

Getting ready to take over the world...

CONTINUING THEIR SERIES ON GETTING A BAR BUSINESS OFF THE GROUND, WILL BECKETT AND HUW GOTT STRESS THE IMPORTANCE OF A WELL-WRITTEN BUSINESS PLAN

You've decided that the time is right for you to branch out on your own – to take the plunge and open your own bar. So how do you get from where you are now to schmoozing your way round your shiny new venue on opening night?

The not-very-holy trinity of things you need are: a site, a concept and some cash (if you're lucky enough to have a bulging bank account already then this part becomes a lot easier...)

But how do you find a site when you don't know how much money you can raise? How do you decide on a concept when you don't have a site in mind? And how do you know how much money you need when you don't have a site and haven't decided on a concept?

Step one is a business plan. Ignore all the 'How to write a business plan' books and online guides. They're likely to make things more complicated than they need to be. And for the time being forget the financials (we'll come on to those in our next exciting instalment...)

We spoke to Chris Lane, a partner at accountancy firm Kingston Smith (specialists in advising hospitality entrepreneurs). He said: "A business plan isn't a selling document, this is for you. It's where you set out your ideas and your credentials and start to take a serious look at yourself and your idea. You need to start by answering all the Ws – who?, why?, what?, where?, when? – and then move on to the financials."

You need to get your ideas from the fuzzy world of entrepreneurial brilliance to the cold, hard world of realism. In Underdog terms this basically means Will focusing Huw's wild ideas – "We'll do this with this and that with that and it'll be amazing. This time next year we'll be millionaires!" – and turning them into something more practical.



Will Beckett and Huw Gott

Therein lies the second essential point. Find someone objective who can scrutinise your ideas and who you can use as a sounding board. This can't be: your mum, your partner, your best mate, your hairdresser, the last person you got pissed with. It should be someone well-meaning who knows the business well. You could show it to us. If you're seriously minted you could even show it to Chris Lane.

According to Chris "the plan should be an organic document at this stage, changing with each new development and with sensible advice". Try sticking to the following sections and don't lose six months of your life carefully crafting a 30-page document no one will ever read.

"I didn't have a clue how to go about doing it. The bank manager actually laughed"

OPEN YOUR BAR

Keep it concise:

WHY?

Ask yourself 'why?' at every stage. Why is this concept a good idea? Why is this location right? But also answer the big one: why am I doing this? Is it to improve your quality of life, to make some serious cash, to do something you'll be proud of? Or because you've spotted a gap in the market? Be careful if it's the last one, it's unlikely that you're the first person to think of your idea. The answer will probably be a complex mix of things which will have major implications for the type of operation you should set up.

WHO?

Take a long hard look at everyone involved. Write down their experience, skills, strengths and weaknesses. In particular it's important to work out what's missing and then go about trying to fill these gaps. In our experience, knowing what you're not good at is half the battle.

WHAT?

This is where Huw wasted a lot of time and effort dreaming up unrealistic plans for world domination. The important thing is to always bear in mind the 'who?' and the 'why?' and to stay realistic. Get specifics down on paper, outline the concept, the food and drink offering, the music, the atmosphere you want to achieve, the types of customer you want to attract.

WHERE?

'Where?' and 'what?' are closely inter-linked. There's a reason why no-one's doing a fine wine bar in Toxteth or a pork ribs restaurant in Golders Green. The concept and location need to match up. It might be that you have a location in mind, in which case you'll need to focus on the 'what?' Who lives or goes out around there? What are other bars doing or not doing well? Or you might be more driven by a concept, in which case you'll need to spend time researching locations to find one that matches.

WHEN?

Give yourself a realistic timeline. Use the rest of the articles in this series to help with this. We'll be going through all the different stages you need to go through before that magic moment when you

open the doors and you're swamped by eager customers...

And that's it. You then need to add the financials, which we'll focus on next month. Remember that the business plan is a fluid document, use it to spot problems and update it when situations change (which they invariably will). The important thing is that you're always moving forward. If what you're doing isn't achieving that you're wasting your time.

DOING IT THE WRONG WAY

Huw's specialty when we were at this stage was the killer business plan. "I first went to a bank manager for money when I was 17. I'd dreamt up an ingenious plan for a chain of shops selling good quality ready meals to tired commuters. I had no money and my only experience was as a part-time kitchen porter at Pierre Victoire.

"But still, there was going to be one at every station in the land. I was going to be a millionaire before I was 20.

"Except, of course, I wasn't. I didn't have a clue how to go about doing it. The bank manager actually laughed. I could see him trying to suppress it, stay professional, but he couldn't manage it.

"I spent the next 10 years going round and round in circles, dreaming up grand ideas, traipsing round inappropriate sites, writing ridiculously long business plans, trying to raise money, failing, dreaming up more ideas, traipsing round sites... I'm sure you get the picture.

"It wasn't until I joined forces with my much more sensible friend Will, who quickly pointed out that I was going about it all wrong, that I got anywhere. Together we came up with a realistic plan for a realistic site with a realistic budget and six months later we opened The Redchurch." ■

CREATING YOUR BUSINESS PLAN

- ✓ Ignore the 'How to...' and online guides
- ✓ Answer all the 'W's':
 - ✓ Why are you opening the bar?
 - ✓ Who are you working with and what do they bring to the party?
 - ✓ What specifically do you want to create realistically?
 - ✓ Where are you going to locate? Match concept with location.
 - ✓ When do you plan to open it?
- ✓ Find yourself a **mentor** to scrutinise your plans
- ✓ Rein in wayward ideas to ensure they're **practical**

NEXT MONTH: THE FINANCIALS



THE UNDERDOG GROUP HAS FOUR OF ITS OWN BARS IN LONDON, AND HAS OFFERED CONSULTANCY SERVICES TO OTHER BUSINESSES

IF YOU WOULD LIKE TO GET IN TOUCH WITH UNDERDOG YOU CAN FIND THEM ONLINE AT WWW.UNDERDOG-GROUP.COM OR EMAIL INFO@UNDERDOG-GROUP.COM