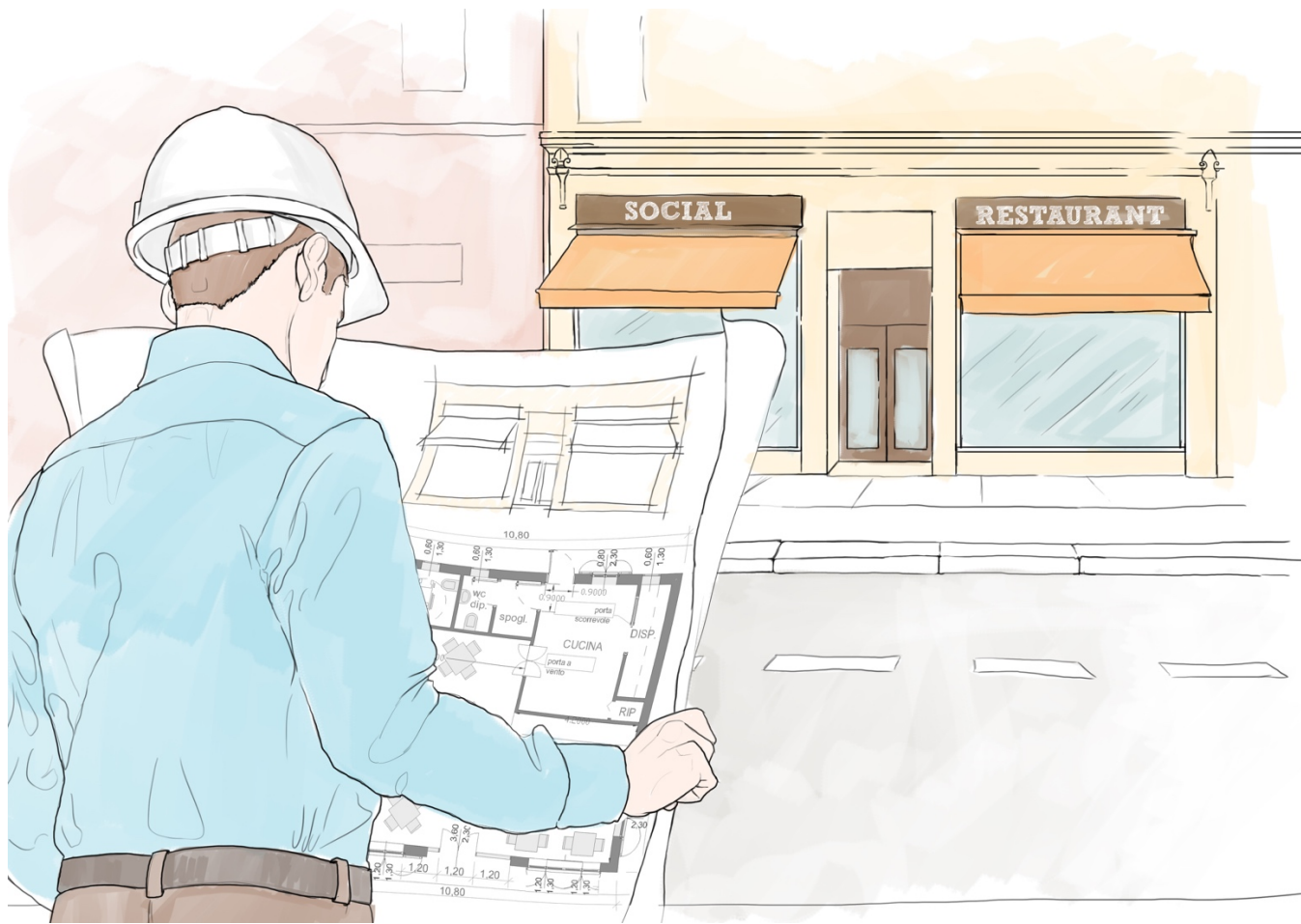
LOCATION

Location can make or break a business. Hopefully by now you know with some certainty the geographic area where you want to be, the demographics of the area, and why you want to be there. So, if you don't already have a building, here are some questions to ask yourself in the process of choosing the location;

- Is the location consistent with my brand and image?
- Are my customers nearby, or close enough?
- Is it easy to find and is there foot traffic?
- Is it accessible? Is there adequate parking nearby?
- How close by are my competitors? Or other restaurants? Is this a good or a bad thing?
- Are there any restrictions on the area? (E.g. If it's too close to a school you might not be allowed a liquor license).
- Are the terms of the lease favourable? Do they work for me? Do I need to renegotiate?
- How is the building's infrastructure? Will it serve the restaurant well?
- Can I truly afford the rent, plus utilities and other costs?

Note:





DEVELOP YOUR IDEA

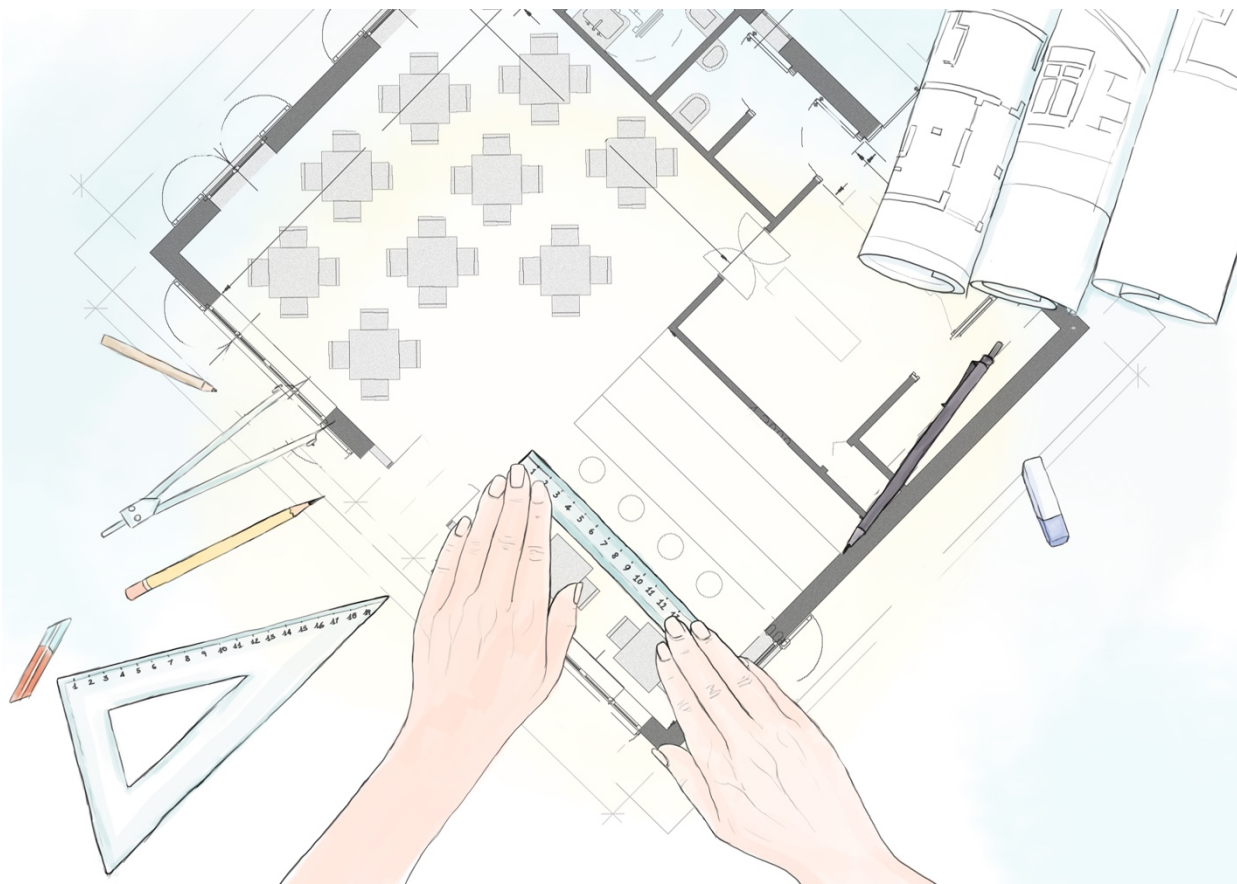
Design and layout

Major factors in a restaurant's success are the layout and design. Typically a restaurant dedicates 35% of space to the kitchen, 45-65% to the dining area and the rest to storage and office space (Entrepreneur Press and Jacquelyn Lynn, 2012). Your dining room design will depend on your concept, but think ahead – people usually dine-in in pairs or groups of 3 or more, so can the tables be pushed together to accommodate bigger groups? Do you want booths? Will you have outdoor seating too? Check out other restaurants in the area for their décor and layout – do people react well to it? What is not working? Think about these things when designing your own dining room.

Your priority with the production area is efficiency! A well designed kitchen makes for high quality service. Think about your menu and food concept, and from there think about the spaces you need (receiving, food preparation, cooking, baking, dishwashing, storage, waste storage...) as well as employee facilities and an area for a small office for all the management and administrative tasks. Consider also how many cooks will need to fit in there in the busy periods!

You may already have a sample menu from your BUSINESS PLAN, with which you inspired your investors, but now you need to make it more concrete. Consider the food trends and consumer trends in your area and make sure you are best serving your target market. Reassess and make changes if you need to! If you are aiming at families, make sure you have options for the kids. Keep the menu reasonably short – eating out shouldn't be a stressful experience so don't overwhelm the customers with options (or stretch yourself too thin). The design of your menu is just as important – make sure it is in line with your brand, your marketing message and decor.

As mentioned earlier, when you went through the rigorous process of sorting out the necessary LICENSES AND PERMITS, there are plenty of safety regulations to consider every step of the way. Make sure your design and layout don't trip you up here and that you can easily continue to meet the requirements after opening.



Sketch dining room

Sketch kitchen

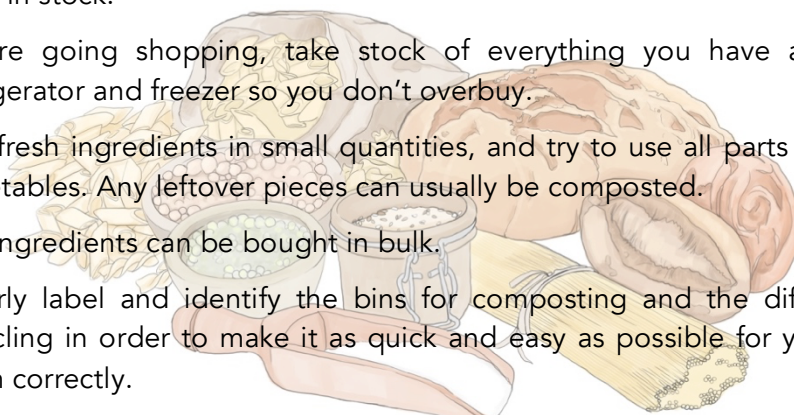
Menu ideas and design ideas...

Food Waste

You may have heard of the concept of “zero waste”. While this may be the ultimate goal, we can realistically begin by minimising the waste we have. It begins right from the menu planning stage, to ordering, to what to do with leftovers. First, though, identify what it is that is going to waste. If you know where it’s coming from you can take preventative measures.

Here are some tips for reducing waste in your restaurant:

- Create a menu that uses seasonal local products, and/or products you already have in stock.
- Before going shopping, take stock of everything you have already in your refrigerator and freezer so you don’t overbuy.
- Buy fresh ingredients in small quantities, and try to use all parts of the fruit and vegetables. Any leftover pieces can usually be composted.
- Dry ingredients can be bought in bulk.
- Clearly label and identify the bins for composting and the different types of recycling in order to make it as quick and easy as possible for your staff to use them correctly.
- When planning the menu, think about portion size. If the portions are too large you will probably have to throw what’s left.



- Incoraggia l'idea di portare a casa i resti (nel tuo imballaggio riciclabile a impatto zero ovviamente). Puoi anche suggerire ricette su come utilizzare i resti per rendere ancora più facile il consumo del cliente e non gettare i suoi avanzi.
- Se hai molti resti o sprechi alimentari, prova a trovare un programma di recupero alimentare che aiuti a mettere il cibo non consumato nelle mani di persone che hanno bisogno.
- Qualsiasi cosa tu faccia per ridurre gli sprechi può essere promossa sui tuoi canali social e utilizzata per interagire e incoraggiare le abitudini dei tuoi clienti.

Write here what you will do to reduce food waste and how you let your customers know what you are doing...



Sustainability

Sustainability is a value that customers appreciate. According to a study on Corporate Social Responsibility, (Cone Communications, 2017) customers are 88% more loyal to businesses with sustainable practices. According to the Sustainable Restaurant Association (SRA), sustainability for restaurateurs means the management of the social and environmental impact of their activities. It's not too hard to do if you start small, or you can go all out and really make it a USP for your restaurant.

Here are some of the little things you can do that add up to being more sustainable:

- Use a website host that is green
- Switch to environmentally friendly cleaning products
- Install energy-efficient light bulbs
- Offer biodegradable straws, and alternatives to plastic packaging
- Buy local and/or organic, or even grow your own!
- Have seasonal menus
- Reduce, reuse, recycle

- Find other ways to go green and reduce energy usage
- Buy fairtrade
- Support local/community initiatives - get behind positive changes in your community

A big step towards environmental sustainability is to reduce water usage. You can do this by setting automatic taps in the bathrooms and training your staff to turn off the taps. Think about how you can use recycled materials in your decor and, if you have to print them, using recycled paper for your menus. At the end of the day, anything you can do to reduce the waste of primary materials, water and energy helps the planet and could well save you money. When you do these things, let your customers know! It's another selling point that is proven to be very attractive to customers, and in this way you can also make your customers feel a part of the sustainability effort.

Write here what you will do to be sustainable and how you let your customers know what you are doing...

Menu' : pricing and design

When it comes to menu pricing, the thing you most need to be aware is your gross profit margin. Your gross profit margin is what remains after you have paid ALL the expenses.

The balance small business (Mealey, 2019) recommends the following as the best way to calculate your gross profit margin;

Your food and beverage costs should be no more than 30%. Food cost refers to the actual cost of the ingredients to you, before doing anything with them.

The cost of staff and labour should be around 30%.

The building costs (rent, taxes, insurance etc) should be about 20%.

This means that your goal should be a gross profit margin of about 20%.

Imagine that your dish has a food cost of €6. Now add €10 for labour and building/occupancy costs. You set your menu price at €22. Now you do the calculation of the gross profit: $22 - 16 = €6$. €6 as a percentage of €22 is 27% (6 divided by 22). We can see that that's a bit high, maybe with this particular dish it is too much to ask. If you drop the price €1 you still have a profit margin of 22% which is more or less ideal, and your competitors are charging more or less the same amount. If you can win over your customers with the quality of the dish and fantastic dining experience, they might just be persuaded to transfer their loyalties to you.

Part of menu pricing is psychological. Prices are important to your customer. Check what your competitors are charging. Don't undercut yourself, but don't push your customers out by pricing too high without having an exceptional quality to justify it.

Of course, food costs will change with the season. Buying food in season will always be cheaper. It's not so practical to change your menu so often, but one way to try and counteract any unexpected (or expected) rise in food costs is to pair the expensive food items in dishes with those that have more stable prices.

Portion control will make a big difference to whether or not you actually receive your anticipated profit margin. Especially with products that cost more - steak, seafood, chicken, etc - portions should always be weighed so that your food costs don't rise. It also will ensure consistency in the portion sizes, which your customers will note as a positive thing.

Given that designing your menu is more psychological than anything else - do some research on these tactics, or get an expert to design it for you. Your menu design can entirely change a customer's mind and you can help them pick what you want them to pick. Whatever you do, don't underestimate the importance of the design of your menu!

Notes on your menu'



MARKETING

We have already covered the definition of your target market and your imaginary ideal customer, as well as the size and wealth of the market. Depending on the market share you are targeting, there may already be a lot of competition. *So how do you plan to make your restaurant stand out?* As mentioned in THE BUSINESS PLAN, you need a marketing strategy for both before and after your restaurant doors open. As is well known, word-of-mouth is still the best method of advertising... but if people don't know about you and don't come, how will they have anything to say? The customer's (fantastic) experience should be the bedrock of your marketing strategy. Don't forget to ask your (happy, well-fed) customers how they found out about you, so you can gauge how well your various marketing strategies are working and make changes as necessary.

In order to create your marketing strategy, you need to know the situation. This combines your market research with a SWOT analysis of your business. Then, once you have a clear and accurate picture of the current situation, we introduce the marketing mix.

The Marketing Mix (also known as the 4 P's of Marketing)

The marketing mix consists of Product, Place, Price and Promotion. By having control of these aspects you can transform them into marketing strategies that get the attention of your customers.

Product refers to what it is that you are selling. This includes the name, logo, and aesthetic of your restaurant, as well as the service, food and dining experience. Determine how your restaurant appeals to your target market and how it is different from your competitors.

You need to lay out your Prices for all the food and drink options in your restaurant. Overpricing and underpricing are dangerous. Check out what the competition is charging, find out what the customer is willing to pay, and work out your prices using the model in the DEVELOP YOUR P/S chapter. You want to find a price that is attractive to customers but doesn't eat into your profits.

Place refers to how you will get your offering to the market. In the case of a restaurant, the customers have to come to you, so make sure your place is appealing!

Promotion is how potential customers will come to know about you. This means all forms of marketing, advertising and promotion that will be effective in raising awareness of your existence and then getting customers into your restaurant, and hopefully coming back again!

Product

Price

Place

Promotion

Now you can figure out how to get your product to the target market ie. the marketing strategy.

Here are some ideas to get you started for getting your restaurant (name, address, food concept, dining style) out there...

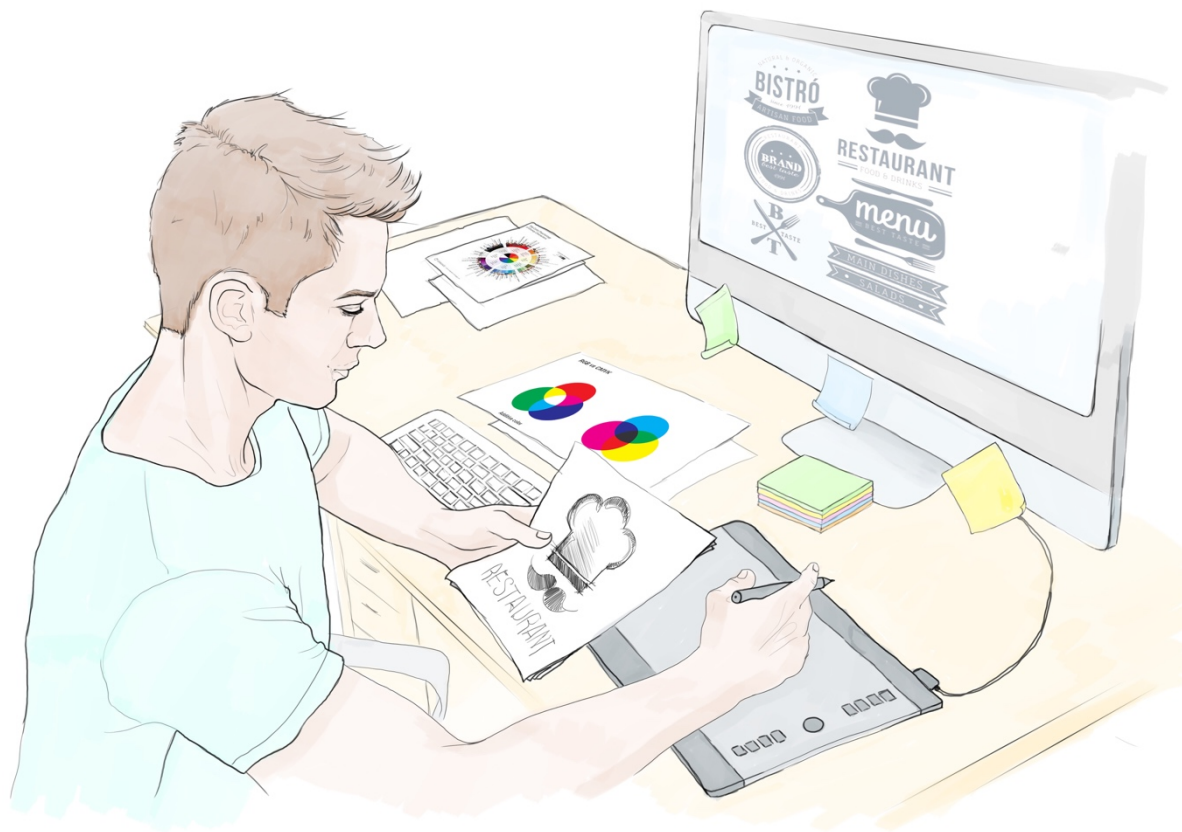
- donate gift certificates (e.g. via the radio, as prizes for promotions)
- menu promotions and contests
- local event sponsorship
- community/charity involvement
- PR
- email campaigns
- advertising
- sneak peeks
- social media competitions
- food apps

Add your own ideas...

Building a customer database is a powerful tool. You can do this through social media, business card drops, at events... get creative and get those emails! Loyalty programs and in-house advertising are valuable tools for gaining repeat customers.

Final pointers

- There are many ways to market your restaurant - find what works for you and your target market. Look at what other restaurants are doing and if it is working well. Before you begin to market yourself, make sure that your marketing message is clear and consistent!
- Consider your marketing budget. Social media, content marketing and email marketing are usually low cost and are good ways to engage with prospective customers.
- As you continue marketing, check back in with your target market – markets change (as do you) so you will need to change your strategy as the population changes.



HR MANAGEMENT:

HR. RECRUITMENT & MANAGING YOUR TEAM

As we wrote in THE BUSINESS PLAN, in the part on organisation and management, you need to have general descriptions of each role and their responsibilities, the pay-scale you will use, and the hiring procedures. Although your job descriptions don't need to be endlessly specific as if it were for a large organisation, there should be enough detail that the person understands clearly what their responsibilities are and their role within the team (while still being flexible). While the restaurant is still small and new, there will probably be some overlapping of duties between staff so having staff who can be flexible with their roles is a must. When it comes to payscale, find out what is being paid in the area and set a minimum and maximum pay for each position. Pay attention to any legal minimums and wage or labour laws that might apply.

Who or what are you looking for your staff?



Work placement

Now we need to consider that as a social restaurant, you may likely have a staff with diverse demographics. This could include different cultures and languages, differently abled persons, persons with a low level of education or little work experience, and those with significantly difficult pasts. This means that you will probably need to be prepared for some mediation, know a little about intercultural communication, and be able to think of team-building or activities that can help promote cohesion and prevent conflict within the team.

As mentioned previously, in Italy the criteria for your restaurant to be considered social will most likely be that of having at least 30% of your staff from the following identified categories: (note that those in category 1 cannot make up more than 33% of the disadvantaged workers (ie max 10% of the total workforce can be from category 1)).

Compared to the social cooperatives social enterprises and third sector entities may not have access to the full measure of financial incentives, but regardless are rewarded with a fair measure of them. Social enterprises and third sector entities do not have the same obligations to place those from the category of very disadvantaged workers, and so although with the more common forms of disadvantaged workers the cost of labour would not be so heavily subsidised, the tax breaks and rewards remain similar and substantial. There are many measures in place now to encourage all forms of business to hire disadvantaged workers and so, regardless of your legal form, the incentives are appealing and widely available.

Translated from "Riforma del Terzo settore: come favorire l'occupazione di lavoratori svantaggiati" (Marocchi, 2017)

Identification of disadvantaged workers:

1. Very disadvantaged workers: unemployed for at least 24 months; unemployed for 12 months if:

- aged between 15 and 24;
- they have not graduated high school, or have completed training but have not found a job within two years;
- over the age of 50;
- single parent with a dependent child;
- works in contexts where their gender (male or female) is significantly under-represented;
- belongs to an ethnic minority and needs to strengthen linguistic and professional training;

2. Refugees or applicants for international protection;

3. Homeless people;

4. People included in the targeted placement of law 68/1999

5. Disadvantaged pursuant to art. 4 381/1991:

- physically, mentally and sensory disabled
- addicts and alcoholics
- people in psychiatric treatment
- at-risk minors of working age
- detainees

Tips for building your team

3 top tips for building your team:

- Be clear in your goals! Everyone should understand the vision and their role in the mission right from the beginning.
- Follow hiring protocols. Have a procedure to follow every time, from advertising the post, to interviews, to trials, to contracts.
- Establish a strong company culture. A strong company culture keeps your staff, and therefore your customers, happy. Try to create a positive, respectful and empowering culture. As the saying goes - start as you mean to continue. Provide initial and ongoing training – well trained employees are good for business, and opportunities to upskill builds loyalty and reduces turnover (which ultimately means less money lost for you).

THE RESTAURANT OPENING

We all know what a grand opening is, but have you ever heard of a soft opening? It can be a really effective way to get ahead of the competition, although obviously this depends on your food concept, service style and target market. It basically just means opening your restaurant on the quiet, or having some exclusive private openings, before the advertised grand opening. A soft opening is more intriguing and can really get people talking. Getting your restaurant out there before it's officially open builds anticipation leading up to the grand opening. A soft opening also serves as a great practice run for your staff and helps you check out the menu and get feedback on it before the grand opening. Invite familiar faces, and think carefully about the pricing (free, flat-rate, or menu pricing). Plan how you will collect their feedback. Will you have something special such as live music, have freebies or hand outs, a photo booth or games? How long will it run for - one day, a week, two? Will you run the full menu or offer a reduced menu? Limit the hours and the numbers of family, friends (and influencers) – this is your chance to learn but don't overdo it!!

So now you have had your soft opening and your restaurant has been open and operating for a couple of weeks already... it's time for the grand opening! Get creative with this, there are tonnes of great ideas online if you need some inspiration. In reality, you should be planning your grand opening even while you are choosing the décor and tables for your restaurant. Set your goals for the event, allocate a budget, advertise the event, and prepare the restaurant for service. As with all events – you need people to come, so market it well! Advertise in local news sources and at other events, invite your customers who come during your first few weeks open, and send special invites to local celebrities, respected culinary figures and media representatives. Make the most of online marketing and social media to get the word out! Consider extra entertainment, decorations and excitement to draw crowds, but remember that at the end of the day it's the good food and good service that will get people coming back for more. Thank your customers for coming. Consider giving a voucher or a simple favour (with your restaurant name on it of course!).

Restaurant opening ideas:



GROWING/ MOVE ON

There are several factors that will influence your growth, but aside from good food and good service and the resulting positive word of mouth, marketing will be required not only to maintain your business but to grow it. As mentioned before, you need to have an ongoing marketing plan and understand your target market and how to reach them. Then, once you have a new customer, you need to know how to retain them. You will constantly be competing for customers and you can't expect to not have to work for them. Keep researching the market, hire good people, and give people a positive experience at your restaurant and you will be on your way to growing!

There are different ways to grow your restaurant – in the long term you could open another restaurant or franchise it; you could start targeting a new market; you could expand your offerings (to a certain point) and more... The choice is yours!

GOOD LUCK!



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