

| | Restaurant Business | Used Car Dealership |
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| Startup Costs | \$250K - \$1M | \$50K - \$250K |
| Success Rate | 20% after 5 years | Significantly higher; many operate 30+ years |
| Primary Reason for Failure | Market saturation, margins, labor, rent, food waste | Owner-operator failure (inventory mistakes, poor discipline, weak marketing) |
| Market vs Operator Failure | Primarily market-driven; even skilled operators struggle | Primarily operator-driven; market demand remains stable |
| Net Profit Margin | 3–5% typical; 7–10% strong; 10–12% elite | 10–25%+ net possible when well run |
| Annual Net on \$1M Revenue | \$30,000–\$70,000 | \$100,000–\$250,000+ 100 Car Lot upto \$1,000,000 |
| Risk Profile | High risk; capital largely sunk | Moderate risk; inventory is liquid and recoverable |
| What Is Actually at Risk | Lease guarantees, buildout, equipment, personal time | Capital improvements and operational decisions |
| Inventory Value if Business Fails | Little to none; equipment resells at discount | Vehicles can be liquidated wholesale or retail |
| Competitiveness | Extremely competitive; low perceived barrier; oversupply | Moderately competitive; competence creates advantage |
| Barrier to Entry | Low perceived barrier (everyone can cook) | Higher operational and regulatory complexity |
| Operational Intensity | Daily, hands-on, schedule-sensitive | Process-driven; scalable systems |
| Time Flexibility | Very limited; owner presence required | Owner can step away with systems in place |
| Employees Needed to Scale | 20–40 employees for meaningful profit | 4–6 employees for strong profitability |
| Public Perception | Glamorous, lifestyle-driven | Unglamorous, transactional |
| Scalability | Difficult; margins compress with growth | High; volume increases efficiency and profit |