

Chapter 11

Restaurant Development: Facilities Planning, Design, Equipment Procurement, and Management

ABSTRACT

This chapter discusses the concept of facilities planning, design, equipment procurement, and management within the context of restaurant development. It includes the investigation and planning of the location, equipment, long-term investment in capital expenditure, life span, durability, and business longevity and assets, among many other factors. It provides references and guidelines for opening a foodservice facility, specifically a restaurant, the process of the restaurant opening, from concept to operation and the equipment required, from FFEs (furniture, fixture, and equipment) to utensils and other operating tools necessary to run an entire restaurant operation.

INTRODUCTION TO FACILITIES PLANNING

Many entrepreneurs know they want to open a foodservice operation; however, they often find out they may not get what they wished. If an entrepreneur wants to open a restaurant with a nightclub and outdoor dancing, he/she might soon discover that the business idea is not feasible for one reason or another. There could be several reasons. The area may not be designated for commercial use, the level of decibels released by the music may be too high for the city ordinance, the liquor licensing authority may not issue the liquor license because the population density may not allow for it. This is only one of the many scenarios, and therefore, the entrepreneur may have to settle for something different or look for a different location.

Historically, ideas always start in “thoughts,” and one person usually generates each idea before others agree to it. Generally, ideas can be considered inventions, innovations, radical innovation, or repeat what others have done by benchmarking on their product or service offerings. Regarding the latter, copying an idea must always have at least one criterion different from entering the market: e.g., the location. Experts are often amused to see someone opening “another” pizzeria. There is nothing wrong with doing that, provided the feasibility study shows the profit potential.

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However, most entrepreneurs always want to create something new; they wish to solve a problem; they want to change people's lives for the better through better food and beverages, a pleasant atmosphere in the hope of receiving a financial reward in exchange. Often entrepreneurs like to do for others what they want to do for themselves most, just like educators; they teach what they like to learn most. Throughout the chapters, we have discussed how easy it is to open a restaurant business and how easy it is to fail? However, with proper planning, the risk for failure is much lower. This chapter will discuss how facilities are planned, designed, built, and opened for business. The concept of opening a food-service facility is very broad. Addressing each type of operation's opening, each with its style such as Quick Service, Fast Food, Midscale, Upscale etc. would be a textbook on its own. In this chapter, we will instead concentrate on restaurant entrepreneurship in general, because regardless of if the operation is a concession or a hospital, the "term restaurant is used as a general reference. Therefore, within this context, we will discuss common principles and characteristics shared by every restaurant operation: the kitchen, the dining area, receiving area, storage, equipment, point-of-sale system etc. In chapter 1, we discussed the various types of restaurants from a broad perspective. At times, the terminology can be confusing, therefore, we will attempt to define and to distinguish what industry is, a segment, a sector, the type and style of restaurant, what cuisine, level of service etc. The following is an interpretation to let the future restaurateur understand the terms when it comes to planning.

Table 1. Definition of restaurant terms

Term	Meaning
Hospitality	Is an industry that encompasses many sectors: lodging, tourism...
Restaurant foodservice	A sector of the hospitality industry
Restaurant business	Is a segment of the foodservice industry
Restaurant service type	Type of service offered: QSR, Fast Food, Full Service...
Restaurant concept	BBQ, Burgers, Steak house, Pizzeria, Seafood, Ethnic...
Restaurant theme	Related to: Sport, music, outdoor, heritage...
Restaurant cuisine style	Italian, Nouvelle, Molecular, Futuristic, Nostalgic, Family...
Restaurant menu	A list of dishes offered to patrons; the principal investment and cost determinant of the overall restaurant project
Restaurant category	Budget, Midscale, Upscale, Luxury,
Restaurant ratings	Classification of the level of product quality, service, price, etc.

The Importance of Facility Planning

For an investor, understanding where and how the money will be spent long before any new money will be earned is probably the first and most important thought. Therefore, there is a need for a well-designed feasibility study that will lead to the proper planning, building, opening, and operating a successful facility (Young, 1970; Justis, & Kreigsmann, 1979; Marcis, 2009). We have discussed that a critical failure factor in restaurant investment is lack of knowledge about the restaurant business, lack of practical experience, and lack of business shrewdness. If an investor lacks any of these three factors,

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