The Numbers Behind a Catering and Private Chef Business

A free field guide from Bytell Press. The figures come from our example financial model for an owner-run caterer and personal chef working from a rented kitchen. They are planning assumptions, not quotes for your market; the worksheet at the end is for your own numbers.

Most new caterers do not fail on the food. They fail because prices were set from food cost alone and nobody worked out how much work a month the business needs to get through winter. This guide gives you that arithmetic in two pages.

1. How the work is priced

The example model sells three lines, each priced from a **full cost build-up**: food, the labor to produce and serve it, a share of overhead, and margin.

Service line	Model price	Model gross margin
Full-service event catering	$40–$120 per guest	40–50%
Corporate and drop-off catering	$12–$30 per guest	50–60%
Personal-chef service	$300–$600 per session	Highest of the three
Blended across the mix		**About 45%**

Here is the model's test on a 100-guest wedding at $85 a head, or $8,500. Food is $2,550, event labor about $1,900, and supplies about $150. That leaves $3,900, a 45.9% margin. A caterer who priced that event from the food cost alone would miss the $1,900 of labor. Weddings bring the biggest checks, but drop-off and personal-chef work carry the better margins and fill the quiet weekdays.

2. What it costs to open

The example model opens on **$15,000 to $45,000**, because the kitchen is rented and not built. It carries a $25,000 equipment loan and about $18,000 of opening cash. The model gives the use of funds as shares, not dollars:

Use of funds	Share
Delivery vehicle and holding and transport equipment	About 55%
Smallwares and production equipment	About 15%
Licensing, permits and insurance	About 10%
Marketing, website and photography	About 10%
Working-capital reserve	About 10%

Do not trim the last line. Section 5 shows what it is for.

3. What it costs to stay open

The model carries about **$10,437 a month** in fixed cash costs, whether or not an event is booked:

Monthly fixed cost	Amount
Overhead (kitchen membership, insurance, software, vehicle, admin)	$3,500
Part-time lead, base pay	$2,400
Equipment loan payment	$537
Owner draw	$4,000
Total	**$10,437**

Event staff and food are not in this table. They move with each job. So do card processing, at about 1.5% of revenue, and marketing, at about 4%.

4. The break-even: the one number to know

Break-even revenue = monthly fixed costs ÷ gross margin.

Because card fees and marketing move with sales, take them off the margin first: 45% less 1.5% less 4% leaves 39.5%. With the model's numbers: $10,437 ÷ 0.395 = about **$26,423 a month**. The model rounds this to $26,400. That is a little more than **three events** the size of the $8,500 wedding, or about **37 office lunches** at $720 each.

Without the owner's draw, the bar is about $16,300. The model's steady month is about $28,000, so the cushion over the full break-even is small. The model also opens at about $8,000 a month and takes about nine months to get there.

5. Plan for winter before it arrives

Catering is seasonal. The model uses these multipliers against a normal month:

Season	Multiplier	On a $28,000 normal month
Spring, April to June	1.4	About $39,200
November and December	1.3	About $36,400
January and February	0.6	About $16,800

A $16,800 month covers the overhead and the loan, but not the owner's draw. It falls about $3,801 short of the $10,437 in fixed costs. Two such months is about $7,602. That is survivable if part of the spring and holiday surplus is held back and not drawn out. Deposits help too. In the model every event books on a signed order with a deposit, so some spring cash arrives during the slow months.

6. Your numbers

Fill this in with your own menu costs and quotes before you buy the van.

Question	Model	Yours
Price per guest for a full-service event	$85	_____
Food cost as a share of the price	30%	_____
Gross margin after food, event labor and supplies	45%	_____
Monthly fixed costs, including your draw	$10,437	_____
Break-even revenue (fixed costs ÷ margin after card fees and marketing)	$26,423	_____
Revenue in your slowest month	$16,800	_____
Opening cash	$18,000	_____

If your break-even needs more events than you can book and staff, fix the plan first: reprice from the full cost build-up, add weekday drop-off or personal-chef work, or cut a fixed cost.

This guide is general business information, not legal, tax, accounting or investment advice. The figures are illustrative assumptions from an example model and are not a forecast or a promise of results. Licensing and insurance requirements vary by state and are not covered here; check yours with the state agency.

Bytell Press publishes the full business plan, the editable financial model behind these numbers, and the operating playbooks for a catering and private chef service.

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