

Contents at a Glance

<i>Introduction</i>	1
<i>Part I: Cheers! Getting Started in the Bar Industry</i>	7
Chapter 1: Bar Business Basics	9
Chapter 2: Understanding What It Takes to Own and Operate a Bar	17
Chapter 3: Minding the Money and the Law	31
Chapter 4: Deciding What Type of Bar to Have	51
<i>Part II: Gearing Up to Open the Doors</i>	61
Chapter 5: Putting Your Business Plan Together	63
Chapter 6: Selecting Your Bar's Site, Décor, and Name	81
Chapter 7: Stocking Up on Smallwares and Equipment	105
Chapter 8: Setting Up Your Bar's Inventory	125
Chapter 9: Planning and Creating Your Menus	143
<i>Part III: Employees, Customers, and Products: Managing the "Right Stuff"</i>	163
Chapter 10: Hiring, Training, and Keeping Your Employees	165
Chapter 11: Rule #1: Practicing Good Customer Service	189
Chapter 12: Boning Up on Bar Beverages	201
Chapter 13: Getting Ready for Your Grand Opening, Step by Step	219
<i>Part IV: Managing Your Inventory, Revenue, and Future</i>	233
Chapter 14: Controlling Expenses and Operating Efficiently	235
Chapter 15: Keeping Your Bar's Bottom Line from Hitting Bottom	257
Chapter 16: Building and Keeping Your Bar Crowd	271
<i>Part V: The Part of Tens</i>	289
Chapter 17: Ten Ways to Run a Safe Bar	291
Chapter 18: Ten Myths about Running a Bar	295
Chapter 19: Ten Bar Owner Sins Not to Make, Ever	299
Chapter 20: Ten (Okay, More Than Ten) Bar Jokes You Can Tell Your Customers	303

***Part VI: Appendixes*309**
Appendix A: State Alcohol Beverage Control Boards311
Appendix B: Useful Web Sites for Every Bar Owner319
***Index*327**

Table of Contents

***Introduction*..... 1**

About This Book.....	1
Conventions Used in This Book	2
Foolish Assumptions	2
How This Book Is Organized.....	3
Part I: Cheers! Getting Started in the Bar Industry	3
Part II: Gearing Up to Open the Doors	3
Part III: Employees, Customers, and Products:	
Managing the “Right Stuff”	4
Part IV: Managing Your Inventory, Revenue, and Future.....	4
Part V: The Part of Tens.....	4
Part VI: Appendixes.....	4
Icons Used in This Book.....	5
Where to Go from Here.....	5

***Part 1: Cheers! Getting Started in the Bar Industry* 7**

Chapter 1: Bar Business Basics 9

Deciding Whether the Bar Business Is Right for You	9
Why do you want to be in the bar business?.....	10
What do you expect to get out of your place?.....	10
Starting Fresh or Taking Over an Existing Bar?.....	11
Location, location, location	12
Getting in with the right people	12
Staying on Top of the Latest Bar Trends.....	13
Figuring Out Your Financial and Legal Obligations	14
Setting yourself up to succeed	14
Hiring other people to help you steer the ship.....	15
Bringing In the Crowds and Keeping Them Coming Back	16

Chapter 2: Understanding What It Takes to Own and Operate a Bar 17

Social Skills 101: Do You Really Like People (And Their Problems)?	17
Considering your motivation.....	18
Mastering the key traits of a successful bar owner	19
Checking your expectations	20

Staying on the Positive Side of the Success–Failure Rate	21
Why do so many fail?	22
Figuring out why others succeed	22
Understanding the Financial Ramifications	23
Preparing yourself for personal guarantees	23
Accepting the worst-case scenario	24
Looking at the upside	25
Balancing Your Bar Life with Your Personal Life.....	25
Combining your professional and social lives.....	26
Celebrating holidays, birthdays, and other special times with family and friends	27
Getting support from your family	28
What if you really need a vacation?	29
Chapter 3: Minding the Money and the Law	31
Figuring Out Your Start-up Costs	31
Financing Your New Business.....	33
Contacting a bank.....	33
Beg, borrow, or sweat: Finding partners	34
Familiarizing Yourself with Liquor and Zoning Laws, and Other Legalities	36
Obtaining a liquor license	37
Other legal requirements	41
Getting to Know the Health Inspector.....	42
Establishing a regular cleaning schedule.....	42
Avoiding cross-contamination.....	44
Keeping critters out	45
Bringing In the Big Three: Accountants, Insurance Agents, and Attorneys	45
Hiring an accountant.....	46
Working with an attorney	46
Protecting yourself with insurance.....	47
Taking Over an Existing Bar: Some Things to Watch For.....	48
Looking Closely at Contractor Paperwork.....	48
Getting your Certificate of Occupancy	49
Fire codes and capacity.....	50
Chapter 4: Deciding What Type of Bar to Have	51
Determining Your Bar’s Potential Market	51
Conducting your own market research	52
What type of clientele do you want?.....	53
Using competitive analysis	53
Scratch that niche: Identifying an opportunity	54

Exploring Your Options: What Kind of Bar Do You Want?	55
Sports bar	56
Local drinking establishment	56
Upscale lounge.....	56
Martini bar or lounge.....	57
Wine bar.....	58
Bar and grill.....	58
Live entertainment venue	59
Remembering to Choose One Theme and Be Good at It	60

Part II: Gearing Up to Open the Doors.....61

Chapter 5: Putting Your Business Plan Together63

What's a Business Plan and Why Should You Create One?	64
Considering the Benefits of Having a Business Plan	65
Looking at the Parts of Your Plan	66
The cover page and table of contents	66
Your business concept	66
A sample drink and food menu.....	68
Market analysis and clientele demographics	68
Your management team.....	69
Putting Your Financial Forecasts on Paper.....	69
Forecasting your sales	70
Forecasting your expenses	72
Forecasting your cash flow	76
Generating an income statement	76
Creating a balance sheet	76

Chapter 6: Selecting Your Bar's Site, Décor, and Name81

Finding Your Bar's Ideal Location	81
Is location truly everything?	82
Identifying possible areas.....	83
Knowing what to avoid	84
Considering traffic and parking in the area	85
Thinking about a location's security	86
Comparing an apple (martini) to an orange (whip):	
The final choice.....	87
Choosing and Establishing Your Bar's Name.....	88
The name: A few words about your bar	89
Protecting your bar name and trademarks	90
Picking Out Your Bar's Décor	92
Finding furniture.....	92
Looking at lighting.....	94
Figuring out flooring	96
Working on the walls.....	97

Fun and Games: TVs, Video Games, Pool Tables, and More.....	98
Tuning in with TVs and programming	98
Considering games for your bar	100
Music, Professor! Jukeboxes, DJs, and Live Tunes	102
Getting your jukebox	102
Finding and signing live performers	103
Hiring a DJ or karaoke company	104
Chapter 7: Stocking Up on Smallwares and Equipment	105
Picking Out Your Bar Equipment	105
Getting your glassware	106
Touching on basic bar tools.....	107
Stocking up on smallwares.....	115
Stocking the table.....	117
Acquiring Bar Appliances	118
Selecting Kitchen Appliances	119
Leasing versus Buying, New versus Used	120
Looking at leasing.....	121
Negotiating for new equipment	122
Evaluating used equipment.....	122
Chapter 8: Setting Up Your Bar's Inventory	125
Creating Your Storerooms.....	125
Tracking your day-to-day inventory	126
Securing your inventory	126
Keeping Your Inventory Well Stocked	127
Stocking your drink items	127
Stocking your basic food items	140
Items for the Back of the House (Like Restrooms!)	142
Chapter 9: Planning and Creating Your Menus	143
Planning Your Food Menu 101	143
Figuring out what kind of food to serve	144
Considering what hours to serve food	147
Determining the size of your menu.....	148
Analyzing your kitchen space.....	148
Thinking about signature dishes	150
Establishing good-quality recipes	150
Planning Your Drink Menu 101	151
Selecting beers for your menu.....	151
Creating a signature cocktail menu.....	151
Planning your wine list	152
Including nonalcoholic drinks	152
Pricing Your Menus Right.....	153
Using food cost to price your menu	153
Pricing your drinks.....	155

Designing and Printing Your Menus.....157
 Experimenting with layout158
 Menu engineering basics158
 Writing the menu text159
 Placing your menus in the bar159
 Making Changes to Your Menu.....161

***Part III: Employees, Customers, and Products:
 Managing the “Right Stuff” 163***

Chapter 10: Hiring, Training, and Keeping Your Employees165

Identifying the Players on Your Team165
 Front of the house: Bartenders, servers,
 hostesses, and security staff166
 Back of the house: Cooks and dishwashers.....170
 Managers172
 Finding the Right Employees172
 Sourcing potential employees173
 Interviewing candidates175
 Testing bartenders and servers before hiring them.....175
 Selecting the best applicants for your bar178
 Making the job offer178
 Must-have forms for hiring staff members.....179
 Training New Employees.....179
 Creating standards and keeping them up180
 Providing on-the-job training.....182
 Developing a mentoring program182
 Improving Employee Performance182
 Growing employee skill sets183
 Motivating your staff.....184
 When It Doesn’t Work Out: Dismissing Employees185
 Looking at causes for immediate termination186
 Considering the legal issues involved186
 Changing staffing levels during a business slowdown187

Chapter 11: Rule #1: Practicing Good Customer Service189

Why Customer Service Is So Important189
 Making people feel important.....190
 Building customer loyalty190
 Training Your Team in the Art of Customer Service.....193
 Hiring people with a service mind-set193
 Empowering your staff to make things right194
 Keeping your employees in the loop194
 Dealing With Difficult Customer Situations195
 Handling unhappy customers.....195
 Handling intoxicated patrons197
 What to do with troublemakers.....199

Chapter 12: Boning Up on Bar Beverages201

Knowing the Bar Basics and Then Some.....	201
Wondering about wines	202
Appreciating beer.....	205
Demystifying distilled spirits and liqueurs	206
Musing over mixers.....	208
Mixing and Pouring the Best Drinks in Town	210
Choosing your pouring strategy.....	210
Pouring the perfect beer	211
Maintaining your draft beer equipment	212
Considering the importance of ice.....	213
Shaking versus stirring	214
Prettifying Drinks with Garnishes	214
Having fun with citrus fruit	214
Other must-have garnishes	216
Rimming: Why, when, and how to do it	217

**Chapter 13: Getting Ready for Your Grand Opening,
Step by Step219**

Figuring Out How Much Time You Need to Prepare.....	220
One Year Out: Planning!.....	221
Nine Months Out: Finding Funds, a Location, and POS Systems	222
Seven Months Out: Signing the Lease and Setting Up Finances.....	222
Six Months Out: Getting Organized!.....	223
Five Months Out: Building and Buying.....	225
Four Months Out: Manuals and Menus	226
Three Months Out: Supervisors, Suppliers, and Vendors	226
Two Months Out: Preparing to Hire, Attending to Details	227
Six Weeks Out: Finalizing All Paperwork.....	229
Thirty Days Out: Navigating the Final Month.....	229
Ten Days Out: Fine-Tuning	230
Three Days Out: Dress Rehearsal!.....	231
The Day Before: Relaxing before the Big Opening	231

***Part IV: Managing Your Inventory,
Revenue, and Future.....233*****Chapter 14: Controlling Expenses and Operating Efficiently235**

Perusing the Power of Purchasing.....	235
Putting together your list of supplies	236
Finding the best suppliers for your bar.....	238
Using purchase orders (POs).....	240
Reordering your supplies	240
Maintaining Your Bar's Inventory	243
Par levels: Consistently keeping enough product on hand	244
Taking your bar's inventory	245

Paying Attention to What Goes On in Your Bar.....	249
Reducing waste.....	249
Battling breakage.....	252
Reducing and eliminating theft.....	252
Watching out for your staff's sticky fingers	253
Chapter 15: Keeping Your Bar's Bottom Line from Hitting Bottom . .	257
Reading Your Income Statement	257
Deciphering Your Balance Sheet	258
Analyzing Reports in the Bar Business	259
Using a daily business review.....	259
Controlling cash flow	261
Creating a cost of goods sold (COGS) report	262
Setting Up Your Payroll System.....	264
Determining your payroll period.....	265
Doing payroll yourself or outsourcing it	265
Keeping and Protecting Your Records.....	267
Preventing identity theft.....	268
Hackers be gone! Protecting your computer system.....	269
Chapter 16: Building and Keeping Your Bar Crowd	271
Generating Word of Mouth.....	271
Making sure everyone knows your name (and logo)	272
Whipping up a Web site.....	273
Getting your employees excited about your place.....	274
Making the most of community involvement	274
Getting New Customers in the Door	276
Handling your first customers: The grand-opening crowd	276
Promoting your, uh, promotions	277
Drink and food specials	278
Making the most of music	280
Giving Your Customers a Reason to Come Back.....	281
Ensuring good customer service.....	282
Making changes to your business as necessary	285
Maintaining Your Success	286
Researching your competition	286
Staying marketplace savvy.....	287
Part V: The Part of Tens	289
Chapter 17: Ten Ways to Run a Safe Bar	291
Hiring Safely.....	291
Practicing Fire Safety	291
Using Video Cameras.....	292
Using Locks and Alarms	292
Preventing Slips and Falls	293
Installing Lighting.....	293

Checking IDs	293
Serving Hot Food.....	294
Keeping a First-Aid Kit.....	294
Following Handicapped and Discrimination Laws.....	294
Chapter 18: Ten Myths about Running a Bar	295
The Hours and Days Are Short.....	295
Free Drinks All Day, Every Day.....	295
There's Not Too Much Paperwork.....	296
Your Family Will Want to Work for You.....	296
You Can Hire Good Help in a Snap.....	296
You Know Everything about Everything.....	297
Nobody Would Steal from You.....	297
Everyone Is Trustworthy.....	298
Everyone Loves the Boss.....	298
Anyone Can Run a Bar or Tavern.....	298
Chapter 19: Ten Bar Owner Sins Not to Make, Ever	299
Depending on Your Friends and Family.....	299
Extending Lines of Credit to Customers.....	299
Allowing Gambling or Betting.....	300
Not Taking the Keys from an Intoxicated Patron.....	300
Believing the Customer Needs "Just One More".....	300
Lending Money to Anyone.....	301
Becoming Romantically Involved with an Employee.....	301
Drinking and Working.....	301
Drinking and Working (Did We Say This Twice?).....	301
Last Call Is Last Call. The End. No More!.....	302
Chapter 20: Ten (Okay, More Than Ten) Bar Jokes You Can Tell Your Customers	303
Bounce This!.....	303
Generous to a Fault.....	303
Sign of the Times.....	304
If You Haven't Got Your Health.....	304
When Do You Open?.....	304
Which Are You?.....	305
Your Wife's Not Looking for You.....	305
Nurse or Bartender?.....	305
Bartender (bärtndr).....	305
A Horse.....	305
A Duck.....	306
A Pony.....	306
A Snake.....	306
A Giraffe.....	306

The Famous Quasimodo Bar Joke.....	307
Part two:	307
Part three:.....	308
<i>Part VI: Appendixes.....</i>	309
Appendix A: State Alcohol Beverage Control Boards	311
Appendix B: Useful Web Sites for Every Bar Owner	319
Bar supplies and equipment	319
Beer	321
Spirits	322
Trade associations	325
Wines.....	325
<i>Index.....</i>	327

XX

Running a Bar For Dummies _____