

# First-Class Financial Advice for the Hospitality Industry

In the complicated, competitive and unforgiving world of bars, restaurants and hotels, knowing your numbers makes all the difference.

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**F**EW MARKETS ARE AS INHOSPITABLE to startups as the hospitality industry. The failure rate is high and the cost of entry can be expensive, too. Just because you are a good cook or have a great idea doesn't mean that your business will celebrate a year two or three. In the complicated, competitive and unforgiving world of bars, restaurants and hotels, knowing your numbers makes all the difference. Here is some expert advice combined with some success stories, proving that hiring the right CPA firm matters a lot.



#### **Bederson LLP**

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Becoming a restaurant owner involves an understanding of operations and finance. It also requires a real, hands-on understanding of cooking, marketing and management. As in any business, not everything can be delegated, and you will have to understand each function in your business, so you can monitor expectations—and fill in if someone doesn't show up. Successful owners take courses in finance, marketing, management and even cooking. Also, craft a thorough business plan. After you have done the research, define your market: demographics, price point and competition. Take a walk around the neighborhood in which you plan to launch your business. Get a feel for the vibe of the people, the other businesses, the schools, homes, etc., to confirm whether your restaurant will serve a market need in the area. Create a budget with fixed and variable costs, assuming a conserva-

tive rate of growth as you move closer toward your goal. After food and beverages, your largest line items will be occupancy and personnel. Hire an experienced professional team—including a CPA—to help with structuring, registering your entity, lease negotiation and execution, adequate loss coverage provisions and financial needs.

