



Deal Lift Paid Report — Harbour Lantern Kitchen

Harbour Lantern Kitchen · Hospitality — Café / Casual Dining · Score: 7.2/10 · Confidence: Medium · Verdict: **Pursue**

1. Buyer Takeaway

Deal Lift Score: 7.2/10 **Confidence:** Medium **Verdict:** **Pursue**

Harbour Lantern Kitchen is a 45-seat casual dining café in a coastal NSW town centre, trading for nine years under the same owner-operator. The public footprint is consistent and well-maintained: own website with live online ordering, active Instagram and Facebook with regular weekly content, 4.7-star Google rating across 412 reviews. The listing claims \$720k turnover and a 12-month transition. Asking price \$385k. The score is 7.2 with Medium confidence. The public evidence is strong on identity, customer demand, and operational presence. Commercial confidence is restrained because trading P&L, supplier terms, lease expiry, and staff retention are all undisclosed.

Three ways to lift value

1. Recover margin currently leaking to third-party delivery platforms by activating an owned-channel ordering loop
2. Convert the existing review base into a structured reactivation engine for lapsed regulars
3. Build a rostering and food-cost model that reduces the owner's daily decision load and supports a manager-led handover

Three things to confirm

1. Lease term, rent review schedule, and outgoings clarity
2. Wage-to-revenue ratio and dependence on a small number of key staff
3. Actual platform mix between dine-in, takeaway, and third-party delivery

First question to ask the broker

“What share of weekly revenue comes through Uber Eats and DoorDash, and what is the average commission rate paid?”

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2. Score and Confidence

Deal Lift Score: 7.2 / 10. Confidence: Medium.

Strong public-footprint evidence supports identity and customer-facing operations. The website, social channels, and review profile all confirm an active trading business with consistent presentation. Commercial confidence is held at Medium because turnover and profit are listing-stated, lease detail is not disclosed, and the owner's day-to-day involvement is described but not independently verifiable.

Score outlook if diligence confirms: - Lease term beyond five years with clear outgoings — could lift toward 7.6 - Wage ratio under 32% with redundancy across roles — could lift toward 7.8 - Third-party delivery share above 40% of revenue — score holds or eases as margin risk widens

3. What the Listing Tells Us

Harbour Lantern Kitchen is presented as a nine-year owner-operated 45-seat café in a coastal NSW town centre with listing-stated turnover of \$720k and EBITDA of approximately \$145k. Asking price \$385k. The listing emphasises lifestyle and location appeal, a 12-month transition, manager-readiness, established supplier relationships, and a five-year lease with options. The asking price implies a multiple of around 2.7x EBITDA, which is at the lower end of the cafe-sector range. The listing does not mention a recent refurbishment or upcoming capex requirement.

Strong public signals

- Nine-year continuous trading history under one operator
- Listing-stated turnover \$720k with EBITDA of approximately \$145k
- Publicly verified own-website ordering pathway, active across desktop and mobile
- 412 Google reviews at 4.7 stars; review velocity averages 6–8 per month over the past year
- Instagram following 8,400 with weekly posting cadence
- 45 covers indoors plus a 14-seat outdoor terrace

Worth pressure-testing

- "Strong systems and refined workflows" claim — listing-stated, not independently observable
- "Manager-ready" framing — no manager named publicly; LinkedIn shows owner only
- Supplier relationships described as "established" — no detail on contract terms or concentration
- Five-year lease "with options" — option years and rent review mechanism not stated

What sits behind the listing

- Listing emphasises lifestyle and location appeal over financial detail — trading P&L, channel mix, and wage detail are all undisclosed and require seller engagement
- The asking price implies a multiple of around 2.7x EBITDA, which is at the lower end of the cafe-sector range — worth understanding why

- No mention of a recent refurbishment or upcoming capex requirement; equipment age and renewal horizon are unknown without diligence

4. Score Breakdown

Category	Score	Why
Revenue Expansion Potential	7.5	Strong customer base, existing channels to activate, room to lift average ticket. The 412-review profile and 8,400 Instagram following are a substantial latent audience that the venue does not currently work for reactivation; the live own-channel ordering pathway is a margin-recovery surface against third-party delivery commission.
Cost Reduction Potential	7	Wage and food-cost optimisation opportunities visible at this scale. AI-driven rostering tools commonly reduce wage spend by 1.5–3 percentage points; recipe-cost tracking protects gross margin during supplier price changes. Held below 7.5 because wage ratio is not disclosed.
Marketing Optimisation Potential	7.5	Healthy social presence and review base to build on; underused for reactivation. The 412-review, 8,400-follower audience plus active weekly content cadence make AI-assisted segmentation and timed reactivation tractable without changes to current paid-acquisition spend.
Automation Readiness	6.5	Named platforms suggest baseline adoption; depth of use is unknown. The venue runs an own-website ordering page and has visible review and social workflows, indicating digital infrastructure beyond first-wave digitisation; held below 7.0 because integration depth and the specific POS platform are undisclosed.
Customer Experience Improvement Potential	7	Already strong; AI can deepen rather than introduce. The 4.7-star rating is a solid foundation; improvement opportunity is at the communication, review-solicitation, and loyalty layers rather than at the service-quality baseline.
Owner Dependence Reduction	6.5	Single-operator model with

Category	Score	Why
Potential		manager transition planned but unverified. The listing claims a 12-month transition and manager-readiness, but no manager is named publicly. AI documentation and rostering tools can codify the operating model, but the practical depth of owner dependence is one of the four diligence priorities flagged in this report.
Buyer Attractiveness Uplift	7.5	Tight, transferable hospitality asset in a desirable trading location. Nine-year history, recent capex completed in 2023, active customer-facing channels, and verified public footprint together create a defensible buyer-attractiveness profile for an SME hospitality acquisition.

5. Where the Value Sits

These are the value drivers a buyer can act on after settlement, building on what the business already has in place.

Recover third-party delivery margin

Revenue · Effort: low to medium

What this is: AI-assisted loyalty and reactivation campaigns shift part of repeat ordering off third-party platforms onto the venue's own-channel website ordering page. The lever is operated through modern hospitality CRM and loyalty platforms that integrate with the existing POS and ordering surface.

Why it works here: Third-party platforms commonly take 25–30% commission per order. The venue has an active own-website ordering page already live, which removes the technical pre-requisite for own-channel growth. The share of revenue currently flowing through Uber Eats and DoorDash is unknown — confirmation of that share is one of this report's four diligence priorities.

What it could mean for a buyer: Cafés that build a 1,500-name SMS or email list within twelve months and run targeted reactivation flows can recover 10–18% of platform commission on retained customers. Vendor figures vary and are directional; the realised effect depends on current third-party share and the venue's existing customer-file size.

How others have done it: Cafés with an active customer file at this scale commonly recover meaningful margin through structured reactivation campaigns and own-channel incentives. The most consistent finding across SME hospitality operators is that owned-channel growth is achievable without new paid acquisition where the venue already has a live ordering pathway and an engaged review and social audience.

Reactivate the lapsed-customer base

Revenue · Effort: low

What this is: AI-assisted segmentation tools identify lapsed regulars by visit recency, average ticket, and channel preference, then trigger targeted promotions or events through the venue's existing social and ordering channels.

Why it works here: 412 Google reviews plus 8,400 Instagram followers represent a substantial latent audience. The venue posts weekly but does not appear to operate any structured reactivation cadence on the underlying customer file.

What it could mean for a buyer: Industry research suggests reactivation campaigns commonly lift monthly revenue by 4–7% within ninety days where the customer file is intact and the operator commits to consistent execution. Effect size compounds with own-channel margin recovery (Lever 1).

How others have done it: Modern hospitality platforms surface a customer's visit recency, average ticket, and channel preference — making targeted reactivation tractable for SME operators without a dedicated marketing function. Cafés of this size commonly use a CRM-and-loyalty stack tied to the POS rather than a standalone marketing automation tool.

Roster and food-cost optimisation

Cost Reduction · Effort: medium

What this is: AI-driven rostering tools match staffing to predicted covers using weather, local event, and historic-day data. Recipe-cost tracking flags margin erosion when supplier prices shift, and surfaces the items where menu engineering is most effective.

Why it works here: The listing claims a 12-month transition that implies a manager-led future. Confirming the wage-to-revenue ratio is one of this report's four diligence priorities. The owner-operator structure means rostering and food-cost discipline are currently absorbed into the owner's daily decision load.

What it could mean for a buyer: For a 45-seat venue, wage cost typically runs 30–36% of revenue. AI rostering commonly reduces wage spend by 1.5–3 percentage points; recipe-cost tracking protects gross margin during supplier price changes and identifies the dishes most worth reformulating or repricing.

How others have done it: AI rostering and recipe-cost tools are now mainstream in SME hospitality and are commonly bundled with the modern POS platforms the venue is most likely to be using. The realised cost saving requires operator discipline; the mechanism is well-evidenced across the sector.

6. What's Already Working

These are the parts of the business a buyer is paying for, not building. The score reflects genuine assets, not just AI uplift potential.

Own-domain website with functional online ordering

Live ordering pathway is in place on the venue's own domain. A buyer is not starting from zero on digital infrastructure and can prioritise activation of existing surfaces over greenfield build.

4.7-star Google rating across 412 reviews

Strong reputational asset. Review velocity averages 6–8 per month over the past year, indicating an active customer base and a workable signal channel for reactivation and local-search optimisation.

Consistent social presence with weekly content

Active Instagram following of 8,400 with established weekly posting cadence on Instagram and Facebook. Content rhythm is in place; the gap is structured reactivation and segmentation rather than basic presence.

Active community footprint

Visible local-event participation in the town's monthly markets. Suggests the brand is embedded in the local trading area rather than dependent on transient or tourist demand alone.

Recent capex investment evident

Outdoor terrace expansion completed in 2023. Adds 14 covers to the 45-seat indoor capacity and reduces near-term capex risk for an incoming buyer.

7. What to Confirm Before You Buy

Four items identified for buyer verification, drawn from the diligence priorities flagged in the original assessment. Each represents a gap between listing-stated framing and what can be independently observed; resolving each before exchange is the practical path to lifting confidence from Medium toward Medium–High.

Trading detail behind the headline turnover

Effort to address: low

What we saw: The \$720k turnover figure is listing-stated. No supporting POS exports, daypart breakdown, or channel-mix detail are disclosed.

Why this matters in this sector: Cafés at this scale commonly carry significant trading-mix variation by daypart and by channel. A serious buyer needs to see twelve months of POS exports broken down by daypart, channel mix (dine-in / takeaway / third-party), and average ticket trend to confirm the headline turnover is stable rather than recently spiked.

How AI helps: Modern POS exports surface daypart and channel mix natively. A buyer can use the exports as the input to the rostering and food-cost optimisation lever (Lever 3) from week one of operation.

What to ask the seller:

- Can you provide the last 24 months of POS exports by daypart and channel?
- How has the average ticket trended over the past two years?

Third-party delivery dependency

Effort to address: low to medium

What we saw: The venue runs both an own-website ordering pathway and presence on Uber Eats and DoorDash. The revenue share between channels is not disclosed.

Why this matters in this sector: Cafés that depend on Uber Eats or DoorDash for more than 40% of revenue carry meaningful margin risk and platform dependency. The Lever 1 opportunity exists only if this dependency is real but not extreme; share above 40% widens margin risk and shifts the optimisation case.

How AI helps: Once the channel share is known, AI-assisted reactivation and loyalty campaigns shift repeat orders off third-party platforms onto the existing own-channel surface. The lever is operationally available without new infrastructure.

What to ask the seller:

- What percentage of weekly revenue comes through Uber Eats and DoorDash, and what is the blended commission rate?

Lease terms and rent trajectory

Effort to address: low

What we saw: The listing states a five-year lease "with options" but does not disclose option years, the rent review mechanism, or outgoings detail.

Why this matters in this sector: A coastal town-centre site with strong foot traffic will face rent pressure at review. Lease terms with CPI-linked or fixed-percentage reviews behave very differently from open-market reviews; option years materially shape the buyer's runway.

How AI helps: Not directly addressable by AI tooling. Resolved through standard pre-exchange diligence on the head lease and option notices.

What to ask the seller:

- What is the lease expiry date, what option years exist, and what is the rent review mechanism?
- What are the current outgoings, and how have they tracked over the past three years?

Wage ratio and key-person concentration

Effort to address: medium

What we saw: The transition plan implies a manager-led future, but no manager is named publicly. Wage-to-revenue ratio, casual-to-permanent mix, and key-person concentration are all undisclosed.

Why this matters in this sector: Wage ratio is the dominant cost lever in SME hospitality and the leading indicator of handover risk. Confirming the headcount mix and identifying the two or three people who would be hardest to replace is the practical handover diligence step.

How AI helps: AI-driven rostering connected to POS demand data (Lever 3) reduces wage spend and lifts roster predictability, both of which protect handover continuity.

What to ask the seller:

- What is the named manager's tenure, current responsibilities, and willingness to stay through the transition?
- What is the current wage-to-revenue ratio and how has it tracked over the past three years?
- What is the headcount mix between full-time and casual, and which two or three people would be hardest to replace?

8. Handover and Continuity

A nine-year owner-operator carries operational knowledge that is rarely documented to the standard a buyer needs. The listing claims a 12-month transition, which is generous and supports a manager-led handover, but the depth of documentation matters more than the duration. Standard operating procedures, supplier contact lists, recipe cards with portioning, and a written rostering policy are all things to ask for in writing before exchange.

For the AI levers identified, the buyer's first ninety days should focus on inheriting the existing platform stack with full administrative access — not rebuilding it. Loyalty, ordering, social, and POS accounts should transfer with credentials, contact history, and any active campaigns intact.

9. Questions for the Seller

1. What is the lease expiry date, what option years exist, and what is the rent review mechanism?
2. What percentage of weekly revenue comes through Uber Eats and DoorDash, and what is the blended commission rate?
3. What is the named manager's tenure, current responsibilities, and willingness to stay through the transition?
4. Can you provide the last 24 months of POS exports by daypart and channel?

5. What is the current wage-to-revenue ratio and how has it tracked over the past three years?
6. Which suppliers represent the top five spend lines, and are any of those relationships at risk of changing if you exit?
7. What is the equipment age profile, and is any major capex (oven, refrigeration, HVAC) likely needed in the next 24 months?
8. Are there any current or pending council, food safety, or workplace issues a buyer needs to be aware of?

10. Your First 90 Days

A practical sequence for the first three months — building the foundation for the value drivers and addressing the confirmation areas raised earlier.

Month 1

- Take administrative control of all digital channels: website, ordering, POS, social, Google profile, loyalty platform if present
- Audit which platform features are configured vs present but unused — the highest-value AI opportunities often sit in features the operator paid for but never activated
- Read the existing review base end to end. Tag recurring themes for the marketing and operational priorities they imply
- Sit a full week of services across both quiet and busy days. Watch where the owner's attention goes — those are the dependencies to systemise

Month 2

- Switch on automated review-request flows post-visit if not already running
- Build the first segmented reactivation campaign for lapsed regulars using the existing customer file
- Begin shifting marketing spend from third-party platform promotion toward own-channel ordering incentives
- Document a rostering rule set with the manager and pilot a data-supported roster for two weeks

Month 3

- Compare month-3 platform mix against month-1 baseline. Aim to lift own-channel share by 3–5 percentage points
- Lock in supplier pricing reviews and food-cost tracking. AI-assisted recipe costing tools work best with two months of accurate data behind them
- Begin a written ninety-day handover plan for the manager, focused on the decisions the owner currently makes that a manager could make with the right data
- Set the targets for months four through twelve based on what the first ninety days have revealed

11. Methodology and Disclaimer

This assessment uses public information from the source listing, the verified business website, public social profiles, the Google review base, and stored hospitality sector evidence. Identity attribution is publicly verified. Commercial detail is listing-stated and held to Medium confidence pending diligence.

Evidence is classified using six levels: publicly verified, listing stated, broker stated, seller stated, buyer observed, sector inferred. Vendor and sector figures are framed as directional, not as audited facts about this specific business.

This is a public-information screen, not due diligence. It identifies practical AI upside from visible evidence and sector logic, not from private financials or internal systems. Final score and confidence are subject to revision once seller responses and data-room material are reviewed.

This is a demonstration output based on a fictional business created for illustrative purposes.