

LEARNING MADE EASY



3rd Edition

Running a Bar

for
dummies[®]
A Wiley Brand



Manage expenses and
control cash flow

Promote your business using
proven strategies

Learn how to adapt to meet
customer needs

R. Foley

Publisher of BARTENDER[®] Magazine,
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Running a Bar

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3rd Edition

by R. Foley and Heather Heath

**for
dummies[®]**
A Wiley Brand

Running a Bar For Dummies® , 3rd Edition

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Introduction

The bar business is exciting! You never live the same day twice. Running a bar is dynamic, with fresh faces each shift and new drink trends to keep up with. Regulars keep you grounded and contribute to the vibe of your place. One thing is certain: Every night's a party. We're thrilled you're looking to get involved, and you've definitely come to the right place to get started. We want to help you make sense of all that fun with a business mindset and some financial discipline. From the neighborhood bar to the local wine bar, opportunities in the industry have never been greater. This book is your guide to getting started in the right direction.

A lot of books have been written on being a bartender (heck, coauthor Ray Foley wrote *Bartending For Dummies!*), but to run a bar, you have to be more than just a great bartender. To be the owner, you have to see beyond the glamour of standing behind the bar flipping bottles, pouring draft beers, and chatting up customers. You have to feel the anxiety, and the blood, sweat, and tears that accompany it. As you read this book, we think you will come to understand, if you don't already, that the bar business really is a *business*. You crunch numbers, make sales projections, watch labor costs, and so on, just like in every other business. And ultimately, your success is judged — like any other business — on your profitability.

Whether you're an experienced bartender or a cocktail server looking at your long-term goals, reading this book is a terrific step in launching your own business in the bar industry.

About This Book

You don't have to pass an exam or earn a degree to prove you can run your bar. Instead, you have to work at it, gain experience, and have more than a little common sense. We wrote this book to help you to determine what skills you need to get into the business, and we help you figure out where you need to fill in the blanks. After you read the pages between these gorgeous yellow-and-black covers, you'll have a good idea whether this is the racket for you — and you'll have the knowledge to get started on the right foot.

You can find plenty of books that tell you how to open a bar, but you won't find many about how to *keep* it open. This book does both. Why? Because even after opening day arrives, you can never stop improving your service, evaluating your product, scoping out the competition, or researching opportunities in the marketplace. Change is the only constant in this business. To succeed, you must anticipate and act on new trends, new pressures, and whatever else the market throws your way. The spoils go to those who see opportunities before they happen.

Foolish Assumptions

Bar owners have to make assumptions about the patrons sitting on the other side of the bar, and authors have to do the same thing — we have to make assumptions about our readers. With that in mind, we've come up with the following list of assumptions about why you've picked up this book:

- » You're thinking about opening your own bar, and you want practical, how-to advice to accomplish your goals.
- » You're a bartender or other bar employee who wants to take your experience to the next level and manage a bar.
- » You've never worked in a bar but you've had success in other professional endeavors and have skills that you may be able to apply to this business.
- » You buy every book that sports a yellow-and-black cover.
- » You currently own or operate a bar, and you're seeking advice, tips, and suggestions to keep things running smoothly and successfully.

Here's another assumption that we'll address right now, just in case you're carrying this common misconception: Don't think that you should open a bar because you want a cool place to hang out. It's tough to sit down in your bar and actually relax. Typically, you can't turn your management mindset off just because your friends or family come in. You're too busy watching cocktails being made, looking at paper scraps on the floor, or looking at plates of food going by, doing a sort of on-the-fly quality check. If you take time to actually sit down during a shift, you lose your control or awareness of what's going on. Even if you come in on the one day a month you're off, you'll still probably be distracted by what's going on around you. Remember that when you're in the bar business, you're married to it!

Icons Used in This Book

Icons are the cute little pictures that appear in the margins of this book. Here's the guide so you can tell what they are and what they're for:



TIP

The Tip icon calls your attention to ideas that can make your job easier and help you sidestep problems. The tips often give you handy ideas on ways to improve your business today.



REMEMBER

The Remember icon points out where we reinforce the concepts we discuss. If you're in a time crunch and can't read the entire chapter, you can go straight to this icon and still come away with some very useful information.



WARNING

The Warning icon alerts you to potential pitfalls and gives you a heads-up on mistakes to avoid. Pay attention when this icon rears its head because it's there to show you something important.



TECHNICAL
STUFF

The Technical Stuff icon alerts you to interesting, but not critical, background information about the subject being discussed. You don't have to read the information to understand the ideas and concepts, but you may find it interesting nonetheless.

Beyond the Book

In addition to the material in the book you're reading right now, you get access to even more help and information online at Dummies.com. For the scoop on figuring out beverage costs, questions to ask the alcohol control board, must-have bar items, and more, check out this book's online Cheat Sheet. Just go to www.dummies.com and search for "Running a Bar For Dummies Cheat Sheet."

Where to Go from Here

Because this is a *For Dummies* book, you don't have to read it in order, word for word, front to back, cover to cover. If you prefer, you can check out the corresponding part, chapter, or section and read up on the issue that most interests you, rather than plow through the entire book. You can find out what you want to know without first having read the information that precedes it. In other words,

this book gives you get-in-and-get-out convenience. You can start wherever you want and read whatever you want. You can jump around and finish reading when you feel like it. So grab your bar towel and get going. Interested in tips for improving your drink menu today? Turn to Chapter 9. Do you need a test to quiz your soon-to-be hotshot bartender? Take a look at Chapter 10. Looking to get started on a new business plan? Flip over to Chapter 5. Need help choosing a name for your new place? You gotta see Chapter 6!

1 Cheers! Getting Started in the Bar Industry

IN THIS PART . . .

Understand just what kinds of issues and experiences you may encounter in your bar or pub.

Set realistic expectations for what running a bar is really like. Consider whether you can handle the specific work-life balance challenges that the bar industry is famous for.

Identify key players on your team (like an accountant) who can help you achieve your dream of owning a bar. Look at the ins and outs of what the business is like on a day-to-day basis.

Look at the legal issues surrounding the bar industry.

Refine your ideas for what kind of bar you want to run. Check out several hot concepts in the bar business.

- » Understanding the basics of the business
- » Deciding whether you have the necessary skills

Chapter **1**

Bar Business Basics

Think of all the great times people have in bars. They meet for girls' night out, bachelor parties, reunions, birthdays, or just because it's Thursday. They come to celebrate, relax, or have fun. It's a fact: People like bars. So it's not a leap for people to think "Hey, I enjoy hanging out in bars, so I may as well get paid to do what I enjoy — hanging out in bars."

Viewed from the bar stool (on the public side of the bar), it's easy to miss all the hard work that goes on to make hanging out in bars fun for everyone else. When you have to manage every detail — such as hiring the staff, selecting the music, choosing the lighting, designing the menu, and picking up trash in the parking lot — the bar business quickly becomes more work than fun, so don't be fooled.

In this chapter, we take you on a quick tour of the business. We explore your reasons for getting into the business and help you check your expectations for your new venture. We introduce you to what you need to know to understand and maximize the true financial performance of your new venture. And finally, we inspire you to keep reaching out to your patrons. Look at the other chapters in this book for more detailed information about these topics and other important points to know about getting your bar going and keeping it running.

Deciding Whether the Bar Business Is Right for You

The bar business world is more than a party every night of the week. It's actually a business. Those owners who look at it as a business ultimately have a much greater chance of succeeding. You can't just give drinks to friends or offer drink specials too deep to turn a profit. You can't order too many bottles of whiskey only to (not) see two of them walk out the door. You have a tremendous opportunity to make a great career out of a fun business if you're willing to put in the effort and use some common sense.

Why do you want to be in the bar business?

The bar business is tough for some people to relate to because you're selling an experience rather than something that's physically packaged that you can hold. Instead, your product is packaged in many layers, from the music you play, to your furniture and lighting choices, to the beers you have on draft. All these things make up your packaging, affect the costs of doing business, and affect your patron's decision to hang out at your place or move on down the street.

Think about these questions when you're contemplating your decision to take the plunge and run your own place:

- » **Do you really like people?** An odd question on the surface perhaps, but running a bar doesn't afford you a lot of quiet, contemplative alone-time. Make sure you can stand the onslaught of constant conversation and complaints.
- » **How do you handle your own liquor?** For some people, running a bar is like giving a kid the keys to a candy store. The liquor is always available, and they don't seem to know when to say "when."
- » **Are you a night owl?** Think about your own internal clock. When does it turn on and shut off? If you like to be up until 2 or 3 o'clock in the morning, this could be the industry for you.
- » **Are you ready to baby-sit adults?** As the owner or manager of the bar, you have many employees, suppliers, and customers who need your attention. Sometimes you're the one who has to cover a missed shift on the fly. Occasionally, you have to handle a late shipment of liquor that arrives inconveniently at 6 o'clock on a Friday night. Most likely, you'll need to attend to a patron who needs a cab. Whatever the scenario, tag — you're it.



TIP

Make sure you spend some time reading Chapter 2 to get a feel for what the business is really like before you invest serious time and money in developing your ideas.

What do you expect to get out of your place?

Now's the time for you to sit down and create your plan for what your bar should be. Early on, create the pie-in-the-sky version of your ideal place, including a menu (both drink and food), and even draw up mock floor plans. Figure out where you want your stage and TVs to go, how many bars or wells you might have, what your theme is going to be, and so on.

Make sure you figure out what you, as a person, want to get out of the occupation of running a bar. Think about these questions:

- » **How much time do I want to dedicate to work?** Running a bar takes a lot of time, just like managing any other business. The key difference, though, is that the time tends to be during nontraditional work times. So when the rest of the world is out having a good time, you're providing the good time.
- » **How much time do I need to spend with my family?** If you like to spend nights and weekends at home, this may not be the business for you. But if you're open to finding other times to spend with your family, you can make it work.
- » **How do I like to spend my free time?** If you enjoy talking with people, listening to music, and playing an occasional game of pool during your free time, you'll probably enjoy this work. But remember to draw a clear line between your business and personal lives.
- » **Do I like having any free time?** When you own your own business, you don't have lots of free time in the beginning. If you hire the right staff members (see Chapter 10 for help) and train them right, you can work your way into delegating some of your jobs.

Eventually, you must take certain steps to plan your business so it'll be a success before you can open the doors and enjoy it. In fact, we recommend you start planning as soon as you can so you can decide whether your plan is a viable one.



TIP

Create a timeline for getting your business up and running (Chapter 13). Decide exactly what kind of bar you want to run (Chapter 4). Choose a name that suits it (Chapter 6). Develop a detailed business plan and use it to find and secure financing (Chapters 5 and 3, respectively). Find the best location for your new bar and get the right licenses and permits as soon as you can (Chapters 6 and 3, respectively).

Starting Fresh or Taking Over an Existing Bar

The decision to open a bar is a big one. Sometimes people are just sort of considering the idea, and then — out of the blue — they fall in love with an existing location, immediately imagining themselves behind the bar, spit shining glasses. Other people build their dream bar in their mind's eye from the ground up. They have very specific ideas about every physical detail of their place. And naturally, they want to physically build it from the ground up, as well. Depending on your schedule and budget, you can make either scenario a success if you keep certain things in mind, which we explore in this section.

Location, location, location

The bar business is a bit of a different animal. Location definitely matters as it does in any business. But what defines a great location is in the mind of the beholder.

Some people choose to buy or build a bar in an already booming area (and choose to pay higher rent) to get a leg up on getting people in the door. Others think it's better to speculate a bit and get in on the ground floor of an up-and-coming neighborhood, in the hopes that the area will be the next “hot” thing. They save on rent, but usually spend more promoting their business and have to wait a while to see a return on their investment. The choice is yours.

To help you figure out which way to go, and other specifics about finding the right location for your bar, check out Chapter 6.



TIP

Many small neighborhood bars are not in what people would consider ideal locations, but the people who patronize them love them and wouldn't think of going anywhere else. In most cases, these places have been around a long time. If you're taking over a location like this, it's important to figure out what's working already. People have sought out this place for a reason, so you need to figure out what that reason is to avoid messing it up. Don't just come in and change everything; instead, meld your ideas with the existing business to make it work for you.



REMEMBER

Don't alienate your built-in clientele unless you have to, and then make sure you can replace them with another clientele through marketing, advertising, and other means.

Getting in with the right people

We're not talking about the celebrity A-list crowd here. Instead, we mean the barrage of people who can help you alter your space to fit your needs. Most people

starting a new business want to change a few things at their new location. Maybe you need to add a wall to create a quiet area away from the stage. Maybe you need to upgrade the bathrooms to comply with the Americans with Disabilities Act regulations. A contractor can save you lots of time and trouble. Don't hesitate to ask questions of a couple of different ones and check their references. Chapter 3 has tips on finding and hiring a contractor.

Here's a quick list of a few hired helpers to keep on speed dial, depending on your concept:

- » **A good equipment-repair technician:** This is very important, especially if you've purchased used equipment that always needs to be in working order.
- » **A plumber who works nights and weekends:** Toilets back up even on busy Saturday nights.
- » **A handyman:** Someone who has restaurant experience is a huge plus. You never know when you'll need someone to solder a table leg, replace a window, or fix a crack in your sidewalk on the fly.
- » **An electrician:** They can help you set up dimmers, hide wires and components in places you didn't know were available, and rig up lighting for your stage.

When buying a new POS (point-of-sale) system, make sure that the vendor you buy it from offers 24-hour service. You don't want to find yourself in the position of not being able to accept payment or make change if your system suddenly goes on the fritz at midnight.



TIP

Sometimes you get lucky and someone on your existing staff has some of these skills. Make use of them. The staffer feels good because you recognize their talent, and you save the cost of a service call.

Staying on Top of the Latest Bar Trends

To be successful in this or, really, any business, you need to take care of your business today, tomorrow, and years from now. One of the best ways to do this is by staying up on trends in the bar and restaurant businesses.

By watching food and beverage trends across all food-service outlets, you can

- » **Find great additions to your food and drink menu.** Watch what bartenders and mixologists in larger markets are doing for inspiration to create a new cocktail, for example. Read the trade magazines (including *BARTENDER*

Magazine), trade papers, and Internet sites dedicated to cocktails and drink ideas, such as coauthor R. Foley's site <https://bartender.com>. TikTok and Instagram are great places to browse for inspiration. Take a look at Chapter 16 for tips on setting up your business profiles.

- » **Consider new categories of food service.** If you serve traditional pub grub, maybe you want to try serving some small plates, or *tapas*, that still match your core menu ideas. For more on tapas or other kinds of food menu items, take a gander at Chapter 9.
- » **Meld your core concept with what's hot in the industry.** You can keep your concept fresh while still keeping your core identity. Look for different fruits that seem popular with patrons (currently yuzu and fruit ciders top the list) and incorporate them into your signature cocktail, for example. Consider adding these flavors to new menu offerings that work within your bar's parameters.
- » **Stay ahead of the pack.** Get ideas from promotions and marketing ideas that work in other markets, and be the first to bring them to your town.

Ultimately, you're competing directly with all the other bars in your area. You're also competing indirectly with local restaurant bars and even carryout liquor stores nearby. So keeping an eye on what's going on closer to home is essential. You don't want to copy them and adopt a me-too approach to innovation, but you want to know what they're up to. Check out Chapter 17 for details on how to keep up with and stay a step ahead of your local competition.



REMEMBER

Your liquor sales reps can be a great source of information for you in many respects. They also call on restaurants, so they can help keep you in-the-know about all the goings-on around town.

Figuring Out Your Financial and Legal Obligations

Owning a bar is an expensive and potentially risky proposition. As with any business, you budget your costs, forecast your sales, and hope the sales exceed the expenses. But, to be successful, you have to do more than just hope. You need to do your homework and get your detailed plan together first.

Setting yourself up to succeed

You've probably heard "Failing to plan is planning to fail," and it's as true in this business as it is in any other. Successful businesses don't just happen; people

make them happen. Sure, some people do get lucky, but most can only capitalize on that luck if they're watching their business and actively managing it.

Here are some tools that can help you keep an eye on your business, evaluate your successes and failures, and reap the greatest financial rewards:

- » **A business plan:** Hands down, a *business plan* is the best tool for figuring out how much money you need to get started, and why, when, and how you're going to turn a profit. Check out Chapter 5 for the steps to create your own. (It's not that painful, we promise.)
- » **Income statements:** An *income statement* summarizes your expenses and sales and gives you the bottom-line profit for the month (or the quarter, year, and so on). Take a look at the sample in Chapter 5 to see what this looks like. For more details on using it in your business on an ongoing basis, turn to Chapter 15.
- » **Cash flow reports:** A *cash flow report* tells you when money is coming in and going out of your bar. It shows you exactly when, where, and how you're spending (and collecting) all that cold, hard cash. Take a look at Chapter 15 for help on creating your own version of this exceedingly helpful tool.
- » **Inventory counts:** Counting your inventory on a regular basis is crucial to your success. You buy ingredients (like liquor, juice, or even French fries), turn them into products (like cocktails and menu items), and then sell them to your patrons. Physically counting your inventory and comparing it to what you should have (based on your invoices and sales numbers) tells you how much of your product is actually making it to the tables and bar top in your bar. It helps you see how much you're wasting or, sadly, how much people are stealing from you. Check out Chapter 14 for tips on managing your inventory to maximize your profits.

Hiring other people to help you steer the ship

Hire an accountant early in the process of setting up your business. An accountant can help you get your numbers together for your business plan, which is a must-do if you're trying to get financing for your venture. Chapters 3 and 5 give you the details. After you're up and running, you'll analyze your monthly financial reports and look for ways to improve the numbers. A good accountant, preferably one with restaurant or bar experience, can help. Take a look at Chapters 14 and 15 to know which numbers to watch and why.

An attorney can help smooth the start-up process by getting all your legal paperwork in order quickly. An attorney can help you review contracts with suppliers, establish partnership agreements, file your permits, or maybe incorporate your

business. Depending on how you set up your business, you may need to draft a partnership agreement or two. Watch for details in Chapter 3.

Insurance is a financial necessity for any business owner. You need protection in case a water pipe bursts, a fire breaks out, vandals break in, or — worst-case scenario — someone sues you. Make sure you get a good insurance agent from the beginning. Chapter 3 can help you get the right one for you.

Bringing In the Crowds and Keeping Them Coming Back

Getting people in the door is important and, frankly, not terribly difficult. The hard part is making sure they have a great time, so great, in fact, that they want to tell their friends and come back night after night, week after week.

Here are some beginning steps to get you thinking about your long-term plans for bringing in the crowds:

- » **Figure out what's truly special and unique about your bar.** Write it all down, even if you never show it to anyone else. Take a look at Chapter 4 for help.
- » **Decide who your customers are.** Are you interested in drawing a college crowd or after-work professionals? Do you want sports fans or music lovers?
- » **Figure out what kinds of things attract them.** Maybe it's free stuff (like keychains and magnets with your bar's name on them), or maybe it's live music or all football, all day. Check out Chapter 6 for more entertainment options.
- » **Look at ways to communicate that your bar matches your customers' wants.** Connect with your customers where they are. Maybe it's in the college newspaper or on a banner in the subway or on the back of a ticket stub from the local baseball team. The possibilities are endless, but you have to get creative to get noticed. See Chapter 17 for more ideas.
- » **Engage in an ongoing conversation with your customers.** It's never been easier (or more necessary) to get real-time, relevant feedback from customers than it is today. Social media sites (such as Twitter, Facebook, and Instagram) are tailor-made for users to give their opinions and share their experiences with other people. Your patrons can be your biggest ambassadors. Respond to their questions and ideas. Ask their opinions. Repost their pictures of your food and them having a great time with friends in your place. Chapter 16 can help you get started.

IN THIS CHAPTER

- » Figuring out why (and whether) you really want to do this
- » Debunking the myth of inevitable failure
- » Facing financial realities
- » Getting a handle on the time involved in running a bar

Chapter 2

Understanding What It Takes to Own and Operate a Bar

A bar is a place to celebrate, relax, and have fun with friends . . . for the patrons. You, on the other hand, work in this place. While it's definitely fun, it has a serious side. You have to be responsible for everything and everyone in the joint. You have to make sure everything's going smoothly, patrons are happy, and the laws related to running your business are followed to the letter.

In this chapter, we help you get a handle on the reality (not the scripted, "reality TV" version) of what it's like to run a bar. We help you get a sense of the time commitments, the financial obligations, and the sacrifices you make as a bar owner. We also help you sort out your own motivations and expectations to make sure you're going into the business with your eyes wide open.

Social Skills 101: Do You Really Like People (And Their Problems)?

To succeed in the bar business, you have to be accepting of lots of personalities, schedules, and priorities that aren't yours. Whether you're dealing with customers, employees, or a sales rep trying to place the latest in a long line of apple vodkas in your bar, you have to develop a thick skin if you don't have one already.

Patrons are convinced you added too many beers to their tab. Another group knows they were next in line for a pub table. Someone else thinks you're watering down the drinks. All headaches that you have to handle with a smile, or you risk losing your clientele.

Employees often have jobs in addition to the one at your bar. Or they may be just working for you temporarily, between "real jobs" or between school years. Although bar employees know they need to be *at work* to get paid, they tend to be very socially active. So you'll have to balance schedule requests, last-minute call-offs from employees who had too much fun the night before, and workers who completely drop off the face of the earth. The bottom line is that, many times, this job isn't an employee's first (or second or third) priority, and you'll need to find a way to deal with it.



REMEMBER

You are in the people business. You have to compete for clients and employees. Accommodate them when you can, but don't let either group walk all over you.

Considering your motivation

Why do you want to be in this business? It's not a rhetorical question, or at least it shouldn't be. You should know the answer, even if you don't share it with us. Seriously consider the question and write down the answer.

There are lots of great reasons to want to run a bar. Here are a few of our favorites:

- » You love a fast-paced, dynamic work environment.
- » You love taking on a challenge.
- » You're passionate about mixology.
- » You love tending bar and want to make an investment in your financial future.
- » You have a passion for spirits, beers, and liquor.
- » You're continuing the family tradition.



WARNING

And the following list contains a few reasons that should send up a red flag in your mind:

- » You think it will be fun.
- » You want a place to hang out.
- » You're tired of having a "real" job.
- » You spend most of your time in bars, so you may as well get paid for it.
- » You want to kick back and take it easy.



REMEMBER

If one or more of these reasons sounds familiar, don't be completely discouraged. Just make sure that motivations such as these aren't your only, or even your primary, reasons for wanting to get into the business. And do some further investigation before making the financial, personal, and professional commitment to the business. (See the "Checking your expectations" section for some hints.)

Mastering the key traits of a successful bar owner

Every bar owner injects their own personality into their place. In fact, many people start their own bar because they want it to be different from other places nearby. But most successful bar owners have certain qualities in common. We cover some of these points in more detail later in the chapter, but for now, this list gives you the inside story:

- » **Business savvy:** Despite people partying it up in your bar, it's not a constant party for you, the bar owner; it's a business. In fact, if more people looked at bars (and restaurants for that matter) as a business, they'd probably have more success. Skills that you've learned, developed, and honed in the "real world" can apply to the bar business, like buying skillfully, managing tactfully, and negotiating shrewdly.

Set up your controls and systems for purchasing, cleaning, scheduling, training (and all the other -ing words you need to run your business) before you open your doors. Consider the long-term consequences of your decisions before it's too late to make the right choice. Learn from your mistakes and build on your success, just like you would in any business.

- » **High energy:** Owning a bar means lots of long hours on your feet. Employees take their cue for how to deal with the physical stressors of working in a bar from you, their fearless leader. Show (rather than tell) them how to keep their energy up and keep the personality "on" at all times during their shift. Your bar can't have a positive vibe if you don't.



REMEMBER

As a manager or owner, one of your jobs is to promote a positive attitude and energy in the restaurant. You can have positive interactions with customers all day long and make a difference. But if you extend those positive vibes to include exchanges between you and your staff, your staff can in turn extend the good vibes to your customers. That's your goal, because the positive energy can quickly transfer to your clientele as well. If you like to have fun but you're serious about doing the job right, it shows. And it translates into success.

- » **Ability to hold your own liquor, or just say no to it:** For some people, managing a bar is like getting the keys to the grown-up candy store, and the temptation is too much to resist. As a bartender, you often drink as part of your job. Whether you're tasting a new line of flavored rums, checking a freshly tapped keg, sampling a "bad" bottle of wine, or joining your regular customer with a glass of wine or a beer close to closing time, in the course of your daily job you may have occasion to drink. No matter what the circumstances, you still have to count the money at the end of the night. Or you have to be ready to go first thing in the morning.
- » **Trust:** You need to be able to trust and depend on other people if you want to run a bar. You can't be there all the time that you're open, and if you are, you're going to grow old quickly in an industry that already wears down the best of us. Surround yourself with people you trust and think are smarter than you. Easier said than done, but the successful people in the industry are successful at doing just that.
- » **Flexibility:** Achieving success and maintaining success are two very different things. As a bar owner, you should be constantly looking at ways to increase your business and keep your clientele interested in your bar, your atmosphere, and your beverages. You have to be in-the-know about what the other bars are doing and be willing to change your own game plan as necessary.



TIP

Look to your liquor reps to help educate you, your staff, and your customers about new products on the market. Try out different entertainment options on different nights of the week to appeal to different groups of people. Run food specials to see what kinds of stuff intrigue your patrons. See Chapter 17 for more ideas about marketing your bar.

Checking your expectations

Running a bar, either yours or someone else's, is a huge commitment. It requires long hours, constant vigilance, and the ability to control potentially chaotic situations — on a daily basis.



TIP

Take out a pen and some paper. Divide the paper into two columns. In the first, list all of your expectations for the future of your bar and your career. List everything you can think of, big and small, specific and general, that maps in some way to your career in your bar. Consider what you picture your family life being like, your goals for the bar, the general sales figures and profit numbers you anticipate — everything you can think of. This is your chance to put your dreams on paper. Then, in the second column, write down what you expect out of yourself to make this happen. Take into account your contribution in terms of time and money, any sacrifices you'll have to make, and anything else that you can think of.

Figure out how realistic your expectations are. Talk to your business partners to see whether their ideas mesh with yours. Show this list to your significant other and make sure you're both on the same page about goals and sacrifices the family may make for the business to succeed and vice versa. There are no right or wrong answers. It's all a matter of articulating your ideas, sharing them with the appropriate people, and following through on your commitments.

To get an even better understanding of what your days and nights will be like, remember that your day will be filled with solving problems. Training and retaining employees. Reading all the news from your area to keep up with the sports and world events because that's what you'll talk about all day. You must keep your patience intact. Patience is your greatest asset. You will be dealing with people all day, and they change every day. Coauthor R. Foley's old friend used to say, "People are all the same, just different faces and stories." You must love people to stay in this business. You will have fun and learn a lot every day if you keep your ship on course.

Staying on the Positive Side of the Success–Failure Rate

Several different reputable organizations (including top-rated restaurant and hospitality schools at Cornell and Michigan State universities) recently conducted case studies to test the "common knowledge" that "90 percent of restaurants fail in the first year." The data (which takes into account eating and drinking places, including bars) indicates that the first-year failure rate is somewhere between 25 and 30 percent. After ten years, around 70 percent have failed. So success is far from guaranteed, but it's certainly not impossible.



REMEMBER

Failure and attrition are natural in this business, as they are in any industry. New businesses fail and others take their place. That's the beauty and the harsh reality of the world.

Why do so many fail?

Ultimately, most bars fail because they aren't run properly. Sure, we can think of many examples of bars that didn't make it because they had a landlord dispute or some other unforeseen circumstance they couldn't overcome, but most fail because of poor management.

The most common reasons for failure are

- » **Irreconcilable differences among the owners.** Set up your partnership agreements the right way using Chapter 3 as your guide.
- » **Initial underfunding of the bar.** Check out Chapter 3 to avoid this problem.
- » **Overstocking inventory.** Take a peek at Chapters 8 and 14 to head this problem off.
- » **Ignoring or mismanaging cash flow (and ebbs).** Chapter 15 gives you tools to manage yours.
- » **Failing to pay appropriate taxes on time.** Read Chapter 3 for tax information and get an accountant you trust.
- » **Skimming, stealing, or other illegal activity.** Chapter 14 is required reading to help you keep what's yours.
- » **Death by a thousand cuts.** Some owners choose to cut corners in food quality, quantity, cleaning regimens, innovation, and so on over time. Over the course of, say, a year, the bar morphs into a mere shadow of its former self. Along the way, it alienates its clientele, who spread the bad news, leaving the bar without repeat business and with disappointed patrons.



REMEMBER

Lucky you, you bought this book, so you're more likely to make it into the success category already.

Figuring out why others succeed

Most successful bar owners succeed through sheer force of will, with a dash of common sense, and business savvy to match. They manage their bars as businesses, with procedures and systems. They watch the bottom line and actively train their employees to provide excellent service. They purchase their materials properly and price their menus accordingly. They keep their bars clean and their patrons happy. In short, they stay objective and balance their business goals with their mission to help people have fun.

Understanding the Financial Ramifications

We definitely don't want to discourage you from getting into this exciting and rewarding industry. But for you to succeed, you need to have realistic expectations of the financial commitment and ramifications of running your own bar.



TIP

Definitely check out Chapter 3 for more details on getting funding for your business.

Preparing yourself for personal guarantees

Financing is tough for new bar owners. Leasing some equipment is possible (take a look at Chapter 7 for our tips on what to lease). Assuming someone like a bank agrees to give you money, you'll probably have to personally guarantee to secure the loan.

A *personal guarantee* is a pledge that you personally (rather than your bar or the corporation that operates your bar) are responsible for the loan, even if the bar defaults on the loan. So the bank may be loaning the money to the bar, but it expects to get its money from you if the bar goes out of business. (And the bank *will* want its money. Read the next section for more about what could happen if your bar goes belly up.)

This isn't *always* the case, however. In fact, with competition between vendors today, you may be able to get away without signing any personal guarantees at all. The vendors may give you shorter terms on repayment, but the guarantee should be a bargaining point rather than a given.



REMEMBER

Because banks consider a bar to be a risky financial investment, many banks won't loan you money. Those banks that will loan you money may require you to guarantee the loan. Again, this isn't *always* the case. It's a bargaining point for the percent of interest that you pay the bank. Banks often need to be "educated" on the true risk of bars and their failure rates. Eating and drinking establishments have been cornerstones of the U.S. economy for decades, and there are as many success stories as there are failures. Show the bank the successes and how you plan to be one, too!

Accepting the worst-case scenario

We hope that you have more business than you know what to do with. We hope you have a fat bank account with more operating capital than you need. We wish nothing but success for you in your bar. But, because this book is all about the real

deal of the business, we discuss the downside of what may happen if the world doesn't beat a path to your door. Or if you hit a dry season. Or if your suppliers cut you off. . . .

You will be put on *COD* (cash on delivery) as your first warning. Suppliers will only give you goods if you pay in cash; getting inventory on credit will be a thing of the past.



TIP

Always have two or three suppliers as backups. You may only have hit a bad season for the area. If you're overextended with one supplier, you can keep your doors open by purchasing your goods from one of your backups until you set things right with your primary supplier. This solution isn't a long-term one, though; straighten out the course as soon as you can.

Here are a few warning signs of hard times to come:

- » Your regular customers are no longer coming in; they're going to other places.
- » Nights that should be busy (Fridays and Saturdays for most areas) are really slow.
- » Your help is quitting. It can happen like rats fleeing a sinking ship.
- » The neighborhood is changing. If you see businesses boarding up, vandalism and crime are sure to follow.
- » You're three months behind in your bills, and you're on *COD* with everyone.
- » You feel in your gut that it's time to sell.

It's a great idea to sell while you're still open; you get more money when your business is up and running than when your doors are shut. Talk it out with your family and close friends. It's better to have loved and lost than never to have loved at all. Take a break and try again!

As soon as you see the warning signs, begin taking steps to turn things around. One logical place to start cutting expenses is labor dollars. (Take a look at Chapter 15 for more details.) So if you send people home early to reduce payroll, you have to start working more to make up for their hours. And remember to watch all your costs from the start. Be careful of any extra benefits you offer because you may have to take them back if business slows down. Taking benefits away tells your employees that something is wrong, and they will jump ship. (If they don't jump ship, they'll be mighty unhappy — and that's bad for business, too.)



TIP

Word travels fast in the bar business, so watch what you say. Don't let anyone know when things get tough; it will make matters worse. It will be hard to hire new employees and hard to attract new customers. Your bar is a business, and you need to run it like one. Plan wisely from the day you set your plan in motion.



WARNING

Personal bankruptcy is a very real possibility if your business fails. Make sure you work with your accountant to protect as many of your assets as possible. You may be able to keep your family's home.

Looking at the upside

If you work hard and plan carefully, your bar will be a superb success, and you'll have great fun and a good life. You will be financially stable, and everyone will know your name. You'll be asked for advice and also be invited to a lot of parties. Your popularity will increase 30 times over what it is now.

You'll have tons of friends (maybe because of the free drinks you buy). Our advice is to make sure you take time off from the beginning, even closing one day a week (we suggest Monday). Take time to be with your family. You'll have more invitations to events than you can possibly attend. Our advice: *Go!* Take your better half, your best friend, your mom. We give you more pointers about spending time with friends and family later in the chapter, but for now, remember that all work and no play makes for a terrible life. Enjoy!

Balancing Your Bar Life with Your Personal Life

If you've ever worked in a bar (and we really hope you have if you're now considering running your own place), you know that those who run the bar are there well before and after the hours of operation. If the bar is open from 11 a.m. to 2 a.m., for example, someone is probably there between 8 a.m. and 3 a.m. at a minimum, 19 hours a day. That's the best-case scenario. If a pipe bursts, a cooler breaks down, or a toilet backs up, the day gets significantly longer, instantly. So naturally, as the owner of the bar, you're the one who has to deal with all these unforeseen events no matter what time of the day or night. And remember, that's on top of running the everyday, normal stuff of the bar.

All the while, your family's and friends' lives go on. Birthdays happen. Holidays occur. School plays go on whether or not the bar is open. You have to balance the demands of a crazy work schedule with your personal life if you want to be part of both. In this section, we help you get the best of both worlds.



REMEMBER

If you're an owner or manager, you will work 70 to 80 hours a week, maybe more when you're getting your bar up and running. Many small-business owners work just as much. The biggest challenge is typically not *how much* you work, but *when* you work.

Combining your professional and social lives

The bar business is fun. Let's face it — that's why most of us are drawn to it in the first place. When you hire your employees, you'll probably hire people you're drawn to. You won't hire people who repel you, anyway. If they're quality bar employees, they likely are drawn toward the lively atmosphere offered by the bar and may even enjoy a drink now and then. Because you already have personalities and interests in common, you will, on occasion, have a drink with the people you work with and those who work for you. It's inevitable.

You have just blended your professional life with your social life. To successfully navigate this potential minefield, you have to drink in moderation and keep your wits about you at all times.



REMEMBER

Two common pitfalls await bar owners who hang out and party with people who work with or for them: overindulgence in alcohol and inappropriate personal relationships.

Overindulging in alcohol can lead to embarrassing behavior, such as inappropriate sexual advances, drunken tirades, passing out, slurring your words, and so on. As the manager or owner of the bar, you need to maintain your credibility with your staff at all times. An occasional slip in your demeanor while under the influence may be forgiven, but a pattern of overindulging will lead to morale problems, blurring the line between manager and employee.



WARNING

If you don't know when to say "when," you should probably find another career.

Having personal relationships with your employees can lead to very close relationships — too close, in fact, if the relationships become romantic or sexual. It's not unheard of for people to meet while working in a bar, then marry, and lead happy lives together. But if the relationship doesn't end well (and most don't), it becomes a strain on everyone in the bar, not just the two people in the relationship.



WARNING

Be very careful in getting too close or too friendly with your employees. If you're known for dating employees, you may be opening yourself up to accusations of sexual harassment. We recommend you date and fraternize with people other than your employees.

It's also inevitable that at some point your friends will come into your place, and you'll sit down and have a drink with them toward the end of the night. But remember, sit down only at the end of the night; everyone will ask you to sit down and have a drink. A simple answer is: "Not right now, maybe later, but thank you." You can sit down for a moment, but you can't drink with everyone because you must stay sober and keep your wits about you. Remember, you have money to count, employees to manage, patrons to supervise. It's much tougher to cut others off when they see you drinking yourself.



WARNING

For safety reasons, we recommend that you require the closing manager to refrain from drinking. In the bar business, you have significant amounts of cash to count and account for. Math can be tough after a few beers, *and* impaired people are easier to rob than sober ones. No one should drink when they work!

Celebrating holidays, birthdays, and other special times with family and friends

The toughest thing about maintaining your relationships in this business is balancing your work schedule with all the special events that take place in your life. When people are celebrating, they often look to you to entertain them, host them, and generally make sure they're having a good time. So if you're helping your patrons celebrate, how's your own family celebrating?

Finding ways to celebrate special occasions isn't impossible in the bar business. Here are a few ways that we've found help us immensely:

- » **Communicate with your family and friends.** Understand their expectations and share yours with them.
- » **Keep a master calendar posted for everyone to see.** Include everything you can so everyone knows who is where, when, and why. Consider using a family management app (like Cozi or Picnic) so you always have the details on in the palm of your hand.
- » **When you're with your family, be *with* your family.** Be fully present — mind, body, and soul. If you're distracted thinking about your business, you may as well just go to the bar.
- » **Schedule your own family celebrations before or after the traditional date to work around your work schedule.** If your partner's birthday falls on Super Bowl Sunday (and your bar is slamming busy, so you can't be gone), take your partner out for a special dinner ahead of time to celebrate their special day.

Okay, we aren't completely delusional. Of course, these things are much easier said than done. But with commitment and consistency, you can make your personal life a priority and have a successful business.



WARNING

The winter holidays, especially between Thanksgiving Day and New Year's Day, are incredibly hectic in the bar business. Everyone is celebrating, often many nights a week, so you are working. It's not entirely unusual, especially as the owner or manager of the bar, to have just a single day off, or maybe two, during this time. During peak times, it's tough to take time away from what could be an extremely profitable sales period to attend special events in your own family's life.

Getting support from your family

The support of your family is important in any business. But in the bar business, it's essential. Ultimately, you're choosing a profession that takes you away from your family many hours a week, often at special times in their lives, like holidays. You also change your definition of *normal* when it comes to spending time with your family and friends. Instead of being off on Saturdays like normal people, for example, you may regularly be off on Mondays. If you have a family or are considering starting one, make sure your partner understands the ramifications that your career choice may have on your family life.

The right approach can make all the difference. You can shift family days around and create your own "regular" schedule. Also, you have the benefit of not having to be at a regular job early in the day. If you have kids, you can spend mornings before daycare or school with them and help them start their day because you won't be there to tuck them in for the night.



REMEMBER

Like all parents who work outside their homes, you have to make choices about how much time you spend with your kids. You can make family life work, no matter what industry you're in, if it's a priority for you.

Think about nontraditional times you can spend with your kids, no matter what age they are. Here are a few ideas to get you started:

- » If you're working night shifts, consider stopping by school to have lunch with your children because you may not be home for dinner.
- » Take a dinner break, if possible, a couple nights a week and run home to see your family.
- » Spend extra time in the morning with the kids before you take them to daycare.
- » Volunteer to coach or be a scout leader on your day off to schedule regular time with your kids.

Above all, be proactive in coming up with solutions to the inevitable schedule conflicts that come up. Don't just expect your partner to solve all the family problems and conflicts. Showing concern and taking responsibility goes a long way toward alleviating the stress that being involved in the bar business eventually brings.



REMEMBER

Take time off when you can. Your family will appreciate it. And your business will ultimately benefit from a more rested, objective owner.

What if you really need a vacation?

Everyone needs some time away now and then, no matter what business they're in. The best way you can make sure that happens is to put efficient systems in place and train your employees to run things effectively. Giving employees all the information and training they need gives them the confidence to run your business the way you want it to be run.

You also need to find people you trust whom you can lean on for help. Generally, employees want experience and responsibility, so if you give them duties to help make the place run better and so you can go on vacation, you'll end up helping each other out.

For better or for worse, cell phones make it tough to be completely unavailable. Consider setting your phone to Do Not Disturb at least part of every day while you're out so you can truly rest.

You won't be able to solve any serious problem over the phone. If you feel it's critical, commit to responding to texts within 24 hours. But truly, take a vacation; you need it. And if you get a lot of calls . . . you need a new manager.



TIP

Take a look at the chapters in Part 4 for all the details on how to run your bar the right way. We give you tons o' tips on inventory setup, purchasing procedures, and cash handling to get your bar into top shape and keep it there.

IN THIS CHAPTER

- » Figuring how much money you need
- » Considering places to get financing
- » Looking at paperwork and legal requirements
- » Getting an accountant, attorney, and insurance
- » Becoming acquainted with the health inspector

Chapter 3

Minding the Money and the Law

Bars and taverns are as welcome as asbestos plants in some towns. If bars aren't run properly, especially when monitoring their customers' alcohol consumption, crime can ensue. Intoxicated patrons can get into fights in the parking lot, get into trouble walking home, or injure themselves or someone else in a car accident. Conversely, your patrons could become victims of muggers looking for an easy target. Because of the potential for problems, most municipalities require extensive paperwork to make sure that people who are licensed to serve liquor do so responsibly. As a result, navigating your way through the paperwork to set up your new business is a challenge, even when everything goes well.

In this chapter, we help you determine how much money you actually need to get up and running, and where to get it. We explain what professionals you may need to help you dot your i's and cross your t's. We also help you navigate the head-spinning world of legalese associated with starting your own business, getting a liquor license, and opening your doors. And we introduce you to your local health inspector.

Figuring Out Your Start-Up Costs

Starting a bar is not cheap. Whether you're taking over an existing bar or building your own from scratch, you need money before you can make money. Many expenses happen only once as you start your venture. You have to purchase items like bar stools, soda guns, and bar wells before you can open your doors and collect that first dollar. Your costs for getting a bar started vary based on the location you choose, the modifications you make, your construction costs, the glassware you pick out, the size of your location, and so on. As much as we'd like to give you an idea of how much you actually need to get started, actual costs vary wildly based on what kind of bar you want to run and where you want to run it.

Chapter 5 contains detailed information on setting up your business plan, but for now we just give you an idea of what kind of costs to expect. Table 3-1 can help you get started. Make lists of all the items you need and how much you expect them to cost, and then consolidate your list on the worksheet. So under furniture and décor, include the cost of your bar stools, tables, chairs, outdoor seating, any furniture in the break room or your office, and so on.

TABLE 3-1 **One-Time Start-Up Costs Worksheet**

	Range of Costs	Final Projection
Deposits with utilities, landlord, and so on		
Construction, remodeling, and design costs		
Furniture and décor		
Signage		
Fixtures and equipment		
Licenses and permits		
Professional, legal, and consultant's fees		
Initial advertising and PR		
Starting inventory of goods and supplies		
Salaries until doors open		
Operating reserve		
Other		
Total One-Time Start-Up Costs:		



REMEMBER

Don't forget: You don't stop needing money the day you open your doors. When you're planning for the amount of money you need to get started, plan to include at least three months' worth of operating expenses. This cushion, called an *operating reserve*, helps you stay open until your business level picks up.



WARNING

Failing to have an adequate operating reserve is the failure of many bars and restaurants early in their life span. Don't become a casualty because you fail to have enough in reserve.

Financing Your New Business

Every deal and sale is different. If you're buying an existing bar, most bar owners will want money up front, usually from 20 to 50 percent down. That means cash! You will have to borrow the rest. Maybe the owner will finance the remaining balance by taking back a small second mortgage or loan with a good interest rate. Ask!

This section is not on following the money; it's on finding the money. For more information on finding financing, check out *Small Business For Dummies* by Eric Tyson and Jim Schell (Wiley).



REMEMBER

Finding money takes time, a good reputation, and a *great* business plan (see Chapter 5). These factors can make the difference between getting the money and not.

Contacting a bank

Few, if any, banks lend people money to open a bar. They lend money on real estate, but very few will lend money for a liquor license. Talk to the loan officers at your local bank or where you keep your savings or checking accounts. It won't hurt, and they may give you a few leads.

When you apply for a loan, you'll be asked to fill out an application and provide details about your financial background. Here's the information — some of which you'll have to supply — that your bank will use to decide whether to lend you money:

- » **Proof of your ability to repay the loan:** Show the bank in detail how you plan to make money, including a timeline with projected sales and expenses. Use your business plan to get this point across. For details on creating your own business plan, check out Chapter 5.

- » **Your personal credit history:** The bank runs your personal credit report and assigns you a credit rating. If you want to know what the bank is going to find when it looks at your credit history, you can request a free copy of your credit report by going to www.annualcreditreport.com.
- » **Equity:** *Equity* is the value of a piece of property or a business after you subtract the mortgage or other loans owed on it. It usually takes the form of your investment in the company. It's sort of like a down payment on a house.
- » **Collateral:** Any asset that you can use as security, such as your house, your car, and certain kinds of investments, such as certificates of deposit, may count as *collateral*, something the bank will collect if you default on your loan.
- » **Experience:** Make sure that your business plan includes details of your work and management experience in the business.

Beg, borrow, or sweat: Finding partners

When all else fails, you may have to give part of your dream away by taking on a partner (or two). A *partner* is an investor in your company who owns part of the company and assists in running it.

You have to decide whether it's worth it to you to share your dream to make it come true. Having a partner is like getting married. You must love (or at least like), trust, and respect each other, and be willing to compromise. If you can get away without having a partner, go for it!

If you can't stand the thought of sharing power and want to run your bar your way but still need financial backing, you can always find a couple of *silent partners* (investors who only supply money and have little say in the operations). When you pay investors back, they go away!

Potential business-partner candidates

If you decide you need to take on a partner, here are some places to start looking:

- » **Consider looking to your family.** Maybe Mom, Dad, Grandma, Granddad, sisters, brothers, or your rich Uncle Walter (don't we all have one?) will be willing to back your business.

Adding the stress of borrowed money to already complicated relationships can be a recipe for disaster. Make sure you're ready for the consequences of getting involved in business with your family. You don't want to lose their support during what's sure to be a tense time in your life.



WARNING

- » **Look to friends with knowledge and interest in the industry.** If you've worked with them before, you may already know their philosophies and work ethic. If they match your own, you could do well together.
- » **Consider a former employer.** If you have a great working relationship with a bar owner you worked for, that person may be interested in helping you get started with your own place.



REMEMBER

Too many partners lead to too many bosses and, inevitably, to failure! Five partners often means they bring five spouses, and now you have ten opinions and suggestions. It could get tough.

Establishing terms you can live with

Most people make investments to gain a return on their investment: They expect your business to make money. You must set up a written agreement for when and how your investors will recoup their investment with you.



REMEMBER

There's no right or wrong way to pay back every investor. Most people have specific things they want. Both sides have to compromise to reach an agreement you can both live with. And the sooner you pay them back, the sooner you get to keep all the financial rewards and lose the headache of answering to partners.

Here are some things to consider when you're figuring out how you want to structure your arrangements:

- » **What rights do partners have?** You should figure out who's responsible for what tasks or areas of the restaurant, who makes which decisions, and who reports to whom.
- » **Who owns how much?** Make sure you identify who owns how much, no matter what the contribution, including money, time, or both. Spell out the details of your arrangement clearly so that no one has any confusion.
- » **Who gets a salary?** Spell out who gets a salary and when it starts. Often, as you're building a business, the owners take a small salary (or sometimes no salary) until the business has the money to spare. Make sure that you resolve all financial issues clearly and to the satisfaction of all parties involved.
- » **How long will it take to repay any loans?** Create a written plan to return loans to investors. Be sure to include details about any interest they're entitled to.
- » **Which partners are silent?** Everyone has an opinion, and you must clarify how your decisions will ultimately get made. Your first line of defense is to discuss, persuade, and then compromise. But the occasion will arise that

requires one person's opinion to win the day. Write down who has final say in these situations before you start your business.

- » **What happens if someone wants to get out or someone dies?** Make sure that you have an exit procedure outlined in your agreement. Usually, one partner can buy the other out, either in a *lump-sum payment* (all the cash handed over at once) or over time.



REMEMBER

Do not give the place away when looking for partners. Create relationships you can live with.



WARNING

Make sure your lawyer reads every sentence in all agreements, and make sure you know what you're signing. Don't let your dream become a nightmare by agreeing to terms and conditions you can't live with.

Familiarizing Yourself with Liquor Laws and Other Legalities

Check with your local town or city hall about all the laws and requirements *before* you buy a bar. If you find out something that causes you to change your mind about operating a bar, you don't have to go forward with your plans. The police, building inspector, health inspector, and every other inspector in town will tell you the hours and days you can be open and what you can and cannot have in your place. Some towns won't let you open unless you serve food. You won't be able to operate near a school or church (you have to be so many feet from both). Most areas have very specific requirements and regulations; you may even run into a *blue law*, which prohibits certain businesses from opening on Sundays. They still exist in some states!

Make sure to ask the following questions:

- » What kind of liquor license do I need? What's the fee? How often do I have to renew it?
- » What are the restrictions on my hours of operation?
- » Are the hours different for any outdoor seating at my bar?
- » What are the minimum parking requirements?
- » Is dancing allowed?
- » Can I serve food? Do I have to serve food?

- » Can I open on Sundays? What time?
- » Do I need a license for music? What's the fee?
- » Do I need a license for food? What's the fee?
- » Where do I display the license?
- » What are the grounds for revocation?
- » How many licenses are issued in the town?
- » What areas of town are off-limits for my business?
- » What are the smoking laws I must abide by?



TIP

In the event that you don't like the answer to any of these questions, you may be able to apply for a variance. A *variance* is an exception to an existing zoning law. For example, if you're opening a bar and want to stay open until 2 a.m. in an area where most places close at 11 p.m., you can contact the zoning board and request to extend your hours. You'll need to file appropriate paperwork and may be required to appear in person in front of a planning committee to plead your case. Don't be afraid to ask. They just might say yes!

Obtaining a liquor license

Every bar that serves liquor must have a license to do so. Different agencies regulate the process in different states. Make sure you start the process of getting your license early in the timeline of starting up your bar. Depending on the system in your area, getting this license could take a year or more.

The cost of a liquor license varies greatly. The application fee and taxes involved may be only a few hundred dollars. But because many communities limit the number of liquor licenses, you may need to buy one from an existing bar (like the one you're taking over, perhaps) or even a license broker, which can wind up costing thousands of dollars. When buying and transferring a liquor license, make sure you have a lawyer who has gone through the process (see the later section "Bringing In the Big Three: Accountants, Insurance Agents, and Attorneys"), and ask questions until you understand everything.



TIP

Sometimes a town will issue a new license when the population increases. Go to the town government to find out whether you can acquire a license this way and, if so, find out the bidding process. These licenses are usually awarded on a blind bidding scale, sold to the highest bidder. Again, consult with an attorney to walk you through the process.



REMEMBER

Most licenses are valid for a year and require an initial license fee. If you maintain good standing with your local agency, you can probably get an automatic renewal for a smaller annual renewal fee. If, however, someone has filed complaints against you for overserving patrons alcoholic beverages, serving minors, or violating other terms of the license, your license may be revoked.

Considering the classes of licenses

Your local governing agency offers liquor licenses in different *classes*. What kind of establishment you have determines what kind of license you need and how much you pay for it. The class of license you need depends completely on what you serve, where you serve it, how you serve it, and whom you serve it to. (If you need help deciding what kind of bar you want to run, take a look at Chapter 4.)

Here's a list of the broad, common classes of licenses used in many areas. They may be called something different in your area.

- » **Tavern:** Some states require taverns to offer a food menu, but others don't. If you serve food but half of your sales are alcohol, your state government may require you to apply for a tavern license. In some states, no such separate license exists.
- » **Outdoor or patio:** Some areas require a separate license for an outdoor seating area that's part of an existing bar. Make sure you let the licensing agents know if you plan to have outdoor seating, even if they don't ask you.
- » **Beer and wine:** This license allows you to serve only beer and wine. Licensees cannot sell liquor or distilled spirits. In some areas, smaller restaurants (40 to 100 seats) can get only this type of license.
- » **Restaurant:** This license usually requires that only a certain percentage of your sales come from alcohol. States have varying percentages, but most requirements fall somewhere around 40 percent. Some states have a minimum number of seats required for your establishment to qualify for this license. A restaurant license usually allows you to serve beer, wine, and liquor. Some people call it an *all-liquor license* or *full-service license* for that reason.

Other people call this type of license a *COP* (consumption on premise) license, meaning that alcohol is purchased and consumed on the premises.
- » **Club:** Private clubs, such as country clubs, golf clubs, and so on, are eligible for a separate license allowing them to serve alcohol to their members. Some states allow only beer and wine in clubs, but others allow for all liquor.



TECHNICAL
STUFF



TIP

In certain counties, local governments mandate that alcohol may not be sold within those counties' borders. These counties are known as *dry counties*. Most dry counties include an exemption for private clubs, so some creative owners get club licenses and then create a not-terribly-exclusive policy, selling membership cards to their patrons (\$1 for a lifetime membership, for example), so they can then sell them cocktails.

» **Brewpub:** Many places brew their own beer, and in some states, you need a separate license to serve it to the public. Check your local agency for details.



TECHNICAL STUFF

Some states issue an *alternating premises*, or AP, liquor license for places like wineries and breweries that allows these establishments to brew and ferment alcohol at certain times and serve patrons at other times.

» **Eating place:** This license is usually reserved for carryout places, such as delis, that may serve food but offer a small amount of carryout beer. Usually, you can only sell beer with this license, and you are restricted in the amount you can sell to each customer (one six-pack per customer, for example).

» **Late hour:** In most areas, laws dictate what time bars close. You may be able to extend your hours beyond those standard hours by securing this additional license. So if the standard closing time is 2 a.m., a late hour license might allow you to stay open until 4 a.m.

» **Retail or package:** A retail license applies to grocery stores, drugstores, liquor stores, or any other retail establishments that sell liquor, beer, or wine in its original, sealed packaging. Typically, consumption of these beverages is *not* allowed on premise. Don't apply for this kind of license if you intend to open a bar.

Some states offer a few other classes that we don't cover in detail here, such as hotel and restaurant, bed and breakfast, arts (for places like theaters that sell alcohol during intermission), and wholesale (for companies that sell liquor to bars and restaurants).

Applying for a new liquor license



REMEMBER

Make sure you allow plenty of time to go through this process. The timeline and process vary depending on where your bar is located, so check with your local office. Without a liquor license, you can't serve liquor. And if you can't serve liquor, you can't run a bar.

Here are the general steps to follow when you're getting your liquor license:

1. Figure out which government agency issues licenses in your area.

To find the agency that issues licenses in your area, conduct an Internet search using the name of your state combined with terms such as "liquor control

commission," "liquor control board," or "alcoholic beverage commission." If you allow your Internet browser to know your location, you'll likely make your way to your city government's website.

2. **Research the classes of licenses in your area.**

Request a list from your local agency. Most agencies post descriptions on their websites.



TIP

At some point, you'll need to talk to a real live person about this. Many agency websites are woefully out-of-date, so don't rely on them for the ultimate answer.

3. **Figure out which class works for your business.**

Based on what you find out, look at your business, your projected food-to-beverage sales, and so forth, to determine which license you'll likely need. (Your business plan you draw up in Chapter 5 can help you estimate your sales.) Work with your attorney to make sure that you understand the details.

You don't get a choice of which class of license you need, per se. Rather, you put together all the information with the appropriate application forms, and the agency hands down a decision. It's not exactly like when you take your vehicle title in and they tell you which class of license plates (tractor-trailer, truck, car, and so on) you need. It's more of a process than that. Nuances and seemingly minor details can sometimes make the difference in how much you pay for your license.

4. **Contact the local agency to find out the availability of licenses, costs, the application process, and a timeline for getting the whole process completed.**

Your attorney may be able to handle this step for you, but make sure it gets done.

5. **Update your business plan with the information on the cost and timeline.**

Make sure that you've budgeted both the time and money to get your license before you open your bar. This step is essential, whether you're using your own money or have partners, because if you don't get it done, you can't sell liquor. Revise your plan any time you run into a new schedule or budget factor.

6. **Apply for the new license or for the transfer of the soon-to-be purchased license.**

Again, this process varies from state to state, so make sure you complete Step 4 thoroughly so you know what to do.

In addition to your attorney, you may consider using a consulting company that specializes in obtaining liquor licenses. These companies can help you streamline your applications. They file your paperwork and the like — for a fee, of course.



REMEMBER



REMEMBER

Before you agree to work with any third party to secure a license, check with the state agency that issues licenses and your own attorney. You may be able to avoid additional fees and charges just by making a couple of phone calls. Your local agency may have a list of recommended brokers who handle the buying or selling of existing licenses.

Understanding why you must know your liquor laws up front



REMEMBER

Most areas have very specific liquor laws. The government specifies when, where, in what container, in what quantity, and sometimes even at what price a bar, restaurant, or club can serve alcohol to its customers. These laws can affect how you run your business, like the equipment you must use, the extent of your food menu, and your hours of operations. If you don't follow the law, you risk paying fines, getting sued, facing criminal charges, or losing your bar.

Here are some specifics that may apply to your business. Be sure to check with your governing agency for details.

- » **No discounts:** You may not be allowed to discount liquor in your area. Offers like happy hour drink specials or 2-for-1 deals are common in some areas and unheard of in others.
- » **No location that may corrupt others:** You may not be able to locate your bar within a certain distance of other buildings, such as churches and schools.
- » **No doubles:** Some areas set the amount of alcohol in individual cocktails and require that bars use metered pouring systems to dispense the alcohol. These systems may include giving individual-serving size bottles (think airline bottles) to patrons or using automated dispensers.
- » **No tabs:** In some communities, patrons aren't allowed to run tabs.
- » **One at a time:** Some states don't allow more than one drink in front of a patron at a time. Others limit only liquor and allow as many draft beers in front of a patron as you can fit on the table.
- » **No glassware with logos:** Some states have no restrictions around placing logos for alcohol brands on anything. Others won't allow it on any vessel (think beer mug or pint glass) that holds alcohol.
- » **Food is required:** You may not be able to serve liquor to patrons if they haven't also ordered food. Some states require only that the drinker has access to a menu.
- » **No alcoholic doggy bags:** Some states allow patrons to take their unfinished bottles of wine home. Others prohibit it. In response to social distancing

practices enacted during the COVID-19 pandemic, carryout or to-go drink orders have become more commonplace. In many areas, you may be able to sell batch or individual cocktails in sealed containers, but again, confirm with your local agency.

- » **Limited or no sales on Sunday:** Liquor sales may be limited on Sunday. These laws, lumped together, are called *blue laws*. Some states don't allow the sale of alcohol on Sundays, others allow it in restaurants, and others have no restrictions.

Other legal requirements

Depending on your local laws, you likely need these official permits:

- » **Employer tax ID:** This permit identifies you when you're paying employee taxes and other required fees. It's like your bar's Social Security number. Every business in the country must have a tax ID number.
- » **Business license:** In some communities, every business owner has to have these permits, whether you run a bar or a dry cleaning service.

Depending on your business and your concept, you may also have to get separate permits to operate specific parts of your business. Here are a few examples:

- » **Retail food license:** If you sell food to the public, you need one of these. They are issued by the board of health. Assuming your bar will serve some food, apply for this license as soon as possible. It may take several months to cross all the t's and dot all the i's. Check out the next section, "Getting to Know the Health Inspector," for more details.
- » **Elevator permit:** You need to get annual inspections done if you have an elevator in your establishment.
- » **Outdoor seating permit:** Some areas require you to have a separate permit for a patio or outdoor seating.
- » **Entertainment license:** Some agencies require licenses for any establishment offering live entertainment, such as bands.
- » **Amusement license:** Many areas require this additional license if you have pool tables, shuffleboard, or other games.

Getting to Know the Health Inspector

When you're in the town or city hall, take a walk over to your new best friend: the health inspector! Health inspectors drop in on businesses that serve food and beverages to the public and look for cleanliness and proper food-handling procedures, among other things. Ask to see all the regulations related to owning and running your establishment before you open your doors.



REMEMBER

Even if you don't serve food, you still have health codes to follow, so you'll get a visit from the health inspector.

Here are some specific questions to ask:

- » Which employees (if any) need a food handlers' permit? How much are the fees?
- » What classes (if any) are employees required to attend? Can they take the classes online? What's the cost to the owner or employee?
- » How many sinks are required behind the bar? In the kitchen?
- » What health code-related signs must be posted? Where must they be posted? The obvious one is "All employees must wash hands before returning to work," but there may be others.
- » Are there any uniform requirements (like hats, gloves, or footwear) for employees? Are requirements different for kitchen staff?

Your local health inspector will drop by — unannounced, of course — several times a year to make sure the public is protected from food-borne illness and disease spread from employees in bars. If you don't pass inspection, you'll get a report detailing your violations and usually have 24 hours to correct all the problems or face a shutdown. The best way to keep your inspections violation-free is to create and maintain excellent standards in your bar. Be prepared any time of the day. Keep the place clean and keep cleaning.



TIP

Take a look at *Running a Restaurant For Dummies* by Michael Garvey, Heather Dismore, and Andrew G. Dismore (Wiley) for detailed information on handling health inspections.

Establishing a regular cleaning schedule

Create daily, weekly, and monthly cleaning schedules to make sure all areas in your bar are cleaned thoroughly on a regular basis. Besides the obvious reason (most people prefer to be in clean and sanitary conditions), the law requires you

to keep your bar clean to inhibit the growth of bacteria and pathogens that can be a serious public health risk.

Here are some things that need to be done several times each shift, as needed:

- » Change water in the glass-washing sinks behind the bar.
- » Change sanitizer water.
- » Empty trash.
- » Break down boxes.
- » Clear dirty dishes from tables and the bar top.
- » Wipe down the bar top, tables, and seats after each use.
- » Wash hands.

You can have workers do these cleaning tasks on a shift-by-shift or daily basis:

- » Sweep the walk-in and dish area.
- » Wipe down bottles in the speed wells.
- » Run bar mats through the dish machine.
- » Empty and sanitize all ice wells.
- » Mop the entire kitchen.
- » Clean the fryer and filter the fryer oil.



TIP

Depending on how much food you're frying, you may need to do this only two to four times a week. For best results, do this *before* the bar opens (rather than *after* it closes), so the oil will be nice and cool.

- » Send range grates to the dish machine.
- » Clean and sanitize all surfaces, such as reach-in coolers, prep tables, counters on the line, and so on.
- » Sweep and mop the main bar and any other floor areas.
- » Empty the steam table. Clean, sanitize, and refill the steam table with fresh water.
- » Clean employee bathroom and locker room.
- » Wipe down all tabletop items, like salt and pepper shakers and table tents.
- » Clean public restrooms. We recommend checking the restrooms at least every hour to make sure they're in tiptop shape for your patrons.

Sunday and Monday make great days to do some more-intense cleaning jobs, like these:

- » Wipe down all liquor bottles. Dust all the display shelves before returning them to their homes. Start at the top shelf and work your way down.
- » Clean and disinfect your pour spouts. Remove them from bottles as you wipe them down. Soak them in detergent to get them clean and then in sanitizer for the required time to disinfect them (usually at least 10 to 15 minutes). Rinse them thoroughly and re-insert in the bottles.
- » Empty reach-in coolers and thoroughly clean and sanitize them. Toss any items past their prime.
- » Empty walk-ins and thoroughly clean and sanitize them. Reorganize and replace things as needed.
- » Pull any movable kitchen equipment away from walls. Clean the walls and floor behind them. Grease can build up here quickly and catch on fire. Bugs like to find little bits of stuff that fall back here. If you don't have anything for bugs to eat, they'll likely go elsewhere.

Monthly cleaning jobs are reserved for more time-consuming projects. Here are just a few examples:

- » Empty all salt and pepper containers and run them through the dishwashing area. Let them drain overnight and dry thoroughly before refilling them or you'll have some clumping condiments on your hands.
- » Remove all glassware from shelves and thoroughly clean the shelves before restacking glassware.
- » Hire an exterminator to preventively treat for pests. On "bug night," staff members will need to cover any food items that normally stay out (like crackers, salt and pepper shakers, and so on) to protect them from harmful pesticides.



WARNING

Failing to do these things on a regular basis will lead to problems with food safety in your restaurant and will eventually show up in lower inspection scores.



TIP

For a more detailed cleaning schedule, check out *Running a Restaurant For Dummies* by Michael Garvey, Heather Dismore, and Andrew G. Dismore (Wiley).

Avoiding cross-contamination

Cross-contamination (when bacteria or other organisms present in one food accidentally spread to another) is one of the leading causes of food-borne illness. It can occur at many different points along the food-supply chain, but you have to make sure it doesn't happen in your bar.

Here are a few tips to make sure your place isn't a haven for bacteria and other organisms:

- » Provide plenty of work space for staff working on a variety of foods at the same time. You don't want raw chicken on the same prep table as the salad greens.
- » Clean and sanitize knives and other utensils and equipment before and after use. It may seem like double duty, but bacteria, dust, and other stuff can end up on equipment in between uses.
- » Provide sanitizer buckets with properly concentrated sanitizer solutions and clean towels. Check with your cleaning-product supplier for details on how to use your particular products.



TIP

A thorough health inspector will walk around the kitchen as employees are working and confirm that these (and other) regulations are being followed. For example, the inspector will check the strength of the sanitizer solution to make sure it's the right concentration to kill germs.

Keeping critters out

Bits of food, crumbs, spills, food waste, and other organic material attract unwanted pests. Make sure that when you store any food products you thoroughly cover them. This step helps keep rodents and bugs out of your supplies and out of your bar.



REMEMBER

Don't allow wet boxes in the kitchen or storeroom. Keep cardboard boxes outside, if at all possible. Most insects are brought in by deliveries.

Your health inspector will be paying attention to your storage areas so make sure you are, too.

Bringing In the Big Three: Accountants, Insurance Agents, and Attorneys

Get the best professionals you can afford. If you don't know how to find good representation, ask around. Everyone will recommend someone. Make sure the people you hire have previous experience in the bar business. Someone once said, "If you want to play baseball, ask Mickey Mantle, not your dentist." The same goes for operating your bar. Seek the right advice from those who know and have the experience.



TIP

Contact the National Restaurant Association (NRA) at <https://restaurant.org> to see whether it can recommend accountants, attorneys, and insurance agents in your area.

Hiring an accountant

Put an accountant at the top of your list of people to hire to help you with your new business. Before you even open your doors, an accountant can help you create your business plan (see Chapter 5, too). Accountants can explain big words like *depreciation*, *amortization*, and *capitalization*. They can work with your attorney to show you tax advantages to setting up your business one way versus another.

After you're up and running, your accountant can help prepare the monthly books and reports, prepare taxes, and conduct internal audits and reviews. Work with your accountant to determine what you need to do and what your accountant needs to do to make sure all your paperwork is in order.

Working with an attorney

Working together, your attorney and accountant can help you decide how to set up your business. How you set up your business determines how your bar is taxed, how you earn an income from your business, what your obligations are if your bar should fail, and many other expensive decisions.

Here are the most common options for setting up your business:

- » **Sole proprietorship:** You (and your spouse) are the only owner. You keep all the profits and the debt.
- » **Partnership:** You have one or many partners. You all split the profits (possibly at different percentages based on different rates of investment) and share the debt.

- » **Limited partnership:** Limited partners share in the profits but none of the debt. You pay them back on their investment, but if your business folds, they're not responsible.
- » **Corporation:** A corporation is a legal entity that you can create to own your business. You may be the only shareholder in your corporation, so you still own the whole thing, but you enjoy the legal protection in case your business goes bust.
- » **Limited liability company (LLC):** You gain some protections, similar to those afforded by a corporation, but you have a different tax consequence.

Because we're not lawyers and we don't want to get in a lawsuit, the only legal advice we can give you is to have a lawyer review a contract before you enter into any agreement. It's smart business and could save you a lot of trouble and money in the future.

Protecting yourself with insurance

The law requires you to obtain certain kinds of insurance. The amount of coverage you carry and the *deductible* (which is the amount you're required to pay before your insurance kicks in) you choose affect the amount of your *premiums* (or the amount you pay for your insurance).



REMEMBER

Talk with your insurance agent to find the best, most appropriate coverage for your business.

Here is a list of common business insurance coverage:

- » **Property:** Property insurance protects your property in the event of damage. Many policies only cover specific damages. You may want to consider additional coverage that you add to your policy, called a *riders*, like earthquake, flood, wind, and hail insurance, if those natural disasters are likely in your area.
- » **General liability:** Liability insurance protects you in the event that someone sues you for something. Maybe a customer chipped a tooth on a beer bottle, cut a finger on a broken glass, or fell off a bar stool.



TIP

Check your lease for any required minimums for liability insurance. Your agent should give you recommendations for how much liability insurance you should carry, based on the assets of your business.

- » **Liquor liability:** When you get your liquor license, check with your local agency to see what amount of liquor liability insurance you need.

- » **Workers' compensation:** Usually called *workers' comp*, this insurance takes care of medical bills for your employees who get injured on the job.
- » **Unemployment insurance:** If you fire an employee or have to lay some of your workers off for business reasons, this insurance pays your out-of-work, ex-employees until they find another job.



The federal government requires workers' comp and unemployment insurance. Protect what you have with the right insurance. See your agent for the best coverage for you.

Taking Over an Existing Bar: Some Things to Watch For

Taking over an existing bar is the quickest way to get up and running. The previous owner can leave customers, stock, and staff in place and hand you the keys. You have a built-in clientele and staff that know the bar, maybe better than you do. You may pay more for an existing bar because assuming you buy a successful bar, it's already making money. You won't wait as long to make a profit, depending, of course, on how much of it you've had to finance.

Here's a list of additional financial things to keep in mind if you're taking over an existing bar:

- » **Taxes:** Make sure that all taxes incurred by the previous owner have been paid. If there's anything outstanding, make sure you agree on a plan for taking care of those costs and put it in writing.
- » **Stock:** If you're buying the stock (glassware, bottles of alcohol, appliances, furniture, and so on) in the place, make sure a detailed list is included in the contract. Then, the night before you close the deal, or maybe a few hours before you sign on the dotted line, make sure that everything that you and the seller agreed to is still in the bar.

At this walk-through, if the bar isn't in the condition you've agreed upon or if the stock is missing, do not close the deal. Wait for the lawyers to work out the details. At a minimum, you should be compensated for any items that are missing or the cost involved in returning the bar to the condition you agreed upon.

- » **Loans, liens, or tradeouts:** Confirm that the current owners haven't taken any cash advances against future credit card sales. Make sure that they don't

owe anyone any existing tradeouts that you'll be responsible for. (A *tradeout* is often an unwritten agreement between two businesses to trade services rather than cash. For example, you may get free advertising in a local paper in return for sending the editorial staff lunch once a month.) Also, double-check that there are no liens against the business.

» **Taking over an existing liquor license:** The fewer licenses in your area, the more the liquor license will cost. Like any commodity, the laws of supply and demand apply. So before you look for a spot to buy or lease, see whether a liquor license is available or for sale.

Looking Closely at Contractor Paperwork

A *contractor* is a professional who can oversee construction projects in your bar. When you need to hire a contractor to shore up your bar and make it operational, make sure you get everything — and we mean *everything* — in writing. Be sure the start date, deadlines for each part of the job, and a final completion date are included in the contract.



TIP

If your bar isn't finished on time, you'll lose business and money. Make sure to include daily penalties if the work isn't finished on schedule. Put everything in writing, and lean heavily on your attorney.

As with any professional, you can find great and not-so-great contractors. Talk to your banker, local government inspectors, and building inspectors for recommendations. Ask a lot of questions of the contractors when it's time to narrow down your choices.

To find a contractor, check with anyone and everyone you know who's built anything. Contractors who build homes also build bars. In some areas, you may find companies that just build restaurants. They're more expensive, but they take care of everything. Depending on your situation, the expertise may be worth the additional money. And *always* check references. Take a look at *Building Your Custom Home For Dummies* by Kevin Daum, Janice Brewster, and Peter Economy (Wiley) for more tips on hiring a contractor.



REMEMBER

Before you can begin construction or remodeling of your new space, you need to get the appropriate building permits. Check with your contractor and your attorney to make sure that you have the appropriate paperwork in hand before starting construction.

Getting your Certificate of Occupancy

After you finish construction or modification of your space, your local building department must issue a *Certificate of Occupancy* (or your CO) before you can open your doors. After you file your application for the certificate, an inspector from the building department visits your facility and thoroughly inspects the interior and exterior of your location.



TIP

Some building departments allow you to file for permits and schedule your inspections online. Check your local office's website for information.

The Certificate of Occupancy shows the following:

- » You've followed all building codes. You haven't forgotten to ground all your wires or reconnect your plumbing, for example.
- » Your facility conforms to the current safety requirements. These requirements include making sure that you don't have any asbestos or lead paint around, your fire exits work properly, and so on.
- » Any modifications that you've made to your space are sufficient and appropriate for your new use of the space. Typically, you must submit copies of your plans with your application for the inspector to review.
- » Your building is safe to occupy.



TIP

Your CO is valid indefinitely unless or until you make changes or modifications to the structure of your bar. Contact your building department if you plan to add a room, reconfigure your space, or knock down a wall.

Fire codes and capacity

Before you open your bar, you must also get a permit from the fire department. The fire marshal inspects your facility during and after construction to ensure that you have appropriate emergency exits, determine maximum capacity, and check all fire-suppression systems.

Your fire inspector verifies that all your fire extinguishers are in working order, too. So make sure that you have them located in handy places with their current inspection tags attached.

- » Researching your local area
- » Considering all your options
- » Focusing on what's most important

Chapter 4

Deciding What Type of Bar to Have

The best kind of bar to open is . . . gotcha! We can't fill in this blank for you because ultimately the answer is different for everyone. However, as the authors of this book, we can help you discover the best bar for *you* to open.

In this chapter, we lead you through developing your plans for what you truly want your bar to be. We look at different aspects of your soon-to-be business, including who your customers are and what your market expects from your establishment. We also take you through some of the most popular bar formats, identifying specifics along the way.

Determining Your Bar's Potential Market

It may seem like a no-brainer to pattern your bar after the other ten that are on the same street, but it's not a given. What if you could do much better by opening the only falafel-and-margarita bar in town? Okay, maybe that won't work, but what will? We don't recommend just doing what everyone else does. It is important that you do your homework and figure out what works best for your market, your patrons, and your budget . . . all before you open!

Conducting your own market research

Conducting market research is vitally important to getting your bar up and running. *Market research* involves keeping your eye on other bars in your area to figure out what they're doing and why. You need to get a clear picture of what your competition and your clientele will look like, and what your future patrons are looking for.



REMEMBER

Keeping up with your customers and the market doesn't stop when you open the doors. You need to incorporate this process into your regular business practices to stay on top of what's going on in your world.

Begin your research by focusing on four areas:

- » **Location:** Determine how important a convenient location is to your soon-to-be patrons. Maybe you're close to your customers' homes or workplaces, or maybe they drive past your place on their commute. Check out Chapter 6 for more information about the importance of the right location.
- » **Menu:** How many drinks or dishes are enough? Will customers be more likely to come in if you have a full menu, or are they just looking for a nightcap? Flip to Chapter 9 for some suggestions.
- » **Price and value:** The *price* is the amount of money that someone pays for an item, like a drink. The *value* is how patrons perceive what they get (usually in terms of quality and quantity) compared to what they pay. Consider both when you price your menu. Check out Chapter 9 for tips.
- » **Entertainment choices:** Do your patrons like live music, games, or dance tunes? Would they rather be able to have a relaxed conversation or slam into each other on the dance floor? What's available around town that's similar to what you're considering offering? Take a look at Chapter 6 for help choosing your entertainment.

After you understand the basics of the marketplace, you can ask very specific questions that pertain to your specific concept.



REMEMBER

You don't have to completely rework your concept to simply fit the mold. But it's better to be armed with information about obstacles early in the game so you can tweak your ideas or add more money to address problems as necessary.

What type of clientele do you want?

Decide who you want your customers to be and make sure your concept is likely to appeal to them. Figure out what demographic group(s) you're likely to attract.

The term *demographics* describes characteristics or traits shared by a group. A demographic group includes people within a specific age range or income level, or who share other distinguishing traits like what gender they identify as or marital status.

Over time, build a profile of your desired patrons and tweak your concept, as appropriate, to appeal to these group(s). Figure out where they prefer to eat and drink. Discover what motivates their decision to choose one place over another. Find out what kind of entertainment choices they opt for. Luckily for you, you can find companies who can help you put this information together. Market research companies like Claritas can put together specific profiles of consumers in your area. Check out the free zip code lookup tool at their website to get a snapshot of the average age, median income, and so on of patrons in your area. (Go to <https://claritas360.claritas.com/mybestsegments> to learn more.) For a fee, they can give you more detailed information about the people within one mile of your bar, two miles, five miles, and so on, to help you make sure your bar is within easy access to people who match your profile.



TIP

If you don't mind doing a little legwork on your own, you can use a completely free resource: The U.S. Census Bureau (www.census.gov/data.html). You can find a lot of the same information about the nearby population (like employment rates, median household income, age, and so on) that you would from a market research firm. You may not get the fanciest presentation, but it's solid data and most importantly, it's completely free.



WARNING

Unless you own a motorcycle and ride one, don't open a bikers' bar! You should have the same interests, hobbies, and passions as your clientele. You won't be happy trying to capitalize on a trend, and your clients will always smell a fake.

Using competitive analysis

Many businesses adopt some form of a *competitive analysis* process, a process that compares them to their competition. Sometimes they look at specific parts of their business, say, comparing their respective happy hour offerings. Or maybe they compare their overall concepts. Whatever the case, you need to develop a tool to help you see what's going on objectively. Table 4-1 is an example of how to set up your own competitive analysis. Use the criteria we've chosen, or adapt it to your own concept to do an objective study of the competition. Study each of your competitors and create an easy-to-read spreadsheet so you can quickly compare them.

Scratch that niche: Identifying an opportunity

After you get all your information together about the bars in your area, you need to focus your plan (including your business plan and marketing plan) on capitalizing on your strengths and exploiting the competition's weaknesses. Chapter 5 tells you how to put your business plan together.

Here are some ideas to get you started on identifying your *niche* (what you offer that your competitors don't):

- » **Look for anything missing that you may be able to provide.** In the example in Table 4-1, both bars are closed on Sunday. Maybe you decide this town needs a sports bar where people can watch their favorite teams play.

TABLE 4-1 A Sample Competitive Analysis

Criteria	Ray's Rec Room	The Library, a Campus Bar
Hours of operation	11 a.m. to 2 a.m.; closed Sunday	Noon to 4 a.m.; closed Sunday
Beers on tap	8	2 (light and regular)
Beers in bottle	6	2 (light and regular)
Food menu	Pub grub; great wings and burgers	Cheese fries, burritos, and cheeseburgers
Cocktail menu	6 signature cocktails; specializes in classic cocktails like martinis	Shots, shots, shots
Wine list	8 total by the glass (4 red and 4 white)	None
Location	Close to downtown, across from the stadium	Across from the student union
Targeted demographic	Affluent, regulars	Students aged 21+
Entertainment	Jukebox, flair bartenders	Garage/student bands on weekends, pool, and arcade games
Happy hour	None	6 p.m. to 9 p.m. Thursdays; \$10 32-oz. pitchers
Promotions	None	Free cover with student ID
Special draw	None	Close to campus

- » **Think about things that are missing for some groups of customers but present for others.** For example, a 30-something who wants to play pool on a Friday night has no options based on the information in Table 4-1. (We guess they could go check out the pool tables at the college bar, but they might feel a little awkward.) Therefore, you may want to consider creating a bar with pool tables, darts, and shuffleboard designed for that particular demographic group.
- » **Pay attention to the breadth of the offerings.** Although both bars in our example serve beer, neither bar has a huge variety. Maybe that could be your thing. Set up 20+ tap handles with some local faves, and you're in business.
- » **Consider just how you're going to be different or better.** Carefully consider your market differentiation. If you think you're going to open a bar just like the place down the street and the customers will come to you because of your bright smile, you may want to rethink your overall concept.



REMEMBER

Most people who buy a bar are trying to fill a niche in the area. Why isn't there a pool table around here or a good cocktail bar or a place to watch the game or a place to get a good hamburger and a beer? That's the question you try to answer now.

Exploring Your Options: What Kind of Bar Do You Want?

Maybe you knew before you bought this book that you want to open a local watering hole where the neighbors would be your regulars, and your market analysis supports that idea. On the other hand, maybe you just can't decide what sort of bar to open. You may even have your heart set on one bar, only to realize that your area is ripe for a totally different type of bar. In this section, we outline some of the most common types of bars. But don't let our ideas limit you. Some of the most unusual bars are the most successful ones. And of course there are wine bars, martini bars, dive bars, cowboy bars, and candy bars (Snickers, yum!).

After you pick what kind of bar to open and develop your concept, you need to create a complete plan to go with it. Create your décor, menu, staff uniforms, and logo to work together. Check out Chapter 6 for choosing and buying décor.

We definitely recommend taking field trips to existing bars to help you make your decision. So grab your wallet (with money and ID) and get out there and visit some bars (a tough assignment, we know!).

Sports bar

Sports bars are quite popular today. They're usually decorated with extensive sports memorabilia, like hockey sticks, jerseys, action shots of athletes, uniform pieces, and so on.

Typically, their draw is a better selection of televised sports than customers can get at home. Fans who live halfway across the country from their favorite teams can go to a bar to watch the games, even if the local affiliates don't show them. These bars boast many TVs, often showing separate games and events on each. Patrons generally sit near the TV showing the event that interests them most.

Menu options typically include traditional American fare like burgers, sandwiches, and chicken wings. Some may offer pizza and salads as well. Beer and mixed drinks are most popular here. Higher-end bars may also choose to include ribs or steaks on the menu. They may also have a small line of signature cocktails.

Local drinking establishment

Local drinking establishments are known primarily for good drinks and good conversation. This is the place “where everyone knows your name.” The clientele is fairly regular and low key. Beer and mixed drinks are the “usual” orders here, but a bottle of wine may make an appearance on your menu. Food is typically much lower on the list of priorities and may only consist of peanuts, potato chips, or even fries. The only entertainment is likely a jukebox, but you may consider expanding the entertainment choices to include a video game, darts, or a pool table. Look for a basic selection of beers and mixed drinks here.



TIP

If you choose to run this kind of a bar, you can focus on a certain theme, such as an Irish pub, a beer bar, or a whiskey bar, and carry the theme through in your name, décor, and menu.

Upscale lounge

Upscale lounge is just a fancy phrase that simply means high-class, expensive bar. Décor is typically what sets this bar apart from the rest. Typically, ultramodern, sleek designs and trendy fixtures set the tone. The flooring is almost always something special; part of it may be illuminated from underneath or have flowing water under glass tiles. Bar stools, tables, and chairs may have a retro feel but still be very trendy. Wall décor may include original works of art, artsy photos, and mood lighting. Patrons are often young, trendy, and have heavy wallets. People are often there to see and be seen with the “right” people. Entertainment is often limited to music, often with a trendy DJ to engage the crowd.

The drink menus typically contain only premium and super-premium spirits in house-created craft cocktails. (See Chapter 9 for more about the different categories of liquors.) Drink descriptions detail specific ingredients (like Kaffir lime leaves and unique simple syrups), include various processes (like stirred, shaken, and muddled), and usually name the liquors by brand.

The staff in this type of bar is known for impeccable service, so if you think you may go this route, you'll need to hire experienced, quality employees and be ready to pay for their expertise. You may need to hire an excellent bartender to create top-notch and unique cocktails to delight your patrons.

Martini bar or lounge

Martini bars tend to be trendy, yet nostalgic. They celebrate the tradition of the cocktail by elevating one of the most beloved, the martini, to renewed heights. They usually have a list of house martinis and may have a list of the house's take on traditional cocktails like Moscow Mules, the French 75, and Negronis. See *Bartending For Dummies* by Ray Foley and Jackie Wilson Foley (Wiley) if you need recipes for these (and other) cocktails.

Many martini bars are furnished with usable antique couches and chairs, set up in conversational groupings rather than a dining room-type floor plan. The décor tends to have a vintage feel, often inspired by time periods such as the 1940s, 1950s, or even the 1960s. The clientele is often a mix of trendy people, hipsters, *Mad Men* fans, and anyone else who's interested in the atmosphere.

Often, smooth music accompanies the smooth drinks. Music choices for a martini bar may include

- » Jazz melodies
- » Swing, Big Band, '40s-era tunes
- » Lounge music such as Dean Martin, Tom Jones, or Frank Sinatra



REMEMBER

These ideas are not absolute rules. It's your place, so play what you want. A real, live, retro lounge act may be a fun way to round out your theme and satisfy patrons who want live music.

Cocktail bar or speakeasy

A cocktail bar is a bar that focuses on cocktails and mixology. These bars are usually smaller and have carefully curated cocktails that are often a mix of classics,

modern classics, and in-house riffs on classics. Examples of classic cocktails are the Old Fashioned, Martini, Margarita, Manhattan, and Negroni.

The music varies in cocktail bars and usually complements the overall theme. Some of the best cocktail bars we've been to play music depending on the vibe of the night, but seemingly all cocktail bars end the night with songs that get the whole crowd singing along.

Speakeasies gained notoriety in the United States during the Prohibition era, and as such have an exclusivity to them. Most speakeasies are hidden or are in a special location and have a secret door to get to them. They can be incorporated into another concept if you have a nice basement space or another room that can be turned into an elevated bar with limited seating, say around ten seats. Food is usually served in these types of bars and usually consists of small plates like deviled eggs, charcuterie boards, and elevated sliders.

Wine bar

Oddly enough, as the name suggests, a wine bar specializes in wine. In most cases, a wine bar's inventory includes a wide variety of wine, varying vintages, many vineyards, and likely many different price points. Some wine bars have 80 to 150 wines available by the glass, then another 100 (or more) by the bottle. Many wine bars serve only wine, but it is nice to have some variety for all guests so we suggest offering a few other staples like beer or a nonalcoholic beverage.



REMEMBER

Wine, in volume, can be very expensive. To stock a reasonable level of inventory, be prepared to spend thousands of dollars. And you need to have (or hire someone with) the expertise to talk about wine in general and the wines on your list, specifically. The expert who can talk for hours about the nuances of wine is called a *sommelier*. People want to know why one wine is better or more expensive than another. They want help deciphering the difference between a Beaujolais and a Burgundy. Even your bartenders and servers need extensive training on your wine list. You need to be prepared to put in the necessary time.

Because of the incredible variety and range of wines available worldwide today, more people are interested in wine. The best way to learn about wine is to taste it, so if you're going to open a wine bar, expect a varied clientele. But, because wine isn't cheap, you can assume your clientele will have a decent amount of disposable income. The wine is the entertainment, so other than some soothing music or relaxing live music, you can skip the other entertainment options.

BREW PUBS: A TWO-FER-ONE BUSINESS

A *brewpub* is more than a bar; it's a bar and a brewery, all in one. You control your production, manufacturing, warehousing, inventory, and everything else. You can decide what styles of beer to serve, whether you want a wheat beer, a pilsner, or a stout. You can name the beers whatever you want. You can even start a sideline business of selling your beer to other places in town. Sounds good, right? Well, it can be good, but starting your own brewpub requires a whole other level of expertise. (So basically, you need this book plus a master brewer to get going.)

If you're looking to start a brewpub, spend some time perfecting your beers in the brewery before you decide to open the pub. You can roll out the pub after you've built a loyal following for your beer. Otherwise, you have a really tough nut to crack, essentially opening two businesses at the same time.

Wine bars often serve food. Most often the food menu is designed to complement the wine. The sommelier and chef work together to develop food and wine pairings, and sometimes create flights of wine to match a meal. A *flight* is made up of small servings (usually around 2 or 3 ounces each) of several different wines, sold together.

Bar and grill

What's another way to spell "bar and grill?" R-E-S-T-A-U-R-A-N-T. Okay, basically a bar and grill is a restaurant without high chairs. And usually, the lounge or bar area isn't separate from the dining area. So in some states (like Indiana), kids can't go into a bar and grill (or a restaurant for that matter) if there's no barrier between the bar and the dining area.

A bar and grill typically has a more expansive menu than just a bar. If you open this type of bar, you'll have, presumably, a grill to make burgers and sandwiches. You may have a fryer as well for things like, um, fries and wings. Heck, maybe you'll even throw a couple of salads on the menu for good measure.

You can choose a theme for a bar and grill and carry it through the menu and décor. You'll sell quite a bit of beer but will likely have success with select mixed drinks as well.

Entertainment can run the gamut from pool and darts to live music or even karaoke. Many bar and grills have TVs for the sports enthusiast or those patrons who need their daytime talk show fix with their afternoon glass of wine. Your entertainment options are open with this kind of bar.



TIP

If you're interested in running a bar that's pretty much a restaurant, check out *Running a Restaurant For Dummies* by Michael Garvey, Heather Dismore, and Andrew G. Dismore (Wiley) for more information.

Live entertainment venue

Some bars are absolutely known for their entertainment. (We immediately think of the now-defunct legendary CBGB in the Bowery in New York, the bar that launched hundreds of bands like the Ramones and Blondie in the '70s and '80s.) People do drink at these places, but they're not typically looking for specialty cocktails; the music is the draw.

Here are a few ideas if you're looking to open a bar focused on live entertainment:

- » **Original bands trying to break into the business:** These bands are popular among the college-age set.
- » **Cover bands:** These bands sing familiar songs in their own particular style. They often have a broad appeal because although the band may not be well known, everyone likes to sing along to "Born in the U.S.A." and "Piano Man."
- » **Local favorites:** These bands often do a mixture of cover tunes and their own originals that locals love.
- » **Country and western:** You *can* have *both* kinds of music: country *and* western. Depending on your geographic location, this may be a huge hit for you, either because that's what people like or because it's a novelty.



TIP

For more information on booking and signing live entertainment, check out Chapter 6.

Remembering to Choose One Theme and Be Good at It

Can you be everything to everybody? No, you can't. But you can choose something and be the absolute best at it. (Now we sound like your mom.) Although there's no absolute formula for how to succeed, one tenet rings true in this business: *Hot food, cold beer*. We like to add great service, but it doesn't seem as catchy that way.

Yes, you can have a cowboy bar with a martini menu and a beer bar with the best hamburgers. You can break the theme of your place, but only for one or two items.

The most important thing is to have a great drink menu. You run a *bar*, after all. When you're doing a theme, carry it through both your drink and dining menus. Jazz bars should name a couple of cocktails after songs or instruments, like the Brass Trumpet, for example. A cowboy bar should have a cocktail named the Bull Rider. A sports bar should have a drink called "The Touchdown." Have fun with your theme. You can even ask your customers to suggest creative names for you!

2

**Gearing Up to
Open the Doors**

IN THIS PART . . .

Put together a business plan and choose the right name for your bar.

Find the perfect location to launch the bar of your dreams.

Take a look at the key products in the industry. Discover how to evaluate which ones are a good match for your bar.

Develop your food and drink menus, and buy the right equipment to match your plans.

Evaluate entertainment options (from pool tables and jukeboxes to booking live acts) to make your new watering hole the talk of the town.

- » Understanding what a business plan is
- » Creating your business plan
- » Presenting your financials on paper

Chapter 5

Putting Together Your Business Plan

Running a bar is not an endeavor to be entered into lightly. Although the business is a fun one, you have to approach it as a business to be financially successful. To keep your bar running in the black, you must create a business plan, follow it closely, and make adjustments as needed. Over the years, your business plan can become a living, breathing document that helps you manage your bar successfully.

A business plan can be a great tool in setting yourself up to succeed in this business. It's your map to get from Point A (starting out) to Point B (retiring to the Caribbean, or whatever your personal goal may be). The more detailed your map is, the less likely you are to get lost along the way. Before you take the big trip, planning out your route can help you avoid lost time (in the business world, time equals money) and make the journey much less hectic.

In this chapter, we cover the basics of the bar business plan and show you why you need one. We also give you tips for putting it all together.

What's a Business Plan and Why Should You Create One?

A *business plan* is a written document that includes information about your business, your goals, your strategies, and your financial expectations. Essentially, it's your road map or blueprint for creating a successful business, and it helps you figure out how (and when) your bar will make money.

This document persuades investors to invest in you and landlords to rent to you. Sometimes, it will be the document that helps you form your team. If you have partners, the document also helps you plot the course. Of course, you can adjust the sails as the winds change, but the business plan keeps your focus on that specific point on the horizon.

Here are the basic pieces of most bar business plans, which we cover in detail in the following sections:

- » **Cover page and table of contents:** The cover page sets a professional tone for your business plan. The table of contents helps readers see at a glance what information is in your plan and where they can find it.
- » **Definition of your business concept:** In this section, you tell your readers what they can expect when they visit your bar. You can include general information about the atmosphere, the types of food and drinks you'll serve, and the customers who will frequent your bar.
- » **Sample drink and food menu:** Here is where you can be more specific about the food — from appetizers to full meals — and drinks — from a wide variety of wines to every mixed drink imaginable — you'll serve.
- » **Market analysis and clientele demographics:** This section of your business plan explains how your bar will be different from other watering holes and describes your intended clients.
- » **Financial data:** This is likely to be the most read section of your report. You use this section to show investors how you'll spend your money to have a successful start-up and then how you'll keep your bar running in the black.
- » **Management team:** This part of your business plan explains who is responsible for running the bar (that would be you, maybe your bar manager, and a head bartender, if it's a selling point). It helps readers understand your qualifications for operating a successful bar.



A business plan helps you ensure that you do all the background research you need to for optimal success, helps you corral your creative thoughts and define exactly what you want your new business to be, and helps you head off obstacles before they become big problems.

For more help writing (and using) your business plan, take a look at *Business Plans For Dummies* by Paul Tiffany and Steven D. Peterson (Wiley).

USING AI TO START (BUT NOT FINISH) YOUR BUSINESS PLAN

If you haven't written a business plan before (or even if you have), an artificial intelligence (AI) tool can help you start the process. Choose from free general tools like ChatGPT (<https://chat.openai.com>) or Gemini (<https://gemini.google.com>) for help with general questions. Give the tool commands like "Generate an executive summary for a business plan for a speakeasy bar that focuses on agave spirits and rum-based cocktails located in San Antonio, Texas" to get a paragraph or two of text that you can edit and make your own.

A more focused business planner tool with AI capability can speed everything up. An AI business planning tool prompts you to create your plan by first asking basic questions about your business (like why your bar is special, what kinds of drinks you offer, what entertainment you're showcasing, who your clientele is, and so on), and then helping you fill in the blanks. It will generate a detailed list of likely competitors in your area, and expand and suggest menu items and product offerings. It can also generate the basic financial data and projections.

Check out these tools to see if they might help move your planning process along:

- ProAI (<https://ai.business-plans.com>) provides business plans, investor pitch decks, and market research. You can see, but not download, your customized plan. You'll need to become an annual subscriber to download and edit your plan.
- Upmetrics (<https://upmetrics.co>) offers monthly and annual plans. The premium plan offers AI enhancements and exports to Microsoft Word and Excel. The basic plan offers industry-specific templates you can customize on your own.

These tools provide information based on the answers you provide. The more detailed and accurate you can be, the better the end result. You should thoroughly read, validate, and edit the AI-generated plans. They aren't a substitute for doing the work yourself. They're simply a way to kick-start the process.

Considering the Benefits of Having a Business Plan

Many bar owners skip creating a business plan; they think it's not worth their time because they can't accurately predict the future, or they may not know where to begin. Or they're intimidated by creating such an official-sounding document, if they even know what a business plan is. Most owners who skip this step fail to see that their bar is, first and foremost, a business. And with a failure rate of 30 percent in the first year, those who plan have a greater chance to succeed. In fact, creating a business plan may be one of the most important steps you take in creating a bar that's built to succeed. If you already know you want to create a business plan, skip on ahead to the next section, "Looking at the Parts of Your Plan."



REMEMBER

We firmly believe that your time is well spent creating a solid foundation for the business you're building.

A business plan is a road map to your bar's success. Without a map, you won't know where you are on your road to success or when you can expect to reach that destination. Failing to plan can result in detours (lost time) that cost you money in the long run. Many successful businesses regularly update their business plans, every year or two (or more often if you prefer), to make sure that they're on track.

You can use a business plan to regularly assess how well your bar is

- » **Meeting your financial goals:** Are you getting enough sales on Friday nights to justify staying open on slow post-football Sundays in February, for example?
- » **Keeping current with changes in the market:** Should you consider adding a DJ on Wednesday nights to compete with the new karaoke night at Cookies across the road?
- » **Addressing your customers' needs:** If your new goal is to have a competitive dart league on Thursdays, how's it affecting the regulars?



WARNING

Even if you are 100 percent opposed to creating a business plan, create some sort of financial forecasting tool that helps you see your cash flow. It's too easy to see all the money coming in without a plan for how it must go out in order for you to stay in business. We recommend that you use the financial tools in Chapter 14 to run your business successfully, but if you find something that works better for you, use it.

Looking at the Parts of Your Plan

Because writing a business plan is a big job, even for those with extensive experience in the industry, we break it down for you, piece by piece, in this section. We split off the financials into their very own section because they're the toughest part of this nut to crack. Make sure you don't miss them in "Putting Your Financial Forecasts on Paper," later in this chapter.

The cover page and table of contents

The table of contents provides readers with an outline for perusing your plan and includes page numbers so they can flip right to the section that interests them at the moment.

Your business concept

The first official page of your business plan should describe your business concept. (We usually don't count the cover page and table of contents as *real* pages. They're really just there to help your potential investors navigate their way through your plan.) Your *business concept* describes your business in five or six sentences. Think about it as a paragraph or two that envisions what you want your bar to be when it grows up.



TIP

Pretend you're talking to your ideal bar customers. You have 30 seconds to persuade them that your bar is the place for them to spend their time (and money). Figure out what you want them to know. Take a look at the two examples in this section to see what a finished description looks like.

Here are some questions that you need to ask yourself to get started writing your own business concept:

- » What kind of bar are you going to run? (See Chapter 4 for more details.)
- » How is it different from other bars? (See Chapter 4.)
- » What's the atmosphere and décor like? (See Chapter 6.)
- » What (if any) specialty drinks (or liquors, beers, and so on) will you serve? (See Chapter 9.)
- » What entertainment (if any) will you have? (See Chapter 6.)
- » What kind of food (if any) will you serve? (See Chapter 9.)
- » What's your clientele like? Who are they? (See Chapter 4.)

»» What distinctive features can your patrons expect at your place?
(See Chapter 4.)



REMEMBER

All the answers may not make it into the final description, but it helps you to know all the information anyway.

Ultimately, you can use your business concept to create a succinct mission statement for employees, a tagline to go on your drink menus, catchphrases for T-shirts and bumper stickers, or as the introduction to the financial report after you've franchised your new bar internationally. (Dream big, right?)

Example of a business concept for an Irish pub

The Irish Wolfhound is the premier pub and social gathering place in Manhattan, Kansas, offering high-quality food, drinks, and entertainment in an upscale, casual environment with ample seating. We offer a broad menu of midpriced appetizers and authentic entrees served in generous portions. In addition, we stock a full-service, gleaming mahogany bar, featuring a wide selection of major domestic, imported, and specialty beers, including authentic Irish beers, such as Guinness Stout. Our friendly Irish bartender, with a brogue to match, serves patrons, and he may even take an occasional break to throw a round of darts with you. Decorated with intricately hand-carved wooden panels straight from the Book of Kells, The Irish Wolfhound is full of character, warmth, and comfort.

Example of a business concept for a tequila bar

Añejo (named for the Spanish word for *aged* that describes premium tequila) is proud to serve the most extensive collection of tequila on the planet. With more than 120 varieties available, we have something for everyone. For the true connoisseur, the bar offers reposado (aged 2 to 11 months) and añejo (aged one year or more) tequilas. We offer an extensive menu of tequila and mezcal cocktails like Palomas, Ranch Water, and of course Margaritas featuring infused tequilas in a variety of flavors, including blueberry, jalapeño, mango, hibiscus, chamoy, prickly pear, raspberry, strawberry, and lime. To complement the tequilas' flavors, we've created a tapas menu, including crab ceviche with avocado, and corn-and-black-bean salsa with blue corn chips. With a festive atmosphere, Añejo is a great place to relax after work or get your night started.

A sample drink and food menu

Include a copy of your menus in your business plan. Take the time to actually make the menus look like finished, professional menus, rather than just lists of drinks or products. The menus help make your place more real in the minds of

your investors and give them a specific picture of what your bar will be like and why it's special. For details on developing, formatting, and figuring a cost for your menu, check out Chapter 9.

Market analysis and clientele demographics

Here, you show the world in detail how your business is different from the rest. List concrete examples of other bars in your area (or somewhere else, if appropriate) that are similar to yours and point out your differences. Consider their menus, prices, locations, entertainment offerings, hours of operation, clientele, staffing, atmosphere, and anything else that seems relevant to your business. This sounds like a lot of work, but you should have done a lot of this analysis when you decided what type of bar to open (see Chapter 4).

Discuss who your patrons will be. Include answers to questions such as: What is the age range and income level of the people you're trying to attract? How much time and money are they likely to spend in your establishment? Will they be sports fans or theatergoers? Confirm that you have sufficient numbers of potential customers to draw from in your market to make your business a success. Also explain why your concept and marketing plan will appeal to them. For more on developing your marketing plan and keeping guests coming in the door, check out Chapter 17.

Your management team

This section of your business plan provides information about (surprise!) your management team. Your management team may consist of partners with a financial stake, operational managers, or even key employees. Whoever matters to your audience should make an appearance here. Summarize (in four to five sentences) the experience, expertise, and strengths of your team in this section. Include industry-related experience, accolades, and accomplishments. Place this section up front in your plan if your team is a strong selling point; otherwise, it's usually better placed at the end of the document.



TIP

Include information about key personnel here (even if they're not managers) if it might positively impact the reader. For example, if your head bartender won a national bartending competition, you probably want to include that information.

Putting Your Financial Forecasts on Paper

At some point, your business plan ultimately comes down to numbers. The financials section explains how much money your venture will cost, how you're going to spend the cash, and how you're going to build upon it. This section also offers your investors some kind of return on their investment. Every potential investor will look at this section of your business plan, even if they look at nothing else. In many ways, it's the most important piece of the puzzle, and it's usually the most daunting piece. But lucky you! You have this book to help you out.

When you *forecast* your financials, you predict how much money you'll take in or spend in a given period of time. In the same way a meteorologist makes predictions about the weather with some degree of accuracy, you can make predictions about your bar. Will your forecasts be 100 percent correct in every instance? Definitely not. But these forecasts are better than just making guesses. Take a look at the following sections for details about how to predict different numbers that are important to your business.



REMEMBER

Include three sets of numbers for each forecast in your business plan:

- » A low-end number that projects your worst-case scenario. Yes, Murphy and his Law make their way into bars now and again.
- » A best-case scenario number that shows all the potential you can imagine if everything goes your way. You'll be retiring in no time!
- » The midrange number that takes into account when some things go your way and other things don't. In real life, this is usually the most likely situation, even if you run your bar perfectly.



REMEMBER

Use a calendar to actually count the number of days in your real operating months. Your bar will be open more days in some months than others (February, for example, is a short month). Both the income and some expenses will typically be higher for the months with more days. Utility bills will probably be higher for longer months, but rent will likely stay the same, for example.

Here are a few basic elements you should make sure to include in the financial section of your business plan:

- » **Forecasted sales:** This spreadsheet shows anyone reading your plan how you predict your sales will grow over a period of time. (Very handy when trying to persuade investors to give you greenbacks.)
- » **Forecasted expenses:** This prediction highlights how you expect to spend your money. It shows start-up expenses as well as daily expenses.

- » **Forecasted cash flow:** This document shows how you plan for money to come in *and* go out of your business.
- » **Income statement:** Sometimes called a profit-and-loss (or P&L) statement, this standard accounting tool helps you check the health of your business. It shows you how you're making and losing money (or how you plan to, if you're just getting started).
- » **Balance sheet:** This spreadsheet is a summary, comparing your business's *assets* (cash, receivables, inventory, or anything valuable the business owns) and your business's *liabilities* (money you owe). It's basically a snapshot used to assess the health of your business at a specific point in time.

We cover these elements in more detail in the following sections.

Forecasting your sales

Your *forecasted sales* are the sales you expect to take in over a given time. We recommend you start your exercise in forecasting here. If you don't know how much money you're making, you can't figure out what you can spend!

In Figure 5-1, we show you a forecast for a tavern in the Midwest. It has 14 bar stools and six 4-top tables, for a total seating of 38 people at any one time. Of course, in bars, people do stand and drink during peak times, so we've taken that into account as well. It serves pub grub like burgers and sandwiches, draft and bottled beers, and just about any cocktail you can order. It has a very limited wine list, basically one of each color. And finally, the tavern isn't open on Sundays. (The owners, of course, may change that plan during football season, but they'll see how it goes.)



REMEMBER

To start forecasting, estimate how many people will be in your joint at different times of the day (often called your number of *covers*), and how much each person will spend (usually referred to as the *check average*, abbreviated C/A in the figure).



TECHNICAL
STUFF

Change is inevitable in every industry. In recent years some point-of-sale (POS) systems have decided to use the term *per-person-average* (PPA) instead of check average. To confuse matters further, those same systems use the term *check average* to mean the actual amount of each tab regardless of how many people are in the party. So if you're using a POS system, make sure you know how your system talks about this important number.

Here are the steps we followed to get this forecast:

1. Predict how many patrons you will have at each meal period.

In the example shown in Figure 5-1, we expect 25 lunch patrons during the early weekdays, 30 lunch patrons Thursday and Sunday, 60 patrons on Friday, and 80 patrons on Saturday.

2. Estimate what each patron will spend.

Based on our menu, we estimate that each person will spend, on average, \$11 to 14 on food and \$6 on a drink during lunch during the early weekdays and a little more on weekends.

Notice we said *average*. Some patrons may order iced tea at \$2.99 with free refills, while others will order three martinis at \$10 each. It's not an exact science, but you gotta start somewhere.



REMEMBER

3. Multiply your covers by your check average to get your total sales for the day.

We recommend breaking down food and beverage sales separately (as we did in Figure 5-1), so that you can see more specifically where you're taking in money.

4. Add your total sales for each day together and divide by the number of days to get your weekly average.

5. Multiply your weekly average by 52 weeks to get annual sales.

6. Estimate your growth percentage year over year.

In our example, we're planning on growing our sales by 10 percent each year. So we would multiply our Year 1 numbers by 1.1 (or 110 percent) to figure out how that percentage translates into real dollars.



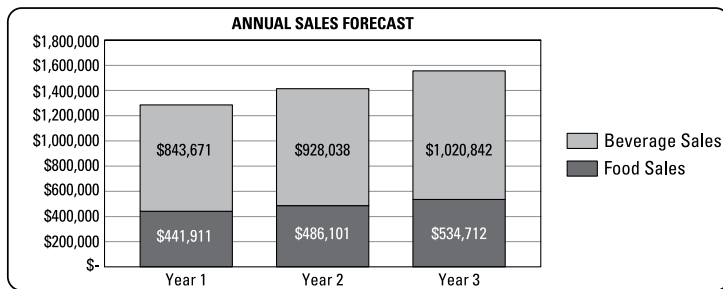
REMEMBER

This example is a simple representation of an average week. But many say that in this business there are no average weeks. Make sure you take into account any seasonal events that may affect your business, such as sports seasons, resort-based ebbs and flows, and holidays.

Forecasting your expenses

Forecasting your expenses is similar to creating your home budget, only it's a whole lot more detailed. When you *forecast your expenses*, you anticipate every possible expense that you may incur, but you hope to reduce those expenses and control costs as you actually spend the money. For example, if you estimate your monthly home grocery bill at \$100 a week, but you find an excellent sale, you're going to save the money rather than just fork it over to the grocer anyway. It's the same with forecasting your expenses for your bar: Plan for the worst case, and then manage the money to the best of your abilities.

		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Daily Average	Total Weekly	Annualized
Lunch	Cover Count	25	25	25	30	60	80	30	39	275	14,339
	Food Check Average	\$11	\$11	\$11	\$11	\$14	\$14	\$12	\$12		\$4,380.00
	Beverage Check Average	\$6	\$6	\$6	\$6	\$11	\$11	\$9	\$8		\$2,867.86
	Total Check Average	\$17	\$17	\$17	\$17	\$25	\$25	\$21	\$20		\$7,247.86
	Daily Sales	\$425	\$425	\$425	\$510	\$1,500	\$2,000	\$630	\$845	\$5,915	\$308,425
Dinner	Cover Count	20	25	25	80	150	120	80	71	500	26,071
	Food Check Average	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10		\$3,650.00
	Beverage Check Average	\$18	\$18	\$18	\$24	\$32	\$32	\$24	\$24		\$8,655.71
	Total Check Average	\$28	\$28	\$28	\$34	\$42	\$42	\$34	\$34		\$12,305.71
	Daily Sales	\$560	\$700	\$700	\$2,720	\$6,300	\$5,040	\$2,720	\$2,677	\$18,740	\$977,157
Daily Totals	Cover Count	45	50	50	110	210	200	110	111	775	40,411
	Food Sales	\$475	\$525	\$525	\$1,130	\$2,340	\$2,320	\$1,160	\$1,211	\$8,475	\$441,911
	Beverage Sales	\$510	\$600	\$600	\$2,100	\$5,460	\$4,720	\$2,190	\$2,311	\$16,180	\$843,671
	Total Sales	\$985	\$1,125	\$1,125	\$3,230	\$7,800	\$7,040	\$3,350	\$3,522	\$24,655	\$1,285,582
	Annualized Sales Forecast										
	Year 1	Year 2	Year 3								
Food Sales	\$441,911	\$486,101.8	\$534,712.0								
Beverage Sales	\$843,671	\$928,038.6	\$1,020,842.4								
Total	\$1,285,582	\$1,414,140	\$1,555,554								



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FIGURE 5-1:
Sample sales forecast.



TIP

To help you think of every possible thing you may need to get your bar up and running, Figure 5-2 is the list of accounting codes the National Restaurant Association (NRA; <https://restaurant.org>) has recommended for years. The NRA released a newer version for sale for \$37.50 for members and \$75 for non-members. If you're starting a bar from scratch, use this list to help you anticipate expenses you may otherwise skip. The NRA also offers research you can use to help predict your expenses or check whether any of your expenses are out of line. Your local restaurant association should also be able to help you estimate some expenses by obtaining data from other members. This information adds credibility when you're asked how you derived your figures.



TIP

Pick up a copy of *Accounting For Dummies* by John A. Tracy and Taze C. Tracy (Wiley) to get more help on using these and other accounting tools.

When you put together your real financial forecast, include a full year of data and make sure you include every expense you can think of. Some expenses, like snow removal, show up in only a few months. Check out Figure 5-3 for a sample expense forecast that covers a six-month period. Make sure you remember to include your best, worst, and midrange set of numbers for a complete picture. (Yes, complete the worksheet three times.) In particular, look at the last column in the chart, Total Percentage of Sales. We used the forecasted sales from Figure 5-1 to figure out the sales for each month. Then we multiplied the monthly total by the percentage specified in each row to figure out how much we could spend on each particular line item each month.

The expenses in Figure 5-3 are broken down into two categories:

- » **Controllable expenses:** These are expenses you have control over. For example, you choose how much liquor to buy, how you pour it, control its usage and waste, and so on. These expenses often go up as your sales go up.
- » **Non-controllable expenses:** These expenses, such as the rent, occur regularly. You have to pay these costs no matter how much you buy and sell.



TECHNICAL
STUFF

Technically speaking, you should also accrue for depreciation, interest, and other accounting-ish items you may not think about on your own. Get with your accountant for details on how to get this done.

CHART OF ACCOUNTS			
P&L ACCOUNTS			
3000	SALES	4500	MARKETING
3010	Food	4510	Selling & Promotion
3020	Liquor	4520	Advertising
3030	Beer	4530	Public Relations
3040	Wine	4540	Research
		4545	Complimentary Food & Beverages
4000	COST OF SALES	4550	Discounted Food & Beverages
4001	Food -		
4002	Meat	4600	UTILITIES
4003	Seafood	4610	Electrical
4004	Poultry	4620	Gas
4005	Produce	4630	Water
4006	Bakery	4640	Trash Removal
4007	Dairy		
4008	Grocery & Dry Goods	4700	GENERAL & ADMINISTRATIVE
4009	Non-alcoholic Beverages	4705	Office Supplies
4020	Liquor	4710	Postage & Delivery
4030	Bar Consumables	4715	Telephone / Communications
4040	Beer	4720	Payroll Processing
4050	Wine	4725	Insurance - General
4060	Paper (QSR)	4730	Dues & Subscriptions
		4735	Travel Expenses
4100	SALARIES & WAGES	4740	Credit Card Discounts
4110	Management	4745	Bad Debts
4120	Dining Room	4750	Cash (Over) / Short
4130	Bar	4755	Bank Deposit Services
4140	Kitchen	4760	Bank Charges
4150	Dishroom	4765	Accounting Services
4160	Office	4770	Legal & Professional
		4775	Security / Alarm
4200	EMPLOYEE BENEFITS	4780	Training
4210	Payroll Taxes	4785	Miscellaneous
4220	Worker's Compensation Insurance		
4230	Group Insurance	4800	REPAIRS & MAINTENANCE
4240	Management Meals	4810	Maintenance Contracts
4250	Employee Meals	4820	R&M - Equipment
4260	Awards & Prizes	4830	R&M - Building
4270	Employee Parties & Sports Activities	4840	Grounds Maintenance
4280	Medical Expenses	4850	Parking Lot
4300	DIRECT OPERATING EXPENSES	5000	OCCUPANCY COSTS
4305	Auto & Truck Expense	5010	Rent
4310	Uniforms	5020	Equipment Rental
4315	Laundry & Dry Cleaning	5030	Real Estate Taxes
4320	Linen	5040	Personal Property Taxes
4325	Tableware	5050	Insurance-Property & Casualty
4330	Silverware	5060	Other Municipal Taxes
4335	Kitchen Utensils		
4340	Paper Supplies	6000	DEPRECIATION & AMORTIZATION
4345	Bar Supplies	6010	Buildings
4350	Restaurant Supplies	6020	Furniture, Fixtures & Equipment
4355	Cleaning Supplies	6030	Amortization of Leasehold Improvements
4360	Contract Cleaning		
4365	Menu & Wine List	7000	OTHER (INCOME) EXPENSE
4370	Pest Control	7010	Vending Commissions
4375	Flowers & Decorations	7020	Telephone Commissions
4380	Licenses & Permits	7030	Waste Sales
4385	Banquet & Event Expenses	7040	Interest Expense
4390	Other Operating Expenses	7050	Officers Salaries & Expenses
		7060	Corporate Office Expenses
4400	MUSIC & ENTERTAINMENT		
4410	Musicians & Entertainers	8000	INCOME TAXES
4420	Cable TV/Wire Services	8010	Federal Income Tax
4430	Royalties to ASCAP, BMI	8020	State Income Tax

FIGURE 5-2:
Chart of restaurant income and expense accounts.

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FIGURE 5-3:
A sideways glance at a sample six-month expense forecast.

	JAN	FEB	MAR	APR	MAY	JUN	TOTAL	Total Percentage Of Sales
Controllable Expenses								
Cost of Sales								
FOOD	\$1,802	\$1,602	\$1,802	\$1,669	\$1,802	\$1,736	\$10,413	25.00%
BEVERAGE	\$662	\$588	\$662	\$613	\$662	\$637	\$3,824	15.00%
TOTAL COST OF SALES	\$2,464	\$2,190	\$2,464	\$2,282	\$2,464	\$2,373	\$14,236	40.00%
Payroll								
SALARIES	\$4,167	\$3,704	\$4,167	\$3,858	\$4,167	\$4,013	\$24,076	10.00%
HOURLY WAGES	\$6,251	\$5,556	\$6,251	\$5,788	\$6,251	\$6,019	\$36,116	15.00%
BENEFITS	\$3,334	\$2,963	\$3,334	\$3,087	\$3,334	\$3,210	\$19,262	8.00%
CONTRACT LABOR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
TOTAL PAYROLL	\$13,752	\$12,223	\$13,752	\$12,733	\$13,752	\$13,242	\$79,454	33.00%
Other Controllable Expenses								
DIRECT OPERATING EXPENSES	\$1,042	\$926	\$1,042	\$965	\$1,042	\$1,003	\$6,020	2.50%
MUSIC & ENTERTAINING	\$208	\$185	\$208	\$193	\$208	\$201	\$1,203	0.50%
MARKETING	\$2,084	\$1,852	\$2,084	\$1,929	\$2,084	\$2,006	\$12,039	2.50%
ENERGY & UTILITIES	\$833	\$741	\$833	\$772	\$833	\$803	\$4,815	2.00%
GENERAL & ADMINISTRATIVE	\$1,354	\$1,204	\$1,354	\$1,254	\$1,354	\$1,304	\$7,824	3.25%
REPAIRS & MAINTENANCE	\$417	\$370	\$417	\$386	\$417	\$401	\$2,408	1.00%
TOTAL Other Controllable Expenses	\$5,938	\$5,278	\$5,938	\$5,499	\$5,938	\$5,718	\$34,309	11.75%
Non-Controllable Expenses								
RENT	\$2,917	\$2,593	\$2,917	\$2,701	\$2,917	\$2,809	\$16,854	7.00%
REAL ESTATE TAXES	\$625	\$556	\$625	\$579	\$625	\$602	\$3,612	1.50%
LEASE EXPENSES	\$292	\$259	\$292	\$270	\$292	\$281	\$1,686	0.70%
FF&E RESERVE	\$833	\$741	\$833	\$772	\$833	\$803	\$4,815	2.00%
INSURANCE	\$833	\$741	\$833	\$772	\$833	\$803	\$4,815	2.00%
TOTAL OTHER EXPENSES	\$5,500	\$4,890	\$5,500	\$5,094	\$5,500	\$5,298	\$31,782	13.20%

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Forecasting your cash flow

In a nutshell, your *cash flow projection* shows you month by month where the money is coming in and going out. It sort of marries the sales and forecasts reports and shows you when you'll have what money. It helps you manage your money on a timeline. Take a look at Figure 5-4 for an example of a six-month cash flow projection. For more details on keeping your eye on your cash flow, see Chapter 15.



TECHNICAL
STUFF

You could actually create a week-by-week (or even day-by-day) report after you're up and going, but for the business plan, you really only need this month-by-month version.

Generating an income statement

Your *income statement* is a tool that estimates your profit by taking your forecasted sales and subtracting your forecasted expenses. In Figure 5-5, we show you a sample using the same numbers we use throughout the chapter.



TECHNICAL
STUFF

Some people call this tool a profit-and-loss statement or P&L. Whatever you call it, it works the same way.

Creating a balance sheet

A balance sheet is a summary of your business's assets and liabilities on a given date. It takes into account all the business's *assets*, including inventory on hand, your *receivables* (or money owed to the business), cash on hand or in any accounts, equipment, vehicles, and so on, and compares them to its *liabilities* (money the business owes to people like investors and creditors). You use the balance sheet to assess the health of your business at a specific point in time. It helps you show investors or anyone else looking at your books that your business is worth as much as it owes. If you haven't yet invested a single dollar in the business and you don't owe anyone money, it will look like the blank form in Figure 5-6.

CASH FLOW PROJECTIONS							
Q1 AND Q2 Fiscal Year 1							
	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
CASH RECEIPTS							
FOOD SALES	\$24,030	\$21,360	\$24,030	\$22,250	\$24,030	\$23,140	\$138,840
BEVERAGE SALES	\$17,640	\$15,680	\$17,640	\$16,333	\$17,640	\$16,987	\$101,920
SALES RECEIVABLES	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CASH RECEIPTS	\$41,670	\$37,040	\$41,670	\$38,583	\$41,670	\$40,127	\$240,760
CASH DISBURSEMENTS							
COST OF SALES, FOOD	\$7,209	\$6,408	\$7,209	\$6,675	\$7,209	\$6,942	\$41,652
COST OF SALES, BEVERAGE	\$4,410	\$3,920	\$4,410	\$4,083	\$4,410	\$4,247	\$25,480
TOTAL COST OF SALES	\$11,619	\$10,328	\$11,619	\$10,758	\$11,619	\$11,189	\$67,132
CONTROLLABLE EXPENSES							
PAYROLL							
SALARIES	\$4,167	\$3,704	\$4,167	\$3,858	\$4,167	\$4,013	\$24,076
HOURLY WAGES	\$6,251	\$5,556	\$6,251	\$5,788	\$6,251	\$6,019	\$36,116
BENEFITS	\$3,334	\$2,963	\$3,334	\$3,087	\$3,334	\$3,210	\$19,262
CONTRACT LABOR	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PAYROLL	\$13,752	\$12,223	\$13,752	\$12,733	\$13,752	\$13,242	\$79,454
OPERATING EXPENSES							
DIRECT OPERATING EXPENSES	\$1,042	\$926	\$1,042	\$965	\$1,042	\$1,003	\$6,020
MUSIC & ENTERTAINING	\$208	\$185	\$208	\$193	\$208	\$201	\$1,203
MARKETING	\$2,084	\$1,852	\$2,084	\$1,929	\$2,084	\$2,006	\$12,039
ENERGY & UTILITIES	\$833	\$741	\$833	\$772	\$833	\$803	\$4,815
GENERAL & ADMINISTRATIVE	\$1,354	\$1,204	\$1,354	\$1,254	\$1,354	\$1,304	\$7,824
REPAIRS & MAINTENANCE	\$417	\$370	\$417	\$386	\$417	\$401	\$2,408
TOTAL OPERATING EXPENSES	\$5,938	\$5,278	\$5,938	\$5,499	\$5,938	\$5,718	\$34,309
OTHER EXPENSES							
RENT	\$2,917	\$2,593	\$2,917	\$2,701	\$2,917	\$2,809	\$16,854
REAL ESTATE TAXES	\$625	\$556	\$625	\$579	\$625	\$602	\$3,612
LEASE EXPENSES	\$292	\$259	\$292	\$270	\$292	\$281	\$1,686
FF&E RESERVE	\$833	\$741	\$833	\$772	\$833	\$803	\$4,815
INSURANCE	\$833	\$741	\$833	\$772	\$833	\$803	\$4,815
TOTAL OTHER EXPENSES	\$5,500	\$4,890	\$5,500	\$5,094	\$5,500	\$5,298	\$31,782
INTEREST	\$417	\$370	\$417	\$386	\$417	\$401	\$2,408
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CASH DISBURSEMENTS	\$37,226	\$33,089	\$37,226	\$34,470	\$37,226	\$35,848	\$215,085
CASH FLOW FROM OPERATIONS							
CASH RECEIPTS	\$41,670	\$37,040	\$41,670	\$38,583	\$41,670	\$40,127	\$240,760
LESS: CASH DISBURSEMENTS	\$37,226	\$33,089	\$37,226	\$34,470	\$37,226	\$35,848	\$215,085
NET FROM OPERATIONS	\$4,444	\$3,951	\$4,444	\$4,113	\$4,444	\$4,279	\$25,675
CASH ON HAND							
OPENING BALANCE	\$0	\$3,944	\$5,895	\$8,339	\$10,452	\$11,896	
PLUS: NEW LOAN (DEBT)	\$0	\$0	\$0	\$0	\$0	\$0	
PLUS: NEW INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0	
PLUS: SALE OF FIXED ASSETS	\$0	\$0	\$0	\$0	\$0	\$0	
PLUS: NET FROM OPERATIONS	\$4,444	\$3,951	\$4,444	\$4,113	\$4,444	\$4,279	
TOTAL CASH AVAILABLE	\$4,444	\$7,895	\$10,339	\$12,452	\$14,896	\$16,175	
LESS: DEBT REDUCTION	\$500	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
LESS: NEW FIXED ASSETS	\$0	\$0	\$0	\$0	\$0	\$0	
LESS: PROFIT DISTRIBUTIONS	\$0	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000	
TOTAL CASH PAID OUT	\$500	\$2,000	\$2,000	\$1,000	\$3,000	\$3,000	
ENDING CASH POSITION	\$3,944	\$5,895	\$8,339	\$10,452	\$11,896	\$13,175	\$13,175

FIGURE 5-4:
Sample cash flow
projection for
six months.

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PROJECTED INCOME STATEMENT:								
Q1 AND Q2 Fiscal Year 1								
	JAN	FEB	MAR	APR	MAY	JUN	TOTAL	TOTAL
REVENUES								
FOOD SALES	\$24,030	\$21,360	\$24,030	\$22,250	\$24,030	\$23,140	\$138,840	57.67%
BEVERAGE SALES	\$17,640	\$15,680	\$17,640	\$16,333	\$17,640	\$16,987	\$101,920	42.33%
OTHER INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
TOTAL REVENUE	\$41,670	\$37,040	\$41,670	\$38,583	\$41,670	\$40,127	\$240,760	100.00%
EXPENSES								
FOOD COST	\$7,209	\$6,408	\$7,209	\$6,675	\$7,209	\$6,942	\$41,652	17.30%
BEVERAGE COST	\$4,410	\$3,920	\$4,410	\$4,083	\$4,410	\$4,247	\$25,480	10.58%
TOTAL COGS	\$11,619	\$10,328	\$11,619	\$10,758	\$11,619	\$11,189	\$67,132	27.88%
PAYROLL								
SALARIES	\$4,167	\$3,704	\$4,167	\$3,858	\$4,167	\$4,013	\$24,076	10.00%
HOURLY WAGES	\$6,251	\$5,556	\$6,251	\$5,788	\$6,251	\$6,019	\$36,116	15.00%
BENEFITS	\$3,334	\$2,963	\$3,334	\$3,087	\$3,334	\$3,210	\$19,262	8.00%
CONTRACT LABOR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
TOTAL PAYROLL	\$13,752	\$12,223	\$13,752	\$12,733	\$13,752	\$13,242	\$79,454	33.00%
OPERATING EXPENSES								
DIRECT OPERATING EXPENSES	\$1,042	\$926	\$1,042	\$965	\$1,042	\$1,003	\$6,020	2.50%
MUSIC & ENTERTAINING	\$208	\$185	\$208	\$193	\$208	\$201	\$1,203	0.50%
MARKETING	\$2,084	\$1,852	\$2,084	\$1,929	\$2,084	\$2,006	\$12,039	5.00%
ENERGY & UTILITIES	\$833	\$741	\$833	\$772	\$833	\$803	\$4,815	2.00%
GENERAL & ADMINISTRATIVE	\$1,354	\$1,204	\$1,354	\$1,254	\$1,354	\$1,304	\$7,824	3.25%
REPAIRS & MAINTENANCE	\$417	\$370	\$417	\$386	\$417	\$401	\$2,408	1.00%
TOTAL OPERATING EXPENSES	\$5,938	\$5,278	\$5,938	\$5,499	\$5,938	\$5,718	\$34,309	14.25%
GROSS OPERATING PROFIT	\$10,361	\$9,211	\$10,361	\$9,593	\$10,361	\$9,978	\$59,865	24.87%
OTHER EXPENSES								
RENT	\$2,917	\$2,593	\$2,917	\$2,701	\$2,917	\$2,809	\$16,854	7.00%
REAL ESTATE TAXES	\$625	\$556	\$625	\$579	\$625	\$602	\$3,612	1.50%
LEASE EXPENSES	\$292	\$259	\$292	\$270	\$292	\$281	\$1,686	0.70%
FF&E RESERVE	\$833	\$741	\$833	\$772	\$833	\$803	\$4,815	2.00%
INSURANCE	\$833	\$741	\$833	\$772	\$833	\$803	\$4,815	2.00%
TOTAL OTHER EXPENSES	\$5,500	\$4,890	\$5,500	\$5,094	\$5,500	\$5,298	\$31,782	13.20%
ADJUSTED PROFIT	\$4,861	\$4,321	\$4,861	\$4,499	\$4,861	\$4,680	\$28,083	11.67%
INTEREST	\$416.70	\$370.40	\$416.70	\$385.83	\$416.70	\$401.27	\$2,407.60	1.00%
DEPRECIATION	\$541.71	\$481.52	\$541.71	\$501.58	\$541.71	\$521.65	\$3,129.88	1.30%
NET PROFIT/LOSS	\$3,903	\$3,469	\$3,903	\$3,612	\$3,903	\$3,757	\$22,545	9.37%

FIGURE 5-5:
Sample income
statement.

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<i>Assets</i>		
Current Assets:		
Cash		\$0
Accounts Receivable	\$0	
Less: Reserve for Bad Debts	0	0
Merchandise Inventory		0
Prepaid Expenses		0
Notes Receivable		0
<i>Total Current Assets</i>		\$0
<i>Fixed Assets:</i>		
Vehicles	0	
Less: Accumulated Depreciation	0	0
Furniture and Fixtures	0	
Less: Accumulated Depreciation	0	0
Equipment	0	
Less: Accumulated Depreciation	0	0
Buildings	0	
Less: Accumulated Depreciation	0	0
Land	0	
<i>Total Fixed Assets</i>		0
<i>Other Assets:</i>		
Goodwill		0
<i>Total Other Assets</i>		0
Total Assets		\$0
<i>Liabilities and Capital</i>		
<i>Current Liabilities:</i>		
Accounts Payable		\$0
Sales Taxes Payable		0
Payroll Taxes Payable		0
Accrued Wages Payable		0
Unearned Revenues		0
Short-Term Notes Payable		0
Short-Term Bank Loan Payable		0
<i>Total Current Liabilities</i>		\$0
<i>Long-Term Liabilities:</i>		
Long-Term Notes Payable		0
Mortgage Payable		0
<i>Total Long-Term Liabilities</i>		0
Total Liabilities		0
Capital:		
Owner's Equity		0
Net Profit		0
Total Capital		0
Total Liabilities and Capital		\$0

FIGURE 5-6:
Sample balance sheet.

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IN THIS CHAPTER

- » Choosing the best location for your bar
- » Picking the right name
- » Decorating your bar
- » Getting the right equipment to entertain your patrons
- » Developing your music plan

Chapter 6

Selecting Your Bar's Site, Décor, and Name

Your bar should have a certain mood, a feel, an atmosphere that draws people in and makes them want to linger and spend their money. You, as the owner, set the tone for the experience your customers have in your place from the first moment you start planning. By choosing the location that fits your idea, your goals, and your patrons, *you* set the stage. When selecting your name, you give your patrons something to talk about that sticks with them and paints a picture before they've even walked in the door. After they're inside, the décor, entertainment, and music options complete the experience.

In this chapter, we walk you through each step of that process, from choosing just the right spot to open your place to giving your baby (oops, we mean your bar) a name. We offer suggestions on the ideal furniture and other design elements to please your patrons visually. And we help you choose how to entertain them so they come back again and again.

Finding Your Bar's Ideal Location

Location, location, location is the cardinal rule in real estate. But what does that have to do with your bar? Ultimately, you have to choose which location fits your business, your patrons, and your goals. And remember, the better the location, the more expensive it is. You get what you pay for, so be creative and you can save money.

Here are a few general ideas to get you thinking about the right place for your bar:

- » Consider a spot near offices, near residential neighborhoods, in a strip mall, or near a sporting complex. These areas can be great locations because people are already in the area using related services. Your prospective patrons can just stop by on their way to or from these places.
- » Corners are desirable because people can see you from two streets instead of one. You'll get more exposure instead of being buried in the middle of the block. But remember, you typically pay more for corner locations, so balance the added exposure with your budget to find the best answer for your business.
- » Check with your city or county zoning boards about your intended use of different locations. Each town has specific laws about where you can open a bar. Most governments won't let you operate a bar within so many feet of a school or church, for example. Take a look at Chapter 3 for details on getting a liquor license.

In this section, we break down the process of looking for just the right location for your bar, with lots of specifics along the way.

Is location truly everything?

At the end of the day, yes, location really is everything when it comes to picking a site for your bar. But what constitutes a prime location is different things to different people. Most people look at the real estate market and potential locations in one of two ways:

- » **A sure thing:** Many people start a bar in an already hip, trendy area of town and hope to make some profit. Locations where people are often mingling provide a built-in customer base. But these locations come at a price, usually in the form of high rent.
- » **Speculation on neighborhood turnaround:** Some folks choose to be prospectors and hit an area before it becomes a great entertainment



WARNING

neighborhood. If you go this route, you typically pay less rent, but you won't have a built-in customer base, at least for a while. You may need to spend more on marketing and advertising just to get people to your door. Just keep in mind that with the greatest potential for profit comes the greatest possibility of failure. Your real estate agent should be able to help you find up-and-coming locations.

If you choose to establish your bar in an area before it becomes hot, you may not realize your business potential for a couple of years. Make sure that you have enough cash to sustain the wait.

Identifying possible areas

Many different locations can make a great location for your bar. You can consider downtown areas, suburban areas, even abandoned warehouses. With a little research and a lot of vision, you can find just the right place for your place.

Everything starts with the local real estate market. Here are a few ways to find potential locations:

- » **Work with a commercial real estate agent or business broker.** Some real estate agents specialize in buying and selling businesses and business property. They may work independently or in a division of a large real estate company. Finding someone who knows the restaurant and bar market is preferable.
- » **Drive around neighborhoods you think you may be interested in.** Get out of your car and take a walk around the area. Look for locations that interest you, even if it's not obvious that they're up for sale or lease.
- » **Check in with your local chamber of commerce.** It's a good source for resources. You can get insights into key tourist areas, tax benefits and consequences of certain areas, and demographic information about your community.
- » **Contact your local restaurant or bar owners' association.** These organizations typically have a small membership, and everyone knows who's coming and going. Check out the National Restaurant Association at <https://restaurant.org> to find a chapter near you.
- » **Get info from your local governing bodies.** Town councils, zoning boards, and any other agency or board that doles out licenses are likely to know of new development and rezoning opportunities.
- » **Talk with liquor, wine, and beer salespeople.** They are sometimes the first to hear about locations opening up and zoning changes.

HOW MUCH DOES SIZE MATTER?

Most bars seat fewer than 75 people at tables and 20 or fewer at the bar. Bars are warm and friendly places. Keep yours small and tight for employees and customers. You should be able to yell to someone and be heard on the other side of the room. You're running a bar! It should be a place where everyone knows your name, you can relax, have good conversation, watch a great ball game, listen to a great jukebox, eat a great meal, have a great cocktail or beer, play pool or other bar games, and spend some time enjoying your life. *This is a bar!*

Knowing what to avoid

In a perfect world, people will beat a path to your bar's door no matter where you're located. But in the real world, outside factors affect your business more than you may guess. Your best bet is to pinpoint and avoid things that may keep customers away from your bar.

By asking questions of other shopkeepers in the area you're considering, you can get the scoop on what's being planned and what's currently going on in the neighborhood. You can also get a feel for what kind of clientele you may attract. You may also get an inkling about what kinds of services in the area may turn off your potential patrons.



REMEMBER

It's very hard to say what to always avoid; some of the formerly worst neighborhoods are now the trendiest.

For starters, avoid locations that feature

- » **Businesses that your customers may find unsavory.** Consider the impact of close proximity to places such as adult video or bookstores and pawn shops. Your patrons may feel uncomfortable and may stop coming altogether.
- » **Permanent construction zones.** You don't want heavy machinery and trucks going through the area during prime business hours. Patrons may have a tough time navigating their way through the construction mess. If the construction is short-term or pervasive throughout your area, you may not be able to avoid it. But if your heart is set on the area, give it your best shot.



TIP

Spend the necessary time talking to the people at your city, county, and state transportation departments. They can tell you what their long-term plans (one-, three-, and five-year time frames) are regarding road projects in the areas you're considering. Surviving and/or recovering from an extended road construction project can be difficult or impossible. Many of your potential

customers will choose other routes to their destinations and never even find out that you exist. The ones who know about you won't want to deal with the hassle.

On the flip side, you may be able to negotiate a better deal if the site is going through a transitional time. Eventually, the construction is going to clear up, and until it does, you may be able to draw the construction workers in for a brewski after a long day on the job.

» **Remote or hard-to-find addresses.** If they can't find it, they won't! (Did Yogi say that?) Don't locate your bar in a remote or hard-to-get-to location. Customers are unlikely to walk through alleys or drive more than 10 or 15 minutes. Many people rely on rideshare services like Uber and Lyft when drinking. Make sure you're easy for them to find.

On the other hand, some patrons look for out-of-the-way places or getaways. Do an Internet search for "hideaway bar," and you'll find many successful, longstanding establishments. Whether they're hiding from their spouse or boss, many people like to drink at remote and hard-to-find places. You just have to decide whether that's the kind of place that you want to have.



TIP

Contact your local law enforcement agency to get the scoop on crime rates in your potential location. Find out what kinds of crimes occur and how often, and get any information about what the agency expects to happen in the future.



REMEMBER

Competition for bar business is stiff. Choose the most attractive location you can afford. Don't just think "If I build it, they will come." Unless of course a whispering cornfield says it to you. Then by all means, build it wherever you want, Mr. Costner.

Considering traffic and parking in the area

Traffic is the movement of vehicles *and* people along a route. Notice we said people as well as vehicles. Consider foot traffic, private vehicles, and public transportation when you evaluate the ease of getting to your place.

Here are some things to look for to ensure you have good traffic flow and ample parking:

» **Consider the sheer number of people.** Granted you can't stand there all day with a counter watching people walk by (you've got work to do, darn it!), but if your business plan requires you to have 200 people a night to break even and you don't have a single person of drinking age near your place, you need to know right away.



TIP

- » **Figure out where people are going.** Are they commuting, shopping, or eating and drinking in nearby establishments? Formulate ideas about how (and for how long) you can lure them into your new bar. Think about what may keep them in the bar stools and keep them coming back.
- » **Look at the pace at which they're moving.** Are people harried, or are they strolling leisurely? Do they look like they may be interested in stopping in for a beer, or are they in too much of a hurry? If people are driving, are the vehicles moving fairly steadily? Are there tie-ups that keep cars from moving? Do people need to wait for a left-turn arrow to turn into your parking lot?
- » **Make sure you have parking near your bar.** Your patrons shouldn't have more than a three-block walk to your bar. If parking is free, even better. Make sure those three blocks are a safe walk for your patrons. If you have to hire a valet, it will cost you some cash, so budget for it.

If you're located in an urban area, parking is less of a concern than if you're in a suburban area. More walkers will visit your bar in the city; suburbanites tend to drive.

- » **Consider whether patrons have easy access to your location.** If they have to drive past your bar, turn left at the next light, and then backtrack to get to you, they may not bother.

Thinking about a location's security

Security is a key concern for any business owner. Bars tend to be cash rich, although credit and debit cards definitely claim their share of sales. When the cash flows (or at least the perception is that it flows), bars can be a tempting target for thieves.

You can head off security problems before they start by making sure that your bar includes these safety features:

- » Working locks and alarms on exterior doors or other secure areas.
- » A working security system with cameras.
- » Safe access to and from the garbage area. Your trash may be dumped a few times during the night.
- » Plenty of food storage in secured areas.
- » Well-lit exterior and parking lots and/or pickup spots for rideshares.
- » A working safe.

A little bit of time and money on your part will take care of these matters.

No matter where your bar is located, however, you can keep yourself, your managers, your employees, and your patrons safe by heeding this advice:

- » **Avoid buildings with blind interior and exterior corners.** *Blind corners*, like blind driveways, are corners that can't be seen from the normal flow of traffic. These spots are a perfect place for a thief to ambush someone.
- » **Stay away from buildings with poorly lit stairwells and hallways.** If you do choose a location that's poorly lit, make sure you immediately make improvements to remedy the situation.
- » **Consider potential terrorist targets when selecting your location.** This particular point may not be the most important one in making your decision, but if you're considering a location near a courthouse, a power plant, or a federal building, you run the risk that you may have to temporarily close your doors during bomb threats, evacuations, and the like.

These potential terrorist targets may be terrifically busy locations, and you may have absolutely no problems and instead reap the rewards of a built-in population ready to imbibe with you. Just consider the full picture before you sign on the dotted line.



REMEMBER

Comparing an apple (martini) to an orange (whip): The final choice

No two locations are alike, so if you find more than one likely area for your bar, picking one over the other can be tough. After all, if you choose one (because of the 24-foot mahogany bar), you may be giving up another great space (with the kitchen that's already perfect for you). Although this can be a good problem to have, you still have a tough decision to make.

After you've narrowed your choices down to a few locations, do some good, old-fashioned detective work to get an intimate feel for the area.

- » **Be a pedestrian:** Walk ten blocks in every direction and see what's going on. Talk to everyone: shop owners, gas station attendants, people walking down the street, bus drivers, train conductors, and anyone else you happen upon. Say hello, ask if they have a minute to talk, and tell them your plans. You may be surprised to find that people like to talk and give you their ideas and opinions.

Be an investigator. Look up and down the street, peek in the alleys, go into every store, and see what business is like. Stop, look, and listen.



REMEMBER



TIP

» **Act like a commuter:** Get on the bus or the train, if one is nearby. Take the ride and look around. Figure out how easy or difficult it is for a commuter to make a stop at your place on the way home. Check out the public transportation stops for advertising opportunities.

If you set up shop in an area with bus or train lines nearby, make sure you keep the local public transportation schedules handy. People will ask you about them.



REMEMBER

Ideally, you'll stay in your location a long time; this is a very big move. Get to know everyone and everything.

You can also research the history of your proposed space, building, and neighborhood. Find out what was there before and what has succeeded and failed. Try to figure out why businesses in the area made it or didn't survive. Here are a few ways to get started on your research:

» **Ask landlords for information.** At a minimum, they can give you the names of previous tenants or information about the businesses that have come before yours.

» **Conduct an Internet search for the address.** The names of former establishments should come up; then you can search specifically for those former businesses to see what you can find.

» **Visit the library.** Resources such as archived court records, old newspapers, and local histories at your library can be helpful if the space you're interested in has been around for a long time. Check with a librarian in areas like Local History, or other similar areas, to help you find relevant information.

» **Talk to past owners and lessors.** They may share invaluable information on their problems and solutions for the space, saving you some trial and error down the road.

» **Check in with your local building department.** All renovations, additions, and many minor construction projects require permits, which must be granted by the building department. The building department keeps a copy of all plans and permits on file. You can use this information to look at infrastructure improvements or gauge the date of different construction projects to help you make an informed location selection.

» **Contact your local restaurant association.** If the space you're considering used to be a bar or restaurant, the group may have the scoop on why it's not now (or why the owner's selling). Go to <https://restaurant.org> to find a chapter near you.



REMEMBER

In the end, you have to be the final decision maker about what you need most out of a location. You have to look at what each location offers and choose the best one for your bar.

Choosing and Establishing Your Bar's Name

It may be true that “a rose by any other name would smell as sweet.” Not so for a bar! Great bar names evoke pictures in patrons’ minds. Sometimes they choose one bar over another based on the name alone.

People choose names based on important people in their lives, historical or fictional characters, heritage, or simply where the bar is located. Maybe you have a favorite uncle who loved to drink scotch in a big chair by the fireplace, so you name your bar Uncle Matty’s Bar. Or maybe you’re Irish by heritage and want to evoke that feel in your place, so you name your bar the Donegal Tavern. Whatever your reasons, you can create a name that represents your vision and connects with your patrons.



REMEMBER

At the end of the day, the single most important thing about naming your bar is that the name and the atmosphere must be in synch. Your name must match your concept or theme. People should hear the name and have a pretty decent idea of what to expect when they walk into your place. (Besides, if you come up with a great name and logo for your bar, you can print and sell some great T-shirts!)

The name: A few words about your bar

When you name your bar, you have your single greatest opportunity to connect your vision for your place with potential patrons. You need to give them something to remember in a positive way.

Here are a few things to think about when choosing a name for your place:

- » **Consider geographic locations.** This can be based in reality (Mountain View Bar in Denver) or wishful thinking (Beachfront Bar in St. Louis). Try words like *by the sea, lakeside, landings, creeks, ocean view, river, arctic, trackside, station, depot, train stop, living room, bedroom, hotel bars, lobby, terrace, factory, home, and house.*



TIP

- » **Think about different themes.** Just about anything's a possibility here: sports bars, billiard bars, biker bars, eateries; jazz bars; '60s, '70s, and '80s bars; seafood, steak, lobster, and sober bars.
- » **Base it on your specialty.** If you're specializing in wine, you could use words like *cellar*, *cave*, *cork*, *grape*, *vat*, and *wine* in naming your place. If you're specializing in beer, consider words related to beer and brewing, like *hops*, *wort*, *barley*, *malt*, *ferment*, styles of beer (*ale*, *stout*, and so on), *brewhaus*, or *brewpub*.
- » **Get creative with the specific type of establishment you run.** Words like *bar*, *place*, *saloon*, *joint*, *lounge*, *bistro*, *café*, *bar and grill*, *grille*, *club*, *pub*, *tap room*, *manor*, *palace*, *tavern*, *inn*, and *sports bar* can pair with a first (or last) name to finish up. Just add your name to the front of one of these, after you decide which one you want to be: as in Ray's Manor, Ray's Bar, Heather's Saloon, Heather's Bistro, or Heather's Pub.
- » **Play off the area of town where you're located.** A bar located in the financial district could be called *In the Red*. Near government and political buildings could be a great place to launch a bar called *Hot Air Saloon*. The library or Internet might have some fun ideas around the history of the area that will help you come up with a fun and engaging name.

Now that you're armed with this information, you have to pick a name for *your bar* (we think this name is already taken). This is the fun part; you will get many suggestions from everyone. Take your time, and choose a great name. This is a very important decision. It will be with you for a long time.

Protecting your bar name and trademarks

As you build your business, you build your reputation. Your patrons have an expectation when they step in the door. If you're successful, they associate all the terrific things about your bar with its name and atmosphere. The last thing you want someone to do is to sabotage your hard work by stealing your name and using it to open their own place.

Consider how you want to use your name. Are you hoping to sell merchandise (like beer mugs and T-shirts) that includes your name and logo? And think about where you want to use your name. Maybe you just want to stay local, or maybe you want the option to expand and franchise someday. Depending on your answer, you need to search for your name in a couple of different ways.

Performing a search on your potential name

Go to your favorite search engine on the Internet. Search for bars (or restaurants, delis, and so on) that have the same name or a name similar to the one you're choosing.

Next, consider using a domain name lookup service, such as Whois.com (www.whois.com), to find out whether a particular website address that corresponds to your name is taken and, if it is, who owns it. If the web address you want to use is available, you can register the domain name for as little as \$4.95 a year to hold on to it. And this site offers a service to buy a domain name for you, even if it's already registered with someone else. It may cost a bit to get one that's already been taken, assuming the owner is even interested in selling it. (For more on using a website to promote your bar, see Chapter 17.)

Trademarking your name



TIP

Plan ahead and *trademark* (or register) your name, logo, taglines, and so on. Get the proper paperwork to protect your intellectual property in your state and in the entire country. This prevents other bar owners from slapping your bar's name on their business. The nerve!

A trademark or intellectual property attorney can help you navigate through the confusing landscape, but here are the basic steps you need to follow:

1. Incorporate your bar.

This step makes you a legal entity. Look for more information about incorporation in Chapter 3.

2. File an application with the county or state office that deals with trademarks.

This step makes the corporation the sole owner of your trademarks in your *class of goods or services* (bar and cocktail lounge services, bar and restaurant services, and bar services are examples of a few classes of services currently registered) in your state.



TECHNICAL
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This legal jargon basically means that no other bar, restaurant, or food-service company in your state can use the same name, logos, and the like. If a skateboard company wants to use the name to market its skateboard, it can probably do so, unless you file separate applications for each and every class of goods or services around.

3. File an application with the U.S. Patent and Trademark Office (USPTO).

This step protects your marks throughout the country. Check out the USPTO website at www.uspto.gov to search the database of registered trademarks.

If you plan to expand your bar, franchise your name, or have several locations, have your attorney file for international trademarks as well.



WARNING

Don't assume that because your future mark isn't listed that someone hasn't applied for it. The only way to be completely sure is to file your own application and get it approved. Check out *Patents, Copyrights & Trademarks For Dummies* by Henri Charmasson and John Buchaca (Wiley) for more information on this process.

Picking Out Your Bar's Décor

Choosing a bar's décor is critical to creating just the right atmosphere for your customers. The décor you choose sends a message to your patrons about your place and who your clientele is. It can even give them clues about what kind of drinks you pour and what entertainment you offer. Plus, it's among the super-fun jobs in opening your own place.

Ultimately, you have to decide what style fits with your bar. Are you looking for sleek, modern lines? Do you want retro '50s-inspired bar stools to match your retro jukebox? Maybe you're looking for classic wood chairs and tables to evoke a warm and comforting tone. What you buy sets the tone for your bar. This section can help you get started finding the right décor for your bar.

As much as we'd like to give you some guidelines about how much you should plan to spend on furnishing, lighting, and decorating your bar, it's just impossible. Your budget, the size of your bar, the number of furniture pieces and lighting fixtures you need, and your tastes will determine how much you'll spend.

Finding furniture

There's no shortage of furniture to furnish your bar. So many styles, colors, and heights to choose from, so little time. In most cases, you probably want the furniture to coordinate to some extent. Unless, of course, you're going for an eclectic style.

Figuring out what you need

No two bars are the same. What works for us may not work for you and vice versa. But most bars have a few common elements that you need to consider when setting up your furniture budget.

Here's a good place to start when you're figuring out what pieces you actually need:

» **Bar stools:** What's a bar without bar stools? You can find these guys in a variety of heights, materials, styles, and colors. Literally, the possibilities are endless. Consider whether you want a back on the stool, and if you do, how high you want it. Some modern-style bar stools have a low back that gently cups the patron's backside. Others are high-back bar stools that help keep even the most lounging lizards in their seats. Some come with a hydraulic lift (think barber chair) that lets customers adjust their seat, while others are a fixed height. You can find aluminum, wood, chrome, wrought iron, or stainless-steel frames. And if you choose upholstered stools, you can select vinyl, leather, or cloth in many different colors and patterns. Some stools swivel; some don't. Some are mounted to the floor; others can be dragged from one side of the bar to the other. Expect to pay between \$100 and \$400 apiece for these, depending on the materials and features you want.

Most bar stools come in varying heights. Consider the height of your bar before you buy your stools. Take a look at the nearby sidebar "What's the right bar height?" for help.

» **Chairs:** If you're the matchy-matchy kind of decorator, you can pick from all sorts of chairs to match your bar stools. In fact, often when you order bar stools and chairs, you can simply select the same basic chair in varying heights to fit your bar, counter, or tables. The number of chairs you need corresponds directly to the number of tables you choose. Always choose even numbers, either two or four chairs for each table, depending on its size.

» **Tables:** Tables come in three basic heights: dining room, counter, and bar height. You can get tables in lots of materials, styles, and colors, just like any other furniture, so the sky (and your budget) is the limit. Some even have a little ledge and hooks under them to hold things like purses and cell phones. And if you choose tall tables, consider looking for some that have footrests for comfort.

Consider your menu when you choose your tables. The size of the tabletop varies (anywhere from 20 to 48 inches in diameter), and your patrons need more space if your plates are big.

Millennials (patrons born between 1980 and 1996) and Gen Z (those born between 1995 and 2012) tend to like communal tables. So if you want the



TIP



REMEMBER

drinking age members of these generations in your bar, consider having at least a single large table that they can enjoy.

» **Outdoor tables and chairs if you have outdoor seating:** You need durable, somewhat portable, and easy-to-clean furniture for outdoor seating. Look for wrought iron, resin, or PVC depending on what fits your weather, style, and budget.

If you opt for glass-top tables, make sure you buy tempered glass. If the table flips over in the wind, it will break like auto glass into small, relatively harmless pieces, rather than sharp, jagged shards.



TIP

Finding places to buy furniture

We suggest always buying your furniture locally. The salespeople at these companies can become your customers. Check your local furniture stores and restaurant supply houses in your immediate area, but here are a few more recommendations:

AAA Furniture Wholesale: 10300 Westpark Dr., Houston, TX 77042; phone 1-888-AAA-FURN (1-888-222-3876) or 713-777-5888; fax 713-777-0585; website www.aaafurnitureusa.com.

E-J Industries: 1275 S. Campbell, Chicago, IL 60608; phone 312-226-5023; fax 312-226-5976; website <https://ejindustries.com>.

Gasser Chair Company: 4136 Logan Way, Youngstown, OH 44505; phone 800-323-2234; e-mail sales@gasserchair.com; website www.gasserchair.com.

Stack Chair Depot: 2054 South Economy Rd., Morristown, TN 37813; phone 423-586-9957; website www.stackchairdepot.com.



TIP

If you can find quality used furniture, snap it up! Used furniture is always a good deal. Many bars go out of business in the first two years (unless the owner reads this book) and get rid of their furniture, which probably hasn't seen too much wear and tear. Some of this furniture can be purchased at very good prices, but buy only what you need. Don't buy something because the price is great unless you have a lot of storage.

Pay attention to www.craigslist.org in your local area for restaurants that may be liquidating furniture. Also, auction sites such as Grafe Auctions (www.grafeauction.com) and PCI Auction Group (www.pciauctions.com) have sections devoted to restaurants and bars and let you search for auctions by zip codes. Sometimes furniture suppliers take trade-ins from customers and then sell those trade-ins to others. Burkett Restaurant Equipment (www.burkett.com) and ACityDiscount.com (www.acitydiscount.com) both offer a rotating selection of used furniture and equipment.

WHAT'S THE RIGHT BAR HEIGHT?

A standard bar height is 42 inches from the floor to the *top* of the bar. Of course, yours may be higher or lower, so measure it. Then take these steps to figure out what height stools you need.

1. Measure the distance from the bottom edge of the bar on the side where patrons sit to the floor.

Remember, sometimes bars have thick wood trim on the public side of the bar that patrons sit under. We're assuming it's a 2-inch thick counter, so the bottom sits 40 inches from the floor.

2. Subtract 10 or 11 inches or so for your patrons' legs to fit comfortably. The resulting number is the optimal seat height.

We used 10 because it's a nice round number, so we're now 30 inches from the floor. We would look for 30-inch bar stools.

Remember, the seat height is the distance from the ground to the top of the stool's *seat*, not the seat back. Seat backs vary widely, so we're not talking about that here. We're only looking for the most comfortable seat height for your customers when they belly up to your bar.

Here are a few other measurements you may find handy in your search for the perfect furniture.

- The average dining-room table runs between 28 and 30 inches high, and your average dining-room chair has a seat height of around 18 inches.
- The average bar table is 42 inches high and takes a 30- to 32-inch stool.
- The typical counter-height table is 36 inches high. Counter stools to match these typically have a seat height around 24 to 26 inches.
- Extra-tall bars can be as high as 48 inches. You need stools with seat heights between 34 and 36 inches to sit comfortably. Make sure you follow the steps to measure the height to get a perfect fit.

If math isn't your thing, create a bar-stool model using a regular chair and phone books (or newspapers, magazines, whatever you can pile on the seat). Stack the books to your desired height on the chair. Push it all under your bar to see whether it fits. (Be careful if you try to sit on it.) If you're happy with the fit, measure it and you're in business.

Looking at lighting

Lighting options are as varied as the people who buy them. One thing is essential, though: You have to be able to adjust the light level in the bar as the sunlight comes and goes. Plus you definitely need to turn the lights up at the end of the night to give everything a thorough cleaning.

Common lighting options include

- » **Pendant:** A *pendant* light is a single light fixture that hangs directly from the ceiling. It has a single lamp and shade.
- » **Track lighting:** *Track lights* usually come in a system, often with four to six lamps per set. The track is installed on the ceiling, and the lights slide along the track. This setup allows you to position the individual lamps where you need them.
- » **Recessed lighting:** *Recessed lighting* is actually fixtures and bulbs installed in holes cut into the ceiling. The bulbs may extend slightly from the ceiling, but most of the fixture is in the ceiling.
- » **Sconces:** These fixtures are mounted flush against the wall. They offer great mood lighting. You can find sconces shaped like streetlamps, candles, glowing boxes, you name it.
- » **Chandeliers:** The word *chandelier* may conjure images of opulently cut crystals hanging from the ceilings of ballrooms or swanky hotels, and you may run the other direction. But the term *chandelier* really just means a light fixture that hangs from the ceiling with multiple arms or branches of lights. They're made in many styles, colors, and sizes, from incredibly ornate to simple and sleek.
- » **Flush mount:** These fixtures are installed flush with the ceiling and offer general lighting. (They don't illuminate particular areas; they just generally light a room.) They're most often used in bars (or areas in bars) where the ceiling is low or standard height. If you have high ceilings, choose a hanging light of some sort for the majority of your lighting needs.
- » **Rope:** Rope lights are flexible tubes of light used to accent areas of your bar, rather than provide lighting per se. Use them to line the corners of the ceiling, outline artwork, or even write a message that you don't want your customers to miss.



REMEMBER

Always check with your local electrician and electrical houses for lighting recommendations. These people can become your customers and, face it, in your business, you always need an electrician. So make connections with two electricians in your area and always have their phone numbers available.



TIP

For some ideas to get you started thinking about what lighting choices may be good for your bar, check out these online retailers:

Barn Light Electric Co.: www.barnlight.com

Destination Lighting: www.destinationlighting.com

Meyda Tiffany: www.meyda.com



WARNING

Never buy used lighting. Used lighting can be dangerous; you never know how the previous owner tinkered with it. And lighting has to meet certain codes, which is why you should always consult a licensed electrician for help with lighting.

Figuring out flooring

Easy-to-clean, durable, and slip-proof are key words to consider when deciding on flooring for your bar. Popular choices include wood, concrete, natural stone (like slate and granite), luxury vinyl tile (LVT), linoleum, brick, laminates, and ceramic tile. Many kitchens opt for a slip-resistant tile that's easy to scrub down at the end of the night.



TIP

We recommend that you stay away from marble or tile floors. Both are slippery and increase breakage. And stay away from shag carpeting — it's just ugly!

To get an idea of commercial flooring options, check out these online retailers:

Armstrong Flooring: www.armstrongflooring.com

Eco Surfaces: www.ecosurfaces.com

Elite Crete Systems: www.elitecrete.com

Flexco: <https://flexcofloors.com>

Nora Systems, Inc.: www.nora.com

Tarkett Hospitality: <https://tarketthospitality.com>

You can also check your local carpenters, flooring houses, carpet showrooms, Home Depot, and Lowe's, but make sure you look at commercial, not residential, products.



WARNING

Legally, you need to use commercial-quality flooring materials that meet the ADA (Americans with Disabilities Act) requirements rather than residential-grade flooring. You keep your customers safe and get a longer-lasting product.

Working on the walls

Walls can be as simple as white plaster you decorate with pictures of your favorite sports stars or as complicated as hand-painted murals. No material is off-limits these days.

Here are just a few common wall treatments you can find in bars today:



TIP

- » **Vinyl wall covering:** This is thick, commercial-grade wallpaper. It comes in lots of textures and patterns and is highly durable. You can find covering that looks like natural stone, leather, handmade paper, or individual tiles. You can find wall covering with a fabric look, stripes, wood paneling, or even sawgrass. Take a look at Wallpaper Wholesaler (www.wallpaperwholesaler.com) and click on “Commercial Wallcovering” to get a feel for the variety available. Command Wallcoverings (www.command54.com) offers edgier designs.
- » **Acoustic wall carpet:** It can cut down on noise. Some people choose to cover half the wall (either the top or bottom) so they can decorate the rest.
- » **Paneling:** Whether you use rustic, barely finished boards or gleaming mahogany wainscoting, you can't go wrong with wood. It gives your bar a cozy, warm feeling that makes people want to stay.
- » **Brick:** Exposed brick is a great way to bring in an older, traditional feel to the bar. If you don't have the luxury of a location that already has brick, you can cover your walls (or even a single wall) to make it look like brick.
- » **Tile:** Decorative tile can be a great choice for an accent wall. It's expensive to use tile everywhere, but it's an excellent choice for specific areas.
- » **Faux finishes:** Using paint, you can create the look of aged Venetian plaster, fibers, or a window to an imaginary courtyard.

After you put all that work into choosing your wall treatment, you're probably going to want to cover it up with signs or pictures or trinkets. This, however, doesn't have to cost you any money. Hurray!

Many (if not all) beer and liquor companies have bar signs, clocks, neon signs, and artwork for free. Ask your rep!

You can also ask your customers for items from their companies. (The 21 Club in New York became very famous not only as a fine restaurant and a one-time speak-easy, but for taking the trucks and toys different patrons had given them and hanging them from the ceiling.) You will be surprised by how willing your customers are to give you things for the bar. It is worth asking!

Other ideas would be to have a theme, like the most clocks on the wall in North America, signed sports memorabilia, collectible mugs, bobbleheads, or movie posters. Start a bottle collection, or have the best of something. Anything to have people say, “Did you see the stuff at Your Place?” which leads to, “Have you had the ____ at Your Place?”

Configuring outdoor space

During the height of the COVID-19 pandemic with the related limitations on indoor dining, many bars and restaurants offered outdoor options for the first time ever, while others expanded their space to maximize opportunities as they struggled to stay open. Bar-goers responded and often sought out outdoor options. Adding outdoor space to your bar’s footprint is a great way to offer a distinct area with a vibe all its own. Whether it’s a full patio out back, an expanded front porch, or even a rooftop with expanded views of your city, a certain segment of your patrons will love an outdoor option at least part of the year.

Consider these key factors when you’re planning your outdoor space:

- » **Weather:** While maybe the most obvious concern with outdoor space, you can find so many solutions to expand the months you’re able to keep patrons comfortable. Hot months and climates may call for misters to keep things cool. In cooler months, consider portable movable heaters that you can configure as needed. Consider decorative shade options, such as sun shades, pergolas, and awnings to keep your patrons comfortable. Fans can be an excellent choice, too.
- » **Durable furniture:** Look for furniture made to be used outdoors. You want it to be solid, easy to clean, and fairly easy to move around as needed.
- » **Effective lighting:** String lights, pendant lights, and sconces can all have a place in setting the mood in your outdoor space. Strike a balance between setting a mood and allowing your patrons and staff to maneuver safely.
- » **Service bar:** Having a dedicated bar outdoors can speed up service times. The sooner you get drinks to your patrons, the sooner they can finish them and order their next one. Even better if you can manage to have space for a bar stool or two.
- » **TVs, games, and entertainment:** Consider getting outdoor-friendly versions of electronics, games like cornhole, and more.



WARNING

Make sure you get the right permits for your specific situation. You may need a special liquor license to serve outside. You’ll also need permits and inspections related to seating capacity, accessibility, and emergency evacuation plans. And don’t forget to abide by any noise ordinances required in your area.

Fun and Games: TVs, Video Games, Pool Tables, and More

Let us entertain you! Like it or not, you're in the entertainment business, and the more ways you can entertain customers — and let them escape their daily lives — the better. Popular choices for entertainment include television, video games, and more traditional games like pool tables, darts, and shuffleboard.



REMEMBER

It's not necessary to have all of these choices, but a couple can help. Not everyone likes to talk; some customers like to play. Entertainment keeps patrons in your bar, and the longer they stay, the more they drink. Choose the best diversions to make the most of your bar.

Tuning in with TVs and programming

You have to decide how many televisions your bar needs based on your goals for your bar. If your bar serves as the local watering hole and you just want to keep a news channel on in the background, one smaller model is probably okay (but make sure people can still make out the images from a few yards away). But if you're opening a sports bar and will be showing the weekend's hottest sporting events, you may need a couple of walls of TVs with larger screens.

Many different types of TVs are available, including UltraHD, 4K, 8K, OLED, LED, and projection. The technology changes every year, and the prices keep coming down. Make sure the model you choose is WiFi-enabled and can accommodate components such as sound systems, satellite receivers, video games, and interactive bar games (check out the “Video and interactive games” section later in this chapter for more on these).

As you're researching the hundreds of models on the market, talk to an expert at your local appliance store. They can recommend a quality brand that will serve your needs. When it's time to have your TVs installed, make sure your installer is experienced, can hook up all the components, and is available for repairs. You can also sometimes find some “open box” TVs that offer a great deal!

Picking the right spot and installing the TV

You can put a TV just about anywhere these days, including outdoors. In most cases, choose high locations, at standing eye level or higher, so that most patrons can see the TVs. When it's time to choose the location for the TV, mark a spot and then walk around and make sure there aren't too many *blind spots* (areas blocked by poles or supporting beams). If most patrons won't be able to see the screen,

choose a different location or consider adding TVs that can be seen from the otherwise blind spots.

You have a few options when it comes to installing televisions:

- » **Flush mount to the wall:** This option is popular for flat-panel plasma or LCD TVs. An experienced technician can hide all the wires and components for a clean, sophisticated look.
- » **Mounting brackets:** You can find ceiling and wall mounts, and even corner brackets, to match your location. Look for a unit that swivels so you can reposition the TV as you need to.
- » **Cabinets:** You may prefer the look of cabinets or shelving to hold your TV. Make sure you measure your TV (both the size and weight) to get furniture that will work for your equipment.



TIP

Keep the remote(s) behind the bar; otherwise, the only time you'll ever see it is when you first program the TV's settings. Only one person should be in charge of the remote: the bartender or the manager. If you have multiple TVs, label each of them and their corresponding remote, so you know which one controls what.

Signals from outer space: Satellite systems

Depending on what type of bar you're running, you may want to get a satellite TV system. These systems are great because you can get all kinds of sporting events you can't get with regular cable television. Say you want to watch Finnish curling. Satellite has it. And it also has music channels for whatever fits your mood.



REMEMBER

With a satellite system, you need a separate receiver for each TV if you want to show different programs at the same time.

The big names in satellite systems are:

DirecTV For Business (www.directv.com/forbusiness)

Dish Network (<https://webapps.dish.com/business>)



WARNING

Make sure you purchase a license to broadcast the programming in your bar or you could get into legal trouble. Also, read the fine print before you sell tickets to patrons to watch a premium event, like a pay-per-view fight, to make sure you're complying with all the requirements.

Considering games for your bar

Games are extremely popular pastimes for bar patrons. Most require you to purchase or lease some equipment. When you have games in your bar, you can sponsor tournaments. Just think of all those people penciling in game night at your bar on their weekly calendar. We hear the cash register ringing already!

Traditional live bar games

The first recorded incident of playing pool in an American tavern occurred in 1775. But experts agree that earlier versions appeared in the British colonies, in what's now the United States, in the 1600s. These early games were based on European games, and the first incident of what most Americans play today, commonly known as "Eight Ball," occurred in the early 1900s. Darts made itself a bar mainstay in the early 1900s as well, after the king and queen of England were spotted tossing a few on a tour of a local pub.



TIP

Everyone wants to be the best at something, and these games are meant for competition and fun. Many places have contests for the best dart player, pool player, and so forth. Give out prizes and trophies; these help build bigger and better crowds.

Here's a list of popular bar games, along with suggestions for where to look for more information:

- » **Darts:** You can choose several dart options, from the traditional, self-healing boards with live (and sharp) darts to the electronic dart machines with blunt tips that can injure only a few people. Ask your liquor rep about getting a dartboard; many of the scotch companies have quality sets. And check out the National Dart Association (<https://ndadarts.com>) for information on game play or setting up a league.
- » **Pool:** Pool (also called billiards) is and will always be one of the number-one games in bars. The American Poolplayers Association (<https://poolplayers.com>) is the final word on rules and organizes tournaments. You can choose a pool table from a local game-supply store or one of these companies:
 - **Brunswick Billiards:** www.brunswickbilliards.com
 - **Great American Recreation Equipment:** www.greatamericanrec.com
- » **Table shuffleboard:** Table shuffleboard is similar to its cruise ship cousin in that players push a weight along a game board hoping to slide it to its target. Another great tournament choice. Check out the Table Shuffleboard Association (www.tableshuffleboard.org) for help getting started.

» **Pinball:** It's a classic game of skill beloved by many. More important to you, pinball machines are a great source of revenue. Check these sites for a quality machine:

- **American Vending Sales:** <https://avscorporations.com>
- **Planetary Pinball Supply:** www.planetarypinball.com
- **Pinball Sales:** www.pinballsales.com
- **Stern Pinball:** <https://sternpinball.com>

» **Cornhole:** A game that has been growing in popularity over the years, especially in bars with outdoor space. Some liquor vendors may even have one that you can borrow.

Video and interactive games

Whether it's electronic casino games, like blackjack or Texas Hold'em, trivia, play-along sports games, or video games, more patrons are testing their skills and knowledge in bars than ever before. In fact, some bars, like Dave and Buster's or BARCADE, built their concept around games for adults. And remember, the more your patrons play, the longer they stay.

If you think you want to offer some of the national, interactive games, check out Buzztime. Buzztime broadcasts live, interactive entertainment through its Buzztime Network to bars and restaurants across the United States. More than 3.5 million players can compete for points, rankings, and prizes. On average, Buzztime customers spend an additional 30 minutes in bars than those who aren't playing. Those extra minutes tend to translate into an additional drink and more money in your pocket. In addition, Buzztime can market to your customers on your behalf. They can be a strong partner for getting (and keeping) butts in your seats. Contact them by visiting their website at www.buzztime.com/business.

If your patrons would rather play traditional arcade games, you can cater to their needs. Choose free-standing video games with the classics like Pacman, Galaga, Centipede, or Donkey Kong. You can also get an Arcade Legends game with 50 classic games in one machine; then you don't have to narrow down your choices. Or go with something more au courant like Golden Tee Golf or Big Buck Hunter.



TIP

If your machines don't take bills, consider getting a change machine. It will save your bartenders and waitstaff some time and headaches.



REMEMBER

As with just about any other equipment for your bar, you can lease game equipment and jukeboxes (see “Getting your jukebox,” later in this chapter, for more details). If you buy it, you own it forever, keeping all the profits. But you’ll pay a high hourly repair rate if the equipment breaks down. Leasing ensures that the leasing company takes care of all repairs and maintenance, while you split the revenue fifty-fifty. Plus, you can switch leased machines out with other games if your customers get bored.

Music, Professor! Jukeboxes, DJs, and Live Tunes

Music is the final piece in setting the tone for your bar. A jukebox is a great choice to allow people to play what they want to hear when they want to hear it. You can also get live music, such as bands, DJs, and karaoke systems, for special occasions. This section gets you started.



REMEMBER

Having music in your bar isn’t absolutely necessary, but if you choose to have it, do it right. Ask your customers what they want to hear. Ask employees what kind of music is hot in the area. See how their ideas match your ideas for your bar.

Getting your jukebox

A jukebox is a bar standard (not to mention a great revenue stream). Even if you’re going to have other music options, you probably need a jukebox. If you’ve been in a bar lately (and man, we really hope you have), you’ve probably seen the two basic styles available: a CD jukebox and an Internet jukebox. The CD jukebox holds complete CDs of music. The Internet variety updates its playlist using the Internet and offers new tunes to your patrons regularly. It’s constantly being updated.



REMEMBER

When installing your jukebox, make sure that the volume and on/off switches are located behind the bar or in a closet that only certain people can access. Also make sure you have some tokens or slugs that you can use to start some music.



TIP

Consider using a great patriotic song to play during *last call* (the magical moment that signals the last opportunity for a patron to order a drink for the evening). The song should get everyone’s attention, and then you can turn up the volume to ensure your customers know it’s closing time.

Here's how to find a local distributor for these specific brands:

TouchTunes: www.touchtunes.com

AMI Entertainment: <https://amientertainment.com>

Rock Ola: www.rock-ola.com



TIP

Search the Internet for local suppliers using terms like “Vending” and “Amusement.” Many of these companies offer all things coin-operated, including jukeboxes and video games.

Finding and signing live performers

In most cases, performers will find you as soon as they hear that a new bar is opening. Talk to other bar owners to see who the biggest draw is.

Naturally, you should audition performers or go hear them sing at someone else's bar. Before you hire, tell them the rules:

- » **Specify how many breaks they should take.** For example, maybe you agree to one 15-minute break every hour. Your call.
- » **Agree to discounts on the price of their drinks and the limit for the discount.** Identify who qualifies for the discount as well. You may want only band members to get the discount, rather than girlfriends, boyfriends, or family members. You may not have to give them a discount at all, or you can take the bar tab out of what you pay the band.
- » **Develop a groupies policy.** You don't want your bar full of groupies who buy one drink and sit there all night. You'll lose customers and possibly your bartender if it continues.
- » **Determine your free or discounted meals policy.** Identify who you feed and the price they pay.
- » **Approve the set list.** You need to make sure that their song choices appeal to your patrons. (Remember the original Blues Brothers movie, “We play both kinds of music: country *and* western.”)
- » **Negotiate the cost to you.** Some bands set a *cover charge* (an admission price that patrons pay to hear the band play) and keep it. Others split the cover charge with bar owners and take a percentage of sales. Others simply get a flat fee for performing for a certain amount of time. Figure out what the plan is before you're slapped with a bill at the end of a long night.



TIP

You can even have amateur or open-mike night at your place if you want some live entertainment but don't want to pay a lot. You may or may not have a lot of patrons participate, but remember: You get what you pay for.

Hiring a DJ or karaoke company

A DJ or a karaoke company is basically a live performer, so all the rules for bands in the preceding section apply here. Lay down the ground rules ahead of time.

You can hire your very own DJ to play the latest rock, rap, or country hits for your place. Having your own DJ is cheaper in the long run than hiring an outside company to come in and entertain the crowd every weekend. You can also have a guest DJ once a week. The best bet is to have a DJ on one of your slow nights and, of course, Fridays and Saturdays. These resources can help get you started:

Cheap DJ Gear: www.cheapdjgear.us

ProSound: www.pssl.com

Rock and Soul: <https://rockandsoul.com>

If you want to buy your own karaoke equipment, here are some places to look:

Ace Karaoke: www.acekaraoke.com

Lightyear Music: <https://lightyearmusic.com>

Karaoke Now! <https://karaokenow.com>

Singtronic: www.singtronic.com



REMEMBER

You may save yourself some money, but you have to have someone to run the equipment for you. Even a karaoke night needs an emcee of some sort. You can hire this out at first while you're getting your place going, and then hire a part-time person to act as a DJ or emcee on designated nights.

IN THIS CHAPTER

- » Getting your bar equipment and appliances together
- » Checking out kitchen appliances
- » Looking at equipment financing options

Chapter 7

Stocking Up on Smallwares and Equipment

The wide, wide world of bar equipment can be overwhelming. Trying to figure out what you need, where you need to put it, and whom to get it from can be a daunting task.

You're only as good as the tools and employees you have. Hire good people, you get great workers. Buy good equipment with good warranties, you have less trouble (and trouble *will* find you in this business — you won't have to look for it). Take your time and shop around for all your equipment. Buy quality tools and appliances once, and you won't have to fix them or take them back.

This chapter is here to help. We show you what you need (and don't need). We help you figure out how to pay for it. And we give you tips on how to put it all together without breaking your budget.

Picking Out Your Bar Equipment

In this section, we cover everything from glassware and shakers to *smallwares* — those little, necessary things that every bar needs, like serving ware and linens. We help you figure out which items you need (and more importantly, which ones you don't) to get your bar stocked the right way.

Getting your glassware

You could spend a fortune in terms of dollars and storage space to keep a slew of glasses for every occasion. Customers expect cocktails and drinks to be served in specific glasses. Although that's all well and good, we recommend you keep it simple. How much you'll spend depends on the style of glasses, size, price, number, and so on.

Here are the glasses you really need (check out Figure 7-1 to get a better idea of what each one looks like):

- » **Beer or pint glass:** The most-common choices are pint glass (either 16- or 20-ounce), pilsner, mug, or beer glass. You can also use pint glasses for cocktails like a Bloody Mary or a larger mixed drink, like a rum and Coke. Ask your beer distributor for good buys. Fancier choices include the tulip and wheat beer glasses. If you're going to be known for your beers (especially draft beer), consider investing in a few different types to match your styles of beer. Check out Chapter 12 for more information on different styles of beer.
- » **Cocktail or martini glass:** The age of the cocktail is back in full swing. You definitely need many martini glasses, especially because a large percentage of cocktails are called martinis. Don't buy really large martini glasses unless martinis are going to be your specialty cocktail. Stick with a 4- or 5-ounce size.

Only serve martinis in martini glasses if you serve them *up*, or without ice. Ice in a martini glass is awkward, so serve martinis on the rocks in a rocks glass.
- » **Highball and Collins glasses:** You can choose one or the other, depending on your preference. Use them to make popular drinks, such as a vodka soda or Tom Collins, and cocktails ordered *tall* (or served in a taller glass containing the same amount of alcohol, but with extra mixers). We recommend a 10- to 12-ounce glass.
- » **Mule mug:** A copper mug used to serve Moscow Mules. The copper helps keep the drink cold.



REMEMBER

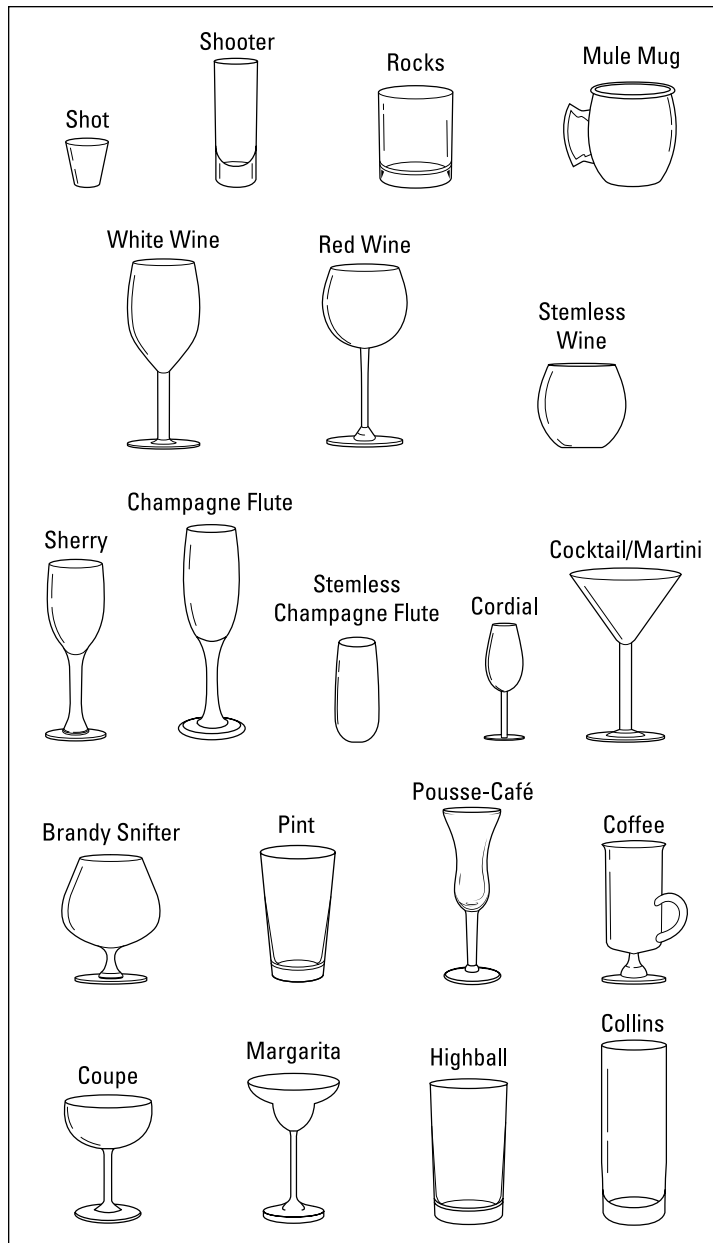


FIGURE 7-1:
Glassware
options.

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TIP

- » **Rocks glass:** Drinks served *on the rocks*, or with ice, like martinis and Manhattans, are often served in these glasses. Some people call them Old Fashioned glasses, not because they're not hip, but because a cocktail of the same name is served in them. Use the 5- or 6-ounce variety.
- » **Shooter glass:** This glass is like a taller shot glass; it holds a 3-ounce shooter, like a green tea shot or Kamikaze.

If you plan to sell lots of shooters, you may consider getting disposable, plastic shooter cups. Environmentally speaking, you'll need to balance the trash created by single-use cups against the amount of resources (soap, sanitizer, and hot water) needed to clean the glass version. Aesthetically, a plastic shooter cup may be perfect for a great dive bar, but not as appropriate for a high-end nightclub.

- » **Shot glass:** You serve 1- to 1½-ounce shots of a single spirit, such as whiskey or tequila, in these. Some people also use them to measure liquor for cocktails.
- » **Wine glass:** Choose an all-purpose wine glass for both red and white wine, rather than one for each type. Most people choose a 5- or 8-ounce size. In a pinch, you can also use wine glasses to serve drinks that you'd normally serve in a rocks, highball, or Collins glass. Of course, if you plan to run a wine bar, invest in a variety of glasses to match the variety of wines you serve. Your customers will expect nothing less.



WARNING

Do not buy any glasses unless you have a rack to wash them in. We repeat: *Do not buy any glasses unless you have a rack to wash them in.* You should be able to buy racks from the same company you buy your glasses from. Without the proper rack, glassware can and will get broken in the dish machine. If yours is a busy bar, don't try to rely on just an in-sink washing unit to do the job. You need to be able to wash racks of glasses at a time in the machine in the kitchen. You can also use the racks to store the glasses.

If you really want to get fancy (and your budget and glass storage space allows), add a few other stems to your glassware entourage, like these:

- » **Champagne:** The champagne flute is the most-common way to serve champagne or sparkling wine. Usually a 6-ounce glass is sufficient.
- » **Cordial:** A cordial glass can be used to serve cordials, layered shots, port, or anything else served in small (6 ounces or less) but potent quantities. This glass may be called a *distillate* glass.
- » **Coupe:** A stemmed glass that typically serves "up" cocktails — drinks either shaken or stirred and then strained into a glass without ice. These can also serve champagne or sparkling wine.

- » **Margarita:** Many versions of this glass are currently available from very rustic, hand-blown versions to elegantly simple ones that resemble champagne coupes. Look for a 6- to 8-ounce glass for Margaritas served up and a 10- to 16-ounce glass to serve on the rocks or frozen.
- » **Pousse-café:** A specialty glass designed to make layered drinks. The tall, narrow, curved shape makes forming distinct layers of different cordials easier and visually appealing.
- » **Snifter:** This glass is reserved for cognac and brandy. Look for a 7- or 8-ounce glass.

Touching on basic bar tools

Every professional uses the proper tools to do their job well, and a bartender is no exception. For tips on how to use some of the tools in this section to make the best drinks around, check out Chapter 12 and *Bartending For Dummies* by Ray Foley and Jackie Wilson Foley (Wiley).



TIP

If you stumble on used versions of the following supplies and they appear to be in good condition, go ahead and buy them. Don't spend your time looking for used ones though, because the small savings you get isn't really worth the time.

- » **Bar rail and service mats:** A *bar rail mat* is a long, narrow, rubber mat that lies on the edge of the bar. Bartenders place in-progress cocktails on them as they pour, mix, and garnish drinks. The mats catch small spills and clean easily as you run them through the dishwasher. *Service mats* are thin, rubberized mats placed on the service bar counter, where bartenders place completed drinks ordered by waitstaff.

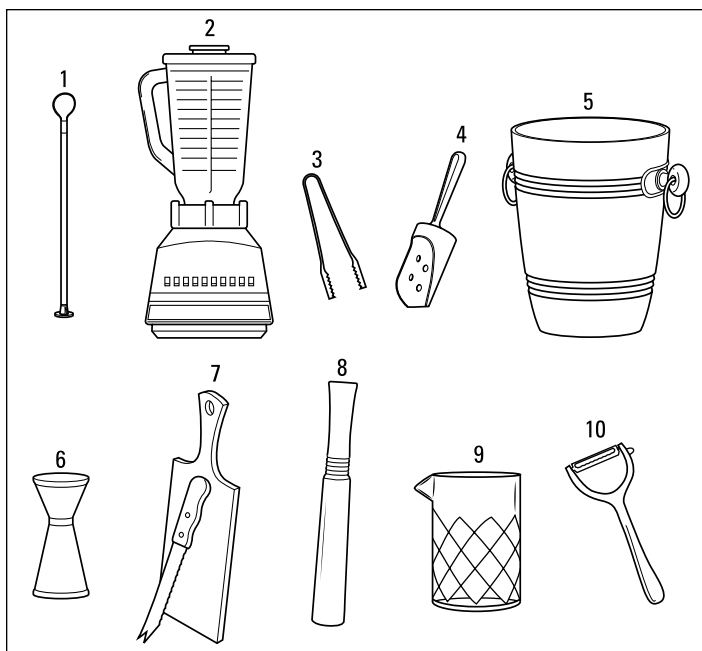


TIP

If you don't mind doing a little advertising for the liquor companies, you often can get these mats, as well as bar towels, mirrors, beverage napkins, napkin and straw holders, garnish caddies, glass rimmers, cork screws, and even some glasses, for free from your local liquor rep. Because every company will offer you something, take the items and put the extras in your storeroom.

- » **Bar spoon:** This is simply a long spoon for stirring cocktails, shown in Figure 7-2. Classier than straws, these are good to keep handy so bartenders aren't tempted to use their fingers. Bartenders can also pour liqueurs slowly over the back of a spoon into a shooter glass and show off pretty layers of liqueurs.

FIGURE 7-2:
Miscellaneous
bar tools:
(1) bar spoon,
(2) blender,
(3) ice tongs,
(4) ice scoop,
(5) wine bucket,
(6) jigger or
measuring cup,
(7) knife and
cutting board,
(8) muddler,
(9) mixing glass,
and (10) peeler.



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TIP

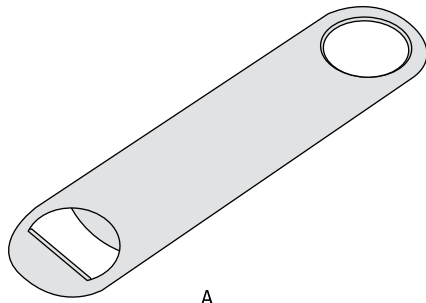
» **Bottle openers:** Choose wall-mounted (with a catcher) or handheld openers to open beer bottles quickly. Take a look at Figure 7-3 for a few different options.

A waiter's wine opener, pictured later in Figure 7-8, can also be used to open beer bottles, but it's not nearly as fast as either a flat or wall-mounted opener. Choose wisely, grasshopper.

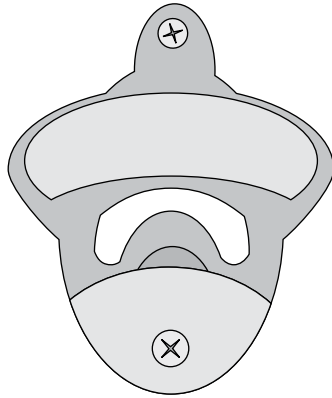
» **Garnish caddy:** A *garnish caddy* is a divided tray that holds several different types of garnishes, such as lime wedges, olives, and onions. Take a look at Figure 7-4 to see an example of a garnish caddy.

» **Glass rimmer:** This tool helps you add decorative and tasty garnishes to the rim of your cocktail glasses.

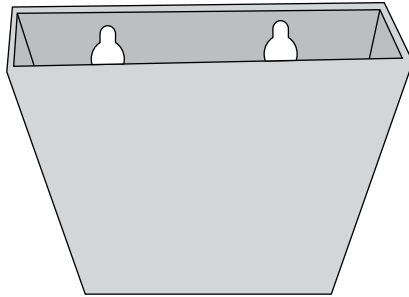
» **Ice bucket:** You need at least one large plastic bucket to carry ice from the ice machine in the kitchen out to the bar to restock your wells. Consider using the rolling version if you can because these large buckets (5 gallons or more) get heavy. You can save some strain on your staff members this way. You may be able to get a few buckets from a champagne company if you buy a couple of cases of their champagne.



A



B



C

FIGURE 7-3:
Bottle openers:
(A) handheld,
(B) wall-mounted,
and (C) bottle
cap catcher.

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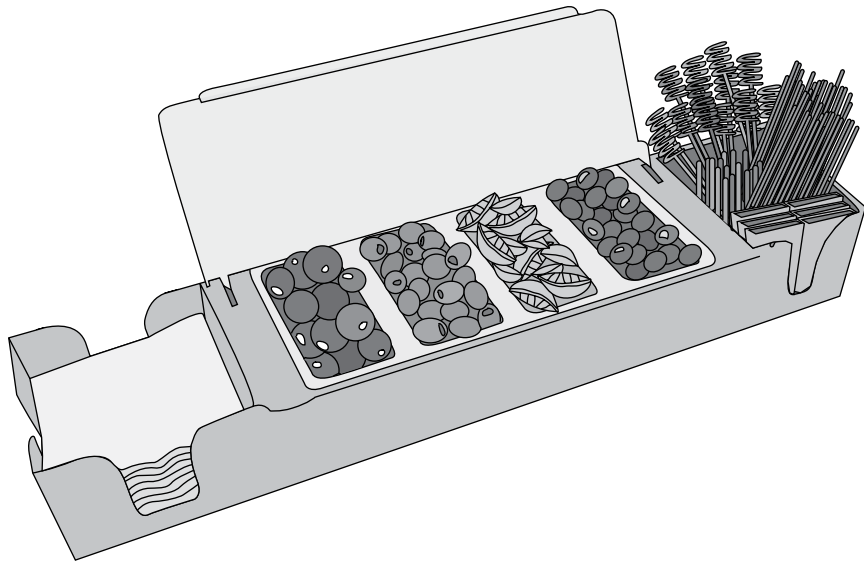


FIGURE 7-4:
Garnish caddy.

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WARNING

Only use this ice bucket for ice. Label it **“ICE ONLY”** in big bold letters and store it near the ice machine. If you put trash, food, or anything else in the bucket, it’s no longer suitable for ice, even if you clean and sanitize it. Foreign items impart an unpleasant smell and flavor to ice long afterward. The bucket will never be quite clean enough again.

- » **Ice scoop:** We highly recommend metal or plastic scoops. You can run them through the dish machine to sanitize them thoroughly and often. You can see one in Figure 7-2.



REMEMBER

Never, ever use your hands, a glass, or anything other than a proper scoop to scoop ice. It contaminates the ice, making it unusable for serving to customers.



WARNING

If you break this rule (shame on you!), you could break a glass in the ice bin or spread germs to your patrons. After you (or more likely someone who works for you because *you* are reading this warning) commit this grievous sin, you must *burn the ice well* (melt the ice with hot water, remove any foreign objects, thoroughly sanitize the well, and restock with ice) before it can be used again.

- » **Jigger:** A *jigger* is a metal, double-ended measuring cup. Typically it measures up to $\frac{3}{4}$ ounce on one end, and up to 2 ounces on the other. Check it out in Figure 7-2.
- » **Knives and cutting board:** We recommend that you keep at least one sharp paring knife and a cutting board behind the bar specifically for cutting garnishes. It’s best to have one set for your bar and one set for your kitchen

(if you're serving food) so they're handy when you need them. We recommend a hard-plastic cutting board that can be sanitized easily and run through your dish machine. Figure 7-2 shows a knife and a cutting board.

- » **Mixing glass:** A mixing glass is a separate glass container used to mix drinks that only contain alcohol. See one up close in Figure 7-2.
- » **Muddler:** Use this small wooden bat or pestle to *muddle*, or crush, herbs and fruit (like mint and limes for Mojitos) for cocktails. Treat this wooden tool as you would a wooden cutting board or wooden spoon. Hand wash only! Take a look at this tool in Figure 7-2. You can also find metal muddlers these days that can run through the dish machine.
- » **Peeler:** A peeler is a tool used to peel fruits and vegetables for drink garnishes. You can see this handy tool in Figure 7-2.
- » **Pourers:** These plastic pitchers are handy if you don't have juice on your soda guns. Keep backups of orange juice, Bloody Mary mix, and cranberry juice handy in these in the reach-in cooler behind the bar. In coauthor Heather's bar, she keeps limeade ready to go in pourers as well, because she's known for terrific Margaritas. Take a look at pourers in Figure 7-5.

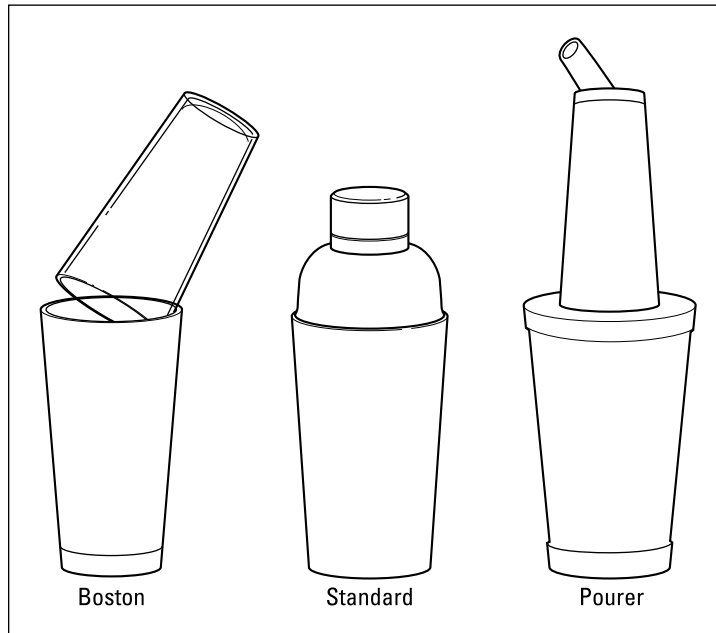
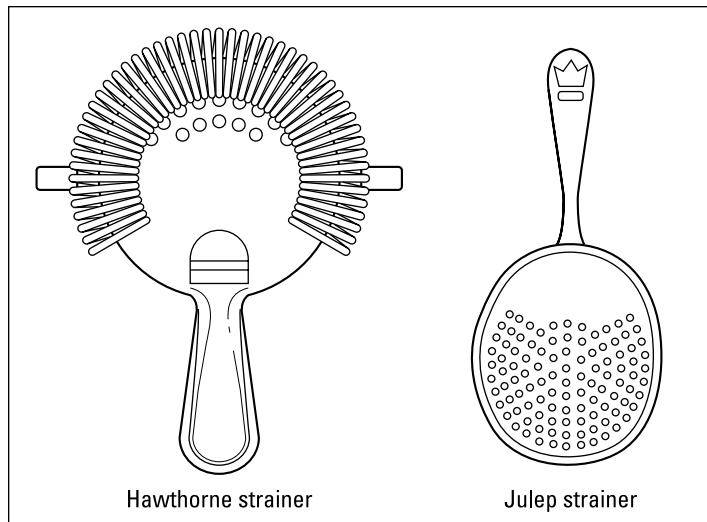


FIGURE 7-5: Shakers and a pourer.

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- » **Shakers:** These must-have tools (see Figure 7-5) let you thoroughly mix cocktails and give them a little foam. Most bartenders use one of two basic styles of shakers:
- *Boston shaker:* These shakers have a glass piece and a tin piece. The roughly 16-ounce glass fits into the tin, which is shaped like a cone, and you shake the drink. Never *ever* pound the tin against the bar. If the pieces get stuck, run the shaker under hot water and slowly work the parts apart. The Boston shaker also comes in a shorter size with just the metal part, and this usually fits over the glass you serve the drink in. Shake with ice, pull the shaker apart from the glass, and serve the cocktail on the rocks in the glass.
 - *Standard cocktail shaker:* These shakers usually have a tight top and a strainer that's fitted onto the bottom half. They come in many types of designs. There must be at least 1,000 different styles, from planes to birds, and they make great collector items.
- » **Sinks:** You need a few sinks behind the bar — three to set up a dishwashing system (see the later section “Acquiring Bar Appliances” for details), a dump sink next to the ice well, and a fifth exclusively for hand washing.
- » **Soda gun system:** Your soda gun connects to your bag-in-the-box (BIB) system. Soda syrup is mixed on demand with soda as the bartender makes the cocktail.
- » **Speed rails:** Speed rails are metal trays that hold many of the commonly poured liquors. Many bars use speed rails, in addition to their wells, to keep more liquors within reach. Speed rails are usually set up on the opposite side of the bar and in the area where most cocktails are made. They are either attached or hung on the sink portion of the bar, near the ice bins. Speed rails contain items that are usually called for, such as vodka, gin, scotch, bourbon, or whatever is the most called-for item at your place. Your bartender can help you decide which brands or category to place in the rails.
- » **Strainers:** Strainers are handy if you serve cocktails *up*, or without ice (some people say “straight up,” but the words mean the same thing). Check out Figure 7-6 for the ever-popular Hawthorn and Julep strainers. Some shakers include their own strainers, but we prefer the Hawthorn because it's the original. Color us sentimental. To use the Hawthorn, just place the strainer over the end of the shaker containing your shaken cocktail with the coil facing into the shaker. Pour the drink into your serving glass, through the strainer, and catch the ice. The Julep strainer is typically used for drinks made in a mixing glass.

FIGURE 7-6:
The Hawthorn
and Julep
strainers.



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- » **Wells:** A *well* is a dedicated area where (usually) a single bartender works to make drinks. A well should have liquor, ice, garnishes, mixers (often in the form of a soda gun), and easy access to glassware. Check out Figure 7-7 to see how a well can be laid out.
- » **Wine buckets:** You need wine buckets only if you're serving bottles of white wine and champagne that you want to keep chilled at the guest's table. If you're selling wine by the glass only, you can skip this particular tool. Wine buckets come in metal or plastic, and you may be able to secure a couple from your wine salesperson when you order wine or champagne. You can also buy them wherever you get smallwares. If you buy them, get a couple of stands to hold the buckets rather than put the bucket on the table. Three buckets is probably enough, depending on the size of your wine/champagne business. (See a wine bucket in Figure 7-2.)
- » **Wine openers:** Wine openers come in many varieties. If you serve a lot of wine, consider getting a counter-mounted version. If you only have the occasional *oenophile* (or wine lover), a pocket-sized version like the waiter wine key will do you just fine. They also make electric wine openers that make life very easy! Take a look at all three styles in Figure 7-8.

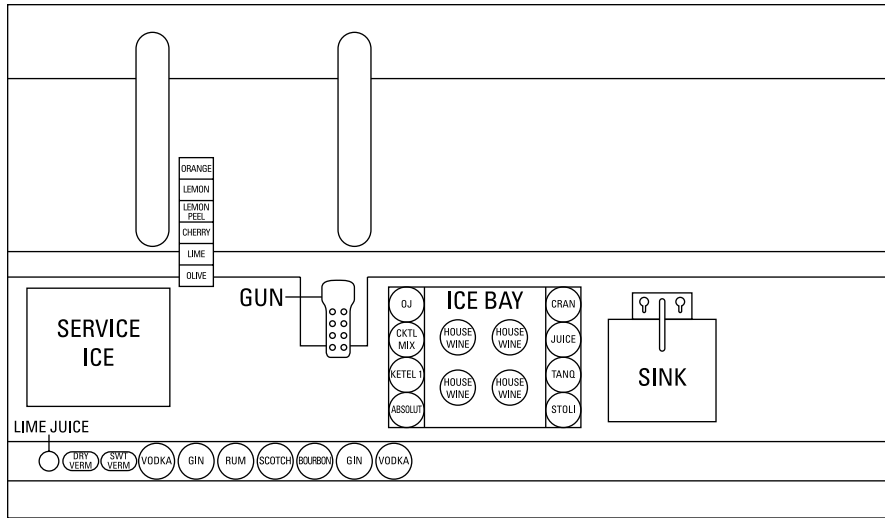


FIGURE 7-7:
Layout of a
standard bar well.

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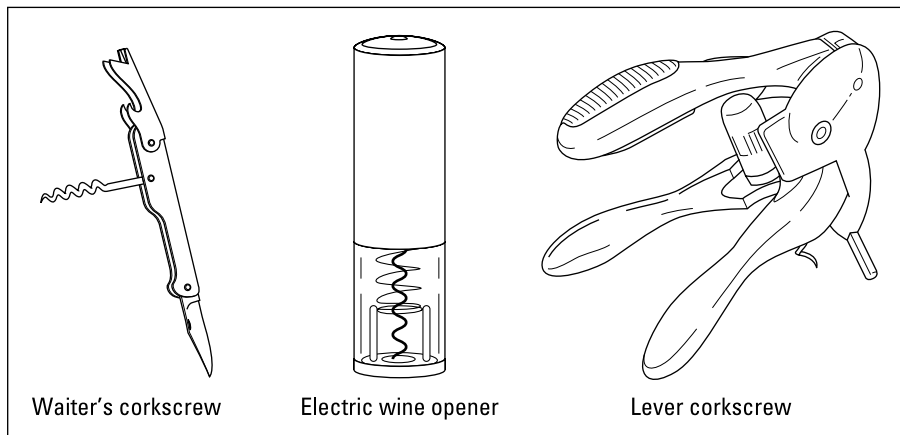


FIGURE 7-8:
Examples of
wine openers.

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Stocking up on smallwares

Smallwares describes all the small stuff in the bar, such as knives, forks, plates, ramekins, and paper goods. They aren't terribly exciting, but they're necessary.

Flatware

Flatware can be purchased in five-piece settings: dinner fork, salad fork, knife, tablespoon, and teaspoon. You can add other pieces, such as a fish fork, butter knife, and steak knife, if you need them. It's becoming more common to just

provide two regular-sized forks rather than a standard fork and a smaller salad fork. Choose the plan that works better for you.



TIP

Increasingly in bars, guests who order food will receive a single fork and knife rolled inside a napkin. If they order something that requires a spoon (think soup or twirlable pasta), the spoon will come with the dish. Going this route requires you to order fewer spoons — and ultimately wash fewer spoons — saving you money. If you don't feel like you need a full, formal silverware presentation, this may be a great option for you.

Dishware

The category of dishware typically includes plates, platters (particularly good if you serve multiple items on the same plate), soup bowls, and bread-and-butter plates. Choose a basic commercial pattern for your dishware. Look for sturdy and functional. And make sure you can easily get pieces to match because items will get broken.

Ramekins (they look like small 2- to 3-ounce bowls) are handy for serving sides and condiments to your patrons if you serve food in your bar. You can also use them to bring extra garnishes for that patron who wants ten olives for their Dirty Martini.

Linens

Linens include things like towels, tablecloths, napkins, and even kitchen uniforms. You can buy or rent your linens. Most restaurants rent them. Bars are split.

- » **If you buy:** Make sure the linens are all made from fabrics that are wash-and-wear or wash-and-use. Make sure you have a washer and dryer on-site to get these ready for the next day. This really will save you money if you can do it yourself.
- » **If you rent:** Keep a good inventory and inspect everything. Do not accept tablecloths or napkins that are frayed or have holes in them! If you rent your linens, check them in and check them out. Create a notebook with a list of all the linens you use, how many of each you rent, and the dates in and out. This way, you'll know where your linens are and how much is going bye-bye.



WARNING

Don't let your staff leave with linens you own or rent. In particular, uniform pieces, such as chef coats, seem to disappear if you don't set up a firm policy on placing them in the dirty linen bin or hanging them back up in employees' lockers after use.



TIP

Avoid linen abuse. It's not just a cleanliness issue, it's also a cost issue because you have to pay to wash a napkin that's been used. It seems small, but it adds up quickly! Post signs prohibiting linen abuse:

1. Do not wipe floors with clean linens. If linens are already dirty, you *can* sop up spills with them. Just remember to sanitize the surface afterwards.
2. Do not shine shoes with napkins.
3. Please do not abuse linens.

Signed by R. Foley, Linen Police

Miscellaneous supplies

You need just a few more items for your bar that don't fit neatly into any of these categories.

- » Trash cans with extra *liners* (bar lingo for trash bags)
- » Pens and pencils
- » Extra pitchers for juice and water
- » Floor mats to cushion feet, knees, and backs, and to reduce the danger of slipping
- » Straws (environmentally friendly) and stirrers
- » Cocktail napkins, sometimes called *bevnap*s

Stocking the table

Most tables have something on them when a customer sits down. Maybe you have a table tent with your beer selection listed, a drink menu, salt and pepper shakers, or other items people will need when enjoying your establishment. Ultimately, the table size and your idea of what's important will determine what you place on the table. If you serve a lot of burgers, consider keeping things like ketchup and mustard on the table, within easy reach. If you don't, you can probably bring it as needed, saving table space.



TIP

Just to clear up a bit of jargon confusion, the items discussed here are definitely not smallwares (see the previous section). The actual vessels (such as salt and pepper shakers) may be, but once they're filled and out in the dining room, they move into the category of table stock. Items like Worcestershire and hot sauce aren't smallwares in any sense.



REMEMBER

When stocking your table, remember to leave room for drinks and food. Don't overcrowd your patrons. They want somewhere to put purses, cell phones, tablets, laptops, and other necessities.

You'll need to place these items on the table:

- » Salt and pepper shakers
- » Flower arrangement or centerpiece (a candle, for example)
- » Maybe one table tent listing house specials or a QR code that links to the full menu

Place other items in the waiter station, including these oft-used ones:

- » Ketchup
- » Mustard
- » Hot sauce
- » Worcestershire sauce
- » Peppermills
- » Sugar and sweetener (for coffee and tea)
- » Creamer



TIP

When the kitchen closes, take all of these items off the tables and put them in the waiter station or you'll lose them!

Acquiring Bar Appliances

In this section, we cover appliances, which are pretty much bar tools with a plug. Quite a distinction, we know. If you need help figuring out where to get this stuff, take a look at the section “Leasing versus Buying, New versus Used,” later in this chapter.

Here's a list of appliances you need for your bar:

- » **Blender:** Most bars do have blenders, even though bartenders like to hide them. Because you will get patrons who want frozen Daiquiris, Margaritas, Piña Coladas, and other frozen cocktails, you need a good-quality commercial blender with some kind of warranty. Check it out in Figure 7-2.



TIP

The most popular bar blender brands are Vitamix and KitchenAid. Make sure you buy commercial-grade products. Both of these brands have a personal or home version as well. Choose the commercial product for the best performance and warranty.

If you plan to use your blenders often during business hours, opt for a blender with some sort of sound-reducing technology. Some have shielded motors or other innovations that make them much quieter than your average home blender. Your chatting customers will thank you.

- » **Coolers:** No, we don't mean that you should put the heavy-duty plastic, tailgating toy box behind your bar. The term *cooler* actually refers to a refrigerator in bar-speak. You can find a variety of sizes to fit in different spots behind your bar and in your kitchen.
 - *Reach-in coolers* are small coolers, roughly the size of a dorm or under-the-desk fridge. Bartenders reach in to get what they need out of them. *Highboy coolers* are reach-in coolers situated about waist level, maybe on top of a counter. *Lowboy coolers* fit under the counter. Bartenders keep backup garnishes, bottled beer, juice, and other perishables they need regularly in these small coolers.
 - *Beer coolers* are large, chest coolers below the bar top. The door is located on top of the chest, and it slides open, allowing easy access to quick-selling beers.
 - Many bars also have walk-in coolers in or near the kitchen. Commonly known as *walk-ins*, these refrigerated rooms allow staff members to walk into them. You can store large, perishable items such as kegs, cases of beer, or a flat of salad greens in your walk-in. Typically, bartenders move what they need from the walk-ins to the reach-in before their shifts start to keep things handy.
- » **Ice machine:** Making great drinks requires using great ice. And great ice requires a water purification system and a quality ice maker.
- » **Submersible dishwasher:** This dishwashing unit is standard in a restaurant bar, but it's typically a backup appliance in a busy bar. A submersible dishwasher is only for glassware. It usually fills the first of a *three-sink system*. The first sink is for washing (or gently rubbing the glasses around on the rotating brushes). The second sink is for rinsing the soap off the glasses. The last sink contains sanitizer to dip the glasses in to kill off any lingering germs.
- » **Undercounter dishwasher:** A necessity for a high volume bar, this automatic dishwashing unit can complete a load of glassware in as few as 90 seconds.

Selecting Kitchen Appliances

Your menu really dictates what appliances you need (or more accurately, your appliances determine what foods you can serve). Unless you're intent on making food a top priority at your bar, your menu should really take advantage of basic kitchen equipment. Take a look at Chapter 9 for tips on how to get your menu and your kitchen totally in synch.



REMEMBER

Keep handy a list of electricians and mechanics in your area. The longer your equipment is down, the more money you're losing. It's important, very important, to keep everything in working order.

The next section, "Leasing versus Buying, New versus Used," addresses where to find appliances, how to pay for them, and things to watch out for. Here we cover the basics of what kinds of equipment most bars use, but your list may vary:

- » **Broilers:** These appliances are fairly versatile and come in many sizes. The large size can be used for things like steaks and chops. A smaller version is handy for quickly melting cheese on soup, nachos, and open-faced sandwiches.
- » **Dish machine:** Every bar *must* have one of these. They are beyond essential. In the bar business, most of your washing will take the form of racks of glassware rather than stockpots and skillets. Enter the commercial dish machine, complete with crazy-quick sanitizing cycles.
- » **Grease traps or interceptors:** These are passive devices required by municipalities to stop grease, fat, oil, wax, or debris from entering the city's sanitary sewer system.
- » **Grills:** These are a staple in any bar that serves food, which is why so many call themselves a "Bar and Grill." You can cook many different things, from burgers to steaks, or even eggs and bacon. Choose both a *flattop grill* (like a big skillet) and a *grated grill* (with an open flame, sometimes called a *charbroiler*) if you have the money and space. You can easily use them both.

Grills are good candidates for buying used, especially if they're gas.
- » **Ovens:** You'll need one of these if you plan to serve anything that can't be prepared on the grill or broiler. Here are the varieties you may consider:
 - *Convection:* Circulates air around food. Best for quick and even cooking.



TIP

- *Conveyor*: Heats and cooks top and bottom. Great for sandwiches, burgers, and pizza.
 - *Microwave*: Great for reheating and cooking quick items.
- » **Sinks**: You'll need a hand sink for almost every station. Buy the best and have them installed by a great plumber. Check with your local board of health for requirements on what supplies should be stocked near a hand sink.

Leasing versus Buying, New versus Used

Coming up with the cash to buy an entire kitchen and bar full of brand-new equipment isn't easy. Many owners opt to look into other options like leasing or buying used equipment instead of going with brand-new stuff. In this section, we help you work your way through the process of getting the equipment you need, also alert you to the pros and cons of leasing and buying, and then help you decide whether to go with new or used equipment.



Don't forget to discuss your options for buying and leasing equipment with your banker and accountant. They have the information about your particular financial situation that can help you make the best decision for your bar.

Looking at leasing

Leasing isn't just for cars these days. Often companies lease equipment for a set period of time and fully maintain the machine during your lease term. After the term of the lease is over, you can choose to renew the lease, but typically you get a brand-new machine to use during the lease period. It can be an ideal situation for many owners.

Here are a few of the brighter points of leasing equipment:

- » Your cash isn't tied up in equipment. By leasing, you have money for working capital and cash flow.
- » Zero repair costs (assuming maintenance and repair costs are included in the contract).
- » No out-of-date equipment. You lease new equipment. When your lease expires, you get to sign a new lease for new equipment. Leasing lets you upgrade your equipment to newer appliances with the latest bells and whistles, so you don't own the same, behind-the-times oven for ten years.

- » Tax breaks! Leasing also may be fully tax deductible as an operating expense. (Check with your accountant.)
- » More variety of types of equipment. You can lease almost any type of equipment that you need, and you can have more equipment because you're not tying up your cash.



WARNING

The biggest downside to leasing is that you don't own the equipment. You make payments but don't own anything at the end of the contract; in some cases, though, you can buy the equipment at the end of the contract.

You can buy some of these appliances used at a very good price. Over time, you can save a lot more money by buying used equipment, even when you factor in maintenance costs. Check out the section "Evaluating used equipment," later in this chapter, for tips on what to look for in used equipment.



TIP

In our opinion, leasing is a good option for ice machines, coolers, dishwashers, and coffeemakers in particular. In the case of coffeemakers and dishwashers, many times the company will give you the machine if you buy the accompanying product (coffee and detergent) from them.

Negotiating for new equipment

The greatest thing about new equipment is that it's, well, new. No one has dropped it, dented it, or otherwise abused it . . . yet. The best thing to arm yourself with when looking at new equipment is information. Do your comparison shopping. Know your prices and be ready to negotiate. List price is for wimps!

Know the answers to these questions *before* you buy your first piece of equipment:

- » **What equipment do I need for my bar?** Think about the front of the house and the back of the house. We include extensive lists of items throughout this chapter that you need to consider buying for your bar.
- » **Who can I buy this from in my area?** Create a list of restaurant supply houses, salespeople, other people in the business, and anyone who can get you in touch with potential suppliers.
- » **What do these items cost new and used?** Create a spreadsheet to keep track of prices of comparable items.



REMEMBER

Answering these questions before you buy can help you know whether you're getting a good deal or being taken for a ride.



TIP

When buying new equipment, check all warranties. If you can, buy a service agreement. Make sure the agreement specifies how long it will take for a repairperson to get to your place. This timeline can vary greatly. Does the company guarantee repairs within four hours, a day, or a week? If they can't repair the appliance in three hours or less, you could be losing serious money.

Evaluating used equipment



TIP

You can save between 40 and 60 percent of your equipment budget by buying used equipment. But it's only a savings if you don't spend a ton in maintenance and repairs. Voilà! The balancing act begins. We recommend taking an electrician and mechanic with you when buying used equipment. Read online reviews and ask around for reliable contractors. Talk to the town engineer, fire marshal, and local builders. Check with your employees and the Chamber of Commerce.

Here's what to do when looking at used equipment:

- » **Visually inspect the equipment.** Missing knobs are usually okay. Warped grill bottoms are not.
- » **Be wary of used electrical items.** These items are more likely to have problems than their gas counterparts, especially if they're not maintained well. Always have an electrician with you to check out anything electrical that may need to be repaired. Your electrician should advise you about appliances that are beyond repair or always need repair.
- » **Check temperatures of any coolers or ovens.** Any legitimate seller will let you plug in equipment and wait for it to come up to the proper temperature. Bring your own professional, calibrated thermometers to confirm the temperature readings.
- » **Get all model and serial numbers for any equipment.** Check online for any recalls or common user complaints with the items you're considering.
- » **Get written guarantees.** You shouldn't expect to get a long time period guaranteed, but you need some assurance that if the appliance stops running next week (or in 30, 60, or 90 days), you can return it.
- » **Factor moving and installation costs into the total price.** After you figure in these costs, you may be better off buying new with free installation. It's now a matter of money. Is it cheaper to buy new and have it installed, or buy used and pay to have it installed? Get out your pencil and paper and add it up. Now make the decision.



TIP

Consider looking for used equipment online through sites like [Craigslist.org](https://www.craigslist.org). Coauthor Heather recently scored \$45,000 worth of equipment and smallwares from a local restaurant that went out of business after only 18 months. Her final costs, including moving the equipment for an out-of-state client and storing it offsite for two months during a remodel: \$15,000.

- » Creating a home for your inventory
- » Knowing how much to stock
- » Figuring out how much to keep on hand

Chapter 8

Setting Up Your Bar's Inventory

Knowing what to stock in your bar is sometimes truly a matter of trial and error. (Sometimes more error than we'd like, but that's another story.) But you can start from an in-the-know place by browsing this chapter.

Here we give you some guidelines to help you figure out how many different types of liquor, beer, and wine you actually need to carry to balance your customers' wishes with your bottom line. And we also help you figure out how much to buy and where to put it all.

Creating Your Storerooms

If you're starting from the ground up, God bless you. Your bar needs to be designed so that your *storeroom* (the place where you store extra supplies until you need them) is convenient to every part of the house that needs it, especially the kitchen and bar. You need two basic storerooms:

- » **Dry storage:** Keep your canned goods, dry goods, linens, and cleaning supplies here.

» **Cold storage:** Here's where you store, um, cold stuff and perishable stuff. It most commonly takes the form of a large refrigerated room, or a *walk-in cooler*.



TIP

If it's at all possible, use two separate coolers, one for food items that the kitchen staff has access to and another cooler that beer, wines, and liquors are stored in. The second cooler is for managers only. It's usually full of expensive inventory, and you need a full accounting of when the items leave and for what reason. If you can keep kitchen and bar stuff separated, you're a step ahead.

Depending on your menu, you may also need a freezer. Some places actually have walk-in freezers, but most bars have smaller, reach-in freezers stationed underneath or beside the bar itself.



REMEMBER

Make sure your storerooms are both out of the way *and* easily accessible. You don't want them taking up valuable seating or working areas, but you may also need to get to them during a rush.

Tracking your day-to-day inventory

You need to make an inventory sheet for both of your storerooms. An *inventory sheet* shows who is taking what items when. Whenever someone takes something out of the storeroom, they mark down the time and date, item taken, amount, and where the item will be used (bar, kitchen, bathrooms, and so forth). Then the employee has to sign their name. This form should be as easy to fill in as possible (and don't forget to keep a pen nearby). Post the sheet on the inside of the storeroom door.

This basic sheet is all you need for your dry storage area. You need to modify the inventory sheet for your cold storeroom. Add a line at the top of the form that tells your employees that *only* a manager can take items from any liquor storage area. Limiting who has access to the liquor storage area helps you keep track of valuable products.



REMEMBER

All items should be checked in and out. Every time. No exceptions. Empty bottles should be given to a manager for accounting. That way no partial bottles leave the restaurant with employees rather than in the trash.

Many technological innovations are happening in the bar industry that can help you manage your bar inventory, for a fee of course. Fees range in the thousands of dollars, but most manufacturers believe the systems more than pay for themselves, typically within the first year. Here are a few you may be interested in:

- » **Berg (www.bergliquorcontrols.com):** Berg is one of the oldest names in liquor inventory management. The company offers many different systems, from automated dispensing of complete metered cocktails to a system pouring both liquors and mixers from a single gun.
- » **Birch Street (www.birchstreetsystems.com):** Birch Street offers eProcurement, inventory control, and recipe management.
- » **Control Plus (<https://controlplus1.com/en>):** Control Plus is an automated dispensing solution that prevents overpouring. It's fairly labor-intensive because you must change out standard pourers and use a heat gun to attach the company's proprietary spouts.
- » **Easybar (<https://easybar.com>):** Easybar sells several different systems. One of them operates with specially designed, free-pour spouts that don't regulate the flow of liquor, but do measure and report on said flow. The spouts themselves use radio frequency identification (RFID) reporting to a web-based software program, allowing you to instantly track pour volumes.
- » **Provi (www.provi.com):** Provi simplifies the process of ordering liquor. It enables you to chat with multiple reps and make multiple orders. This is great for those states that have multiple reps or distributors and larger venues

Securing your inventory

You can't keep an eye on everything all the time, so invest in a couple of good locks for your storerooms. Locks keep honest people honest. When products go missing, you're hit with a double whammy: You lose the money you spent on the item and the money you could have made on the item.

Keep your cooler locked unless someone is actually stocking or restocking it.



WARNING

Do not allow everyone to have access to storage rooms. Limit the people who have keys or lock combinations to your managers, head cook, head bartender, and of course, you. When the bar is open, make sure someone has a key at all times. For more advice on preventing theft, see Chapter 14.

Extra keys should be placed in the safe. Always make sure that a set of keys is available during each shift, or you won't get backup supplies when you need them. (Yes, this does happen.)

Keeping Your Inventory Well Stocked

You must keep a backup of all the products you sell or products you need for the kitchen and bar. This is called your *inventory*. If you run out, you're 86 on that item.



TIP

Make sure you take a long look at Chapter 14. It gives you tips for setting up ordering and purchasing procedures, maintaining your inventory, and reducing waste to make your product dollars go farther.

Stocking your drink items

Choosing what liquors to carry really can help you define your bar. The brands you choose (and don't choose) tell your patrons what kind of place you run and help convey your bar's atmosphere. For example, stocking 40 draft beers sends a different message than stocking 40 different single malt scotches.



REMEMBER

Stocking a true bar is a different process than stocking a restaurant bar. Stand-alone bars typically have more brands and varieties of liquors than an average restaurant bar.

Evaluate liquors to determine what fits best with your place. You definitely want variety, but you want your products to move, too. Liquor that sits on a shelf ties up cash, which is not good for your business.

Liquor

Well liquor is the most basic, least expensive type of liquor. It's what your bartender pours when someone orders a "gin and tonic" but doesn't specify, or *call*, a particular brand. *Premium* liquor is a step up from call liquor, and *super-premium* is a step up again. For more about the differences between the liquors and pricing drinks accordingly, check out Chapter 9.



REMEMBER

Some liquors come in more than one flavor. For example, several vodka flavors are available (orange, citrus, vanilla, and so on). You have to be the judge (and your customers will be the jury!) of how many you need and which ones to choose. All the big-name vodka producers have many flavors available these days.

We strongly recommend that you evaluate your reasons for wanting more than three flavors of a particular liquor. If you develop a special drink or drink menu using flavored vodkas, definitely invest in them. But don't keep a bottle of Watermelon Vodka around for the occasional Watermelon Martini that someone may order. If you invest in a unique liquor, make sure you promote it.



TIP

You can also infuse some of these flavors in-house as well. Cutting up a jalapeño and placing it into a blanco tequila overnight and then straining it out can help you make a unique spicy Margarita. But these infusions have a shelf life so do some research before making any infusions.

Each liquor brand has its own website these days, and most include recipes for using their products. Check out a few of the drink recipe databases at these sites to get a feel for the many choices you have:

Altos tequila: <https://olmecaaltos.com>

Captain Morgan rum: www.captainmorgan.com

Hendrick’s gin: www.hendricksgin.com

Jameson Irish whiskey: www.jamesonwhiskey.com

Jim Beam whiskey: www.jimbeam.com

Tito’s vodka: www.titosvodka.com

Whether you decide to go with well or premium liquors, Table 8-1 lists liquors we think are essential to stock in your bar. We give you a general category of liquor, recommended quantities to keep at the bar and in inventory, and a list of brand names to consider when choosing what to stock.

TABLE 8-1 **Liquor Supply Chart**

Liquor	Bar Stock	Inventory/ Storage	Brands to Consider
Aperitif	3	4	Campari, Lillet, Fernet Branca, Aperol, Amaro
Dry vermouth	2	2	Dolin, Martini & Rossi, Punt e Mes
Sweet vermouth	2	2	Dolin, Martini & Rossi, Punt e Mes
Vodka, super-premium	2	12 (6 of each)	Grey Goose, Ciroc, Belvedere, Ketel One
Vodka, premium	2	12 (6 of each)	Titos, Absolut, Skyy, Stolichnaya, Three Olives, Svedka
Vodka, well	1	12	Smirnoff, Gordon’s, Lairds
Orange-flavored vodka	1	2	Absolut Mandrin, Stoli Ohranj, Ketel One Oranje
Lemon-flavored vodka	1	2	Absolut Citron, Ketel Citroen, Stoli Citros, Skyy Citrus, Smirnoff Citrus, Three Olives Citrus

(continued)

TABLE 8-1 (continued)

Liquor	Bar Stock	Inventory/ Storage	Brands to Consider
Vanilla-flavored vodka	1	1	Stoli Vanil, Absolut Vanilia, Smirnoff Vanilla, Three Olives Vanilla
Gin, super-premium	2	3 of each	Plymouth, Tanqueray no. TEN, Hendrick's, Bombay Sapphire
Gin, premium	2	3 of each	Beefeater, Bombay, Hendricks, Tanqueray, Damrak
Gin, well	2	6	Seagram's, Gordon's, Gilbey's, Barton, McCormick
Rum, white, premium	2	3 of each	The Real McCoy, Mount Gay Eclipse, Bacardi Gold
Rum, dark, premium	2	3 of each	Mount Gay Extra Old, Gosling's Black Seal, Angostura 1824, Bacardi 8, Zacapa No. 23
Rum, white	2	3 of each	Bacardi, Don Q Cristal, Ronrico, Cruzan, Captain Morgan White Rum
Rum, dark	2	2 of each	Bacardi, Goslings, Myers's Original, Rhum Barbancourt
Rum, spiced	2	2 of each	Sailor Jerry's, Captain Morgan, Cruzan
Rum, coconut	1	2	Malibu, Cruzan Coconut, Captain Morgan Coconut, Don Q Coco
Rum, flavored	2	2 of each	Bacardi (coconut, lime, limon and raspberry lime), Cruzan Rum (coconut, banana, vanilla, black cherry), Captain Morgan (coconut, pineapple, cherry vanilla, sliced apple)
Rum, well	1	6	Castillo, Admiral Nelson's
Scotch, super-premium	2	3 of each	Johnnie Walker (Black, Gold, Green and Blue), Chivas, The Famous Grouse, Glenlivet, Dewar's 12-year-old reserve, Highland Park 12-year-old, Macallan 12-year-old
Scotch, premium	2	3 of each	Cutty Sark, Grant's, Ballantine, J&B, Dewar's White Label, Macallan, Bowmore, Johnnie Walker Red, Buchanan's, Monkey Shoulder
Single malt scotches	4	1 of each	Cragganmore 12-year-old, Dalmore 12-year-old, Glenmorangie 10-year-old, Aberlour 10-year-old, Balvenie 12, Glenfiddich 12-year-old, Glenlivet 12-year-old, Glenrothes 1989/1992, Macallan 12-year-old, Ardbeg 10, Bowmore 17-year-old, Laphroaig 10-year-old, Talisker 10, Lagavulin 16
Whiskey, premium (rye)	2	1 of each	George Dickel Rye, Jim Beam Rye, Wild Turkey Rye, Rittenhouse, Bulleit
Tennessee whiskey	2	2 of each	Jack Daniel's, George Dickel

Liquor	Bar Stock	Inventory/ Storage	Brands to Consider
Canadian whisky	2	2 of each	Canadian Club, Crown Royal, Seagram's V.O.
Bourbon	3	1 of each	Jim Beam, Maker's Mark, Booker's, Basil Hayden, Wild Turkey, Knob Creek, Woodford Reserve, Bulleit
Bourbon, specialty and single-barrel	3	1 of each	<i>Specialty Brands:</i> Knob Creek, Basil Hayden's Small Batch, Booker's Small Batch, Woodford Reserve Distiller's Select, Elijah Craig 12-year-old Selected Barrel Bourbon. <i>Single-Barrel Brands:</i> Blanton's Single-Barrel Kentucky Straight Bourbon, Evan Williams Single-Barrel Vintage Kentucky Straight Bourbon, Elijah Craig 18-year-old Single-Barrel Bourbon
Bourbon, well	1	6	Ancient Age, Barton Very Old, Old Grand Dad
Tequila, super-premium	1	2	Grand Patron, Don Julio 1942, Clase Azul, Avion 44
Tequila, premium	3	3 of each	Avion, 1800, Milagro, Patron Silver, Herradura, Don Julio (blanco, añejo and reposado), Casamigos Blanco, Altos, Espolon
Tequila, flavored	2	1 of each	Hornitos Lime Shot, Margaritaville (coconut, lime, passion fruit, mango, and tangerine), Agave Loco (pepper)
Tequila, well	1	3	Jose Cuervo, Baja El Jimador
Mezcal	2	2	Dos Hombres, Del Maguey, Montelobos, Sombra, Mezcal Union, Illegal, Madre
Brandy	1	1	Christian Brothers, Korbel, Cardenal Mendoza
Brandy, well	1	2	E & J, Royal 1889
Cognac, premium	1	1	Remy Martin Louis XIII, Hennessy Cognac Paradis, Martell Cognac Cordon Bleu
Cognac	1	1	Courvoisier, Hennessy V.S., Martell V.S.O.P., Remy Martin V.S.O.P., CAMUS
Armagnac	1	1	Sempe, Germain-Robin Alambic, St. Aubin
Irish whiskey	2	1 of each	Bushmills, Jameson, Powers, Tullamore Dew, Roe & Co Red Breast, Proper 12, and the Foley's personal favorite: Midleton
Honey whiskey	2	1 of each	Wild Turkey Honey, Jack Daniel's Tennessee Honey, Barenjager
Japanese whisky	1	1	Suntory, Hakushu, Nikka, Yamazaki
Nonalcoholic spirits	2	2 of each	Seedlip, Lyre's, Ritual



TIP

When it comes to choosing brands of well liquor for your bar, talk to your liquor sales reps. They likely have a bargain vodka, rum, tequila, and so on, that you can use in the well. And as always with well liquor, choose one brand in each category, but keep two bottles of it handy behind the bar. Different areas of the country have different brands at better prices available, so find the best fit for your location.

Cordials

Cordials are must-have items for your bar because they're essential for mixing with other drinks to make cocktails or for layering to make popular shooters. Table 8-2 is our list for cordials to have at your bar (along with appropriate quantities, of course!).

TABLE 8-2

Cordials to Stock

Cordial	Bar Stock	Inventory/Storage
Apple schnapps	1	1
Banana schnapps	1	1
Butterscotch schnapps	1	1
Cinnamon schnapps	1	1
Peach schnapps	1	1
Peppermint schnapps (like Rumble Minze)	1	1
Pineapple schnapps	1	1
Raspberry schnapps	1	1
Root beer schnapps	1	1
Sour schnapps (consider orange, grape, apple, cherry)	1 each	1 each
Vanilla schnapps	1	1
Almond liqueur	1	1
Coconut amaretto	1	1
Melon liqueur	1	1
Orange curaçao	1	1
Fireball (cinnamon whisky)	1	1
Chocolate liqueur	1	1
Licor 43 (Spanish liquor)	1	1

Cordial	Bar Stock	Inventory/Storage
Sweet tea liqueur	1	1
Grand Marnier	1	1
Cointreau	1	2
Triple sec	1	2
Crème de menthe, white	1	1
Crème de menthe, green	1	2
Crème de cacao, white	1	1
Crème de cacao, dark	1	1
Blue curaçao	1	1
Kahlua/coffee liqueur	2	2
Amaretto	1	2
Sambuca	1	1
Midori	1	1
Hazelnut liqueur	1	1
B&B	1	1
Chambord	2	2
Irish cream	2	2
Southern Comfort	1	2
Sloe gin	1	1
Anisette	1	1
St. Germain elderflower liqueur	2	2
Drambuie	1	1
Pernod	1	1
Jägermeister	1	2
Hpnotiq	1	1
Cachaca (sugar cane spirit from Brazil)	1	1
Agavero (tequila and damiana flower liqueur)	1	1
Pisco (the Peruvian national drink)	1	1

(continued)

TABLE 8-2 (continued)

Cordial	Bar Stock	Inventory/Storage
Rumchata	1	1
Domaine de Canton (ginger liqueur)	1	1
Absinthe	1	1
Chartreuse	2	2
Flavored brandies: banana, blackberry, apricot, cherry	1 of each flavor	1 of each flavor
Crème de cassis	1	1
Crème de violette	1	1
Pimm's	1	1



TIP

Check out a few of the big schnapps brand websites for tips on how to use these liquors to make your own delicious concoctions:

DeKuyper's: www.dekuyperusa.com

Hiram Walker: www.pernod-ricard-usa.com/hiram-walker

Beer

Beer was among the first beverages served in pubs around the world, and it's sure to be the last. After you've chosen the beer for your menu (check out Chapters 9 and 12 for help), you have to know how much to stock so you don't run out! Table 8-3 is a suggested list of what you need (and how much). For this table, we use cases, which usually run in packs of 24.



TIP

You may have noticed that kegs aren't mentioned in this list. There's a good reason for this. Although kegs do contain beer, they're a different animal. You need to have one keg connected to each of your taps (preferably with a corresponding tap handle that makes it easy to see what you're pouring), plus at least one backup keg for each kind of beer you sell. Notice we did not say for each tap. (You may be pouring Miller Lite, for example, at three different taps, two inside and one outside, during the warm months. You may not necessarily need to keep three backup kegs if you don't use beer at all those stations quickly.) You'll have to judge how quickly you go through kegs in a week. Most places order beer once or twice a week because they just don't have the space to store more than that. There is also an opportunity to tap wine and cocktails as well but those are a whole other beast!

TABLE 8-3 Beer Inventory

Type of Beer	Bar Stock	Inventory/Storage	Brands
Regular, domestic	1 case	10 cases	If we have to list brands, open up a coffeehouse (or read Chapter 12); the big three brands are Budweiser, Miller, and Coors
Light, domestic	1 case	10 cases	Stock the light version of the domestic beers you serve
Regular, imported	1 case	10 cases	Corona, St. Pauli Girl, Heineken, Guinness, Becks, and so on
Light, imported	12 bottles	5 cases	Corona Light, Heineken Light, Molson Light
Microbrew, domestic	1 case	5 cases	Samuel Adams, Sierra Nevada, Goose Island, and so on
Craft brew	1 case	5 cases	Talk to your local distributor for suggestions
Nonalcoholic	6 bottles	2 cases	Talk to your local distributor for suggestions; many of the big brands now offer a nonalcoholic option
Hard cider	1 case	2 cases	Woodchuck, Angry Orchard, Crispin, Strongbow
Hard Seltzer	2	4 cases	White Claw, High Noon, Truly
Red Bull or other energy drinks	6 cans	2 cases	Okay, technically, Red Bull is not a beer or even a malt beverage, but we usually stock it with the beer, so we mention it here

Wine

To help choose wines for your bar, please see *Wine For Dummies* by Ed McCarthy and Mary Ewing-Mulligan (Wiley), and talk to your local reps. There are just too many to suggest specific brands and vintages.



REMEMBER

We recommend offering no more than two of each variety (red, white, rosé, and sparkling wine or champagne). A local wine is always a good choice. Everyone has a favorite, but you're running a bar, not a French restaurant. Keep the selection small (because you have to store it all) and at a medium price.

Keep a case of each wine you serve on hand and keep it at the right temperature. Ideal wine storage temperature is about 55 degrees. Serve whites between 45 and 55 degrees and reds closer to 60 to 65 degrees. Having a “Wine Wednesday” or other programs or happy hours is a great way to bring in a crowd.

Mixers and soft drinks

The most efficient way to store most mixers on your premises is with a *bag-in-the-box (BIB) soda system*. Soda water is mixed with concentrated syrup on demand through a fountain system of some sort, most often a soda gun in bars. Fruit juice is also used in many cocktails. See Chapter 12 for a list of the typical mixers you should stock.



TIP

Talk to your local food supplier for help getting a system. The supplier may install the system for free if you agree to buy all your syrup from the company, with a guaranteed minimum per month.



REMEMBER

Keep one backup of each syrup box on hand for easy restocking. If you have several fountains or guns, you may need a couple extra boxes of your most-used items, typically cola, diet cola, and lemon-lime soda. Until you get a feel for how much you go through, consider doubling up on these must-have items.

Also, don't forget the cocktail mixers currently available on the market. *Cocktail mixers* are the premixed bottles of stuff you add to liquor to give it its identity. They're essential for many common cocktails, including Piña Coladas, Margaritas (many different flavors), and Bloody Marys. Popular mixers include the following:

Daily's Fruit Mixers: <https://dailyscocktails.com>

Finest Call: www.finestcall.com

Mr. & Mrs. T's: www.mrandmrst.com

Zing Zang: <https://zingzang.com>

Sometimes these products are sold by food vendors rather than liquor vendors. Check with your reps to see who carries what in your area.



TIP

Although you don't need a full case, you should keep a bottle or two around of Rose's lime juice (it's a sweetened lime juice-ish thing) and pomegranate juice.

Frozen-drink machines make complete frozen cocktails, and many companies will offer you a great beverage program. (We recommend Island Oasis. You can check out the company's products at www.kerryfoodservice.com/pages/island-oasis.)

Water

Bottled water is popular even in bars. It comes in two very broad categories, sparkling (with bubbles) or still (without bubbles). We recommend you choose one of

each type. Talk to your sales rep to get the information on where the water comes from, how it's filtered, what minerals are in it or are removed from it, and on and on, assuming you're interested. It's good to know, in case someone asks you. People like to know the ins and outs of your business.



REMEMBER

A few common brands of still water are Fiji, Panna, Dasani, and AcquaPanna. Popular sparkling choices are Perrier, Topo Chico, and San Pellegrino. Keep six bottles of the two brands you choose behind the bar, and a case of each in the cooler.

Stocking your basic food items

Most liquor will last and last (if you keep it at the right temperature, of course), so when you're getting started, you may have more inventory than you'd like. Ultimately, you'll sell it, but you tie up your cash in inventory. However, food is a different story. Food is perishable. You buy too much, and it ends up in the trash. You don't want to throw your money away, so buy fresh items judiciously.

Here are a few general tips for stocking food items in your bar:

- » Most produce spoils in two to three days, so buy only what you can use during that time. Strawberries, bananas, and pears are prime culprits.
- » Produce stays fresher longer if you don't wash it or cut it until you need it.
- » Uncut citrus and apples last longer, up to a couple of weeks, if refrigerated properly.
- » After produce is cut, use it quickly. Cut bananas, apples, and pears as you need them. Use citrus within 1½ days. Use strawberries the same day.
- » Fresh is better. If you can get daily produce deliveries, do it.

Ultimately, the amount and type of food you need to stock depends largely on your bar's menu (see Chapter 9). For now, though, just make sure to plan ahead with regard to how much and what type of food you need to store, and check out Chapter 14 for tips on using your fresh and staple inventory to your advantage.

Garnishes

Ultimately, your business levels dictate your garnish levels. Because many of these items are perishable, you walk the fine line of making sure you have enough, but not so much that it goes to waste. It's truly a trial-and-error situation. The number of garnishes you have at the ready totally depends on how many customers you have, what they are drinking, and how you garnish the beverages. And your garnish level depends on how labor-intensive the garnish is. You may choose to

dedicate more caddy space to hand-stuffed olives (which take your bartender some time to make) than to, say, maraschino cherries (which generally come right out of a jar).

But we don't want to totally leave you hanging, so Table 8-4 gives you some help in getting started with figuring out how much you need. And Chapter 12 can help you decide what garnishes to choose for your drinks.

TABLE 8-4

Sample Garnish Par Levels

Garnish	Weekday Par	Weekend Par
Oranges slices	1 caddy	3 caddies
Olives	1 caddy	2 caddies
Olives, stuffed	1 caddy	2 caddies
Maraschino cherries	1 caddy	2 caddies
Lemon wedges	5 lemons	10 lemons
Lemon twists	1 lemon	2 lemons
Lime squeezes	3 limes	6 limes
Lime wedges	4 limes	15 limes
Lime twists	½ lime	1 lime

Notice we give you two different par levels, one for weeknights and one for weekend nights. (For more information on *par levels*, or how much of an item you should have on hand at the beginning of a shift, take a look at Chapter 14.) We're assuming that Friday and Saturday are busy nights for your bar; if that's not the case, adjust accordingly. Many bars create par sheets for each and every shift.

Other miscellaneous foodstuffs that you need

Keep a bottle or supply of each of these items at each well. On a busy night, the last thing you want is for bartenders to be hunting down the small stuff.

- » Angostura bitters (aromatic and orange)
- » Hot sauce
- » Salt and pepper
- » Superfine sugar
- » Worcestershire sauce

Always have at least half of a case of each of these in backup, especially the bitters and hot sauce. You can also use the hot sauce on the tables.

Items for the Back of the House (Like Restrooms!)

Yes, we're mentioning the unmentionables. It's a messy fact of life, but in a bar, stuff happens, and you need to be able to clean it up. Here's what we think you need:

- » Toilet paper: 1 case
- » Soap (bar and/or liquid): 1 case
- » Hand sanitizer: 1 case
- » Paper towels: 1 case
- » Feminine items: 1 case
- » Garbage bags (all sizes): 1 case of each
- » First-aid kit: 2 backup kits
- » Cleaning supplies:
 - Floor, oven, stove, glass, and other cleaners: ½ case
 - Polishers (silver, copper, and stainless): ½ case



TIP

In most cases, you'll buy your cleaning supplies from a company that specializes in commercial cleaning supplies, like Ecolab (www.ecolab.com). It provides a full range of products (such as floor degreasers, sanitizers, and drain cleaners) that work better on the tough dirt, grease, and grime that bars create.

IN THIS CHAPTER

- » Deciding what food to serve
- » Creating your drink menu
- » Pricing your menu
- » Putting it all on paper
- » Figuring out when to make changes

Chapter 9

Planning and Creating Your Menus

A bar is a wonderful gathering place. A place to get away from the world, relax, hang out with friends, or just watch other people. In most cases, people come to your bar to eat and drink, in no particular order. So you, as the owner, need to create *menus* to give your patrons listings of the drinks and food items you serve. Your menus show the world your take on food and beverages. Every bar has a martini, but not every bar has *your* martini. This is truly your chance to let the world see your passion for the bar business. What you choose to highlight on your menus, prepare behind your bar and in your kitchen, and present to your customers is truly the soul of your business.

In this chapter, we give you tips for creating your food and drink menus. We explain what your patrons want and expect from your bar and help you figure out what to charge for it.

Planning Your Food Menu 101

Simplicity is essential when developing a food menu for your bar. Ninety-nine times out of 100, your patrons aren't coming to you for the latest in avant-garde gastronomy. Instead, they want easy-to-understand, familiar items they can snack on while they're enjoying the beverages you're pouring.



REMEMBER

Yours is a bar, not a restaurant. Your menu should reflect that difference.

Figuring out what kind of food to serve

You can take any of these menu ideas and match it with your bar to create synergy. (See Chapter 4 if you need help deciding what type of bar to run.) For example, if your bar specializes in tequila, you can choose a menu category listed in this section and serve foods that enhance your theme. You can stick to appetizers that have a Mexican flavor, you can create a tapas menu that complements your drink menu, or you can offer a full-blown food menu that matches your bar's feel. How you pair your bar and food choices is entirely up to you (and your guests, of course; if they don't buy, you can't sell).



REMEMBER

The descriptions in this section aren't hard and fast. They're intended just to help you think about your own menu in an organized way.

Appetizing appetizers

An *appetizer* is a dish that's served before the main meal in a restaurant. In bars, sometimes the appetizer menu is the *only* menu. The owner chooses not to offer full-blown meals to patrons, instead giving them a choice of several appetizers to snack on.

Common bar appetizers include these tasty options:

- » Deep-fried jalapeño peppers stuffed with cream cheese
- » Beer-battered onion rings with a special sauce
- » Nachos slathered in cheese, refried beans, beef or chicken, black olives, tomatoes, and anything else that seems tempting to you
- » Chips and salsa
- » Fried vegetables, like mushrooms, zucchini, or even dill pickles (one of coauthor Heather's personal favorites)

- » Buffalo wings
- » Fried mozzarella sticks

Are you sensing a theme here?

Appealing pub grub

Pub grub is the affectionate term for typical bar food, such as wings, onion rings, cheese sticks, burgers, and so on. All things deep-fried usually fall into the pub grub category. If you're interested in serving food, this is usually a good place to start. People expect bars to offer this kind of cuisine.

Pub grub menus can include these filling foods designed to please your patrons' palates:

- » **Hamburgers:** You can create dozens of variations on the basic burger: the bacon cheeseburger, blue-cheese burger, or mushroom-and-Swiss burger, for example.
- » **Sandwiches:** Popular ones include the Reuben, grilled cheese, grilled chicken, and so on. Make your sandwiches big and thick and charge accordingly. Customers typically remember the size, not the price, except in college areas. Students typically want to spend as little as possible to eat a hearty portion.
- » **Chili:** Hearty soups and stews are game-day favorites with bar-goers.
- » **French fries:** Some barkeepers include onion rings and hand-cut chips on their menu.
- » **Fried chicken tenders:** You can list these as an appetizer, an entree, or both.
- » **Regional specialties:** Every area of the country has a food that's unique to that region, and bars are a common place to find those specialties. For example, in Indiana most bars that serve pub grub serve a fried pork tenderloin sandwich. Many places in the southern United States include a po' boy sandwich (fried seafood served on a submarine roll).
- » **Pizza:** This dish — deep, pan, or thin — is always a popular item and can make a great profit. Consider including a small, individual pizza on your menu.



REMEMBER

Because people expect bars to have pub grub, giving them something more or something different could be your draw and help you define what you want your bar to be. Giving them something to crave and come back for again and again can make you a success.

Happy hour fare

Some bars choose to only serve food during *happy hour*, a period of time designed to draw a crowd with special pricing and promotions. Sometimes the food is the happy hour draw. You can cut your food portions (and price accordingly) from 4 to 6 p.m. Monday through Friday. Maybe you price sliders individually as opposed to the three included in your dinner entree. You could offer a three-chicken wing plate instead of the six-wing basket. People can have a little snack or try multiple things and share with friends.



TIP

Consider happy hour pricing for categories of drinks on your menu. Think \$2 off well drinks and draft beer, \$3 off house wine, and \$8 specialty cocktails. Alternatively, you can create special happy hour pricing (like 2-for-1 deals, half-priced appetizers, or \$2 off entrees) for items already on your menu. For more tips on special promotions, take a look at Chapter 17.

Tantalizing tapas

Tapas are snacks or small plates in the Spanish tradition. Patrons can order several tapas to create their own meal or share them with friends. Often provided free in Spain with the purchase of alcoholic beverages, these small plates make an appearance in many bars in this country. You can provide very simple tapas, like a few olives, complimentary to guests, and make more elaborate offerings, though still small in quantity, available for purchase.

Here are a few examples of tapas coauthor Heather recently sampled in bars across the country:

- » Fried new potatoes with pasilla chile aioli
- » Blue cheese lamb sliders
- » Cajun shrimp sautéed in a spicy cream sauce
- » Crispy cod with potato cakes and lemon aioli
- » Manchego cheese croquettes
- » Plato de fiambres (plate of cured meats)
- » Curry fries
- » Pimientos fritos (fried green peppers and coarse salt)



REMEMBER

Although the original tradition of tapas is Spanish, many bar owners are experimenting with Mediterranean dishes, Greek cuisine (called *meze*), Asian flavors, and anything else that strikes their fancy. You can call anything tapas — just think small but shareable quantities.



TIP

Tapas food tends to be a bit fancier than your average bar fare, so make sure you have ample kitchen space and culinary experience if you want to undertake this ambitious endeavor.

Full-blown menus

Many “bar and grills” or “grill and taverns” or “grill and bars” have larger menus these days. Owners may start with a pub grub menu (see the section earlier in this chapter for details) but expand their offerings further to include items such as salads, entrees (such as ribs, steaks, and pasta), desserts, and even kids’ menus.

Here are some familiar examples of bars with full-blown menus. Take a look at these websites to get a feel for the breadth and depth of the menu offerings:

Bennigan’s: <https://bennigans.com>

Buffalo Wild Wings: www.buffalowildwings.com

Fadó Irish Pub: www.fadoirishpub.com

Fox and Hound: www.foxandhound.com



REMEMBER

These places call themselves bars (or pubs, taverns, and so on), but they really operate more like restaurants. If you’re interested in running a bar with a full menu, take a look at *Running a Restaurant For Dummies* by Michael Garvey, Heather Dismore, and Andrew G. Dismore (Wiley) for help with managing your food inventory, details on setting up a full-service kitchen, and other topics that are tailored to the restaurant industry.



TIP

Just because a bar has a complete food menu doesn’t mean it’s a family place. Check your local legislation for laws pertaining to allowing children in your establishment.

Considering what hours to serve food

If you decide to offer more than an appetizer menu, consider opening for lunch and dinner. You can continue to get income during hours that the “bar business” isn’t hopping.



TIP

If you serve food, you probably want to limit the hours you serve it, say from 4 to 11 p.m., for example. Your bar can stay open later to satisfy drinking patrons, but you can close the kitchen when customers are less likely to order food. You maximize your labor dollars (which increase with the number of hourly kitchen employees on the clock) during the times you’re taking in more revenue from food.

Determining the size of your menu

As we note in the Introduction to this book, we assume that if you're reading this book, you're running a bar or tavern that may or may not serve food. We aren't expecting that your establishment is a restaurant with a bar. Having said that, we recommend that you keep your menu fairly small, with 10 to 12 items at the maximum.

Take a look at Table 9-1 for our recommendations for how to break down your menu.

TABLE 9-1

Recommended Number of Selections for Different Types of Menus

Type of Menu	Appetizers	Entrees
Appetizer only	12	0
Pub grub	6	6
Happy hour	8	0
Tapas	10	0

Analyzing your kitchen space

Most bars have scaled-down kitchens compared to restaurants, so definitely take into account the size of your kitchen *before* you finalize your menu. If you plan on serving full meals, you need a larger kitchen than if you are simply serving (mostly) fried appetizers. With full meals, you may need an area to put together salads and bread, appetizers, entrees, and desserts, and of course, equipment to cook and refrigerate many different ingredients. If, instead, you're serving eight different fried appetizers, you need a few fryers, a prep table, and a cooler, for example. With a smaller menu, you need less variety in equipment and preparation space.

Here's a list of the most-common *stations*, or areas where food is prepared, you'll find in a bar kitchen:

- » **Fryer:** The fryer is probably the most-common and most frequently used station in the bar kitchen. Things like, er, fries are made here. You can use this station to prepare jalapeño poppers, onion rings, egg rolls, cheese sticks, breaded calamari, and chicken tenders.



TIP

If you don't already have a commercial kitchen, take a look at a greaseless fryer from Quik n' Crispy (<https://q-n-c.com>). It works without oil and doesn't require an expensive venting or hood system. Instead it cooks rapidly with hot air and radiant heat. Think of it like a commercial air fryer.



TIP

Many fried menu items come to you frozen from your suppliers. If you have space, place a small, reach-in freezer near the fryer to keep those items handy and close.

» **Grill:** You can choose a *flattop grill* (similar to a huge griddle) or a *grated grill* (a bigger version of the tool in your backyard), depending on what you want to cook. A grated grill is essential for making those pretty little checkerboard grill marks on chicken, steaks, and burgers. A flattop grill is great for things like grilled cheese sandwiches or grilled peppers and onions. If you have the space, choose both kinds; you'll have much more flexibility with your menu items.

» **Oven:** Depending on your menu, you may not need this particular station. An oven is great if you're making pizza, roasting meats, or baking lasagna.



TIP

Consider a TurboChef (<https://turbochef.com>) oven when making your kitchen plans. This ventless oven can help you make anything from pizza to chicken wings, French fries, or grilled salmon. You can choose a countertop oven that fits just about anywhere. It works through a combination of radiant heat, high-speed air impingement, and microwave technology to deliver fast, yet tasty, results.



TECHNICAL STUFF

You may see many different kinds of ovens at your equipment supplier's showroom. Make sure you discuss your specific needs with your salesperson before they sell or lease you more oven than you can use. And don't forget to take a peek at Chapter 7 to get tips for choosing your appliances.

» **Sauté:** This station consists of a multiburner range, shelving to hold tools and supplies (such as sauté pans, tongs, and plates), and possibly a small cooler (a small refrigerator in kitchen lingo) to hold ingredients. Anything that's cooked in a pan to order (like pasta or a sautéed shrimp appetizer) is made at the sauté station.



TIP

In a bar, you may not have an actual sauté station, but more than likely, you need a range with about six burners and someone who knows how to use it.

» **Pantry:** The term *pantry* may be too elevated for a bar kitchen, but basically, the pantry is the area of the kitchen where cold menu items are assembled. If you serve salads, ceviche, or cold sandwiches, your kitchen staff assembles them here. In your bar, this station may simply be a small area with a bit of counter space and a cooler.

» **Other stuff:** You may also need a decent-size (5-x-3-foot) prep table and a microwave. We wouldn't call them stations, but they're handy to have in most bar kitchens.



REMEMBER

Use your kitchen to help you determine your final menu. If you don't have an oven, for example, including pizza on the menu will be tough. Without a fryer, you can't very well make French fries or homemade potato chips. Take a look at Chapter 7 for information on getting the right equipment for your bar.

Thinking about signature dishes

Many bars become known for a specialty. It may be a particular item highlighted on a particular day, like Friday Fish and Chips. Or it could be that you have the best burgers on the block. Decide what you want your specialty to be and make sure that you can make money on it and produce it quickly. This section shows you how.

Insisting on high profit margins

One of the biggest mistakes people make when developing signature dishes is choosing ones that are too expensive to make or too costly for very many patrons to buy. So opt for signature dishes that are inexpensive to produce, but still extremely tasty.



TIP

Take a look at the section “Pricing Your Menus Right,” later in this chapter, for help on figuring out what to charge to make a profit.

Requiring easy preparation

If you create tasty, affordable dishes as signature items, your patrons will order them in volume. Do yourself a favor and make them a breeze to prepare. After you know how many items you sell on a given night, you'll be better able to handle the volume, but make it easy on yourself when you're first starting out.

Establishing good-quality recipes

Nothing is more frustrating to a patron than to order something in your bar, like it a lot, order it the next time, and receive something different. When patrons become regulars, they'll notice variances in your food quality — sometimes before you do. Whatever menu you decide on, make sure your staff can execute it consistently every time a customer orders it.



TIP

Employees achieve consistently excellent products when they're trained well. Don't skimp on training them how to execute your menu items your way. Training manuals are excellent tools to give everyone the same message, and they give employees something to refer back to as questions arise. Take a look at Chapter 10 for help on training your employees.



REMEMBER

Consistency in food and drink is very important; inconsistency is a very big complaint in the business. We've even seen the *same* dish served to two customers at a single table look different. That's a big problem. Customers come to your place for *that* item cooked *that* way. Keep a good recipe file in the kitchen and bar. However, in the bar, you'll probably hear, "I like the way *Ray* makes my drinks," which you can't do much about.

Planning Your Drink Menu 101

Most bars are fully stocked so patrons can order their favorite cocktails, such as a gin and tonic, Crown and Coke, or a Margarita. But many bar owners create specialized drink menus to steer patrons toward unique beverages and cocktails that customers can only get at their place. Spend some time thinking about what kinds of drinks you want to be known for, and then create a menu to match.



TIP

For details on the types of liquor, wine, and beer available to bar owners, take a look at Chapter 8.

Selecting beers for your menu

Select about two to three local brews, three national beers, three light beers, and three imports. You can choose more or fewer, depending on the size of your place. And of course, if your theme demands that you keep 80 beers on tap, you can disregard our aforementioned advice.



REMEMBER

Storing beer at the right temperature is an important factor in maintaining its quality. Beer requires cold storage, so make sure that your *walk-in cooler* (a refrigerated room with proper door seals and a thermostat to regulate the temperature) is large enough to accommodate your inventory.

Creating a signature cocktail menu

When owners concoct signature cocktails for their bars, they often choose to name one of them after the bar or the bar owner (ergo, Hymie Lipshitz Great Oversized Martini). In some cases, your signature cocktails match your food menu (for example, special Margaritas to go with your happy hour street tacos). Whatever you choose, make sure that your signature cocktails are special to your place. You want to create a vibe that says, "You can only get this here."



TIP

Martinis are easy to use as a signature cocktail because you can simply change the garnish. You can use house-stuffed olives — filled with blue cheese, anchovies, hot peppers, and other stuffings with a strong flavor — to make a signature impact.



REMEMBER

Let everyone know you have a signature cocktail. Screaming it from the rooftops, placing a sign on the wall, putting its name on the napkins, and so on. Have your bartenders suggest it whenever possible. You'll likely sell many signature drinks, so make sure you choose something that's fairly easy to make. Or you can make them up in batches ahead of time for ease of service.

Infusions are a great way to make something truly special to your bar. An *infusion* is a vodka (or tequila, rum, and so on) that's been infused with fruits, herbs, candies, vegetables, and the like for two or more days, depending on the infusion. By creating your own recipes for infusions, you can create a one-of-a-kind cocktail. You can also adjust these infusions by season to add in an additional signature factor.

Here are a few things to keep in mind when making your own infusions:

- » Choose organic produce. Pesticides and spirits don't mix.
- » Clean all your ingredients before you place them in the spirit. Impurities and dirt can ruin the infusion.
- » Choose glass jars with tight-fitting lids to create your infusions. Talk to your liquor purveyor to potentially get free containers.
- » Create and test the first batch of a new recipe in the back of the house (not behind the bar) to make sure that your ingredients don't turn the liquor an unappetizing color. The last thing you want is an interesting bottle filled with brown liquid in full view of your patrons.
- » Create drinks using your infusions that appeal to your clientele.



TIP

Think about serving your specialty drinks in specialty glassware. Use a local garnish, a special glass, a special size, or something else that distinguishes them as your signature drinks.

Planning your wine list

Depending on your expertise, clientele, and food menu, you may have a fairly small wine list. Most true bars offer two or three reds, two or three whites, two sparkling options, and a blush wine. Consider listing your selections on the menu in flavor categories. For more details on how wines differ, take a look at Chapter 8.

And take a gander at *Wine For Dummies* by Ed McCarthy and Mary Ewing-Mulligan (Wiley).



REMEMBER

If you choose to run a wine bar, you'll need many more wines than we've recommended here, with extensive menu descriptions and a knowledgeable staff.

Including nonalcoholic drinks

Don't forget to include signature nonalcoholic drinks on your menu. These menu offerings appeal to a significant slice of the population. No longer just for designated drivers and expectant and nursing mothers, many people focused on health, wellness, and sobriety enjoy bars without consuming alcohol. Don't miss the chance to dazzle them with something beyond a nonalcoholic Strawberry Daiquiri.

Consider developing your own riff on these delicious zero alcohol drinks:

- » **Hibiscus Margarita.** Start with fresh limeade, hibiscus tea concentrate, and a splash of orange juice. Add an alcohol-free agave spirit to give it a tequila bite. Leave out the hibiscus if you'd like to go with the traditional lime version.
- » **Mojito.** Fresh mint is the star here. Muddle it with simple syrup and lime, just like a traditional Mojito and top with club soda.
- » **Paloma.** Grapefruit juice meets limeade with as much club soda as feels right for your taste.
- » **Mixed drinks.** Mix any nonalcoholic spirit with a mixer for a basic but tasty cocktail. Whiskey and cola, gin and tonic, rum and diet cola can all be made like an alcoholic one.



TIP

If you're not feeling too creative in the nonalcoholic department, consider stocking ready-to-serve beverages made by companies such as deSoi, Athletic Brewing, Proxies, Phony Negroni, Casamara Club, and Sans to help you fill this niche.

Pricing Your Menus Right

The only way money comes into your bar is when patrons purchase your menu items at the price you choose. (Money goes out of your bar in so, so many ways, but that's covered in Chapters 14 and 15.) So you must price your menus correctly to cover your overhead expenses (including things like rent, insurance, and salaries), your costs (like the ice, liquor, and garnish) and incidentals like napkins, stir sticks, and tiny plastic garnish swords.



REMEMBER

You can price your menu several different ways. But if you charge more than people are willing to pay, you have a problem. And if your patrons will pay more than you're charging, you're leaving money on the table, so to speak.

Using food cost to price your menu

Your *food cost percentage* (often shortened to simply *food cost*) is the cost of all the ingredients used to make the dish divided by the menu price. This percentage is a guide to help you control your costs and assess your profitability.

Figuring out the cost of a dish

Here's how you figure out how much a dish costs to make. We use cheese fries as an example.

1. Figure the cost of the fries you use.

An 8-ounce portion of French fries costs about 45 cents.

2. Add the cost of the cheddar cheese you melt on top.

The cost of 3 ounces of cheddar cheese sauce is about 25 cents. So now you're up to 70 cents.

3. Add the cost of the side of ranch and the side of ketchup you serve with the dish.

Assume you're giving your patron 2 ounces of each, at around 10 cents for ranch dressing and 5 cents for ketchup. You're looking at about 85 cents in food cost so far.

4. Add 5 to 10 percent for napkins, foil, plastic wrap, and any paper goods associated with the item.

To simplify the math, we add 10 cents here, a bit more than 10 percent of our subtotal, to bring the total food cost for this item to 95 cents.

You also need to figure out the cost of your shortening (or oil), seasonings, and other service items associated with the dish to get the most accurate food costing.



REMEMBER

If you serve any complimentary items, such as nuts or popcorn, to guests, make sure you figure in a cost for those items when you're pricing your menu items.

Pricing items based on food cost

Most bars run an overall food cost percentage in the mid-30s. So you should price your food no less than three times as much as it costs you to make.

Here's how you use food cost to set your menu prices:

1. Find the food cost of the item.

See the cheese fries example in the preceding section to figure this out. Our portion costs us 95 cents.

2. Divide the cost by your food cost percentage goal.

If you want to run a 35 percent food cost, take the 95 cents the fries cost you and divide it by 35 percent ($.95 \div .35 = \$2.71$).

3. Adjust the price to make sense when patrons read it on the menu.

Basically, \$2.71 would be a strange price to see on a menu. Round it up to the next dollar amount (\$3.00) or near-dollar amount (\$2.99). Your goal is to help patrons be able to add the prices in their heads. Also, for some reason pricing at the near-dollar amount subconsciously feels like a better value to patrons. Most would rather pay \$2.99 than \$3.00. We recommend hitting ending prices with a 9 rather than a 5. If patrons are willing to pay \$2.95, they'll pay \$2.99. If you charge them \$2.95, you're leaving \$.04 on the table.

Table 9-2 shows you how you could price cheese fries at different food cost percentages.

TABLE 9-2 Menu Cost for Cheese Fries Based on Food Cost Percentage

Cost of Cheese Fries	Food Cost Percentage	Price at Exact Food Cost	Menu Price
\$.95	20	\$4.75	\$4.99
\$.95	25	\$3.80	\$3.99
\$.95	30	\$3.17	\$3.49
\$.95	35	\$2.71	\$2.99
\$.95	40	\$2.38	\$2.49



REMEMBER

This formula is a guideline, not an absolute rule. If your market will bear cheese fries priced at \$5.99 or \$6.99, charge it. Your food cost on these items will be lower (meaning they'll be highly profitable), which could allow you to charge a lower percentage for more expensive products and still hit your numbers. Take a look at Chapter 15 for more details on running your bar by the numbers.

Pricing your drinks

Pricing is a nuance that comes with experience, which is very tough to explain in a book. Pricing is determined by what you can get, reasonably, from the customer, and by the area and the kind of bar you have. Of course, you'd like to deposit more money in the bank, but will Joe Customer pay you for it? Difficult question. From the beginning, you have to do comparison shopping in your area and get your bar prices in the right groove, not too high and not too low.



WARNING

Raising prices is very difficult in bars. Raise the price 5 cents on a drink, and you could have a customer mutiny on your hands.

The majority of your revenue (generally around 80 percent) in the bar business comes from drink sales. Consequently, pricing them competitively *and* profitably is necessary. You have to do some math, but don't be scared; we help you through it.



REMEMBER

We can give you formulas and strategies for pricing your drinks, but ultimately your customers have the final say in what you can charge, simply by their buying decisions.

Your *pour size*, or how much liquor you include in each drink, is critical to figuring out how much a drink costs you and, consequently, how much you can charge.

Most bars pour either 1 ounce or 1½ ounces of alcohol in each drink. (If the customer orders a double, you, um, double that amount of liquor in each drink.) So from a liter bottle you get about 30 or 20 drinks, respectively. Take a look at Table 9-3 for details on how much different pour sizes of differently priced liquors cost you.

TABLE 9-3

Pour-Size Costs from a 1-Liter Bottle

Bottle Cost	1-oz. Pour Cost (30 Drinks per Bottle)	1.5-oz. Pour Cost (20 Drinks per Bottle)
\$18	\$0.60	\$0.90
\$20	\$0.67	\$1.00
\$25	\$0.83	\$1.25
\$28	\$0.93	\$1.40
\$30	\$1.00	\$1.50
\$32	\$1.07	\$1.60
\$35	\$1.17	\$1.75
\$40	\$1.33	\$2.00

To complicate matters further (but actually make your life easier, trust us), most bar owners create a tiered pricing structure for cocktails. They categorize their liquors by price (and presumably by quality): well, call, premium, and super-premium. Then they set their prices for each category (even if the cost per bottle within the category varies a bit).

Table 9-4 describes the categories and gives you some examples of brands that fall within each category.

TABLE 9-4 **Liquor Categories**

Category	Description	Brand Examples
Well	The most basic liquors; least expensive; usually consumed in mixed drinks rather than by themselves; liquors in this category are stored in the <i>well</i> (the area where the bartender makes the drinks) for easy access, hence the name	Local or supplier brands
Call	The most familiar brands of liquor; not too expensive; patrons call the brand when they order a drink (“I’ll have a Bacardi and Coke”), hence the name	Smirnoff Vodka, Beefeater Gin, Bacardi Light Rum, Captain Morgan Spiced Rum, Dewar’s White Label Scotch, Jim Beam Bourbon, Canadian Club Whiskey, Jose Cuervo Gold Tequila, Korbel Brandy
Premium	Better-quality brands; higher price reflects higher quality	Absolut Vodka, Bombay Sapphire Gin, Johnnie Walker Black Label Scotch, Jack Daniel’s Tennessee Whiskey, Crown Royal Whiskey, Don Julio Tequila, Courvoisier VS Brandy
Super-premium	Highest quality of spirits; most expensive liquors; liquors are aged longer, distilled in an incredibly pure way, or have elaborate marketing campaigns	Johnny Walker Blue Label Scotch, Belvedere Vodka, Grey Goose Vodka, single malt scotches, Patrón Tequila, Zacapa no. 23 Rum

We’d love to tell you exactly how to price each category of drinks. But given that we have no idea about the prices in your neighborhood, not to mention the logistical problems involved in printing them all in this less-than-400-page book, we can only tell you to do your research. Don’t feel like you’re being greedy if you charge patrons four to five times what the liquor costs; remember, you have to cover way more than just the cost of your liquor with your drink prices. You have to cover ice, garnishes, glassware, rent, salaries — the list goes on and on.

Use the same costing process for drinks that we described earlier this chapter for costing cheese fries. Add up the cost of your liquors, mixers, juices, and garnishes to determine the cost of the drink, then divide it by your target percentage. For a detailed costing example for beverages, check out the “Running a Bar For Dummies Cheat Sheet” at www.dummies.com.



REMEMBER

If you stock high-end tequilas, cognacs, and scotch, you can pay hundreds of dollars for a single bottle. Set special prices for these special items.



WARNING

Don't overprice your drinks, or you'll have no business. Don't underprice your drinks, or you'll go out of business! Balance is the key here. Check out your area for prices because in order to succeed, you must be within the price range of your competitors. So do your homework.

Designing and Printing Your Menus

After you've decided what you actually want to sell to your patrons, you have to decide how you want to let them know what you have to offer. Most bar owners have a few different menu formats, so this section helps you figure out what you want yours to look like.

For help in laying out your menu, take a look at *Advertising For Dummies* by Gary Dahl (Wiley). Many of the techniques used to design ads are also used to create menus. Plus, you can get some good ideas on how to advertise your business.



TIP

Take a look at the appendix to find graphic designers experienced with menu design and layout. Prices start around \$150/hour and will likely cost at least \$2,000 to \$3,000 when all is said and done. But if you don't feel like you have the skills and tools necessary to create a professional-looking menu, it may be the best money you spend.

Experimenting with layout

As with choosing your menu items, simple is best when it comes to *laying out* (designing what the physical menu is going to look like) the menu. Make it easy for your customers to decide what they want to order by following these basic guidelines:

» **Choose formatting carefully.** Use options like *italics*, **bold**, CAPITALIZATION, and underlining sparingly and only for emphasis. Remember: You're creating a menu, not a ransom note.

- » **Separate your food menu from your drink menu.** You can choose to place one menu on each side of the same piece of paper so patrons can just flip the sheet over. Or you can have a separate sheet for each menu.
- » **Group like items together.** Place beers together, cordials together, martinis together, shooters together, and so on. This format makes it easy for patrons to find what they're thirsty for.
- » **Create clear headings that tell patrons what they can find in each section.** This also helps people find what they want. You can even use descriptors as headings, rather than traditional beverage categories. For example, instead of just "Draft Beer," you can have subcategories that describe the different styles of beer and their tastes. So if a patron's in the mood for something "crisp and light," they can look for that description and select a beer to match.

Menu engineering basics

Menu engineering is the strategy of laying out your menu to encourage your patrons to order the items you want them to buy, often the items with the highest profit margins. Choose where you want to place the items on the menu and what fonts, graphics, and formatting you want to use to highlight various items.



REMEMBER

The first place patrons look is the middle of the upper half of your menu. Place your high-profit items here to increase your sales. Take a look at Figure 9-1 to see this spot. You can also use graphic icons to highlight signature dishes or other specialty items on your menu. And research shows that in a long list of menu items, the first, second, and last items are typically the most often chosen.

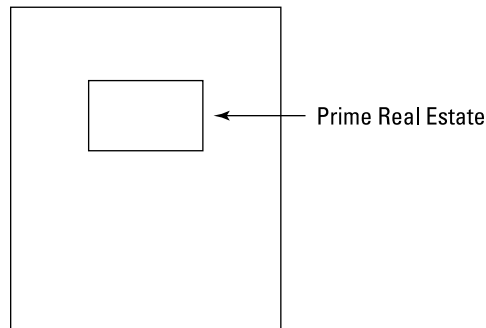


FIGURE 9-1:
Place descriptions
of items you
want to sell a
lot of here.

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Writing the menu text

Writing menu text is similar to writing a commercial for your menu items. Think about selling the cocktail to your patrons. Tell them what's in it (our house-infused, lime-coconut vodka), how it's prepared (shaken with crushed ice and cream of coconut), what it tastes like (crisp and refreshing), and so on. Consider telling them how they'll feel when they're drinking it (refreshed after a hot day).



REMEMBER

Descriptive text is always better than a boring listing of drinks. The menu description is your chance to show patrons why your cocktails (and other menu items) are special and something they can't get just anywhere.

Creating a contactless menu

Most bars now offer contactless menus. Patrons use their smartphones to scan a QR code (quick-response code) that links to a copy of the menu on your website. (For an example of what a QR code looks like, turn to Chapter 16.)

You can make your own QR code for free with any of these services:

Bitly: <https://bitly.com>

Canva: www.canva.com/qr-code-generator

The QR Code Generator: www.the-qr-code-generator.com

Passing along the costs to your vendors



TIP

Some liquor vendors may be willing to print your menus for you. In return, they will, of course, want their products featured prominently. They may also place their logo or spirit brand's logo on the menu prominently. If you're looking to save some money and don't mind this product placement, it can be a win-win for you.

Placing your menus in the bar

If you want patrons to use your menu, you have to make it visible. Many times patrons will order something they're familiar with, without ever looking at your drink menu. Make menus easy to access for all your patrons.

Specials boards

A *specials board* is a chalkboard, dry-erase board, or other placard that allows you to quickly write down the, um, specials each day and display them prominently for guests and staff members alike to view. You can post them by the front door, over the bar, or on an easy-to-see wall.

Table tents

A *table tent* is a small menu that stands alone on a table or at various points along the bar, with a listing of menu items. Often, table tents promote specials or list your signature drinks. Unless you have a small menu (like just a few appetizers), table tents are typically too small to list all your menu items.

You can choose table tents made out of card stock that lasts for a while, and then toss them when they get soiled. Or you can buy table tent card holders made of clear plastic. You can easily swap out the cards as you change specials or decide to promote something else. Take a look at Figure 9-2 for an example of a table tent.

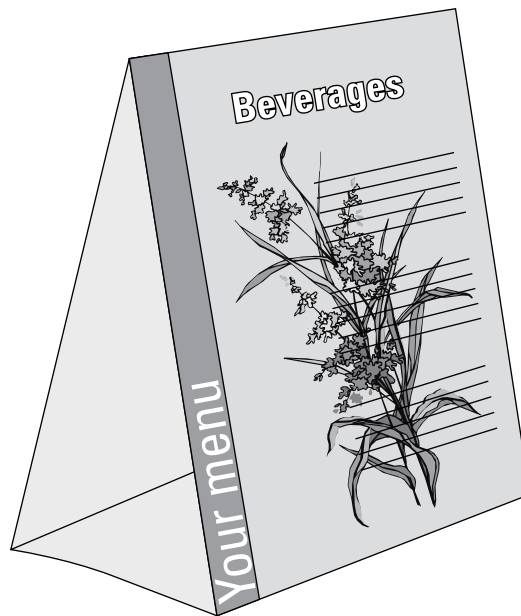


FIGURE 9-2:
A typical
table tent.

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REMEMBER

Don't forget that your liquor distributors may be willing to give you table tent holders adorned with their logos for free.



TIP

Make sure staff members wipe down table tent covers regularly (at least once per day, but preferably each time they bus the table). These things can get grimy, and nothing is less appetizing than thinking about ordering food only to pick up a filthy menu.

Drink menus

Many bars have menus that include all their spirits, wine, and beer offerings. Make them available and accessible to all your patrons.

Food menus

Decide how visible you want your food menus. If you want to sell lots of food, make sure you have the menus out where patrons can use them. Consider including a food menu as one side of a table tent.

Making Changes to Your Menu

Every bar changes its menu at some point. So it's not a question of *if* you'll change your menu, but *when* you'll change your menu. Here are a few things to consider as you decide to change your menu:

- » **Give your opening menu a chance to work.** Allow at least a month or so to let your patrons try several things and find their favorites.
- » **Avoid a tiered menu pricing system** (meaning all menu items in a category, such as appetizers, are priced the same) for food items. If you vary your prices, you can offer a wider range of items to satisfy a more-diverse clientele.
- » **Consider seasonal specialties.** You may include chili on your fall and winter menus but remove it during the spring and summer, for example. Maybe a variety of Mojitos dominate your menu in the summer, but coffee drinks come into play in cold-weather months.
- » **Commemorate holidays.** You can create a special Margarita menu to coincide with Cinco de Mayo. Or develop an all-Irish food menu to commemorate St. Patrick's Day.
- » **Consider what other bars in your area are serving.** Keep a constant eye on your competition. You should know about their happy hours, promotions, food menus, and anything else they are offering their (and your!) patrons.

- » **Stay true to your goals and mission.** Don't veer from your vision of your bar to simply follow the crowd, making your bar like every other bar in town. If you believe in your concept and are running your business well, you will be successful.
- » **Make changes sparingly.** We recommend that you change your menu no more than four times a year. That's really the maximum. Most bars change their menus twice a year at most. If you really feel the need to freshen things up, consider *limited-time offers* (or LTOs) instead. Maybe you feature a "drink of the month," for example.
- » **Run specials to try out potential new menu items.** Talk to patrons who order the specials to get their feedback. Consider sending out samples to your regulars free of charge to let them try new drinks or dishes so you can get their opinions.



WARNING

Never change your entire menu all at once. Change can be very unsettling to your patrons. They come to your place for a reason. They may not come back if they can't get their favorites.

Don't forget that when you change your menu, you have to reprint the darn thing. Save yourself some time and trouble by opting for plastic, leather, or vinyl menu sleeves or holders. Then you can just swap out pages as you need to, instead of reprinting the entire thing. Plus, menus in holders are much easier to keep clean and reuse than the plain paper variety when the beer foam flows!



REMEMBER

When you do make changes to the menu, don't forget to update the menu on the website. You have a website, right? If not, turn to Chapter 16 immediately.



**Employees,
Customers,
and Products:
Managing the
“Right Stuff”**

IN THIS PART . . .

Hire and train the best people. Develop a plan to make training comprehensive and consistent.

Create a culture of detailed product knowledge. You can sell only what you know, so ongoing training is essential.

Put together service standards so your employees know how to win over the guest every step of the way.

Figure out why customer service is the path to make *the* biggest difference in your business today.

Get a head start on creating your own bar opening timeline from fun idea to full bar stools.

- » Deciding which employees you need
- » Hiring the right people for the job
- » Training your new staff
- » Terminating employees

Chapter **10**

Hiring, Training, and Keeping Your Employees

Bars tend to take on the personality of the people who work there. So you should make sure that the people you hire match the feel of your bar. If you're creating a fun, high-energy place to hang out, you have to have fun, high-energy people working in it.

In this chapter, we cover different staff positions in the bar and give you tips on how to choose the best candidates to fill them. We explain how to train your new staff members and keep them on your payroll for the long term. And finally, we give you advice on how to end your relationship with employees who aren't working out.

Identifying the Players on Your Team

Most bar owners need several kinds of employees to staff their bars: bartenders, servers, and cooks. Bartenders make and serve drinks. Servers serve drinks. Cooks make the occasional pub grub order. We've expanded this team roster a bit in this section to include a few extra players, just in case you need some additional help. Feel free to read the parts that apply to your bar and skip the rest.



Generally speaking you need one server for every four to five tables in your bar. And you need two bartenders for every 15 stools. That way you have plenty (but not too much) help to make drinks for servers and for patrons sitting at the bar. If you *overstaff* (or have too many staff members on duty), no one makes money and good staff members will leave.

Front of the house: Bartenders, servers, greeters, and security staff

The *front of the house* in bar-speak is anywhere in your bar that a customer may venture. It includes the bar, any dining areas, the stage, the restrooms, and so on. Employees who work in the front of the house (often abbreviated FOH in written form) represent you and your bar at all times, so they need a few common characteristics.

FOH employees must be

- » **Polite:** FOH employees should generally be “nice.” It seems like a no-brainer, but it’s important.
- » **Friendly:** They should have a warm smile and be welcoming. They should make people feel comfortable the minute they walk in the door.
- » **Well groomed:** In general, employees should be clean, odor-free, and not scraggly. Set your grooming standards and make sure everyone adheres to them. For more help, see the section “Creating standards and keeping them up,” later in this chapter.
- » **Able to evoke the feeling of your bar:** This characteristic is probably the most subjective one. Consider this, though: Would you expect a bartender in a three-piece suit at a biker bar, or vice versa? Would you expect an elegant server at a poolside bar? Consider the feel of your bar as you’re hiring your staff.

In the next sections, we give you details on what to look for specifically when hiring for certain positions in the FOH.

Bartenders

What would a bar be without someone to lovingly tend it? Bartenders make or break bars, without question. Your bartenders are key employees. They must be good with customers. They must project the right image for your bar. And of course, they must be able to mix a good drink.

Bartenders become friends, counselors, and godparents to their patrons. They are the heart and soul of every bar. They can be gorgeous (as in the movie *Coyote Ugly*), they can be entertaining (like in *Cocktail*), and they can become like family (think *Cheers*). All the bartenders in these examples have charisma and charm. They draw people to them, keep them at the bar, and, more importantly, keep them coming back.

Here are a few things to look for when hiring your next bartender. A good bartender should be able to



WARNING

» **Socialize while working.** The best bartenders are those who make it look effortless. If an applicant can keep up a conversation with a customer at the bar and make cocktails for the party of ten that just walked in, hire him.

You don't want bartenders socializing at the *expense* of working. Drinks that are waiting to be made are drinks that are waiting to be drunk. Customers can't order another until they're finished with the first (and that's the whole point, right?). So making drinks has to be the number-one priority.

» **Develop regular customers.** Regular customers mean repeat business. ("Norm!") Repeat business means more money for you (unless, of course, you let them run a tab that they don't pay). Look for a bartender who connects with people. They should be able to read people and hold a conversation with anyone who may come into your place.

» **Handle difficult situations.** Unfortunately, when alcohol is involved, life can get even more complicated than normal. Your bartender should know when to refuse service to an intoxicated patron, anticipate service problems, and be willing to get help from other staff members appropriately.

» **Make a good drink.** Last but not least, your bartender should be schooled in the art of mixology. They may not know every cocktail ever mixed, but they should be able to make your signature drinks (or have a quick aptitude for learning). Consider whether you want or need creativity in the drink-making department. Some bars benefit from having a creative bartender who whips up nightly specials, while others do better with sticking to the basics.



REMEMBER

If you run across a candidate who you think has the potential but not the experience to run your bar, consider the person for a *barback* position. A *barback* helps a bartender stock and restock the bar, empty the trash, and wash glasses. They typically help out with everything except making drinks during a shift. This experience can help a new bartender get familiar with the pace of your place before being thrown into the fire of running their own shift.

Servers

Sometimes called waiters and waitresses, servers take orders and serve drinks and food to patrons. Servers need to have all the FOH characteristics listed earlier, and then some. They are responsible for selling your products to your patrons. The revenue you bring in is a direct reflection of how good they are at their job.

Check out this list of server-specific qualifications to look for when hiring:

» **Aptitude for learning your products:** A good server knows your liquors, wines, and beers inside and out. If patrons ask them what's on tap, they should be able to tell them, instead of simply handing them a beer menu. (Of course, if you have 50-plus beers on tap, a menu is quite helpful to your patrons, but your servers should still be familiar with all of them.)

Knowing the products is the first step; recommending them appropriately is something else. Quality recommendations come with experience and education. Assume your patron is looking for a crisp, hoppy beer. If the server recommends a stout, your patron probably isn't going to enjoy it and may not give you another chance to make them happy.

» **Ability to develop regular customers:** Many servers, like bartenders, develop customers who come back to see them again and again (whether they like it or not). Customers are drawn toward happy, positive people. Look for upbeat, friendly people to fill these positions.

» **Organized and efficient:** In a bar atmosphere, servers experience different demands than they do in a restaurant. In a bar, a server may have drinks for six separate tables on a single tray. In a bar, patrons move around more than in a restaurant, so being able to keep track of who ordered what and where they've moved to is a requirement. A good bar server remembers faces, orders, and who has paid for what.

Greeters

These employees greet your customers as they come in the door and show them to their seats. You're more likely to employ these particular people if you run a tavern or bar and grill.

Helpful qualities in a greeter include:

» **Friendly and approachable:** If a person doesn't smile easily and genuinely, you probably don't want them in this role. A greeter may be the first and last person your customers see in your establishment, so you want a greeter who will give them a warm welcome and heartfelt so long.

- » **Effective at communicating:** To keep a busy bar running smoothly, all employees need to be able to work together to handle their areas. As the first link in the chain, a greeter should communicate well with customers and other employees. Greeters can inform guests about drink specials, upcoming promotions (like a special live band), or discuss seating options (such as outdoors, at the bar, or at a pub table). They can also help servers by giving them seating updates on new guests in their sections.
- » **Excellent organization skills:** Greeters often answer phones, take to-go orders, coordinate seating with managers, and handle minor customer concerns simultaneously. They must stay organized and composed during the organized chaos.

Security staff

Club security or bouncers have long been hired for their larger-than-life size and their physical intimidation factor. Owners hoped that by hiring huge body builders, they would reduce the number of incidents because people would be afraid to mess with them. That theory is changing somewhat as more bars and clubs look for improved communication and problem-solving skills in security personnel.



REMEMBER

Security guards, first and foremost, control who gets into your bar. They must be able to recognize and identify fake identification, keep underage people from getting in, and screen incoming patrons for potential problems. In a worst-case scenario, they help you handle any problems.

An effective bouncer can help you head off incidents before they become big problems. A good security person has



REMEMBER

- » **Effective communication skills:** This idea may be new to some people who have been in the bar business for a while, but the ability to talk to customers, including those who are intoxicated or potentially violent, is the best first step in avoiding a fight or other incident.

In a worst-case scenario, a guard who has effective communication skills can help discuss the details of a bad situation with the authorities, should the need arise. You need complete documentation of any incidents, from calling a cab for a patron to breaking up a fight, so make sure your guards can recall and accurately record the details. Take a look at Chapter 3 for details on what your documentation should look like to protect yourself.

- » **A quick wit:** It may seem strange, but having a sense of humor can help diffuse tense situations. Although you don't want someone who is extremely sarcastic and will alienate patrons or cause a situation to escalate, someone with quick one-liners can often keep things on an even keel. ("Yes, I know the owner too. In fact, they pay me to keep relatives and friends out!")

» **The ability to make appropriate decisions:** Throwing someone out of the bar is not always the answer. A good security guard needs to have other tools in their repertoire. Ask the potential guard about how they handled difficult situations in the past. How did they resolve them? Does their solution match your philosophy? Also, ask them about a few scenarios to see how they would react.

Here are a few scenarios you can use as examples to get started:

- A patron hands you a fake ID. What do you do?
- A couple is engaged in a heated argument in the bar. What do you do?
- A potential patron offers you money to get into the bar without waiting in the long line. What's your reaction?
- A patron may be using illegal drugs in your establishment. What do you do?

» **Physical presence:** Presence doesn't mean the guard has to look like they spend 15 hours a day lifting weights and taking steroids. But the guard should have a cool confidence that tells people, "I am in charge. Don't mess with me because you won't win."

Don't hire bullies or showoffs. Watch all new security staff members closely for a week. Check them all out with the local and state police. If you have complaints about them from customers, investigate the complaints immediately. If you have to replace them, replace them.

» **A neat, clean appearance:** A great security person doesn't have long hair or lots of *bling* (flashy necklaces or jewelry). These items can be used against a security person in the event of a physical altercation, and a good one knows it.



REMEMBER

Unless you have a security background, it's very hard to train a security person yourself. Retired police, fire, and security people are the best choice to train others and keep on your payroll.



REMEMBER

Your name, reputation, money, and liquor license are on the line, so make sure any guards or bouncers you hire properly represent you and consistently act in your best interest.

Back of the house: Cooks and dishwashers

The *back of the house* (or BOH) describes any part of your bar where guests can't go. Typically, it refers to the kitchen and the office. Employees who work in the BOH can be less friendly than your FOH (front of the house) staff, but they should still be focused on customer satisfaction.



TIP

Most bars can do without a chef. If you feel like you need one, take a look at *Running a Restaurant For Dummies* by Michael Garvey, Heather Dismore, and Andrew G. Dismore (Wiley) for details on hiring the right chef for your business.

Cooks

In bars, the kind (and number) of cooks you need greatly depends on your type of bar. (Take a look at Chapter 4 for help deciding what kind of bar you want to run.) Assuming you have a standard pub grub menu, you'll likely need a couple of line cooks. *Line cooks* prepare food as guests order it. You may also need a *prep cook* (a cook who comes in before busy shifts to chop vegetables or make soups, for example). Your menu (see Chapter 9 for help with this) and your type of bar dictate how many cooks and which types you need, but the requirements for hiring them are similar.

Here's what to look for in a good bar cook:

- » **Punctuality:** You need someone who will be there on time, every time.
- » **Willingness to learn:** You need someone who is open to doing things the way you want them done. Ideally, look for someone who eventually wants to take on some responsibility for what goes on in the kitchen. Ultimately, they may be able to order food supplies and write new menus.
- » **Previous experience:** If you have a small kitchen, you have to have qualified employees. You should hire cooks with experience, unless you're willing to spend a lot of time training them.
- » **A positive attitude:** Cooks don't have to be "people people," but they have to be able to deal with the stress and chaos that goes with working in a bar kitchen. They need to be able to deal with misordered food, quickly replace dropped and spilled items, and respond to a whole host of other problems. Having a naturally positive attitude goes a long way in this business.

Dishwashers

Despite the lack of glamour, dishwashers are essential if you serve any food whatsoever. You need someone who can keep the dirty plates from stacking up, the trash cans from overflowing, and the floors from becoming slippery.

When you're looking for a dishwasher, pay attention to these characteristics:

- » **Good work history (if they have a work history):** This position can be a great starting place for someone who wants to get into the bar or restaurant business, so don't discount someone because they don't have a lot of experience. But if they do have a work history, make sure it's a positive one.

- » **Punctuality:** Your dishwasher needs to be on time, every time.
- » **Necessary physical attributes:** Dishwashing is a physically demanding job. A person must be able to stand for long periods of time, lift heavy loads, and carry stacks of dishes without dropping them.

Managers

Depending on the size of your restaurant, you may be the only manager, at least for a while. But we recommend that you get at least one other person to help with these duties as soon as you possibly can, just so you can have some semblance of a life. Managers supervise employees, ensure the bar is running smoothly, and communicate with customers. They manage schedules, inventory levels, purchasing practices, and sanitation policies. They're essential to keep your business running well. If things are going right, the owner's doing their job; if things are going wrong, *the manager* is to blame.

When you're ready to take the plunge and hand over some of the control to another manager, here's what you should look for:

- » **Punctuality:** Okay, this may seem totally obvious, but sometimes the bar business gets a little lax on this particular point. But remember, a manager sets the expectation, and employees don't deal effectively with the "do as I say, not as I do" mentality.
- » **Integrity:** You need someone you can trust to take care of your bar the way you want it taken care of. You should be able to trust the person with your money and your business while you're away.
- » **Positive work history:** Definitely check references and make sure anyone on your management team has glowing reviews.
- » **Previous experience:** Anyone in management should have extensive experience in a bar, restaurant, or hotel. Now, having said that, some hospitality schools are cranking out qualified candidates who may not have management experience but may be considered for management-trainee positions. Just know that if you hire an inexperienced manager, you'll need to spend some time getting them up to speed.

Finding the Right Employees

Staffing your bar with quality people isn't easy. In this business, you're not just competing for the public's drinking dollar; you're also competing for the best staff. You have to sort through lots of candidates to find the ones who best suit your business. In this section, we show you how to find, interview, and choose the right employees for you.

Sourcing potential employees

Never has the hospitality industry had so many ways to find employees at all different levels than it does now. Gone are the days of hanging a "Help Wanted" sign in your window and waiting. You have websites, recruiters, and organizations all dedicated to hiring and training hospitality workers. In this section, we give you the inside scoop on finding the right candidates for your bar today.

The Internet

Consider placing an ad or searching for applicants through job placement websites. Although these services are usually free to applicants, they're not free to employers. Don't let that discourage you though. Good help is hard to find, and you just may need to pay a little for it.

Here are a few of our favorite websites for finding qualified candidates:

- » **CareerBuilder (www.careerbuilder.com):** With 91 million job seekers in this database, why not post a job for free? If you want to interact with candidates at the site, you'll need a paid subscription. The price for a subscription varies based on the features you want to use.
- » **Hcareers (www.hcareers.com):** This site posts jobs for management positions. Rates are discounted for multiple postings, nonmanagement positions, and résumé searching.
- » **Indeed (www.indeed.com):** A job aggregator site, Indeed pulls postings for other sites and collects them for candidates to have a one-stop shop. You can post jobs here for free, but you may need to pay to sponsor your ad and to cut through the noise and get it seen by candidates.
- » **Monster (www.monster.com):** One of the best-known job-hunting websites, Monster is a good choice for the hospitality industry, too. Many job seekers are looking for a career and start in bars and restaurants until they can find a "real job." They end up bringing career drive to their part-time job and staying because they truly love it. Monster is a good way to reach people who may not realize the bar business may be just what they're looking for.

» **ZipRecruiter (www.ziprecruiter.com):** ZipRecruiter is a service that cross-posts your job listing to other job boards for maximum visibility. You can enjoy a short free trial of this service before you commit to a monthly plan.



REMEMBER

You can place ads and search for applicants through these websites. Separate fees apply, of course, but it may be a good idea to actively search for candidates who meet your requirements rather than wait for them to find you.



TIP

If you live in a larger metro area, take a look at the websites for your local TV stations. Some allow you to place free job postings online.

Recruiters

Recruiters are a great way to find high-end hospitality talent. Recruiters, sometimes known as headhunters, scour the country looking for applicants to fill specialized positions. They often charge 10 to 25 percent of the candidate's starting salary in exchange for their services. If you're looking to simply staff standard positions in your bar, skip this method and choose another.

Bartending schools

Many wannabe bartenders attend a school to learn the basics. Most programs consist of about 40 hours of classroom and bar experience. Students are tested on cocktail recipes, opening and closing procedures, and other must-have bar skills, and they usually complete any required alcohol safety certifications during their class time.



TIP

Most bartending schools offer placement services for their students upon graduation. Contact a school near you for details on its programs and fees, if any.

Here's a list of nationwide bartending schools that may offer training to students in your area:

ABC Bartending Schools: www.abcbartending.com

Bartending College: www.bartendingcollege.com

Professional Bartending Schools of America: www.pbsa.com



REMEMBER

Even though these bartenders have been trained, when you hire them make sure you spend a week teaching them *your* way of operating.

Word of mouth

As with many other businesses, in the bar business, people network with each other. Because bar and restaurant people work similar hours, they socialize with each other. Ask other bartenders or waitstaff for their recommendations for new staff members. If one of your best servers recommends someone to you, you can expect that they know the person is qualified.



TIP

Liquor-company representatives are very good sources of potential employees. They are in other bars and taverns all day and are more than willing to help you. They're the best; they know which quality bartenders and experienced servers are leaving or unhappy with their current situation.

Interviewing candidates

After you have a good selection of applicants, decide on your system for interviewing candidates. If you're hiring several staff members at the same time, like when you're first opening a bar, you may conduct a first, brief interview just to screen out who not to hire. Then, use the second round to get down to more details about individual candidates.

The interviewing process generally goes like this:

1. An applicant comes in and fills out an application.
2. Assuming the applicant looks good on paper, you, as the manager, meet with them and screen them, asking general questions about experience, goals, and schedule availability.
3. If you think the person is a good fit for your place, you can ask some more-specific questions during this interview or schedule another. For great second-tier questions, check out "Selecting the best applicants for your bar" later in this chapter.



TIP

If you have the time to spend with each candidate, you can have more-extensive conversations, role-play if necessary, and consolidate Steps 2 and 3 into one interview.

Testing bartenders and servers before hiring them

Assuming you want experienced bartenders and servers, we strongly recommend that you give them a written test during the interview process. Although testing is not a silver bullet to definitively choose the prime candidates, it can weed out

some posers. Take a look at Figures 10-1 and 10-2 for sample screening tests for bartenders and servers, respectively.

1. What kind of liquor is Dewars? _____

2. Name two drinks you'd serve in a rocks glass.

3. What does "añejo" mean? _____

4. What style of beer would you recommend if a patron wants something "rich and creamy"? _____

5. Describe the following drink instructions.
Dirty _____
Tall _____
Double _____
Dry _____
Blended _____
Up _____
6. Name two glasses you could serve a martini in. When would you choose one over the other? _____

7. What's in a Mojito? _____

8. List three liquors (or liqueurs) often paired with coffee.

9. What's the difference between a Martini and a Gibson? _____

10. If you add Grand Marnier to a cocktail, what flavor do you impart to it?

FIGURE 10-1:
Sample bartender
screening test.

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1. Name common garnishes for the following drinks.
 Wheat beer _____
 Mojito _____
 Margarita _____
 Bloody Mary _____
 Gin and Tonic _____

2. A guest orders a burger and asks what drink they should have with it. What would you suggest and why? _____

3. What two drinks combine to make a Boilermaker?

4. Name three styles of wine.

5. Name three premium gins.

6. Name a liquor that goes well with Red Bull. Why would someone drink this?

7. Define these terms:
 Rocks _____
 Float _____
 Virgin _____
 Up _____
 Dirty _____

8. What's the difference between a Bloody Mary and a Bloody Maria?

9. Name three liqueur brands.

10. What's in a Tom Collins? _____

FIGURE 10-2:
 Sample server
 screening test.

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Selecting the best applicants for your bar

If candidates pass the screening interview and the written test, the next interview gets down to the nitty-gritty. During an interview, you obviously ask prospective staff members questions about their experience and availability. But also pay attention to their body language, communication style, and ability to carry on a conversation. You want employees in your bar to be engaging, interesting, and comfortable speaking to people.

Here's a list of detailed questions you can ask potential candidates to get that next level of detail about them and how they might fit with your place:

- » Name a difficult situation you've faced at work. How did you resolve it?
- » How do you handle difficult customers?
- » Why are you the right person for this job?
- » What bars do you like to hang out at? How is this one the same or different?



WARNING

Never, ever ask candidates about their religion, marital status, sexual orientation, age, gender, race, political affiliation, nationality, or whether they have children. To do so invites a lawsuit. You can't ask them about their disabilities, but you can describe the physical requirements of the job and ask if they have any concerns about their responsibilities. Check out the Equal Employment Opportunity Commission's website at www.eeoc.gov for details about what may constitute discrimination. Make sure that everyone who hires in your organization is familiar with the EEOC requirements, too. You're responsible for their actions on your behalf.

Making the job offer

When you think you've found the right employees, extend them an offer. Discuss their pay, regular schedule, a start date, and their training schedule with them. Make sure they know what they need to wear when they come in on their first day.



TIP

Pay is not typically negotiable for FOH staff members and it can vary widely from state to state, and even within a state. In some states, servers make \$2.13 an hour plus tips. Other states require closer to \$9, with some cities such as San Francisco requiring up to \$16.99 for tipped employees. Typically, servers make minimum wage while they're in training and take no tips. It gives them an incentive to get up to speed quickly so they can run their own shifts. Bartenders make minimum wage plus tips. You may negotiate different hourly rates for BOH staff members, based on the experience level and requirements for your kitchen, but a general range is minimum wage for dishwashers and \$9–\$12 per hour for cooks.



TECHNICAL
STUFF

The wide variance in tipped employee minimum wage is due to a law that allows restaurants and bars to take a *tip credit* against wages. Basically, the government allows the employer (the bar) to pay the employee (the server) less than minimum wage, assuming that the difference will be paid by patrons (tips). Federal law sets one standard for tipped employees and then some states require a different one. Some states don't let employers take any tip credit at all, while others allow varying amounts. For a fairly accurate list of current pay rates, take a look at the Department of Labor website (www.dol.gov/agencies/whd/state/minimum-wage/tipped). But definitely check with your local office, too. Within certain city limits, you can find a separate requirement.



REMEMBER

In most cases, restaurant employees start on the first Monday (assuming you're open then) after they're hired. Start them out during your slowest times to give them some time to get used to the pace of your business.

Must-have forms for hiring staff members

As soon as you hire your staff, give them a copy of your employee manual with all of your policies and procedures (see the “Creating standards and keeping them up” section later in this chapter). Have them sign a document confirming that they received a copy and agree to follow the rules of your place. Have them complete any other necessary paperwork before their first shift.

We recommend you keep these forms on hand for new employees:

- » **I-9:** Also known as the Employment Eligibility Form, every employee must complete the I-9 in order to work legally in this country. Employers must keep these documents on file for three years after hiring or one year after the end of employment. We think it's a good idea to keep them on file for every employee at all times, no matter how long they've been employed by you.
- » **W-4:** These forms tell the IRS how much tax to withhold from each paycheck. The fewer dependents that an employee claims, the greater the amount of tax that comes out of their check.
- » **Attendance calendar:** This form isn't a government requirement, but it helps you have a place to quickly jot down sick days, vacation days, days off, late arrivals, and early departures. If your computer system syncs up with your time clock, you may be able to keep track of this more easily on the computer.
- » **Emergency-contact card:** Also not a requirement but very handy in case of, um, an emergency. You also get a backup number to track down an AWOL employee.



TIP

Create a separate file for each employee. Keep copies of all these forms as well as each staff member's employment application, résumé, notes from their mom, and any other documentation that may come up in the course of business.

Training New Employees

In the world of bars and restaurants, there are as many ways to do things as there are owners and managers. Even when you hire experienced employees, you need to train them to do things the way you want them done. Hiring experienced employees generally cuts down on the time it takes them to learn your specific systems though.



TIP

When you start training, assume your employees don't know anything about your business. Tell them exactly how you want them to do things.

We recommend you give new employees

- » Written materials to read and refer back to.
- » Hands-on experience to practice and hone their skills.
- » A mentoring structure to have someone to go to with questions.



REMEMBER

Training is expensive but necessary. Do it right the first time and hopefully you'll keep your people around and not have to train another batch right away.

Creating standards and keeping them up

Written standards are the most foolproof way to maintain consistency. If your employees can look up your vacation policy and see it written in black and white, you're likely to have fewer discussions with them about the rules and exceptions.



TIP

We recommend that your employees remove the phrase "Is everything okay?" from their vocabulary, unless of course, okay is your goal. We're guessing that you want your place to be the best! Instead, train them to ask "Is there anything you need?" or "Can I get you anything?" or even an open-ended question like "How is everything?"

Using an employee manual

An *employee manual* describes your company's rules and procedures for every employee. This documentation is the same for all employees, whether they work in the FOH or BOH (front or back of the house, respectively) and are a supervisor or staff member. An employee manual is the best way to communicate your expectations for behavior, dress, level of service, and more to your newest employees. Make sure each new employee gets a copy of the manual on Day 1. Have them sign a form agreeing that they received a copy of the manual to review.

Standard items that make an appearance in many employee manuals include the following:

- » Welcome letter
- » Mission statement
- » Company history
- » Orientation period
- » Communication policies
- » Performance and job standards
- » Code of ethics
- » Confidentiality policies
- » Emergency procedures
- » Drug and alcohol policies
- » Anti-harassment policies
- » Customer-service program
- » Problem-solving procedures
- » Safety issues
- » Training meetings
- » Performance evaluations
- » Performance rewards
- » Food-safety procedures
- » Other policies



REMEMBER

The employee manual is your best tool to communicate all the rules to every employee in a consistent way.

Training for job-specific functions

In addition to understanding how things work in your bar, your new employees need to know how to do their jobs in your bar. An *operations manual* helps you train employees to perform specific duties for each position. Thoroughly explain each position, including the duties, standards, and objectives. Tell them what they're here to do, how to do it, when to do it, your quality standards, and so on.



REMEMBER

Be as detailed as possible when creating your operations manual. Employees can refer to it during and after training for questions that come up.

Here are some examples of what you should include in your operations manuals for different positions:

- » **Bartenders:** Bartenders need the details on your recipes for cocktails, inventory procedures, opening and closing procedures, standards of service, cash-handling procedures, comp drink policies, responsible alcohol-service guidelines, and anything else you need them to know.
- » **Servers:** Detail for your servers information about the products you sell (including all wine, beer, and spirits). Include copies of all food and drink menus. Give them detailed opening and closing procedures.
- » **Kitchen staff:** Unless you have a very large kitchen with many different positions, you can probably have a single operations manual for your kitchen. Include opening and closing procedures, details on using different pieces of equipment, and food-safety information.

Providing on-the-job training

In the bar business, you can memorize all the drink recipes, practice carrying trays, and pretend to be doing the job all you want. But until you actually do it, you don't really know how to do it. There's just no substitute for doing the job itself. So training staff members while they're actually working is a fact of life in the hospitality business.



TIP

Consider having new recruits shadow experienced employees for several shifts until they get the hang of the inner workings of your place. In most places, a new employee *trails* or shadows an experienced employee for a week. By the last shift in the week, the experienced server is trailing the newbie just to make sure they have the systems down before running their own section.

Developing a mentoring program

Many successful bar owners develop their staff by creating a hierarchy. For example, giving one bartender the title of “Head Bartender” and making them the primary contact for new bar staff members helps you in several significant ways:

- » It develops supervisory skills in your experienced bartender, possibly preparing them to take on more responsibility as your business grows and expands.
- » It gives new staff members an immediate resource to get answers to their questions.
- » It keeps training consistent because all trainees are hearing the same information the same way.
- » It frees you up to handle the millions of other things that are constantly going on in your bar.



TIP

You can develop trainers in every area of your bar as you need them. Choose people who handle the ebb and flow of business well, handle their own responsibilities with ease, and are willing to help other people practice their skills.

Improving Employee Performance

A successful bar is staffed by happy, hardworking people. Keep them in-the-know and constantly challenged to keep them satisfied. You can motivate them by providing opportunities for improving their skills and rewarding their performance.

Growing employee skill sets

Your bar’s success depends on keeping staff members informed about your business, products, changes, specials, and promotions. You can keep employees happy and satisfied with their job through ongoing opportunities to learn more about their jobs, their coworkers’ jobs, and the industry.

Here are some simple ways to help your employees improve their skills and knowledge:

- » **Hold regular staff meetings:** Set aside time to communicate with your staff regularly. Many restaurants use a daily premeal meeting to discuss what’s going on that day. You can implement a similar schedule in your bar. Discuss drink promotions, nightly entertainment, and any special events (such as

conventions, for example) going on in your area that may affect business that day. Have monthly meetings to discuss more global issues that affect your bar's systems and processes, menu changes, or staff changes.

» **Encourage cross-training for other positions:** The most valuable employees are those who can do several different jobs. They can jump in and help out when another employee doesn't show up. They provide scheduling flexibility for vacation time, limited schedules, and *swing shifts* (that is, shifts that stretch beyond a single "normal" meal period like 11 a.m. to 9 p.m., for example).

But more importantly, to the employee anyway, cross-training offers additional opportunities for exposure to different parts of the business. For example, servers often want to learn to be bartenders. It may take them a while to get up to the speed of the most experienced bartender on your staff, but cross-training them can help them understand more about mixing drinks, how spirits differ, and what flavors work together (and what don't), and open up new worlds to them.

One of the greatest benefits of cross-training employees is the empathy that develops. If a server has an idea of what it's like to be behind the bar with servers impatiently demanding drinks, they are less likely to be so demanding when they are on the other side.



TIP

» **Encourage continuing education:** Unless you run some megabar corporation, you probably can't offer full tuition reimbursement for a complete four-year degree in bar management for every staff member. But you may be able to help students and lifelong learners in other ways:

- Post information on your staff bulletin board about relevant seminars and classes. Look to your local community colleges for personal enrichment classes in bar-related topics, such as "Wine Tasting for Beginners."
- Schedule training for staff members with your liquor, wine, and beer salespeople. They usually have a variety of educational offerings related to the hospitality industry that you can offer to your staff.
- Develop a library of professional resources that staff members can check out. Include books on customer service, bar management, and mixology, among others.

» **Offer advancement opportunities:** Give employees a goal to work toward and they often will. You can't promote everyone, but if your employees see that you reward hard work with increased responsibility, it gives them incentive to keep reaching.

Motivating your staff

Motivating your staff is essential to keeping them. And ultimately, giving them respect is the best way to motivate them. People who feel that they are heard and appreciated are much more likely to stay in a position than those who feel insignificant and disrespected.

Here are a few specific ideas for keeping your staff motivated:

- » **Encourage staff communication with you:** Don't just say you have an open-door policy. Actually mean it. Be willing to listen to their concerns and ideas.
- » **Offer constructive criticism in private:** Almost all employees need to work on some aspect of their performance at some time or another. Make sure your criticism is constructive and discreet. So instead of saying, "Your drink service is way too slow," privately give them tips on how to speed it up.
- » **Praise them often in public:** Find something positive to say to every employee publicly every shift. If you're having a hard time finding something positive to say, then you likely need to do more training with that employee.
- » **Know your staff and their strengths and weaknesses:** All staff members are not gifted equally. Set them up to succeed by tailoring their responsibilities to match their talents. Have new staff members fully develop skills before throwing them into the mix on their own.
- » **Be friendly (not friends) with your staff:** Know about their interests and life outside work. If your bartender is a student, ask about their courses. If your cook plays drums in a garage band, ask how rehearsal is going.

Balance your interest with their comfort level. If you're too friendly, they may be uncomfortable. And don't get so involved with the drama that you lose the supervisor-employee balance. Nothing good ever comes from it.

- » **Encourage camaraderie among your staff:** Make sure staff members are respectful to each other. Encourage them to help (rather than alienate) newcomers. If your core staff is a closed clique, you'll have trouble keeping your new hires. Everyone doesn't have to be friends, but everyone must be friendly and respectful during working hours.
- » **Don't lose your cool:** Easier said than done some days in this business. When you see tables full of empty glassware, dirty plates on tables, wrecked restrooms, and empty ice wells, you may want to scream. Stress and tension are incredibly infectious. If you lose it, your staff will, too. Keep your composure when handling the inevitable chaos, and you'll win the battle.



REMEMBER



REMEMBER

» **Develop incentive programs:** Bar and restaurant employees love swag and perks. Coordinate contests with staff training events. Say you've just done a training of top-shelf vodkas. Give a preferred parking space to the employee who sells the most on Friday night. If you roll out a new appetizer menu, give a gift certificate to the employee who sells the most in a weekend. Reward kitchen staff members if they hit certain ticket times. Hold a mixology contest and reward the winning bartender with an extra day off.

Incentives don't have to cost you a lot. They just need to be valuable to the people receiving them.

When It Doesn't Work Out: Dismissing Employees

Unfortunately, rules do get broken and consequences ensue, which may include terminating an employee. For your own protection, include a clearly worded policy in the employee manual on how you handle infractions, and follow it to the letter.

Here's the standard sequence of escalating action to follow when problems arise:

1. Issue a verbal warning.

Make a note in the manager's log and in the employee's file that you discussed the situation.

2. Issue a formal written warning.

This warning typically describes the behavior, includes a plan for resolving the situation, and details the next steps if the behavior doesn't cease (or improve) immediately. You should have a conversation with the employee, and then have them read the warning, agree to the terms, and sign it. Place the warning in their file.

3. Suspend the employee.

A suspension may last from a single shift to a week, typically. If you're considering any additional time, you should likely terminate the employee.

4. Terminate the employee.

If the behavior continues beyond suspension, terminate the employee.



REMEMBER

You have to decide (and write down for everyone to see) what types of infractions warrant these discipline steps. We've worked in places where this type of policy is in effect for punctuality and at other places where it's reserved for only very serious breaks in the behavior code.



WARNING

It may seem obvious, but we're saying it anyway. Do not, we repeat, do not discuss any disciplinary situations with nonmanagement staff ever. If you do, you risk opening yourself up to a whole lotta drama (including potential lawsuits) if the employee catches wind of your indiscretion. What happens in the office stays in the office!

Looking at causes for immediate termination

Some situations, especially those involving illegal activity and violence, are causes for immediate termination. When the safety of your staff, patrons, and property is involved, you can (and should) skip the multitiered discipline policy described in the preceding section and go straight to termination.

Here's a short list of our recommendations for immediate dismissal:

- » Violence toward you, a customer, or another staff member
- » Theft
- » Flagrant rudeness to a customer
- » Drug or alcohol use at work

Considering the legal issues involved

Definitely talk with your attorney before you open your bar to review the basics of employment law in your area. They can help you get the specifics on the regulations related to "termination with cause" and "termination without cause" to make sure you're covering all your bases.



REMEMBER

Your best defense is a good offense. Make sure you have clearly written policies that you (and any managers working for you) follow consistently. Document all infractions, training, and disciplinary situations so you can clearly show patterns and present evidence if the need arises.

Changing staffing levels during a business slowdown

In some areas, particularly seasonal resort areas, *staffing up* (or hiring additional people for your busy season) is a given. If you run a bar at an East Coast beach resort, you may hire extra staff between Memorial Day and Labor Day, for example. If your bar is located at a ski resort, your staffing levels may be higher between Halloween and April 1.



TIP

Communicate your temporary staffing schedules to staff members when you hire them. Explain the nature of your seasonal business and let them know how long they can expect to work for you. You can avoid the uncomfortable conversation of “you’re a great worker, but we don’t need you anymore” by being up front from the beginning.

IN THIS CHAPTER

- » Understanding why service makes a difference
- » Training your staff with an eye toward service
- » Handling situations when things don't go as planned

Chapter **11**

Rule #1: Practicing Good Customer Service

A business adage has been floating around estimating that it costs you five times more to gain a new customer than to keep an existing one. Although it's a tough statistic to calculate in the bar business, it certainly feels true. Ultimately, you want your customers to be regular customers. Not only that, you want them to bring their friends in and have them become regulars, too.

In this chapter, we unlock the secrets of the elusive art of customer service. We show you why it's more important than ever, even though fewer places practice it consistently. We give you help in forming your own customer service plan from Day 1. And we help you resolve customer service problems with style and grace.

Why Customer Service Is So Important

Customer service is the ability to satisfy your customers' needs and wants. It isn't just important, it's everything! Great customer service is more than just handing your patrons the drinks or food they order with a smile and a "thank you." That's the minimum. You have to exceed their expectations on a regular basis to keep them coming back for more. After all, if you are opening a bar or restaurant, you are in the hospitality business!

With a little luck (and a lot of management), your bar will turn into a great meeting place. People will come in to meet other people and share great food, a great beer, outstanding cocktails, and good conversation. That's what it's all about. You and your staff have to make this happen! As the saying goes, "If you aren't taking care of your customers, your competition will."



REMEMBER

A big step toward good customer service is to create an atmosphere of excellence in everything you do. Use the best products. Keep your bar exceedingly clean. Create and maintain standards for food presentation. Require spotless uniforms, clean wait stations, and impeccable service. Don't accept anything less. Check out Chapter 10 for more information on setting standards for your bar.

Making people feel important

Every time customers walk into your bar, they should feel welcomed and wanted. No one should ever feel like you (or any staff members) are doing them a favor by letting them sit at your bar. It should definitely be the other way around.



REMEMBER

"Hello" and a smile are the best business card you have. Greeting people by their first or last name makes them feel like they belong; it gives them a sense of "This is my place."

Here are a few things you can do to help make customers feel important:

- » **Listen to your customers.** They want to tell you something because they want you to succeed. Listen and say thank you.
- » **Do not start rumors or be a part of a rumor.** If you don't have anything nice to say about someone or something, say nothing.
- » **Be prepared to settle arguments.** Use your computer or phone to check facts. Don't take sides. Just fix arguments. If you take sides, you're sure to make two enemies.
- » **Be hospitable.** Work with regular customers to schedule group luncheons at your place. Try to get their softball team or any service group to have their luncheon meetings at your place. It makes the regular feel special to say, "Come to my bar."

Building customer loyalty

Building customer loyalty means creating regular customers, making people feel like your bar is their bar. Feeling welcomed and appreciated is the key to creating this experience. Everyone who works for you can add to this experience by

remembering past orders and experience, calling guests by name, or in a genuine and sincere way, telling them they're glad they stopped in.

One of coauthor Heather's bar-owning friends has a philosophy specifically against using drink specials to build relationships and loyalty with his clientele. He selects people each night to buy drinks for. He walks around talking to people, making sure they're having a great time. Then he offers one table a round of drinks and thanks them for coming in. He says he goes for an intimate experience "that comes from the heart." After he gives them that, he claims, "they're forever a local customer."



REMEMBER

It's more special to a patron to buy them a drink personally than to offer a discount to everyone who walks in the door. Your customer feels like "Wow, they actually care that I'm here, not just that *someone* is sitting in this bar stool." Personal attention builds customer loyalty. Everyone wants to go to a place where they feel welcomed.

Here are a few other ideas for creating customer loyalty:

- » Move beyond patron-owner mode, into friend mode. Get to know your customers' families and what's going on in their lives.
- » Know their business. (Not their personal business, mind you, but their actual profession.) Be ready and able to discuss something you saw on the news that made you think of them.
- » Buy small, but thoughtful, presents for special occasions, like the birth of a baby, wedding, or anniversary.
- » Ask about their vacation or business trip.
- » Know who their significant other is so you can ask about them. Be careful though, as not everyone is in a monogamous relationship. You don't want to be in the middle of relationship discord.
- » Special-order a product for them. Maybe you've had a discussion with two of your regulars about their recent trip to Italy. They absolutely fell in love with limoncello, a thick, lemon liqueur served well chilled. Special-order a bottle for the next time the patrons come in and share a glass with them.
- » During Friday happy hour, tell your regulars that the first cocktail is on the house.
- » Have special glasses or mugs for your most loyal patrons with their names on them.
- » Put your regulars' names on the bar stools or at the bar rail where they normally sit.
- » Name a cocktail after them: Mike's Martini.



TIP

Of course, you can't do all of this for everyone, every day. Start small, and then build into long-lasting relationships. Take a look at Chapter 17 for more information on building a permanent clientele.



REMEMBER

You're only as good as the customers who come to your place. Customers are first and foremost. Do something nice and they will tell 10 people; do something wrong and they'll tell 100. There's no substitute for great service!

EVERYTHING I REALLY NEED TO KNOW, I LEARNED BARTENDING

About 20 years ago, I put that on the cover of BARTENDER Magazine. Now you can use what I wrote as a customer service plan. This is for you: Make a copy and hang it up for your employees to see. Please don't forget to give me credit. Thanks. R. Foley

Everything I really need to know about how to exist in this world, personal or business, I learned bartending. This knowledge was shared with me by owners, managers, salesmen, waiters, bartenders, and customers. Most of these teachers were successful in life's everyday challenges. These tips you cannot spend; they are the tips you keep for life:

- Give everyone a fair shot.
- If you haven't anything nice to say, don't say it.
- Use the *best* premium products and you'll be the *best*.
- Serve.
- Be the solution to the problem, not part of the problem.
- Never drink and drive; don't let others either.
- Respect salesmen; you're one.
- Don't take sides. You'll make two enemies.
- Be neat.
- Wear a clean shirt every day.
- Don't cheat or steal.
- Smile!
- Keep your hands and fingernails clean.
- Don't be a part of a rumor.

- Keep your space clean.
- Don't be wasteful.
- Be on time.
- Give 110% every day.
- Help others when they're busy.
- Don't use the easy way. Use the right way.
- Don't give up. Follow your dream.

Training Your Team in the Art of Customer Service

Customer service must be something you live, not just something you say. It absolutely starts from the top down. Your employees take their cues for how to treat your customers from you. If they see you practicing good customer service, they'll follow suit. And you can help your employees practice good customer service in other ways, which we explore in this section.

Hiring people with a service mindset

Some people enjoy making other people happy and making someone's experience a great one by making their day. Others sincerely care about making sure people enjoy themselves and go out of their way to ensure that every patron they take care of has a wonderful time. They may not be super-bubbly or have the ability to talk to anyone about anything, but their desire to make sure your guests are happy is their number-one priority. These, of course, are the types of people you want working for you, to ensure that your bar is providing the best customer service possible.

Here are a few things to look for to get service-oriented employees:

- » **A smile:** This smile should be what your patrons see the entire time they're in your bar.
- » **Sales experience:** Often people who are in sales in other industries can be fantastic bar employees. They bring their experience helping people buy products in a retail store, for example, and use those skills in your bar. Different product, same basic idea.

- » **A problem solver:** Problems arise because things don't go as planned. (Really, who plans for problems?) Hiring employees who can think on their feet and come up with solutions that work for you and the customer is a terrific bonus to your bar.
- » **Organization:** An employee's ability to stay organized during the chaos that is a day in the life of a bar is essential to heading off problems before they happen.
- » **Empathy:** A service-oriented employee sees the world from the customer's point of view. Taking the time to look at a burger and say, "Would I want to eat this?" can stop a less-than-perfect plate from leaving the kitchen.

Answering the phone

Despite the awesomeness of the Internet, the phone is still an integral part of doing business. Even if people can find out your address, hours of operation, and drink specials from your website, they often still want to speak with a human and double-check the information. This call may be the first time a patron experiences your bar, so make sure it's a positive experience.

Here's a game plan for how to answer the phone:

1. Answer the phone within three rings.

If customers have to wait longer than that, they may feel like their business isn't important to you and go elsewhere.



TIP

For occasions when the bar is closed, make sure you have a pleasant, custom voicemail message with basic information like your address and hours of operation. Make sure to check your voicemail often so you can respond to questions as soon as possible and keep space available for new incoming messages.

2. Greet callers with the name of the bar and your name, so they know who they're talking to.

Give staff members a script, like "Thanks for calling Nora's Bar & Grill. This is Greg. How can I help you today?"

3. If you must put callers on hold, ask them first.

Most people understand a short wait on the phone, but simply ask, "Could I put you on hold for a moment?" It's much more customer-friendly than a brusque "Hold please," followed by the lovely hold music or messaging.

4. Return to the phone call within 45 seconds.

To a bar owner, this response time may seem quick. To customers, it can feel like an eternity. Think of the last time you were on hold, not usually your favorite memory. The callers can see their minutes ticking away.



TIP

Don't leave the phone-answering to the least experienced staff members. Make sure anyone who answers the phone is a customer-service star.

Establishing service standards

The best way to make sure things go right in your bar is to decide what *right* means to you. After you decide, you can write it down, train your employees accordingly, and refer back to the standard when they need a refresher. One of the most hands-on ways to get started is to determine your *steps of service*, which is a step-by-step list of what happens from the moment patrons enter your bar until they finish their last nightcap and pay their bill.

Here's an example of how to write your steps of service:

1. When patrons enter the bar, greet them with a smile within two minutes.

For most bars, a simple greeting of "Welcome, I'm [insert name]. What can I get you?" is perfect. If you have a specific phrase you want your staff to say, insert it here.



TIP

Now's the time to tell your employees exactly how you want them to address your customers. For example, "Hey, how are you?" may be fine for a casual sports bar. Other high-end bars may ask their employees to be a bit more formal and greet patrons with "Good evening." Spell out exactly what your expectation is.

2. Place a beverage napkin (or coaster) in front of each guest as you greet them.

The napkin serves two purposes: It serves as a place to set a beverage when you deliver it, and it notifies other bar staff that the patron has been greeted.

3. Connect with each guest as you take the order.

Smile and make eye contact. Be ready to answer questions about the menu and make suggestions. Also, be ready to *ask* questions. If patrons want a draft beer, ask them what kind they like. Hoppy? Seasonal? Light? Local? Knowing the bar's products and being able to connect them to a patron's preferences is key.



REMEMBER

If you have specific items you want your employees to recommend, make sure they know all about them. You'll likely want them to suggest signature items or any specials you're currently running. You can train employees at this step to also *upsell*, or sell more expensive liquors and mixers in place of well brands.

4. Repeat the order back to the guest to confirm it.

This step is helpful in making sure everyone is on the same page, especially if several different drink options were discussed in Step 3.

5. Enter the drink order into the point-of-sale (POS) system.

Always ring up the drinks *before* making the drinks. Period. It's simply too easy to forget to do it later, get one order mixed up with another, and so on. Insist on this step so that at any given time, you can go into the computer system and see who's drinking what and how much. Plus, this step helps you make sure that all drinks are charged to and paid for by customers, not given away by bartenders.

6. Make the cocktails and drinks.

Always use the standard drink recipe, fresh ice, specified glassware, and specified garnish. This step ensures consistency. You want each Margarita or Moscow Mule to taste and look the same. Nothing is worse from a patron's standpoint than to love your signature cocktail, come back specifically to get it, and then get a mere shadow of the original on the return trip.

7. Deliver the drink order within three minutes.

If three minutes isn't realistic for your concept for whatever reason, substitute your standard time here. We highly recommend setting a specific, short timeline for this standard. No matter how good your drinks are, no one wants to wait long when they're thirsty.

8. Drop the bill with the drinks.

This step may or may not work for your establishment. Some places require every table and every stool to have a bill present. Others are fine with presenting the bill when the patron is ready to leave. Decide on your plan and specify it to your staff.

9. Check back within two minutes to make sure the patrons are pleased with the drinks.

Ask an open-ended question like "How is everything?" or "How does everything taste?" or a specific question like "How's that Margarita?"

Avoid the dreaded "Is everything okay?" or "Is everything all right?" No one sets "okay" as the standard. Everything is supposed to be great! Try something like "Is there anything else we can get you?"



WARNING

10. Repeat Steps 3–9 until the guest is ready to head out.

If you didn't present the final bill in Step 8, do so now. Let the patron know that you're the cashier and will take their payment whenever they are ready.

11. Process the payment and return with change or the credit card slip for a signature within two minutes.

No one likes to pay, so make it as quick and painless as possible. There are many tools these days that enable customers to pay right at the table. Tap the card to the machine and off the guests go! Check out more about contactless payments in Chapter 16.

12. Give the patrons a sincere smile, thank them for coming in (using their names if possible), and invite them to come back.

Personalize the invitation if at all possible. If they enjoyed the appetizers, let them know they'll be half-priced from 9 p.m. to midnight on Thursday. If they like your draft beer selection, let them know Tuesday is \$2 pint night. The more relevant the information is, the more likely your guests are to act on it.

13. Bus, clean, and sanitize the table or bar top within five minutes of the patron's departure.

If you've *prebussed* (removed dirty dishes and glassware as they're emptied) the area, this step should take you about 30 seconds. The sooner the area is set for service, the sooner you can start earning money from it again.



REMEMBER

These steps are simply a starting point for you to draft your own steps. Choose what works for your setup. Set the bar high. The more specific you are with your staff, the more likely they are to meet your expectations.

Empowering your staff to make things right

Your bartenders and servers will be the first people to hear about something that's wrong in your bar, so you need to give them some authority to make things right. Of course, you don't want every complaint to end up in free drinks for a party of four every night. But the easier you make it for servers or bartenders to make sure your patron's experience is terrific, the higher the chances are that their service will pay off for you in the long run.

You have to balance how much authority you want employees to have, of course, but here are a few ideas to help you establish your policy:

- » A server or bartender should be able to *immediately* get a replacement drink or food item if it doesn't meet a patron's standard. The longer a patron waits, the more difficult the situation becomes. You want a patron to have something they enjoy immediately. It erases the memory of the mistake quickly.

- » Consider giving staff members a certain number of drinks they can give away at their discretion each night. These drink giveaways aren't for them to give to their friends. They're for building goodwill with patrons. Make sure that the staff members have a guest check and ring it up. Make that number realistic; you are running a business and want to make money!
- » Service means service. On occasion, employees have to make some decisions on the spot; they can't call the manager immediately every time a problem arises. When employees must replace a cocktail or a meal item, tell them to write down what they replaced and an explanation. Then you can work with the employee and evaluate the situation after the customer leaves.
- » Never argue with the customer. The customer is always right. Remember, though, that some problems should only be handled by a manager (like cutting off patrons or handling sexual harassment). Take a look at "Dealing with Difficult Customer Situations," later in this chapter, for more help.



REMEMBER

Knowing exactly how to handle difficult situations takes time and experience. Your staff members will learn from their mistakes. Don't hold it against them if the situation doesn't turn out perfectly. Each time they tackle a tough situation they gain skills to make it work better the next time.

Look for positive coaching opportunities. Anyone can go over what an employee could have done better in a situation. But also take the time to praise positive customer service situations.

Keeping your employees in the loop

The more your employees know about your business, the more they feel like it's *their* business. And when they think of it as *their* business, they're more invested in seeing it succeed. They, in turn, can spread information and enthusiasm to your customers.

You can keep them up to date in all kinds of ways, such as scheduling brief meetings for each shift, holding longer weekly meetings, putting notes in employees' paychecks, or posting memos in a centrally located place (by the time clock, on a bulletin board, or in an employee locker area). Make sure all staff members are getting the same information consistently.

Consider letting your staff in on these important things going on in your bar:

- » Upcoming promotions
- » New menu items, both food and drink

- » Live entertainment schedules
- » New game leagues



REMEMBER

Take the next step and get input from your staff about what they think customers want to see. They're in the trenches day in and day out. They may have another point of view you hadn't considered. Or maybe your customers have made suggestions to your staff. Encourage them to share those ideas with you. You can offer your employees bonuses for new ideas or promotions.

Dealing with Difficult Customer Situations

In every business, customer service problems arise. In the bar business, you often combine a problem with alcohol, and then you have a real recipe for trouble. In this section, we give you some advice for when things just don't go the way you'd like them to. We show you how to keep your cool and diffuse the situation before it becomes a scene.

Handling unhappy customers

People are in a bar to have a good time. In a restaurant, they may be there to actually eat, trying to get in and get out, to get on with their busy day. But in a bar, most people have come to unwind, relax, and hang out a bit. A bar is not a necessity; it's a luxury to be able to take time out of a busy life and take a load off. As the bar owner, you can't survive if you can't keep your customers happy. But you will encounter unhappy customers from time to time. In this section, we give you some tips for handling these situations.



TIP

Take a look at Chapter 17 for help in turning customer service problems into repeat business.

Beware of providing freebies: Complimentary food and free drinks

Don't just reach for the *comp* (complimentary) button on your register if you have a customer service problem. It's a very dangerous precedent. Each situation has to be handled differently. Yes, the customer is always right (that's why they're called customers, not people), but comping food or drinks for bad service doesn't usually bring the customer back. If the customer doesn't want to pay because their steak was overcooked, make sure the customer tells you before they've eaten three-quarters of it. If the problem is the house's fault, take the item off the bill and say,

“I am sorry. I hope you will come back and give us another chance to serve you.” Giving free cocktails to people who weren’t pleased with their meal doesn’t help you. Try to get them a meal that they love before they leave, rather than just comping things off their check. Some customers do this for a living!

On the other hand, it’s also a dangerous precedent to assume your customer is trying to cheat you. Do what’s right by the guest and then make sure you’re not overcooking your steaks. Sometimes it *is* your fault, and if you’re sincere in your apologies and in correcting the problem, you can have a customer for life and a raving fan.

Problem-solving policy: Timely and private responses

Problems should be taken care of *as soon as possible*. Don’t let the customer steam. If the customer is exceptionally agitated, take the person out of the room to your office and solve the problem. You don’t want to make the situation worse by causing a scene in front of other customers and your employees. Remember, you want to solve the problem, not be part of it! Listen to the patron’s explanation of the problem and ask, “What would you like me to do?” or “What can I do to help?” The person usually has a solution in mind. You can go with the patron’s solution or offer your own.



TIP

Avoid telling the patron “No.” If you can’t comply with the request, explain what you can do. “How ’bout if we get you a new server who probably won’t spill a tray of beers on you, and get you a complimentary T-shirt because yours is wet?”

Handling intoxicated patrons

Preventing intoxication is everyone’s responsibility. All front of the house (FOH) employees should feel responsible and accountable to check IDs, watch for signs of intoxication, and prevent drunk driving. Individual staff members may be added to any lawsuits filed against the bar if they were involved in serving a patron who was harmed or harmed another as a result of drinking. People who don’t practice responsible alcohol service can face criminal charges and civil-court battles, resulting in fines and possibly jail time. This is serious!

Because the liability for serving alcohol is so high, we really recommend that you get focused training in responsible service standards. In some states, your insurance company may give you a discount if your employees are certified.

Here are a few resources to help you:

- » In addition to standard ServSafe food-safety training, the National Restaurant Association has a program for responsible alcohol service called ServSafe

Alcohol. You can get training for yourself or your staff in a classroom or online. Check out the training options available at its website: www.servsafe.com.

- » TIPS certification (www.gettips.com) is another option for learning to practice responsible, yet customer-friendly, alcohol service. TIPS stands for Training for Intervention ProcedureS, and the organization teaches bar and restaurant employees how to prevent intoxication, underage drinking, and drunk driving. They offer focused training for bars, casinos, restaurants, and even liquor stores. If TIPS doesn't offer workshops in your area, you can sign up for online training with your state's beverage license association.
- » In some states, your bartenders may be required to get a bartending license or certificate. The classes leading up to the certification include some information about handling intoxicated patrons. Check with the local licensing agency for a syllabus of what's covered and what's not.

Watching for signs of intoxication

There's no magic formula for how much a person can drink before they are intoxicated. Sure, guidelines based on gender, height, and weight have been established, but they're just guidelines. Many things (such as food, medication, sleep, and so on) can affect how people process alcohol. As a bar owner, you have to resort to the tried-and-(mostly)-true method of observing your patrons.

Here are the most-common signs of intoxication to help you identify potentially intoxicated patrons, but for the most part, you need to use common sense and judgment to determine who's had too much to drink.

- » Loud speech
- » Ordering drinks rapidly
- » Slurred speech
- » Stumbling
- » Spilling drinks or missing their own mouth when drinking
- » Aggressive behavior

Always look out for the very quiet customer who just sits there and drinks. Sometimes they are the most dangerous, and may explode.



WARNING

Many people who don't exhibit the common signs of intoxication may, in fact, be legally intoxicated. You must know the laws in your area, monitor your staff members, and execute good judgment to serve your clientele and your community safely.

Intervening with a potentially intoxicated patron

No one likes to be told they are drunk. Before you totally cut off a patron, consider slowing down alcohol service to the patron.



TIP

If a server or bartender is taking steps to slow down service to a patron, make sure they include you or another manager in the loop. The manager needs to begin keeping a close eye on the situation to decide the appropriate next steps.

Here are some ideas for slowing down service:

- » Offer the person some food. Food can slow down the absorption of alcohol.
- » Remove an empty glass or bottle before coming back with the next one.
- » Make yourself scarce. Obviously you don't want to avoid the person, but a bartender or server can find ways to take a little longer to make or serve a cocktail when necessary. Great excuses include "They're changing the keg" or "We have to grab [fill in the blank] in the back" or "He's restocking the cooler." Any reasonable excuse is usually accepted.
- » Coach your staff to offer water or nonalcoholic beverages.

Cutting off service entirely

If your bartender or server has just a slight feeling that the customer has been overserved, they should call the manager. Always get the manager involved before service is stopped. Managers should have experience in handling what could be an explosive situation. Also, the manager can bring a level of objectivity to the situation. A customer may not think that a "lowly" employee, especially a server, has the authority to cut them off. A customer is more apt to show a manager some level of respect. Definitely let the manager make the final call and have the awkward conversation with the patron.

Keep these tips in mind when refusing service to a customer:

- » **Don't cut anyone off in front of others.** The manager should invite the person to the office or pull them aside to break the news. Keep it factual, not accusatory: "I think you should call it a night."
- » **Quietly give the person's friends the same information.** Tell whoever the person is with that you're not serving that customer anymore. Don't get into any negotiation about it.
- » **Make sure the patron has a ride home.** If they don't, call a cab and make sure they get into it.

» **Don't make a big deal out of cutting someone off, but be firm.** Say, "Your last call has come early." And last call is last call, after all.



REMEMBER

Only cut a customer off away from other customers, even their friends. *Always.* Be discreet; avoid embarrassment. Stop the drinking before it gets to be a big deal. Only if the customer won't cooperate should you walk away and refuse to serve them. Check out the next section, "What to do with troublemakers," for help.



TIP

If you're having trouble cutting a person off, consider offering to pay for their last drink as long as they leave right after. Make sure the patron has a way home, either in the form of a cab or a sober friend. If someone who's been drinking gets into a car accident after leaving your bar, you can be held legally responsible if you or your employees have overserved them.

What to do with troublemakers

Occasionally, when you add alcohol to a good time, it can turn into a not-so-good time for some patrons. Someone jumps in front of another at the pool table, spills the other's beer, or dances with someone else's spouse. A host of problems can arise at any time.

Warn the troublemakers fairly amicably. "You need to settle down. We're having a good time, but we need to stop [insert problem behavior here]."

Sometimes, despite your best efforts, you have to 86 someone (or kick the person out of your bar). Do it as quietly, but forcefully, as possible. Here are the steps we recommend:

1. Present the tab. Ask the patron firmly, but politely, to pay it and leave.

If the person resists (which is likely), proceed to Step 2.

2. Firmly explain the person's options.

"We can part ways amicably, or we will be forced to call the police." If you know the person is intoxicated, call a cab.

3. Assuming the troublemaker pays and leaves, you're done. If the person doesn't leave, call the police.

Again, you want to be discreet and avoid embarrassment. One customer is a lot less likely to get feisty if you're not making a big deal of it in front of others. Ask the guest to follow you outside and explain to them that they are being asked to pay the tab and leave.

The police can diffuse the situation before anyone gets hurt.



REMEMBER

If you kick out someone who's causing trouble, never let the person back in your place. When cutting someone off say it is a *house policy*, not your decision. This tactic prevents him from getting in arguments with you directly.



WARNING

Only touch a customer in self-defense or to break up a fight. You may restrain a customer, but you can't hit them. You can only stop a patron from harming someone else, or, believe it or not, you could be the subject of a lawsuit. Whenever possible, avoid touching, pointing at, or pushing anyone in your bar. Call the police if you need to.

- » Getting the lowdown on liquor products
- » Making your cocktails better
- » Choosing your garnishes

Chapter **12**

Boning Up on Bar Beverages

The old saying in the bar business is: “They eat you poor and drink you rich.” We hope this chapter will get you rich, both in knowledge and the bar cash register. Choose your products carefully; would you use cheap meat in the kitchen? It’s important to use quality and recognizable brands at your bar. Irwin Shaw said in his short story “The Monument,” “Build a monument to your customer and your bartender by using only the best for them. Would you give your best friend inferior products?”

The heart of any bar is the products you pour. The liquor, beer, and wine flow. People have their favorites, but you, the bar owner, choose what to pour. We hope to help you make choices about what items fit your bar better. In this chapter, we get you started with the basics of wine, beer, and spirits. We help you understand how you pour is as important as what you pour. And we show you why the details, like ice and garnishes, matter.

Knowing the Bar Basics and Then Some

Every good bartender or bar owner knows a lot about liquor. If you don’t feel like you’ve yet mastered all you need to know about the products you sell in your bar, this section is a great place to start.

Wondering about wines

Wine is a beverage made of fermented juice of any kind of fruit. Most popular wines are made exclusively from grapes. In fact, most wines are named after the variety of grapes they are made from.

Although wine has been around for thousands of years, it's been enjoying a new popularity in the last 40 years in the United States. It's no longer reserved for special occasions. And more important to you as a bar owner, wine is enjoyed by people across all socioeconomic lines, not just a select few. Forty years ago, a bar owner could get away without serving wine, but these days, you should include it on your menu.

A few things contribute to this new era of wine savviness, including increased disposable income (wine isn't always cheap, though many good wines are available at reasonable prices) and greater access to information (such as interesting wine lists in local restaurants and books like *Wine For Dummies*). As more people eat out more often, the interest in drinking wine will continue to grow.



REMEMBER

In most cases, we recommend you select eight or so wines to stock your bar. Take a look at Chapter 9 for more help in putting together your menus. And don't bother with the old rules about serving wine (like white wines with fish and chicken, and red wines with beef). Today, it's about what wines stack up against spicy and strong, or flaky and delicate, regardless of color. Your wine sales reps can help you make the right choices for your place, menu, and clientele. Share your plans with them, let them read your menu, or better yet, have them taste your food to give you their best recommendations.

Consider whether you want to choose recognizable wine brands for your list. In some cases you may want to include wine brands (like Barefoot or Yellow Tail, for example) that your customers can get at their local grocery store because they know what they're getting. In other cases, you may not want to include those brands because they may balk at paying \$6 a glass when they know you're paying \$6 a bottle. It's a tradeoff, and there's no right answer. It really comes down to what you want for your patrons.

Wines today are very trendy; today's Pinot Noir is yesterday's Chardonnay. (That is to say, Pinot Noir, the hot red wine for years, is being replaced by Malbec.) Read your local paper and wine magazines and, of course, talk to your customers to keep up with the changing wines and trends. And always consider local wineries when you're creating your list. Many customers look for local products and make a decision based on this fact.



For more details about wine than we can possibly include in this chapter (or this book, for that matter), take a look at *Wine For Dummies* by Ed McCarthy and Mary Ewing-Mulligan (Wiley).

White wines

Sweet, dry, crisp, light, and fruity all describe various white wines that are popular today. Many good wines are available at low prices, so work with your sales reps to find the right ones for your patrons at a price that works for you.

Here's a list of some of the more popular white wines with brief descriptions:

- » **Chablis:** This wine with a high acidity is made from a blend of whatever grapes happen to be available. But in the last 15 years, Chablis more often has been made solely from Chardonnay grapes in the Chablis region of France.
- » **Chardonnay:** Once the best-selling white wine in the United States, this wine still probably has a place on your wine list. It tends to be a heavier, buttery white wine and can have oaky, smoky, or sweet tones.
- » **Moscato:** Described by industry trend watchers as the “gateway wine,” this fruity, sweet, low-alcohol-content wine has set the world on fire in recent years. For first-time wine drinkers, this semi-sparkling wine tends to be inexpensive and easy to drink.
- » **Pinot Grigio:** This Italian-style wine is made from the Pinot Gris grape. It's light-bodied and light in color with a fairly neutral taste, bordering on crisp and acidic.
- » **Riesling:** Riesling is a sweet wine traditionally produced in the Alsace region of France, Germany, and Austria. Chile, South Africa, New Zealand, and the United States now produce good-quality Rieslings as well. Although it's definitely on the sweet end of the taste spectrum, many winemakers put their mark on Riesling by balancing the green flavors with the acidic overtones by choosing when to harvest their grapes.
- » **Sauvignon Blanc:** This is a crisp, dry, and refreshing white wine grown all over the world, most notably in New Zealand, South Africa, and Chile. It's gaining increased popularity as white-wine drinkers look for Chardonnay alternatives.

Red wines

Red wines vary greatly in terms of flavor, body, and finish. Taste several to find some that pair with your food and your place. Check out wines at many different prices to find what best fits your menu and pricing structure.

Here are a few common styles of red wines that you may want to find a home for in your bar:

- » **Cabernet Sauvignon:** This strong, robust wine features heavy *tannins* (acidity) and a strong *finish* (or lingering flavor). Cabernets age well, often improving the longer you keep them. Many countries make Cabernet Sauvignon, including France, the United States, Chile, and Argentina.
- » **Merlot:** Plummy, berry flavors define this more medium-bodied wine. Because the Merlot grape is mild, it's often blended with stronger grapes. Italy, California, and France are the most notable Merlot producers, but more winemakers in Australia, New Zealand, Croatia, and Slovenia are jumping into the ring.
- » **Pinot Noir:** This wine is at least 2,000 years old (the type, not the actual bottle) and originated in the Burgundy region in France. Although wines can have vastly different flavors depending on the soil and climates the grapes are grown in, in general, Pinot Noir is a light- to medium-bodied wine with an aroma reminiscent of black cherry, raspberry, or currant. Pinot Noir is a current favorite among red-wine drinkers.
- » **Shiraz/Syrah:** Called Shiraz in New Zealand, Canada, and Australia, in France and the United States it's known as Syrah. This wine is gaining popularity among red-wine drinkers thanks to its excellent aroma and blackberry and chocolate tones. The wine changes substantially based on the soil the grapes are grown in (called *terroir*, if you want to get fancy). So the same grape grown in New Zealand and Oregon may taste very different.
- » **Zinfandel:** (No, this is not the same as the sweet, pinky-white zinfandel, although they're made from the same grapes.) Zinfandel is primarily produced in California, though a similar style is available in Europe under the name Primitivo. It's a fruity, but not sweet, wine with a full, lush mouthfeel.

Rosé wines

No wine list would be complete these days without a rosé (roh-ZAY) wine. It may look like the white zinfandel of the 1980s, but instead this pink wine, usually served chilled, is as complex and varied as any red or white. Called rosé (French), rosata (Italian), or rosado (Spanish), the flavor changes with the type of grapes used. Some use a single *varietal* (or type of grape), such as pinot noir or tempranillo, while others use a blend of several. The flavor of a rosé is more subtle than the red wine produced from the same varietal. Choose one rosé for your list to keep your patrons happy.



Sparkling wines (commonly called champagne)

All champagne must be cultivated and fermented in the Champagne region of France. If it's made anywhere else, it's called a *sparkling wine* instead. Your average bar patron will still ask for champagne when referring to any sparkling wine. For more information, we recommend *Champagne For Dummies* by Ed McCarthy (Wiley).

Champagne is wine that is fermented a second time after bottling. This second fermentation produces the fizzy bubbles associated with this celebratory beverage.

Here are a few terms related to champagne that may be helpful when you're choosing some for your bar:

- » *Vintage* means all the grapes included in the wine are from the same year.
- » *Nonvintage* refers to champagne that is made from a blend of different years. Most champagne is nonvintage.
- » Terms like *brut*, *extra dry*, *sec*, *demi-sec*, and *doux* refer to the sweetness of the champagne, *brut* being the driest and *doux* being the sweetest.
- » Some champagne has a pinkish tinge to it, developed as the fermenting wine spends more time with the grape skins (or *tannins*). This blush champagne can be called *blanc de noirs* or even *rosé*.



TIP

For most bars, a nonvintage brut champagne is the best bet. It's what people who don't drink a lot of champagne expect champagne to taste like. If you're more of a trendy bar with a clientele that would be interested in a higher-end champagne, consider adding a *sec* or *demi-sec* to your list. Also, you may be interested in *splits* (usually 187-milliliter bottles) rather than standard 750-milliliter bottles. Champagne loses its bubblyness fairly quickly, so it doesn't stay fresh for more than a few hours. Depending on how much you sell, you may waste a lot of champagne (and profit) by using a large bottle.

Appreciating beer, hard teas, and seltzers

Beer is among the most popular beverages consumed in bars in the United States. It is brewed from malted barley, hops, and water. Yeast is added, which converts the natural sugars to alcohol and carbon dioxide. The carbon dioxide gives beer its carbonation.

Here's a list of some beer terms you may have seen on labels or heard in beer commercials:

- » **Ale** is *top-fermented beer* (meaning the yeast collects on top of the fermenting vat). Pale ales are usually a little bitter, usually taste hoppy, and generally have a higher alcohol content. Amber ales are sweeter and milder with less hops. India Pale Ales, commonly known as *IPAs*, are substantially hoppier than their pale ale cousins, and are extremely popular at the moment. Blonde ales are a little softer and lighter in color.
- » **Bitter** beer is a strong ale, usually English, with a higher-than-normal alcohol content and, as the name implies, a bittersweet taste.
- » **Hard seltzer** is simply put . . . seltzers that contain alcohol. Most of these come with fruit flavors.
- » **Hard teas** are brewed with real tea and come from a variety of sources. The alcohol either comes from either malted barley or fermented sugar cane.
- » **India Pale Ale** or IPA is a style within the pale ale category. These are typically made with more hops and have a higher alcohol content. These are very popular these days and worth having at least one on tap or in a bottle.
- » **Lager** is a *bottom-fermented beer* (meaning the yeast collects at the bottom of the vat or even the mug after it's poured) that is stored at very low (cold) temperatures for a long period of time (several months). *Lager* is the German word for *to store*. Heineken, Budweiser, and Samuel Adams are well-known lagers.
- » **Lambic** beer is brewed in Belgium. Ingredients such as peaches, raspberries, cherries, and wheat are added during the brewing process. These beers tend to be sweet and slightly syrupy.
- » **Light** beer has fewer calories and less alcohol. Bud Light and Coors Light are two big names in light beer.
- » **Low-carb** beer has less sugar and fewer calories than its regular counterpart. Michelob Ultra is a familiar brand of low-carb beer.
- » **Malt liquor** is fermented at a higher temperature than other beers, which results in a higher alcohol content.
- » **Nonalcoholic beer** has little to no alcohol. The aim is to allow the drinker to enjoy the taste without the alcohol content. These are a must for bars these days.
- » **Pale ale** is brewed using mainly pale malt and ale yeast and is usually amber colored.

- » **Pilsner** is a light, hoppy, dry lager, named for the Czech city of Pilsen. Widely available pilsner brands include Miller Lite, Stella Artois, and Pilsner Urquell.
- » **Porter** is a malty dark ale that gets its dark color from brown malt. This style of beer traces back to the 18th century.
- » **Sake** is beer brewed and processed from rice. (Some consider sake a wine.) Sake is served warm or at room temperature.
- » **Stout** is an ale produced from heavily roasted barley. It's darker in color and has a slightly bitter flavor, reminiscent of coffee or dark chocolate. Guinness, made from a nearly 300-year-old recipe, is the best-selling stout in the world.
- » **Trappist** beer has been brewed in Europe by Trappist monks in a monastery for hundreds of years. It contains high levels of alcohol and is usually amber to dark in color.



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Spencer Trappist Ale brewed by the St. Joseph Monastery in Spencer, Massachusetts, is the first and only recognized true Trappist ale.

- » **Wheat** beer is made from, um, wheat. It's usually garnished with a lemon or orange wedge. Some people add a little raspberry syrup. Blue Moon Belgian White is a wheat beer. *Hefeweizen* is a German-style, unfiltered wheat beer that tends to be spicy with a hint of cloves.



TIP

Unless you plan to use a huge beer selection as a draw, we recommend choosing about 20 beers to keep on hand. Select three to five local brews, five national beers, three light beers, five imported beers, and two nonalcoholic beers. Don't forget you need adequate cold-storage space to store them all. And definitely take a look at Chapter 8 on setting up your bar's inventory.

Demystifying distilled spirits and liqueurs

The term *distilled spirits* is a catchall term for liquor with an alcohol content of 35 percent or more and a low sugar content. Spirits include liquors such as gin, tequila, and whiskey. If a liquor has a 35 percent alcohol content *and* a high sugar content, it's usually known as a *liqueur*. Grand Marnier, crème de menthe, and amaretto are familiar liqueurs.

Hard liquor brings the people in. In this section, we give you a brief explanation and list of products available for your bar. You should consult with your managers and bartenders about which brands to have available.

- » **American whiskey:** Whiskey distilled from grain or a blend of grains. It has a warm, spicy flavor that warms your whole body on the way down. Aging whiskey gives it its familiar caramel coloring, among other things. *White whiskey* is unaged and thus colorless, or white.



- » **Bourbon:** A whiskey that must be made from at least 51 percent corn and aged in new, white-oak barrels. Its flavor is purer (but still spicy) than a scotch that's aged in barrels previously containing other spirits (like port or sherry).
Tennessee whiskey differs from bourbon in that it's filtered through sugar-maple charcoal before it's aged. The sugar-maple charcoal makes the difference. Jack Daniel's is a sour mash whiskey, not technically a bourbon.
- » **Brandy:** Made by distilling wine or fruit and then aging in oak barrels. Brandy can be American or from other parts of the world. The flavor of brandy varies based on the wine or fruit used, but it tends to be a bit sweeter than a whiskey and not as sweet as a liqueur.
- » **Canadian whisky:** Whisky from Canada. Note that there's no "e" in the spelling of this whisky. Canadian whisky tends to be a little less strong in flavor than American whiskey.
- » **Cognac:** Brandy from the Cognac region of France. Its flavor fully depends on the wine used to make it.
- » **Cordials/liqueurs:** Made from infusing the flavors of fruits, herbs, spices, and other plants with a spirit such as brandy, whiskey, schnapps, or another mildly flavored liquor. There are hundreds of cordials.
- » **Gin:** A distilled-grain spirit flavored from different plants, mainly the juniper berry. Its flavor reminds us of chewing on pine needles, but in a good way.
- » **Irish whiskey:** Triple-distilled from barley and other grains, sometimes in pot stills, and aged between five and ten years. Its flavor is smooth, mellow, and slightly sweet with honey overtones. The Irish have been distilling whiskey for at least 600 years. God bless 'em!
- » **Rum:** Distilled from sugar cane, it's closely akin to vanilla. It's much less flavorful than vanilla but accepts flavoring easily. It comes in light, dark, spiced, and flavored.
- » **Scotch whisky:** Whisky (again, without an "e") from Scotland. It must be distilled in Scotland, though not necessarily bottled there. Its flavor varies widely based on where it's distilled, for how long, and how. It's traditionally aged in barrels that previously contained other liquor, like sherry or wine. Most quality scotch is described by connoisseurs as smoky and smooth. Scotch comes in many different varieties. Look for *blended* (a combination of malt and grain whiskies) and *single malt* (from one barrel) scotch.
- » **Tequila:** Produced from the heart of the Weber blue agave plant. It's a tart liquor with a bit of a bite at the finish. Just as champagne must come from the Champagne region in France, tequila must come from the town of Tequila in the Jalisco region of Mexico.



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Tequila is a type of mezcal; however, mezcals don't need to be produced in Tequila and can be made from other species of agave plants or even a blend of other plants.

- » **Vodka:** Distilled from grain, wheat, potatoes, rye, or corn. It's known to be flavorless and pairs well with almost any mixer. It is the most-called-for spirit in America. Look for gluten-free vodkas that don't contain wheat to satisfy patrons with a gluten intolerance.



TIP

For more information, sneak a peek at *Bartending For Dummies* by Ray Foley and Jackie Wilson Foley (Wiley).

Musing over mixers

The term *mixers* is the classification given to the endless variety of stuff you add to liquor to make cocktails. The mixer itself isn't alcoholic, but many mixers are manufactured solely for the purpose of mixing with alcohol. We give you more information about how to mix cocktails later in this chapter, but for now we discuss the mixers themselves.



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The precise definition of cocktail is debatable. Purists claim that it takes more than simply mixing alcohol with something else to make it a true cocktail. Things like ice-cream drinks, even though they contain alcohol, don't make the cut with purists. In most cases, bartenders agree that a drink prepared by mixing liquor with juice or mixers is a cocktail.

WHO MADE THE FIRST COCKTAIL?

The true answer is lost to history, but many stories abound. Most people agree that it's an American invention. The earliest printed use of the term that we can verify was found in the Hudson, New York, newspaper *The Balance and Columbian Repository* on May 6, 1806. The editor received many questions about the new term, present in a concession speech from a losing political candidate, and here was his response:

“Cock tail, then is a stimulating liquor, composed of spirits of any kind, sugar, water, and bitters — it is vulgarly called a bittered sling, and is supposed to be an excellent electioneering potion inasmuch as it renders the heart stout and bold, at the same time that it fuddles the head.”

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Here are some of the more colorful stories surrounding the creation of this now ubiquitous beverage:

- Rumor has it that early in American history, bartenders used to pour remnants of drinks and almost-empty barrels into a single container, selling swigs from this mixture to patrons at a reduced price. “Cock” was another name for spigot, and “tailings” is the last bit of alcohol, so this drink was called “cock-tailings,” quickly shortened to “cocktail.” A similar story recollects a bartender who poured his dregs into a container shaped like a rooster (or cock) and the tap was set at the cock’s tail, hence “cocktail.”
- Some believe that an apothecary in New Orleans served his guests a mix of brandy, sugar, water, and bitters in an eggcup, or *cocquetier* in French, which was quickly shortened to “cocktay” and then “cocktail.”
- Alcohol was often used as a medical treatment, rumored to be applied from the tip of a feather from a cock’s tail; then, when people started to drink or gargle the medicine outright, the name “cock’s tail” was still used.
- Betsy Flanagan ran an inn in Yorktown that was frequented by American and French soldiers after the American Revolutionary War. To impress her patrons one evening, she stole chickens from her neighbor and served mixed drinks with the chicken feathers sticking out as garnishes. As her guests became drunken and rowdy, they continued to call for more “cock tails.”

Here’s a list of the most-common mixers used in cocktails today:

- » **Club soda:** The original neutral fizzy drink.
- » **Coconut water:** Used to mix in light and refreshing drinks. It is growing in popularity.
- » **Cola and diet cola:** Mix with anything. Most bars choose either Coke or Pepsi products, but local favorites like RC are getting some shelf space.
- » **Ginger ale:** Familiar brands include Canada Dry, Vernors, and Schweppes.
- » **Ginger beer:** Used mainly for Mules. Familiar brands Goslings and Fever Tree.
- » **Juice:** Common cocktail juices include tomato, orange, pineapple, cranberry, grapefruit, cream of coconut, lime juice or Rose’s Lime Juice, and lemon juice or sweet and sour mix. If you can, use fresh-squeezed juice; of course, it’s more expensive, but the juice is worth the squeeze!
- » **Lemon-lime beverages:** Familiar brands include 7-Up, Sprite, and Sierra Mist.

» **Milk or cream:** Several common cocktails (like toasted almonds and white Russians) require milk, half-and-half, or cream. Keep a pint of vanilla ice cream behind the bar for very creamy cocktails.

» **Tonic water:** Some bars keep both tonic and diet tonic in stock.



TIP

We recommend that you include these beverages (at least the soft drinks) on soda guns at your bar. A *soda gun* system allows you to dispense liquid mixers, such as sodas and juices, at the touch of a button. It keeps most of the regularly used mixers handy in one location so you don't have to manage any more bottles. Take a look at Chapter 7 for more details on how to get equipment for your bar.



REMEMBER

Don't forget the other must-have bar essentials, such as bitters (we recommend Angostura or Peychaud's brand), Worcestershire sauce, hot sauce, simple syrup or superfine sugar, and salt and pepper. Many recipes call for these ingredients. Here's a rundown of a handful of must-haves:

» **Bitters:** For use in Manhattans, Old Fashioneds, and other cocktails that call for bitters or for cocktails you want to add a little bitter flavor to. Consider having a flavored bitters on hand as well, such as orange.

Many small-batch craft bitters are being produced around the country these days. Bittermens (www.bittermens.com) has a great line that includes a mole (with chocolate and cinnamon) and hopped grapefruit bitters. Fee Brothers (www.feebrothers.com) offers black walnut and mint, among other flavor profiles.

» **Grenadine:** Gives a touch of tart and sweet at the same time. It's a syrup made from sugar and pomegranate juice that adds a deep red color to cocktails.

» **Hot sauce:** For any cocktail that you want to be a little spicy or hot! (See www.tabasco.com/foodservice.)

» **Simple syrup:** Gives a touch of sweetness to a cocktail. Simple syrup is a 1:1 (usually) mix of sugar and water. Make your own by heating the water to dissolve all the sugar, and then cooling the syrup. It lasts for up to a month in the cooler, but we recommend you make it in quantities that you'll use within a week. You can also buy syrup already made for you.

Agave nectar is replacing simple syrup in some bars, especially in Margaritas. It has a more healthful reputation, so it's in high demand at the moment.

» **Worcestershire sauce:** Mainly for Bloody Marys, Cheladas, or other tomato-based cocktails.



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TIP

» **Agave nectar:** Replaces simple syrup in some bars, especially in Margaritas. It has a more healthful reputation, so it's in high demand at the moment.

MAKING SENSE OF THE NEVER-ENDING STREAM OF “NEW” LIQUORS

New products seem to come out every week. We used to say, “If something falls off a tree, they’ll make it a flavored vodka or schnapps.”

Liquor companies are always doing research and testing new flavors and products. Sometimes they reintroduce old products with new labeling and bottles. The bar business is an ever-changing industry, and that’s what makes it interesting and challenging. Because there will always be new products and innovative cocktails, you will never be bored in the bar business!

But every time a new product is introduced, the liquor companies want placement. You can use this to your advantage by holding an introduction party at your place. The liquor companies will give you T-shirts, stickers, and other promotional items for your customers. Everyone likes something for free, and a new-product launch is a great way to get people in the door. The more new products, the better for your place. Work with your sales representative and let them know you’re interested in promotional nights and tastings for their products when those products fit with your bar’s theme and clientele.

Mixing and Pouring the Best Drinks in Town

If you use the best liquor, the finest juice, and quality mixers, you’ll (in theory) make the best cocktails. Make sure you train your bar staff so they know how to properly make each and every cocktail on your menu. There is no substitute for quality. But — here comes the but — you can’t always use premium ingredients because of cost. You have to figure out whether your customers will pay what it costs you to make the very best. So in most cases, you have to balance quality and value.



REMEMBER

Remember, you’re in this business to make a profit. You have to charge according to cost! If your customers will pay, then use only the best of all products. If your customers won’t pay for the best of the best, you must price according to cost. That’s why there are well, call, premium, and super-premium products! You get what you pay for. For more information on pricing your drinks, take a look at Chapter 9.



TIP

When you're ready to start mixing drinks, pick up a copy of *Bartending For Dummies* by Ray Foley and Jackie Wilson Foley (Wiley). It includes hundreds of recipes for popular cocktails and unusual mixed drinks, as well as recipes for nonalcoholic beverages.

Choosing your pouring strategy

Some bar owners are rigidly insistent on measuring every *pour* (how much liquor goes into a drink) and watching every drop, while many customers think anything less than free pouring every drink is chintzy. Again, it's all about balance and consistency. Measuring equals consistency. But there are several ways to measure your pours without getting out the old jigger every time. (A *jigger* is a double-ended measuring cup usually with a 1/2-ounce cup on one end and a 2-ounce cup on the other.)



TIP

With technological innovations, you can measure your pours without counting the seconds (four counts = two seconds = about 1 ounce) while you're pouring or using a shot glass every time. Here's a list of tools you can use to help you pour perfectly measured drinks every time:

- » **Metered pour spouts:** These spouts fit right into your bottles and dispense precisely measured shots each and every time. Take a look at Precision Pours's website (<https://precisionpours.com>) for more information on this easy-to-use tool that can help you control your product costs.
- » **Computerized liquor-control systems:** Check out Easybar (<https://easybar.com>) for controls that integrate with your POS (point-of-sale) system (or computerized cash register system). Easybar has tools that can portion, measure, and dispense beer, alcohol, wine, and mixers while adding the purchase price to guest checks automatically.



WARNING

The Warning icon here may be a little too strong, but we want to mention that using these tools cuts down on the speed of service a bit. Your bartenders can't make drinks as quickly with some of these systems in place. And you'll always have some customers who complain, "Is that all?! Fill it up!"

Pouring the perfect beer

Although your customers choose a beer based on its taste, you can impress them by serving an attractive glass of beer. How that glass looks depends on two things: how clean the glass is and how you pour the beer into the glass.

Following are a few tips for obtaining a *clean glass* of beer; that is, an eye-appealing glass filled with a beer with a clear color and a good, tight collar of foam. A three- or four-sink setup is ideal for getting glasses beer clean; a three-tank setup is most common. The first tank is for washing, followed by two rinsing compartments.

A beer glass should be washed each time it is used — unless the customer requests that their glass be refilled. Proper cleaning and drying can be accomplished in four simple steps:

- 1. Used glasses should be emptied and rinsed with clear water to remove any foam or remaining beer that will cause dilution of the cleaning solution.**
- 2. Each glass should be brushed in water containing a solution of odor-free and nonfat cleaning compound that will thoroughly clean the surface of the glass and rinse away easily in clean water.**
- 3. The glass must then be rinsed twice in fresh, clean, cool water — with the proper sanitizer in the last tank.**

Proper and complete rinsing is most important for a “beer clean” glass.

- 4. Dry glasses upside down on a deeply corrugated surface or stainless-steel glass rack.**

Never towel-dry glasses. Store air-dried glasses away from sources of unpleasant odors, grease, or smoke that are emitted from kitchens or restrooms.

The right head of foam gives a glass of beer that essential eye appeal. You control the size of the head by the angle at which you hold the glass at the beginning of the draw. If you hold the glass straight so the beer drops into the bottom, a deep head will result. If you tilt the glass sharply so the beer flows down the side, the head of foam will be minimized.

For most beer glasses — and to please most customers — the head should be allowed to rise just above the top of the glass without spilling over and then settle down to a ¾-inch or 1-inch head of frothy, white foam.



TIP

Another secret to serving a perfect glass of beer: Rinse the glass with cold, fresh water just before filling it with draft beer.

Maintaining your draft beer equipment

To make sure you're selling perfect "brewery-fresh" draft beer, you also need to pay attention to proper refrigeration, cleanliness of the dispensing equipment, and proper pressures.

Because draft beer is perishable, it must not be exposed to warm temperatures. The retailer (that's you) must preserve it by providing equipment that will maintain the temperature of the beer in the barrel between 38 and 42 degrees Fahrenheit. When you're storing and pouring your beer, you must also maintain these temperatures throughout your dispensing equipment so the beer that you serve to your customers will also be 38 to 42 degrees Fahrenheit. This temperature range seems to satisfy the majority of tastes and is too small a variation to affect its flavor or quality.



TIP

Consider investing in a glycol cooling system for draft beer. A glycol cooling system is made up of a *glycol chiller* (a refrigeration unit that chills a vat of propylene glycol, usually referred to as just "glycol") and loops of tubing. The cooled glycol travels in the sealed tubes alongside the keg lines to keep the beer at a consistent temperature for the entire run, from keg to tap. As the glycol warms, it returns to the glycol chiller and cools again. This setup is the industry standard, so we recommend you dedicate funds to this particular item.

Just as it's important to keep your beer glasses clean (see the previous section), you have to make sure your dispensing equipment stays free from dirt and buildup. You need to thoroughly clean the beer faucets, tubing, hose, coils, taps, and vents, including direct-draw systems, on a regular basis.

You need to keep beer that's on tap at the proper pressure to maintain its brewery-fresh taste and natural carbonation. The pressure of the dispensing equipment must correspond to the normal carbonation of the beer at its temperature in the barrel. The size and length of the coil in the dispensing equipment determines what pressure you should use.



TIP

Beer is a perishable product, especially unpasteurized, craft brewed beer. Make sure you're rotating your kegs and watching the expiration dates. People can get sick from an expired product. If you're not using a keg before it goes bad, consider whether it's the right choice for your bar.

Considering the importance of ice

Ice matters more than you may think. To get good ice, you need a good water purifier and a cube shape and size to your liking. Take a look at Figure 12-1 to see a few varieties of ice cube sizes.

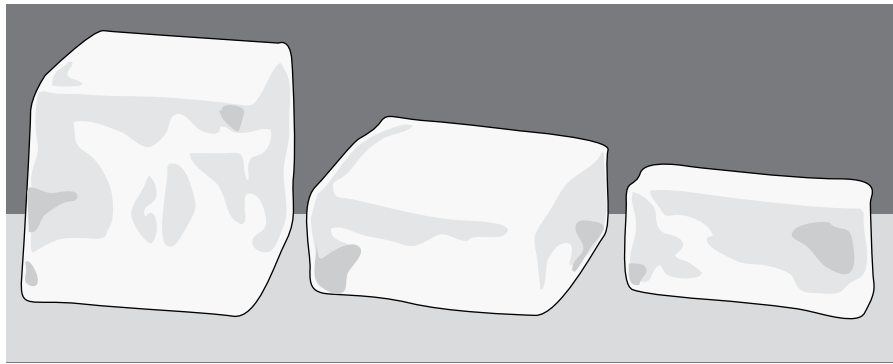


FIGURE 12-1:
Different ice
cube sizes.

Full Cube
1 1/4" x 1 1/4" x 1 1/4"

Half Cube
1 1/4" x 1 1/4" x 5/8"

Cubelet
5/8" x 5/8" x 1 1/4"

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TIP

Some (often people who've never owned bars or worked at a busy bar) think you should chop your own ice to make cocktails. If you are running a ten-seat bar this could work, but anything more, and this is going to slow down your service drastically.

A small, crushed-ice machine can be handy if you make a lot of blended or frozen cocktails. At a minimum, you need an ice machine in the back. Don't make your cubes too big. But for shaking cocktails, many bartenders will tell you big is better. Honestly, it's a matter of opinion.

You can find ice machines that make ice in many sizes: full, half, cubelets, nuggets, flakes, and crushed. Three of the best ice-machine manufacturers are Manitowoc (www.manitowocice.com), Hoshizaki (www.hoshizakiamerica.com), and Kold-Draft (<https://kold-draft.com>). Take a look at Chapter 7 for more help on choosing equipment for your bar.



TIP

You should, if possible, have one ice machine behind the bar that can make ice *and* be used for storage, and one machine in the back of the house that can be stacked (or have additional units stacked on top of the existing unit), so as your business grows you can make more ice by stacking.

Shaking versus stirring

The main reasons for *shaking* a cocktail are to make the ingredients cold, combine them all, and maybe put a head on the cocktail. *Stirring* a cocktail mixes the ingredients but doesn't create any foam in the drink. The rule of thumb here is to shake any cocktail that contains citrus, juice, or egg/egg whites. Drinks like a Margarita or Cosmopolitan should be shaken. Stir any cocktail that just contains alcohol such as a martini, Negroni, or an Old Fashioned.



TIP

As a general rule, you shake cloudy drinks and stir clear ones. Obviously there are exceptions, because 007 likes his martinis (a clear drink!) “shaken, not stirred.”



REMEMBER

Shake cloudy cocktails and stir clear cocktails. Never, *never*, shake a cocktail with any type of carbonation (such as soda or champagne). Foam will spray everywhere.

Prettifying Drinks with Garnishes

Garnishes, those little decorations that add color or flavor to a drink, can make or break a cocktail. What’s a Bloody Mary without a crisp and cool celery spear? Or a gin and tonic without a lime or three? In some cases the garnish defines the cocktail (the difference between a Gibson and a martini *is* the cocktail onion, after all).

The most important point to remember about your garnishes is that they should be fresh and clean. We talk about different types of garnishes in the next sections. Use your imagination to decide what garnish you put with what drink, but always consider price and freshness. It may be a great idea to garnish every Bloody Mary with a skewer of marinated vegetables and deli meats, like a little antipasto on a stick. But if the cost of the garnish eats into your profit margin, you can’t serve it for long! For more on pricing your drinks (and covering all your costs), check out Chapter 9.

Having fun with citrus fruit

Citrus fruits can garnish anything from a Long Island iced tea to a wheat beer. Here are a few common cuts of many of your favorite citrus fruits and how to use them:

» **Wedges:** A *wedge* is a section of a citrus fruit, usually one-eighth of the fruit, sliced lengthwise. Take a look at Figure 12-2 to see how this looks. Here are the basic steps to create wedges:

1. **Slice the fruit in half the long way.**

If you commonly hang your wedges on the edge of a glass, go ahead and cut a notch in them now. Make a small cut the short way across the inside of each half at this point. Make sure you don’t completely cut through the fruit’s peel or you’ll cut the wedges in half, rather than notching them.

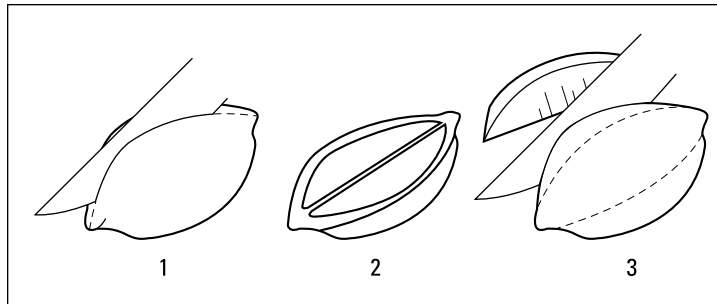
2. **Lay the cut halves down (peel side up) and halve them the long way again.**

3. **Cut each of those halves the long way to create eight wedges total.**



TIP

FIGURE 12-2:
Making citrus
wedges.



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- » **Wheels:** A *wheel* is a full circle of fruit, placed on the edge of a glass. You make wheels simply by cutting the ends off the citrus fruit, and then slicing the fruit the short way to the desired thickness. Make a cut from the middle of the fruit slice to one side to create a slit to hang the fruit on the rim of the glass.
- » **Squeezes:** A *squeeze* is very similar to a wedge, but smaller. In fact, it's half the size. Make wedges as pictured in Figure 12-2, and then cut those wedges in half the short way. Rather than hanging on the side of a glass, a squeeze is squeezed into the cocktail by the bartender, and then dropped in the drink.
- » **Twists:** A *twist* is a small piece of the peel of a citrus fruit. Take a look at Figure 12-3 for tips on how to cut these. Here are the basics:
 1. **Cut off both ends of the fruit.**
 2. **Insert a sharp knife or spoon between the rind and the meat of the fruit and carefully separate them.**
 3. **Cut the rind into strips.**

Other must-have garnishes

To make a perfect cocktail, you must have the perfect garnish. Many garnishes are traditional, but innovative barkeeps can use their creativity to exceed the patron's expectation. Add the ribbon on the package; it always helps to garnish your cocktail because it upgrades the appearance and makes for a complete presentation.

Here's our list of other basic garnishes and how you can use them:

- » **Flags:** A flag is a maraschino cherry wrapped in an orange slice and then stabbed with a sword to hold it all together. Use flags to garnish things like Amaretto Sours.

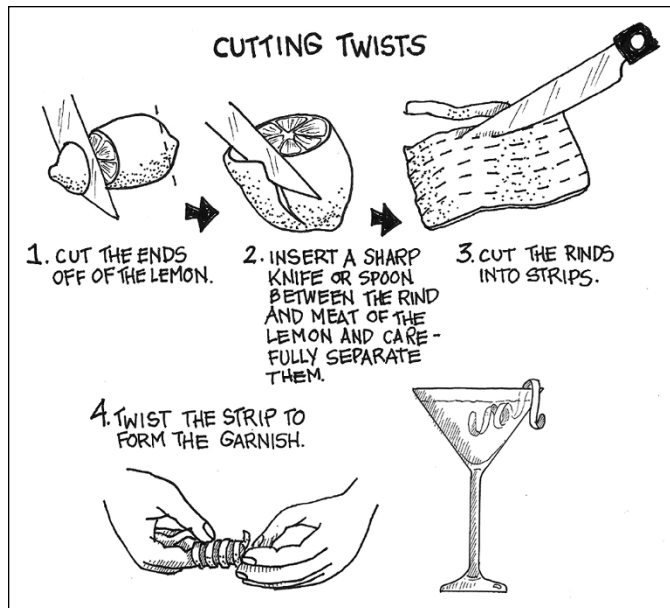


FIGURE 12-3:
Cutting citrus
twists.

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- » **Olives and olive juice:** Olives are the traditional garnish for martinis. Add a little olive juice to make a martini “dirty.”
- » **Celery:** It’s a garnish and stir stick in one! Use these to garnish Bloody Marys and the host of related drinks like Bloody Bulls, Bloody Caesars, and so on.
- » **Onions:** This garnish is the differentiating factor between a martini and a Gibson.
- » **Mint:** Whether you muddle it for a Mojito or use it to top off a Razzberry Lemonade, this herb is becoming a must-have for many bars.
- » **Cherries:** When all else fails, toss a cherry in it.
- » **Strawberries:** Notch these superfoods and hang them on the edge of anything fruity.

Rimming a glass: Why, when, and how to do it

Rimming is coating the rim of a glass with a granular or crumb-like substance as a garnish. It adds a decorative touch that improves the presentation of the cocktail and complements its flavor. The most basic example of rimming is using salt on the rim of a Margarita.

Bartenders are becoming much more creative with rimming choices (using goodies like cocoa, graham-cracker crumbs, or shaved coconut), but the most-common rimmers are sugar and kosher salt. Prime cocktail candidates for rimming include Margaritas and martinis, but that's not an absolute rule. You can use toasted coconut to grace the rim of a Piña Colada, salt on a Bloody Mary or Salty Dog, or superfine sugar on the edge of a screwdriver. Your imagination is your only limitation.

Here are the basic steps for rimming a glass:

1. Moisten the rim of the glass.

Choose a complementary flavor to enhance the cocktail. Many people choose a lime wedge or triple sec to rim a Margarita, or Kahlua to rim a chocolate martini, for example.

2. Dip the moistened rim into whatever you want to coat the glass with.

Gently turn the glass as you coat it to ensure you coat it evenly.

3. Shake off any excess.

4. Fill the glass with your cocktail.

- » Setting up your timeline
- » Checking things off your master to-do list

Chapter **13**

Getting Ready for Your Grand Opening, Step by Step

Every bar is different, and every bar owner goes through a slightly different process of getting ready for the grand opening. However, bar owners tend to follow a series of steps when preparing for the big day. Sure, you can figure out these steps through trial and error, but there's nothing wrong with being prepared and making your grand opening as smooth and successful as possible.

In this chapter, we give you a series of steps to follow to help you plan for your bar's opening, with a detailed timeline of all the tasks you need to accomplish and keep track of before you open the doors and serve your first drink. Everything in this chapter is covered in detail somewhere else in this book, but here we give you an idea of how the information in those chapters fits together to get you ready for opening night. From deciding what your signature cocktail may be to choosing a new logo, if it's important in the start-up cycle of a new bar, it's in this chapter.



REMEMBER

Every bar is different, so every opening timeline varies. If you're building a bar from scratch, you have more steps (and a longer timeline) than if you take over an existing place. This chapter is intended to be a guideline. Check with all relevant state and local government and regulatory offices to determine how long it takes

to get the paperwork you need to open the kind of bar you want . . . keeping in mind that the processing time may be longer than quoted. Take a look at Chapters 2 and 4 in particular for help in getting started.

Figuring Out How Much Time You Need to Prepare

Early in the planning stages, you may need to adjust your timeline and go with the flow, accepting the fact that timelines aren't always set in stone. You may not need to have your business plan completed nine months before your opening if you're taking over an existing, established restaurant and don't want to make any changes to it, for example. As you get closer to opening day, you need to create and stick to a firm schedule to get everything completed on time.



TIP

If you're terrible at keeping a timeline, pad your schedule. This approach is similar to setting your clocks 15 minutes ahead to be on time. But in this case, time is money. If you hire the chef a month earlier than scheduled, it's an additional expense you'll absorb before you're even open. You may have a very good reason, and it may be the right thing to do. Just make sure that you factor the additional time and money into your schedule and expense projections.

In the sections that follow, we group together similar tasks at each time interval. Use these categories to stay organized and eventually to delegate to the person in your organization who will handle the functions permanently.

Remember, you won't have tasks in every category at every point on the timeline. In fact, depending on your concept you may decide to skip some categories (like construction if your physical layout is already perfect) altogether. Pick which tasks are necessary for you to complete your bar.

Here's the list of categories we use, shown in the order in which they appear in each time interval:

- » **Administration:** Administration tasks include paperwork, phone calls, planning activities, and so on.
- » **Construction:** Construction tasks consist of work related to designing and building your restaurant.
- » **Human resources:** Anything concerning hiring, training, or managing your employees falls in this category.

- » **Purchasing:** Purchasing tasks include buying equipment, supplies, and just about anything else your restaurant needs to get up and running.
- » **Front of the house (FOH):** Tasks in this category include organizing your bar, establishing your hours of operation, and all forms of customer service.
- » **Back of the house (BOH):** Tasks include organizing your storeroom and placing and receiving your first food orders.
- » **Advertising and promotion:** This category includes any publicity, advertising, and public relations duties you should do, including creating social media accounts.
- » **Research:** Research is ongoing and forever. We list ideas to help you stay competitive and to reform and refresh your plans as you go along.

One Year Out: Planning!

Planning, planning, planning. Just by picking up a copy of this book you've started the planning phase. Use this time early in your schedule to thoroughly research your ideas, articulate your concept and vision, and put together a comprehensive plan for achieving it. At this point in the process, your main concerns should involve administrative duties and, yes — believe it or not — research.

Here are the issues that you should address at this time:

- » Construct a detailed and professional business plan. Consult Chapter 5 for details on creating an effective business plan for your bar.
- » Get the details for what it takes to get a liquor license in your area. Because it's essential *and* the requirements vary widely from state to state, county to county, and city to city, get the lowdown on what *you* need to run *your* business well in advance. Take a look at Chapter 3 for help getting started.
- » Develop your logos, trademarks, and brand identity. Chapter 4 helps you figure out exactly what you want to be. Consider hiring a graphic artist at this stage to help you create marketing images for your bar. Chapter 6 gives you tips on choosing a name for your place.



TIP

Register your *domain name* (or website address), any social media *handles* (your bar's username on services like X and Instagram) and create a Facebook page for your bar at this stage. Even if you're not posting content yet, the earlier you choose and reserve these important brand elements, the better. Check out Chapter 17 for help on working this part of your plan.

- » Put together your team of advisors, including an accountant, an attorney, and an insurance agent. Take a look at Chapter 3 for details. Get your architect and designer on board, if you're using them.
- » Check with the local governing agencies to confirm timelines for your permits (beyond your liquor license). Requirements and schedules vary greatly, so get the details as soon as you can and account for them in your schedule. See Chapter 3 for details on how to get started.

We mention doing research earlier. What kind of research, you ask? Well, research really should be an ongoing habit as long as you're a bar owner, but at this point, the purpose of the research is to take advantage of your bar's market potential.

You really should create a plan that ensures that your bar takes advantage of everything that could affect it — accepted pricing structures, for example — and stay on top of the competition. Study other bars in your area to know what they're doing and how it's working. Watch how customers respond (both positively and negatively) to specials, cocktails and food, entertainment, and menu changes to help you figure out how to improve on your own ideas. In other words, you need to formalize your process for conducting market, trend, and competitive research. See Chapter 5 for suggestions on watching the competition and Chapter 17 for tips on building and keeping a bar crowd.

Nine Months Out: Finding Funds, a Location, and POS Systems

At the nine-months-and-counting mark, you should have your business plan in hand and be shopping for money. You can also begin researching specifics for your business, such as looking at prospective locations and getting information about computer systems.

Start meeting with potential investors. Explain your concept, business plan, and financial forecasts. Check out Chapter 3 for more information about financing your business and see Chapter 5 for help creating your business plan.

You should also research *point-of-sale (POS) systems*. Much more than a simple cash register, a POS system can help you track and analyze just about any type of data you can think of. Some of the super-high-end machines can actually control your liquor pours too. Check out Chapter 12 for info on controlling your costs with measured pours.

You also need to start shopping for the perfect location for your bar (see Chapter 6).

Seven Months Out: Signing the Lease and Setting Up Finances

Around seven months, your plan starts to become reality. Finalize your choice for a location and sign your lease. Get your money together and set up your bank accounts, look into credit card processors, and develop your other financial systems.

Here are the administration issues that you should address at this time:

- » Sign a deal with the landlord. But take a look at Chapters 3, 4, 5, and 6 first to make sure that your location meets all your objectives and requirements for your concept and sales projections.
- » Finalize your financing. Check out Chapter 3 for the full story.
- » Set up business bank accounts to pay deposits, rent office space (if you need it), and deposit all your investors' money. See Chapters 3 and 15 for help.
- » Decide how you'll get cash from the bar into your bank account. You can use an *armored-car service* (a service that comes to you to pick up your deposits complete with armed guards and an armor-plated vehicle) or make a daily deposit at your local bank.
- » Establish your plan for regular financial reporting. Create the format for your P&L (profit-and-loss) statement and any other reports you'll create on a regular basis. Check out Chapter 15 for the story on what numbers to watch and why.

Don't forget your ongoing research duties! Here's what you should do now, in terms of research:

- » Research credit card processing systems. For more, turn to Chapter 15.
- » Check out potential payroll companies. Weigh your options for contracting with a company or doing it yourself. Chapter 15 can get you started.

Six Months Out: Getting Organized!

Your biggest task at this point is to get — and stay — organized. Get your permits, licenses, and other legalities straightened out. Set up your temporary base of operations. And do your homework to figure out what equipment you need and whom you should buy it from.

Here are your administration issues for now:



WARNING

- » Set up water, electricity, gas, and other required utilities. Make sure that the billing is set up and the utilities are on *before* construction begins.
- » Complete paperwork for permits and licenses. Figure out which permits your contractor will handle and which you must apply for on your own.

Depending on the laws in your area, you may need to apply for your liquor license sooner. Most governing boards require that you have the bar's permanent location before they issue the license. If you change locations, you'll likely need to reapply for your license. And in some places, a finite number of licenses are available; once they're gone, they're gone. Definitely take the time to find out the specifics on what you need in your area. Check out Chapter 3 for details on liquor licenses and other legalities.

- » Set up your temporary office space. You can use a space in your bar that's somewhat secluded or away from the construction noise. You may choose to work out of your home or even a trailer outside the bar while it's under construction. You need a space with electricity, lights, some form of climate control, desk space, and Internet access.



TIP

If you don't already have a laptop, now's the time to get one. A computer is essential for doing research, ordering, creating all the manuals you'll need, and developing your menu, and it's really handy to be able to move it around and take it with you. Consider getting more or unlimited data on your phone so you can use it as a hotspot so you have Internet access wherever you are.

Another issue you have to start working on now, particularly if you're building your bar, is construction! Here's what you need to do:

- » Interview your contractor candidates. Check out Chapter 3 for information on working with a contractor.
- » Make sure that you give your contractor your full specifications and your schedule. Make them commit to a detailed schedule in writing to confirm a completion date, with a financial penalty attached for not meeting the deadline. If your contractor gives you any resistance, consider adding a graduated incentive bonus if they finish early.

- » Review your plans for the BOH, FOH, and exterior of your bar to make sure they fit your actual space. Take a look at Chapter 6 for help.

You also need to start researching equipment suppliers and sourcing equipment. Make sure to consider new versus used equipment and buying versus leasing options. Chapter 7 can help you.

Five Months Out: Building and Buying

Construction begins on your new site! Interview candidates for your key positions, such as your managers or head bartender, assuming that you're not either or both of them. Use any available time to work on manuals, job descriptions, and anything else you can get out of the way early.

If you're building your bar or remodeling an old one, here are your construction issues at this time:

- » Begin construction. This schedule may be too soon or too late, depending on your operation. Make sure you've researched all your permits and they're in place when they need to be. Chapter 3 can help.
- » Make sure that you and your contractor are still on the same page regarding the concept, the design, and the schedule and that anyone else involved with the process (such as designers) shares your thoughts in these areas.

You knew that at some point you had to start buying the stuff that goes into your bar, right? Well, now's the time to get started. Here's what you should do at this time:

- » Order your bar and kitchen equipment. Chapter 7 has all the details.
- » Order your tables, chairs, and fixtures. Specify delivery for 30 days before opening. This schedule gives you time to allow for shipping and delivery delays. Take a peek at Chapter 6 for help in choosing your décor.
- » Purchase the POS system.

It's also time to start hiring people! Here's what you need to do now (take a look at Chapter 10 for help):

- » Interview manager and head bartender candidates.
- » Develop job descriptions and pay rates.

Also be sure to investigate television service, phone systems, and Internet providers at this time, and note that all systems are not created equal.

THINGS TO DO IN YOUR FREE TIME

Okay, we know free time in the bar business doesn't happen, but some tasks associated with opening a new bar can really be done earlier or later in the process, depending on when you have time. It's simply a matter of choice. Consider getting some of these out of the way early in your timeline. Your to-do list can quickly become unmanageable if you leave them all until the last couple of months.

- Set up your training schedule. Rough out how many days you plan to have employees in the restaurant and what they might do on those days. Because you're setting up a bar rather than a restaurant, your staff probably doesn't need as much training as they otherwise might. Usually a week total is more than enough.
- Establish your procedures for handling cash, ordering, requisition, and receiving.
- Set up your credit card agreements.
- Write content for your website and social channels. Create a calendar for the first three to six months.
- Figure out how you're going to get your money into your account. Are you going to schedule an armored-car pickup or deposit it yourself every day?
- Develop any reports and forms you'll use. Take a look at Chapter 15 for help in figuring out which numbers to watch and why.
- Research your music program. Take a look at Chapter 6 for help in deciding which musical choices best fit your bar.
- Interview pest control companies. They're one of those unmentionable necessities.
- Investigate phone companies, phone systems and Internet providers
- Research printers and vendors for letterhead, advertising or promotional materials, matches, napkins, and anything else you'd like to print with your logo.
- Develop your employee manual. One of those must-dos that can mostly get done early.
- Write job descriptions and establish pay rates for job classes.
- Develop your payroll processes. Decide whether you're doing it yourself or hiring an outside service.

Four Months Out: Manuals and Menus

Construction is well underway. Use this time to work on employee and operational manuals and finish up your drink menus. Check out the nearby sidebar “Things to do in your free time” to find tasks that you can complete now to save yourself time later. Four months out, here’s everything you need to do:

- » Check in with your contractor to make sure that construction is proceeding according to schedule.
- » Finalize exterior construction.
- » Research and interview web design companies. Take a look at Chapter 16 for help on what you need to ask them.
- » Create employee and operational manuals. Spend some time in Chapter 10 for some direction on what to include in your manuals.
- » Finalize job descriptions and pay rates. Chapter 10 can help.
- » Finalize your drink menus. Take a look at Chapter 9 for tips.
- » Finalize your hours of operation and your shift schedule. It’s best to get this out of the way before you hire your staff so they can immediately coordinate their schedules with the bar’s schedule.
- » Research and interview pest control companies. Set up a regular schedule for treatment after you’re up and running. Take a look at Chapter 18 for help running a safe bar.

Three Months Out: Supervisors, Suppliers, and Vendors

During this period, most construction should be finishing up. You can start looking at supervisors and managers now. Research your suppliers and vendors at this stage of the game. You’re still planning, but the planning really becomes a reality now. Here’s what you should do:



TIP

- » BOH construction should be complete. FOH construction may be ongoing.
Don’t install your FOH floor until the end of construction. Putting off the floor installation until as late as possible in your construction cycle minimizes construction-related dirt and damage.

- » Review résumés for supervisors and managers.
- » Start sourcing food and beverage purveyors. Check out Chapter 8 to know what to order and Chapter 14 for tips on managing your inventory.
- » Revise the advertising and promotion plan you developed for your business plan. Work with any outside public relations professionals you're hiring. Check out Chapter 16 for advice on getting the word out and growing your business.
- » If you haven't already, hire your web design and social media team and get them working! (See Chapter 16 and 17 for details.)
- » Research your music options. Chapter 6 can get you started.

Two Months Out: Preparing to Hire, Attending to Details

It's time to turn your attention to hiring your staff. At two months, you need to create your plans for hiring, training, scheduling, and retaining your new team. Here's what you should do:

- » Hire any other supervisors or managers.
- » Create a blank interviewing roster for both the FOH and BOH. Look to Chapter 10 for details.
- » Create a schedule for these hiring milestones:
 - Initial interview
 - Second interview
 - Hiring
 - Orientation
- » Create a training schedule:
 - Steps of service (greeting, drink orders, offering food menus, and the like)
 - Product training (menu, beverage, theme, and so on)
 - POS
 - Menu tastings
 - Equipment training (dishwasher, blender, food processor, coffee machine, and any other equipment you have)

- » Finalize employee manuals. Chapter 10 is a great resource for this information.
- » Manage web designers and social team as they finish the website and social content calendars. (Flip to Chapter 16 for more about websites and Chapter 16 for social media.)
- » Coordinate outside trainers (most likely liquor salespeople) as necessary.
- » Order any merchandise (like T-shirts, hats, or beer mugs) you plan to sell to customers. Order any customized uniform items, such as aprons or shirts.



Another serious thing to keep in mind two months out — you should have your liquor license in hand. You should also be working on any purchasing tools, like ordering procedures and forms, that you'll use after you're up and running.

Here are other things you should do during this stage:

- » Make the final food menu adjustments. See Chapter 9 for help making the hard decisions on what to tweak and what to cut.
- » Follow up on any outstanding permits or licenses. Check out Chapter 3 for info on licenses, permits, and other legalities.
- » Finalize your music program. See Chapter 6 for details.
- » Review and approve your drink menus. Let Chapter 9 be your guide.
- » Finalize your operational manuals. Chapter 10 gives you the scoop on setting up manuals to operate your bar with ease.
- » Set up your trash service, including dumpsters and grease removal, recycling, and pest control services.
- » Activate the phone lines and Internet access in your bar. You may choose to do this later in the month, especially if you have office space somewhere else. Choose an on-hold and answering machine message.
- » All FOH areas should be completed at this time.
- » Create purchasing sheets with exact specifications of all products. Chapters 8 and 14 give you a head start on selecting and organizing your inventory.
- » Review all printed materials, trademarks, and proprietary marks. Approve the specifications on all signage, business cards, menus, advertising, takeout bags and containers, letterhead, matches, beverage napkins, and so on.
- » Finalize all purchasing agreements with purveyors.
- » Work with BOH to finalize smallwares order list and quantities. Take a look at Chapter 7 to figure out what you need.

- » Create your purchasing forms. Check out Chapter 14 for examples.
- » Create your purchase order for linens.
- » Finalize your promotional campaign. Look at Chapter 17 for help.
- » Create a guest list, ready invitations, and finalize plans for your pre-opening party.

Six Weeks Out: Finalizing All Paperwork

Use this time to make sure that you have all the paperwork, training materials, and schedules ready when your prospective employees walk through the door. Set the expectation that you operate a professional, organized, and well-run business and that you expect nothing less from them. Here's what you need to do:

- » Create a *construction punch list*, or a list of unfinished items that must be completed before opening.
- » Print and collate your final employee manual.
- » Make sure that you have all hiring paperwork in-house, including applications, government-required forms (such as the I-9 and W-4s), uniform agreements, emergency-contact cards, training materials, and so on. Check out Chapter 10 for the details.
- » Review controls for maintaining optimum inventory levels while maximizing cash flow and for minimizing your risk of theft. Take a look at Chapter 14 to get the full story.
- » Design and lay out your physical menu. See Chapter 9.

Thirty Days Out: Navigating the Final Month

The last month is a hectic one. You clean every square inch of your new bar. You set it up exactly the way you want it to look. Take pictures because you'll be setting the standard for how both the BOH and FOH should look before and after every single shift. You hire and train most of your opening staff during this crazy

time, so make sure that you've set up your interviewing and hiring systems in the weeks beforehand to minimize the chaos and maximize the information transfer.

Here's your list of things to do:

- » Follow up on outstanding punch-list concerns. A *punch list* is a list of all the pesky construction-related details that are unfinished near the end of the project. Near the end of a project, you and your contractor inspect the project and make a list of details that may otherwise get missed. When making your list, include things like touching up paint in the bathrooms, repairing the cracked window in the northeast dining room, replacing the broken tile behind the bar, and rehangng the pot rack.
- » Launch your website and start posting on your social media accounts. It's a great opportunity to show off your concept to prospective employees. If they see your new building, a "Now Hiring" sign, or an ad for employment, know that they'll search for your website. Make sure they see your best stuff. (Flip to Chapter 16 for more about websites.)
- » Start the hiring process for general employees. Place your ad and set up interviews at your location. Chapter 10 guides you through the process of hiring and training your employees.
- » Place food orders for delivery two to three weeks before your opening. Coordinate the delivery so you have time to train employees on food prep and for menu tastings.
- » Thoroughly clean all FOH spaces, including restrooms, dining areas, the patio, the lobby (if you have one), the bar, and the lounge to get rid of any lingering construction dust and dirt.
- » Set up all furniture and fixtures.
- » Set up the managers' office.
- » Finalize the table settings. See Chapter 7 for more information.
- » Run a final test of all equipment (assemble it as it comes in).
- » Thoroughly clean the kitchen, storerooms, and coolers to get rid of any lingering construction dust and dirt.
- » Unpack, wash, and store all smallwares.
- » Set up all storerooms.
- » Get your signage in place.
- » Send invitations for your pre-opening party.

Ten Days Out: Fine-Tuning

T minus ten days means more of the same. You may be “just” the project manager at this point, overseeing the schedule to make sure that everyone is doing their job (rather than doing any of the jobs yourself). All employees should be hired by this point. Engage your staff’s help in setting up your bar and assembling your menus. Continue to train and test your staff to make sure that they know your menu and processes in time for opening day.

Here’s what you need to do now:

- » Follow up on outstanding punch-list concerns.
- » Continue setting up new-employee files.
- » Continue adding new employees to the POS and payroll systems.
- » Continue training and testing your employees on products, processes, and procedures. Test all FOH employees on menu knowledge, steps of service, table numbers, and so on, and test all BOH employees on station-specific menu items, station setup and tear-down, and sanitation procedures.
- » Place your beverage order.
- » Receive your beverage order.
- » Set up your bar.
- » Start pumping out content into the Interwebs through your chosen social media outlets.
- » Print and collate your final menu.

Three Days Out: Dress Rehearsal!

Are you getting excited? Your bar should be in full working order by this point. All your employees should know your drink and food menus inside and out. Each line cook should know how to make everything at their station and every bartender should know how to make each drink by heart!

Here’s what to do:

- » Follow up on outstanding punch-list concerns.
- » Continue setting up new-employee files.

- » Continue adding new employees to the payroll systems, including time clocks.
- » Conduct your first *trial run*. Some people call them dry runs, soft openings, or a host of other names. Before you actually open, you invite employees' families, friends, investors, advisors, consultants, and others to try out the bar.

You treat them just like regular diners, only they eat and drink for free. We recommend a two-drink maximum and one entree or appetizer per person. This is a chance for you to go through a practice shift and see how everything works together. You'll likely have a few things to iron out between your trial run and opening day, which is exactly why you do it. Trial runs aren't cheap, but they're well worth the money. Be sure to get feedback on everything so you can make adjustments. You want this to be perfect!

The Day Before: Relaxing before the Big Opening

Hopefully, you're having a fairly relaxed day. If you've followed the steps in this chapter and kept everything on schedule, everything should be under control at this point. You can even have a little celebration tonight to congratulate your team for a job well done. Make sure you don't let it go on too late; you want them fresh for the big day.

Here's all you should have to do today:

- » Follow up on outstanding punch-list concerns.
- » Continue setting up new-employee files.
- » Continue adding new employees to the payroll systems, including to time clocks.

Most importantly, give yourself a pat on the back — your bar is ready, and so are you!

4

Managing

Your Inventory,

Revenue, and

Future

IN THIS PART . . .

Make sure your bar is financially sound and turn bottles of liquor into buckets of cash.

Create procedures, reports, and processes to track and control your inventory and purchasing. (Trust us, it's not as painful as it sounds!)

Discover the current technology tools you need for your bar, including QR codes for menus, online reservation platforms, and contactless ordering and payment systems.

Use social media to give your bar some personality, keep your patrons updated on what's going on, and entice new customers to give you a try.

Stay on top of the competition by doing ongoing research to make sure you know what's going on in your industry in your area.

Keep your patrons happy, bring in new customers, and turn them into regulars.

IN THIS CHAPTER

- » Buying your products at the right price
- » Keeping an eye on inventory
- » Staying vigilant at all times

Chapter **14**

Controlling Expenses and Operating Efficiently

Your biggest ongoing, controllable expenses in the bar business are your food and beverage products. You can make or lose money simply by managing these expenses, so you need to make sure you do so effectively.

In this chapter, we help you keep control of several key areas of your bar business to maximize your profits. We show you how to buy your products effectively. We help you keep track of the products after they make their way to you (along with tips on what to do if they get lost along the way). And we help you make sure that your products reach your patrons without ending up in the trash or in someone else's pocket.

Perusing the Power of Purchasing

Purchasing means buying anything you need for your bar, including liquor, wine and spirits, other beverages, equipment, paper goods, tables, silverware, and everything else. Paying the lowest price possible for the highest-quality products ultimately makes you more money.



REMEMBER

Because you typically buy equipment fairly infrequently, most of this chapter focuses on buying food, beverages, and paper goods. (If you need help buying equipment, take a look at Chapter 7.) If your bar is like most restaurants, you spend not only lots of time but also lots of money buying these types of supplies. But you can definitely apply these same principles and tips to negotiating for and purchasing anything else you need for your place.



WARNING

Appoint only a few key personnel to buy products for the bar (like the head chef, head bartender, manager, and yourself). You all must work together on this. The more people who are buying for your bar, the more likely you are to lose control. It can cost you a bundle in unnecessary or wasted products.

Putting together your list of supplies

Just like you make a shopping list before you head to the grocery store, you need to put together a comprehensive list of what items you need to run your bar before you can start buying. Take a look at a sample list in Table 14-1. Please also refer to Chapter 8 for items that you should keep in stock.

TABLE 14-1 Sample Supplies List (Abbreviated)

Item	Category	Unit	Projected Weekly Sales Volume
Pizza dough balls, 20 oz.	Baked goods	Case, 24 ct.	3
Bread, 3-ft. loaf, Italian	Baked goods	Each	6
Cheese, mozzarella, shredded	Dairy	Case, 14 lb.	2
Cream, sour	Dairy	Case, 8 lb.	0.5
Chicken, breast, 4 oz. raw, 15%	Meat/poultry	Case, 10 lb.	2
Beef, burgers 3:1, 80/20	Meat/poultry	Case, 10 lb.	5

Here are some tips for setting up your own list:

- » **Include all the liquor you need (including brand name and bottle sizes).** Chapter 8 gives you details about specific types and brands of liquors that can work for your bar. We also cover recommended quantities in that chapter.
- » **Add all the ingredients necessary to make your menu items.** Be as specific as you can. For example: If you need your mozzarella cheese for pizza to come to you already shredded, specify it. If you want skim versus whole milk cheese, note that as well.

- » **Include everything else your bar needs, such as paper goods, light bulbs, and glassware.** Make sure that you know what paper towels fit your dispensers, which light bulbs fit your fixtures, and whether you need to buy ashtrays. If you run a smoke-free bar, ashtrays are a waste of money.
- » **Group like items into categories.** Most suppliers group products with common classifications, such as baked goods, dairy products, and so on. This step makes it easier to keep your purchasing and inventory systems in synch.
- » **Estimate how much you think you'll need.** Based on your recipes and menu items, and how much you think you'll sell of each item during a week, create your projected weekly sales volume. This number tells you how much of an item to order.



REMEMBER

Don't worry if you can't fill in every detail on your list, like the unit size, *before* you speak to your first sales rep. Start with your menu specifications and your projected sales volumes to figure out how much of the specific items you need. Then you can work with sales reps to get the best prices for your specific quantities, in a volume that's realistic for your business. When you're first starting out, you have to be flexible and follow a trial-and-error approach.



TIP

Use your supply list to create your inventory control sheets and save yourself some time. Take a look at the section "Maintaining Your Bar's Inventory," later in this chapter, for help.



REMEMBER

When you're drawing up your supply list, consider prep time as a factor. Many bars don't have a huge kitchen staff to spend hours and hours preparing every item on the menu from scratch. And your patrons and concept likely don't require "from scratch" quality in all things. For example, the local Italian joint down the street may hand-bread mozzarella triangles before deep-frying them and serving them with freshly grated parmesan cheese and house-made marinara sauce. But you may decide to go with a terrific, commercially prepared cheese stick that goes right from the freezer to the fryer and is served up with a canned marinara sauce. Both products are quality products from the patrons' standpoint. The Italian joint's version probably costs them less in raw goods but is more expensive in terms of the labor dollars to create it. Your version is more expensive from your distributor, but you save money in preparation time.

Finding the best suppliers for your bar

After you know what you need, find out what's available from different suppliers. Because food-service brands aren't typically mentioned on menus, you have quite a bit of flexibility in deciding whom to buy food products from. No one knows what brand of canned tomatoes goes in your chili. Liquor is a bit trickier.



TIP

In most areas, a single distributor is available for specific brands of liquor. So if, for example, you want to carry Bacardi rum, you must buy it from one particular company. It's a little trickier to negotiate great deals, especially if you have to keep certain brands in your bar because the company has a monopoly on a particular brand. You may not be able to say, "Forget it. I'm going to buy Don Q Rum instead," if your customers really want Bacardi.

Not only do states dictate which vendors carry a particular brand, but some states also set prices. No negotiations. In these cases, the volume you sell of a particular liquor is irrelevant. You won't get a price break if you buy three cases, for example. So in these cases, your negotiations with salespeople have more to do with other services they can provide you, such as bar supplies (napkins, rail mats, and so on), training opportunities for staff, recipe development using their mixologist, merchandise for giveaways, and promotional opportunities (including bringing in street teams or hosting distiller dinners).

Setting up supplier relationships

Whenever possible, figure out what you need before your sales rep tells you what you need. Sales reps can be a great source of information, but don't rely on them as your only source. Remember, they're in the business of selling you products. The more you buy, the more money they make.

Here are some tips to keep in mind when working with suppliers:

- » **Talk to other bar and restaurant owners to see where they buy their products.** For the most part, this business is made up of people willing to help each other out.
- » **Be aware enough about your business to know whether something is good or bad for your business.** Easier said than done, we know, but it gets easier with time and experience. You have to be smarter about your business than the salespeople. Salespeople often get bonuses for selling certain products over others. Those products may still be great for your business, so it's not necessarily a bad thing. Just know what you want and why you want it, and stick to your guns.
- » **Be leery of decorating your bar with liquor branding.** Some liquor or beer brand neon signs or logoed mirrors may be great. Paper pennants from a low-end beer brand may not match your bar's positioning. Don't sacrifice the look and feel of your bar for free decorations. Use the posters, signage, and the like to enhance, rather than detract from, your own brand.



TIP

Coauthor Heather and her partners opened a \$6 million bar and came in one night to find significant branding elements covered over with paper posters from a national beer brand. Needless to say, they were removed immediately and the manager on duty was educated in the bar's brand positioning and

how the beer posters detracted from it. The more you educate your vendors about your goals, the better they are at working in partnership to enhance both brands.

- » **Invite your sales reps to your bar to see your setup.** Show them your kitchen and its limitations. Go over your menu with them. Show them your supply list (like the one in Table 14-1, only longer). Talk to them about your expectations. Show them your delivery area and storerooms so they get a feel for any logistical challenges. In the world of *value-added food-service products* (or food products that have some or all of the preparation steps, like marinating, chopping, or peeling, completed for you), your suppliers may have great suggestions for products that can be executed in your existing kitchen with a very limited kitchen staff.



WARNING

Although some value-added products are terrific, others can taste very packaged, fake, or cheap. Make sure you taste them to determine how they fit your quality standards.



TIP

Get the supplier's sales rep *and* their boss into your bar for the meeting, if at all possible. This step can shave time off the negotiating game. Often, the real power in negotiating prices doesn't lie with the sales rep. Usually their boss (or boss's boss) has the final say. If they know that you're professional and organized, with specific needs and wants, the whole process goes much smoother and quicker.

- » **Buy quality products, always.** Quality products rarely disappoint customers. Depending on how you price your drinks, people may not feel like they're getting a value, but we recommend that you maintain a high quality and charge appropriately.
- » **Shop for the best price.** Don't shop around for the best price on individual items from separate suppliers. Instead, contact potential vendors with the full list of products you want to purchase, like the list in Table 14-1, and look at the overall best price. Suppliers have more leverage to give you better pricing when you do a larger volume of business with them.



REMEMBER

If suppliers aren't interested in getting your business, they aren't going to be interested in servicing your business. Make it clear to them that you want them to understand your business and how you want it to work. You're setting up an ongoing relationship, not just buying groceries for the week.



TIP

Request your sales rep's office and cell phone numbers. Ask for their boss's office and cell numbers, too, but make sure that the sales rep is aware that you've asked for the boss's contact information. That way, they're not completely surprised if you do call the boss for some reason, and it keeps the pressure on because they know that you may call if you have reason.

Keeping the good vibes going

The best sales reps understand their clients' business and bring them ideas, new products, and opportunities in the marketplace that can benefit their business. They must understand your goals, business, costs, and order and delivery requirements to do their best job for you. Always ask about return policies and get them in writing. All suppliers will have one before you buy, but then may conveniently forget it afterward. Getting it in writing ensures that both parties are playing by the same set of rules.



TIP

At the end of the initial meeting, send the sales rep on their way with your list and an understanding of your goals. Give the rep a specific deadline to get back to you with a price quote. Be up front and let them know that you're requesting quotes from other companies; you can even mention the competitors by name. This step shows the sales rep that you know what you're doing and you're confident in your research. Remind them that the purveyor who can meet most of your needs will get the majority of your business.



REMEMBER

If you develop a good working relationship with your sales reps, they can personally deliver small quantities of must-have goods when you run out mid shift. You shouldn't count on this service, however, because it gets old fast.

Using purchase orders

A *purchase order*, or PO, is a form that the person in charge of purchasing fills out and leaves for the person who receives the order. The person in your bar who accepts delivery of the order compares the stock they receive, the purchase order, and the actual invoice that accompanies the delivery, looking for things that don't match. That way, if you know that you got the wrong chicken, you can fix it before someone starts thawing and marinating it.

A purchase order includes the details of the products you need in your bar. After you've figured out exactly what items and amounts you need for your recipes, you definitely want them to arrive in your bar that way. If you're buying wine, and you order a particular vintage of wine but receive another, it makes a difference in quality, price, and value to your customers. Maybe you order 5 pounds of salami, but instead you get 50 pounds; it may spoil before you can use it. If you want 5-ounce bottles of hot sauce to put on every table and instead get a case of pint-size bottles, you'll have to fix the problem.

You may think these kinds of things don't happen, but it's a regular occurrence in the food-service industry. The problems get worse when the person who does the ordering doesn't do the receiving. A purchase order can help you minimize the problems, or at least catch them before they become bigger problems. Check out Figure 14-1 for a sample purchase order.

For information about dealing with problems that occur when ordering goes wrong, check out the next section, “Reordering your supplies.”

Reordering your supplies

These days, most suppliers can give you next-day turnaround on your order. We recommend that you place orders for delivery of perishable goods, such as meat and produce, twice a week, once on Tuesday and once on Thursday. You should be able to order liquor once a week.



REMEMBER

Because your business levels increase over the weekend, your Thursday orders are larger than your Tuesday orders.

Require deliveries before 10 a.m. or between 3 and 4 p.m. Refuse deliveries at any other time because with a bar full of customers, you can’t accurately check in your order. You’re the buyer; you make the rules.

Only time can prepare you for determining the quantities you need. This is a guessing game until you have experience and are in business for two or three months. Keep your eye on your inventory. And take a look at Chapter 8, where we give you our recommendations for the initial order of your most expensive items, your liquor. This information should get you started until you can establish how much liquor you actually use.

Using requisition sheets

Only a few people should have the power to spend money on behalf of your bar. But your bartenders, cooks, and servers will use the actual products more than you will and may know when you need something before you do. Use *requisition sheets* to give them a written way to communicate ordering information to you.

Requisition sheets are kind of like POs (see “Using purchase orders” earlier in this chapter), but they can be less formal. Take a look at Figure 14-2 for an example. Any form that you use to track requests for supplies can be a requisition sheet. Your bartender can use a copy of the beer menu to identify needed stock, for example. Whatever system you use, make sure that it’s a written system, understood by everyone involved. (We don’t recommend a collection of sticky notes hanging by the telephone.) A written system provides an excellent way to communicate requests and start a paper trail for your supplies. And make sure your employees sign and date the request, so the purchaser knows how old the request is and whom to talk to if they have questions about the order.



TIP

Requests can be informally communicated via text between staff members, but be sure to record them on requisition sheets so you have a record to reconcile the POs and delivered orders.

mistakes are made and are truly accidental. And mistakes happen on both ends of the telephone. Don't just assume that your supplier is at fault. Double-check your documents to confirm that you didn't order the wrong stuff.



TIP

When trouble occurs, how do you resolve it? Get on the phone ASAP to your sales rep. Often, they can personally *resolve* a problem for you, even bringing you the missing product. If you have the right products but are charged the wrong prices, you still want to let them know right away, so they can get your billing straightened out.

Maintaining Your Bar's Inventory

Your *inventory* is the stock of supplies you have on hand at any given time. It's an investment, and you get no return on that investment until that product sells. It's truly a balancing act: You want as little money as possible tied up in inventory, but you want to have enough to efficiently do business. *Taking inventory* refers to counting your stock to find out how much money you have invested in it and confirm how much product is actually making its way to patrons and translating into dollar bills in your pocket.

Inventory is also a warehouse of your cash flow. Excess inventory ties up money that you can't use for other necessities until the products sell. Not managing the balance between cash flow and inventory is the failing of many a bar. In this competitive business, you want your money where it can work for you, not tied up in the skid of swizzle sticks you got for half price that's now taking up space in the storeroom.



WARNING

Salespeople love to come up with incentives for you to buy in bulk, but always examine their offers with a keen eye. For example, they may say, "If you buy 100 cases of tomato juice today, you'll save \$3 a case." Take a look at that deal. If you buy 100 cases of tomato juice at \$40 per case, you've invested \$4,000 in tomato juice. Suppose that it takes you five months to sell this juice, even with your famous Sunday Bloody Mary Bar. Let's also assume you have to pay the \$4,000 invoice 15 days from receipt of the goods. In the meantime, at your margin of 25 percent (which means when you sell a Bloody Mary for \$4, \$3 goes to cover the cost of the ingredients, only one of which is tomato juice), you have to sell more than 1,000 Bloody Marys to break even on that great deal. All the while, you "saved" \$300. And until you break even, you're in the red.



TIP

Here are a few ideas to keep in mind when a kind-hearted salesperson tries to lure you into buying more of something than you need:

- » **Buy quantities that you can realistically use while the item is fresh.** Watch out for deals and large volumes of produce and other perishables. If you're throwing out half of what you buy, are you really saving money?
- » **Balance volume purchases of nonperishable items with the cash flow you tie up in inventory.** It's great to get a good deal on three cases of an expensive, 40-year-old scotch. But if it takes you four years to move it, you'll have lost investment opportunities for that money in the meantime. Find the balance that works for you.
- » **Understand that you bring in money only when you sell food and beverages.** You have to build all your costs (rent, taxes, insurance, wages, food costs, and so on) into the prices on your menu. For more on developing and pricing your menu, check out Chapter 9.

Par levels: Consistently keeping enough product on hand

Most bars and restaurants resort to the tried-and-true process of manual counts for inventory purposes. In most cases, food and beverages are counted on a shift-by-shift basis, using par sheets. *Par sheets* are lists of items that restaurants and bars keep on hand during a shift to help them make food and drink orders quickly. A *par level* is the actual number you write on the par sheet to communicate how much of something your staff should make ready.

Here are some examples for ways to use par sheets and par levels:

- » Set a par level for the number of domestic bottled beers in the reach-in cooler. (Remember, you'll have more bottles in the cold storage in the back; par sheets help you decide what to keep handy during a shift.)
- » List par levels for garnishes. Bartenders can get these items ready before their shift begins to ensure they have extra lime wedges or stuffed olives close by when they need them.
- » Decide how much house-made Margarita mix you need to have ready and waiting before your business picks up for the night.
- » Estimate how many pizza crusts should be thawed out before your lunch rush.



REMEMBER

A par sheet gives you a place to count what you have on hand, compare it to what you need to have ready, and communicate to your staff how much to prepare before the next shift. Take a look at Figure 14-3 for an example of what a par sheet looks like.

FIGURE 14-3:
Sample daily
par sheet.

Daily Par Sheet						
DATE <u>December 13, 2013</u> DAY OF WEEK <u>Friday</u>						
POSITION <u>Bartender</u>						
Menu Item / Product	Amount on Hand	Par Levels		Amount to Prep	Shelf Life	Comments
		Mon - Wed	Thu - Sat			
Margarita mix	1/2 container	1	3	3	3 days	
Miller Lite	12	36	48	36	2 weeks	
Lime wedges	1	2	4	3	2 days	

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Par levels are a good guide, but they shouldn't replace thinking entirely. When ordering and prepping, you must consider the weather, holidays, the day of the week, and so on, or you run the risk of over- or under-prepping.

Keeping par levels and doing *shift counts* (counting your products before or after every shift) helps you stay on top of your inventory. Don't wait until the end of the month to find out you're missing supplies.

Taking your bar's inventory

Knowing how much product you have on hand at any given time is essential so that you

- » Can order product when you get low
- » Know where and how your inventory dollars are being used
- » Make sure that your inventory is actually making it into your menu items and out to your paying guests
- » Assess the cash value of stock on hand for accounting purposes

Everyone seems to have their own way to track inventory. Most bars use one of these methods (or a combination of several methods). They generally fall into a couple of categories:

- » **High-tech systems:** These computerized systems include scanner guns and bar codes and practically update themselves as products come in and go out of your business. Some systems are fully integrated, tracking products from the time they're delivered, through the preparation process, to the time they make it to the customer. Other systems can automatically count down your inventory as you use products. If you're missing a single can, it shows up. The systems work well if you're planning on having an exceptionally stable menu. If you're planning any kind of change, completely automated systems can be more work than they're worth. And these systems are more expensive than low-tech versions.



REMEMBER

To use this kind of system effectively, you have to have someone who accurately enters all data in a timely manner. This happens *only* in a business with sufficient staff to devote the necessary time to this detailed process. In an independent (rather than a corporately run) bar, these systems usually end up being scrapped, or underutilized at best.

- » **Low-tech systems:** These rely on paper and people: purchase orders, requisitions forms, and you or one of your employees physically counting and weighing your stock, each shift, each day, each week, and each month.

Even if you use an automated system, you still must physically count and weigh your inventory on a regular basis (monthly at a minimum, more if you need it) to

account for everything and catch any discrepancies, including simple human errors and theft. Yes, it's a big job. Yes, it takes a lot of time. But it's absolutely necessary to ensure that your profits are not ending up in a trash can or in someone's home pantry.

As part of your monthly P&L (profit-and-loss statement, which you can read all about in Chapter 15), you count your inventory. This count is a full and complete account of all the food and beverage items in your bar. Your goal here is to *reconcile* (or match up) your assets on hand (your inventory) against the liability of the invoices (the bills you must pay).

Take a look at Table 14-2 to see what a snapshot of an inventory worksheet looks like. We use the same products from Table 14-1 where we decided which supplies we needed to order.

TABLE 14-2 **Sample Monthly Inventory Worksheet**

Item	Unit	Unit Price	On Hand	Value
Pizza dough balls, 20 oz.	Case, 24 ct.	27.34	0.3	8.20
Bread, 3-ft. loaf, Italian	Each	2.49	1	2.49
Cheese, mozzarella, shredded	Case, 14 lb.	18.52	0.2	3.71
Cream, sour	Case, 8 lb.	9.37	0.5	4.69
Chicken, breast, 4 oz. raw, 15%	Case, 10 lb.	16.43	3	49.29
Beef, burgers 3:1, 80/20	Case, 10 lb.	18.56	2	37.21
Total Value of Inventory				\$105.59

Here are some general guidelines for taking your monthly inventory count:

- » **Conduct your inventory late at night or early in the morning.** This way, you minimize the likelihood that you count something twice because someone moved it while your team was working.
- » **Split up the process over two days.** Do dry storage and food one day, and liquor another. Don't try to do them both on the same day; it's a lot of work.
- » **Enlist the help of several employees.** It's a great lesson to help them become aware that you have put controls in place.
- » **Make sure you create and use a complete and consistent format for your inventory worksheets.** Including the unit is essential for getting an accurate count. The "Unit" column helps everyone know how you want each

product counted. For example, in Table 14-2, look at the line for pizza dough balls. If someone went into the freezer and counted seven balls of dough and wrote “7” in the “On Hand” column, the “Value” column would reflect the dollar value for seven *cases* of dough (or \$191.38), rather than the value for seven dough balls, or roughly 0.3 cases of dough (or \$8.20). That’s a significant difference.

- » **After you have your count, use a spreadsheet program, such as Excel, to help you calculate the value of your inventory.** Multiply the amount of each item you have on hand by the price you paid for the item.
- » **Add up the total of all the items in your inventory to get your total value of inventory.** You need this number for your monthly P&L reports discussed in detail in Chapter 15.
- » **If at all possible, and to keep people honest, rotate the items that individuals inventory.** In other words, have people inventory things they’re not responsible for. If the bar manager is responsible for the liquor and the kitchen manager is responsible for the food, have them inventory each other’s area. Otherwise, they may have incentive to fudge the numbers.

Remember to conduct inventory at the end of a period, like the end of the week, month, or year. That way you can reconcile all your invoices and statements with the actual physical count to get a true and accurate picture of your bottom line.



REMEMBER

Having too much inventory is as bad as running out. Inventory is money, and too much money sitting on a shelf is poor planning. Keep records of when you buy product and when it moves. A good *turn* on your inventory is two times a month, which means you go through your entire inventory two times each month.

Paying Attention to What Goes On in Your Bar

Being present in your bar is the best way to manage it. It may sound simple, but when your staff members see you putting in the time, closely watching what’s going on, they’ll start to model that behavior. Being aware of what’s happening can go a long way toward keeping everyone on their toes, which helps you manage your business the way you want it run.

In this section, we focus on saving you money by managing your business every minute of every day. We show you ways to reduce money suckers, such as waste, breakage, and theft, to help you keep more of every dollar.

Reducing waste

Waste costs money, plain and simple. Waste occurs in many places: perishable food, utilities, labor, and so on. Spend some time analyzing your operation. Identify areas where waste occurs.

Kitchen waste is the number-one area to check. Almost everything can be saved in the kitchen (assuming it's not spoiled). Have a great stockpot for vegetables, bones, and the like (talk to your chef), and you'll have a great (and inexpensive) base for all your sauces.



TIP

Talk about waste with all the kitchen help. Most people don't intend to waste and won't once they know they are throwing away money. Ultimately, if they do waste money, you'll have to close the bar, and they'll have to find a new job. It's a team thing!

Let everyone know you're watching for waste and abuse of food, liquor, linen, and paper products. You can stop the waste and abuse of these items by your employees, but stopping the customers — well, that would be another book.

Looking at the most-common wasted items

The easiest way to reduce waste is to be organized and vigilant. It starts from the top down. When you're visible, your employees are less likely to leave the water running, steal something, or forget FIFO (first in, first out or using the oldest products first). Train your staff to be your eyes for waste. Financially motivating your employees based on controlling expenses benefits you immediately and forever.

Here are a few key areas to be vigilant about:

- » **Watch your utility bills.** Close the cooler doors and turn off the inside lights when no one's working in them. (Are you air conditioning the neighborhood?) Don't open windows when you've got the AC cranked and it's 95 degrees out. Turn off unused burners on your ranges on a slow night. Turn off lights in vacant storerooms.
- » **Stay on top of your office supplies.** Sticky notes, pens, paper, and menus add up. Office supplies are the most stolen items in any business. They're small, aren't usually tracked, and everyone can use them. Plus, many people don't feel like it's really stealing if an item or two just happens to make it home with them in their purse or pocket. Keep them locked up in the office on a strictly need-to-use basis.



TIP

» **Ration your linens.** Although you want a clean bar, employees can clean more than a single bar top with a single towel. Remember, every towel has to go out to the cleaners after it's dirty, and that's another expense. Even if you wash the linens yourself, it's more work (and water and detergent and wear and tear) than you need.

Consider rationing your towels. Give each bartender and cook one towel to last them the whole day. Also, clean up floor spills with dirty linens, not clean linens. It may seem gross at first, but it's much more efficient to clean up half a gallon of ice water with dirty linen, and then sanitize the floor with a mop, than to do the same exercise with fresh-from-the-package linen.

» **Watch portion and pour sizes.** Though unintentional, giving away an extra half shot in each drink adds up quickly, ultimately subtracting from your bottom line. Dishing up an extra 2 ounces of fries with each 1-ounce order is like giving away two free orders. Standardized portions and pour sizes give you a way to monitor use and reduce waste.

When good food goes bad: Eliminating spoilage

Food products have a much shorter shelf life than liquor, especially those that fall into the perishable category, such as fresh fruits and vegetables, dairy products, and meats. Canned foods and frozen foods tend to be more forgiving of time.

Spoilage in a food-service establishment, like a bar, takes on a whole different perspective when you consider the volume. If you've ever been grumpy about tossing out a rotten head of lettuce at home, think about tossing out an entire case in a bar. Ouch!

The good news is that spoilage can be prevented. Begin with an attitude that spoilage is unacceptable. Keep your staff working on the first in, first out (FIFO) rule. Train them from Day 1 that they need to use the oldest products first. Notice we didn't say *spoiled* products. No one is advocating that you serve your patrons rotten food. But you don't want a carton of sour cream to continue to get buried behind newer ones and then expire in the cooler before you can use it.



REMEMBER



WARNING

If you're ordering in the proper quantities, your staff shouldn't have too much extra product to manage.

Believe it or not, beer and wine are perishable. If these products aren't stored at a consistent, proper temperature, the perishing process speeds up. If you buy ten cases of wine and your storage room temperature is fluctuating, you had better be going through your stock quickly, or the wine's quality will be affected. Rotate

your stock, especially the beer on the back bar. Make sure you put the old beer in front, and slide the new beer to the back.

Battling breakage

Accidents happen. But the root of breakage is disorganization. If your staff is organized and working together, your food is coming out of the kitchen on time, and your dish area is tidy, you're much less likely to sustain breakage than if everything is chaotic.

Breakage is an expense that you probably can't eliminate, but you can take steps to control it.

- » Install magnetic flatware catchers on your trash cans in the dish area. You'd be amazed at the amount of flatware that gets thrown away in bars and restaurants. You can also put a sign near the garbage cans: "What are you throwing away?"
- » Only buy glassware with the appropriate washing rack. (Take a look at more glassware advice in Chapter 7.) Using the wrong racks invites breakage, especially if the glasses have long stems.
- » Organize your dish area so that plates, china, flatware, and so on, are neatly stacked coming in and going out.
- » Use rubber mats in the dish area and storerooms where glass items, from stemware to liquor bottles, are stored. A simple thing can go a long way toward getting more bounce for your buck.
- » Hire quality employees, and train and communicate with them. Educate them about your values. Reward them for following the rules you set up.

Assess what hard goods (such as plates, glasses, and the like) you're buying on a regular basis. Some items are more delicate and prone to breakage than you may have originally thought. If the breakage is too much, you may have to change what you're serving in.



WARNING

Another form of breakage amounts to theft. Verifying that a broken bottle of liquor really was broken is important. Otherwise employees may "drop" bottles right into their lockers. Make sure you save all broken bottles and know your suppliers' return policies. Some will credit your account if you produce the unopened (albeit broken) top of the bottle. If the seal is intact, you may be in luck.

Reducing and eliminating theft

Theft means stealing, pure and simple. If a dishwasher pockets silverware from the restaurant, that's theft. If a bartender gives a drink away to a customer without ringing it up, that's theft. If a prep cook loads a couple of steaks into a cooler in their car while they're stocking the cooler, that's theft. You can't possibly be everywhere at once, so it's good to have systems in place to help deter the problem.

Check all your supplies in, lock them up in the correct storeroom, and check everything out to the correct stations (back of the house, bar, and front of the house). Keep tight security measures. If you fail to put controls into place, you will lose good help, and it will be your fault. People are only as honest as you let them be! Don't tempt them. Remember, even churches are locked.

Using a measuring system (even as simple as a shot glass) can help you get a consistent pour on your drinks. You can buy systems that mount right on your bottles, or you can get a computerized liquor-control system that works with your POS (point-of-sale) system. For more on controlling the amount of liquor your bartenders pour, see Chapter 12.

Many years ago, coauthor Ray learned “There is always one more cocktail in the bottle.” Pass that mantra along to your bartenders often. Every ounce is money.



REMEMBER

Establish a policy on when the house buys drinks. Some owners buy the first drink on Friday or offer a special happy hour rate for regulars. Whatever your policy is, require all drinks to be rung up on the register. Have a *house check* (a check you keep each day to ring up drinks the house buys) because it keeps everyone honest and slows down the buying of drinks. As staff members see the total creeping up for the day, they're less likely to ask you to add more to it. Giving a cocktail to a customer for free is like giving away money from the register.

A great policy is that when the owner buys, you take the money out of your pocket and pay. This way the customers see you paying with your money, and your gesture makes them feel that you're giving them money, not a cocktail.

Watching out for your staff's sticky fingers

Yes, it's a sad fact of life. Some people will steal from you. Not all — just a few dishonest jerks. People are only as honest as you let them be. It's your job to keep them honest!

The most important step you can take to prevent theft is to hire smart. (“Hire smart, fire seldom” is a good hiring policy.) Check out potential employees’ references. You asked for them, now call them. Take a look at Chapter 10 for more tips on hiring the best employees.

Here are other suggestions to keep your staff from stealing from you:

- » **Use a ticket system.** For every food item and drink, the server must give a *ticket* (a piece of paper with the order and the table/check number on it, also called a *dupe* in bar lingo) to the employee preparing the order. Nothing leaves the kitchen or the bar without a dupe or order slip — nothing!
- » **Make sure that every customer gets a check, including you.** Everyone sitting at the bar should have a check in front of them. Don’t place the check behind the bar. Write the customer’s name on the back of the check. And if you buy someone a drink, ring it up. Everything has to be rung on the register, even if you comp it later.
- » **All employees should leave and enter by the same door, and all coats and bags should be left in an employee area with a closed door and a camera installed outside or near the door.** The employees must have a place to keep their purses, valuables, and coats. A dishonest person will steal from anyone, even their coworkers. If people question your motives, tell them that you’re stopping people from stealing from you and them.
- » **Never let a bartender work with an open register (a register that you simply push a button to open).** The register should open only to close out a sale. Everything has to be rung on the register. If you use an open register for some reason, watch out for too many “No Sales” on the register tape. A “No Sale” is a sign that the bartender opened the register drawer without ringing something in. The register should only be opened to settle a bill. Install a change maker to keep the bartender from having to make change from the register.
- » **Don’t let a bartender count the money at night.** Instead, have them bring it to the office with a time of closing, the dupes, and any slips documenting any money taken out and with the specific reason it was done. (For example, if the bartender has ten \$100 bills in the drawer in the middle of a shift, you may decide to pull that money out and move it to the safe in the back for safekeeping. If you do that, you need to replace the money with a note saying who’s taking the money and why. Only a select few people should ever have reason or authorization to do this.)

- » **Keep a daily diary behind the bar.** It should list the time your bar opened, the time it closed, and any other facts that are important for each shift. Managers and supervisors complete the log, and should keep log entries factual and professional. This tool will be extremely valuable when you have to reconstruct events for any reason. These documents can be subpoenaed and read in court, so make sure they accurately represent your business.
- » **Watch or have your manager watch employees leaving at night.** You don't have to pat them down or make them declare their 3 ounces of liquids, but make sure they're not leaving with the store.
- » **Don't place a tip jar next to the register.** Have a big tip jar, placed behind the bar, at least 6 feet from the register.
- » **Put locks on doors.** This suggestion sounds simple, but if you want to keep people out of something, lock it up. You can lock up coolers, storerooms, offices, bar wells, liquor cabinets, and just about anything else. Locks don't keep out thieves, but they keep honest people honest. If you don't give people the opportunity to steal, most people won't. If people want to steal, they'll figure out a way, but locks are your first line of defense.
- » **Give keys to as few people as possible.** The fewer people with keys, the easier it is to find out what's going wrong. And in this case, keys are a deterrent to the few people who do have keys — they know that it's usually not hard to figure out what happened.

- » Checking out forms to keep your business in line
- » Setting up payroll parameters
- » Making sure your information stays safe

Chapter **15**

Keeping Your Bar's Bottom Line from Hitting Bottom

In lots of ways, running a bar is like running any other business. You have inventory to manage, employees to manage, taxes to pay, invoices to pay, and customers to keep happy. Many people mistakenly focus on one (or maybe a couple) of these details at a time. So they miss many opportunities to dig a little deeper and investigate whether or not they're making money, and they spend even less time figuring out why. If you don't maintain control of your money and products, you'll be out of business fast. (Coauthor Heather's dad is a successful accountant and entrepreneur. His mantra is, "Watch the nickels and dimes and the dollars take care of themselves.")

In this chapter, we help you apply standard accounting practices to your bar. We get you started with understanding some bar- and restaurant-specific forms that help you analyze your prices, costs, and inventory. We give you the details about setting up your payroll systems. And finally, we help you keep all your information safe.



REMEMBER

Keep up with your business on a shift-by-shift, daily, weekly, and monthly basis. Don't let the details sneak up and surprise you after it's too late. Don't miss the opportunity to make corrections. Use the worksheets, reports, logs, and other tools in this chapter and throughout the book to keep up with your numbers and the real dollars they represent.

Reading Your Income Statement

An *income statement* (sometimes called a *profit-and-loss statement*, or *P&L* for short) summarizes your expenses and sales for the month. Then it allows you to compare these two figures and determine your bottom-line profit (or loss) for the month. Take a look at Figure 5-5 in Chapter 5 to see what an income statement looks like. You must look at this report to see whether your bar is profitable. If the income statement doesn't match your expectations, check your math; errors do happen. But if the actual numbers are correct but not what you need them to be, start looking for the causes.

Here are just a few examples of what symptoms an ailing income statement might have with ideas on how to investigate further:

- » If your cost of goods sold (COGS; see "Creating a cost of goods sold report" later in this chapter) is a higher percentage than you had hoped, look at your past invoices to make sure you haven't overpaid for the goods you've received.
- » If your beverage costs are high, investigate waste and theft.
- » If your sales are low, go back to your daily business review to see whether you can isolate which days and shifts were below normal and start piecing together the problems to find a solution.
- » If your marketing expenses are high, evaluate whether sales are increasing at the rate you hoped they would. If not, figure out why.
- » If repair costs are high during a period, consider looking at leasing newer equipment without maintenance fees.



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Some establishments create (or run) income statements and other financial reports to span different periods of time, like quarterly or annually. Feel free to add these to your must-have financial documents list, but make sure you're staying on top of your business on a short-term basis, too.

Deciphering Your Balance Sheet

A *balance sheet* is a financial tool that compares your assets (like your inventory, furniture, and bank accounts) to your liabilities (your debt, including invoices you owe). See a sample balance sheet in Chapter 5.

Ultimately, a balance sheet gives you a snapshot of where your business stands at a specific point in time. Potential investors and creditors look at these reports to assess your financial health. Watching these reports over time can help you understand how your business is growing. Keep an eye on this tool every month, even though it's the least dynamic report you run.



TIP

We strongly recommend getting an accountant, preferably one with a bar or food-service background, to help you create and analyze these financial forms. They can help you with the ins and outs of accounting (like the scary words *depreciation* and *accruals*) that are beyond the scope of this book. And take a look at *Accounting For Dummies* by John A. Tracy, CPA (Wiley) to get familiar with accounting terms and practices.

Analyzing Reports in the Bar Business

Your business levels and sales will change from day to day and shift to shift. Getting the most-current information available is essential to help you adjust your purchasing plans, preparation schedules, and even staffing schedules. For example, if you have an extremely busy lunch that lasts well beyond the typical lunch time period (usually 11:45 a.m. to 1:30 p.m. or so), you might consider calling in an extra staff member or two to help you restock your depleted supplies, such as garnishes, bottled beer, and mixers. Because this business is extremely fast paced, you need reports that keep up with you. This section gets you started.



TIP

Let technology help with as much reporting as possible. Even the most basic POS (point-of-sale) system will have some of this reporting built in. If it doesn't, you should be able to download data from the system into a spreadsheet program such as Microsoft Excel or Google Sheets and create versions of the report discussed in this chapter.

Using a daily business review

Your *daily business review* is a report that you create by recording relevant details (like your sales figures, labor costs, and customer counts) every day. By recording this information in one place, every day, you build a history of your business that

allows you to compare figures across previous days, months, and years to establish patterns and determine whether you've gained or lost ground in individual categories.

You can find a sample daily business review in Figure 15-1, but you should develop your own review that tracks data in the categories important to your particular establishment. In our sample, we include a line item (like "Sales") then add a row just below it [Sales (L/Y)] so you can quickly compare your current sales to those from the previous year. If it's important to you, you could track sales by area (indoors separate from rooftop, for example) or by category (beer, liquor, and wine sales). You could expand this review to include the sales amount you planned or forecasted for the day (take your actual sales divided by planned sales and show it as a percentage), then figure out how accurate your plan was. Use this data to improve your planning and performance. You can't measure what you can't measure.

Among other things, a daily business review can help you

- » Determine whether a current promotional event is affecting your sales.
- » Confirm whether your overall volume is increasing over time.
- » Identify whether you have a problem somewhere in your business. For example, if your sales numbers continue to rise, but your profits aren't keeping pace, you have a starting place to begin an investigation.

Because this document, in and of itself, is simply a summary of what happened on a given day, you'll likely need to delve into other documents and operational practices to find the root of any problems.

- » Clue into trends in your business levels. The trends, in turn, can help you make more-accurate buying decisions and set your *par levels* (or how much stock you should keep on hand). For more information on setting par levels and keeping your inventory under control, check out Chapter 8.
- » Keep your cash flow in check. Many people track their cash deposits and credit card receipt totals on this form so they know how much is coming in and when.



REMEMBER

Controlling cash flow

Your *cash flow* is simply the movement of money into and out of your bar. Money flows into the bar when patrons buy drinks. Money flows out of the bar when you pay the electric bill. If you think keeping your checkbook balanced is a challenge, consider how tough it is when you don't know what your paycheck (in this case, your sales) is going to be and when it might find its way to you.

Daily Business Review								
Week of :								
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Totals
Sales								
Sales (L/Y)								
Food Sales								
Food Sales (L/Y)								
Beverage Sales								
Beverage Sales (L/Y)								
Labor Cost								
Labor Cost (L/Y)								
Labor %								
Labor % (L/Y)								
Food Cost % (Est.)								
Food Cost % (L/Y)								
Cover Count								
Cover Count (L/Y)								
Total Credit Card Deposit								
Visa								
Amex								
MasterCard								
Discover								
Cash Deposit								
Food/Bev Mix								
Food/Bev Mix (L/Y)								

FIGURE 15-1:
A sample daily business review.

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Figure 15-2 shows how cash flow fluctuates over the course of a month. We had to make some assumptions about your business to put this example into motion, so here's what we assumed:

- » You started the month with no money in your account.
- » You're working on a 30-day month.
- » Your sales are constant at \$2,500 each day.
- » Your rent is \$2,000 each month, paid on the 15th.
- » Your operating expenses (like food costs, labor, and so on) are 88 percent of your sales.
- » You pay half of your bills weekly (on the 7th, 14th, 21st, and 28th) and the other half on the last day of the month (the 30th). We include payroll in the bill category here.
- » Half of your diners pay in cash, while the others pay with credit cards.
- » Your credit card companies charge you 3 percent of the total transaction for the privilege of taking their cards. They deposit the remaining funds into your bank account with a three-day lag time.
- » You deposit your cash every day.



REMEMBER

After all is said and done, you end the month with a little cash left over *and* you don't run out along the way. Nicely done! But when you realize how little you had on a few days of the month, you can see that depositing your cash regularly (at least a couple times a week) is essential. And think about how delays in transmitting your credit card charges, spending extra money when you buy something in bulk, and so on, can affect your cash flow. Lots to watch out for!

Creating a cost of goods sold report

A *cost of goods sold (COGS) report* measures your *actual* food and beverage cost percentages, rather than an estimate. (See Chapter 9 for more on pricing your drinks and meals.) It helps you figure out how much of your food (in dollars) turns into actual sales (in dollars). It shows you how much you're spending on inventory items compared to your sales, which is the ultimate test of how well you manage your inventory.

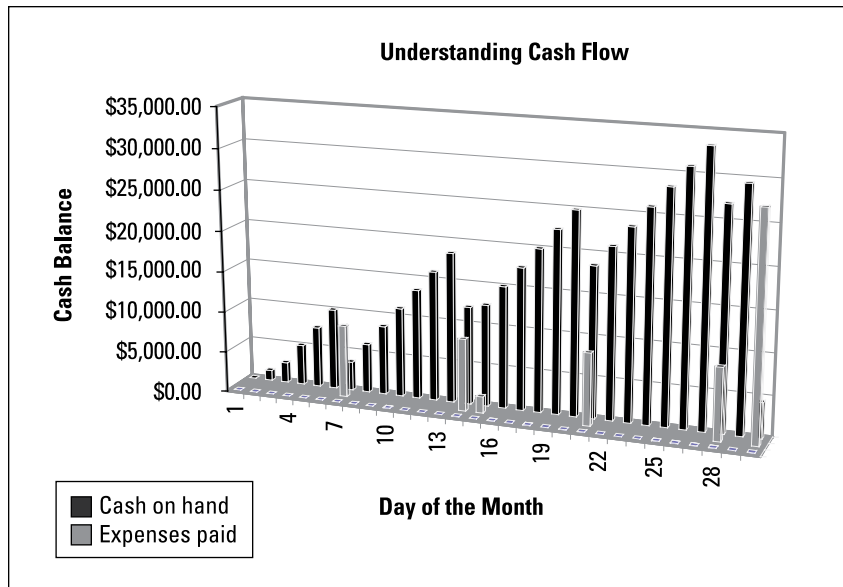


FIGURE 15-2: Looking at how cash flow works for a month.

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TIP

Write COGS, but say “cost of goods sold.” No one really says “COGS.”

Take a look at Table 15-1 for a sample COGS report.

TABLE 15-1

A Sample Cost of Goods Sold (COGS) Report

	Beginning Inventory (A)	Purchases (B)	Ending Inventory (C)	Sales (D)	COGS
Food	957	1,200	876	7,500	17.08%
Liquor	2,400	2,745	1,296	18,942	20.32%
Beer	895	1,200	910	9,426	12.57%
Wine	674	350	297	3,242	22.42%
Total	4,926	5,495	3,379	39,110	18.01%

To create your own COGS report, follow these steps:

1. Figure out your beginning inventory (A).

If you're just starting and had nothing on the shelf at the beginning of the month, your beginning inventory is \$0. If you've been in business, just use your ending inventory number from the previous month's report.



TIP

You can break down your inventory categories in as much detail as you want. The more detailed you are, the better you'll be able to spot trends within larger categories (so you could split beer into multiple categories like Draft and Bottled, or even further into Bottled-Domestic, Bottled-Import, Bottled-Microbrew). Just make sure that you track both your inventory and purchases in a consistent manner so you can get accurate numbers.

2. Tally your invoices for the products you purchased during the time period you're reporting on (B).

Help yourself by keeping an *invoice log* (list of invoices). Assign each invoice to a category that matches with a category on your COGS report. If you make this a habit, you'll save yourself a ton of time when you go to create the report. And you'll make sure you don't miss any invoices.



REMEMBER

If several items from different categories are listed on a single invoice, make sure you put the correct amount in each category, rather than just assigning the total invoice amount to a single category.

3. Figure out your ending inventory (C).

For this report to be truly accurate, you must do a full and accurate physical count of your inventory and determine the full dollar value it represents. We give you the details for completing a physical count of goods in your bar in Chapter 14.

4. Figure out your sales for the inventory period (D).

Your computer system should track this total for you regularly. If not, add up your daily sales totals from each day during the inventory period to get this total.

5. Add your beginning inventory and your purchases (A + B). Then subtract your ending inventory (now A + B - C).

6. Divide that total by your sales (D), [(A + B - C) ÷ D] to get your cost of goods sold.



TIP

Your POS system (computerized cash register and sales system) may have much of this reporting built in. Having your menu items, sales, ordering, reporting, time clocks, and other systems connected through a single program (or a connected suite of programs) is extremely helpful. Plus, these always-on programs can give you a level of data granularity that you can't get by simply adding up the totals at the end of the night. POS software can tell you things like

- »» How often you turn which tables
- »» Exactly which hours (or half hours) are your busiest or most profitable
- »» What time of day/night you sold that surprise ½ bottle of \$500 tequila

- » When you'll likely be busy next week, to help you schedule staff and order products successfully

If you'd rather use separate forms, you can create your own or purchase spreadsheets and forms from websites like RestaurantOwner.com (www.restaurantowner.com).



REMEMBER

You can use whatever tool works for you. Our point is this: *Use it.* You need this information to manage your business successfully. After all, that's the point, right?

Setting Up Your Payroll System

You will lose good people if you don't keep your word by paying them on time, every time. Setting up a payroll system helps keep you happy — you don't have to hire new employees — and your staff happy — they get paid, which is why they're spending time in your bar in the first place. Heather managed an independent restaurant for an owner who was constantly moving money back and forth between his accounts. Her paycheck bounced two times in a row, and she found another job.

The first rule of payroll (there is no fight club!) is to open two separate bank accounts:

- » **Operating account:** Your operating account is your main account. Money from things like credit card transactions and cash deposits go into this account. You pay all of your bills and invoices from this account.
- » **Payroll account:** This bank account is *only* for payroll purposes. Period. End of story. You move money from your operating account to your payroll account by payday. Never move money from your payroll account to your operating account. As far as you're concerned, the money in your payroll account is no longer your money. If, after payday, an employee chooses to hold their check rather than cash it immediately, so be it. Resist the urge to borrow from this account, even temporarily, no matter how tight money may seem.

Determining your payroll period

There's really no right or wrong way to pay your people, unless you're inconsistent. Remember, this bar is not only your baby; it's your employees' livelihood. It's how they support their families, make car payments, and pay for school. Set up a system and stick to it.

Most bars pay weekly or every other week. (Some choose twice a month, usually the 1st and 15th, but this schedule can make calculating pay for hourly employees really tough.) Here's the rundown on the advantages and disadvantages to you, the bar owner, for both periods.

- » **Weekly:** The upside is that you have a steadier payout of payroll expenses. Each week you transfer roughly the same amount of money to your payroll account. On the downside, you double your management time. Under this system, you have to verify hours, pay rates, and so on, four or five times a month, rather than two or three times.
- » **Every other week:** The upside is that you spend less time managing payroll. You can probably cut your payroll costs in half (assuming you're farming it out) because you need the service less often. The downside is that you have a much larger payroll expense every other week.

Doing payroll yourself or outsourcing it

Depending on the size of your operation, you may opt to do all the payroll duties yourself from start to finish (or assign it to someone in your operation), or you can outsource some of the work to a payroll company.

Here are the basic steps involved in completing the payroll process:

1. Calculate and verify the hours each of your employees worked.

No matter what kind of system you use, you or one of your other managers needs to look at this information and confirm it before paychecks are issued. If you use a computerized system to track hours worked, you can print a report that gives you the recorded hours worked. If not, collect those timecards and start adding.



TIP

By verifying the hours, we don't mean that you need to interrogate every employee ("Did you work 38 hours or 37 hours last week?"). Instead, you just scan over the information looking for discrepancies, especially unexpected overtime. The most-common mistake you are likely to catch here is that an employee forgets to clock out. It's unlikely that Charlene worked 27 hours in a row. More likely she just headed out the door and skipped the time clock. You'll make an adjustment and pay her for only the 9 hours she worked.

2. Confirm employee pay rates.

Data entry errors are common, so again someone needs to double-check this important piece of info even if (or especially if) your time clock is computerized.



TIP

After you do this a few times, it becomes second nature. If you notice that your favorite dishwasher worked 32 hours this week at a rate of \$132 an hour, you won't have trouble figuring out that something is amiss.

Starting at this point, a payroll company can take over for you (except for Step 7, probably) or you can continue the process on your own. This process does become a bit more tedious at this point because you have lots of calculations to make.

3. **Crunch the numbers.**

You have to calculate gross pay and deduct taxes and FICA (better known as Social Security) for each employee to arrive at the *net pay* (the amount owed the employee after all the withholding is withheld).

Employee checks are issued for the net pay amount, but the check stub should give them details such as their gross pay and itemized deductions.

As an employer, you send payment for taxes and FICA to the appropriate government agency on a regular basis. Get with your accountant for the details.



REMEMBER



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4. **Tally the net pay for all of your employees to determine your total deposit for the payroll account.**

5. **Transfer the payroll deposit from the operations account to the payroll account.**

Keep both accounts at the same bank so you can make a phone call or complete an online transaction to move money from one account to another and post it by the end of the day.

6. **Cut checks for each employee.**

Print a separate check for each employee. Make sure each check includes details about the number of hours the employee worked, the employee's gross pay, and any deductions taken out.

7. **Distribute checks to employees on payday.**

Establish a scheduled time, usually midafternoon, to distribute checks.

Even if you hire a payroll company, you still need someone in-house to double-check the information before checks are handed out. Decide whether a payroll company's service (to basically crunch numbers and issue checks) is worth the amount of money you'll pay for it.



TIP

Not surprisingly, most POS systems in the food industry include software to help you schedule employees and act as a time clock. They save you time in every step of the payroll process. You can also choose to add another layer of software to make the scheduling process even more painless for everyone involved. Check out

web-based scheduling software that interacts with your existing POS system. Two options are 7shifts (www.7shifts.com) and Fourth (www.fourth.com). We love this type of software because employees can put in schedule requests, receive their schedule via text or e-mail, and swap shifts, through an app on their phone. Gone are the little bits of paper that “communicate” a necessary day off to the scheduling manager. The manager still has the opportunity to approve schedule trades, but can do it from anywhere in the world with an Internet connection. Very slick!

Keeping and Protecting Your Records

All businesses must keep records for all kinds of things . . . just in case of audits, court cases, police investigations, and so on. Right now, it may not seem like such a big deal, but next month, next year, or even five years from now, how do you know what to keep? Does the IRS really need to see how much you spent on keg beer six years ago? Yes, it does, believe it or not. Take a look at Table 15-2. It gives you our recommendations for how long to keep certain documents.

TABLE 15-2

Recommendations for Keeping Records

Records	How Long?
Balance sheets	Permanently
Bank statements	7 years
Cash receipts	Permanently
Cash sales slips	3 years
Contracts: employee, government, and labor union	Permanently
Contracts: vendor (after expiration)	9 years
Credit card receipts	10 years
Employment records (after termination)	10 years
Equipment leases (after expiration)	6 years
Equipment-repair records	Life of equipment
Financial statements	Permanently
Franchise documents	Permanently
Garnishments	6 years

Records	How Long?
General ledger	Permanently
Inspection reports	5 to 10 years
Inventory records	3 years
Invoices	7 years
Job applications, nonemployee	1 year
Leases	Permanently
Mortgages	Permanently
Payroll records (after termination)	10 years
Permits and licenses (fire, elevator, liquor, and so on)	Current on file
Profit-and-loss statements	10 years
Tax records	7 years



WARNING

If you get information from a reputable source that differs from the information in this book (like from the IRS, your accountant, or your dentist — no, scratch that last one), follow the most conservative recommendation to cover yourself.

Preventing identity theft

Identity theft is regularly in the news today. Basically, crooks steal vital personal information of unsuspecting people and open credit cards in their names, using their Social Security numbers, birth dates, last known address, and so on. They then max out the credit, never pay the bills, and stick the victims with a huge mess to try to unravel. As a business owner, you have a responsibility to protect your customers and your employees from unscrupulous, would-be thieves.



TIP

Keep a security camera in your coat-check area. Despite the warnings, people do leave identification in their coats. The IDs can be stolen and used to commit identity theft.

You'll have all sorts of paperwork with sensitive information on it — yours, your employees', and your customers'. Keep your employees' Social Security numbers and other highly personal information locked up in your office, and store bank account numbers for your business and customer credit card numbers out of reach. Locks don't keep criminals and thieves out of your stuff. But they do keep honest people honest. Ultimately, if someone wants to get into your file cabinet, they will.

Hackers be gone! Protecting your computer system

You will probably store just as much sensitive information on your computer as you will in the filing cabinet in your office, so you need to protect your computer from hackers. *Hackers* are computer-savvy criminals who want to gain access to your records to either destroy them or use the information for illegal gain. A *fire-wall* is a software application that protects the restaurant *and* its clientele from attack from hackers. Talk to the sales rep who sells you your computer system about the best plan for protecting your system. At a minimum, limit access to the system to managers and make sure everyone has their own password so you can track who's doing what in the system.

Hackers can attack your credit card system as well. Make sure that you're using a reputable credit card company. It should have protection, insurance, and *encrypted*, or secure, systems. Talk about what services the company offers and pick what's best for your business.

IN THIS CHAPTER

- » Mastering digital menu management with QR codes
- » Choosing contactless ordering and payments
- » Enlisting the help of social media

Chapter **16**

Tackling Technology for Your Bar

Technology in the bar business has come a long way in the past couple of decades. Our industry was notoriously slow to adopt innovations, likely because many of us felt the cost didn't outweigh the benefits. But gone are the days of expensive hardware you have to purchase. Subscription-based services, leased equipment, and free apps make using these tools a no-brainer.

In this chapter, we show you what technology tools you need for your bar and how to make the most of them. We also give you concrete steps for setting up accounts with several must-have social media sites to get your name out there and get your future patrons to choose your bar.

Creating QR Codes for Menus

During the COVID-19 pandemic, our industry had to constantly follow changing guidelines and adapt every day to keep bars open and patrons as safe as possible. Given all the things that had to be cleaned and sanitized, removing physical menus from that list seemed like an obvious choice. Enter the QR code linked to a digital menu.

These uniquely generated black and white squares link to any web page or document that you wish (see Figure 16-1). To use a QR code, the guest simply has to take out their smartphone, open the camera app, and scan the code. A link will pop up under the image and once clicked, it will direct guests to the site you linked your code to, which in this case is your bar's menu.

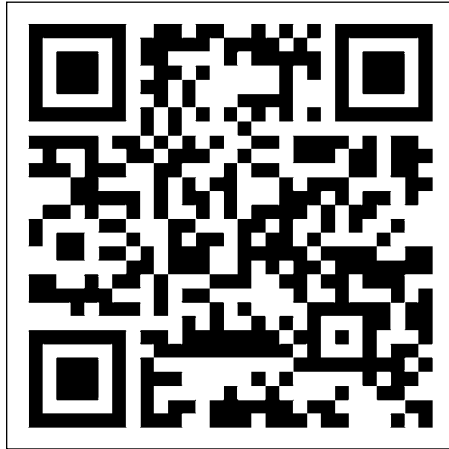


FIGURE 16-1:
A QR code.
Scan it with the camera on your smartphone to go to `Dummies.com`.

You can create an entirely free QR code that simply directs your guests to your menu online with one of these tools:

Bitly: <https://bitly.com>

Canva: www.canva.com/qr-code-generator

The QR Code Generator: www.the-qr-code-generator.com

Once you select a service, bring up the menu on your website and add its web address to the QR code generator. You now have a safe and easy way for guests to check out your menu once they sit down. We recommend displaying the QR code on table tents for guests to scan and view the menu. Consider also placing the code directly on the table or on napkins and coasters — anywhere a guest has clear access with their phone camera can work.

Of course, you can use a premium QR code generator to track data and make your QR code a bit more fun by adding a logo or whatever image you wish to put there. If you want to go this route, consider using the same company as your point-of-sale (POS) system so that everything is under one platform. Many providers, like TOAST (<https://pos.toasttab.com>), have everything under one roof!

Considering Contactless Ordering and Payments

As we worked to reduce the risk of spreading viruses among patrons and staff members during the COVID-19 pandemic, contactless ordering and payments became normalized and show no signs of going away anytime soon. We can't keep from handing a guest their drinks and snacks — that's our business after all — but we can minimize handling their personal credit cards and cleaning physical menus.

Enabling contactless ordering

You can take the new fancy QR code you created in the previous section to the next level by integrating contactless ordering. This feature enables guests to place food and drink orders right from their smart devices. Their orders are sent directly to your POS system, which notifies you of the order. It can even start a tab for them!



WARNING

This feature requires a bit more work from your end to place every item you offer into this system, but, if you are opening a full contactless bar or operating with limited staff, contactless ordering may be for you.

You can get started with tools offered by companies like these:

BentoBox: www.getbento.com

BarPay: www.barpay.com

Toast: www.pos.toasttab.com



TIP

If contactless ordering is important to you, talk to your POS vendor up front. You can save yourself time and money by considering an integrated system.

Processing contactless payments

Contactless payment is a bit easier to set up and worth the time. Guests appreciate the ability to pay when they want and without the need to wait or hunt down their server or bartender. And you'll appreciate getting a new paying guest in that seat sooner.



REMEMBER

Contactless payment refers to any type of digital payment system that doesn't require physical contact between a form of payment and the POS. It's less about no-contact between staff and patrons — although it does cut down on physical interaction — than it is about customer convenience and speeding up service.

Here are a few ways contactless payment might work in your bar:

- » Servers and bartenders carry a handheld terminal and process credit cards tableside.
- » Customers perform a simple tap and pay with a credit or debit card on a remote stationary payment terminal near the POS.
- » Customers scan a code on their receipt and pay their bill directly on their phone through systems like Apple Pay, Google Pay, or Samsung Pay.

Any of these methods allow the guest to pay their bill easily and (hopefully) offer a tip.

Opting for handheld ordering tablets

We recommend choosing a POS system that includes handheld tablets or terminals. These tools can range in size from an iPad to around the size of a scientific calculator you might remember from algebra class. Having this mobile computer in their hands gives your staff the flexibility to continue to take orders without immediately returning to the bar to ring in orders at a central location. No lines of servers waiting to ring in means they can continue to be on the floor talking to patrons and providing great service.

In addition to helping get drinks into customers' hands more quickly, here are a few other reasons to get handheld tablets into the hands of your staff:

- » **Quicker table turns:** Drinks come more quickly, sure, but patrons can pay more quickly, too, which opens up space for the next group sooner.
- » **Increased sales:** Patrons spend less time waiting between visits from their server. They can enjoy more rounds in the same time period.
- » **Improved order accuracy:** Servers and bartenders input orders as the guest orders rather than waiting their turn in line at a central location. It is harder to forget or misremember an order when it's being input in real time.
- » **Location flexibility:** Serve more guests in more locations in your bar. You can place orders and accept payments in more remote areas of your establishments. Upstairs floors, hidden speakeasy rooms, extended patios are all fair game. More areas mean more potential patrons.

Most of these systems can be purchased outright or leased, or even be free up front (instead, you'll pay a monthly subscription and transaction fee to use the tool). If you do purchase them up front, they may pay for themselves with the additional business you're able to bring in.

Check out Chapter 15 for more info on selecting the right POS system for your bar.

Working with Reservation Platforms

Though many may think that reservations are just for bars that focus on food, there is a benefit to taking reservations regardless of the style of your bar. If you are running a small cocktail bar or a bar with limited seating, for example, it is worth creating an account with a reservation platform. Guests can reserve specific premium areas (such as tables close to the stage or the rooftop bar for sunset cocktails) or services (think bottle service) through these tools. You can also use these tools to sell tickets to specific events like a band, whiskey tasting, or New Years Eve celebrations. Take the time to set up profiles with several reservation platforms as they are beneficial tools that can help you run your business easier as well as help you bring in the most money.



TIP

Reservation tools and platforms are ever-growing, so be sure to stay up to date with the latest offerings. Even if you are happy with your current platforms or tools, it may be worth checking out any newly available tool to see how it can help as well as to get the username you want!

Setting the table for OpenTable

OpenTable (www.opentable.com) is an online reservation service that enables guests to book reservations through the OpenTable app and web page. It offers a great way to get people in the door just by hitting a few buttons. Also, like Yelp, OpenTable allows guests to see your menus. Many guests look at menus before entering a bar or restaurant so this really could help bring business in.

Here's how to set up your business on OpenTable in three easy steps:

1. **Go to <https://restaurant.opentable.com> and click the Explore Plans button.**
2. **Pick the plan that best suits you and your bar.**
3. **Fill in the form to start your profile.**

Because OpenTable is a reservation platform, it is important to take the time to set up your profile accurately. Be sure to space out your tables in order to get the most out of this platform while still leaving a bit of space for walk-ins. It is also important to make sure to turn off the days that you are closed. We have seen some initial opening scenarios where bars and restaurants forget to note that they are closed on Mondays but the reservations are piling in!



TIP

Be sure to include any events and cocktail and dining experiences into your OpenTable account. Doing so is a great and easy way for people to learn more about the events and to purchase tickets.

Trying out Tock

Tock (www.exploretock.com) is another online reservation service that is designed to consolidate reservations and event ticketing into a single platform. It's a great choice if you plan to offer events, experiences, parties, and so on. Tock allows you to collect deposits and make credit card holds, or prepay for events.

Tock offers several pricing tiers depending on what features you're interested in and the volume of business you expect. Take a look at their website to see which features work best for your needs.

Using Social Media to Build Your Business

Social media describes a set of Internet applications or websites that bring together a group of users who interact with each other, sharing content and opinions. It is everywhere these days and a must-have for any business. It is also one of the best ways to market your bar.

Familiar social media sites include Facebook (www.facebook.com), Instagram (www.instagram.com), and X (formerly known as Twitter; www.twitter.com). Two additional sites are particularly important for the food and beverage industry: Yelp (www.yelp.com) and OpenTable (www.opentable.com). Users of these sites share opinions, pictures, reviews, menus, and so on, of bars and restaurants.



TIP

Using social media effectively is a time commitment. But you absolutely can manage your social media presence yourself. We do. However, if you feel overwhelmed by the process, look for professionals to help you develop and implement a social media strategy. There are a variety of agencies out there, but there also may be someone local who could help you for cheaper!

If you're willing to pay a little each month for some help, check out one of these social media management companies to help you create and schedule posts across multiple platforms:

» **Hootsuite** (www.hootsuite.com): With pricing starting around \$100 per month, you get a full-service solution. From scheduling, posting, content creation, and analytics, it's a one-stop shop.

» **Later (www.later.com):** Lower tiers begin at only \$17 per month. You can get help with scheduling your posts, writing engaging captions, and creating reels of your beautiful bar and beverages, as well as with sharing them across multiple platforms. The lowest tier gives you access to the most recent three months of data analytics, while more expensive options give you a full year.



REMEMBER

If this sort of help is beyond your budget, look for a free tool that can make managing your online profiles easier and less time-consuming. Most social media management tools offer free trials, but you can find completely free tools with limited features. Two of our favorites are Buffer (<https://buffer.com>) and CoSchedule (<https://coschedule.com>). These tools let you monitor multiple profiles at once and allow you to schedule updates and posts to your followers.

Taking control of your Google Business Profile

The Google search engine is so widely used that it's often used as a verb to mean "look up on the Internet." People often google a bar to check out the menu, read reviews, and get the overall vibe. Or they google bars in an area of town to make a choice on where to spend their time and their money. Your Google Business Profile is often the first information a potential patron sees if they google your bar. Or, if they don't even know your bar exists but they search bars in a geographic area, basic information about your bar may pop up.

Through your business profile, you can add photos of your menu, update your hours of operation, identify your payment methods, and more. Best of all, a Google Business Profile is free.

Here's how to get connected to your Google Business Profile:

1. **Go to the Google Business Profile web page at www.google.com/business.**
2. **Click the Manage Now button.**
3. **In the Business name field, type in your bar's name.**
4. **In the Business category field, type bar.**
5. **Follow the remaining prompts to set up or update your account.**



REMEMBER

Whether you created it or not, if your bar is open it likely already has a Google Business Profile. Make sure you've taken control of yours, read reviews and respond when necessary, and keep the information up to date.

Understanding Yelp

Yelp (www.yelp.com) is a little bit like the Yellow Pages on steroids. Its brand promise is that “Yelp is the best way to find great local businesses,” and yes, it has an app for that. Many people use Yelp to find reviews and details about a bar or restaurant in order to decide where to hang out or dine that very night. Computer (or smartphone) users can search the Internet for your bar. They may get a hit on your actual website, but they’ll also likely get the Yelp profile for your business, whether you set one up or not. So you can see immediately why this site is one you want to be actively involved with. Users of Yelp also use this opportunity to see your cocktail and food menu. Be sure to upload great photos and update your menu accordingly when you have new cocktails or features.



REMEMBER

One important thing to keep in mind about Yelp is that you don’t really get a choice of whether your business is listed or not. Because Yelp gets data from third parties, such as public records, it builds business profiles for its users to access and subsequently review. Eventually your bar will be on Yelp, so we recommend actively taking control of your bar’s profile and managing it from the beginning.

Here’s how to set up your bar’s account:

1. **Go to www.yelp.com.**
2. **Click the Yelp for Business menu.**
3. **Choose either Add a Business or Claim a Business.**
4. **Search for your business.**

As we mention earlier, if you’re open, Yelp likely already has a listing for your bar.

5. **Provide the name and location of your bar.**

Yelp will give you the closest matches, including (hopefully) your own bar.



TIP

If your bar isn’t listed, click the link, “Add business with this name,” where you can put in all the details of your business such as the address, hours of operation, and category. We recommend choosing the “Nightlife” category and the “Bar” subcategory.

6. **Click the Claim button that appears to the far right of your bar’s listing.**

At this point, you set up a username and profile. You also confirm that you have the authority to claim this business.

7. **Verify your identity.**

Yelp will place a call to you to confirm that you are indeed who you say you are.

8. Walk around like a champion for the rest of the day because you just set up your Yelp account.

Once you have a Yelp account, you need to set up your business listing. You should add photos, a copy of your menu, and so on. Check out the whole host of tools at Yelp to see what you can include. Yelp also gives you information about who is viewing your listing. It can tell you how many users have seen your page (and how many of them did so with a smartphone) as well as how many have clicked on your map, your menu, and other specific features. Yelp also lets you set up special deals for its users. So definitely explore the site and see what may work for you.



REMEMBER

Yelp users actively review the places they frequent. Read your reviews. Respond to any negative reviews as soon as possible. This way, you can resolve the issue with the customer before it becomes a bigger problem. Other users can see your responses and will likely view your active resolution in a positive light.



TIP

When responding to complaints, here are a few things to keep in mind:

- » If you feel angry, breathe and count to ten (or more) before responding. No need to rush the conversation and make things worse by venting or losing objectivity online.
- » Keep in mind that this person paid to be in your bar and didn't enjoy themselves. They won't be back unless you can turn the situation around.
- » Thank the reviewer for providing feedback. Many people don't complain and don't give you a chance to fix something. They simply never come back. This person is giving you a precious gift: a second chance.
- » If the problem mentioned in the review resulted in changes at your bar, let the reviewer know. For example, if the patron's beer was warm and you have since upgraded your keg lines to glycol cooling to improve the experience, let them know. This change may be the key to getting them to come back.
- » If the review process escalates the customer to continue complaining, attempt to continue the discussion in a private forum through direct e-mail, a phone call, or other means.
- » Electronic communication is tough because you can't see body language or hear nuances the way you can in face-to-face conversations. Always give the reviewer the benefit of the doubt and assume the person has the best intentions in providing feedback.
- » Never forget that the world is watching. If you handle the criticism with class, you could win over some new patrons. If you don't, you could isolate them. Proceed with objectivity and professionalism at all times.

Excelling with X

X (<https://twitter.com>), formerly known as Twitter, is a microblogging site that enables you to have ongoing conversations with your patrons, 140 characters at a time. Successful X brands talk with their customers and don't just simply tell them to come into the bar. X is more about building relationships with patrons and less about the hard sell. X is a great platform for showing the personality of your bar. You must be genuine and authentic on X in order to gain and maintain a following. Hopefully the following turns into patrons.

Following is a rundown of the X lingo to help you get started:

- » A *handle* is your username. The handle for *BARTENDER Magazine*, for example, is @barmag. Check it out to get a sense of how to use X effectively.
- » A *tweet* is a post you send from your X account. It must be 140 characters or less — short and sweet.
- » *Followers* are accounts who follow your profile. In most cases these followers are people, but they can also be brands or businesses.
- » A *hashtag* (visually represented as #) is a system used to categorize your tweets. We recommend using a hashtag or two that relates to your bar that you always include with your tweets. That way, if someone is searching for that hashtag in the X search bar, your business will come up. For example, you could use #localbrew if that's a focus for you.
- » A *retweet* is a way to share with your followers something that someone else tweeted that interests you. For example, maybe your favorite bourbon brand is launching a new honey version of its product and tweets about it. The tweet may read "Look for Mountain Man #Honey coming this spring" and include a picture of the new label. You can retweet this to your followers with a message from you, like "Can't wait to try this. I smell #craftcocktails."



TIP

For more details on X lingo, take a look at *Twitter For Dummies* by Laura Fitton, Michael E. Gruen, and Leslie Poston (Wiley).

So how does a bar use X to increase business? In fairness, it's hard to directly tie a revenue increase to X activity, especially if you're a brand-new business. You have no before-and-after X numbers to compare. But when you're having genuine conversations with people who get to know you and your bar, you build customer loyalty. That's the way humans are. We like to do business with people we know. So ultimately, that's a bar's goal on X.

Here are some ways to connect with patrons on X without hitting them over the head with a hard sell:

- » Follow people who follow you. People like to be acknowledged and validated.
- » Follow liquor, beer, and spirits brands you serve. Then you can retweet their tweets to your followers.
- » Follow sports teams in your area. You can get the news on trades, games, and events early and let your followers know.
- » Follow and engage with charity organizations you like.
- » Retweet reviews or comments made by patrons.
- » Regularly (daily or more often) search for your bar's name on all platforms. Even if someone doesn't tag you, they may be talking about you. Find a way to respond to or connect with them.
- » Let people know about special events coming up, like a beer dinner with a local brewer, along with information on when to get tickets.
- » Update followers on the weekend entertainment playing at your bar. Look for opportunities to prop up bands that have played at your place. Maybe last weekend's band just received a local "Best of" award. Acknowledge that with a "Congrats @bandnamehere. Can't wait to have you back."

Finding friends on Facebook

Ah, Facebook. It's not just for posting pics from Spring Break anymore. If you're like most people, it's probably the first site you think of when you hear the term *social media*. With hundreds of millions of users, Facebook can be a great platform for marketing your bar.

As a business owner on Facebook, you can

- » Post pictures of people having fun in your bar.
- » Post your complete menu.
- » Create events (like new menu rollouts or liquor-company specials) and invite patrons to attend.
- » Get insights into how often people are visiting your page.
- » Create a sweepstakes that encourages people to "Like" or "Follow" your page in exchange for a chance to win prizes, like gift cards or swag.
- » Get notified when guests check in at your location.

Setting up a business page on Facebook is easy. Here are the basic steps:

1. Go to the Facebook website at www.facebook.com.

2. Click the “Create a Page” link.



TIP

If you’re already signed into your personal Facebook account, click the menu icon that appears in the top-right corner. Select “Create Page” from the menu that appears.

3. Enter a name for your page in the Page Name field.

4. Enter a category in the Category field.

Start typing **bar** and various options appear. Select the best option that describes your bar.

5. Add the address and phone number of your bar to complete the form.

6. Check the box stating that you agree to the terms of using Facebook Pages and then click “Get Started.”

Read the terms first, of course, to make sure you understand and agree to them.

7. Begin customizing your page.

Add photos, video, and information as you see fit. (For help, check out *Facebook Marketing For Dummies* written by John Haydon and published by Wiley.)



TIP

If you’re like most people, you probably have a personal Facebook account. You don’t need to log in and out to switch between your business and personal Facebook pages. Instead, simply search for “Accounts Center” and then click “Profiles” to find the business profile you manage. You may see your personal page, your bar’s page, and possibly the fan page you created back in 2006.



TIP

One big benefit to Facebook business pages is that you can promote your page with Facebook ads. *Facebook ads* are nearly instant online ads that appear in users’ Facebook feeds. Facebook uses the information on your profile, including your bar’s profile pictures, hours of operation, and story, to create an ad. As the business owner, you set a daily budget you want to spend (it can be as little as \$5), the geographical location you want the ad to appear, and the profile of users you want to see the ad (male or female, age range, and so on), and Facebook does the rest. It keeps serving up the ad to your specified users until your daily budget is reached. Facebook ads is a pretty easy way to advertise online to a focused group of potential patrons.

Influencing with Instagram

Though Facebook is still the most-used social media platform, Instagram has become one of the most popular platforms over the years. Instagram started as a photo-sharing site, but it has moved on to also include video (also called “reels”) along with live-streaming. Posting on Instagram is one of the best ways to showcase your bar, its drinks, and its atmosphere.



TIP

Because Instagram and Facebook are owned by the same parent company (Meta), you can link your Instagram and Facebook pages together. This makes it easy to schedule posts for days ahead across both platforms!

Follow these steps to set up a business page on Instagram:

1. **Go to the Instagram website at www.instagram.com.**
2. **Create a profile.**
3. **Tap the Settings tab in the top-right corner.**
4. **Choose Account Type and select Professional Account.**



TIP

If you already have a personal Instagram account, open your profile and click the gear icon that appears to the right of your username. Select Settings and Privacy in the menu that appears. Scroll down to the section called “For professionals” and select Account Type and Tools. Choose “Switch to professional account.” You’ll be prompted through a series of screens to describe and categorize your business.

Here are some of the best ways to use Instagram to showcase your bar:

- » Post photos and videos (reels) of guests having fun at your bar
- » Post pictures of your cocktails
- » Promote specials
- » Promote upcoming events
- » Highlight your bartenders



TIP

Both Instagram and Facebook offer the option to post content to your page’s feed as well as to your page’s *story*. Your Facebook and Instagram story is a feature that allows you to post content temporarily (typically 24 hours). It helps to repost content on your story that you are tagged in. If someone posts about having a great time at your place or a shot of their fun cocktail, repost it on your story! Save your feed for things that you want to personally promote. Stories are a great way to show your guests and future guests that you are engaged and that your business is popular and has great things to offer.



REMEMBER

Don't forget to engage your audience! If guests and customers comment on your photos, show them that you care and comment back or at a minimum, "like" their comments (if they are nice ones). You can also follow them back. It's easy to do and builds connections with people who already like what you're doing.

Trying out TikTok

TikTok is a social media app focused on sharing short-form videos that range in duration from a few seconds up to ten minutes, and it can be a great place for people to learn about your bar and the cocktails you offer. We suggest creating short TikTok videos that will catch the eye of the viewer and get them in your door. The most watched videos from your bar will most likely be of your lead bartender creating cocktails, or videos that showcase a fun recap from last Saturday night or from a recent event you hosted. These videos will help keep your core crowd while (hopefully) gaining potential new customers.

Here are the basic steps to set up an account and share videos on TikTok:

- 1. Go to the TikTok website at www.tiktok.com.**
- 2. Click the "Sign Up" link that appears at the bottom of the page and follow the steps to create an account for your bar.**
- 3. Once your account is created, work on creating your first video.**
Aim to create a video that is 15 to 30 seconds long to start.
- 4. Press the + button on the bottom of the screen to add your video to TikTok.**
- 5. Once your video is uploaded, press the checkmark (✓) to share your video.**

IN THIS CHAPTER

- » Spreading the word about your bar
- » Finding new bar customers
- » Keeping your customers coming back for more
- » Staying successful

Chapter **17**

Building and Keeping Your Bar Crowd

You may pour the best drinks, tell the best jokes, and have the best selection of games on your 35 TVs, but if your potential customers don't know it, you're not going to make any money. Getting people in the door for the first time is half the battle. Keeping them coming back requires you to do an excellent job of entertaining and pleasing them while they're in your place.

In this chapter, we show you how to spread the word about your new bar and keep it spreading. We give you concrete ideas for letting people know about your bar so they can come in to check you out. We have tips for competing with all the other bars and restaurants that are vying for your customers, and we give you ideas for keeping your customers coming back again and again.

Generating Word of Mouth

The best form of marketing and advertising is *word of mouth*, having others speak about your place. People connect and trust other people who've had a good experience. Hearing good comments about your bar from another person makes a potential patron much more likely to stop in than if they had seen an ad online. In fact, ultimately you want your main advertising to be word of mouth. But you

can't have it until you start it. So get going! This section shows you how. For more great information, take a look at *Advertising For Dummies* by Gary Dahl (Wiley). It has a whole chapter on word-of-mouth advertising.



REMEMBER

Above all, give your customers excellent service and products. No one complains about them, and no one complains about the price if the food and service are great.

Making sure everyone knows your name (and logo)

Name recognition goes a long way; just ask the politicians. All public relations (PR) is good PR (unless the health department is involved, of course). So get your name out there in front of people.

Coauthor R. Foley has a friend who puts his bar's name on everything in his place, from the front door to the line where you sign your credit card. You can have your bar's name printed on just about anything — you make the choice.



REMEMBER

Choose a great name and hire a professional to create a great logo. It will cost you somewhere between \$1,000 and \$3,000 depending on how many revisions you need to get it right. We list several designers in the appendix. For more on choosing the right name, take a look at Chapter 6.

We recommend putting your name and logo on these items to spread the word:

» **Your local newspaper:** Run a small ad, but run it often. Ask that it be placed in the entertainment section so people see it when they're planning their evenings. Even better than the standard paper are weekly papers focused on entertainment. If your community has a paper that advertises the week's hot bands, drink specials, film festivals, and upcoming concerts, it may be a perfect match for your bar.

» **T-shirts:** You can sell T-shirts for a small profit and have walking billboards all over town.

Remember, T-shirts have space on the back. Use it. Come up with cool slogans and hashtags that correspond with your advertising efforts. (Check out Chapter 16 for more on how to use your hashtags to coordinate your marketing and social media efforts.)

» **Glassware:** Create a custom pint glass with your logo that you can sell or use as a giveaway with purchase (always check local laws first).



TIP



TIP

» **Pens:** Everyone uses them, so give patrons one of yours with your phone number, website, or tagline on it.

» **Business cards:** Carry them and hand them out. Put a free drink coupon on the back if that's legal in your area (talk to the agency that issues liquor licenses in your area to find out). Some locations don't allow you to give away alcohol.

Consider printing business cards for bartenders and longtime or senior staff members, too. They can pass them out to their mechanic, dental hygienist, or other people they come into contact with.

» **Stickers:** People put stickers on everything, not just cars. College kids use them to decorate everything from their dorm rooms, guitar cases, and furniture to notebooks, laptops, and water bottles.

» **Frisbees and other toys:** Frisbees are a great choice if your community has large, open parks or campuses where people play ultimate Frisbee or use them as dog toys. Patrons may take other silly toys and set them on their desk at home or work. If a particular gimmick fits your demographic, put your name on it and give it away.

Whipping up a website

Websites are a must-have item for every business these days. A website can tell people on the other side of town or on the other side of the world about your place. Its reach is limitless.

Registering your website address

Register your website address as soon as you choose a name for the bar (see Chapter 6). Make sure you make it simple and closely related to the name of your bar. For example, if your bar's name is Muldoon's, www.muldoons.com is a natural choice. Unfortunately, it's already the home of Muldoon's Men's Wear, so you'll have to pick another one. Keep the address reasonable, like www.muldoonsbar.com or www.muldoonspub.com and so on. (Incidentally, both of these are taken as well, so if you're going to open up a bar called Muldoon's, you're going to have a challenge on your hands when it comes to choosing a website address.) Skip using crazy punctuation or weird spelling (unless the name of your bar is truly unique, Muldoonz, for example).



TIP

You can register your address, get design help, and launch a website quickly with a company like Network Solutions (www.networksolutions.com), Squarespace (<https://domains.squarespace.com>), or GoDaddy (www.godaddy.com).

Getting your website content together

Your website doesn't have to be full of the latest drop-downs, rollovers, super-slick graphics, or Flash videos. And it doesn't have to be expensive. Even working with a designer to create a custom site like the one we recommend costs you no more than \$4,000 to \$5,000.

Here are the basics to include on your bar's website:

- » **Your address and phone number:** Most people look up bars online to look at the menu and to find out the location. Make sure people can click through the address to a map application that will help them navigate right to your door. Be sure to also include a phone number for questions and reservations (if you're taking them).
- » **Your hours of operation:** 'Nough said.
- » **Your menu:** We recommend you include a PDF (portable document format) of the menu on the website. A PDF preserves all the graphical elements of the menu, reinforcing your brand. Plus, if your patrons see something they like, they'll be able to find it when they actually come in, because the physical menu will look exactly the same as the virtual one.
- » **Links to your social networking profiles:** Make it easy for people to follow you on all social platforms by including simple links.
- » **Your calendar of events:** List your upcoming bands, ladies' nights, and other events.
- » **Your drink specials:** Include your happy hour prices, Margarita Mondays, and other drink specials you have.
- » **Opportunities for patrons to sign up for newsletters, mailings, and website updates:** Give them a chance to become part of your bar family. After they sign up, send weekly and/or monthly updates about what's going on and encourage them to bring friends.

If you have merchandise like sweatshirts, T-shirts, and gift certificates that you sell in the bar, consider making them available for sale on your website too. A shopping-cart feature is a little more complicated and expensive, so if you don't want to start out with one, that's okay. You can always add one later.

You need to update the website only when you have changes to the menu, entertainment, or specials. You don't have to commit a huge amount of time to reap benefits.



TIP

Work with your web designer to make sure your website is adaptive. An *adaptive* website is one that *adapts* to whatever screen size the user is viewing it on. So if someone is viewing your website on a mobile phone, the web page shrinks to fit that screen without the user having to navigate around to simply read the home page. Most people own a smartphone these days and will visit your website from their phone, so make it easy on them. If you choose an adaptive website, you need to develop only one site rather than two: a “regular” site and a separate mobile-friendly site.

Considering do-it-yourself web design

Many blogging platforms, including Blogger and WordPress, exist for you to create a free website for your bar. You can absolutely go that route, especially if you already have experience with one (or more) of them. In addition, most hosting companies have a very basic site builder that can help you create a generic website all by yourself in minutes. Squarespace (www.squarespace.com) and GoDaddy (www.godaddy.com) are two such hosting companies.



TIP

If you don't have the budget to spend thousands on a website but don't want to go it completely alone, look for a company that has some basic restaurant/bar-specific tools to make the whole process easier, yet still gives you a professional site at the end of the process. If you're looking to create a bar website on a budget, a few companies can get you started for almost nothing:

- » **Wix** (www.wix.com) is one of the best for ease of use. It also has a lot of bar and restaurant templates to give you a base to start from (which helps with adding in reservations). As of this writing, a Wix website starts at around \$16 per month.
- » **Squarespace** (www.squarespace.com) is a great choice if you have some photography experience. For as little as \$20 per month, the company offers incredibly customizable templates that turn out to be absolutely gorgeous when paired with professional photos. Step up to \$30 a month if you want an online store too. Browse through the templates for restaurants to get a sense of what your website could look like.



REMEMBER

Of course, if you decide to go with any of these companies, you'll have to do the design work yourself using their proprietary tools. Decide whether you have the desire (and aptitude) to learn to use their tools and build your own site.

Getting your employees excited about your place

You want your staff to want to come to work. You want them to encourage other people to come to the bar. You want great synergy between the front of the house (FOH) and the back of the house (BOH). Treat your staff with respect and insist that they treat each other with respect.

Take their ideas to heart. Encourage them to develop new drinks, menu items, or merchandising plans — whatever's appropriate in their position. Making employees feel like they have a say gives them a greater sense of ownership and pride in your business. Employees are often the driving force behind community involvement efforts (see the next section).

Having daily meetings before opening to explain new menus and hear any suggestions from the employees is very important. Respecting and listening to your employees sets an example that they'll follow with your customers. To show your employees that you appreciate them, have an employee of the week or month and give that person something small to go along with the honor. Gift cards to your bar are a great choice. A paid day off is another. You can never go wrong with cold, hard cash. Consider having a longer-term (and larger) contest and prize too. An employee-of-the-year contest can help everyone stay on their toes all year long.



REMEMBER

Your staff can be your most loyal supporters or your quickest road to ruin. Make sure they're advocating for you, building your bar up in the eyes of your patrons, and representing the bar the way they should.

Making the most of community involvement

Community involvement means being a caring and contributing member of your community. Maybe you give money to charity, host charity events at your bar, or donate gift certificates for silent auctions. Being involved in your community makes people feel like you're a member of their world, like you're all in it together, and they're more likely to make yours a regular stop when they're barhopping.

Sponsoring amateur sports teams in your town is a no-brainer for a bar. When you're approached by a coed softball team (and you will be, trust us), say yes if you can swing it financially. You'll reap the benefits by getting your name and logo on the uniforms and, likely, by getting the team and their fans in after their games.



WARNING

Stay away from sponsoring teams with players under 21 years old. You don't want to be seen corrupting tomorrow's leaders. Most kids' leagues have regulations against it anyway, so this likely won't be a problem.

Here are some other ideas that may be less obvious to the bar newbie but can get your bar's name in the public eye:

- » Host charity events. A local bar in coauthor Heather's neighborhood sponsors the Red Ribbon Ride to support AIDS research every year. The bar is on the ride's route and hosts the party afterward, too.
- » Sponsor runners or walkers in charity events.
- » Give a check to local hospitals and VA hospitals for charity drives.
- » Help with school or church magazine drives.
- » Search out food-rescue programs that repurpose restaurant food for homeless shelters.
- » Sponsor a team at your local chili cook-off, wing-apalooza, or other food competition.
- » Supply gift cards for silent auctions that support charities you love.
- » At Christmas, give a bag full of toys and games to Toys for Tots (www.toysfortots.org).
- » Have a fun float for any and all parades in your area (think St. Patrick's Day, Veterans Day, and so on).



REMEMBER

You must limit yourself when it comes to community involvement because every nonprofit organization in town will visit you. Prioritize which ones are important to you. Three of the most important for your business are police, fire, and emergency medical technicians (EMTs). You need them.

Keep all records of any donations for tax write-offs. Talk to your accountant to get the complete information on what you can and can't write off.

Also, consider getting involved personally in nonprofit groups that are important to you, whether it's neighborhood revitalization efforts, scholarship programs, Big Brothers/Big Sisters, Habitat for Humanity, or something else. Being a board member or a volunteer exposes you to more people who may be interested in your business and impressed by your generosity. And volunteering — genuinely helping others — definitely makes most of us feel good.

Getting New Customers in the Door

Before your customers can be regulars, they need to be customers. Getting them in the door is half the battle. And as the line between bars and restaurants becomes blurrier (even before you've had a drink!), you compete with new businesses every day for the almighty drinking dollar. This section helps you help your soon-to-be customers sift through their options and see your bar for what it is: Their soon-to-be favorite place.



REMEMBER

If you start one of these programs and then take it away because it's unprofitable, it can reflect negatively on your business. People like cheap drinks. Do it right the first time. You may not have the opportunity to do it right a second time. Keep an eye on all promos. When they start to get old and don't bring any new customers in, change them! Nothing lasts forever.

Handling your first customers: The grand-opening crowd

Your grand opening is a great opportunity to get lots of buzz going about your bar. Human curiosity makes people want to try out something new, so opening your place is likely to bring in a crowd looking to see what you have to offer. Do it right, and that crowd will continue and build over time. Do it wrong, and that crowd will be the only one you get.

In Chapter 13, we show you everything you need to do to prepare for the grand opening, but here are some basic tips for building on your opening crowd:

- » Launch your website and social media accounts a month ahead of your opening. As people see signs of new life, and new life in the signage, they'll want to check you out online. Make sure you give them a reason to get excited.
- » Make sure your bar, kitchen, and waitstaff are ready to go. Train, train, train. We recommend at least a week of solid training for all the employees in your new place.
- » Invite business leaders, local celebrities, *beautiful* people, and anyone else whom your demographic relates to or aspires to be.
- » Include bloggers, media outlets, and local food writers so they can experience your place firsthand and share their opinions with their audiences.
- » Consider hiring a PR firm to spread the word about your opening. You don't necessarily need to sign a yearlong contract with a PR firm, but do seriously consider the benefit a firm provides for getting you off on the right foot.

- » Create a memorable invitation. Don't simply print up your invites on stationery and mail them out. Consider sending them in custom-printed pint glasses, on a coaster, or with logoed items like silicone bracelets, stress balls, or bottled water.
- » Invite people from the local luxury-car enthusiast club (along with their luxurious cars). Parking sweet rides right outside your door can set a very hip tone for your place.

Make sure you keep those customers coming back by running your bar the right way every day!

Promoting your, uh, promotions

Promotions are special events going on in your bar on a not-so-regular basis. Specials (see the next section) and promotions are the second-best way of getting new customers (word of mouth is number one). Typically, promotions involve some sort of theme or event that goes on for a set period of time — a night, a week, or a maybe a month.

Here are a few examples of promotions that may be successful in your place:

- » **“Insert-beverage-brand-here” parties:** Your liquor representatives have special liquors or beer they're always promoting. They have all the swag to go with it: shirts, towels, stickers, and so on. They may also have a staff of attractive people to walk around your bar and hand out all the stuff. Just ask your salesperson and keep asking.
- » **Trivia nights:** This one is smokin' hot at the moment. Teams and individuals compete in trivia games in the bar.
- » **Karaoke nights:** Everyone can sing — or thinks they can.
- » **Open-mike nights:** You choose the genre — singing, telling jokes, or whatever fits your place.
- » **Speed dating:** *Speed dating* allows people to meet several potential dates in one evening. Two people talk one-on-one for a couple of minutes and then move on to the next person. Check out Pre-Dating (www.pre-dating.com) to host an event in your bar. Most parties take place early in the evening and on weeknights when your bar may not be packed already. You also get the benefit of getting mentioned on the dating website.
- » **Bartending contests:** Invite all the bartenders in the area. Choose a theme, such as the fastest mixologist, the funniest barkeep, or let's-name-a-cocktail-after-the-town.

- » **Déjà vu celebrations:** Have a grand reopening or birthday party for your bar.
- » **Game nights:** Watch all or some of the pro games at your bar.
- » **New menu items:** Try adding new ethnic dishes or cocktails. The change, even a temporary one, brings in a different customer. These changes could be simply seasonal, such as offering new summertime cocktails.
- » **Customer contests:** Hold a contest to name a new cocktail or dish. Or sponsor a contest to buy a recipe for the best homemade entree in the area.



REMEMBER

Don't forget to put your best foot forward during these events because you will have new (and potentially regular) customers in your place. If they get great food and service and have a great time, they're more likely to come back.

Drink and food specials

People like to get a bargain. Sometimes the lure of the bargain helps them decide to visit your place rather than someone else's. Most bars try specials of some sort until they find something that works for them. In the following sections, we explain some of the most-common specials.



WARNING

Cheap food and liquor brings people in the door. Period. But you always have to consider who it's bringing in and how they'll behave after they sit down at your bar and fill up on cheap liquor. If your drinks are too cheap, it can encourage over-consumption and intoxication, both of which can be a headache in terms of liability and the PITA (Pain In The Abdomen) factor. Consider the consequences before you drop your drink prices.

Scheduling happy hour to maximize the crowds

Happy hours are designed to bring customers into your bar early, let them relax after traditional working hours (9 a.m. to 5 p.m.), and, hopefully, get them to stick around. Half-price cocktails, special beer prices, and food are the common fare. Serve appetizer-type foods — items that are small but good quality. Don't have tasteless fried food that just fills up chafing dishes; have items that will make you look *great*, items that people will talk about. Consult with your chef — don't just offer chips and dips.



TIP

Have something special food-wise that your patrons can't get anywhere else. Work with your food vendors to find unique, easy-to-prepare appetizers that you can restock easily.

If the food is supposed to be hot, keep it hot. If it's cold, keep it cold. A bad happy hour will hurt, not help, your business. If you're going to do it, do it great. See Chapter 9 for more about setting up a happy hour.

Offering drink nights

Some bar owners choose to discount certain drinks on certain nights. You can focus on a special price or a special category of drinks for a special night.



REMEMBER

Thursday night seems to be a popular night for these specials, but remember that you're competing with other bars looking for the same drinking dollars.

Here are a few successful drink-night ideas:

- » \$2 pints
- » \$2 domestic bottled beer
- » \$3 well drinks
- » Martini specials
- » Margarita specials



WARNING

Please, never do all-you-can-drink nights. You won't make money, and more importantly, you encourage overconsumption and all the legal problems that go along with it.

Catering to certain groups

Depending on your location, you may want to run early-week or early-evening specials for certain groups. Here are a few ideas for doling out special group privileges:

- » **College night:** Discount with a student ID.
- » **Greek night:** Discounts for fraternity and sorority members.
- » **Ladies night:** Ladies get half-price drinks (and food). This promo is good for your really slow night, maybe Tuesdays. (Ladies nights have been banned in some areas due to gender discrimination, so check the laws in your area.)
- » **Amateur sports teams:** Players in uniform after their game get a discount.
- » **Public servants:** Give a nod to police officers, soldiers, firemen, and EMTs.
- » **Restaurant employees:** Consider running late-night specials for these night owls in our industry.

CONSIDERING COUPONS

We don't like the idea of coupons or *buy one, get one free*. It can look like your business isn't doing well, and bad news travels fast (almost always faster than any positive news coming out of your place). Coupons seem to carry a stigma (think cheap, low-quality, cheesy) that you probably don't want associated with your bar, with one exception: drink coupons for one cocktail to get people into your bar. They work. Offering two-for-one meals won't attract the customers you're looking for. Trust us!

- » **After the movie:** Moviegoers can bring in their stub from the show for a free dessert.
- » **Sports fans:** Fans can bring in a ticket before or after that day's game for a 10 percent discount.



REMEMBER

Cater your specials to your area and clientele. This list is only the beginning.

Promoting specific dishes

You can make every day a banquet. If you serve meals in your bar, offer certain meals only on certain days at a lower-than-average price.

Make *Monday Lobster Night*, *Tuesday Taco Tuesday*, *Wednesday All-the-Pasta-You-Can-Eat Night*, *Thursday Thanksgiving Night* with turkey and all the trimmings, or *Friday Fish-Fry Night*. You can do just about anything you want (Mexican or Chinese nights, farmers' market nights, potluck nights), but be consistent. Make sure everyone knows what you serve when, and they'll pass the word. As always, make these meals great, or you're wasting your time and money. Most bars don't run specials on the weekends because bars are typically busy during those times.

If you've got a hook, use it: the best burger in town, the biggest burger, the only Buffalo burger, the largest pizza. Big, best, and any words that tell your customers how unique your meals are (in a good way, of course) are the key words.

Making the most of music

Make your current and potential customers aware of your music and entertainment offerings. Check out Chapter 6 to figure out what kind of entertainment works for your bar and how to get it.

After you've decided what entertainment to have, use it as a mechanism to spread your name around town. When you book hot bands, post fliers around the local college campus. Consider running ads on the radio station that plays the same type of music the band plays. Newspapers routinely look for content in the "what's happening" sections and often print entertainment schedules for free.



REMEMBER

Don't forget to include professional posters in your own place about upcoming bands and entertainment engagements.

Giving Your Customers a Reason to Come Back

Getting customers in once is good, but creating repeat customers and even regulars is essential to keeping your bar afloat. The surest way to keep them coming back is to give them a quality experience and, to some extent, a value. That's not to say your place has to be a bargain, but your customers should feel like they're getting what they pay for.

To make your bar successful, you have to meet your customers' needs, and to meet your customers' needs, you first have to know who they are. After you figure that out, you can figure out what they want and decide how you can give it to them. Try to determine your *demographic profile*, or the set of traits or characteristics the group shares.



TIP

For demographic data on the people near your particular location, consider contacting a company like Nielsen (www.nielsen.com) to do the research for you. Nielsen can help you target your customers more effectively than you can on your own.

Here's a list of questions to ask yourself when you're trying to figure out who your customers are:

- » Are they men, women, or both? Are you looking for singles, couples, or a mix?
- » Do you attract a particular segment of the community, such as a college crowd, the after-work-people-in-suits crowd, or a hard-hat lunch group? Maybe you get different groups at different times of the day, week, or month.
- » What age are your patrons?
- » What's the economic level of your customer? Does it match the economic level of the area your bar's in?

- »» What types of cars fill up your parking lot?
- »» Do you draw in tourists, business travelers, locals, or a mix?



REMEMBER

You're not trying to exclude anyone from your bar. You're trying to create a picture of the patrons you want to attract so you can gear your products, menus, and entertainment options to them.

Ensuring good customer service

All the marketing, advertising, and promotions don't keep customers. Service brings customers back again and again. Do something right, and a customer will tell *ten* people. Do something wrong, and that customer will tell a *hundred*. And that doesn't begin to account for a bad Internet review on Yelp (which we discuss in Chapter 16). In fact, we think good customer service is so critical to your success that we include a whole chapter on the subject, Chapter 11.



REMEMBER

Service doesn't begin or end with the person who's handing your patrons their drinks. You as the manager or owner can go a long way toward providing excellent service. Talk to your customers and make sure they're having a great time. Approach a table or patron with open-ended questions like "What can I do for you tonight?" or "How is everything?" rather than "Is everything all right?" (Is "all right" or "okay" your goal? We doubt it.)

Figuring out what your customers want

After you know who your customers are, you have to figure out what they want. (We call this the *psychographic profile*.) You can do this by determining the answers to a set of very simple questions:

- »» What do they drink? Do you sell tons of draft beer and hardly any wine? Do your martinis fly off the bar while your sidecar special sits around?
- »» What food do they order?
- »» Where do they eat and drink when they're not visiting your bar?
- »» How often do they visit you?
- »» What do they enjoy doing besides sitting in your bar?
- »» What do they eat elsewhere that they can't get at your place?

"Great questions, but how do you get the answers?" you ask. Talk to your patrons. Get to know them. And consider creating a comment/suggestion feature on your website.



REMEMBER

You don't have to change a single thing based on their answers to your questions. It's your bar, for crying out loud! But knowing the answers can help you make better choices when you're ready to make changes. If 50 more people would come in daily for lunch if you only had a nice 8-inch pizza, wouldn't you want to know that?



TIP

Start a database of customers and include information such as birthdays, anniversaries, and other special occasions. Give customers an incentive (like a complimentary appetizer or drink) to join the mailing list or loyalty program at your website. If you feel like you just can't manage one more thing yourself, companies have sprung up to do this piece for you. A digital marketing company such as Fishbowl (www.fishbowl.com) or Constant Contact (www.constantcontact.com) can run your mailing list.

Turning complaints into repeat customers

Although no one likes to hear what they're doing wrong, many bar owners overlook the immense opportunity that customers provide when they're chewing you out because your place sucks. Granted, it doesn't always *feel* like an opportunity at the time, which is why we're telling you about it now, in a moment of cool, calm, collectedness. You do, indeed, want people to complain to you on occasion. The alternative is that a customer is disappointed, doesn't tell you, never comes back again, and tells 15 other people how bad your place is. Yikes!

Okay, so here's how you make sure your patrons not only leave happy but also come back and stay happy:

1. Listen to the patron.

Close your mouth, make solid, continuous eye contact, and just listen. Too many times managers rush to fix the problem without listening to what the customer is telling them. In essence, the manager interrupts, causing even more problems.

Remove whatever is disappointing or offending the customer immediately. If it's a drink or food item, remove the glass or plate immediately after you've heard the complaint. If it sits there in front of the customer, it continues to be a source of negative emotions and can prevent you from turning around the situation.

2. Apologize or thank the patron for the feedback, depending on the situation.

Believe it or not, many patrons just want to know that you hear their problem and feel their pain. Your sincerity can go a long way in resolving the problem in their mind. Sometimes guests just want to tell you an idea that would make

your place better for them, so they're not complaining; they're just making a suggestion. Thank them for their interest in your business and let them know you'll consider their idea.

3. Fix the current problem.

Don't just start comping drinks off the patron's check. If the problem is that the customer's glass is chipped, get them a new one. If the Coke in their Jack and Coke tastes funny, go check the soda system. Give the customer a quality experience first, and consider giving something away as a last resort.

4. Rectify the long-term problem.

Let your customers know that you'll definitely take care of the long-term problem. In the chipped-glass example, maybe you institute a more-careful inspection of glassware at some stage in your stocking process. In the Coke example, you can set up a system where a barback makes more frequent checks of the soda system. Whatever it is, figure out systematically what caused the offending experience to occur and take steps to fix it.

Making patrons feel special

When customers feel like your bar is their home away from home, you know you're treating them right. One bar owner Heather knows maintains a photo album of regular guests, including details about them such as their favorite drinks, significant other, kids, alma maters, and profession. He quizzes his employees during staff meetings about the details of each Very Important Patron. Almost everyone feels a special connection to the bar because the staff members can call them by name after just a few times. Talk about creating repeat business.

Making changes to your business as necessary

If you're going to run a successful bar, you have to change. Why? Everything changes; some changes are for the better, others . . . well, not for the better. So you need to keep up with the times. Stay in touch with the customers and staff for feedback on what changes to make to better serve your patrons. Maybe they regularly request a brand of vodka that you're not pouring. They may let you know that your restrooms need more attention on weekend nights than they're currently getting. Or if every third chicken sandwich is sent back to the kitchen, you can find the problem. Check out "Maintaining Your Success" later in this chapter for help in analyzing your market and staying on top of the competition.



TIP

When you make changes, make them slowly — every other week, for example. For many people, gradual change is better. You can give people a chance to get used to new menu items and drink offerings without too much stress.



REMEMBER

Strike a balance between keeping your regulars happy and bringing in fresh meat — we mean, new customers. Your regulars became regulars for a reason. You don't want to unwittingly do away with the reason.

WHO NEEDS A REASON TO PARTY?

We all do, to some extent. Whether the refrain is "It's 5 o'clock somewhere!" or "Paycheck Friday," many people can have a better time when they celebrate something. Personally, we celebrate only on days that end in *y*, but we're sticklers for that kind of thing.

Here's a list of good reasons to throw a party at your place:

- Back to school
- School's out
- Graduation
- Oktoberfest
- Spring Break
- Homecoming
- Racing events (IndyCar, Formula One, NASCAR)
- NBA Finals
- Stanley Cup Playoffs
- World Curling Championships
- World Cup Soccer
- Local-team home games
- Tour de France
- National History Day
- National Snack Food Month (February)
- Super Bowl Sunday (early February)
- Groundhog Day (February 2)
- Valentine's Day (February 14)
- Anti-Valentine's Day (February 14)
- National Margarita Day (February 22)
- Mardi Gras (the day before Ash Wednesday and the beginning of Lent)
- Procrastination Week (March)
- St. Patrick's Day (March 17)
- National Goof-Off Day (March 22)
- Stress Awareness Month (April)
- National Beer Day (April 7)
- Derby Day (the first Saturday in May)
- Cinco de Mayo (May 5)
- Doughnut Day (June 6)
- National Martini Day (June 19)

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- National Ice Cream Day (July 17)
- National Tequila Day (July 24)
- National Relaxation Day (August 15)
- National Rum Day (August 16)
- Joke Day (August 16)
- Hawaii Statehood Day (Luau theme) (third Friday in August)
- Popcorn Day (September 10)
- World Peace Day (September 16)
- Citizenship Day (September 17)
- Talk Like a Pirate Day (September 19)
- National Vodka Day (October 4)
- German/American Day (October 6)
- Leif Erikson Day (October 9)
- International Newspaper Carrier Day (October 11)
- National Grouch Day (October 15)
- National Boss Day (October 16)
- Dictionary Day (Daniel Webster's birthday, October 16)
- United Nations Day (October 24)
- Halloween (October 31)
- Dia de los Muertos (Day of the Dead, November 1-2)
- Election Day (dates vary and most bars can't serve liquor until after the polls close)
- World Hello Day (November 21)
- Boxing Day (December 26)

Create a master schedule with the dates you're interested in. Add to it as you hear of interesting days to celebrate. Make your celebrations and promotions leading up to those events special, and crowds will follow.

Maintaining Your Success

So you're open. Now what? Maybe you have a feel for what works in your bar, a process to keep it moving and shaking. If you don't, you've come to the right place. Most of the work of keeping your profits pointed in the right direction involves staying on top of what other people are doing and doing it better.

Researching your competition

"Know thy enemy" is true in any business, and the bar business is no exception. Conduct regular reviews of your competitors, and know what they're doing right and how they're missing the boat.

Here are some questions to help you when you're shopping your competition:

- »» What's on the menu?
- »» How much does it cost?
- »» What does it taste like?
- »» How's the quality?
- »» What draft beers are they pouring?
- »» What's their pricing structure for beer, wine, cocktails, and so on?
- »» What bottle beers do they stock?
- »» What's featured on their drink menu?
- »» What liquor brands are they using on their menu?
- »» What's on their back bar?
- »» What glassware are they using?
- »» What specials are they plugging?
- »» What entertainment are they advertising?
- »» What kinds of customers do they draw?
- »» How are their bathrooms?
- »» How's the general atmosphere?
- »» What's their draw?
- »» What do they do that's special or intriguing?
- »» How does their location affect them?
- »» How is the service?



TIP

If you're looking at a specific part of your competitor's business, make sure to include it in your list. Maybe you don't care what their bathroom is like and only want feedback on the chicken wings. Develop your own list of questions that get you answers to *your* concerns.



REMEMBER

It may go without saying (too bad, we're saying it anyway), but when you shop (or have someone else shop) your competition, do it very stealthily. Don't sit at the bar asking questions and filling out your little form unless, of course, you approach the bar owner and ask for permission to do so. Instead, you typically get your questions in mind and then experience the bar like any other patron. Yes, like any incredibly observant and curious patron.

Staying marketplace savvy

Knowing what's going on in the bar industry is essential for you to succeed. Stay in-the-know with trade publications and organizations. Join your local chapter of the National Restaurant Association (<https://restaurant.org>) or your state affiliate of the American Beverage Licensees (<https://ablusa.org>). Talk to real estate agents in the area; they know the changing scene. And don't forget the Chamber of Commerce. Folks there may be in-the-know about long-term plans for different areas in your community.



TIP

Subscribe to trade publications such as *BARTENDER Magazine* (<https://bartender.com>) to keep up with trends throughout the field. (Yes, a nice plug — but a great magazine.)



REMEMBER

The most important advice we can give you is to listen to your customers. Talk to them every chance you get. Get feedback from your servers and bartenders. Ask questions: “What’s new in the local places?” “What’s hot?” “What’s not?”

5

The Part of Tens

IN THIS PART . . .

Discover ten ways to keep your bar safe. Hire cautiously, practice fire safety, use video cameras, and more.

Take a look at ten common misconceptions in the bar business, including the ideas that the hours are short and you get free drinks.

Identify ten common mistakes every bar owner should avoid. Steer clear of extending lines of credit to customers, allowing gambling and betting, and more.

- » Keeping everyone safe in your bar
- » Following government safety regulations and laws

Chapter **18**

Ten Ways to Run a Safe Bar

It's all fun and games until someone

- » Loses a purse or wallet
- » Slips on a spill
- » Is overserved
- » Can't find the emergency exit

Help keep your patrons and employees safe with the pointers in this chapter.

Hiring Safely

Be very cautious when hiring. Make sure applicants provide references and *check* them. Call all previous employers and ask about their experiences with your potential employee. You don't want to find out after you've hired someone that they have a criminal record or a history of violent or deviant behavior or even a

DUI. Make sure you make the workplace safe for all your employees. Don't hire someone if you have the least bit of doubt.



REMEMBER

It's your responsibility to maintain a safe environment for everyone who works for you, and that means protecting your staff from people who may want to harm them, including other employees. Take a look at Chapter 10 for more help on hiring employees.

Practicing Fire Safety

Call the fire department first if a fire starts. Then try to extinguish it with a fire extinguisher. Keep extinguishers near the kitchen, grills, and behind the bar, and make sure all employees know how to use them. You can buy extinguishers from companies that inspect them on a regular basis to make sure they'll work properly when needed. Contact your local fire department to find out what fire codes apply to your bar and for tips on fire safety.

You need to have lighted exit signs at all doors that lead out of your bar. Make sure the signs can remain lit during a power outage. (The same company that maintains your fire extinguishers can help you with emergency lighting.) Keep all doors unlocked during business hours and make sure the doors are never blocked. Have fire drills at least every other month and instruct employees on how to get customers and staff members out quickly and safely.

Using Video Cameras

Video cameras deter everyone from engaging in criminal behavior, including theft and violent crime. These days, you don't pay too much to have video cameras installed at your bar. Post signs notifying the public that you have the cameras. Have one camera at the front door and one at the back. They pay off ten times plus in the long run. Check with your insurance company — you may get a discount on your premiums if you install video cameras. And check with the local police — they may want you to have them too. Make sure you change the recording media regularly and keep them up to date. Better yet, consider a cloud-based storage solution for your recordings.



REMEMBER

Tell your employees that the cameras are for their own protection and that you're not spying on them. Ultimately, it's your decision where to put the cameras, but never infringe on your employees' privacy! Bathrooms are off-limits.

Using Locks and Alarms

All your supply rooms should be locked, and only managers should have access to the keys. Remember, locks keep honest people honest. Keep these storerooms locked at all times unless someone is actually stocking.



REMEMBER

Your liquor and supplies cost you lots of money and have the potential to make you even more money. Keep them locked up!

Make sure employees have lockers with locks. What does this have to do with safety? It stops everyone's temptation to steal. Stealing an employee's keys can lead to much more than stealing the employee's car. It can lead to breaking into their house or worse. Keep everyone safe, not sorry!

All your exit doors need alarms so you know who's leaving and when. You don't necessarily need alarms on interior doors, but they can't hurt.

Most alarm companies install systems for a very low fee and charge you a monthly maintenance fee. Consult with both your police and fire departments on alarm systems and which ones they recommend. You likely need an easy-to-obtain permit to operate one, so get the details on the policy in your area. Emergency response teams may charge you for false alarms; ask them!

Preventing Slips and Falls

Keep floors clean, and use only slip-proof cleaning and waxing supplies. When a spill occurs, make sure someone stays near the spill or put chairs over it to keep people from walking into the spill. Clean up any spills immediately and place a *Caution Wet Floor* sign in the area until you're sure the floor's dry.

Place rubber mats where possible behind the bar and in the kitchen for better traction. Rubber mats give you the added benefit of cushioning the floor, making it easier on employees' feet. All stairways need rubber treads and handrails. Ask your local fire and building inspectors for guidance. They can work with you. Companies such as GelPro and American Floor Mats make commercial-grade mats for all areas of your bar to keep your staff safe, and they are easy to clean.



TIP

Taking proactive steps can help you keep insurance premiums down and minimize any legal problems.

Installing Lighting

To ensure safe working conditions, have lighting at all doors and parking areas. Install emergency lighting in all rooms, including the kitchen. Always have backup lighting, which can include flashlights and power lights. If you have the money and space, consider buying an emergency generator, which can also maintain your refrigeration system. If the lights go out, you could be the only one in town with COLD BEER! The generator will pay for itself! *Recessed floor lighting* (lights installed in the floor) is also very helpful. In case of a blackout, your customers can find their way out.



REMEMBER

Even with the best lighting in the parking lot, make sure your employees use the buddy system to exit the building. Make a rule that no one leaves alone. Do not take the chance of someone waiting for them. *Please!*

Checking IDs

Train all front of the house employees how to check IDs. The legal drinking age in every state in the United States is 21 years old. Check carefully. Look for the expiration date, the word *duplicate*, and any smudges. Use a flashlight or magnifying glass to make sure the ID is authentic. There are also machines that can check IDs for you to ensure they are legit. If you're not sure, don't serve; it's not worth losing your license over.



REMEMBER

In some communities, no one under 21 is allowed to even enter the premises. Make sure you know which laws and regulations apply to your business.



TIP

You can get an ID-checking guide from your beer wholesaler, or contact the Driver's License Guide Company at <https://driverslicenseguide.com>.

Serving Hot Food

People want their coffee, tea, hot toddys, and food served hot. Train your employees to be very careful when serving hot food. The rule for serving is to serve on the right, pick up on the left. Your servers need to use extreme care when carrying hot food and drinks to the table and always tell the guest, "This plate's hot," or "reminder, this toddy is very hot." Keep serving areas free of clutter and remind your employees to work slowly and safely with hot food. It burns!

Keeping a First-Aid Kit

Make sure employees carry a band-aid in their apron. Keep first-aid kits behind the bar, in the kitchen and coatroom, and next to the fire extinguisher. Post phone numbers for the ambulance, police, and fire departments. Post instructions for performing the Heimlich maneuver in the locker room and kitchen. Hold first-aid and Heimlich training every two months. It's worth it. You can also find a service company to stock and maintain your first-aid kit.

Following Handicapped and Discrimination Laws

Your bar must be handicapped accessible, including the restrooms, entrances, and exits. Make sure you post all state and local ordinances and discrimination bulletins where your employees can read them.

- » Looking at some common misconceptions in the bar business
- » Preparing yourself for the reality of running your own place

Chapter **19**

Ten Myths about Running a Bar

You probably came to this business expecting it to be fun. Well, you're right. It can be a ton of fun when you run your business well. But you may have some other ideas that aren't as realistic. This chapter helps you compare your expectations against reality to make sure you know what you're getting into.

The Hours and Days Are Short

The hours and days are long, but time does pass quickly when you're having fun. Busy days go by fast. Slow days last twice as long. Be prepared for long hours.



REMEMBER

You're not only the owner; you're also the employee when someone doesn't show up. *Hint:* Open your tavern six days a week instead of seven when you first start your business. (Closing Monday may be a good idea in your area. Or if everyone else is closed, stay open and cash in on the opportunity.) This way you can give everyone, including yourself, a break. It's also a good idea to have two shifts. Overworked people don't perform to their best capabilities. Careful scheduling and good managers make your life easier. Hire well; fire seldom.

Free Drinks All Day, Every Day

Your job is to serve, not drink. Don't make the mistake of sitting around partying with your friends while the business goes on around you. This job is an investment designed to make money. Work hard in your bar. Play hard at other places. Every cocktail is money, so don't drink your profits.



WARNING

Don't confuse being *friendly* with your staff and being *friends* with your staff. If you're hanging out in the bar with your staff, you're in the danger zone. Ultimately, if you're drinking in your place of business, you're taking a risk. At some point you'll embarrass yourself or someone will take advantage of you, by potentially stealing from you or having you commit to giving them a promotion.

There's Not Too Much Paperwork

As a bar owner, you take care of a lot of details, and many of those details require — you guessed it — paperwork! Your life can be overrun by paperwork: invoices, statements, income-tax forms, state forms, alcoholic beverage control forms, and employment forms. And that's just for starters! Have an experienced accountant help you with the bills and taxes to eliminate 50 percent of the paperwork you have to handle. Then you can spend your time with the other paperwork: scheduling forms, monthly promotions calendar, inventory forms, checkbook, order forms, payroll, and other stuff. You're not finished until the paperwork is done.

Your Family Will Want to Work for You

If you're very lucky, your family will help you, and it'll be a pleasant experience for everyone. But always remember that people will disagree (with you or each other), and someone has to be the owner. Have a job description for every position (whether or not family members fill those jobs) so no one's feelings get hurt. Take a look at Chapter 10 for more job-description information.



WARNING

If you do decide to work with your family, explicitly go over your expectations with them, especially your rules about handling cash and inventory. When you mix money with family, relatives can become accustomed to unintended perks, including helping themselves to loans, a bottle of scotch, or free draft beers for

them and their friends. Make sure they understand what's acceptable and what isn't. Make sure everyone has a job description and sticks with it!

You Can Hire Good Help in a Snap

Help means just that: Help! Good, experienced help is hard to find and harder to keep. As the saying goes, if you pay peanuts, you get monkeys. If your place is busy and everyone makes money, everyone will be happy. But you'll have bumps in the road — slow days, bad weather. Be prepared and take the time to find the right people for the right positions.



REMEMBER

Showing respect to your employees is the most important step in keeping good help. Don't correct anyone in front of customers or other employees. Treat them fairly, always. Good employees are hard to find. And remember, you're only as good as those who work for you!

You Know Everything about Everything

Every owner and bartender at one time or another is asked to settle an argument. Don't be the expert; let the facts speak for themselves. Let the Internet decide and learn from every experience.



REMEMBER

Don't get into arguments with customers. Some people are always right — or think they are. Worst-case scenario: Agree to disagree. You don't want to lose customers over a trivial discussion over who was the MVP in the 1977 Major League Baseball All-Star game or who won the 1962 Academy Award for Best Achievement in Sound Editing.

Nobody Would Steal from You

Know your inventories. Watch them daily, monthly, whatever you need to stay on top of your business. Take a look at Part 4 for all the details on keeping adequate tabs on your numbers. Check out more strategies for curbing sticky-finger syndrome in Chapter 14.

Here are a few specific rules to help you keep honest people honest:

- » Ensure that all cocktails are rung up immediately.
- » Use a computer-generated ticket that includes the table and check number for all food and cocktails.
- » Keep staff coats, purses, and other personal belongings in a safe place — away from the door.
- » Have your managers and bar staff keep a diary or communication log. Include the opening and closing times, who tended bar, and which waitstaff members were on duty. Immediately write down any problems and the solution. Keep good records; don't rely on your memory.

Everyone Is Trustworthy

Set up effective cash-handling procedures and consistently follow them. Establish your policy for complimentary drinks and stick to it. If you've established a firm policy, it's tougher for employees not to follow it. Take a look at Chapter 11 for establishing procedures.

We strongly recommend that bartenders send the cash drawers to the closing managers rather than count the drawers themselves. At a minimum, the bartender counts the drawer and the closing manager recounts and verifies it.

This may seem unnecessary, but double-check all your orders. Check in everything before signing the delivery invoices. Double-check your copies against any mailed statements and pricing agreements to make sure you're charged only for what you receive at the agreed-upon price. Verify *everything*. Keep everyone honest! Be sure to have cameras set up as well to confirm or deny any thievery.

Everyone Likes the Boss

“Like” is a strong word. No one *likes* the boss! Respects, admires, fears — yes, it's possible. If you treat people with respect, you'll be respected. But it's nearly impossible to successfully run a bar or tavern *and* be liked by everyone. You're running a business, not running for governor. Write down the rules and

regulations and explain them the day you hire someone. Establish a consistent orientation process and go through it with employees on their first day. Ask them to read the rules and sign off on them the same day. You'll have fewer mistakes.

Anyone Can Run a Bar or Tavern

The bar business captivates and intrigues people. People think it's glamorous and exciting. Customers see you working where they play and assume that it's always a party. It can be a party, and it can be fun. But to be successful, you must maintain firm control, consistent procedures, and vigilance. Running a bar or tavern is definitely not easy. But hard work, a great attitude, and determination do pay off!

- » Recognizing errors that can spell disaster for your business
- » Setting up the ground rules before you begin your venture

Chapter **20**

Ten Bar Owner Sins Not to Commit, Ever

Many first-time bar owners can't see the long-term problems that come from seemingly minor or insignificant decisions. By thinking about some ground rules and making decisions before sticky situations arise, you can avoid the consequences of making the wrong decision. Here are our tips for avoiding some of the biggest problems in the business.

Depending on Your Friends and Family

You have to attract and retain customers. Don't depend on your family, friends, or relatives. Of course, they'll promote and support your bar, but they'll probably expect to get freebies and discounts. Your customers will become like family and friends, only they'll pay you for what they eat and drink. For tips on building up your bar business and attracting and keeping customers, check out Chapter 17.



REMEMBER

You have to pay your suppliers, not supply your family and friends.

Extending Lines of Credit to Customers

“In God we trust. All others pay cash.” After someone starts a long-term bar tab, it’s too easy to say, “Put it on my tab.” It gets out of hand. Make it a house policy to not start bar tabs, and put in an ATM so customers have quick access to cash. Don’t chase your own money! Credit cards are easy to come by these days if a customer really needs a loan; let real lenders take the risk.



TIP

Starting a nightly tab, with a credit card to secure it, is convenient for both you and the customer. You don’t have to do the cash-out dance every time someone orders a drink, but make sure you settle up at the end of every night. With a credit card to secure the tab, you’re practically guaranteed that your customer isn’t going to “accidentally” leave without settling up.

Allowing Gambling or Betting

In most areas, allowing gambling without the proper paperwork is against the law, and you’ll lose your liquor license. A patron who loses too much cash will turn you in to the authorities, and you’ll be out of business. Don’t let anyone in your establishment take bets, make bets, or be in any way involved in gambling. Period.

Not Taking the Keys from an Intoxicated Patron

Be safe and you’ll never be sorry. If a customer who has had too much to drink gets in an accident, they may sue you, making you part of a lawsuit. Take the customer’s keys and call a cab or a rideshare service to take the customer home. Always be safe, not sorry.



REMEMBER

Train your staff how to recognize when a patron has had enough to drink so they can make these serious decisions. Take a look at Chapter 10 for training tips and for help in dealing with difficult customers.

Believing the Customer Needs “Just One More”

If you're concerned about the rate at which someone is drinking, slow them down! One more becomes two more becomes three more. Watch your customers; you want them to come back. Bartender training is very important, and so is waitperson training. Monitoring how much customers have had to drink is a team effort. Everyone should watch and help each other. Remember, you want that customer back, so you want them to leave happy, sober, and safe.

Lending Money to Anyone

You're not a bank — you're a bar. Like extending credit, the likelihood that you'll see that loaned money again is pretty low. “Neither a lender nor borrower be” is excellent advice. That \$10 becomes \$20, then \$30, and then goodbye friendship, money, and, most importantly, customer or employee!

Becoming Romantically Involved with an Employee

It's not love. It's lust, the liquor, or just not thinking with your head. Don't play where you get paid. It's dangerous. Everyone who works for you will know that you're seeing an employee after hours; there are no secrets in the bar business. Be careful; be smart. Workplace romance causes serious tension for everyone, including the people not in the relationship. The staff's attitudes toward you and your paramour will change because everyone will think you're treating that person better, and that will cause turmoil in your business. Ask any owner!

Drinking and Working

Combine these two and you have the absolute worst cocktail. First of all, you have to be sober when counting and handling money (assuming you want to make sure you get every dime you're due). Second, you are dealing with customers and employees. No one can drink and handle either one. Your job is to supervise, not sip and serve.



REMEMBER

You're the innkeeper, not gin sleeper. It's not a good idea to get into the habit of drinking at your bar with customers and employees.

Ignoring Last Call

Give *last call* (the magic moment when you take final drink orders for the night) at least 20 minutes before closing. When it's 5 minutes before closing, all drinks must be off the tables and the bar. This step must be done as a team. Last call is last call — it's not first call before last call — it's last call. To make enforcing last call easier, allow only one drink per person, not two or three drinks per person. This rule is very important and should never be broken. If you make one single exception, you'll have a losing battle on your hands.



TIP

Have the bartenders come out from behind the bar after last call. That way, no one can make another cocktail!

Not Paying All Your Taxes

Pay all your taxes. The fastest way to lose your establishment is not to pay your taxes. Get a good accountant (with the help of Chapter 3), and work with them to make sure you pay your taxes on time, every time.

Appendix

Useful Websites for Every Bar Owner

With bar ownership, as with all businesses, one of the best ways to stay on top of things is to arm yourself with as much knowledge as possible. Here we give you a few lists of some useful websites that contain information indispensable to bar owners. Of course, these lists aren't complete, but they're a good starting point for arming yourself with everything you need to know about running your bar.

Bar Supplies and Equipment

A Beautiful Bar, www.abeautifulbar.com. Offers salvaged, restored, and antique bar elements.

Birch Street (www.birchstreetsystems.com). Offers an inventory management system for bars using cutting-edge technology.

Alcohol Controls, Inc., <https://alcoholcontrols.com>. Buy products that will help you increase beverage profitability.

AutoFry, www.autofry.com. A ventless, hoodless, fully enclosed, automatic deep-frying system. Great option when you don't have (or want) a full kitchen.

Bar Rags, www.barrags.com. Order T-shirts for your bar and other alcohol-themed shirts here.

BarProducts.com Inc., www.barproducts.com. This website seems to sell everything you need for your bar — except the alcohol!

BarStools.com, www.barstoolsuperstore.com. Offers bar stools in wood, metal, and wrought iron and in many styles and sizes.

BARTENDER Magazine, www.bartender.com. Coauthor R. Foley founded this fun and informative magazine for bartenders and anyone who serves alcohol.

Bittermens, www.bittermens.com. Handcrafted bitters, extracts, and a few spirits.

Broaster, www.broaster.com. Offers pressure fryers, ventless fryers, frozen foods, and recipes.

Chef's Emporium, www.chefsemporium.net. Purchase kitchen uniforms and apparel (including fun hats) at this site.

Cocktail Kingdom, <https://cocktailkingdom.com>. A one-stop shop for all quality bar tools, glassware, and more.

CustomCool, www.customcool.com. Features beverage coolers, reach-ins, undercounter units, and more.

Dri-Dek Shelf Liners, www.dri-dek.com. These interlocking tiles keep glassware above wet countertops.

Fee Brothers, www.feebrothers.com. A fourth-generation spirits house, producing bitters, cordials, botanicals, and brines.

4Rails.com by Commercial Finished Metals Corp., www.4rails.com. Sells foot rails, glass racks, handrails, waitstaff stations, and other accessories.

Hoshizaki, www.hoshizakiamerica.com. Ice-maker manufacturer.

Kardwell International, www.kardwell.com. Offers promotional products and other supplies.

Kold-Draft, www.kold-draft.com. Under-the-counter ice-maker manufacturer.

LeRoy Neiman artwork, www.bartender.com. Prints, serigraphs, and originals by America's foremost artist are available through *BARTENDER Magazine*.

Manitowoc, www.manitowocice.com. Ice-maker manufacturer.

MedTech Wristbands, www.medtechgroup.com. Manufactures wristbands, offering a wide selection of colors, patterns, and styles.

OpenTable, <https://restaurant.opentable.com>. Not just for restaurants! This online reservation platform can help you manage a small bar with limited seating, up the ante on the exclusivity of your place, and enable patrons to reserve specific areas of the bar, like premium tables or bottle service.

Precision Pours, Inc., www.precisionpours.com. Offers a unique system of three ball bearings in precision liquor pours.

Quik n' Crispy Greaseless Fryer, www.q-n-c.com. These greaseless fryers allow you to offer fried foods without the oil and mess.

Rocket Man, www.rocketman.com. Mobile beverage backpacks to dispense non-carbonated beverages on the go.

Sunkist Food Service, <https://sunkistequipment.com>. If you expect to make a lot of fruit garnishes, check out the Sunkist commercial sectionizer. It will save your staff time in cutting citrus wedges and slices.

Toast, <https://pos.toasttab.com>. Integrated bar and restaurant POS (point-of-service) system. Opt for handheld terminals and contactless payments to keep drinks flowing and guests happy.

West Coast Products, www.westcoastproducts.net. Fine specialty olive products.

Wholesale Janitorial Supplies, www.wholesalejanitorialsupply.com. Offers thousands of commercial-quality cleaning supplies.

Logo and Menu Design

Diana Panek, www.dianapanek.com. Diana is a creative director with over 15 years' experience in the beverages and spirits industry. She creates memorable brand identities by designing logos, menus, and other unique elements that will make your brand ownable.

Fiverr, www.fiverr.com. A creative freelance community. Search for "Menu" to get a range of services from menu layout, design, print work, digital work, and on and on. The creators provide specific prices and timelines for their work. Browse their portfolios and read reviews to find the right person for your menu.

Swizzle Media, www.swizzlemedia11c.com. A creative agency that was founded and started by a few veterans in the hospitality industry. They specialize in beverage, food, and brand digital content.

Trade Associations and Industry Information

Bureau of Alcohol, Tobacco, Firearms and Explosives, www.atf.gov. This government agency works with others to minimize criminal activity associated with illegal or contraband alcohol.

Distilled Spirits Council of the United States (DISCUS), www.distilledspirits.org. DISCUS is the trade association representing producers and marketers of distilled spirits sold in the United States.

Foundation for Advancing Alcohol Responsibility, www.responsibility.org. This organization (formerly the Century Council) is funded by America's leading distillers to fight drunk driving and illegal underage drinking.

Nation's Restaurant News, www.nrn.com. The industry's leading trade publication. Look here for trends, news, interviews, and even recipe ideas.

National Beer Wholesalers Association (NBWA), www.nbwa.org. This trade association represents the interests of 3,000 licensed, independent beer distributors before government and the public.

National Restaurant Association (NRA), www.restaurant.org. The NRA provides information on industry trends, marketing ideas, and technology that impacts owners; it also advocates on behalf of the industry.

NRA Educational Foundation, www.nraef.org. The educational foundation for the National Restaurant Association.

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About the Authors

Ray Foley, a former Marine with more than 40 years of bartending and restaurant experience, is the founder and publisher of *BARTENDER Magazine*. *BARTENDER* is the only magazine in the world specifically geared toward bartenders and is one of the very few primarily designed for servers of alcohol. *BARTENDER Magazine* is enjoying its 44th year!

After serving in the United States Marine Corps and attending Seton Hall University, Ray entered the restaurant business as a bartender, which eventually led to him becoming assistant general manager of The Manor in West Orange, New Jersey, with more than 350 employees. In 1983, Ray left The Manor to devote his full efforts to *BARTENDER Magazine*.

Ray is the author of *The Ultimate Cocktail Book*, *The Ultimate Little Shooter Book*, *The Ultimate Little Martini Book*, *The Ultimate Little Blender Book*, *Advice from Anonymous*, *Spirits of Ireland*, and, of course, *Bartending For Dummies*, which is now in its sixth edition. He has also published numerous articles in many magazines, including *Playboy* and *Men's Health*, and has appeared on a variety of TV and radio shows, including *ABC News*, *CBS News*, *NBC News*, *Good Morning America*, and *Live with Regis and Kathie Lee*. Ray is also responsible for creating cocktails for the liquor industry, including the Fuzzy Navel.

Ray is the founder of the *BARTENDER Magazine* "Hall of Fame," which honors the best bartenders throughout the United States not only for their abilities as bartenders but also for their involvement in their communities. Ray is also the founder of The Bartenders' Foundation, Inc. This nonprofit foundation raises scholarship money for bartenders and their families. Scholarships awarded to bartenders are used to either further their own education or go toward the education of their children.

R. Foley is a spirits and hospitality professional with more than ten years' experience in the industry. He is passionate about educating and highlighting the next generation of bartenders. He also assisted in writing and editing the fifth and sixth editions of *Bartending For Dummies*. The Foley's are foremost and always . . . bartenders.

For more on BARTENDER Media, please contact Jackie Foley via e-mail at barmag2@gmail.com and check out the BARTENDER Media websites at <https://bartender.com> and www.mixologist.com. You can also follow the magazine on Facebook (www.facebook.com/bartendermag) and on Instagram (@bartendermagazine).

A veteran of both the restaurant and publishing industries, **Heather Heath's** published works include such titles as *Running a Restaurant For Dummies*, *Jewelry Making & Beading For Dummies* (both published by Wiley), and *Start Your Restaurant Career*, published by Entrepreneur Press. She has contributed to many books on a variety of subjects, including *Raw Foods For Dummies*, *John Paul II For Dummies*, and *Einstein For Dummies*.

A graduate of DePauw University, she succumbed to the restaurant business while applying to law school. She orchestrated the openings of 15 new restaurants and developed the training, procedural, and purchasing systems that were used as the gold standard in numerous concepts throughout her tenure. She rapidly rose through the ranks at such regional and national chains as The Italian Fisherman, Don Pablo's Mexican Kitchen, and Romano's Macaroni Grill.

Dedication

R. Foley: This book is dedicated to all who serve the public with long hours, tired bodies, and great patience (and still know how to have fun): bartenders, bar employees, owners, and great customers!

And to those I love the best: Ray Foley, Jaelyn Wilson Foley, Caitlin Fallon Foley, Nora P. Foley, and Martha Michels. All have made my cup overflow.

Heather: I dedicate this book to Ray. Thank you for your guidance and mentorship through the years. You're a joy.

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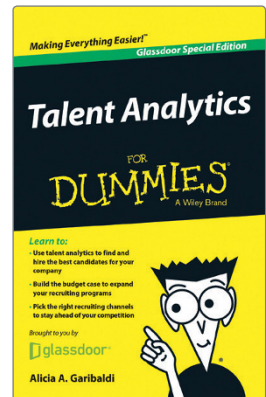
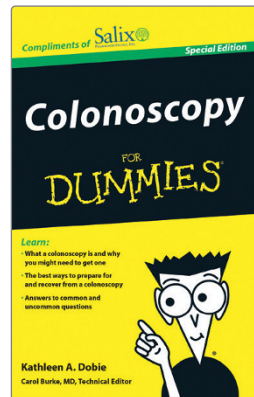
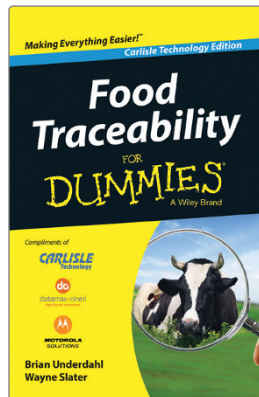
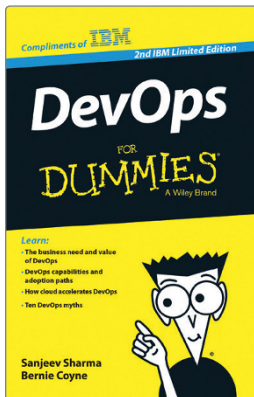
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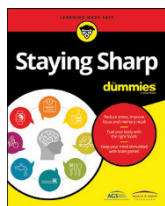
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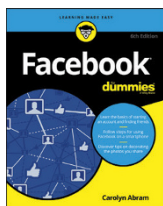
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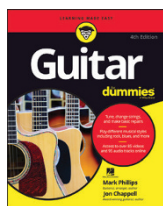
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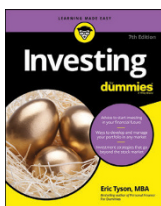
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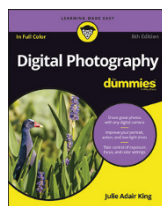
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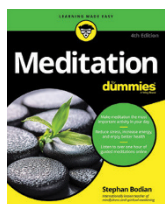
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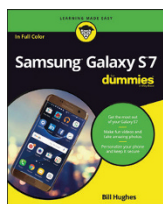
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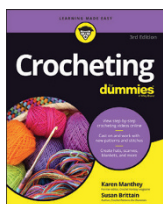
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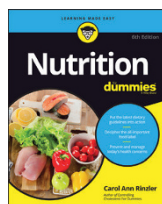
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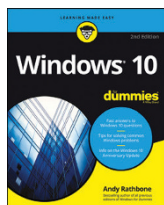


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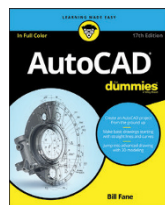


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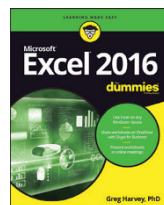
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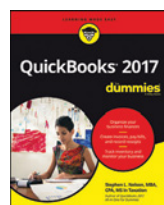
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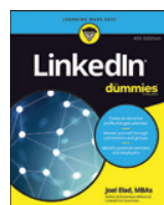
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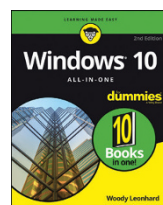
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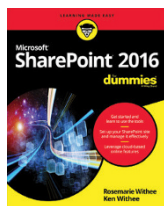
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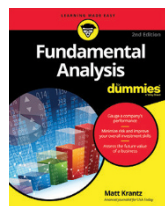
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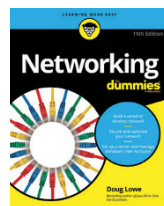
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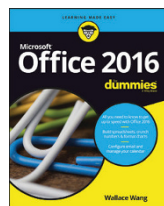
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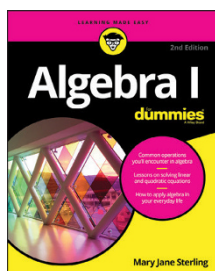


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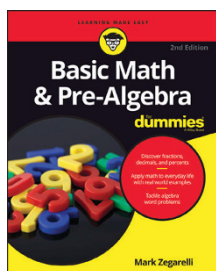
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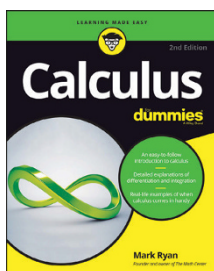
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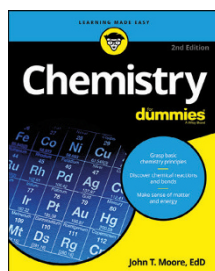
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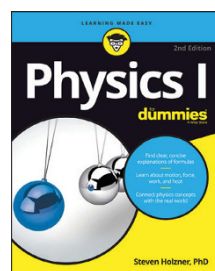
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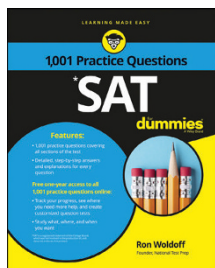
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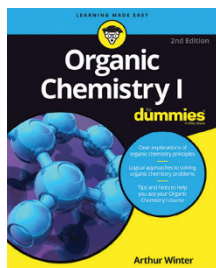
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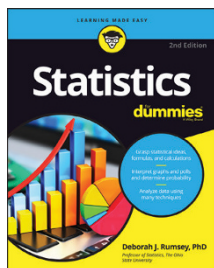
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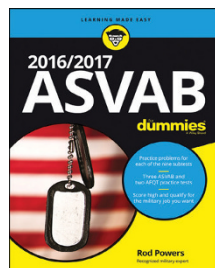
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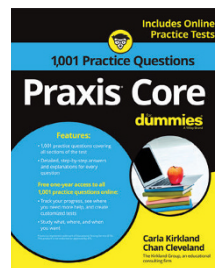
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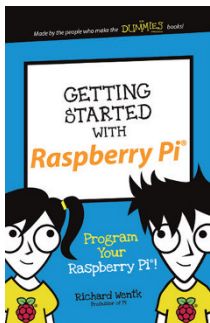
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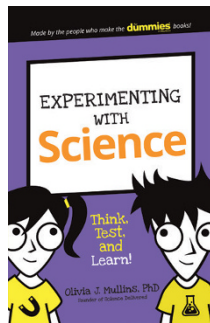
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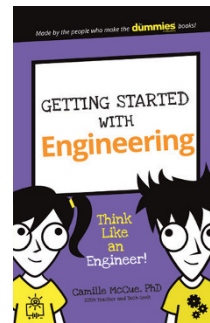
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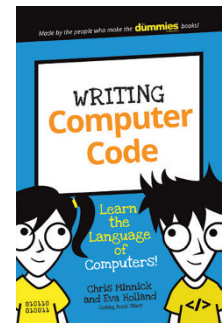
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