

DO WE STAND ALONE?
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It is a fact that nine out of 10 restaurants fail in their first year of operation. It is also said that the restaurant business is the easiest business to get into. On the surface, these two statements ring loud and clear. But upon closer examination, we will find that the Restaurant Industry is actually a very dynamic business and offers the maximum in opportunities for both financial and personal pleasure. Let's examine the real facts about success in the restaurant industry.

First, I can't think of another business other than this one where more inept people attempt to get into it with little or no experience. Those 90 percent who fail probably have never worked within the industry prior to this attempt, and if they have, it was in a non management position that did not prepare them for running a restaurant. How many doctors, lawyers, builders, accountants, car salesman, or just about anyone with some moderate success in an unrelated field have you heard say that they always have wanted to own a restaurant? I would hate to hazard a guess as to how many times I have heard this.

Now let's examine the other side of the coin. Who are the 10 percent who succeed? Most of them are the professionals in our industry. They have prepared for their success. They have trained under other professionals and they have planned accordingly. These "operators" have a tremendous track record. They usually make very comfortable livings. Quite often, they use their initial restaurant as the basis for an expansion program. They risk everything to expand their horizons. Why? Because our industry still offers one of the highest net profits of any industry.

If you look at the track records of people with at least two years of professional experience before they attempt to go out on their own, the success rate will truly amaze you; it's over 95 percent! With these facts in hand, why are investments in independent restaurant start-ups held in such low esteem by financial institutions?

The reason is obvious. The validity of the independent foodservice business is judged by the apparent lack of accomplishments or failures of the multitude who have no business being involved in it to begin with. Therefore, when seasoned professionals call on a bank or lending institution for help with a new purchase or a truly feasible expansion program, they are immediately behind the eight ball. How many times have you heard these guardians of highly established banking institutions say "We don't lend money to restaurants!"? It's an all too familiar scenario.

So what's the answer? We are in a real sense isolated and alone. We have to look after

ourselves. For years a national organization has existed which appears to represent all of our industry. Is it doing a proper job? Is anyone out there satisfied? Are you satisfied with the state of insurance coverage and costs? Are you satisfied with recent liquor law revisions? Are you satisfied with burdensome labor laws? Well, I'm not.

What we need is a dynamic organization of those professionals that fall into that ten percent category - ***namely successful restaurateurs.*** This organization would react to the business climate as it currently exists. It's function would be to create a more positive image for the restaurant industry. At the same time it would help the foodservice professional deal with various problems occurring during the operations of most establishments, eq. refinancing, insurance, and labor to name just a few. We who have survived are the "successful ones". We need to stand together to continue to remain viable. It appears no-one else will do it for us.

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