MAKE YOUR STARTUP GO BOOM.

Restaurant Accelerator

The Need to Feed – Accelerating in the 21st Century

+ Team Members
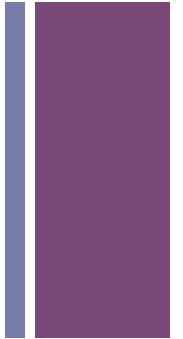
- **Todd Hammer**
  Dalton

- **Todd Pequignot**
  1st Source Bank

- **Caleb Roth**
  Winona Lake Grace Brethren Church

- **Thomas J. Zingale**
  Medtronic

Restaurant Accelerator
Topics of discussion

■ **The Need** – *Challenges for Restaurant Owners*

■ **The Seed** – *Accelerator Concepts*

■ **The Deed** – *A Sample Blueprint*

■ **The Feed** – *Model of Sustainability*

■ **Q&A**

The Need
Challenges for Restaurant Owners

- Small businesses are declining in recent years

- Restaurant survival statistics
  - 30% fail within first year
  - 60% fail within 3 years
  - 75% fail within 5 years (compared to 50% of all small businesses)

The Need
Challenges for Restaurant Owners

- Average restaurant start-up costs
  - Minimum $450,000 when leasing a site
  - Up to $1,000,000 when purchasing a site
  - Variable margins based on fluctuating food prices

- SBA loan minimum requirements
  - 20% minimum liquid assets
  - Solid collateral
  - SBA loan fees/bank fees

- Cautious banking practices
  - Tough to get a loan (unless you're "Yes, Man")

The Need
Challenges for Restaurant Owners

- Lack of food variety in Kosciusko County
  - Italian
  - Steakhouse
  - Modern Style cuisine

The Seed
Local Insights

- A success story – Cerulean
  - Owner Caleb France: "The success of a restaurant depends on the overall balance of every element of the business."

- Why do restaurants fail?
  - Owners get burned out
  - Owners focus on profits only
  - Tax regulations

The Seed
Restaurant Accelerator Concepts

- Basic restaurant accelerator
  - Single building with 2-3 restaurants
  - Shared dry storage and freezer space
  - Restaurant owners would lease space for 6-24 months

- Pros
  - Lower start-up costs
  - Proving ground for restaurant concepts
  - Community enjoys a central location to sample new food

- Cons
  - Limited impact – only helps 2-3 owners at a time

The Seed
Restaurant Accelerator Concepts

- Food accelerator
  - Rentable kitchens without the dining experience
  - Rent by the hour, day, or week
  - Give entrepreneurs a chance to test out food ideas

- Pros
  - Reach more entrepreneurs
  - Equipment would be provided and health codes already met

- Cons
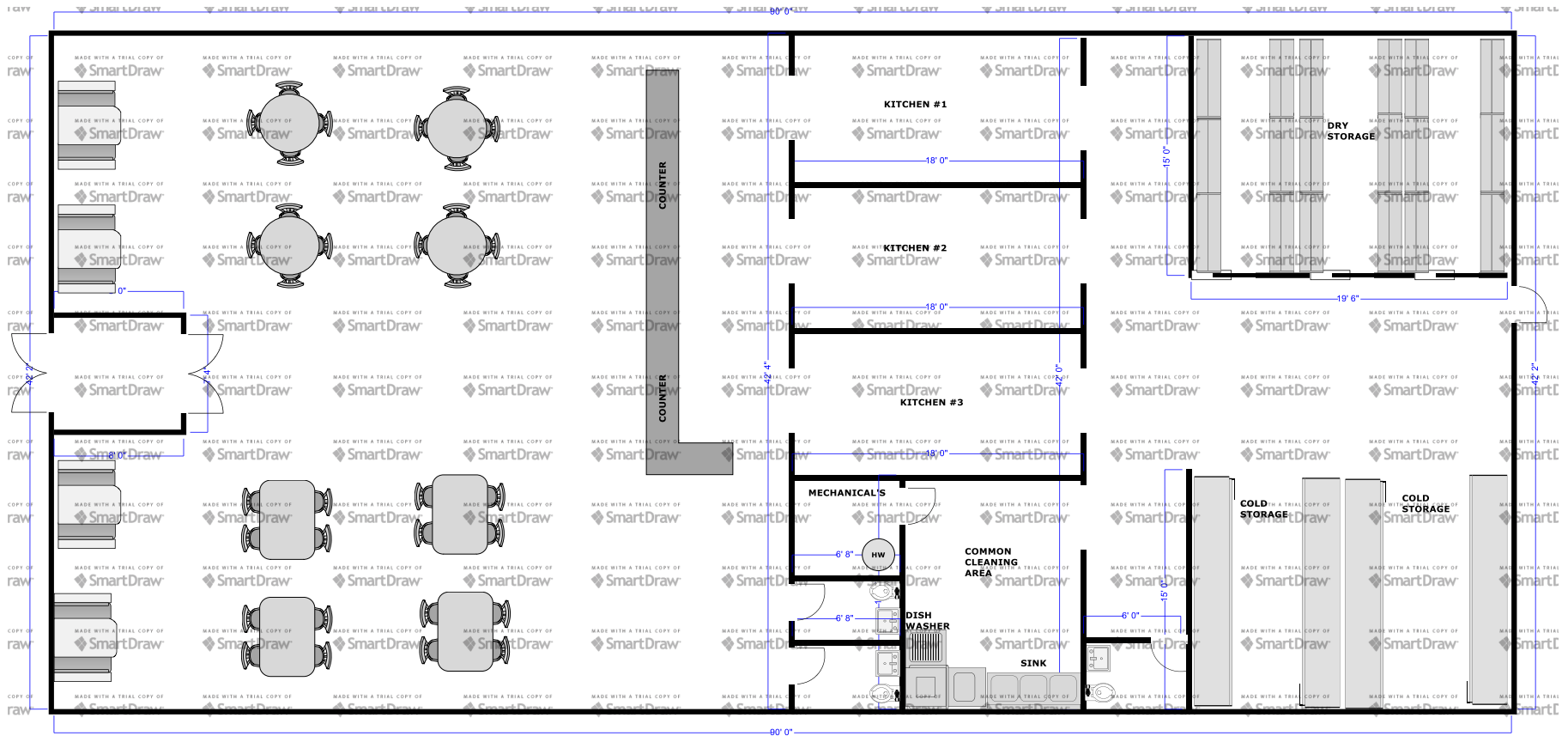 - Limited community impact

The Seed
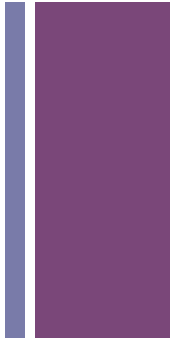## Restaurant Accelerator Concepts

- Food University
  - "Teaching" restaurant
  - Basic management skills, culinary skills, customer service
  - Very similar to the Blue Apron (Warsaw High School)

- Pros
  - Better overall food skills in the county
  - Access to training and coaching for existing restaurants

- Cons
  - No new restaurants in the community
  - Finding volunteers to do the teaching
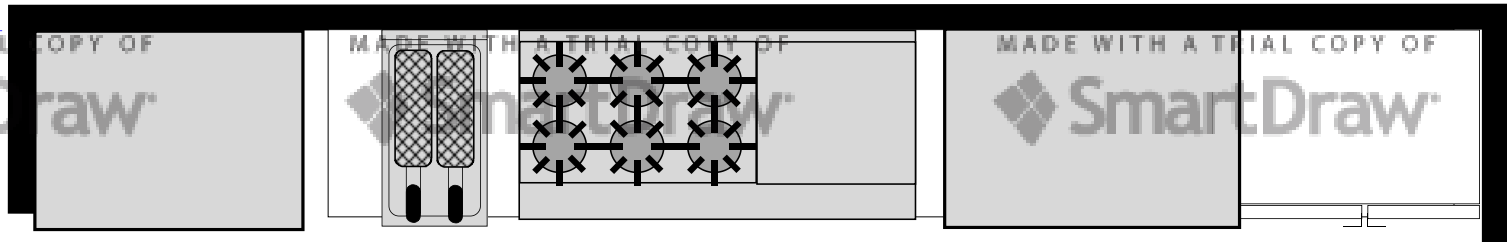
The Deed
A Sample Blueprint

KITCHEN #1

KITCHEN #2
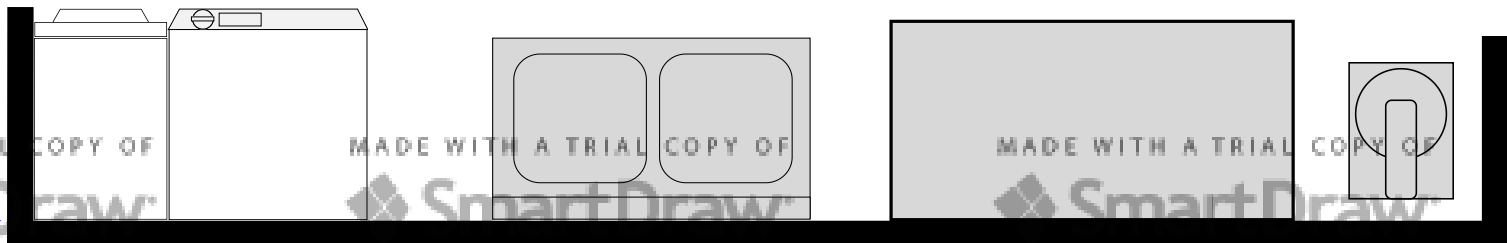
KITCHEN #3

COUNTER

COUNTER

DRY STORAGE

MECHANICAL'S

COMMON CLEANING AREA

HW

DISH WASHER

SINK

COLD STORAGE

COLD STORAGE

90' 0"

18' 0"

18' 0"

18' 0"

15' 0"

19' 6"

15' 0"

6' 8"

6' 8"

6' 0"

42' 4"

42' 2"

42' 0"

The Deed
A Sample Blueprint

18' 0"

9' 0"

9' 0"

18' 0"

The Feed
Model of Sustainability
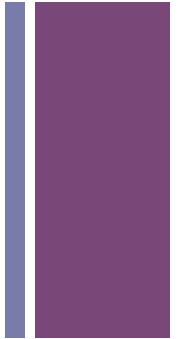
- Two kitchens leased to restaurants

- Third kitchen rented out to entrepreneurs

- Partnership with local restaurants to train employees

+ Questions and Answer Time