

In the first book of its kind, award-winning bar operator Chall Gray leads readers through an overview of the complicated world that is bar ownership. *The Cocktail Bar: Notes for an Owner & Operator* covers everything from conceiving an initial idea for a bar to managing a successful and profitable operation. "A much needed book," according to cocktail and bar industry legend Dale Degroff, this accessible guide is a must read for any aspiring bar owner or restaurateur.

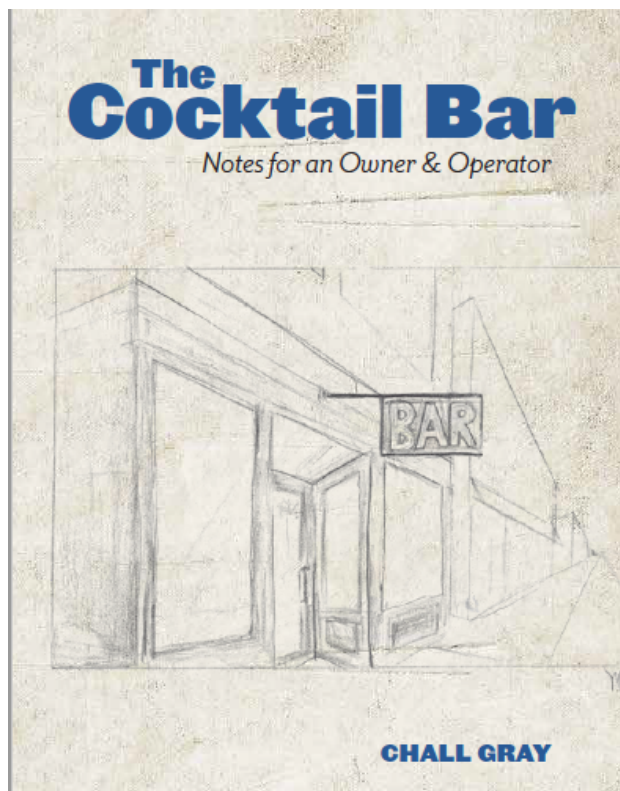
In *The Cocktail Bar: Notes for an Owner & Operator*, Chall Gray begins by walking readers through how to hone in and define an initial idea into a fully-formed concept. From there the sections on planning touch on everything from real estate selection, partnerships, cocktail list planning and pricing, the structure and standards of service, tips for selecting architects and contractors, design, the importance of a business plan and pro-formas, and many other areas.

"One of my goals with the book was to provide new and prospective owners a resource, and way to avoid some of the painful and costly lessons that I, and many other owners I spoke with, have gone through," Gray said.

As readers progress through the opening and operations phases, consideration is given to the construction process, hiring, training, accounting practices, operational systems, staff communications, and a myriad of other topics. Gray's interview subjects included the operators behind some of the top cocktail bars in the country, including 2018 James Beard Award winner Cure, Trick Dog in San Francisco, PDT in New York, Polite Provisions in San Diego and many others.

Purchase at Amazon.com

https://www.amazon.com/Cocktail-Bar-Notes-Owner-Operator/dp/099682779X/ref=sr_1_1?s=books&ie=UTF8&qid=1546553640&sr=1-1&keywords=The+Cocktail+Bar%3A+Notes+for+an+Owner+%26+Operator



Some Finer Points of Estimating Start-Up Costs

The most difficult area of start-up costs to make estimations is construction—which also has the biggest margin for error. Here's a good basic rule of thumb: whatever your first guess is, it will cost more. Nearly always a lot more.

Even veterans of the business still often find themselves struggling to stay within budget during the build-out process. Here are a few keys to navigating this maze.

Don't Take Your Own Word For It

Sure, you built the bathroom in your garage apartment with just over \$1100 and some elbow grease. That's not the way things work in a commercial setting.

For instance, the plumbing code in many areas specifies that restroom faucets be either metered or infrared, which translates to a cost of \$300-400 per faucet, plus having them installed by a licensed plumber. That's just one example.

Those required aluminum grab bars next to the toilet? \$50-100 each. There are many many little things like this—and they can add up in ways you never imagined.

Your architect will likely have relationships with contractors who can give you rough estimates (we cover the finer points of selecting a contractor later in this section).

The main thing though is that it's important to get a few professional opinions on the costs to take the prospective location from its current state to what you want it to be. Once you have that input, overestimate even more.

Overestimate Every Category

There will nearly inevitably be start-up cost categories that you don't consider. Maybe it's the cost of a sign permit, or additional landscaping that you didn't know would be required by code.

Maybe it's replacing a door because it doesn't swing in the proper direction. There's always something.

My approach to this is to try to estimate high in every category, add a budget line item for Misc. in each category, and then add 25% to the total project cost for overages.

Think of Monthly vs. Up-Front Costs

There are some things, such as dishwashers, or refrigeration equipment, that can be leased instead of purchased.

Sometimes shaving a few thousand dollars off your start-up costs can be much more important than raising your monthly fixed costs by a couple hundred dollars.

Figuring Out Your Breakeven

After you have a handle on start-up costs, next comes Profit & Loss Pro-Formas, and from that you can find your breakeven point. In its simplest form:

Breakeven is when Total Sales = Total Costs (Fixed Costs + Labor Costs + Cost of Goods Sold)

Knowing this number (and tracking as you go to see where you may have made assumptive errors) is crucial early in the life of the bar, and it's truly the first benchmark to strive for once the business is open.