



# How to open a pub

Your  
independent  
guide to  
starting a  
pub business

2022



**R** ROSLYNS  
GUIDES

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# Introduction

The pub industry has had a hard time of late and trading restrictions brought on by COVID have resulted in many to say that this could well be the end for the 'Great British Pub'. But wait, pub companies and pub recruitment firms are reporting no shortage of people keen to enter the industry. For many people this is something they wanted to do before the pandemic, and they see no reason not to persevere. For others, they see a turbulent time as the right time to find good deals on the pub they want.

If you are looking to enter the pub industry to get rich while sitting at the end of the bar enjoying free drinks and chatting to friends, then prepare to be poor and disillusioned. If you are looking for a challenging career in an ever-changing industry that demands hard work, creativity, the very best people skills, and a strong entrepreneurial spirit ... well, you've come to the right place.



**I always say, seek advice,  
but from the right people.**

**Your mate, Kev in the pub, your neighbour who  
ran a pub 30 years ago, the postman, the cat ...  
everyone thinks they know how to run a pub.  
Most don't.**



This guide is just one of many on hospitality business topics. We have guides on everything from paying less tax, to using QR codes in your marketing.

You can find these guides on our website's toolkit [here](#).

## So, who am I to be telling you about the pub industry?

Well, I have worked in this industry since 1993. From a part time bar job at a real ale pub to running a number of exclusive London cocktail bars, I had been a multi-site manager and trainer across a wide range of the types of pubs, bars and clubs in the UK.

Then in 2007, just before the financial crash of 2008, my wife and I took on a pub of our own, a tenancy on a beautiful seaside pub. It was tough but we fought through it and took on another, this time a leasehold. After a few years we both changed tack in our careers but we both still think back fondly to those years.

As my career progressed outside of the day-to-day operations of the pub business, I came to learn a great number of things that I wish I had known then.

This is what I'm looking to do with this guide, to share with a newcomer to running a pub business some of what I have learned the hard way.

I'll not shy away from a warts and all representation of running a pub business, but this is to prepare you, not to put you off.

Despite the downsides, running a pub can be one of the most rewarding things you will ever do.

You can read through, or just skip to certain sections, up to you.

Either way, if you've any questions, I'll certainly try and help. Just drop me an email to [support@roslyns.co.uk](mailto:support@roslyns.co.uk)



### Disclaimer:

I have written this guide with pub businesses in England, Scotland, and Wales in mind. Much of what I talk about is relevant in all three countries, some is slightly different and where this is the case, I have endeavored to make it clear. If you are reading with an intention to run a pub business in Northern Ireland, then I must admit that whilst most of the contents will help, some may be different, and my knowledge of the Northern Ireland pub industry is not great so please check things before assuming.

**Generally, if you want to clarify anything discussed in this guide, get in touch through [support@roslyns.co.uk](mailto:support@roslyns.co.uk)**

# A business that is right for you

Before you jump into opening a pub, have a good think about what you want.

If you hate sport, don't get a sports pub.  
If you love the bustle of city living, a village pub may not be for you.

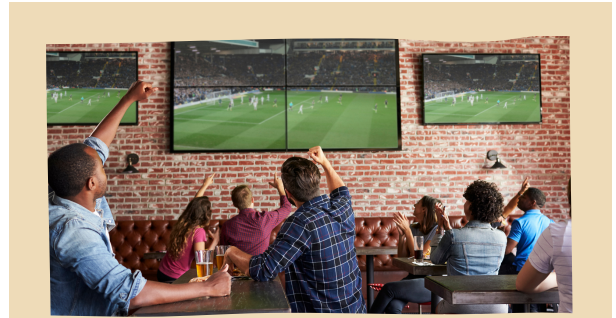
Location is key, not only to profitability, but also to your happiness and work/life balance. You may want to start a pub business in an area you already know, perhaps even by running your local pub, and this can be a great idea. If you already know your target market, you could have a head start with making the business a success.

On the other hand, it is common for people with no or little experience in the industry to take on their local. This is sometimes through a misguided sense that they could be the ones to turn a failing pub around, it could be to save it from closing, or even to run a business while spending time with friends at the same time.

Whilst this is not always a bad idea, it is certainly important to examine your motivations before putting your hand in your pocket. Think about the practical side too, could you bar an unruly customer who is also your neighbour or relative? If the worst happens, you will still live locally, and may feel unwelcome in your old local pub.

*"It's not always an easy trick to find the right place that is a good business prospect, a location that works for you and your needs and somewhere that inspires you with ideas.*

*When you are considering your needs, you'll have to keep these things in your mind, whilst always remembering, it is a business you're looking for."*



## What do you bring to the business

*What experience or training/qualifications do you need to start a pub business?*

If you've not even pulled a pint or changed a barrel, or it has been a number of years since you did, try offering your services for free for a few days at a local pub, most publicans are happy to help out, especially for some free labour. If that's not an option, there are several courses that can help but in my opinion nothing beats real-life hands-on experience

Don't think that if you're a 'newbie' to pubs that this is a bar to success though, there are a lot of transferable skills from other careers such as problem solving, cash handling, and most importantly looking after people. If you don't like people, you'll hate running a pub.

So, think about what you bring to the business and if you're going into this with a partner, what do they bring to the business.

In a pub business there is no room for a 'meeter/greeter' and doing the rota/preparing paperwork, is not a full-time role. Each person earning any money from a pub business should be actively contributing to that business. If you're going into this with a person/a group of people, who are there to contribute set-up funds while you do the day-to-day running of the pub then set out exactly what each party should expect. This means not only money, but time commitments too.



*"Running a pub business is a dual role, running a pub and running a business.*

*This means if you have previous experience of looking after customers and of business, you're half-way there"*

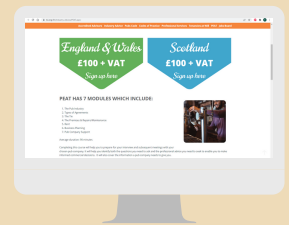
# Qualifications

A good course to do though is the P.E.A.T. (Pre-entry awareness training) and is offered by pub body the BII (British Institute of Innkeepers) <https://www.bii.org/BII/Industry-Advice/PEAT.aspx> and costs just £100+VAT.

The statutory pubs code which sets out the rules for the big 6 pub companies, requires you to take this course prior to taking on a lease or tenancy with one of those pub companies, and many of the smaller pub companies are voluntary signatories to the code too.

You will also need to get a personal license (<https://www.gov.uk/personal-licence-to-sell-alcohol>)

To get this, you will need the appropriate qualification, Level 2 Award for Personal Licence Holders (<https://www.gov.uk/government/publications/accredited-personal-licence-qualification-providers/accredited-personal-licence-qualification-providers>)



## What does the business bring to you?

*If you (and/or your family) require a certain level of income, make sure that any business you are looking to start can sustain this. Especially look closely at this during the business plan stage.*

Think about how much income your family required when you were doing previous jobs, look at any personal debts, from loans, cars, credit cards etc that you'll need to pay. Do you need accommodation? Most pubs (less so in Scotland) will tend to provide accommodation.

This can be a great bonus, but as ever I'll have to apologise for looking at the worst-case scenario ... if the business fails and you've moved the children to a new school, will you stay locally, move back, what's the back-up plan?

Prepare for the worst and you're much more prepared to deal with it should it happen.

Not only that, but when you prepare for a worst-case scenario, much less of your time will be spent worrying about "what will I do if ..."



## Which pub is right for you?

*It is important to remember, you are looking for the right pub for you, not making yourself fit an available pub. Let's look at some of the pub businesses that you'll find out there and some of the ways these pubs are described.*

**WET LED:** A Wet led pub will primarily sell drinks, very little if any food would be sold.

**FOOD LED:** A food led pub is the opposite, more of a pub/restaurant really. Most of the income from a pub of this type comes from food sales. A food led pub cannot survive on drink sales alone and requires a strong food offering to be maintained. If you have no experience of food, this might not be the type of pub for you to start off in.

There are obviously middle ground pubs where both food and drink are an important part of the business, but a good number are primarily one or the other.

**COMMUNITY PUB:** This is a pub in a higher populated area where the pub is at the heart of that community. These are often in towns and cities. A community pub can require unique skills to engage with and be trusted by what could be a tight knit community. Most community pubs pride themselves on their work in the community with local charities for example.

**RURAL PUB:** As the name suggests, this will be a pub in a country village. In a similar way to a community pub, the challenge can often be finding your place in a tight knit village community, although being the pub 'landlord/landlady' can be a quick way to get to know everyone.

**CITY PUB/BAR:** Usually in a city centre and more often than not focused more on a drinks led, late night business. Rarely including accommodation.

**SPORTS BAR:** If you're not sure what this means .. don't get one 😊

**PUB WITH ROOMS/INN:** A lot will depend on the location of a pub with accommodation. In a large tourist area, it could be very busy for accommodation, but it could mean it is also quite seasonal and trade is based around a peak season only.

You should be aware of the workload if taking on a pub with letting rooms, this is hard work and may not be ideal for the first-time publican.

## What types of agreement will I find?

The types of agreements that I will find?

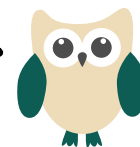
Lease, tenancy, freehold or operator/manager... Free of tie or tied, what do they all mean?

Now you have thought about the right pub for you and know more about how that pub would be described, it is time to make sure you understand what your options are within the various ownership levels/types of agreements that there are out there.

OWL TIP:

Match your budget and experience.

Be careful about over stretching either of these.



**At this point I should mention that there are a range of different contract available to secure a pub business. For example, one company's tenancy agreement will not be identical to another's. It is important to take advice not only at the business planning stage, but also at contract stage before signing. But more on that later.**



### Manager

This is the step that most people will reach before starting their own business. They will have often worked their way from bartender to supervisor, assistant manager, and then manager. With this experience of ordering, building rotas, managing a team and dealing with the myriad of challenges from the day to day running of a pub business, they will then look to make the move into working for themselves.

You do not have to have this level of experience, but it is certainly going to stand you in good stead, and whilst there will still be a sizable jump in skills required, you'll be starting from a good start point.

**FINANCIAL COMMITMENT:** Usually none. You are an employee, there may be a live-in option which will have a security deposit and possibly some rent and/or contribution to bills to pay.

**PROS:** The same working rights as any other employee, in this context one of the biggest benefits would be a steady wage

**CONS:** Less opportunity to put your stamp on the business.



### Operator Manager/Franchise

There are many names for these agreements with a range of pub companies and independent pub owners.

Also known as retail agreements, or even franchise agreements.

Essentially, you run the pub as a manager would, but you are self employed. You hire, and are responsible for, the staff and pay their wages.

You would not have to buy the stock but would usually be responsible for the ordering.

The pub owner would be responsible for all aspects of the building's upkeep and all bills such as utilities. You may have to pay an element of bills relating to accommodation if you live in.

In return you are paid a percentage of the pub's revenue (or 'takings'). So, if the pub takes £15,000 in a week, and your deal was for 20%, you will earn £3,000 and from this you would usually only be responsible to pay staff, your accountant, and tax with the balance being your own.

**FINANCIAL COMMITMENT:** There is only a small financial commitment, often as a security deposit. expect around £2000

**PROS:** You get a good insight into what it is like to run your own pub business if you don't have a lot of industry experience or investment funds.

**CONS:** You will still have to run the pub under the owners' guidelines so might have little input other than the staff you hire. The amount you get can vary depending on the pub's owners, some offer good percentage shares, plus profit shares and accommodation, others don't have such attractive deals. As with any agreement, it is vital to know what is on offer before jumping in.



## Tenancy

The common agreement that most people would see as 'running their own pub' is a pub company or private landlord tenancy agreement.

The most common are through pub companies such as Greene King, Star Pubs and Bars, Admiral Taverns, Hawthorn Leisure, Stonegate or Marston's for example or through a range of regional pub companies.

A full tenancy agreement is usually over 3 to 5 years. But may be shorter, or longer and can often involve a temporary out of contract period where you settle in and prepare your full business plan before signing for a longer-term agreement. This period is commonly known as a 'tenancy at will' or TAW.

This means you have a short rolling contract with little tying you to the pub yet, but getting you in and trading.

Tenancy agreements are often under a full or partial tie. What this means is that you are obliged to buy some, or all your wholesale drinks through the pub company. These are often more expensive than an untied pub could buy them, but this is usually offset by a lower rent than an untied pub.

The 'tie' is controversial with many seeing this as unfair that one pub can buy at a lower cost out of a tie. Others see the tie as being a way of paying a top up rent, but that they are paying only when buying, therefore not paying the higher rent of a free-of-tie pub when trading is slow.

These tenancy agreements are also usually at least partially 'repair and insuring', meaning you are responsible for some of the repair and maintenance for the building and you also pay for the building insurance.

There may be other charges from the pub company for things such as machine maintenance contracts, cellar technical service contracts, even accountancy and/or stocktaking. This may mean a higher monthly payment to the pub company than just rent, but these are all things that you would need anyway, and it is often provided at a lower rate than average due to the pub company's buying power.

In a tenancy, you pretty much run the business which whilst this is a big responsibility, it offers a lot of freedom for you to be creative with what you want to do.

**FINANCIAL COMMITMENT:** This will depend on the size of the business. As a guide, the higher the rent, the higher investment from you. If applying through a pub company, they will give you an early idea of the estimated costs. Things to think about in addition to deposits and rent in advance are fixtures and fittings (also known as the F&F this is furnishings, kitchen equipment etc) and the cost of any stock, legal fees etc.

Estimate around £20,000 to £50,000

**PROS:** You have almost total autonomy to run the business as you see fit. If you are doing a terrible job though, the pub company that owns the building may have rights to remove you early.

A tenancy will usually come with support from the pub company. A good agreement is a partnership, and it is in both your and their interests for the pub to do well. This can mean support from their business development manager and help with marketing, websites, training etc.

**CONS:** You do not 'own' the tenancy. After your term is over, there is always the possibility that it isn't renewed. This could mean that you have spent a number of years and invested money in a business that can then revert back to the freehold owner. If you do increase the value of that business, you make nothing more than the operating profits, the business is not an asset for you at the end of the tenancy period. Having said that, it is in the pub owner's best interests to keep a good tenant for as long as they can.



## Lease

A lease is similar to a tenancy. Where it differs is that a lease is usually over a longer term such as 10 or 15 years, often higher. A lease is usually assignable. What this means is that if you take a failing pub on a 20-year lease, and then over the course of 5 years, turn it around and make it a highly desirable business, you may have the option to sell the rest of your lease (15 years) with a premium attached for goodwill.

On the other hand, if you are looking to take on a lease, there may well be a premium attached to it. This means that you will pay the same deposits, and F&F charges as a tenant, but there could be £1000s of pounds to pay for the goodwill of the business.

You essentially become the owner of that building for the period of your lease, so most leases are fully repairing and insuring. This means that if the roof falls in, you have to fix it.



## Lease continued ...

**FINANCIAL COMMITMENT:** In addition to those of a tenancy, you may be required to pay a premium for the lease. A lease often falls under the remit of stamp duty.

**PROS:** A lease is usually free of tie meaning you can buy any products from any wholesale supplier. You have autonomy over that business and can run it as you see fit.

**CONS:** If early on you decide that you don't want the pub or the business is failing, you might be unable to sell the lease on, or get anyone to take it from you.

If you make the business strong, it may become a valuable sellable asset, if you don't it can reduce in value, and potentially become worthless.



## Freehold

As with buying your own house, a freehold pub means you have bought the pub building and its land. The pub is yours to do with as you want and as long as you're behaving within the law, you can do what you want to.

**FINANCIAL COMMITMENT:** Similar to buying a house, remember that in addition to the cost of the pub itself to factor in the cost of the surveys, legal fees, stamp duty etc. These can be high.

**PROS:** You have complete freedom over what you do. You have an asset to potentially sell.

**CONS:** Your asset can reduce in value as well as rise. You will either have savings tied up in the pub or you will have the commitment of loans or a commercial mortgage.

## How to find the right pub for you.

*The routes to finding the pub you dreamed of.*

Now you're armed with a bit more know-how it is time to start your research.

From what we've looked at already, you might well have an idea of what you are looking for and what type of agreement will be right for you.

As it is such a common agreement, we're mainly focusing on tenancy agreements from here on in.

Much of this also applies to leasehold and freehold, although many of the pub company related bits to come will rarely apply for a freehold.

A great place to start is [www.findmypub.com](http://www.findmypub.com)

This is a specialist pub site that features pubs from a range of national and regional pub companies.

There are also companies that specialise in commercial property, and you can filter your search for pubs e.g.:

<https://www.fleurets.com/>

<https://uk.businessesforsale.com/uk/search/pubs-for-sale>

<https://www.savills.co.uk/sectors/pubs-bars-and-restaurants.aspx>

These are just examples, and you'll find many more through a search engine.

Some are even advertised on social media channels such as Facebook.



**It should go without saying of course, no matter where you find the pub that interests you, still be sure to undertake all the due diligence, and most importantly, any business opportunity must have a business plan.**

**Even if you are not taking a pub on through a pub company and aren't required to do one, a business plan is vital before taking on any pub business opportunity. If it is with a pub company, don't make the mistake of seeing the business plan as a glorified application form, it is so much more than that and we look closely at business plans later in this guide.**



# Found it!

*Now what do I do?*

Now you've found a pub business that is just right for you and you want to take things to the next level. The process for doing this differs in some ways if you are looking into a tenancy, lease or freehold. It can also differ depending on the landlord, whether they are a pub company/brewer or a private landlord. You will find there are more hoops to jump through with pub companies/breweries, especially the bigger ones. Don't let this put you off as these layers of checks and processes are all part of due diligence and can work in your favour. A big company is regulated through the pubs code and must make sure that you are suitably prepared and funded before letting you take on one of their pubs.

Generally, the first step is to contact the landlord/pub company. You will then usually meet with them to discuss the opportunity.

It is important to say that these meetings are not the same as job interviews.

Just as business plans are not applications forms.

Yes, they want to be sure that you are the right person to partner with on this pub business, but you are also checking that you are happy with what is being offered. What is and isn't on the table.

## **I've heard bad things about some big pub companies, should I steer clear of them?**

Not necessarily, we've all heard bad things from time to time remember that those who are happy in a partnership agreement with a pub company are less likely to feel the need to air this on social media or review sites for example. It is when a relationship has soured that we all hear about it ... from one side.

Much of the problems we will hear about stem from someone becoming unhappy with the agreement that they are in. As we will say in this guide time and time again, make sure you know what you're getting into from day one. If you agree to a contract that won't work for you, you've made a mistake.



*A large percentage of publicans are really happy with the relationship and support they get from the bigger pub companies but it would be wrong to deny that some of these relationships can break down.*

*It is important to understand the deal on offer from day one to avoid future issues.*

It is important to remember that even at this early stage there are certain things that the big pub companies must tell you about and information they are bound to provide (known as the 'big 6', these are pubs with more than 500 tied tenanted pubs: Punch, Stonegate, Greene King, Admiral, Star and Marston's). Pub companies with fewer than 500 tied pub tenancies, are mostly signatories to a code of practise instead. For more information on all of this, you can go to:

<https://www.roslyns.co.uk/pubs-code>



*Make a list of questions you want to ask before any meeting and write down the answers.*

*You can then keep this record to check what was discussed is the same as anything that is subsequently put in writing or in contracts.*

*Catching any mis-understandings early can prevent future issues.*

The time to ask questions is as early as possible.  
Before you spend valuable time on a business prospect that turns out not to be what you thought it was.  
Overleaf are a list of questions you should consider.  
These are just examples, think of more!



## Ask the right questions, there is a lot to know early, not just the rent:

- What is the rent and what are any other expected monthly/annual charges on top of rent?
- What is the term of the lease/tenancy?
- If leasehold, is there a premium, and is the lease assignable (meaning can you sell any years left on a lease at a premium in the future)
- What are each party's repair and insurance responsibilities?
- How much are the fixture and fittings (F&F) and does this cost have to be paid up front or over the term of the tenancy/lease?
- Why is the current tenant/leaseholder leaving?
- What are the current licensable hours and are there any restrictions on the license? Have there ever been any licensing or noise abatement issues?
- What work is needed on the trading areas or accommodation to make the pub ready to move in? What is the time scale for this and who pays for it?
- What is the tie and how much are the wholesale prices for the currently stocked range?
- Is there any flexibility in the tie?
- Are there any trading figures available from previous years, if not, are there barrelage figures available? (This is the amount of beer bought in previous years, if the pub has been on a tie deal previously then the brewery/pub company should have this information. This will show if there has been a steady trade, recent downturn or upturn etc over the last few years)

## Viewing is also a crucial step

*A cursory visit is not enough to base a business decision on.*

I have been genuinely shocked in the past by people willing to enter into an agreement on a pub they've not even viewed yet. View the business at different times of day and different days of the week.

A pub that is packed on a Saturday at 9pm, could well be empty from 10pm and on every other day.

Have a drink, have food, and if there is accommodation, stay there.

I would recommend that you don't make yourself known as a potentially interested party for several reasons:

- The staff might not have been told the pub is for sale/lease yet.
- The current owners may be in a rush to leave and as such keen to do what they can to make the business look a lot rosier than it is.
- When looking for a realistic impression of something, it is important that you are treated the same way that customers in this business are always treated, be that good or bad. This way you have a better idea of what battles you may need to fight to regain a good reputation.

For the same reasons as above, it may not be possible to view any private accommodation that comes with the pub at this stage. Make sure you find out from the landlord as soon as possible though when it is possible to view this. If you are intending to live there yourself, or especially if moving in with a family, the accommodation will need to be up to a standard that you would find acceptable, or you should know exactly what work is planned and the timing on this.

Don't forget, while you're looking at this business, check out the competition too. Again, do this at different times and on different days. Eat, drink and pay close attention to service, prices, advertised events etc.

If you're not familiar with the local area, research that fully too.



**In person research is vital,  
but so is online research.**

**Search through reviews and the online/social media presence of the business you're interested in and the local competition's too.**

[www.streetcheck.co.uk](http://www.streetcheck.co.uk)

[www.en.wikipedia.org](http://www.en.wikipedia.org)

[www.crime-statistics.co.uk/postcode](http://www.crime-statistics.co.uk/postcode)

[www.google.com](http://www.google.com)

[www.tripadvisor.co.uk](http://www.tripadvisor.co.uk)

[www.facebook.com](http://www.facebook.com)

[www.whatpub.com](http://www.whatpub.com)

# Your business plan

Planning for the best and worst case scenarios

Once you've found the pub you're interested in and the owners are also now happy to take things to the next step, this is when you'll draw up your business plan.

As previously mentioned, the big 6 pub companies are bound by the statutory pubs code and many smaller companies voluntarily are bound by these or similar terms of business.

This will mean that producing a full business plan is required and you'll be unable to take on an agreement without doing this.

In the case of private landlords, or a freehold purchase, assuming you don't need a business plan for finance (from a bank, lender or investor) then there is nobody making you produce a business plan, you don't have to.

However, not producing a business plan before signing an agreement just because nobody makes you do it would be a mistake.

A big and potentially very expensive mistake.



**Roslyns provide market leading business plans from as little as £150+VAT with options for assistance with your narrative, full research and formatting and even an additional version of your plan that is interactive.**

## What is a business plan?

*Let's not skip this. If you've never had to do one before, you might not be 100% sure.*

A business plan usually is formed of two parts:

### 1) The narrative

This is where you outline your plans for the pub.

Everything from opening hours to a S.W.O.T. analysis (Strengths, Weaknesses, Opportunities, Threats) is included. You'll talk about what you intend to do differently to the current trading operation, your weekly/monthly/annual events. What will your U.S.P. (Unique Selling Point) be?

If you're producing the plan for a pub company/brewer or investors/lenders then you'll also talk about yourself and anyone else involved in the running of the business. What your experience is and why you are the right person to make this pub business a success.

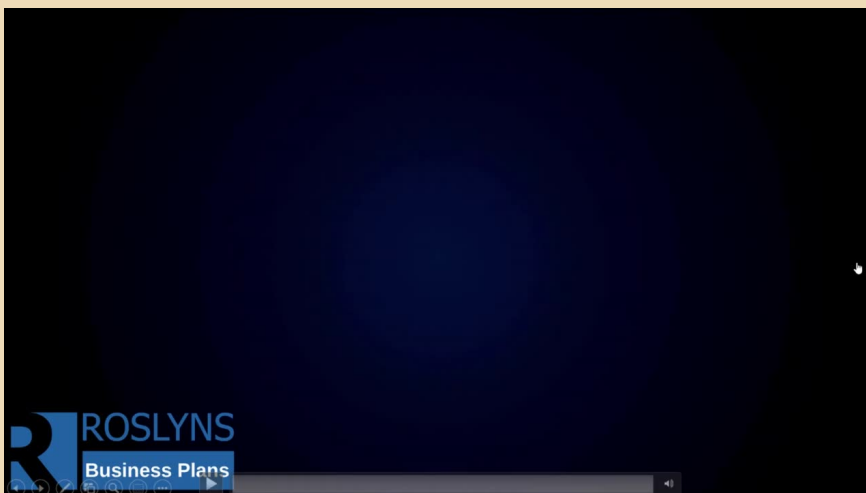
### 2) The financials

This is where you look at the numbers.

You'll outline your ingoing costs, your pricing (selling and buying prices), run through your expected fixed and variable costs, and breakdown what your expected profits will be.

A business plan is not for the faint hearted. Some pub companies will insist on getting the plan in a certain format, others will insist that you are helped by an accountancy firm with specific experience and qualifications and who specialise in the licensed trade. It will come as no surprise in reading this guide that Roslyns are the leading provider of business services to the hospitality industry, specialising in pubs for 30 years.

You'll find everything you need to know from our [business plans page](#) on our [website](#) or by [getting in touch with us](#).



Take a look at this short video on business plans. If the video won't play on your current view, you can find it here on our YouTube channel



You will probably be able to produce a basic business plan more or less on your own if you've some experience of such things. However most pub companies will insist that it is prepared by a specialist, usually from a list of those with acceptable experience in the field.

What a specialist brings to the table is invaluable and spending a few hundred pounds on getting professional support with your plan can save thousands in the years ahead.

**I STRONGLY advise taking your business plan seriously. This is not a glorified application form, it is a blueprint for future business success!**

When producing your plan there are some things to make sure you think about and discuss in the narrative, and then cost appropriately in the financials.

These are just examples, take a look at our [business plan narrative template](#) for more inspiration.



### FOOD:

Will you serve food? If so, what type? Will you have a USP? (Unique Selling Point, such as homemade range of pies for example) Can you provide a mock menu to help the reader visualise your offering?

### PRICING:

What will you charge for drinks/food. It is important to find the right price point. It makes no sense to sell the cheapest pint in town if you make a loss on each pint. Likewise, it is silly to charge rock bottom prices in an affluent area where all your competitors charge significantly more. This is where help from a professional can add value to your business plan.

### STAFF:

How much will you spend (you can even cost out a dummy rota [here](#))

Will you work day-to-day as manager yourself or are you hiring a management team to run the pub? Will you offer table service? Deliveries? If so, how will you staff this?

### SPORT:

Traditionally many pubs would show live sport on TVs or big screens. Increasingly with the cost to licensed premises of getting all the necessary channels combined with an increase in the availability of these channels in the home, sport is less of an assumed offering in a pub. Will you show sport? If so, how much will it cost and how many extra customers will you need to pay for this?

### ENTERTAINMENT:

Cost out all your entertainment. Everything from pub quiz to darts teams. If you're planning live music, what will your budget be and how will you gauge value for money?

### CONTINGENCY PLANS:

We all hope for the best, but it is prudent to plan for the worst. A pub company or lender/investors will want to know what you plan to do if trade drops off. Have you a 'war chest' of savings in case of the worst? Have you any ways of cutting costs/restructuring your staff rota for example?



Download an example business plan [here](#) to see the theory in practice

## Creating a trading entity

*Before you begin to trade you need to prepare a trading entity ... a what?*

If you have never been self-employed or director of a limited company before, things have been relatively straightforward when it comes to tax. You'll see from your payslips and end of year P60 tax statements, that the government tells your employer how much tax to take from your pay.

When you work for yourself, it is you who tells the government how much you owe in tax through an annual self-assessment tax return.

What trading entity you choose, relates to how you pay tax, and regulates what records you must keep or file etc.

Essentially a trading entity is the 'business', you have several options, the most common ones being:

**Limited company or Sole Trader**  
Which is right for me?

Long before you start trading, it is vital to have examined the options open to you in trading entity. Which is best for your situation, which is best for tax savings and are any options going to cause you problems later?

**R ROSLYNS GROUP** The Hospitality Business specialists

### Sole Trader:

You are the business, and the business is you. This means that you are responsible for all the business's debts and are taxed on all profits as your income.

### Partnership:

This is pretty much the same as being a sole trader but the rights and responsibilities over the debts and profits is evenly split between two or more individuals.

### Limited company:

This is a company that you have created. The company is responsible for most of the business debts, and the profits are taxed through the company too. You as director, have limited responsibilities for the company's debts but have certain other regulated responsibilities.

Which you choose is entirely up to you. At Roslyns we can help set you up in any of these trading entities.

I would recommend you take a look at our specific guide on this topic called "Sole trader or limited company, which is best?" a link to which is above on this page or [here](#).

I would recommend that you choose your preferred entity early on. Particularly when applying through a pub company, if you start the process as one entity and then change your mind it can cause delays and increased legal costs as the agreements all then need to be re-done.

## Hurray, I've got the pub!

*... I'm actually doing this ...*



You're at the stage now where you've been accepted, and you've accepted the deal too.

You've had a solicitor look over your contract so you know what to expect and there are no nasty surprises (yes, unsurprisingly, Roslyns can help with this too, take a look at our [legal contract service page](#).)

Now you'll have a start date of when you get the keys, and you can get on with some more detailed planning.

Remember that the day you get the keys may not be the same day you can start trading if there is some work being done on the pub.

But also, you may well want to hit the ground running.

Making sure you know the full expectations of the 'handover' day is vital.

If you're also going to be living above the pub, make sure you know that it will be ready to move into on the day you expect.

Some things to consider and plan ahead of your first day of trading:



### Staff:

Hopefully you'll already be on top of staffing. Remembering any existing staff who you are inheriting. It is a legal requirement and crucial for a smooth transition that existing staff are treated properly, going through what is known as the TUPE process (Transfer of Undertakings (Protection of Employment)), getting rotas planned etc.

### Stock:

Will there be any on site, pre-book your own stocktaker for valuation purposes (who will this be paid to outgoing or pub co/landlord?) What about food stock? Drinks and food stock will usually have been run down by previous owners who know they won't get much back from partially opened stock. Remember, if you're planning a different style of food, you may not want anything that's left and need to order every last thing ahead of time. You should also be aware of the condition of any opened stock, food and drink. Also checking Best Before/Use By dates on anything, food and drink. The first place to look? [www.pubstocktake.com](http://www.pubstocktake.com)

### Money:

Will you be required to make any payments on the day to either the pub company or the outgoing tenant, for stock for example? Do you have enough change to refill tills? The outgoing tenant will almost certainly remove all cash.

### Licensing:

Who holds the premises license, plan ahead to get yourself named as DPS (Designated Premises Supervisor). If you missed it, check out our section on what training you need.

### Utilities:

You should already have planned for this too, but make sure on handover day you record all meters and contact utility companies, you don't want to be left with someone else's bills!

### Opening:

It is quite common, especially if the pub has been closed for any period of time to have a 'soft opening'. This is where you are open for invited guests only. The point of doing this is to make sure that any kinks in the system are worked out before you open to the public officially allowing you and your staff to get used to the tills and equipment etc. This is also a good chance for the kitchen team to get practise on preparing a selection of dishes that you can give as testers to your invited guests.



**However you do it, be aware that your first day, and probably your first week, won't be 'normal'. Locals and regulars will want to come in to see the new people in charge and expect a barrage of questions, questionable advice and sometimes questionable customers as any previously barred customers test the waters. Make sure you are available at least initially as one of the biggest pub 'crimes' that a local can accuse of a new publican is 'you never see them'.**

## Ongoing support for you and your business

*Believe it or not, getting the pub was the easy bit!*

Whether you are new to the pub industry or a seasoned veteran, this is an ever changing industry with a myriad of challenges.

For many people this may be the first time they have been self employed, or the first time they have been directly responsible for employing people and the range of H.R. complications that can arise.

Roslyns are the leading provider of business services to the hospitality sector.

We specialise in pubs and have done since 1992!

We have stocktakers and Business Development Managers across the UK and cover pub businesses from John O'Groats to Land's End.

**Find out more about how we make our clients successful in their pub businesses.**





# SUPPORT FROM DAY ONE



You can find out more by visiting our websites:

Main website: [www.roslyns.co.uk](http://www.roslyns.co.uk)

Stocktaking website: [www.pubstocktake.com](http://www.pubstocktake.com)

You can also access **FREE** guides and tools from G.P. calculators to rota planners and more:

<https://www.roslyns.co.uk/toolkit>

We look forward to hearing from you, no matter what stage you are in your pub business journey, we are here to support you.



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