

# Restaurant Expansion Checklist

4 Questions to Ask Yourself Before  
Opening a Second Restaurant



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So you're thinking about opening a second restaurant. You feel ready for expansion. Sales are good. Profits seem up. And you're ready to show a whole new market what your food can do.

But there are some big questions you need to ask yourself before you get started.

Let's preface: We're not saying you should be scared to dip your toes into the restaurant expansion waters. You just need to take a step back and truly assess your situation before making any big moves.

Because having two locations won't necessarily lead to two times the profits if you don't have your food costs under control.

**That's why we've built this checklist of questions to ask yourself before going through restaurant expansion.** It'll help make sure all your bases are covered, and that your new – and old – restaurants stay profitable.

Every major restaurant chain had its very first restaurant expansion at some point.

Make sure your's is done right.



# How's Your First Location Doing?

Before you can look ahead to Location #2, you need to reflect on Location #1.

Look at all the positives and negatives of your business as it stands.

Are customers happy? Are managers liked? Are your menus effective?

Then, (and most importantly) you need to check your restaurant's profitability.

Are you making cash night after night? Or are your books redder than raw steak?

Restaurant expansion isn't gonna work if you can't even stay afloat at your first spot.

If you spot problems now, you can [change and adapt](#) the way you run your business and watch the numbers turn around.

You'll want to start by finding your Cost of Goods Sold.

You may already be calculating it. But, we've found that it's much more likely that you're not.

Without knowing your COGS, your restaurant has been doing alright. You're flying by the seat of your pants, but hey - you're flying.

But, if you took the time to actually calculate an [accurate, weekly COGS](#) (or get restaurant tech that does it for you), you'd be flying a fighter jet.

And you'd always be right on target.

With an up-to-date COGS in hand, you'll have a great launching point for a successful restaurant expansion.

# Can the Market Support an Expansion?

In order to decide if you're ready for expansion, you'll need to look outside your kitchen.

You could have your food costs under control, but if people aren't going to show up at your restaurant, it's a moot point.

Start by deciding where your second restaurant will be.

Do you want to stay in the same city? If so, is your new spot far enough away from your first location that it won't take too many customers away from it?

Or maybe you want to try a new city entirely. But that means a whole new set of people who have likely never heard of your restaurant before, which brings its own challenges.

We're not saying these things to deter you, but rather to get you to think.

You're not a famous coffee shop. You can't put two locations within a mile of each other and be just fine. And you can't show up to a new city and expect a line out the door on day one.

Think. Plan. Conduct interviews, or leave surveys for customers. Try out new, exciting marketing tactics.

No one said restaurant expansion would be easy. But being prepared can save you a whole lot of headache.

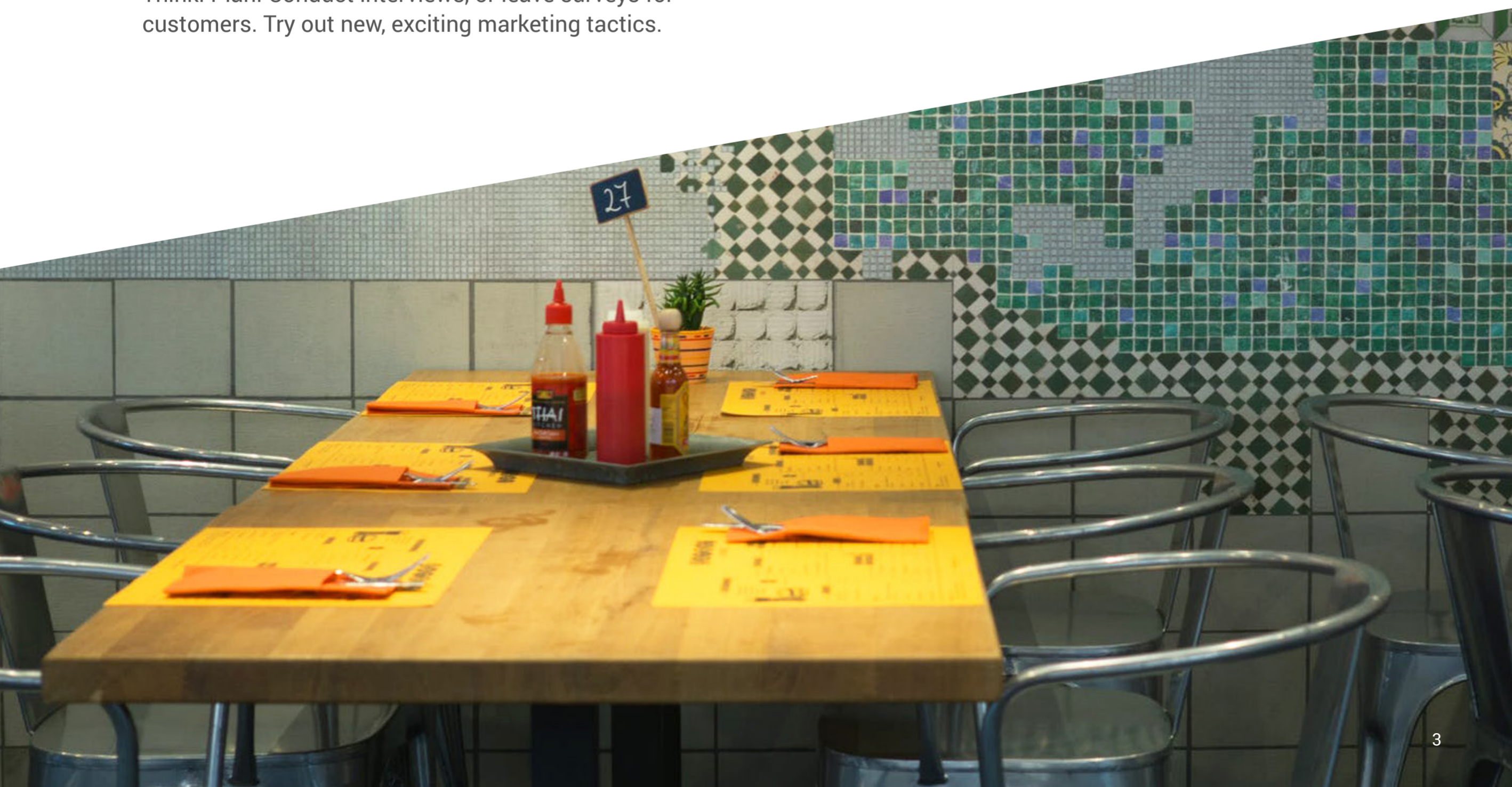
On another note, when you dive into restaurant expansion, it's also important to know what you want your second location to be like.

You may want to recreate your first restaurant down to the color of the napkins. Or maybe you want to open the same restaurant, but with some tweaks. Same menu, different décor. Different specials. New music.

Or, you could be like the team at [50 Eggs Inc.](#) They took their first restaurant, the chicken-focused YardBird in Miami Beach, and flipped it on its head. Their second location was a pork-based restaurant called Swine.

Same company. Similar concepts, but with striking differences.

So again, restaurant expansion shouldn't be a haphazard, rushed decision. That'll lead to failure. Take the time to think it through and do it right.





## Do You Have the Time?

Running a restaurant doesn't really leave you with a lot of free time.

It actually feels more like there aren't enough hours in the day to even breathe.

So before you go ahead and commit to opening a second location, you need to make sure you have enough time for one.

Hiring a solid General Manager to help you out is a good start. But that may not deter you from needing to be at your restaurant every day.

Because no matter how hard you try, you can't stop your hostess from unexpectedly deciding she'd rather spend the night on her couch than at her shift.

However, there are ways to easily save time (and sanity) throughout other areas of your restaurant.

And they come in the form of restaurant technology.

Rather than wasting hours taking inventory, use software that helps you count. Or find one that [eliminates the need to do inventory at all.](#)

Ditch your spreadsheets. Use technology and have all the data you need for a supplier review found for you.

The easy way out is just to ignore these tasks. But they're vital to the strength and future of your restaurant... And your potential future restaurant expansion.

And when it comes to getting them done, technology can make a big difference, too. The right software can change your life, giving you the data you need in a fraction of the time.

# What Processes Do You Have in Place?

Some restaurants run like well-oiled machines.

Others are a little squeakier.

And while that rust may somehow work for one location, it's not going to work for two.

In restaurants, [consistency is key](#).

Without it, your restaurant expansion could end up being a restaurant disaster.

The easiest way to get (and stay) consistent is to have solid processes in place.

Processes for hiring and training staff. Processes to [stock your bar](#). Processes to manage your profitability.

Without these, you're simply shedding money.

If you have no set way to hire and train staff, you'll have to constantly throw together training programs.

Then, with every staff member being trained differently, you'll have inconsistencies across your restaurant.

And when no one's on the same page... It doesn't end well.

Speaking of being on the same page, did you know that it's possible to have two of your restaurants paying different amounts for the same ingredients?

Yeah, that's real. And it'll happen to you if you're not paying attention.

That means understanding your COGS, just like we discussed earlier. And not a COGS thrown together with a [halfway done inventory](#).

We're talking accurate counts. Firm numbers.

Then, you need to [check on your supplier relationships](#). If you want to be successful, you can't be in a situation where they think they have the upper hand.

It can be as simple as making sure they know you're paying attention. Hold supplier reviews. That will help you monitor your prices and keep your vendors honest.

All this isn't to say you don't have "processes" in place right now that are "working." And by "working" you mean you're surviving. Not necessarily thriving, but things are going.

But when you add smarter, well-done processes in the place of those "processes", it can end up saving you thousands.

We understand that adding more work to your plate seems next to impossible. That's why it's smart to take a look at restaurant technology.

Nowadays, software has changed and adapted, and you can put those helpful processes in place without adding any extra time to your schedule. And then you can repeat it at your second (or third or fourth) location.

The right tech will save you hours of time, rather than adding it.

And the best tech will save you thousands of dollars, too.

Thousands of dollars and hours of time sound pretty handy when you're trying out some restaurant expansion, don't they?



# The Orderly Way

Without a solid foundation in place at your restaurant, it'll be near impossible to have the financial stability to open, own and operate Location #2.

But Orderly can give you solid processes (and saved money) at your first location, so you can focus on restaurant expansion the right way.

You can get your COGS without doing any of the work. Orderly tells you exactly how your restaurant is doing financially without you having to spend a second taking inventory in the walk-in.

Orderly's Restaurant Food Index uses the information we've collected from hundreds of thousands of supplier transactions. It shows you the local and national averages for each of your ingredients.

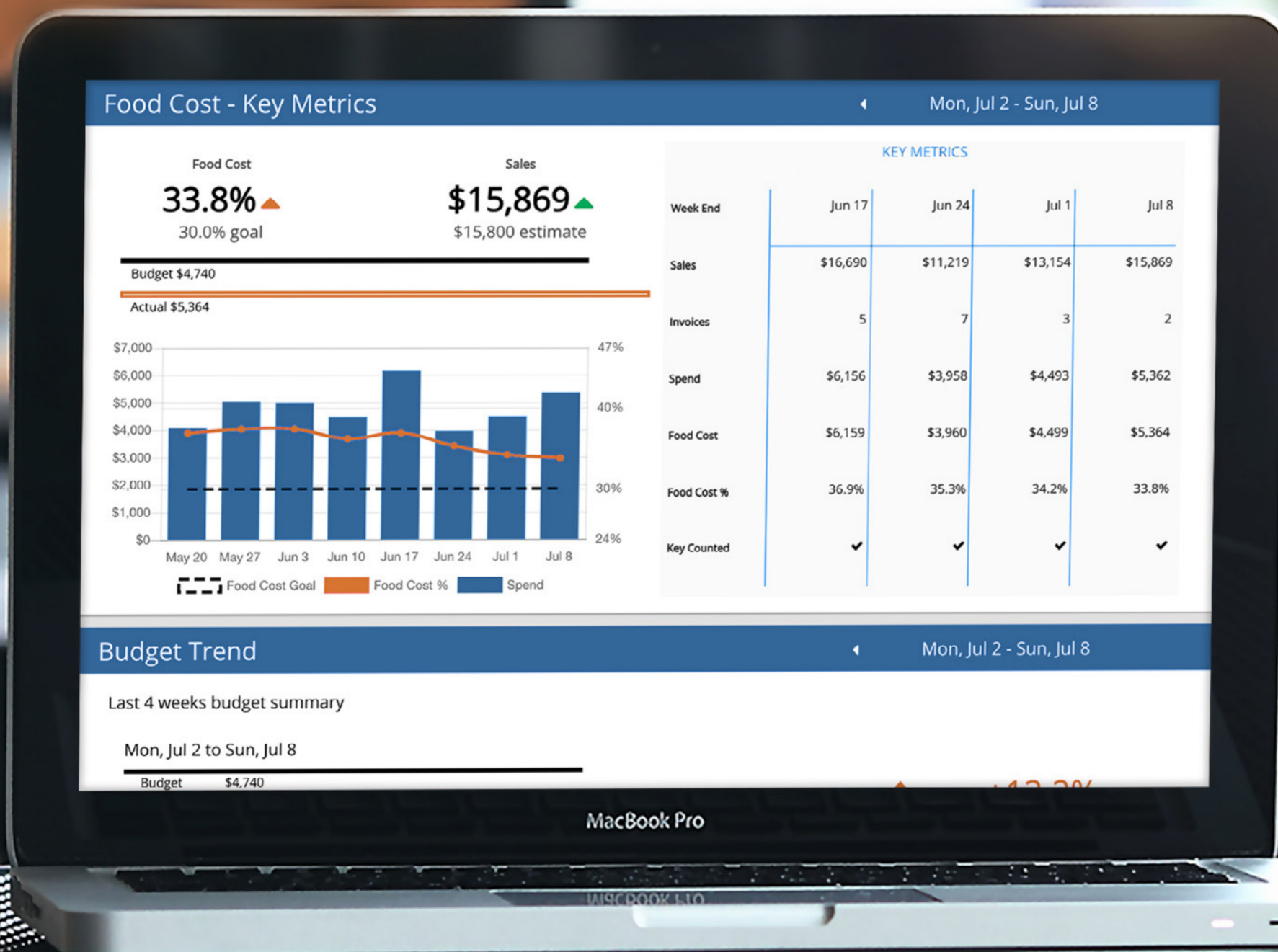
If you don't have the time to sit and look at the RFI yourself, our Customer Success Managers keep their eyes on your prices, and email you Recommendations on how to pay less.

And when you're ready to take all that to your suppliers, there's no need to dive into a messy world of mixed-up spreadsheets. With the new Supplier Review Tool, you get everything you need in order to have a productive, cost-cutting conversation.

With Orderly, you'll be able to increase your profitability without doing any of the work. And you'll be able to focus on running your restaurant.

And with a strong solid first location, you'll be ready to dive into restaurant expansion without a worry.

[Start Your Free Trial](#)







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