

Case Study : One : Startup Restaurant

Client's Goal

Client was looking to start up a restaurant serving Middle Eastern food to the lunch crowd in Long Beach, CA. Client was in the search for the ideal site for the restaurant.

SN Consulting's Role

SN Consulting started working on a financial model that would create an income statement, balance sheet and cash flow statement along with additional tabs to support the line items.

As a result, the client was able to see the volume of plates needed to be sold on a daily, weekly and monthly basis to pay for the rent and expenses.

Through the model, the client was able to understand the importance of selecting a restaurant site with the lowest rent, while getting the foot traffic needed for sales. Too many times, startup restaurants find a cheap, yet offsite location. As a result, they may pay lower rent, but the lack of customers can't generate the revenue to support the lower rent.

Result

The model helped to deter the client away from a site with a high monthly rent and a large initial deposit. Although the location was ideal, near a college campus, the number of plates needed to be sold monthly didn't justify the higher rental fees.

Client's Comments

"Working with SN Consulting was crucial in the development of our business. They were able to aid us in choosing the best site for our restaurant. The tools they provided us, gave us the opportunity to analyze our risks every step of the way."