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Greater New Orleans Region  
3330 North Causeway Blvd., Suite 422  
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Phone: 504-831-3730 Fax: 504-831-3735

## Please complete and return the registration and evaluation

LSBDC is funded in part through a Cooperative Agreement  
with the U.S. Small Business Administration, Louisiana  
Economic Development and participating universities



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Your Personal Expert!



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# Cooking Up Big Profits

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*Our mission is to enhance the economic well-being of the citizens of Louisiana by providing comprehensive, high quality assistance to existing and potential small businesses. We foster the formation and growth of small businesses in order to expand and diversify the Louisiana economy.*

# LSBDC Program Description

- 28 years, nationally accredited program, began in 1983
- Partnership program to provide small business assistance to potential entrepreneurs and existing small businesses.
- Provide confidential, one-on-one business consulting at no cost to small business owners or entrepreneurs.
- Provide low-cost training to business owners and potential entrepreneurs.
- On-line business resources.

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The Louisiana Small Business Development Center Greater New Orleans Region, hosted by the Loyola University New Orleans College of Business, was recently awarded the 2011 Service Excellence and Innovation Center Award at a reception held at the governor's mansion May 24, 2011.

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# ***Moving From Obstacles to Opportunities***

**Southeast Louisiana Small Business Conference**

***Moving From Obstacles to Opportunities***

*Presented by:*

Alliance for Economic Inclusion (AEI) • Good Work Network

**November 8, 2011**

UNO Lindy Boggs International Conference Center

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# What are Restaurants Obstacles to Profits?

- Need more customers/return customers
- Making payroll, rent, bills,...
- Keeping up with bookkeeping: taxes, licenses, permits,...
- Need to increase your prices on menu



# To See Opportunities

You must have HOPE to be successful in your business:

- H - Harmony
  - O - Organization
  - P - Planning
  - E - Experience
- ▶ See Dianne's article in your handout and her web site [www.diannesclafani.com](http://www.diannesclafani.com)

# Know The Restaurant Industry

## Restaurant Statistics

- Your opportunities for success
- Benefits of the industry

# Louisiana Restaurant Association (LRA)

(Quick Facts according to their web site 11/7/2011)

- In 2011, restaurants in Louisiana are expected to have an economic impact of \$6.2 billion.
- Every \$1 spent in restaurants in LA generates an additional \$0.96 in sales for other industries in the state.
- State sales tax revenue generated by the Louisiana restaurant industry is more than \$134 million annually.
- There are approximately 16,000 eating-and-drinking places in LA.

# Louisiana Restaurant Association (LRA)

(Quick Facts according to their web site 11/07/2011)

- By 2021, employment in the restaurant industry in LA is expected to reach 199,500, up more than 17,000 jobs from 2011.
- The restaurant industry is the state's largest private retail employer, providing jobs to 182,200 LA residents. This figure represents 9 percent of total private employment in the state.
- Restaurant sales per capita in LA are \$1,189.
- Each additional \$1 million spent in eating-and-drinking places in LA generates an additional 29.4 jobs in the state.

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# This Seminar is for You

- **Use Time and Opportunities**
- **Get Organized, Use Check Lists**
- **Think of Creative Idea**
- **Be Brave to Take Chances**

Sometimes tough times open doors for  
new ideas and more profitable directions

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# Areas You Make or Lose Your Money

- Menu
- Sales
- Staff and Training
- Organized Finances
- Purchasing
- Receiving
- Storage
- Theft
- Threats

Insanity:

Is doing the same thing over and over again and expecting different results.

Albert Einstein, *(attributed)*  
*US (German-born) physicist*  
*(1879 - 1955)*

# Think of Things to Do During Slow Rough Times

- Do not wait for things to change
- Do not slow up and take it easy
- Do things you do not have time to do when you are busy
- Prepare for the good times

# Prepare for Busier Times

- Interview staff for the busy season
- Try new recipes
- Paint
- General clean
- Train staff

# Things We Can Do

List of tips to balance and maintain the many facets of your business, to promote happy returning customers and to increase profits.

# Market Your Business

Your customers will forget you

Marketing is the area to spend money on

- In New Orleans, locals and tourist dine out
- Make customers want to dine with you

# Fun and Games

- Bargain coupons, all you can eat, birthday specials,...
- Incentives to gather customer's contact information - Fish Bowl Drawings for business cards, ...
- Drink Specials
- Theme or Feature Night – Family night, Seafood, Cajun, BBQ

# Technology Communication Marketing

- Web Site - Informing and user friendly – Your web site is today's phone book and advertising listing: Advertising your services, business hours, location with map, reservations, special catering for weddings, Christmas parties, ...
- Social Medias – Twitter, Facebook, You Tube, etc.
- E-mail – Reminders and specials for birthdays and anniversaries, specials, entertainment nights, reconnect with customers and staff after evacuations...

# Menu

- Drives the business
- Customers
- Staff
- Inventory
- Money

# Your Menu Concerns

- Check food and labor costs – Are you making money by selling this item?
- Prices of items-too low of price-too high of price–Can your customers afford the item?
- Is your menu too large?
- Do you have the trained staff to meet the demands of the menu?

# Take the Pulse of Your Menu

- Frequently check each item on menu for food cost & menu pricing
- Check which items sell the most
- How much money can you make from selling several of each fast moving item?
- Consider removing slow item

# Placement of Items on the menu = \$ales



# Menu Sales

- Special of the Day
- Train wait staff to suggest items to increase sales and offer competition rewards to increase service
- Advertise Other Services – catering, entertainment, special events

# How much in sales do you need to make a profit?

Microsoft Excel - DFS Restaurant Business Outline

File Edit View Insert Format Tools Data Window Help

Type a question for help

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>Examples of Gross Sales to target to make a profit</b>													
2														
3	<b>1,000,000.00 in sales per year</b>				<b>Check average per person</b>									
4					5.00	10.00	12.00	15.00	25.00	35.00	50.00			
5	<b>83,334.00 in sales per month</b>				<b># of people</b>	<b># of people</b>	<b># of people</b>	<b># of people</b>	<b># of people</b>	<b># of people</b>	<b># of people</b>			
6	<b>2,778.00 per day, 30 days, 7 days a week</b>				<b>556 per day</b>	<b>278 per day</b>	<b>232 per day</b>	<b>185 per day</b>	<b>111 per day</b>	<b>80 per day</b>	<b>56 per day</b>			
9	<b>3,206.00 per day, 26 days, 6 days a week</b>				<b>642 per day</b>	<b>320 per day</b>	<b>267 per day</b>	<b>214 per day</b>	<b>128 per day</b>	<b>92 per day</b>	<b>64 per day</b>			
11	<b>4,167.00 per day, 20 days, 5 days a week</b>				<b>834 per day</b>	<b>416 per day</b>	<b>347 per day</b>	<b>278 per day</b>	<b>167 per day</b>	<b>119 per day</b>	<b>83 per day</b>			
13	<b>Note: Determine how many times the tables need to turn in your style of restaurant</b>													
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# Creative Ways to Conserve Without Cutting Quality and Service

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# Areas That Can Leak Money

- Employee Turnover
- Poor Bookkeeping
- Maintenance and Repairs
- Theft
- Poor Crisis Management
- No Plans for Evacuations



# Staff

- Hire people that understand the vision and the mission of the business
- Trained staff feel confident and give better service to the customer
- Allow staff to make suggestions
- Encourage Teamwork
- Build Reward Systems – Praise



# Organize Your Finances

- Financial Organization/Understanding
- POS System
- CPA/Bookkeeper
- QuickBooks
- LSBDC Classes



# Prepare a Budget

Analyze how much should be budgeted:

- Time Spent
- General Costs
- Payroll
- Taxes



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# Costs

- What are your labor costs?
- How much is your raw food cost?
- How much is your total food cost?
- What is your breakeven point: by month, by week, by day?
- What are your purchasing and waste controls?

# The Three Biggest Areas You Need to Pay Close Attention To in Your Business

- Purchasing
- Receiving
- Storage



# Purchasing

- Surprise check inventory of all items frequently and not just at the end of the month
- Inventory high ticket items at each shift - Shrimp, Steaks, Lobster
- The same staff person should not purchase and receive items

# Items to Watch

- Over purchasing – spoilage, waste, theft
- Under purchasing - cannot sell something you do not have or pay more for emergency items
- Deep Fat Fryer – Care of frying oil saves money
- Check the prices and usage of chemicals and paper goods

# What is the importance of Storage?

Organization Promotes:

- Meeting ServSafe requirements
- Organized areas - less stress finding items
- Proper storage - less spoilage, waste, theft

# Maintenance and Repairs

Ice Machines	Computers
Refrigeration	Equipment
Utilities	Plumbing

# Theft

Denial – Many small business owners feel strongly that they do not have a theft problem, most do.

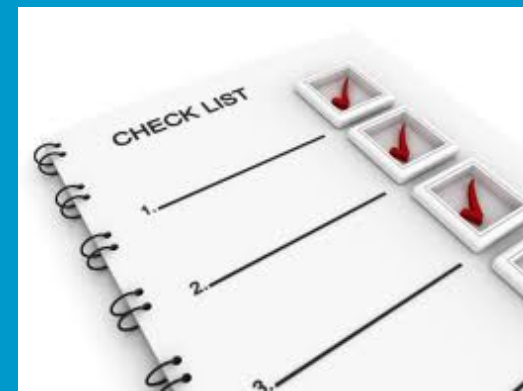
# Most Likely to Steal

- Deliveries – Stay with drivers so that they do not have a chance to put something on their wagon and steal products leaving your building
- Cash Register Staff – One person should be responsible for the draw during that shift.
- Number and check all sales tickets
- Staff and Family - 50% of theft occurs at the back door
- Customers –Take anything out of the building

# Systems and Procedures

Set up written procedures for business procedures:

- ServSafe requirement
- Inventory list for purchasing, receiving & storage
- Opening each shift
- During the shift – modes slow and fast
- Closing each shift
- Crisis management
- Evacuation



# Crisis Management

- Crises, if not handled properly, could cost money and/or your business
- Be ready and train staff

The answer is more than just

**“Get the Manager”**

# Crisis Management Training Areas

Page 1

- What records do you keep if someone is sick?
- Who handles Bad Restaurant Reviews?
- What do you do during a robbery?
- Who will be in charge of an electrical outage or fire situation?
- Who is the key person for the media to talk to?

# Crisis Management Training Areas

Page 2

- What will they say or not say?
- How should your staff handle an upset customer?
- How should your staff handle an upset employee?
- What do you do if customer or employee has an accident or becomes ill?
- How does the staff handle a customer food allergy request?

# Evacuation

- **Inventory products and equipment for insurance claims**
- **Update current contact information on staff**
- **Take contact information on customers**

# My Wish for You

- Use Time and Opportunities
- Get Organized, Use Check Lists
- Think of Creative Idea
- Be Brave to Take Chances
- Produce Profitable Results



# Your Resource

For More Detailed Information and Classes:



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Contact Dianne Sclafani, Restaurant Specialist at LSBDC GNOR at (504) 908-1665 or  
E-mail: [dsclafani@lsbdc.org](mailto:dsclafani@lsbdc.org)

Go to Dianne's web site for food resources: Articles, information, business web sites  
Site: [www.diannesclafani.com](http://www.diannesclafani.com)

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1. Register for more LSBDC GNOR Classes
2. Schedule One-on-One Consulting Assistance
3. Check out our new website

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