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Revival Restaurant

Creative, well-priced menu and strong service plus takeout all point to long-term success



**Dennis
Monroe**

Editor's note: Each month, Dennis Monroe reviews a new restaurant's business proposition, based on his years as a business attorney and former CEO of a local multi-concept restaurant company.

WITH THE AWARD-WINNING Corner Table as its big brother, Revival, Nick Rancone's and Thomas Boemer's new restaurant at 457 Nicollet Avenue in Minneapolis, was a real pleasure to visit. It was intended to be the original site for Corner Table, but it fits Revival better, a small restaurant that could have—and should have—been bigger, if only to accommodate the number of people who want to dine there. It's managed by Rancone, with Boemer doing double duty as the chef of both restaurants.

Boemer created a wonderful menu that gives the consumer great food at a great price. Appetizers and salads range from \$5 to \$13, and exhibit a Southern flair. Two examples: the pimento cheese and meat plate (\$13) and the pickled shrimp and pigs feet with toast (\$8). Both are a bit unusual, and very tasty. Among the entrées, the two-piece chicken dish is generous for \$7.50. Burgers and pork chops ring up at \$13 and \$18. The side dishes aren't asides here, and range in price

from \$3 to \$6. They include biscuits with sorghum butter, white cheddar grits and the house pickles, which I personally think are one of the best deals in town for \$3. (I love pickles.) The house sauces are also worth noting: one has a sweet potato base and the other starts with vinegar and black pepper.

While Revival does not take reservations, it moves through its waiting list quickly, although waiting for a table is a given during peak times.

Let's break it down and look at the criteria that help us evaluate the restaurant's business proposition:

Décor and Investments: The décor is minimalist, but works well with the food. The space (approximately 1,500 square feet) fits 34 seats, with an additional six seats at the bar. The mustard-colored floral wallpaper, light wood flooring, rough wood tables and iron chairs lend an industrial look that still manages to evoke Southern

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hospitality. Because Revival was intended for Corner Table, I predict the owners have a low-cost investment. When I spoke with Rancone, he confirmed the investment was \$75,000. From my vantage point in the dining room, the back of the house looked efficient. The bar area is understated, but still appealing. Overall, I believe the



rent is low, so in terms of a return on investment and money spent, I think the owners were spot on.

Rating: In terms of ROI, 4 out of 4. Rancone said they are looking at sales between \$1.3 million and \$1.5 million from this small space. I find it remarkable that between lunch and dinner, they are doing 250 to 300 covers on Friday and Saturday. During a typical weekday, the number is closer to 150 covers. In terms of sales and efficiency, it is rare to do that well, especially early in the game.

Menu Pricing: The check average with drinks is \$22. The restaurant has a substantial wine list that looks similar to Corner Table's. Rancone suggested the sparkling wines, which go well with spicy food and Southern cuisine, and after trying the combination, I would definitely agree.

Rating: 4 out of 4. Considering the efficiency and the \$22 check average, this is a superior economic space. If they do \$1.3 million in a site with 1,500 square feet, that equals sales of \$1,000 per square foot, which is substantial for a restaurant.

Service and Labor Costs: According to Rancone, the labor cost is around 28 percent. They have three to five servers on the floor, plus the back of the house team. Servers I had were experienced, and the service was excellent. Staff works well delivering the multitude of dishes to the tables in the somewhat cramped space.

Rating: 3.5 out of 4. The labor costs seem to be in order, but the challenge may be not having too much staff during slower time periods.

Food: According to Rancone, food costs are running 24 to 25 percent. I was skeptical of that percentage, as their protein costs are low and they offer lower prices. The chicken is locally sourced, organic and high quality. The other food items are starch

so probably not a lot of cost—but they certainly fill out the menu with a variety of dishes and ingredients. Rating: 4 out of 4.

Potential Revenue: Rancone is planning to offer takeout, which he believes could result in 40 percent increased sales (putting them at more than \$2 million). I think the takeout business may be a key to Revival's ongoing success and longevity, particularly after the honeymoon period. This is a restaurant you probably would not go to every week, but you should put it on your list to dine at once a month or so. But once again the size of the restaurant makes it overly dependent on table turns. Long lines, with nowhere to sit or hang out, could drive away diners. Rating: 3 out of 4.

Chance for Long-term Success: As to the overall business proposition, it looks to me that with the food costs and the upcoming takeout business, this restaurant will most likely make the 20 percent store profitability that all restaurants shoot for. I envision Revival as a strong player in this

marketplace for a long time. Revival has a corner bistro approach, and with that comes a honeymoon period. As the novelty wears off, the restaurant may have declining sales. Even if sales land at \$1.3 million (with an additional \$200,000 to \$300,000 for takeout), it would still be an enviable restaurant story. The team certainly has also done a good job of keeping Corner Table current and popular.

Rating: 3.5 out of 4. I think the overall chance for success of Revival for a five-year period (which I believe is a threshold) is very strong.

This is a place you need to visit, if just for the pickles, so I predict it will be around for a long time. [FSN](#)

Dennis L. Monroe is a shareholder and Chairman of Monroe Moxness Berg PA, a Minneapolis-based law firm specializing in multi-unit franchise finance, mergers and acquisitions, and taxation. In addition to this column, he writes a monthly column for the Restaurant Finance Monitor and is often quoted in industry publications. He was CEO of Parasole Restaurant Holdings from 2009 to 2011. You can reach him at dmonroe@mmlawfirm.com.