



What you need to know about setting up a bar

Contents

GETTING STARTED	04
DESIGNING YOUR DREAM SPACE	07
IN THE DRINK: HOW TO CHOOSE THE RIGHT PRODUCTS	08
HIRING THE BEST PEOPLE	09
GENERATING BUZZ AROUND YOUR BRAND	10
RAISING THE BAR: YOUR ESSENTIAL CHECKLIST	13

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If you're passionate about hospitality, there's nothing like the prospect of opening your own bar – pouring great drinks, serving good food and creating a space that's enticing enough to attract a loyal army of regulars. This applies whether you've always wanted to open a hole-in-the-wall wine bar, an underground speak-easy famous for rare, single-malt whisky, or the kind of place ideal for unwinding on a laid-back Friday night.

But creating a thriving, sustainable hospitality business takes serious planning, determination and logistics. It isn't down to creativity or passion alone.

From fine-tuning your finances to designing your venue, we've compiled top strategies, tips and actionable advice for making your vision a reality.

Creating a thriving, sustainable hospitality business takes serious planning...



Getting Started

Entrepreneurship in the hospitality industry has encouraged an increase in bars opening over the last few years. Like any business, starting a bar requires planning, budgeting and the ability to make good decisions. These are the steps you should be undertaking at the start of your process.

Remember that building good foundations before you start trading will set the stage for your success.

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1. PLANNING YOUR CONCEPT

A strong, compelling concept shapes everything from your layout, menu and location to your marketing strategy, hiring and branding efforts. That's why it's important to have a clear vision from day one. Do you want to be valued as a high-end cocktail bar known for the city's best Negronis, a family-friendly craft brewery, or a late-night hangout combining drinks, bar food and music? Getting clear about your vision as well as nitty-gritty details such as opening times from the outset will save you problems down the track.

2. FINDING YOUR LOCATION

When it comes to opening a bar that will attract a steady stream of business, your site and location really count. If you've found the ideal place, does it include essential features such as exhaust, toilets and running water. Is it located in a lively area, surrounded by businesses you'd like to be aligned with? Nailing these basics are critical.

If you're planning to renovate, you'll also need your Development Application (DA) approved.

Remember to apply through the relevant website for your state.

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3. FINANCING YOUR NEW VENTURE

Make sure you do your research to secure the lowest interest rate and choose wisely between a freehold and leasehold agreement. Entering into a leasehold means taking over the lease of an existing business while a freehold involves buying both a business and the commercial property – both have disadvantages and advantages.

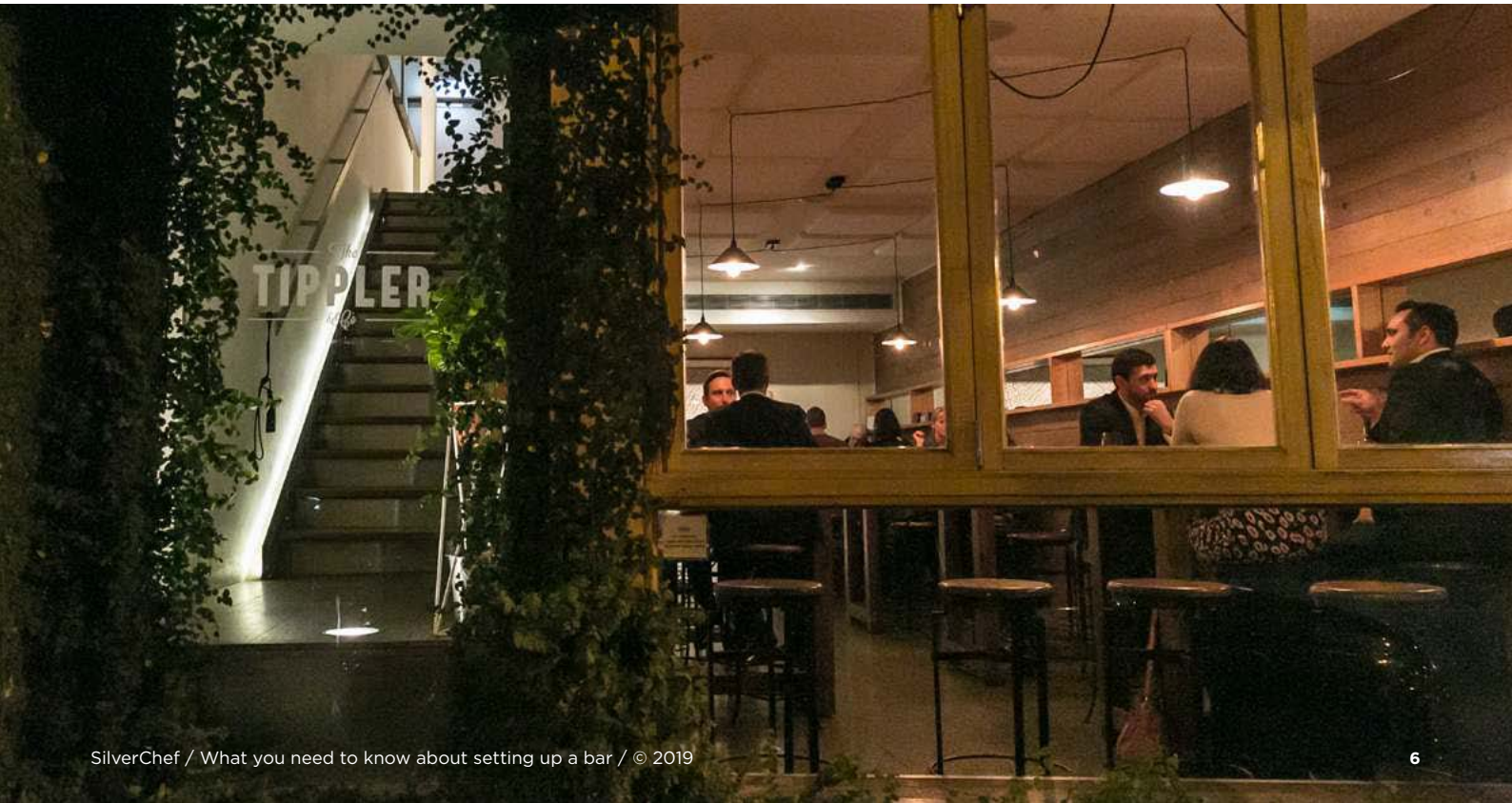
Consider using a professional valuer if you have any doubts.

After you've found a site and negotiated the terms of your lease, you need to understand your options when it comes to funding your business set-up. Setting up a bar can be an expensive endeavour, and often banks won't consider you for a loan until you have proven trading history. To get the loan approved, be prepared to show the lender your existing assets, your business plan and financial data.

Setting up a bar also means buying furniture, fixtures, bar equipment and glassware. Budget thoroughly for each of these elements as they quickly add up. Knowing how much you're willing to spend upfront and allocating extra money for any emergency purchases that arise are smart moves.

The number one reason businesses fail in the first three years of trading is due to poor cash flow, or, more money going out than coming in. [Our Rent-Try-Buy® solution](#) allows you to save your cash and free up working capital by renting your equipment and fit-out costs. There's no large capital outlay, and the weekly rent is affordable. Should the worst case scenario come to fruition, you can hand the equipment back to Silver Chef at the end of 12 months, no questions asked. What's more, your rental payments are 100% tax deductible.

Don't forget to apply for your liquor licence at least three months in advance of your opening date to avoid financial fallout from delays.



Designing your dream space

It doesn't matter how many kinds of spirits you offer, thoughtful design and a lively atmosphere can make or break your bar. For Anton Forte, one of the owners of [Swillhouse](#) — the taste-making hospitality group behind award-winning Sydney bars such as [The Baxter Inn](#), [Frankie's Pizza](#) and [Shady Pines Saloon](#) — design is the most important aspect of the hospitality business.

“Then, the second most important part would be your product and service. Third would be the atmosphere your venue inspires,” says Anton, whose acclaimed whisky bar [The Baxter Inn](#) was recently named Australia's best bar at [Bartender Magazine's 2017 Australian Bar Awards](#).

“It doesn't matter how friendly and awesome your staff are, or how delicious your product is, if your venue has a wonky, outdated layout, no one will want to go there.”



“Design is the most important aspect of a bar”

— ANTON FORTE

In the drink: how to choose the right products

It might sound obvious, but your beverage offer can drive your customer loyalty and help determine the personality of your bar. Whether you're operating a no-frills venue that's geared around customer-friendly, affordable drinks, a low-lit lair known for small-batch spirits and produce-driven, garden-to-glass cocktails, or a neighbourhood bar that revolves around local, craft beer, it pays to refine your product focus. Then, collaborate with your suppliers to negotiate a deal that works for you.

Cost of goods sold (COGS) is one of the most expensive aspects of running a hospitality business. So it's important to forecast your sales by each category of spirits and make the necessary adjustments in line with customer demand. Once your bar is in full swing, you can use this data to forge new relationships with suppliers or evolve your offering.



Hiring the best people

So, you've mastered your fit-out and designed a stellar cocktail list, but what about finding the right staff?

Customer service is king in the hospitality industry. But don't forget that your potential employees' passion can set your venture apart.

When you're hiring new people, it's easy to be impressed by decades of experience or a CV that includes some of the top drinking holes in the country. However, friendliness, professionalism, a strong work ethic and the ability to thrive under pressure are just as important.

Hospitality is about creating a winning experience for your customers. If your new recruits are warm, personable and efficient — even during peak times — they will be right for the job. It's also important to remember that your staff members should be ambassadors of or your brand and the products you serve and be eager to pass on their knowledge to your customers.

When you're recruiting a bar manager, bartenders and security, asking your colleagues for recommendations or advertising on an industry-specific jobs website are good ports of call. In the early phases of your business and throughout the journey, a good accountant and bookkeeper are also invaluable.

In the lead-up to your opening date, it's imperative to keep an eye on your overheads and keep detailed information about your bar's rhythms and subsequent cash flow. As wages are expensive, your staffing decisions should follow suit. Although it's wise to hire a bar manager to take charge of every shift and put on extra staff on Friday nights and weekends, hiring your core team before you open and recruiting new candidates as your venue gets busier is a smart move.

Customer service is king in the hospitality industry.

Generating buzz around your brand

To create a bar that's full night after night, customers need to know who you are.

Designing a compelling brand identity and establishing an effective marketing and social media strategy are a must.

Here are four top tips for generating buzz around your brand.



1. KNOW YOUR AUDIENCE

Are you an upscale cocktail bar that hopes to be known for artisanal techniques and rare ingredients? Or an alfresco drinkery that hopes to attract families on a Sunday afternoon? Before you start your marketing process, define the audience and demographic you hope to appeal to.

2. SET UP YOUR INSTAGRAM OR FACEBOOK

Once you've identified your audience, set up your Instagram profile (or choose the channel that they're most likely to be using) and share meaningful, relevant content that builds a dialogue with your customer ahead of your launch. Behind-the-scenes videos, teasers and high-quality shots of your signature products can create a narrative about your bar and build anticipation before opening night.



*Before you start
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3. DISTRIBUTE A PRESS RELEASE TO KEY MEDIA

It's also essential to think about your media strategy, whether you hire a public relations (PR) company to manage this or go it alone. Distributing a press release and telling a compelling story about your bar to the press will raise awareness about your venue and help attract new potential customers.

4. PLAN SPECIAL EVENTS

Any successful bar owner will tell you that your customers are your biggest brand advocates, that's why it pays to reward your loyal clientele. When you can afford it, consider hosting VIP nights and special events. Don't forget to include a social media hashtag so that your regulars can take to social media to fly the flag for your brand.

*It pays
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Raising the bar: your essential checklist

- ✔ Developed a concept
- ✔ Secured location
- ✔ Decided on food and beverage offer
- ✔ Forecasted revenue and profits
- ✔ Applied for DA and liquor licence
- ✔ Completed design and fit-out
- ✔ Hired key staff
- ✔ Completed a marketing and social media strategy





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