How to Open a Restaurant: Costs & Permits

AdvisedSpaces

Print this checklist and check off each step as you complete it.

STEPS (12)

- [ ] **Step 1: Define Your Restaurant Concept**
  Your concept is not your menu. It is the entire experience architecture — who your customer is, what problem you solve, what your average check will be, and how your kitchen operates to deliver that experience profitably. This step comes before everything else because your concept dictates your required square footage, kitchen configuration, staffing model, and ideal trade area demographics.

- [ ] **Step 2: Build the Unit Economics Model**
  Before you look at a single location, you must know your survival number — the daily sales your restaurant needs to cover all fixed and variable costs. If your concept cannot hit this number in your target market, the concept needs to change before you spend a dollar.

- [ ] **Step 3: Write a Fundable Business Plan**
  A restaurant business plan is not an academic exercise. It is the document that convinces an SBA lender, a private investor, or a landlord's broker that you are not going to default on a lease 9 months from now. It must be financial-first, not narrative-first.

- [ ] **Step 4: Structure Your Entity and Secure Funding**
  Form an LLC to separate personal assets from business liabilities. In a business where slip-and-fall lawsuits, food-borne illness claims, and employee disputes are common, this is existential protection — not optional paperwork.

- [ ] **Step 5: Find the Perfect Location**
  Location is the one decision you cannot iterate on after opening day. You can change your menu, retrain your staff, redesign your dining room — but you cannot move your building. Restaurant location scouting is a data-driven scoring exercise, not a gut-feel tour.

- [ ] **Step 6: Negotiate the Lease**
  Commercial leases are negotiable. First-time tenants routinely leave $30,000 to $100,000 on the table by signing the landlord's first-draft terms. Your lease controls your survival through personal guarantee, CAM exposure, exclusives, hours requirements, and assignment rights.

- [ ] **Step 7: Permits and Licenses**
  The permitting process is where timelines go to die. Expect 3 to 6 months from lease signing to doors open, with some jurisdictions taking longer. Start every permit application the week you sign your lease — not after buildout begins.

- [ ] **Step 8: Design, Buildout, and Kitchen Engineering**
  Design backwards from your peak 60 minutes — the busiest hour you must survive. Define peak orders per hour, map stations to keep tickets moving with the fewest skilled hands, and avoid adding stations that require dedicated labor unless they generate outsized revenue.

- [ ] **Step 9: Hire and Train Your Opening Team**
  Your staff will make or break your restaurant — and in an industry with 73% annual turnover, building a stable team is an ongoing operational challenge, not a one-time task.

- [ ] **Step 10: Build Your Marketing Engine Pre-Open**
  Marketing for a new restaurant is mostly about repeatability — getting the right locals to try you, then turning them into regulars. Your first goal is not "awareness." It is frequency within a tight trade area.

- [ ] **Step 11: Launch and Survive the First 90 Days**
  Do not do a splashy, all-at-once grand opening on day 1. Use a graduated ramp-up that stress-tests every system before you face the unforgiving scrutiny of paying strangers and online reviewers.

- [ ] **Step 12: Menu Engineering and Ongoing Operations**
  Once you survive the first 90 days, the game shifts from "get open" to "stay profitable." This means relentless attention to prime cost and a data-driven approach to what stays on your menu and what gets cut.

NOTES

Read the full guide

https://advisedspaces.com/open/restaurant

Scan the QR code or visit the link for the complete guide.