2070 The Site Decision

Product Fieldbook · https://kb.jeffreysummers.com/docs/2070-the-site-decision-2/

The Demand

Before you sign anything on a site, run the two numbers that matter most: the sales-to-investment ratio (annual projected sales divided by total startup investment, targeting 2:1 or higher, never below 1.5:1) and your all-in real estate cost as a percentage of projected annual revenue (capped at 7%, with real trouble starting past 6%). If either number fails the test, walk away regardless of how much you love the space. Then answer the neighbor question in one sentence: what does your concept offer that the chain next door does not.

The Work

The site under consideration:

Annual projected sales:

Total startup investment:

Sales-to-investment ratio, calculated:

Pass or fail against the 1.5:1 minimum, 2:1 target:

All-in real estate cost (lease, renovation, development) as a percentage of projected annual revenue:

Pass or fail against the 7% ceiling:

Competition saturation in the trade area — validation or warning sign, and why:

The neighbor question — what your concept offers that the chain or competitor next door does not, in one sentence:

Tenant rep broker engaged — yes or no, and if not, the date you will engage one:

Physical due diligence completed — electrical, gas, sewer, HVAC, roof, floor slope, liquor license timeline — the one item you have not yet checked:

Your decision on this site — proceed, renegotiate, or walk — and the number that drove it: