CLOUD KITCHENS™

How to open a restaurant in 2021

It's easier than you think

2021: the year of the restaurant

There's a new business model to tap into

With heightened stay-at-home orders and capacity limits for dine-in, the traditional brick and mortar business model is changing. But that doesn't mean this is the end for your dream of owning a successful restaurant business - it might just look different. There's been a massive shift to ghost kitchens. Why? They're optimized for delivery, rather than dine-in. It's a new model for running a restaurant that makes it possible for you to get into the delivery game with low risk and low capital.

Delivery has grown by

167%

[1]

[2]

Delivery on the rise

During the pandemic alone, delivery has increased by 167%.[1] 60% of customers in the United States order delivery once a week.[2] This percentage is continuing to increase at a rapid rate. It's becoming clearer that brick-and-mortar restaurants are missing the technology and infrastructure needed to succeed in a delivery-first environment.
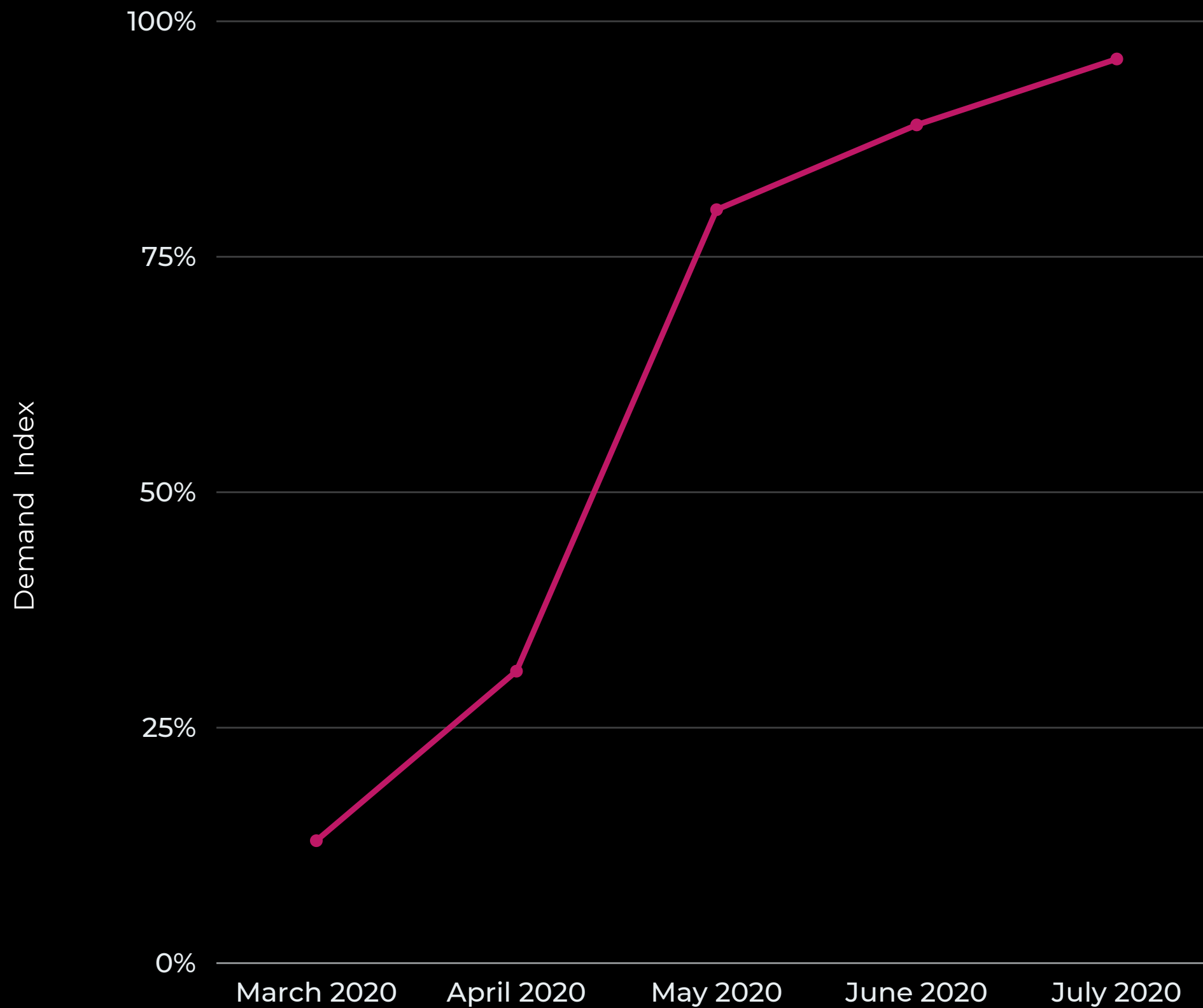
Growing market demand

Monthly delivery orders

Incoming delivery orders are growing each month, meaning more demand for your restaurant online.[3]
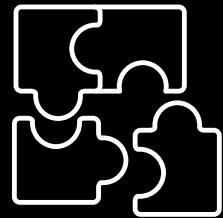
7-step checklist:
restaurant business plan

01 Concept

01

Build
your concept

The first step of your business plan

When you're creating your business plan, you'll first want to begin with a concept.

- What's your mission statement?
- What value will you be bringing to your future customers?
- What's the name of your concept?

You'll want to start brainstorming what sets your future business apart from the rest and how you'll keep your hungry customers coming back for more.

02 Goals

Set
your goals
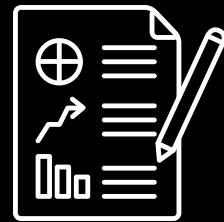
Building your business goals

Next you'll want to determine the short and long term goals for your business. You should focus on what matters most to you for your business and how you'll set yourself up for success. Think about where you'd like to see your restaurant business in a couple months from now as well as a couple years down the road. This will help make sure you reach your revenue potential.

03 Market Analysis

03

Conduct market analysis

Market research and analysis

Once you're confident about your business concept and goals, you can move forward with your market analysis. This is where you'll conduct market research to determine who your target market is and the competitive landscape. This means determining the demographics of your target customers as well as looking at their consumer behavior.

- When do they typically order food?
- What menu items do they seem to order the most?

Once you're able to answer these primary questions, you need to continue researching to see what restaurants have already established a customer base in your target location and determine how you can tap into their market. This means looking at how they run their business...things like their prices, hours of operation, menu and what differentiates them from the rest.

04 Menu

Create your menu
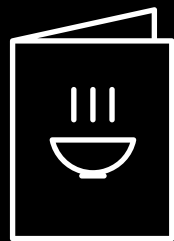
Implement a menu that sets you apart

Now that you've gained a thorough understanding of your market, you're ready to start the most important step which is developing your menu. Be sure to reference your market analysis you conducted earlier to determine what dishes are performing best based on your target market and delivery location. You'll also want to keep in mind which menu items package and travel well. How your menu items arrive to the customer when delivered is crucial for customer satisfaction.

Next, you'll conduct a cost analysis to determine what prices you should be setting for each menu item. It's crucial to review market data to see average menu item prices for the cuisine type and concept you are trying to implement.

Take a look at the most popular delivery apps like Uber Eats, Grubhub, and DoorDash to get a feel for what your online menu should look like. Digital presence means everything in the online delivery game so you'll want to ensure your menu is consistently updated with prices, accurate descriptions and high quality photos.

05 Location

05

Establish your location

Secure a prime location

Once your menu is ready, you'll need to lock in a ghost kitchen location.

CloudKitchens provides space in hot zones for delivery, meaning you're able to reach a higher volume of potential customers, because we've already done the homework on where the best locations are.

Once you've determined the best facility and location for your delivery business, you'll need to decide the team of employees you will have to ensure your restaurant is up and running without a hitch.

06 Employees

06

Hire a small team

Build your back-of-house team

With a ghost kitchen, you only need a few hands on deck to get cooking. These are kitchens built for online delivery so all you need to do is supply a small team of as few as 3 to 5 back-of-house members to start cooking.

When it comes to hiring and scheduling shifts for employees, you'll want to reference your market analysis to determine what the optimal times for delivery are based on your market and menu. This will help cut unnecessary labor costs when there's down time between peak demand periods.

Once you have your back-of-house team ready, it's time to move on to the final step which is implementing your marketing strategy.

07 Marketing Strategy

Marketing strategy

Fine-tune your marketing strategy

You've already conducted a market analysis, but you'll need to determine which marketing offers and promotions you want to use to attract new and existing customers online. You can review your competitive set to see what offers they're running and how their brand is represented on each online delivery app.

On delivery apps such as Uber Eats and Grubhub, you can easily implement promotions within each such as Spend More Save More or Free Delivery. This gives you flexibility based on what you'd like to offer and what you think will generate the most orders.

Through understanding when your target market is online and ordering, you can also schedule social media posts to go live during those peak periods, and have them coincide with any promotions you're running on delivery apps.

That's it. Once you've fine-tuned your business plan, you're ready to start growing your restaurant online. Opening a restaurant in 2021 is easier than you think.

CLOUD KITCHENS™

Let's get cooking

With tech-enabled kitchens located in the heart of delivery demand, CloudKitchens provides you with the tools you need to future-proof your restaurant.

Interested in seeing a CloudKitchens facility for yourself?

Book a tour

Sources

[1] "Wells Fargo On-Demand Eating Survey: November 2020." Wells Fargo Equity Research, 18 Nov. 2020, pp. 1–16.

[2] https://upserve.com/restaurant-insider/online-ordering-statistics/

[3] "U.S. Food Delivery Mid-Month Update: Data Through 9/26/20." YipitDATA, 29 Sept. 2020.