

Territorial Prefeasibility for New Restaurants (MTIE): *Myth vs Reality*

By  **Diego F. Parra** · Updated 2026-07-10 · Social Impact

MASTERRESTAURANT®

Executive Brief

Prefactibilidad territorial para nuevos restaurantes (MTIE): mito vs realidad

Método probado en +8.400 restaurantes · 43 países

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QUICK VERDICT

Location is not intuition: it is a quantifiable risk model, and failing to measure it before signing the lease is the leading cause of capital and formal-employment destruction in the gastronomic MSME. The myth says a good owner "smells" the right site; the reality is that opening without territorial prefeasibility is a blind bet on demand density, competition and operating cost. The MTIE instrument (Territorial Model for Income and Evaluation) translates territory risk into a prefeasibility score —foot traffic, purchasing power, competitive saturation, occupancy cost— before the first dollar of CAPEX. For multilateral and commercial banks with MSME portfolios, this turns an emotional decision into auditable operational due diligence: less default, more sustained formal employment (SDG 8).

 **Executive Brief** Strategic brief · CEOs, boards & investors · 11 min read · 2026-07-10

INTELLECTUAL PROPERTY OF MASTERRESTAURANT® — EXCLUSIVE FOR SECTOR LEADERS

In Colombia, 95% of the restaurant market is independent establishments (Acodrés, 2024): micro-enterprises that rarely run a territorial prefeasibility study before signing the lease. The result is a pattern of early mortality that destroys capital and formal employment, and that transfers as credit risk to the commercial and multilateral banks financing the sector.

The U.S. restaurant sector exceeds 1 million locations (National Restaurant Association, 2025), and worldwide tourism, hotels and catering employ more than 270 million people —close to 8.2% of the global workforce (ILO, 2024). Each failed opening is not just a private loss: it is decent employment that never materializes, a setback against SDG 8. In local economic development terms, territorial prefeasibility is an employment-protection instrument.

SIDE-BY-SIDE COMPARISON

Side-by-side comparison

	OPENING BY INTUITION (STATUS QUO)	MTIE TERRITORIAL PREFEASIBILITY
12-24 month survival rate	✗ High early mortality in a 95% independent market (Acodrés, 2024)	✓ Site selection on measured demand, not intuition
Credit risk (MSME portfolio default)	✗ No territory score: banks price on uncertainty	✓ Auditable territory score → adjusted risk pricing
Occupancy cost vs break-even	✗ Lease signed before calculating break-even	✓ Occupancy cost validated against site unit economics
Sustained formal employment (SDG 8)	✗ Failed openings destroy jobs before consolidating them	✓ Viable sites sustain decent work (ILO, 2024: 8.2% global workforce)
Operational due diligence (multilateral banks)	✗ No territorial evidence: blind financing	✓ M&E from design: prefeasibility as a verifiable deliverable
Statistical density of the decision	✗ Emotional decision with no benchmarks	✓ Traffic, purchasing power, competitive saturation quantified

1. Do you smell a location, or do you measure it?

You don't smell a location: you measure it, and failing to measure it before signing the lease is the leading cause of capital destruction in the gastronomic small business.

In Colombia, 95% of the market is independent establishments according to Acodrés (Revista La Barra, 2024): micro-enterprises that rarely run a territorial pre-feasibility study. Diego F. Parra repeats it in every board he reviews: the mistake I see over and over is signing a five-year contract on a Tuesday-afternoon hunch. Masterrestaurant's MTIE instrument translates three hard variables —foot traffic of the district, purchasing power of the surroundings and competitive saturation— into a pre-feasibility score. With over 1 million foodservice locations in the U.S. (National Restaurant Association, 2025), the pattern is global: where there is no measurement, there is early mortality. Demand leaves a trace; instinct does not. A food cost above 32% stops being a kitchen error and becomes credit risk when the territory cannot support the average ticket needed for break-even.

2. A food cost above 32% is credit risk, not just an owner's error

The arithmetic is merciless: if the district only tolerates a seven-dollar ticket and your structure requires nine to cover prime cost, the venue is born insolvent. The U.S. restaurant sector employs 15.9 million people at the close of 2025 (National Restaurant Association, 2025); every mispriced point of food cost before signing the lease is formal employment that evaporates in the second year. Diego F. Parra insists: the cash register does not forgive the wrong geography. With 1.84 million workers in Spanish hospitality in 2024, up 5.4% versus 2023 (Hostelería de España, 2024), the sector proves employment holds where the economic unit closes its numbers from day zero, not where the owner trusts a gut feeling. For multilateral banking, territorial pre-feasibility is operational due diligence: it turns an emotional decision into auditable evidence that lets you price risk with data, not with uncertainty. A bank financing gastronomic small businesses cannot rate default on the owner's hunch; it needs the MTIE score that crosses traffic, purchasing power and competition.

3. Why does multilateral banking treat pre-feasibility as due diligence?

The sector employs more than 270 million people worldwide —roughly 8.2% of the global workforce (ILO, 2024)—, so the risk of a badly originated restaurant portfolio is systemic, not anecdotal.

57.8% of the planet's workers remain in informal employment (ILO, 2024); every venue that fails pushes formal jobs toward that gray zone. Territorial pre-feasibility lowers the cost of credit because it reduces default variance: the bank lends cheaper to the project that arrives with evidence, and penalizes with the rate the one that arrives with a story. The MTIE instrument connects the micro-operation —one venue, one menu, one ticket— with the development indicator: decent work under SDG 8 and small-business productivity. It measures before investing rather than mourning after closing. Each failed opening is not only a private loss: it is decent work that never materializes. Tourism, hotels and food service sustain 357 million jobs worldwide, one in ten positions (UN Tourism, 2024), so locating a restaurant is local employment policy at the micro scale.

4. MTIE connects the micro-operation with the development indicator

In Mexico, 55.8% of the sector's employment is women (INEGI, 2022), and 73% of women-led companies lack access to resources to grow (UNDP, 2024): a lease signed without pre-feasibility punishes that entrepreneurship with special severity. Masterrestaurant designed MTIE so that the development indicator and the owner's cash register speak the same auditable language. A territorial pre-feasibility score measures three hard things and one intention: real foot traffic of the district, purchasing power of the surroundings, competitive saturation, and the average ticket's capacity to sustain break-even. It is not a perception survey; it is observable demand translated into a number. In Spain there are 263,508 restaurant establishments, of which 163,491 are bars (Anuario de la Hostelería de España, 2024): the competitive density of a single block decides whether your proposal finds oxygen or suffocates. Diego F. Parra puts it plainly: I count the steps crossing the door at peak hour before believing a single projection from the real-estate broker.

5. What does a territorial pre-feasibility score actually measure?

The U.S. restaurant sector added 172,500 net new jobs in 2024 (National Restaurant Association, 2024); that growth concentrates where pre-feasibility backed the decision.

A low score does not forbid opening: it forces you to redesign the menu, the ticket or the format before committing irreversible capital to a long lease. The cost of skipping the pre-feasibility study is twofold: capital that is not recovered and formal employment that never materializes. In Canadá the restaurant sector employs close to 1.2 million people, one of the largest private employers (Restaurants Canadá, 2024); in the United Kingdom, hospi-

tality employs 3.6 million and is the country's third-largest employer (UKHospitality, 2024). Every venue that closes in month twelve for having chosen the wrong territory subtracts from those figures. In the U.S., nearly 2.3 million foreign-born workers sustain independent restaurants (Independent Restaurant Coalition, 2024): entire communities depend on the economic unit surviving.

6. The real cost of skipping the study: capital and jobs that don't come back

Diego F. Parra closes with a concrete action: before signing, run the MTIE and demand a score that backs the ticket your structure needs. The wrong geography is not corrected with effort; it is paid for with liquidation. The myth is that location is "smelled"; the reality is that demand is measured —foot traffic, the polygon's purchasing power and competitive saturation— and translated into a prefeasibility score. A food cost above 32% is not just an owner's mistake: it is credit risk and formal-employment destruction when the territory cannot support the average ticket the break-even requires. For multilateral banks, territorial prefeasibility is operational due diligence: it turns an emotional decision into auditable evidence that lets them price risk with data, not uncertainty. The MTIE instrument connects the micro-operation (one site, one menu, one ticket) with the development indicator (decent work SDG 8, MSME productivity): measure before investing, not after failing.

POINT BY POINT

Intuition vs territorial prefeasibility: the verdict by criterion

BASIS OF THE SITE DECISION

A · OPENING BY INTUITION (STATUS QUO)
Owner's intuition and "gut" for the location

B · MASTERRESTAURANT Territorial
prefeasibility score with measured data

Verdict: MTIE turns an emotional bet into auditable operational due diligence.

WHEN RISK IS MEASURED

A · OPENING BY INTUITION (STATUS QUO)
After signing the lease (or after failing)

B · MASTERRESTAURANT Before the first
dollar of CAPEX

Verdict: Measuring before investing is the difference between mitigating and regretting.

READING FOR THE BANK

A · OPENING BY INTUITION (STATUS QUO)

Financing on uncertainty

B · MASTERESTAURANT Risk pricing on territorial evidence

Verdict: The auditable score lowers MSME-portfolio default.

DEVELOPMENT IMPACT (SDG 8)

A · OPENING BY INTUITION (STATUS QUO)

Failed openings destroy formal employment

B · MASTERESTAURANT Viable sites sustain reportable decent work

Verdict: Territorial prefeasibility is an employment-protection instrument.

SIDE-BY-SIDE COMPARISON

Opening by intuition STATUS QUO

- ✗ Location is chosen by the owner's "gut", with no territory-risk score.
- ✗ The lease is signed before calculating the site's break-even point.
- ✗ Banks finance on uncertainty: high rate or denied credit for lack of evidence.
- ✗ Each failed opening destroys formal employment before consolidating it (a setback against SDG 8).

MTIE territorial prefeasibility MASTERESTAURANT

- ✓ Territory risk becomes an auditable score before the first dollar of CAPEX.
- ✓ Occupancy cost is validated against the site's unit economics and break-even.
- ✓ M&E accompanies from design: prefeasibility is a verifiable deliverable for multilateral banks.
- ✓ Viable sites sustain decent work and reduce the business mortality of the gastronomic MSME.

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THE NUMBERS THAT MATTER

Sector indicators that demand measuring territory before opening

95%

of Colombia's restaurant market are independent establishments, most without territorial prefeasibility

1M+

restaurant and foodservice locations in the U.S.:
scale that makes territory risk a systemic problem

270M+

workers in tourism, hotels and catering
worldwide: ≈8.2% of the global workforce

15.9M

U.S. restaurant-sector employees at
year-end 2025 (+200,000 net jobs)

357M

jobs sustained by tourism worldwide (1 in 10):
each failed opening subtracts from this total

VISUALIZATION

The numbers, visualized

of Colombia's restaurant market are independent establishments, most without territorial prefeasibility



restaurant and foodservice locations in the U.S.: scale that makes territory risk a systemic problem



workers in tourism, hotels and catering worldwide: ≈8.2% of the global workforce



U.S. restaurant-sector employees at year-end 2025 (+200,000 net jobs)



jobs sustained by tourism worldwide (1 in 10): each failed opening subtracts from this total



Sources: [Acodrés \(Revista La Barra\) 2024](#) · [National Restaurant Association 2025](#) · [OIT \(ILO\) 2024](#) · [ONU Turismo \(UN Tourism\) 2024](#)

Chart by [masterrestaurant.com](#)

REAL CASE

“The mistake I see over and over is signing the lease out of infatuation with the site, not out of the math of the polygon. Location is 60% of the business risk and it's decided before you sell a single dish. When you measure the territory first —traffic, purchasing power, competition, occupancy cost against break-even— you stop financing bets and start financing businesses. That's what lowers MSME-portfolio default and protects formal employment.”

— **Diego F. Parra, Masterrestaurant (technology ally of the Twin Ecosystem Model with SATE Institute)**

HOW TO APPLY IT IN YOUR RESTAURANT

Strategic roadmap: from intuition to a prefeasibility score

1

Phase 1 — Territorial diagnosis (0-4 weeks)

Deliverable: MTIE prefeasibility score for the candidate polygon. Foot traffic, purchasing power, competitive saturation and occupancy cost are quantified. Success metric: ≥ 3 sites evaluated with a comparable score before signing any lease. The site decision stops being emotional and becomes operational due diligence auditable by banks.

2

Phase 2 — Unit-economics validation (4-8 weeks)

Deliverable: site break-even model with food cost $\leq 32\%$ and an average ticket supported by the territory. The MTIE score is crossed with the Restaurant Model Canvas and the cash simulator. Success metric: projected break-even reachable within the measured —not assumed— demand range; positive contribution margin per dish in the polygon's real mix.

3

Phase 3 — Post-opening monitoring & evaluation (M&E) (8+ weeks)

Deliverable: dashboard of territorial performance indicators vs projection, with reporting for multilateral banks. Table turnover, food cost variance deviation and formal-employment sustainment are measured. Success metric: projection-to-execution gap closed $< 15\%$ in the first 6 months; sustained formal employment reportable against SDG 8.

FAQ

A decision-maker's frequently asked questions

What is MTIE territorial prefeasibility?

It is the conversion of territory risk into a quantifiable score before investing. MTIE measures a polygon's traffic, purchasing power, competitive saturation and occupancy cost, and translates them into a prefeasibility indicator that replaces the owner's intuition with auditable evidence for banks.

What does it cost NOT to measure territory before opening?

The cost is early mortality in a 95% independent market (Acodr s, 2024): destroyed capital, formal employment that never consolidates, and default that raises the MSME portfolio's cost. Each failed opening subtracts from the 357 million jobs tourism sustains worldwide (UN Tourism, 2024).

Why does prefeasibility matter to multilateral banks?

Because it turns blind financing into data-driven risk pricing. An auditable territory score is operational due diligence: it lets banks adjust the rate, require mitigation and monitor formal-employment sustainment (SDG 8) with M&E from program design, not after default.

How does a 32% food cost connect to territory risk?

The 32% maximum food cost per dish is only sustainable if the territory supports the average ticket the break-even requires. If the polygon lacks the measured purchasing power, not even the best food cost saves the operation: territory risk precedes cost risk.

DATA & SOURCES

Sector data 2026 (official sources)

Verifiable industry benchmarks from official, non-commercial sources (government, industry associations, market research) - not competitors.

Metric	Benchmark 2026	Source
Adultos de EE. UU. dispuestos a visitar restaurantes con pr�cticas sostenibles	casi 75%	National Restaurant Association — State of the Industry
Comida desechada al a�o por restaurantes, tiendas y fabricantes de EE. UU.	52.000 millones de libras (23,6 millones de toneladas)	EPA / ReFED — datos de desperdicio de alimentos de EE. UU.
Empleos del sector restauranero en EE. UU.	15.7 millones (2026) → 17.3 millones proyectados a 2036	National Restaurant Association 2026
Adultos que han trabajado alguna vez en restaurantes	67% (78% de la Gen Z)	National Restaurant Association 2026
El restaurante como PRIMER empleo	51% de los adultos tuvo su primer empleo en el sector	National Restaurant Association 2026
Empleados nacidos fuera de EE. UU.	23% de la fuerza laboral del sector (2026)	National Restaurant Association 2026