

# INVESTMENT GUIDE

## Restaurants

3 SMART INVESTMENTS / TO GROW YOUR RESTAURANT BUSINESS



A publication of

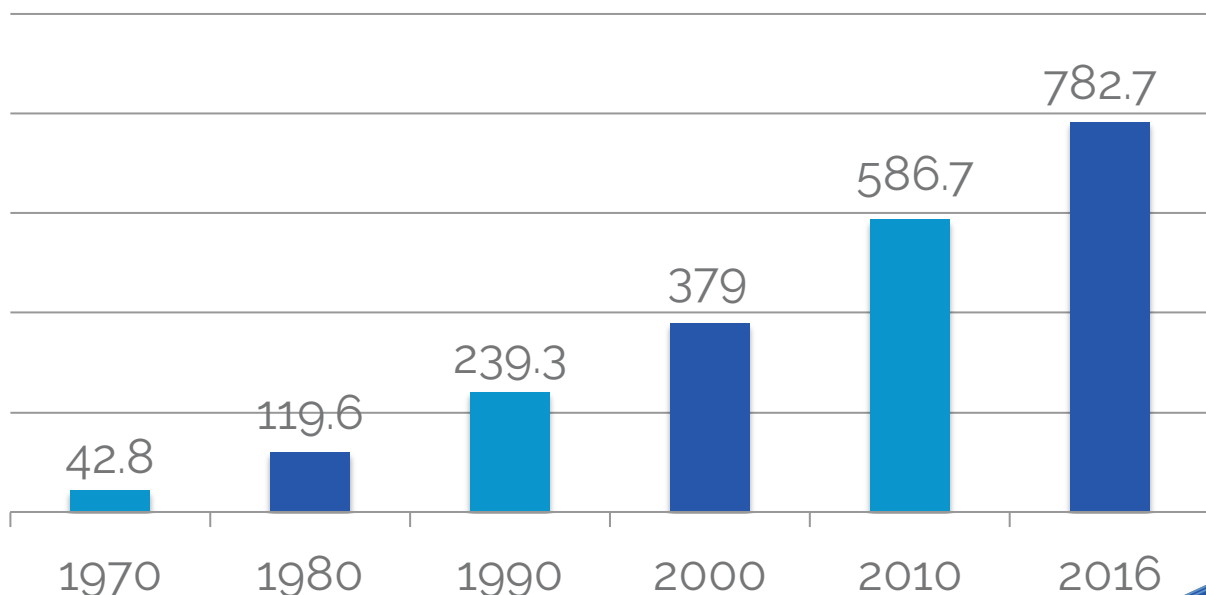


# INTRODUCTION

Quikstone Capital Solutions has worked with thousands of restaurant businesses like yours. We've funded investments over the years that have saved restaurants from closing their doors and funded investments that have helped successful restaurants exceed their goals. We've learned a lot about the smartest investments a restaurant can make and are happy to share in this follow up to our [2013 investment guide](#).

The great news for restaurant owners is the industry continues to grow according to the most recent study by National Restaurant Foundation. This means restaurant owners like you need to keep up with current trends to stay competitive.

**Restaurant Industry Sales**  
in billions of current dollars



Source: National Restaurant Association



Once again, we've identified some of the smartest, most successful investments that we believe have the greatest potential to help restaurants grow, stay competitive and provide greater return on investment.



# INVESTMENT ONE FOOD TRUCK



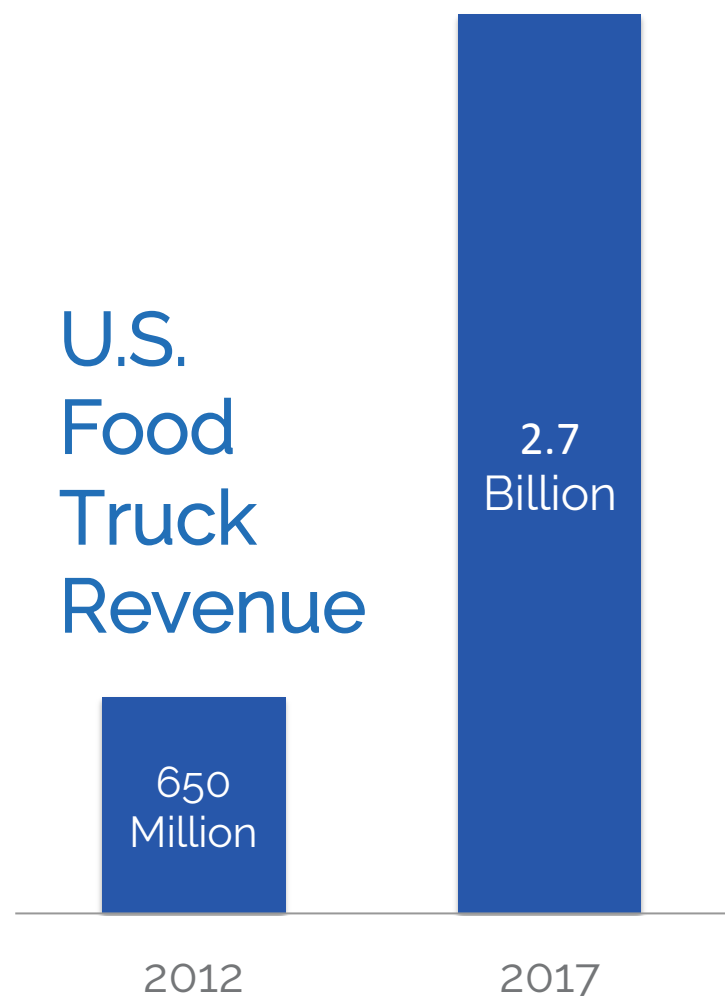




According to mobile-cuisine, the food truck industry is experiencing [monumental growth](#). With the ability to rent or purchase a truck, low start up costs is one of the benefits of this booming business.

One person can own, drive and manage a food truck. Expanding the reach of your brand and providing a less expensive second location, taking your restaurant to the street can add many benefits to your bottom line. Offering flexible locations and the ability to cater social events, food trucks offer a chance to reach new customers.

## U.S. Food Truck Revenue





## EXPAND YOUR REACH

Are there office buildings nearby with employees looking for a quick lunch? Claim your stake. Deliver menus to several locations, provide delivery and determine the most popular area for your truck to be and when. Also, look for alternative venues that can benefit from providing additional food options to their customer base, theaters, sporting events and late night establishments can all help you attract a larger audience. [Restaurant Engine](#) suggests partnering with similar businesses, this can provide a mutually beneficial relationship to increase your exposure, the way a photographer would partner with a wedding venue.

## LOWER STARTUP AND OPERATING COSTS

Purchasing a food truck rather than a second physical location offers several benefits. The time frame to get a food truck ready for business is far shorter and the kitchens are smaller and more efficient. Your food truck also allows you an additional, flexible revenue stream. Perhaps the restaurant is busy in the winter, and your food truck is busy in the summer. So the food truck can help bridge the gap during slow seasons.

Food Truck Startup Costs	Average Cost
Food Truck (includes wrap & equipment)	\$85,000
Initial Product Inventory	\$1,500
Permits and Licenses	\$300
Website	\$100
Register POS	\$500
Uniforms	\$500
Paper Products	\$250
Misc. Expenses	\$500
Pots, Pans, etc.	\$1,500
Fire Extinguisher	\$150
Total Startup Cost	\$90,300

Source: [mobilecuisine.com](http://mobilecuisine.com)

The National Restaurant Association recommends not cutting corners when [building out](#) your food truck. As cities adapt to this growing trend many have their own regulations, you will want to invest in the proper permits.



# INVESTMENT TWO ORGANIC FOOD







Farm-to-table trend is not just a trend. Customers are becoming increasingly aware of where their food is coming from. [Organic sales](#) jumped 11.3 percent in 2014, while overall growth for the food industry was 3 percent. To keep pace in today's restaurant industry, this trend cannot be ignored.

Locally sourced foods can be a big draw to today's consumer and also provides several bottom line benefits to your establishment. Farm-to-table is a term used to describe foods that are less processed and changes hands fewer times before making it to guests table. As consumers become more health conscience, the farm-to-table trend is here to stay.

When it comes to the restaurant industry, reputation is everything. Being able to show and tell your customers where their food is coming from will establish you as a leader and innovator in the industry.



## LOCALLY AND SEASONALLY GROWN PRODUCE

With today's health driven society, restaurants can benefit from buying foods that are organically grown and locally produced as these products do not contain the modifications of mass produced or manufactured foods. Quality ingredients make for a much better final product and will show your customer base that you strive for culinary excellence.

Purchasing your produce locally not only improves your product, it also shows support for local businesses. These businesses in turn will serve as evangelists for your establishment, drawing in new customers and providing additional exposure. Local markets traditionally provide a fresher product and will set your restaurant apart from the competition.







## GROW YOUR OWN

To offset the cost of purchasing local and organic goods, many restaurant owners are moving to a “grow your own” model. Setting up a small organic garden of your own will allow you to control quality and reduce overhead.

Fresh herbs and spices in particular can be expensive to purchase, growing them yourself will provide you with a much greater profit margin without sacrificing quality. Customers being able to actually see their food growing and being picked provides them with a comfort that their food is of the freshest quality.

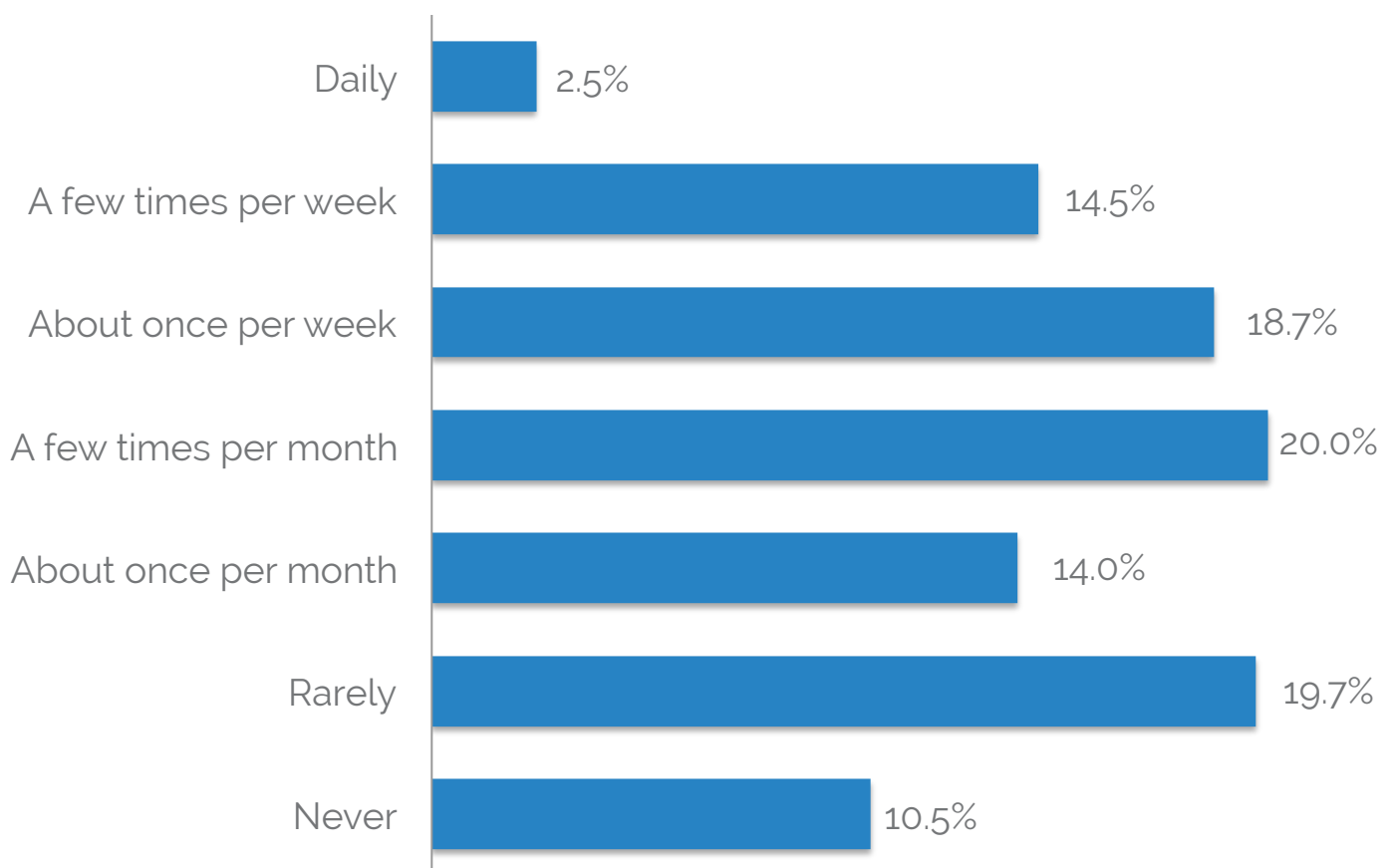
You will also have the ability to grow more exotic, lesser known herbs and spices, providing your menu with a unique twist. Offering seasonal dishes can create a devoted following. Simply having a few dishes that are based around your homegrown produce can give your restaurant a distinctive flavor.

Growing your own benefits the environment eliminating packaging as well as the trucks needed to ship the products,

# INVESTMENT THREE DELIVERY SERVICES



As a restaurant owner, you may be thinking, how can I target potential customers that do not necessarily like to dine out? As the public tires of the common take out selection, it has created a potential financial boon for current restaurant owners. The quality of food that is delivered from a high end local restaurant can be much greater than your average take out facility. That quality is what will drive the demand from people seeking a fresher, healthier meal. In a [2014 survey](#), more than 50 percent of consumers revealed they ordered take out or delivery at least once per week.



Source: statista.com



## DEMOGRAPHICS

Restaurant delivery services are becoming more popular in today's bustling society. The convenience of being able to have a first class dinner delivered to your door can appeal to several different demographics. For those with full time jobs and children, being able to have a healthy option that doesn't take hours to prepare can be invaluable. For couples seeking a quality meal without having to deal with restaurant crowds, having a dinner delivered can provide you with the desired privacy for your date night.

## INCREASED REVENUE

The revenue generated from taking your product outside your restaurant walls and on to your consumers dining room table can be significant. In 2015 alone, American consumers spent \$3.5 billion dollars on delivery food from independent restaurants. This is not only a way for smaller restaurants to survive, but to compete with larger chains. Having the ability to cater to those that don't enjoy large crowds brings in a whole new revenue stream.



U.S. consumers spent about \$3.5 billion on delivery food from independent restaurants, a number that could increase to \$12.5 billion by 2019 as more consumers opt for the convenience of ordering out.

Guggenheim Securities  
New York investment advisory firm

## ONLINE PRESENCE

If you have an established restaurant, advertising to your current customer base will be easy. The real money maker for your delivery service will be reaching beyond the normal dining crowd. This will help you to better reach your target audience. There are several things you can do on your own to spread the word.

Seventy percent of smartphone users browse restaurant menus on their phones. Be sure to include a full menu on your restaurant's website. In addition, make sure your website is mobile-friendly. If not, you could be missing out on a lot of patrons unable to find you online. You can also add online ordering to your website.



## STAFFING

You'll want to have a dedicated staff to run your delivery service. You don't want to stretch your regular staff too thin with adding delivery responsibilities. You'll need a manager to delegate tasks, delivery drivers and a cooking staff that is trained to be efficient and adept with your delivery menu.



You will want to look into additional insurance above and beyond your current liability and worker's compensation. You will need to add automobile insurance. There are many different types of vehicles available pick the best type to fit your needs then have it outfitted with custom racks to hold orders and be most efficient. Outfitting your delivery vehicles with your brand and contact information will become a moving billboard for your establishment.



As a restaurant owner it's important to take steps to match industry growth and stay ahead in this exceptionally competitive market. Whether it's investing in a food truck, providing local and organic menu options or adding delivery services to increase revenue, Quikstone Capital Solutions has options to grow your business.

A merchant cash advance from Quikstone Capital Solutions is a business loan alternative to provide fast, flexible funding within just a few days. Apply today to help you get the cash needed in this ever-changing market.

## WE'RE YOUR FUNDING PARTNER.

Learn more about how Quikstone Capital Solutions can provide the cash needed to make these smart investments and help your restaurant grow.

Speak with Quikstone Capital Solutions today.

GET STARTED

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