

Welcome to Leading Restaurant Strategy- BMGM6001

I will begin the Lecture at **9:30am**, so use this as an opportunity to grab a beverage, access required documents or ask me any questions that you have. Please ensure that once we begin the lecture you have access to Moodle with your module handbook open.

Please ensure that during this lecture your camera **remains on at all times**.

BMGM6001

International Gastronomy Management

Leading Restaurant Strategy

Week 3 – Financial Planning



Agenda

- Financial planning overview
- How to be sustainable in hospitality
- Costing analysis for short- and long-term decision making
- Business plan suggestions
- SWOT/PEST refresh

Recap of last week



- Restaurant design
- Planning laws and building regulations
- Business plan template overview
- Any questions?

Financial Planning Overview

The strategic process of managing finances to achieve financial goals

Short and long-term planning is crucial!



Key Steps

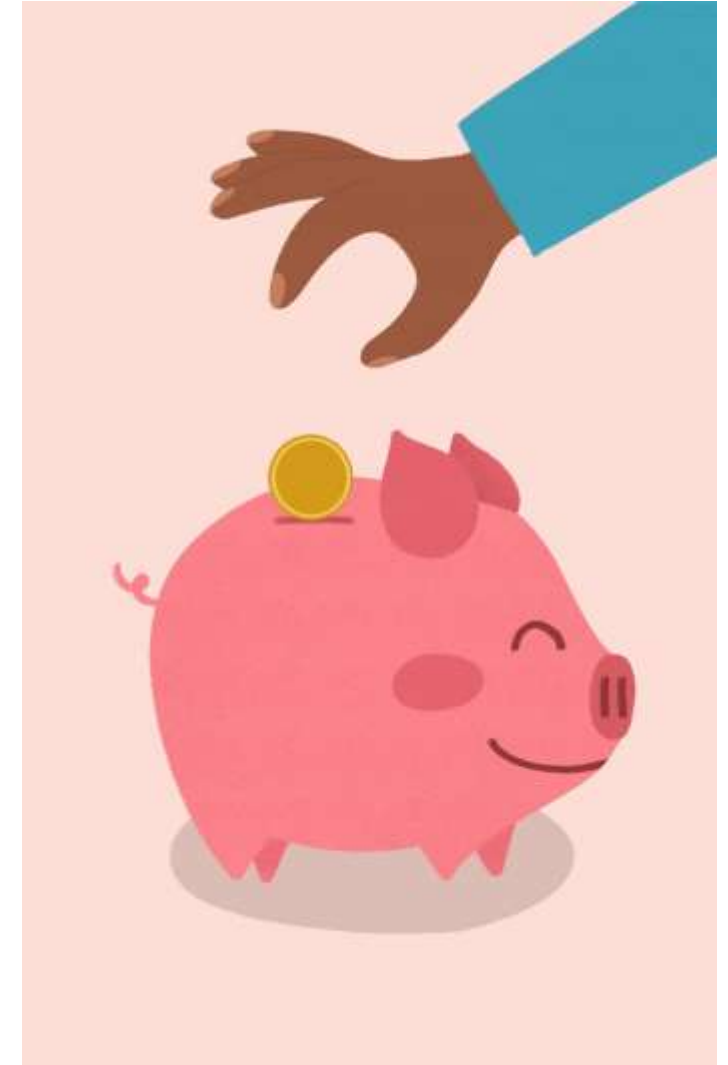
Evaluate the current situation



Set realistic and achievable objectives



Plan to mitigate risks
(contingency)

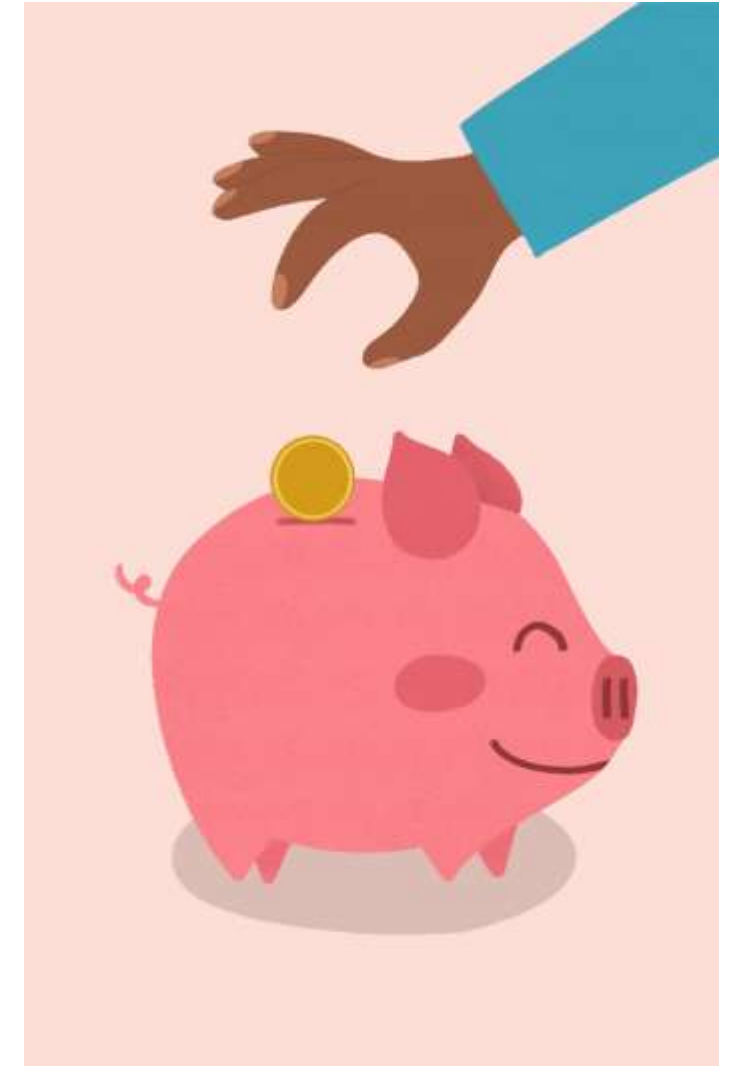


Points to consider

ENSURE YOU EVALUATE & ANALYSE!

- **Assets/Liabilities/Equity**
- **Short term goals = operational budgets (the purchases and costs required to function)**
- **Long term goals = larger investments (expansion and entry into new markets)**

**YOUR FINANCIAL GOALS MUST BE IN LINE WITH YOUR
OVERALL BUSINESS STRATEGY – BE AGILE!**



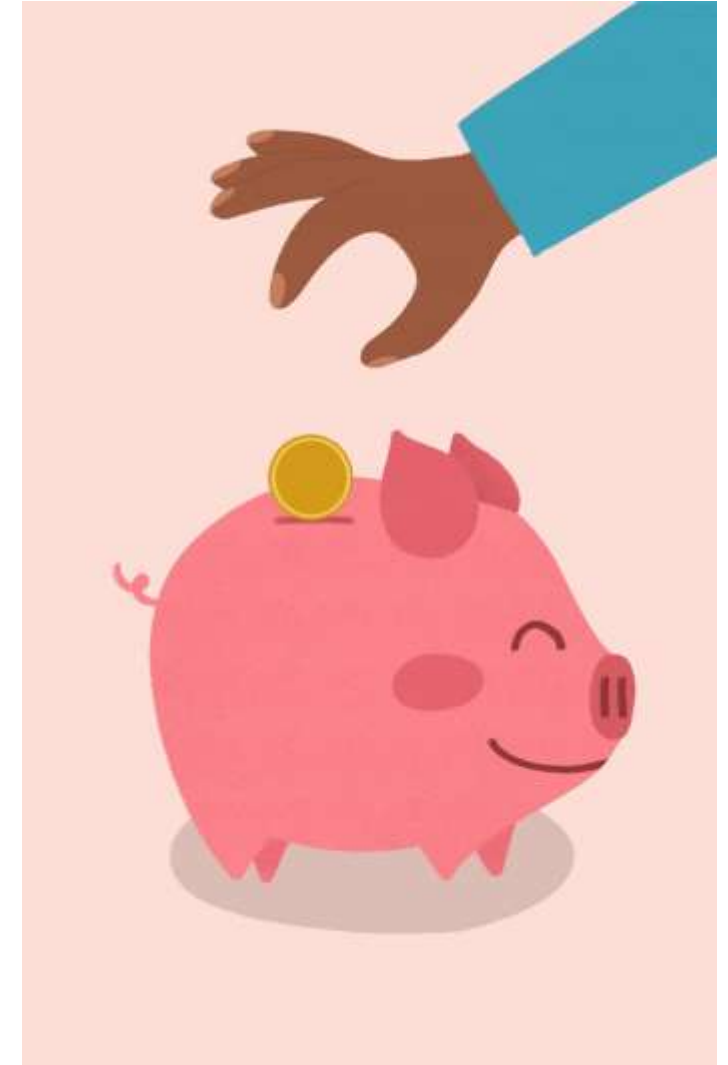
Forecasting

Future revenue

Expenses

Cash flow – can you access funds easily?

Return on Investment (ROI)

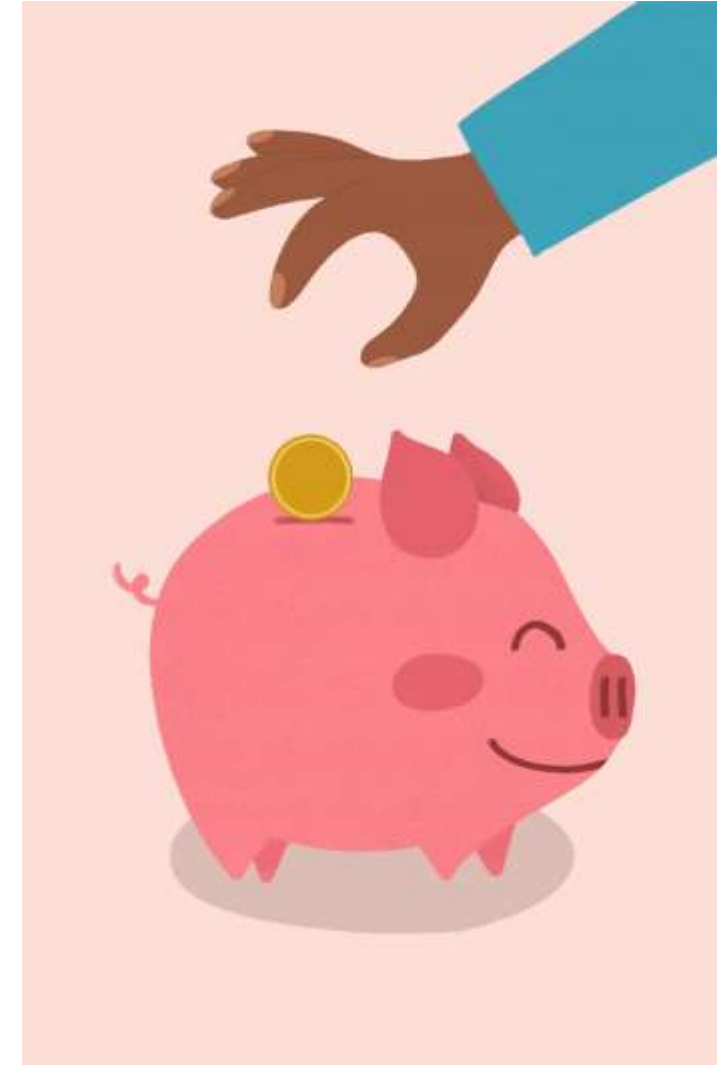


Strategic Approach

Plan investments carefully

Incorporate cost-control measures

Review regularly!

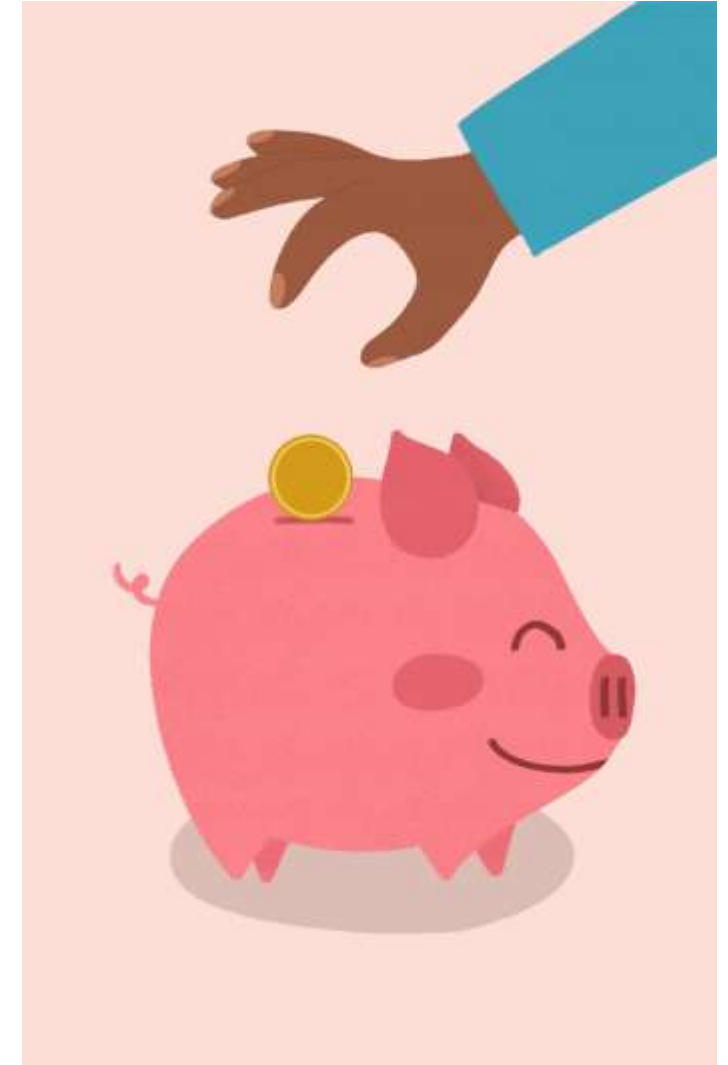


Questions to ask yourself

When will you break even?

When will you begin to make a profit?

Do you have enough cash available to control debts and obligations?



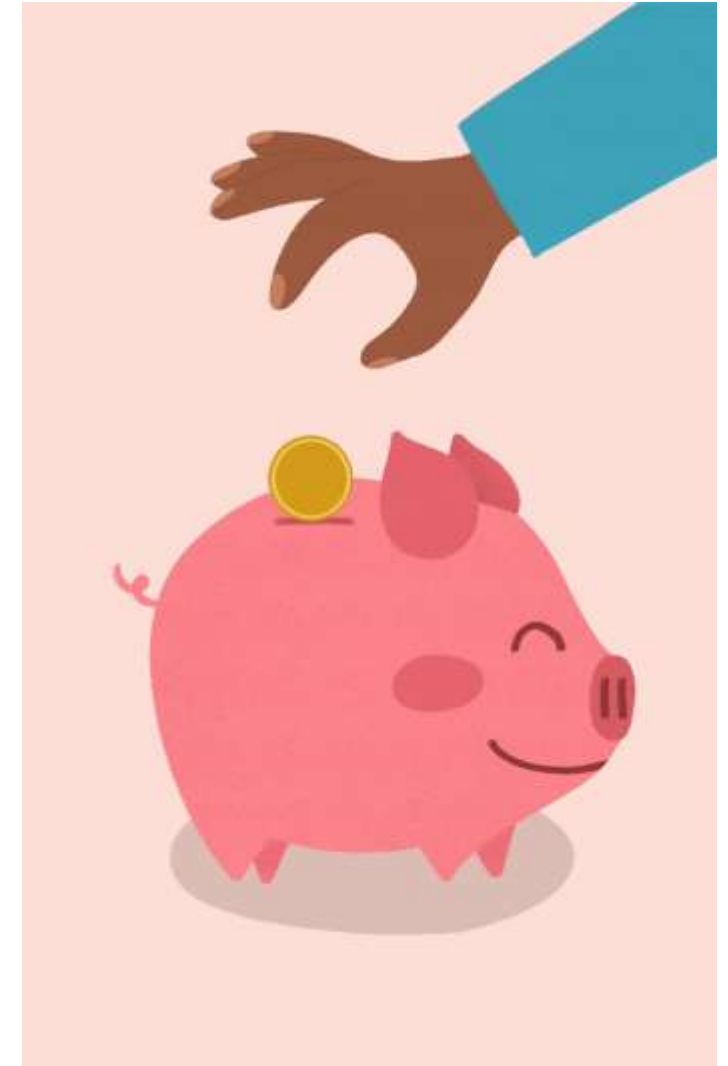
Why is this important?

Business sustainability

Stakeholder trust – investors & employees

Agility & strategic decision making

Legal compliance

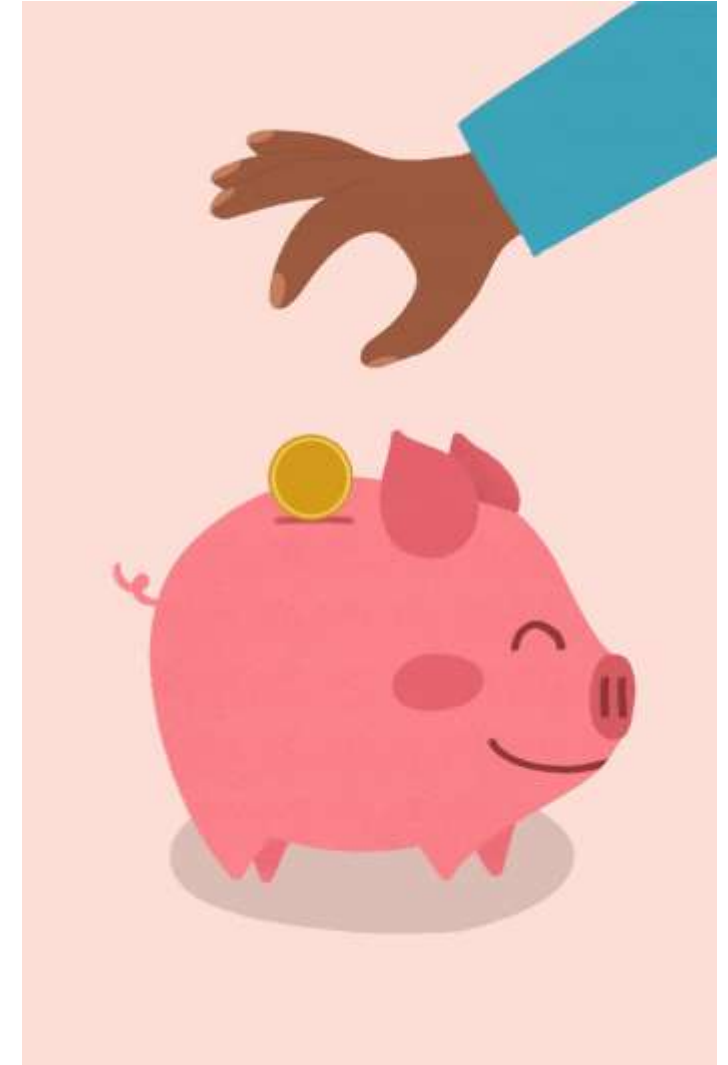


Watch out for...

Economic fluctuations

Changing business needs

Being optimistic when you should be realistic



FINANCIAL MANAGEMENT



How to be financially sustainable in hospitality

Resilience

Environmental
risks

Adaptability

Economic
challenges

Awareness

How can I achieve this?

Be transparent – open communication

Be innovative – new products, services and processes

Be responsible – ethical and accountable operations



In hospitality, be mindful of:

Seasonal
fluctuations

Evolving
consumer
preferences

Economic
fluctuations

Activity Time – 30 mins

Seasonal
fluctuations

Evolving
consumer
preferences

Economic
fluctuations

Preparation is key!

1. Diverse offerings
2. Promotions & events
3. Price based on demand
4. Staffing options/ratios
5. Reduce waste
6. Monitor inventory
7. Negotiate with suppliers



Preparation is key!

1. Tools & resources
2. Staff training
3. Financial reserves
4. Regular financial risk assessments
5. Customer loyalty systems
6. Online presence – reviews/advertising
7. Brand reputation - CSR



Costing analysis for short- and long-term decision making

Costing analysis =
evaluating business costs
to assist with strategic
decision making

1. **Identify** costs
2. **Estimate** costs
3. **Allocate** funds
4. **Analyse** – projected vs actual costs
5. **Optimise** – cost reduction/heightened efficiency

Short term – immediate (within 12 months)

Fixed costs – rent/equipment

Variable costs – ingredients/utilities

Determine the sales needed to cover costs

Does cheaper compromise quality?

Are you profitable & competitive?



Short term – immediate (within 12 months)

In practice:

- Reduced menu
- Reduced number of staff on shift – no overtime/agency staff/zero hours
- Utilise holiday entitlement to ensure contracted staff are available at peak times to avoid overtime
- Close on certain days/times?



Long term – several years

Costs that will impact over several years

Major investments – equipment purchases etc

Lifecycle – all costs for an entire project from start to finish

Expanding into new markets or locations

Outsourcing – 3rd party services



Long term – several years

Sustainability – eco-friendly alternatives

Asset depreciation – loss of value & performance

HR – recruiting/training/retaining



Long term – several years

In practice:

- Equipment/tech upgrades – is it worth it?
- Menu additions – sourcing ingredients, training, marketing
- Opening new locations
- Interior/décor upgrades
- Sustainable options
- Build your brand - effective marketing
- Product/supplier sourcing (supply chain)



Business Plan Resources

[steak_restaurant_business_plan.pdf](#)

[How to Write a Business Plan](#)

[FSB | What is a business plan?](#)

[How To Easily Write A Restaurant Business Plan \[Step-by-step\] | open a restaurant 2022](#)

[Business Plan](#)



Business Plan Q&A



Business Plan Practical – 20 mins



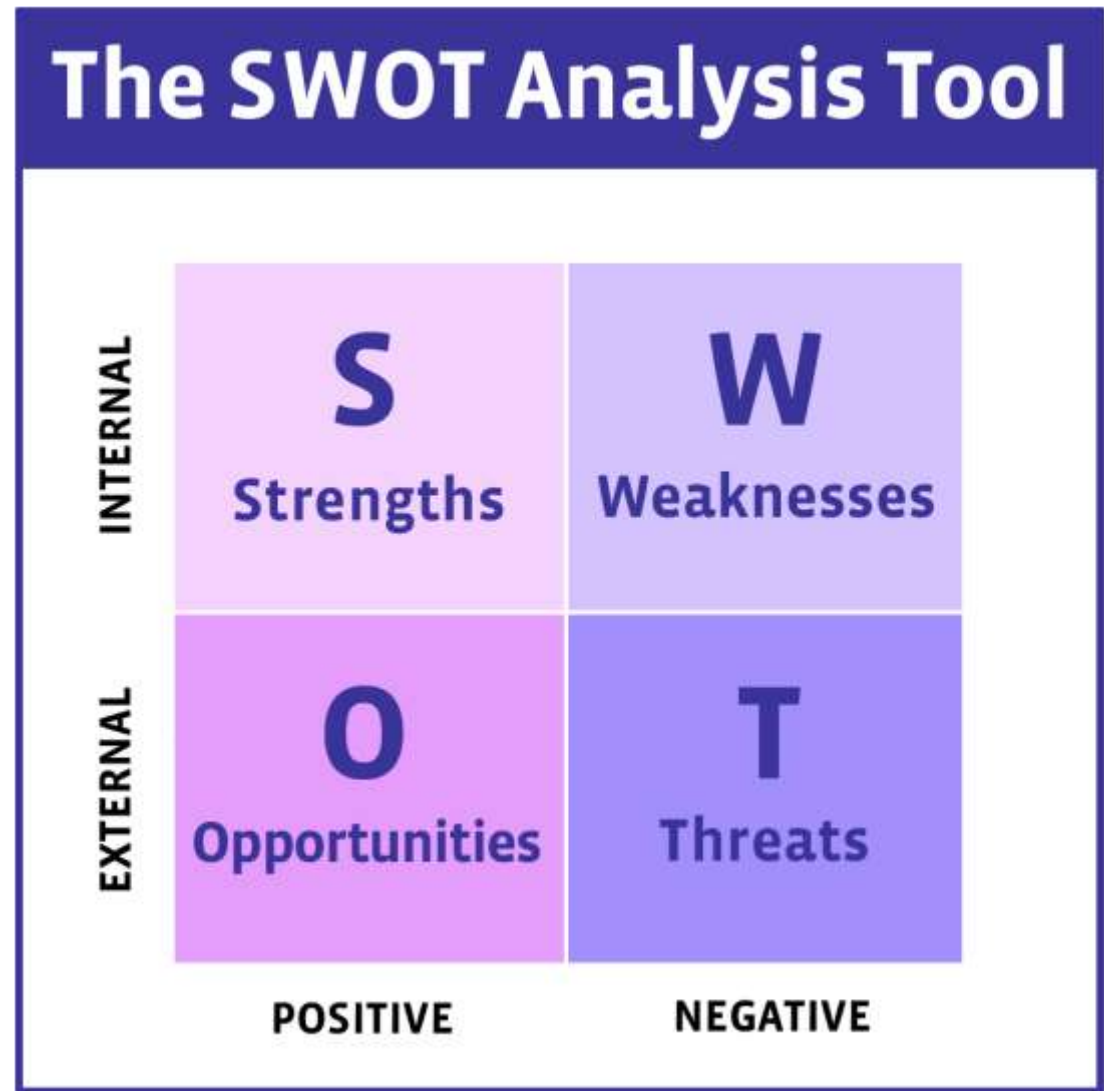
SWOT/PEST

Strengths – reputation/connections/customer loyalty/unique products/skilled workforce

Weaknesses – lack of financial resources/outdated tech or equipment/lack of market presence/negative reviews/lack of marketing

Opportunities – Emerging markets/innovative ideas/changes in demand and consumer preferences/reduced competition

Threats – Economic (inflation)/competitors/changing laws or regulations/supply chain disruptions/rising costs

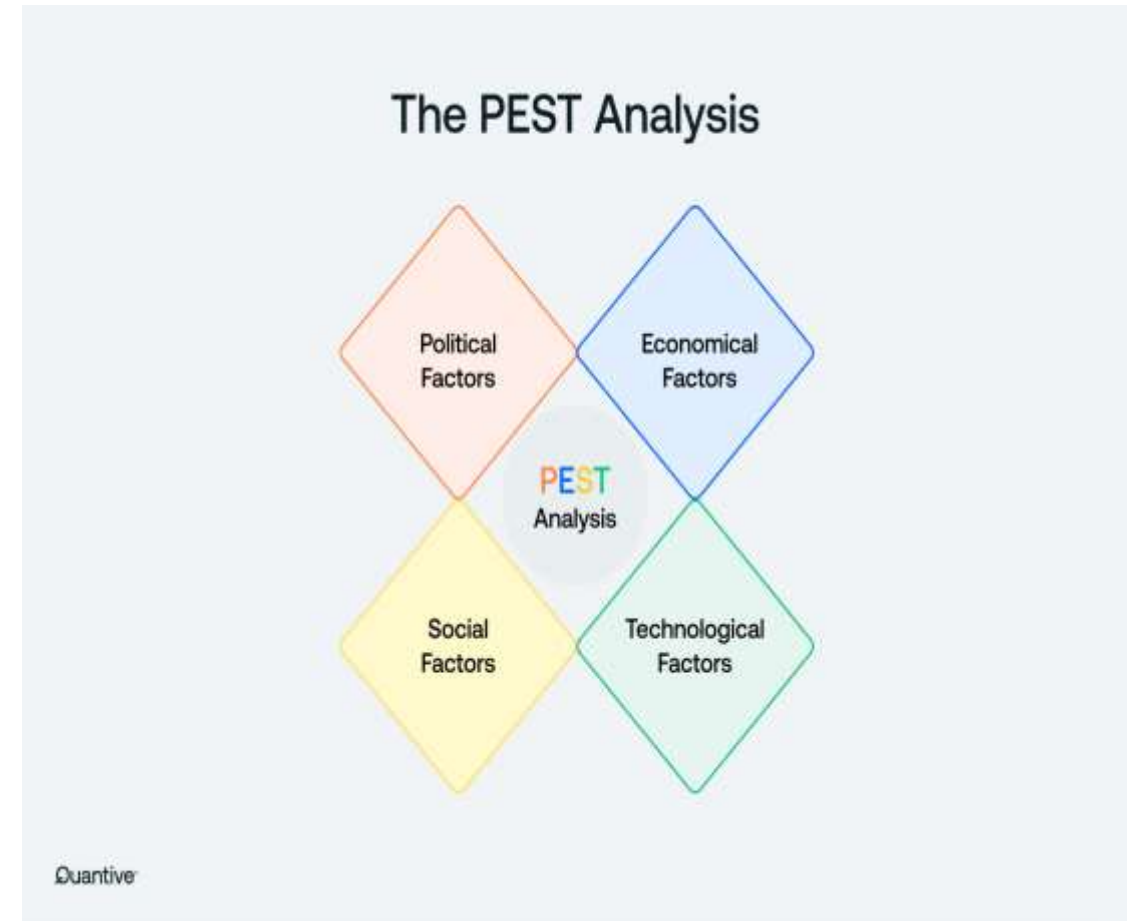


Political – Tax/government policies/regulations/political stability/employment, environmental & food safety laws

Economic – Inflation/interest rates/exchange rates/unemployment/income/economic growth or decline

Social – Population growth/age demographics/culture/attitudes/lifestyle changes/education levels/consumer trends

Technological – AI and digital tech/e-commerce/data protection/online ordering/marketing



Next Week

Budgeting and capital management

- Introduction to budgeting and capital management.
- Functional and master budgets.
- Pre-opening requirements.



Reference List

Bplans. (2025) Steak Restaurant Business Plan, [online], available at: [Steak Restaurant Business Plan Example | Bplans](#)

Business Link. (2021) Small Business Basics: Financial Management, [online], available at: [Small Business Basics: Financial Management](#)

Fsb50. (2024) What is a business plan?, [online], available at: [FSB | What is a business plan?](#)

Lee, W K. (2022) How To Easily Write A Restaurant Business Plan [Step-by-step] | open a restaurant 2022, [online], available at: [How To Easily Write A Restaurant Business Plan \[Step-by-step\] | open a restaurant 2022 – YouTube](#)

Schooley, S. (2024) Guide To Creating a Business Plan With Template, [online], available at: [How to Write a Business Plan](#)

Two Teachers. (2023) Business Plan [online], available at: [Business Plan](#)

Two Teachers. (2023) Fixed, Variable & Total Costs | Business Costs, [online], available at: [Fixed, Variable & Total Costs | Business Costs](#)