



## *People often ask...What went wrong?!?!*

- 1) **Lack of visibility:** Being NEW, our restaurant was not visible, nor was it seen on a consistent basis by everyday consumers on a major road like it needed to be. The next location will require front row presence on a road with high traffic counts. A stand-alone building with a drive thru is a plus, but not required.
- 2) **Store Size:** We had too much square footage (6,067 sq/ft) for an initial start-up, non-franchised restaurant. The extra overhead proved to be one of our major downfalls in meeting monthly rental expenses. The next location will be 3,000 sq/ft (+/- 500 sq/ft) depending on location and price.
- 3) **Capital:** An adequate operating cash reserve was not available due to increased start-up costs and a delay in opening due to the extensive repairs needed. Failure to obtain TI reimbursement in a timely manner from the landlord also put a strain on our operating funds. It also prevented us from pursuing a proper marketing campaign due to cash flow constraints.
- 4) **Experience:** I did not possess the necessary experience needed to own and operate a brand new start-up full service restaurant, especially one in that size of building. Areas included: Lease negotiations, build out requirements, restaurant operations, marketing and employee management. Throwing myself to the wolves helped me obtain the necessary experience needed to try again.
- 5) **Menu Diversity:** An initial limited menu that was not diverse enough to meet the demographics of our customer base. This has been expanded to better meet the needs of our customers and will be implemented over the first year.
- 6) **Marketing:** An aggressive, methodical marketing campaign was not created prior to opening. Since closing, several marketing companies have been consulted for ideas and recommendations for reopening. Many of those ideas will be in place prior to signing a lease in the next location that will help us reach our target audience. In addition, a full array of flyers has been created to do more self-marketing (aka... guerilla marketing) and is outlined in a marketing plan that has already been created and ready to implement. Finally, dollars spent on marketing the first time around proved to be ineffective.
- 7) **Operating plan:** I did not have the necessary operation guidelines in place for many of the necessary day-to-day components needed to run a full service pizza restaurant. Many of those guidelines were developed after opening and have since been fine-tuned based on the events and needs that were realized while open.
- 8) **Food costs:** Full appreciation of food costs and knowledge of the most cost-effective way to obtain them. A detailed spreadsheet has been formulated to track food costs to the ounce/pound/serving. Vendors have been re-interviewed to ensure we are obtaining our best value with consideration to strong relationships that had already been developed. A market analysis has also been done so that we are comparing "Apples to Apples" of like pizza places in our area so that we will be competitive.
- 9) **Employees:** Lack of knowledge on what to look for and hiring the "right" type of employees with the knowledge and work ethic to create the right type of service component necessary. Experience, along with attending courses on employee hiring has taken place. In addition, a more detailed hiring process has been developed and ready to implement.
- 10) **First-year mistakes:** Lease negotiations, build-out, Marketing, Employees, Inventory, Staffing and time management; ALL CRITICAL to surviving the first year and each year thereafter!! The financial pain of all of these and many others will prevent me from repeating them again if at all possible.



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*Kids Love the Fun... You'll Love the Food!!*



- 11) Utilities: Starting the oven to soon, running it during down times, too big of refrigeration (one of them could have been shut down), inadequate exterior doors that were not energy efficient, inefficient AC units in primary dining area, incorrect ceiling lights throughout parts of the dining area.
- 12) Time wasted on obtaining soda supplies at Coke vendor instead of going through local supplier.
- 13) Cable boxes located in the office instead of near the TV's which was a significant distance away.
- 14) Modification in critical pizza toppings that was more cost effective w/o sacrificing quality.
- 15) Failure to optimize all of the POS's capabilities.
- 16) Money spent on a 2<sup>nd</sup> salad bar that proved to be unnecessary.
- 17) Cost of 810 luncheon advertisement and the extra money spent on labor and food for the event.
- 18) Extra management staff hired on day 1 that was not necessary (had 3, needed 1).
- 19) Use of servers when fast casual order counter service would have been a better way to go.
- 20) Web site that didn't have adequate maps and links to direct customers straight to the restaurant.
- 21) Address that did not take you to the front doors by GPS and was hard to find due to poor visibility.
- 22) Inadequate drains hooked up to soda machines to properly flush on a regular basis.
- 23) Coffee on the menu that resulted in wasted product over the year (sold less than 10 cups).
- 24) Initial phone # set up by Yellowbook didn't match our true phone # which later caused confusion.
- 25) Yellowbook's design of website and lack of ability to make changes in a timely manner.
- 26) Use of staff to do a final clean prior to opening.
- 27) Failure to capture customer's data & phone #'s to use within POS marketing capabilities.
- 28) Variety of kitchen operations that were inefficient in the beginning...
  - a. Taco sauce waste and marina sauce heating & waste
  - b. Inefficient application of sour cream & mayo on pizzas
  - c. Storage of lettuce & tomatoes for Mexican Fiesta pizza
  - d. Having back-up lines ready such as dough, cheese, sauce, appetizers, etc...
  - e. Proper CO2 supplies
  - f. Failure to use 2<sup>nd</sup> oven when needed
- 29) Janitorial supplies: over ordering and use of their paper towels was too expensive
- 30) A light on prep tables to show they were running to prevent accidental failure of not being plugged in when moved for cleaning purposes. Caused waste of product twice at approx. \$400/occurrence.
- 31) Extra money spent on utilities & insurance in a building with too much square footage & open space.
- 32) Not being present for inspection of HVAC equipment and believing commercial broker's when they said the equipment would be "fine"!!
- 33) Inadequate phone lines... used old lines already in place when should have had new lines ran.
- 34) Not having WiFi, TV's & satellite/cable on Day 1.
- 35) Systems and tracking spreadsheet for team parties not in place on Day 1.
- 36) Ideally would have been able to have enclosed game room, fire marshal & money prevented this.
- 37) Better TVs/DVD equipment in party room for events
- 38) Money spent on initial making of uniforms & menu (my fault for not having this done prior to opening).
- 39) Wasted time in build out deciding on lights, tile & paint colors.
- 40) Not having a competent architect in place prior to signing the lease. Lots of time & money wasted on corrected drafts for poor work.
- 41) Use of an interior designer, the one chosen was not competent and expensive.
- 42) Agreed to items in the lease based on the advice of commercial brokers and the use of the attorney who they recommended.
- 43) Time wasted in repeated of moving existing furniture when a storage site should have been used.
- 44) Took on a space that needed too much rehab, didn't negotiate for enough time to complete project.
- 45) Improper use of contractors... I had to use buddies because we were underfunded who couldn't commit to 8-10 hour days to get the project finished.
- 46) Spent \$8/light bulb for lights over dining room tables when we could have spent \$.50/bulb.
- 47) Not having a sign on the building prior to opening because we were underfunded.
- 48) Not having signs on entry to shopping center sign.
- 49) Not having info on front doors and outside doorway to party room area
- 50) Bought too much of some products that eventually went to waste.

\*\*Solutions for all of the above have been obtained and will be implemented appropriately during the course of the first year. Once opened, we will continue to monitor and adapt as needed.