

Open your own bar, nightclub, or pub!

FabJob Guide to
**Become a
Bar Owner**



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1. Introduction

Welcome to the *FabJob Guide to Become a Bar Owner*. And congratulations on choosing such an exciting, fast-paced, and rewarding career! In this book we'll take you through everything you'll need to know to start your own bar, as well as where to find additional, helpful resources you will find useful as you embark on your new career.

Bar ownership requires a certain kind of person. Bar owners are often highly gregarious people, people who love meeting others. They're also hardworking, responsible and creative. They're good managers and generally well-organized. Of course, many successful bar owners didn't start out being all these things; they learned as they went along. Sometimes without a lot of help. But you don't need to learn it all on your own, that's why we wrote this guide.

In this book we will look at multiple aspects of opening a bar, including different types of bars you can choose from, options for starting your bar, and where to find financing for your new venture. You'll also learn how to market your bar in order to make people aware that your new

business is open. We'll explore a variety of aspects of running your bar, and learn more about this vibrant, and lucrative, industry.

The guide is full of tips and advice to help you through the beginning phase of your new career and we'll show you where to find even more resources to help you as you progress through the various stages in the development of your new business.

So if you're ready to take a closer look at this exciting career, let's get started!

1.1 An Overview of the Business

1.1.1 What a Bar Owner Does

In some ways, you'll need to be a jack-of-all-trades as a bar owner. You'll need to know a little a bit about everything that goes on in your business. We'll discuss the specific skills and knowledge you'll need in the next chapter, but first, let's take a look at some of the many different jobs involved in running a bar. Remember that, at times, you may need to perform a variety of these yourself.

Here are some of the tasks typically performed by the owner or staff members in a bar:

- Bar Management
- Bartending
- Bookkeeping
- Cooking
- Greeting customers
- Inventory management
- Kitchen management
- Planning promotions and events
- Purchasing
- Serving customers

Although you will likely hire staff members to look after most of these jobs, occasions may arise when you will need to fill in for your regular staff. If you're starting out on a limited budget, you may need to do many of these things yourself with the help of one or two other people. Some of these, like bookkeeping and planning promotions and events, are jobs that you may decide that only you as the owner will attend to.

As the owner, you may also want to be the primary bartender, at least in the beginning. After all, that is why many bar owners get started in this business. Once you're up and running you will likely need to hire a second bartender, especially if you find that you're getting busy. (We'll look at hiring staff for your bar in Chapter 5.)

1.1.2 Types of Bars

There are a lot of choices when it comes to owning a bar. Although some bars don't fit into any of these categories, and some fit into more than one of them, bars typically fall into one of the niches listed below.

Brew Pub

These bars brew their own specialty or craft beers on premises and sell a major portion of their beers off-premises. Themes vary but brew pub menus include beers with a common theme in their names, as well as menu food items that tie into these themes.

Neighborhood Bar

These bars are the most frequent and possibly the least expensive in starting costs to open. This is the type of local hangout to operate in smaller towns and cities, with your own ideas on how to spruce up an otherwise dreary Moe's Tavern into something fun.

Nightclub

These are the most expressive in terms of decoration and entertainment. Live music, DJs or jukeboxes, comedy acts, dancing, along with creative gimmicks and even celebrities can be found in the most successful bars of this type. Cutting edge nightclubs make good use of new age furniture, wall graphics, special lighting, unique amenities and dance music.

Sports Bar

Sports bars feature a variety of beverages and usually a menu of food items that target the sports fan. Entertainment is important yet minimal as it mostly consists of one or more televisions for sporting events (a large screen TV with access to on-demand sporting events is also a good addition), with some arcade games and pool tables for additional entertainment. Sports memorabilia worked into the interior décor is common in this type of bar.

Wine Bar

Many wine bars are smaller than the average bar and have a sophisticated, almost intimate personality. Common design features include wooden floors, subtle lighting, easygoing music (such as classical or jazz) and decoration closely related to the theme of your bar.

Craft Cocktail Bar

Creativity, finesse, and quality ingredients are the hallmarks of the mixologist found at the artisanal cocktail lounge. Riffing on classic drinks found in cities from New Orleans (home of the French 75, the Sazerac, and the Ramos Gin Fizz) to Chicago (where they named the ‘Old-Fashioned’) and from NYC (home of the Manhattan and the Cosmopolitan) to San Francisco (where they claim the Martini was named after the city of Martinez), post-modern bartenders draw on locally sourced and other unique ingredients to concoct their specialties.

We’ll look at these niches a bit more in-depth in section 3.1.

1.1.3 Bar Services to Offer

In addition to deciding on the character of your bar (that is, the broad category such as a neighborhood pub or sports bar, as well as décor, atmosphere, and general “feel” of your bar), you’ll need to decide what sorts of products and services to offer your customers.

Alcoholic Beverage Service

Of course you will be serving drinks, that’s the nature of the business. The kind of drinks you will offer is entirely up to you. The three basic

types of drinks you will serve in your bar are wine, beer and spirits. Within each category, there is huge variation.

Wines, for example, include whites, reds, sparkling wines, rosé wines, etc., and a vast array of wines categorized by appellation. Beers include both beer and ales. There are wheat beers, light beers, white beers, dark ales, pilsners, lagers, and on and on. Beer lovers are often very loyal to particular brands, too.

Spirits includes the basic liquors such as rum, vodka, scotch, whiskey, gin, as well as liqueurs, aperitifs, brandies, etc. Spirits also include an incredible diversity of mixed drinks that make use of the almost endless variety of ways that spirits and non-alcoholic ingredients (mixers such as fruit juices, sodas, milk, coffee, etc.) can be combined to produce unique new drinks. And more drink recipes are being invented all the time.

Some bars serve more of one category than others. If you want to open a wine bar, then you will serve more wine than anything else. Some bars serve the basics like beer and ale and highballs or straight spirits. Other bars, like nightclubs serve a broad spectrum of drinks from every category. We'll look at some options for choosing the type of bar you want to open in section 3.1.

Food Service

There are some jurisdictions that require you to serve food if you are running a bar. What kind of food you may want to serve also depends on the type of bar you are running. Nightclubs, for example, typically don't serve much in the way of food. If you do decide to offer food, there is really no limit to the choices of food to offer. Here are some ideas:

- Pub fare (typically, appetizers like chicken wings and other finger foods, burgers, fries, sandwiches, etc.)
- Full menu (much like a restaurant, with a concentration in certain types of cuisine)
- Catering (an extra service usually offered on-site for private parties and other events)

- Tapas (originally a variety of appetizers that came from Spain, although now evolving beyond that in North America)
- Ethnic cuisine (either full menu or just finger foods and appetizers)
- Etc.

Although a full treatment of food service is outside the scope of this guide, if you would like to learn more about this aspect of the bar business, you'll find everything you need in the [*FabJob Guide to Become a Restaurant Owner*](#).

Entertainment

People who visit bars often do so because of the entertainment the bar offers. Again, the choice of entertainment to offer depends somewhat on the character of your bar. (You wouldn't offer a head-banging rock band as entertainment to a wine crowd at your wine bar, for example.) The entertainment you offer should reflect the general atmosphere of your bar.

Here are some typical offerings:

- Big screen TVs, and additional, smaller TVs scattered throughout the bar
- Comedy shows
- Darts
- DJs
- Karaoke
- Live bands
- Pool tables
- Shuffleboard
- Video games

Events

In addition to your regularly scheduled entertainment offerings, you can (and should) also host special events. These help to get more people interested in your bar and increase your market visibility. They also keep your regular clientele interested and returning.

Here are some of the events you could host:

- Tournaments (pool, darts, shuffleboard, etc.)
- Sports-themed parties during the Super Bowl, NHL playoffs, World Cup Soccer, Olympics, etc.
- Holiday-themed parties
- A special appearance by a particular performer (for example, a tribute band)

1.2 About the Industry

Historically speaking, sales/consumption of alcoholic beverages have been considered pretty much recession-proof; this was borne out during the recession in 2009 and the sluggish recovery afterwards. However, the bar and nightclub industry endured a difficult shakeout during this period.

The American Nightlife Association wrote (at www.nciaa.com/content.aspx?page_id=22&club_id=160641&module_id=29898) that “with the onset of the recession in 2008, revenue for the Nightclubs Industry contracted for the first time in more than 10 years. At the height of the recession in 2009, industry revenue declined 10.1% in 2009 to \$1.9 billion.”

And according to CNN Money, writing in 2015 (<http://money.cnn.com/2015/10/09/smallbusiness/bars-closing-nielsen>), “In the last 10 years, more than 10,000 neighborhood bars around the country have shut down. In 2014, there were 59,555 neighborhood bars in the U.S., compared to 71,864 in 2004... Bar closings hit their peak in 2014, with an average of six bars closing each day. That’s slowed considerably in 2015, with an average of just three bars closing each day.”

Craft Brewing Business magazine more recently reported (at www.craftbrewingbusiness.com/business-marketing/snapshot-bar-nightclub-revenue-2016) that “the industry’s financial performance is forecast to remain relatively steady as the economy improves and consumer spending increases.”

And by press time (fall 2017), IbisWorld (www.ibisworld.com/industry-trends/market-research-reports/accommodation-food-services/bars-nightclubs.html) was able to cheerfully report:

While revenue growth experienced a small amount of volatility during the early half of the five-year period, the industry is still expected to grow. Bar and nightclub operators have attempted to respond to volatile growth and increased competition by diversifying new concepts such as wine bars, cocktail lounges and brewpubs to attract new demographics. New operators are consistently entering the industry to satisfy new consumer trends. As a result, the industry has become more fragmented. Over the five years to 2022, industry revenue is forecast to increase.

Entering an industry that’s in recovery after a shakeout can be a good opportunity, but you’ll need to plan your operation carefully, and pay constant attention to trends and influences so that you can act nimbly. This FabJob guide is designed to put you on the road to success.

1.3 What It’s Like Owning a Bar

If you’ve been looking for a career that offers excitement, freedom, and financial independence, then this is the one for you. If bringing pleasure to others, personal freedom, or earning an excellent income appeal to you, then you’ve found the right business. Being a bar owner offers these opportunities and more.

1.3.1 Benefits of Being a Bar Owner

As a bar owner you’ll bring pleasure to countless numbers of people now and into the future. People go to bars to have fun. You’ll be the person who provides them with that fun. You’ll meet all kinds of interesting people as a bar owner.

Almost all bars become focal points for fun in their communities. Your bar will be a place that people talk about and recommend to their friends and family. Some bars even become so well known that people, even high-profile celebrities, visit from far away in order to come and enjoy the atmosphere and entertainment value that these bars represent.

Freedom

Another benefit is the feeling of freedom that comes with being the master of your own destiny when you run your own business. Owning your own business will give you freedom in numerous ways.

For example, you'll have the ability to manage your business as you see fit and not under the yoke of someone else's supervision. You can come and go as you please, although in the beginning your new business will likely need your close care and attention.

Owning your own bar also allows you to channel your own creativity and vision into your business, which is a wonderful personal outlet for many people. You'll have the freedom to indulge your imagination when it comes to creating an exciting new bar concept for your market or dreaming up exciting promotions and events.

Be Your Own Boss

Many of the bar owners we interviewed expressed being their own boss as one of the most rewarding aspect of their careers. If you're coming into this industry from a full-time day job, think of the independence you will have by being your own boss. No more nine-to-five, and you can come and go as you please.

Terry Brooks, owner of SideBar in New York City told us:

"I enjoy being my own boss and having freedom to essentially do what I want when I feel like it. After spending six years tied to a desk on Wall Street, owning bars has allowed me a lot more freedom to enjoy life. Also I enjoy meeting and getting to know our customers."

Many day jobs are unappealing, not only because they involve working to grow someone else's business, but because that work can be monotonous and repetitive and involve little in the way of excitement

and challenges. Owning your own business has its risks, but it also offers potential rewards commensurate with the effort you put into it. The decisions and creativity and flexibility required of you as a business owner can be challenging, but to those well-suited for such challenges, therein lies the thrill.

Lucrative Income

Another important reward is the lucrative income that is possible in this industry. Bars range from small neighborhood pubs to huge, flashy nightclubs featuring multiple dance floors or even multiple locations. While many bars start off small, and it often takes time to break even and then start making a profit, growing the business carefully over time can be very financially rewarding.

While operating a bar requires a lot of work, the potential financial rewards (in addition to the personal rewards) can be significant indeed. As a successful bar owner, you can earn from tens of thousands of dollars in annual profits to a hundred thousand dollars or more. Some bar owners even become millionaires.

1.3.2 A Typical Day

Generally speaking, your working environment will be clean and comfortable. Except for franchise businesses (which we'll discuss in more detail in Chapter 3), your bar's environment and design will be largely your own creation. The theme or feel of the bar may range from warm and cozy or bright and cheerful, to classic and stylish, depending on your concept and design. Logistically speaking, if you're a night owl, you'll be pleased by not ever being called to turn up anywhere at 6am.

Depending on the size and hours of your bar, you may need only one or two employees or several. You will be spending a lot of time dealing with your customers and staff, so it's important that you enjoy working with people and are patient and courteous. You will also be on your feet a fair amount dealing with a variety of tasks, which will require plenty of energy, patience, and courtesy.

Before You Open

A typical afternoon varies somewhat depending on the bar, but in most cases, will begin with a routine much like the following:

- opening up the building
- turning the security system off
- turning on the lights and computer systems
- checking the employee schedule
- checking your daily calendar for any special appointments or meetings for that day
- checking your voicemail and email
- getting change and setting up cash registers
- setting the thermostat, lights and/or blinds, and selecting/queuing up any background music
- making any bank deposits from the night before
- holding any necessary staff meetings for the day
- checking that the bar is neat, clean and well stocked, including ice, clean glassware and any needed garnishes

During Bar Hours

During the hours you're open, you and your employees will need to:

- receive and check deliveries of merchandise and/or supplies
- greet clientele and serve them as required
- tally and ring up tabs, then receive payment
- answer the phones and handle problems
- deal with employees' concerns
- reorder inventory and supplies as needed

- restock, including being sure to restock refrigerated items in time for them to reach ideal temperature before serving
- check on staff regularly to make sure operations are going smoothly

After Closing

At the end of the evening, you will need to:

- close out the cash registers
- tally the day's receipts and place them in a safe or deposit them at the bank
- check stock inventory, receipts, and other paperwork
- clean and straighten the bar, refrigerating items as needed
- review the employee schedule
- make management notes for the next day
- check that all equipment is properly cleaned and shut off
- check that the lights are turned off, and the security system is on before leaving

Other periodic responsibilities include paying taxes and bills, keeping licenses current, dealing with promotion and advertising, negotiating with suppliers, and keeping abreast of new products and other innovations in the industry.

Because you will be juggling a lot of important responsibilities, it's a good idea to make a daily checklist to follow, as well as a weekly, monthly, and seasonal checklist, as needed, to be sure you don't forget any important steps. We'll show you how to set up a bar procedures manual in Chapter 5, "Running Your Business."

1.4 Inside This Guide

The FabJob Guide to Become a Bar Owner is organized to help take you step-by-step through the basics you will need to open and operate your own bar. The chapters are organized as follows:

Chapter 2 (“*Getting Ready*”) explains how to develop the skills you will need in order to succeed as a bar owner. We’ll introduce you to the basics of bartending and bar management, then cover ways to learn more about these topics. You will also discover how to learn from other bar owners and where you can look for opportunities to work at a bar in order to learn more about the career. You’ll also find resources for learning more on your own.

Chapter 3 (“*Starting Your Bar*”) will help you decide what kind of bar you want to open. This chapter discusses different specialty niches for bars, such as pubs and nightclubs, and will help you decide whether to buy an existing bar, operate a franchise, or open a new bar. It also explains what you need to get started, including your business plan, an in-depth look at start-up budgeting, where to find financing, and other important aspects of bar business start-up.

Chapter 4 (“*Setting Up Your Bar*”) offers the information you need to actually set up your new business. It gives advice on supplies and equipment you’ll need, how to outfit your bar and kitchen, software you might want to invest in, and where to buy it all.

Chapter 5 (“*Running Your Bar*”) takes you into the day-to-day challenge of running your bar once it’s open. We’ll also introduce you to Point of Sale systems and how to profitably price your drinks. In addition, this chapter covers financial management, building wealth, hiring and working with staff, and more.

Chapter 6, (“*Getting and Keeping Customers*”) will show you how to market your bar to get new customers and ways to keep them coming back. We’ll look at ways you can make people more aware of your bar and your concept and offer some ideas about ways to get free publicity, special events you can hold to get and keep people interested, and other customer service issues.

By following the steps in this guide, you will be well on your way to living your dream of being a successful bar owner. So let’s get started.

You have reached the end of the free sample of the *FabJob Guide to Become a Bar Owner*. To order and download the complete guide go to <https://fabjob.com/program/become-bar-owner/>.