



YOU CRAZY

To Start A

Restaurant

Charles Ho



Kanyin
PUBLICATIONS

**How To Avoid REAL LIFE Failures
In Restaurant And Cafe Business**



*To all aspiring restaurant and
café owners in the hope
that they will find this
book useful*

DEDICATION

The idea to write this book has been in my mind for many years. Since I first got to know how to cook and involved in the restaurant business, I have kept files of notes from many restaurants I worked on. Too often, I have seen many ambitious, hard-working, and intelligent people stumble through running the restaurant. I dedicate this book to all aspiring restaurant owners and chefs particularly, to never give up your dreams to be a restaurateur as Norman Van Aken once said, “This is not a profession you choose. It chooses you.”

I also dedicate this book to my dad, a master chef and gourmet mentor who always encouraged and motivated me to pursue my dreams.

TABLE OF CONTENTS

FOREWORD

PREFACE

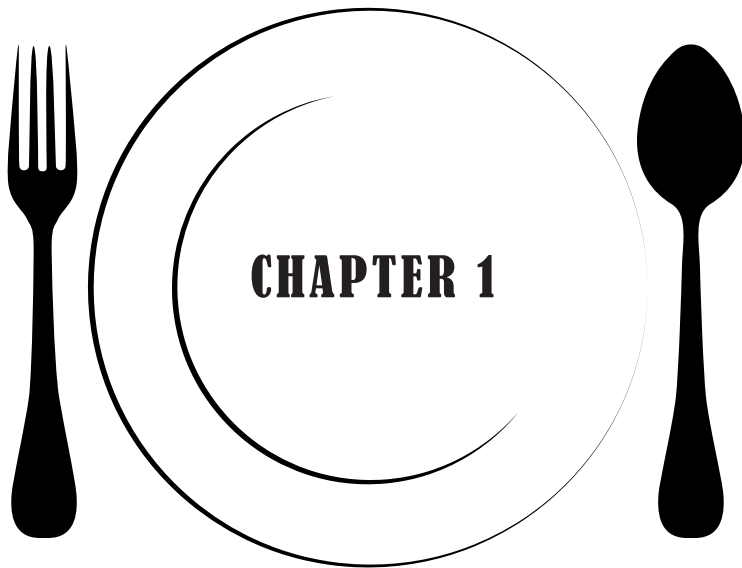
ACKNOWLEDGEMENT



Chapter 1 – Author’s Personal Story	14
Chapter 2 – An Overview of the Restaurant Business	23
Chapter 3 – Restaurant Trends & New Innovations	34
Chapter 4 – Fundamental Requirements	47
Chapter 5 – Restaurant Business Plan	64
Chapter 6 – Concept & Design Development	126
Chapter 7 – Equipment & Furnishings for the Restaurant	148
Chapter 8 – Staffing your Restaurant - Recruitment, Training & Development	163

Chapter 9	– The Menu	189
Chapter 10	– Food Purchasing and Suppliers	208
Chapter 11	– Marketing and CRM	225
Chapter 12	– Day to Day Operations & Financial Controls	252
Conclusion		280





Author's Personal Story

**“Live to eat
eat to live”**

I ♥ EATING

My destiny was already decided for me before I was even born. My father and his father before him, were both Master Chefs so it was only natural that I would be born wanting to eat, cook, and enjoy food of all different types. You could say that I was born with food in my veins, instead of blood.

My father has told me many times that ever since I was three years of age, I was always keen to eat the delicious food that he prepared for me. I could easily tell good food from bad food, even though my father never cooked bad food. You could say I was spoiled for food while I was growing up, because I always had the best meals.

As soon as I was able to, I started helping him in the kitchen. He loved having a young helper and my knowledge of food grew as I got older. My father taught me as much as he could while I was growing up. He was a very hard task master, impatient and very hot-tempered. He believed his food should be perfect, and would never let any meals leave his kitchen unless it was perfect in his eyes.

I can remember failing to live up to his expectations many times and was scolded as a result. He also believed in beatings and that also drummed it into my head...get it right or be punished!



I had a powerful longing to learn as much as possible if this was to become my career. So as soon as I could, I started my culinary training at the Malaysian Chinese Cuisine chef-training course. This was quickly followed up by participation in the prestigious Le Cordon Bleu culinary workshops.

I felt inspired to deliver the absolute best in cuisine to all diners in every restaurant I worked in or owned in the future. So I boosted my knowledge next by attending classes at the American Hotel & Motel Association, where I graduated with a Diploma in Hotel Management.

By this stage I knew I wanted to open my own restaurant and channel my efforts into building my dream, instead of working for somebody else. So, I continued my studies and subsequently graduated from the University of Northumbria in the UK, with a B.A. Honors in International Business Administration. I also obtained a Diploma in Management from the University of Malaya.

I worked for a few restaurant owners, including some Chinese restaurants where I honed my practical skills for a number of years. I gained a reputation for combining old dishes and new flavors to create some very inspiring dishes.

I returned to Malaysia after 10 years of studies and very hard work and opened my first restaurant in 1994. I felt supremely confident in my ability to make this a success.

However, I quickly learned that there are a lot of small details you can't prepare for, unless you have expert guidance. Schools don't teach you a lot of what you need to know and when you work in kitchens for other people, you don't get to see the whole picture.



It's very easy to think you know it all as an observer looking in, even if you're actually working in a kitchen. It's only when you put on the "restaurant owner hat" that you finally start to realize the sheer complexities of running a restaurant of any style and size, and the hundreds of important decisions that have to be made on a daily basis, many of which that can't be delegated, unless you know you have reliable people around you who have proven their worth.

I learned the hard way that there were a lot of small things that I have never even considered when I worked in other people's restaurants. Yet, as many great chefs have taught me, it's doing all the small things properly that will help you achieve perfection and, through that, success.

The information in this book is based on the wealth of experiences I have had, including the successes and



failures. I believe that every mistake is a chance to learn, so you don't make them again.

You only learn by doing. Routine is a great way to find how to do tasks the right way. Over the next 10 years I worked very hard to build my

Red Hot Tip!

When you are truly passionate about starting a restaurant, you will overcome any obstacles to make it happen. When there is a will, there is a way. You will find a way when others say it cannot be done.

restaurant and develop a solid reputation. There were lots of hurdles along the way, and I overcame them eventually, many with the help of the extremely capable, and reliable team that I had surrounding me. You're never alone when you run a restaurant and it's vital that you tap into the experiences of others around you, where possible.



Eventually, my restaurant grew to become very successful, popular, and profitable. After more than a decade of slaving away in my restaurant, I sold it to a very promising young chef, because I had other plans for my life. I was finally a third generation Master Chef and I know my father and

grandfather are proud of my accomplishments.

Having developed a stellar reputation and a name for myself in Malaysian culinary circles, I decided to use my knowledge and experience to help others learn the art of successfully starting and running one of the most difficult businesses - a Restaurant.

During the years, I have also become a regular guest contributor to a number of food and cooking magazines related to Chinese cuisine and a myriad of newspapers throughout the Asia Pacific region. The publicity associated with these contributions has earned me a reputation as a discerning Food and Beverage consultant for the hospitality industry.

Red Hot Tip!

Running a restaurant means constantly having to recreate yourself.

I made the conscious decision to stop being a restaurateur and become a consultant, so I could use my own expertise to help others become successful.

I offer advice to struggling restaurants and have been called in a few times to turn around financially struggling 5-star hotel restaurants and bring them back into the black, where they could consistently make a decent profit once more.

I felt strongly that I wanted to "give back" to the industry in return for the vast amount of knowledge and experience it had given me over the years. I wanted to offer advice and support, so others didn't have to make the same mistakes I made. Then they could achieve success much quicker.



Please don't take this to mean that they didn't have to do any hard work. It's impossible to have a successful restaurant without putting in the hard work, long hours, blood, sweat and tears.



But if you truly have food coursing through your veins, instead of blood, and you know it's your passion, then it's all worth it in the end. If you wake up thinking of food and go to bed thinking of food, then it's obvious that this industry is for you.

I just hope that the advice I offer through my writing can help provide a roadmap so you can avoid a few of the hurdles along the way.

I also believe in humility and remembering where I came from. There's no advantage to having a giant ego in this industry. I achieved my successes by learning from other people and so I owe it to myself and to them to pass on some of that knowledge, so others have the chance to succeed.

I have offered coaching and lectured to people that wanted to become involved in this amazing industry. I want to help the newest generation of chefs be as innovative as

their predecessors. It was this spirit that made me sell my business to a very promising young chef; so he could fulfill his dream of owning his own restaurant.

I have written more comprehensive books and also offer detailed recipes and solutions on my personal blog. I have written this brand new book which is designed to help you achieve success in your new restaurant.

I believe this book completes my journey from pan to pad by assisting others through the labyrinth that is the food and beverage industry and that you achieve a great deal of success easier and faster than I did.

Red Hot Tip!

Ultimately, if you are determined and realistic about what you are letting yourself in for, and are willing to sacrifice your precious time and get your hands dirty, there's no reason why you cannot succeed in running a restaurant.

The message in my story and your own success, as you journey through the culinary world, is measured by the amount of hard work you put into your business. I have no interest in making this career look easy, because that would be a lie. However, if you have a great idea and are ready to roll up your sleeves, get stuck into the business end of things, and learn everything you can, you CAN achieve success and the fruition of your dreams.



It has taken me three decades and a long, arduous journey through education and mountains of hard work to get me to the point where I am today. As Michael Jordan said, “I’ve failed over and over

and over again in my life and that is why I succeed.” I wear many hats: professional chef, food connoisseur, restaurant consultant, food critic, author, and restaurant operations and management strategist.

I still continue my food journey and I travel to all corners of the globe in my quest to seek out new and different foods, no matter how difficult the journey

may be. I am married to a beautiful lady, who is the love of my life. My son and daughter both study at university now, so I have the freedom to do what I want with my life.

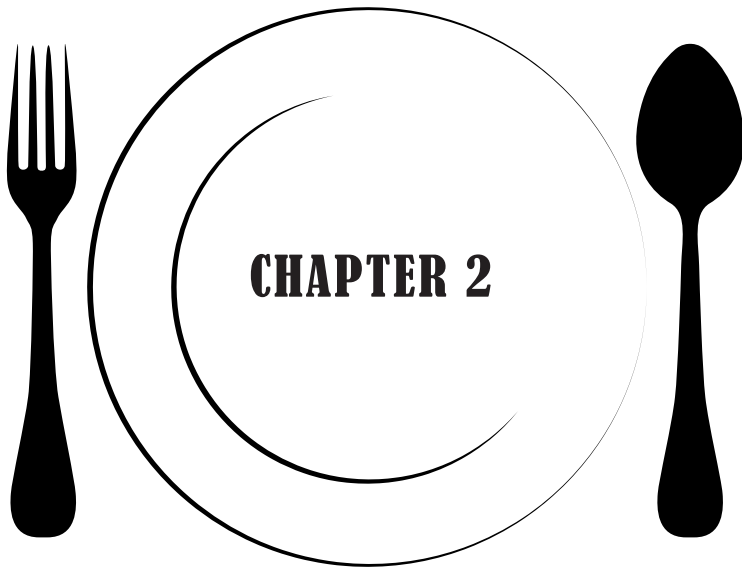
Red Hot Tip!
Whatever you do,
do with all your might.

This book you’re reading is your first step in a new and exciting journey.

The real question is - will you allow me and my strategies to inspire you to take action?

Cheers & Enjoy!

Charles Ho.



**An overview of the
restaurant business
(Are you game for an
unforgiving trade –
Restaurant?)**



Most people, who open a restaurant, have an infectious passion for food, cooking, and eating. They literally sleep, dream, and breathe it. It's the first thing they think about in the morning and the last thing they think about at night. They enjoy a wide variety of cuisines, and they want to be able to share their passion with other people in their own way.



Owning a restaurant can be one of the most rewarding careers you can ever have. Food is one of those commodities that will never go out of style, because everybody has to eat. This means there will always be people looking to expand their food horizons and want to try different types of food.

There are many reasons why people may decide to open their own restaurant. It's a great place to socialize. If you enjoy mixing with people, this is an ideal way to do it, because you'll see different people every day. You can build up a regular customer base, make new friends, and develop a great reputation.

Some people love a challenging, ever-changing work environment. Every day you can do a wide range of tasks.

CHAPTER 2:

An overview of the restaurant business

(Are you game for an unforgiving trade – Restaurant?)

You may cook, serve drinks, wait on tables, wash dishes, or sweep the floors. It's all variety and will keep you on your toes. If you're used to sitting behind a desk, this is

Red Hot Tip!

Restaurant business
= Tough business +
Long hours + Hard
work + Patience +
Commitment.

about as different from that sort of life as it can possibly get.



Some people retire or quit a job and then find they have too much time, with nothing to do. So they decide to open a restaurant (after a lot of thought, of course). It will make them feel useful and keep them busy again.

Working with food is a bit like working in the theatre. Every dish has its own style and panache. You'll have the ability to create masterpieces to enthrall your diners. If you truly believe this about food, then this is the only industry for you. It's a great way to express yourself... on a plate!

Perhaps you want to share some of the cuisine from your own culture with other people. For example, you may be Italian and so you specialize in that type of cuisine. Imagine the fulfillment you'd get from your restaurant developing a reputation as serving "the best Italian food in the city".



On the other hand, you might want to offer a wide range of different foods, so you can satisfy the appetite of lots more people.

If you want to open up a restaurant, you also need to ask yourself

some hard questions. Do you hate your current job? Do you hate working for somebody else? Can you see yourself as a self-employed person who is only answerable to himself?

If your answers to these questions are yes, then being a restaurateur is possibly for you.

Owning a restaurant means being enthusiastic, committed, passionate, and creative. It requires more energy than

Red Hot Tip!

The most ideal preparation for starting your own restaurant is to first work in someone else's restaurant. Work in different positions and know every single trick of the operation in the front and back of the house.

you probably expect, but if you believe in yourself, you'll find that energy when needed. Owning your own restaurant isn't a job; it's not even just a career. It's a way of life and if you can't see yourself doing it for the long haul, don't start.

Before you decide to take the leap, spend some time dining

in restaurants that are similar to what you have in mind. Take plenty of notes. Read menus, sample food, talk to the owners (if they're receptive), and really do your homework. Regardless of how much you think you know about food and the industry right now, doing this will only help you with your decision and business if you do decide to take the plunge.

Do You Have What It Takes?

Are you self-disciplined, organized and motivated enough to be a boss? Are you courageous enough to step out into the unknown and begin a new life?

Red Hot Tip!

Don't let your hard work of starting and running a restaurant destroy your health.

Are you a people person? Do you enjoy talking to people of all ages, races, and religions in a friendly manner? If you can handle problems easily and enjoy solving them as well, being a restaurateur just may be the career for you.



If you have good stamina, a calm and friendly personality, and great delegation skills, you would be suited for this industry. Ideally, you would have managed staff before, as that aspect is a tricky challenge of its own.



Do you have plenty of self-confidence? You'll need it in order to sell yourself and your business to potential loan officers and investors, as well as the staff you may recruit.

The big question is this – do you see yourself working long-term in the service/hospitality industry? If you can't honestly say yes, then walk away.

The harsh reality is that it's a very difficult profession. You have to work long hours and sometimes, seven days a week. You can't run a business if your doors aren't regularly open to the public.

Most restaurants fail within the first year of operation. So if you're going to succeed, you need to do a lot of research before you even commit a cent to your new business idea. If you're going to become a successful restaurateur, you have to do it properly right from the beginning.

Think about what sort of person you are and what role you will fill in the restaurant. If you're a very quiet, conservative person, then this industry is not for you. You need to have a strong, outgoing personality if you're to be successful.

If you're going to be the chef, you need the strength to run the kitchen and tell everyone what to do. The chef drives the whole restaurant and that strength must be there, or the business will fail. That is a 100% guarantee at least at the kitchen.

If you're going to be the front-of-house – restaurant manager, you need to be friendly and polite, but still strong. You need to control the staff and crack the whip when necessary. You have to keep things flowing, turning the tables over (turnover) so you can feed more diners and you'll be the one who looks after customer complaints. You may also butt heads with your chef, at times so you need to be able to handle that.

Challenges

Are you single or do you have a family? If you're single, it will be less pressurizing, but if you have a family, how will your family life handle the stress of running a restaurant? Maybe they can help, depending on their age and skills.

Red Hot Tip!
You will soon discover the true meaning of 'stress and strain' when you have opened your restaurant.

Stress and long hours will be in abundance for you. Your weekends will disappear, because that's the busiest time in the hospitality industry. If you are open for lunch and dinner, seven days a week, that's where you'll be.

The role(s) you have within the business will also affect what hours you have to put in, but even if you're not in the restaurant, you'll be on the phone a few times a day/night. So if you don't like the thought of stress, long, hard hours, and no weekends, STOP now!



What “official” role(s) will you play in the business? Will you be the chef or the front-of-house manager, or will you be taking more of an overall managerial role and hire people for those key roles?

You must be ready to wear lots of hats including: owner, accountant, marketer, quality control specialist, buyer, customer service person, personnel manager, electrician, computer geek, plumber, chef, waiter, bartender, host, and manager, etc...

While you don't necessarily have to be an expert in all of these roles, you must have a solid understanding of all of them or have people supporting you who do.

**Red Hot Tip!**

Be prepared to take on every position in your restaurant. Remember, it's your show.

Your day will throw thousands of challenges at you, so the more support you have, the better. Then you can focus on the most important aspect of running your restaurant: customer satisfaction.

You must decide before you do anything else, because if you're not filling these roles yourself, you should recruit the people you need for them, so they can help you with some of your planning.

Your signature cuisine may be a decision a new chef can help you with. Restaurant design can be an aspect that your chef and front-of-house manager can help you with, as well.

You must have the right personnel. You need to have the best staff possible. A chef with an excellent reputation is worth his weight in gold and will increase your patronage immensely.

A good restaurant needs lots of planning. You'll need sufficient capital to fund your restaurant. It will take a lot of time to make profits, so if you don't have the finance to do it, you'll be behind the eight-ball and won't stand a chance of succeeding.

You must have a great venue that will attract a lot of passing traffic and is easily accessible, so customers can find you with no difficulty.

You need a strong business plan that will encompass every aspect of your new venture. You have to start by making a very long list of every single thing you will need to get your restaurant up and running.

What cuisine are you going to serve? You have to source good suppliers of fresh produce, as well as other ingredients and haggle over the best possible prices as well. The more you pay for your cost of food and drinks, the less profit you'll



make. Make use of any contacts you may have. Ask friends if they have contacts you can use, as well.

Once you have a chosen venue, you need to fit it out with all the equipment and furniture required. This is a very expensive aspect of your business, but if you do it right, it can save you a lot of time, stress, and effort. Design the kitchen so it can function smoothly, with work spaces and equipment positioned in the best places. If you're not going to be the chef yourself, hire a chef and seek his advice on this matter, because he will be able to tell you exactly how to do it.

Your front-of-house area has to also be well-designed. You have to create a pleasant ambience, but you also want to get as many tables and chairs in as you can, to feed as many people as possible once you're successful.

Your bar area also needs to be set up so everything is easy to access. That way, drinks can be prepared and served quickly and efficiently. Again, if you're not going to be behind the bar, seek advice from someone with experience in this area. The more advice you get, the better off you'll be in the long term.

**Red Hot Tip!**

Running a restaurant is like directing a blockbuster movie.

If you don't have a lot of working knowledge about the restaurant industry, you should investigate the option of

taking a course to teach you what you need to know. While it won't teach you everything, it will be immensely helpful.

You also have to get a website created so that people can find your restaurant when they search for good places to eat. It's the single best marketing tool you can have, so make sure it's done well.

If you don't find anything interesting so far, then you are probably not ready to start your restaurant yet. But, if reading this has got you even more excited for the challenge, you're half-way there already!