



# Restaurant

BUSINESS PLAN BUTCHER HOLLOW BAR BQ

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1020 Allen Ave.  
St. Louis, Missouri 63104

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*The proprietors of this new restaurant plan to take advantage of their market research, which indicates there is a great interest and very little competition in a specific area of St. Louis for a barbecue restaurant.*

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## EXECUTIVE SUMMARY

Butcher Hollow Bar BQ will be an eat-in, carry-out restaurant, specializing in evening and weekend leisure dining. St. Louis is recognized as one of the prime barbecue markets in the country. The Soulard neighborhood, future home of Butcher Hollow, is known as one of our area's most popular and successful nightlife hubs.

What makes Butcher Hollow Bar BQ special as a business proposition? New restaurant openings are known to be risky. What have we done to neutralize these risks and assure success?

First, we have identified an unfulfilled market for our exceptional product. Careful research has demonstrated a 66% positive response by a representative sampling of our primary and secondary geographical markets. We have learned that people living in Soulard and Lafayette Square, or within reasonable driving distance, would patronize a good eat-in or carry-out Bar BQ restaurant in Soulard if one were available. Further research of the population demographics of this area reveals a lifestyle most conducive to eating out often, as frequently as three times per week.

Management has also identified a very viable commuting market that frequents the Soulard area, availing themselves of the many attractive restaurants, bars, and bistros. These customers travel there from downtown employment, stadium events, and other entertainment centers such as Union Station, Laclede's Landing, and Kiel Auditorium. Many look forward to a stop in historic Soulard. Butcher Hollow Bar BQ will be a welcome addition to this ambiance, offering to the area a delectable barbecue fare not currently available.



Many thousands of people also work in an near the Soulard area and often unwind after work at one of the many bistros. Butcher Hollow intends to be part and parcel of this scene, offering superb Bar BQ, frosted steins of beer, along with convenient carry-out. Relaxed patio dining is also planned for use during pleasant weather.

Tom and Helen Carter bring both experience and formal training to the food service field. Tom operated the successful Tom's Cafeteria in the garment district for some eight years. Both he and Helen have a wealth of experience in food service and hospitality management.

Butcher Hollow Bar BQ also has a sound marketing plan directed at our three identified markets. Viable market, good promotion, and an excellent product, backed up by sound and experienced management will go a long way to assuring success of the business venture.

Our anticipated capitalization consists of a budget of \$45,000, including \$15,000 owner's equity along with \$30,000 borrowed capital. Owner's equity derives from joint savings of Mr. and Mrs. Carter.

The operating plan provides for proprietor withdrawals of \$1,000 per month for the first 12 months of operation. Mrs. Carter will continue her employment as Assistant Front Desk Manager at the Crest Downtown Hotel.

Careful and conservative projections anticipate a first year net of \$12,000 on sales of \$113,000. It should be noted that the first year P/L reflects certain initial sales promotional activities that, while burdensome during that period, are expected to yield long-term results.

Our second year projected profit is \$30,500 on sales of \$146,000 yielding a 38.1% return on investment.

## THE COMPANY— PRESENT SITUATION

Butcher Hollow Bar BQ, a proprietorship, will be a husband and wife operated business. Both Tom and Helen Carter will bring with them experience in food service and related hospitality fields. The concept of Butcher Hollow Bar BQ is to offer a limited but highly popular menu, aimed at a clearly defined market. It is expected that at least 50% of the business will be carryout. An outside beer garden facility is also planned for nice weather. Barbecue will, of course, be prominent, but other dishes known to have great appeal in the area will also be featured.

The business will be situated in the Soulard neighborhood. This is a high profile rehabbed community with a high concentration of residential units occupied by young professionals as well as established neighborhood blue-collar workers. The Soulard neighborhood is well known for its social scene consisting of many small bars, restaurants, and bistros. The focal point is Soulard Market, an open-air produce market some 200 years old and a national historic landmark. Many people are attracted to the area for its ambiance, and its establishments cater not only to neighborhood people but to customers commuting to suburbia from downtown employment and stadium events.

Mr. and Mrs. Carter's start-up capital consists of \$15,000 derived from savings. Mrs. Carter will continue her present employment as assistant front desk manager at the Crest Downtown Hotel, and will work weekends at Butcher Hollow. Mr. Carter will be employed full-time from start-up and has resigned his job as food and beverage manager of Holiday Inn Southtown.

## OBJECTIVES

Butcher Hollow Bar BQ will originally target the leisure and recreational dining market. This will heavily emphasize Friday, Saturday, and Sunday business. For the first 12-month period, it is expected that the business will remain closed on Monday, opening from 4:00 PM to 11:00 PM Tuesday through Thursday, 11:00 AM to 11:00 PM Friday and Saturday, and 11:00 AM to 9:00 PM on Sunday. In addition to the local trade, these hours allow us to capture the afterwork commuter as well as those stopping off after the ballgame for barbecue and a beer.



Fridays present a special market. In addition to the normal influx of Friday evening business, Butcher Hollow will be catering to the known habit of working people to treat themselves special for lunch on Friday. Featured dishes will be the soon-to-be-famous Butcher Hollow Bar BQ or the special Jack salmon and spaghetti platter available only on Friday. The latter is known to be very popular for lunch or dinner in South St. Louis, and along with the Butcher Hollow special sauces, can attract a great deal of business.

Saturdays and Sundays, both afternoons and evenings, present great opportunities for the leisure dining trade, and our menu and carry-out promotions will be designed to maximize these opportunities.

The Soulard area also is known as a great business lunch community. While barbecue is not a good lead item for business lunch, other speciality items can be added at a future time when the lunch trade is targeted. Initially, we do not intend to compete for lunch business except on Friday when most Soulard restaurants are hopelessly overloaded. A special luncheon menu is presently being refined for possible inclusion with an expansion of hours during our second year.

## MANAGEMENT

Tom Carter will head the husband and wife team of Tom and Helen Carter, as he devotes fulltime to the planning, installation, and start-up of Butcher Hollow Bar BQ. Tom, 43, holds an Associate Degree in Food Service Management from Forest Park Junior College. Upon graduation, he entered his chosen field as assistant chef at Bevo Mill under the original management of Chef Ulrich. He stayed at Bevo for 8 years, gaining experience in all phases of experience in food preparation and kitchen management. When Bevo Mill closed in 1975, Mr. Carter, using a small inheritance coupled with an SBA loan, acquired an existing cafeteria in the St. Louis garment district. He renamed the operation Tom's Cafeteria and operated it for 8 years until 1983. Tom's Cafeteria specialized in breakfast and lunch for workers in the garment and shoe trade along Washington Avenue just west of downtown St. Louis. Mr. Carter was hands-on in all phases of the business management. This business prospered and he was able to retire the SBA loan in the allotted five-year period. However, due to a decline in the garment and shoe business in the immediate area, the building in which Tom's Cafeteria was located closed down, and Tom lost his lease. Because of the decline in the area, he did not seek to relocate but obtained employment as assistant food and beverage manager at the Holiday Inn Southtown. The close-down of Tom's Cafeteria was orderly and all debt was retired as agreed.

After eighteen months at Holiday Inn Southtown, Tom was promoted to manager of food and beverage, a position he held until he recently resigned to devote full-time to Butcher Hollow Bar BQ.

Helen Carter, 38, also has extensive experience in food service and hospitality fields. As a young person, she started working in fast-food operations, and while attending the University of Denver, School of Hotel and Restaurant Management, she worked in a variety of food and beverage service capacities, usually as waitress or hostess, and on one occasion for about a year in food preparation. Circumstances did not permit her to obtain her degree, and she returned to St. Louis. She obtained employment at the Crest Downtown Hotel and is presently assistant front desk manager.

Tom and Helen Carter have been married for 14 years. Tom is working full-time to start up Butcher Hollow Bar BQ. Helen is assisting in her off-duty hours and will work Friday, Saturday, and Sunday upon opening. This will not conflict with her present employment, and she intends to continue on at Crest Downtown until Butcher Hollow Bar BQ has reached the point of requiring and being able to support her full-time services.

## PRODUCT DESCRIPTION

### The Menu

Barbecue is, of course, the lead item at Butcher Hollow Bar BQ. The Butcher Hollow Bar BQ comes as the result of many years of experimenting and refining different recipes and techniques. The sauce is a special



recipe that has been lovingly developed by the proprietors and tested hundreds of times on willing guests, both at home and at food establishments where the Carters have presided. The technique itself is also special, calling for extra effort, but yielding terrific results. The Butcher Hollow Bar BQ people know how to put out production volume without losing any of the delightful, delectable texture and tastes that will bring the customers back time and again.

Our plan calls for opening with a fairly limited menu, featuring barbecue ribs, barbecue pork steaks and barbecue chicken halves. Also offered will be Jack Salmon (Whiting) with spaghetti. These will be available as plates, which will include entree and two side dishes, or as sandwiches. The Jack Salmon will be offered with our delicious barbecue sauce on the side.

Another speciality of wide appeal will be our meatball and spaghetti platter, served with a knockout garlic cheese bread. All of our sauces are homemade—the spaghetti sauce a private Old World recipe, and the meat balls, our own sensational mix of meat and spices.

Another offering will be a side dish of golden parmesan potatoes, a delicious accompaniment to barbecue that has received many raves. Some people like to make a meal of them by themselves. We also have special recipes for potato salad and slaw. Our intent is to bring as much effort and expertise to our side dishes and sauces as we do our entrees. This will make the food at Butcher Hollow Bar BQ extra special and keep the customers coming back for more. Nothing mundane or ordinary will be served.

We also have a nice array of entrees that we are holding in reserve, or that we may feature as weekly specials, one at a time. These recipes come from a special private collection that have been refined over many years by the Carters.

## The Setting

Butcher Hollow Bar BQ will not be served in an ostentatious setting. The Soulard neighborhood lends itself to nice, storefront cafes, and in this type of setting, barbecue can be best enjoyed. Checkered tablecloths and pitchers of beer set the scene for good times, good food, and enjoyable surroundings. A bricked patio with picnic tables and yellow lights permit a beer garden annex in pleasant weather and, of course, carry-out customers are made especially welcome in a comfortable alcove. We expect a significant part of our business to be carry-out because barbecue is traditionally eaten at home.

Soft drinks, wine coolers, and draft beer are the beverages of choice at Butcher Hollow. We anticipate eight tables for four, four tables for two, four booths accommodating four to six, and two tables for six, for total seating of eighty-four.

The name Butcher Hollow is intended to conjure up a relaxed, rustic mood, nothing fancy, and not associated with a specific theme. Our decor will generally be mixed and matched chairs and furnishings with a goodly amount of Americana thrown in. Much of this will be derived from the near-antique collectables that the Carters have been accumulating over the years in anticipation of this type of establishment.

## MARKET ANALYSIS—CUSTOMERS

Butcher Hollow Bar BQ has identified four distinct target markets which will comprise our customers. They consist of:

1. Primary residential population of the Soulard and Lafayette Square neighborhoods.
2. Secondary residential population of the Near South Side and South St. Louis proper sections.
3. Commuting population that works downtown and travels through Soulard, often stopping for a refreshment on the way home. Accesses to highways 40, 44, and 55 are found in our immediate area and lend themselves for easy access. Additionally, spin-off crowds from stadium events and Kiel Auditorium also are markets that will avail themselves of post game or post concert recreational dining



or carry-out. The planned new arena and downtown football stadium complex can only add to the customer mix. The near proximity of Union Station and Laclede's Landing also provide traffic through our area, which we intend to entice with our delectable Butcher Hollow Bar BQ.

4. Another market is the working population of the Near Southside, which offer great opportunities for Friday lunch and after-work gatherings. Anheuser-Busch, Monsanto Chemical, and Ralston Purina are three of many large employers having upscale workers with disposable income for leisure activities.

## Market Survey

To obtain consumer feedback for our idea, a telemarketing survey was instituted in the fall of 1995 for the purpose of polling the primary and secondary residential population to learn their reaction to an eat-in and carry-out barbecue-style restaurant. Twelve hundred complete conversations were conducted by telephone in the zip codes of 63104, 63118, 63110, and 63116. Among the key questions asked were: If there were a good barbecue restaurant in the Soulard neighborhood, would you patronize it either for eat-in or carry-out? Sixty-six percent responded affirmatively, and their answers were further tabulated as follows:

22% once a month or more frequently  
 56% every couple of months  
 12% a couple times per year  
 10% about once a year

About 75% indicated a preference for carry-out.

## Profile of Customer Base

The demographics of the four zip codes comprising the residential population of our primary geographic target market reveal characteristics very supportive of a viable customer base for Butcher Hollow Bar BQ. Our primary area consists of some 52,500 households, with a median adult age of 42 years. Approximately 22% have incomes of over \$50,000, with 36% having income of \$30,000 to \$49,000. Statistics published in the July 1995 edition of *Eating Out*, a leading trade journal, reveal that families with median incomes of over \$30,000 and median ages over 40 eat out two to three time per week, among the highest in any category.

With approximately 50% of our primary residential target market falling within this profile, and coupled with the response to our in-house survey revealing 66% of those surveyed indicating a predisposition to patronize a good barbecue-style eat-in or carry-out restaurant, we feel that we have identified a location that is most amenable to the product that we will be providing.

Additionally, 25% of our business is expected to come from persons commuting from downtown employment, shopping, cultural and sports activities. While en route their residences in South County and West County, many people often stop in Soulard and the adjoining neighborhood of Lafayette Square to partake of the local amenities.

Another 25% is expected to come from people employed in the immediate area but living elsewhere. Some of the larger employers are:

Anheuser Busch	26,000
Ralston Purina	4,400
Pet	4,200
U.S. Government, Mapping Center	950
Monsanto	925
Nooter Boiler Makers	450
Crane	450
Welsh Baby Carriage	350

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Monsanto	925
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Many workers from these firms are known to frequent the establishments of Soulard after working hours, with Fridays being a high point in the week.

## COMPETITION

St. Louis is known as one of the major barbecue consuming areas of the country. Indeed, we lead the nation in the per capita consumption of prepackaged barbecue sauce sold at the retail level. Barbecue restaurants have traditionally been very popular in St. Louis as well. Two of the most popular are situated in the Affton area, just outside of what we consider our secondary market.

One of these restaurants, Phil's Bar BQ, is a second-generation establishment, tracing its roots back to North St. Louis with some fifty years of continuous operation. Roscoe McCrary reigns supreme in North St. Louis, a distinct market in itself, with Mr. McCrary's Bar BQ being both well known and highly sought by consumers from all over the metro region. McCrary's Bar BQ is often preferred fare in the post game St. Louis Cardinals clubhouse and is widely regarded as being among the best.

Suburban St. Louis County has become home for several very popular barbecue restaurants. Charlotte's Rib attracts a large following in the Ballwin/Manchester area and Damons for Ribs, a national chain, has recently opened a second location to complement its Crestwood restaurant.

KC Masterpiece Bar BQ has expanded its sphere of influence all the way from Kansas City to our own West County suburbs. Reports are that the initial store is doing excellent business with customers waiting on Friday and Saturday evenings.

Without a doubt, barbecue is popular in St. Louis. But, until the arrival of Butcher Hollow Bar BQ, South St. Louis and the Near South Side have had no convenient purveyor.

The closest place is a church-sponsored barbecue carry-out operation of long standing in the six hundred block of South Broadway that is open 24 hours a day, Friday, Saturday, and Sunday only, and does a land-office business, although offering no amenities.

During the annual Mardi Gras Festival and the St. Patrick Day celebrations, many of the restaurants and bars of Soulard erect temporary barbecue pits to cater to the heavy foot traffic. It is easy to observe that these are among the most popular stops with the celebrants. Often people congregate 3 and 4 deep around the stands, clamoring for service, as the delectable smoke and fragrance waft into the surrounding air. Butcher Hollow Bar BQ feels there is a demonstrated need for a good barbecue eat-in or carry-out restaurant in Soulard, and we intend to fill that need.

## RISKS

Opening a new food establishment is often seen as one of the more risky business ventures because of the known high rate of failure of new restaurants. The proprietors of Butcher Hollow Bar BQ feel that we have effectively minimized these risks by careful market research and by bringing considerable food service management and entrepreneurial experience to the project.

Tom and Helen Carter are well-trained both by formal education and by many years of experience in restaurant service and management. Additionally, Mr. Carter was owneroperator of a successful restaurant for eight years in St. Louis during which he retired a \$25,000 SBA loan in a timely fashion.



As this Business Plan will reflect, careful planning and preparation have gone into the concept and the execution of this plan. Positive consumer reaction, favorable demographics, and strategic location combine to assure Butcher Hollow Bar BQ a viable market.

Another risk that is effectively minimized is that of surviving what is sometimes known as the starvation period for many start-up businesses; i.e., the first six months to a year while customers become aware of your establishment. While the Business Plan calls for a proprietor's draw of \$1,000 per month, this is of course contingent upon conditions. With Mrs. Carter maintaining her present position of employment and both she and Mr. Carter working at Butcher Hollow, the new business can operate with a minimum of payroll load, thus minimizing a significant cost factor for all new businesses. As she continues working at the Crest Downtown Hotel, the household living expenses can be met by her salary.

Traditional casualty risks will be covered by Business Owners' insurance, ample to cover all assets and with a \$500,000 public and product liability umbrella.

## MARKETING STRATEGY—ADVERTISING, PROMOTION & PUBLIC RELATIONS

Butcher Hollow Bar BQ has a three-pronged marketing strategy aimed at our three identified target markets.

As we expect 50% of our business to come from the residential population of our primary and secondary areas, we will be promoting Introductory Specials through ads in two heavily circulated community newspapers, the *South St. Louis Journal* and the *Riverfront Times*. The *Journal* will feature primarily family carry-out oriented ads, with coupons worth \$1 off or a free 24 oz. soft drink, or similar promotions. The *Riverfront Times*, which has saturation distribution throughout the area, primarily in food and beverage establishments, is widely read by the young, upwardly mobile professional person, a consumer category recognized for their prominent discretionary and leisure spending habits.

The commuting traffic will be targeted with a billboard advertisement strategically positioned to capture the attention of southbound vehicles leaving downtown employment, stadium, and entertainment events. The cost of this advertisement is budgeted for \$9,000 for the first 6 months and is intended to prime the pump and attract first-time customers. It is an investment in the future and is not expected to be immediately cost effective, but will pay-off for the long haul as we attract and keep customers.

Our third target group is the local employee population who we intend to attract for Friday lunch and after-work eat-in or carry-out business. For the lunch trade, we intend to initiate mailings to the various firms throughout the area.

The mailings will include menus and our fax number to make use of the proliferation of office fax machines to place lunch orders. For the larger companies, we will obtain lists of departments to facilitate these mailings reaching the workers that want to order. We also will make use of occasional Comp Cards, which are complimentary lunches when used with an order exceeding a set dollar amount. With each carry-out lunch, we will include a flyer touting Butcher Hollow Bar BQ as a great stop after work for barbecue and beer or for our splendid carry-out offerings.

The Carters intend to be members and participants in the Soulard Merchants Association, which is a group of about fifty local businesses, most of whom are in food and beverage service. The area is promoted twice each year, once with a giant Mardi Gras parade and festival and then at St. Patrick's Day. Butcher Hollow Bar BQ intends to maintain a high profile during both festivities and become a well established and popular addition to the Soulard scene.

## PRICE & PROFITABILITY

The price formula to be employed at Butcher Hollow Bar BQ will be based on a food cost of 30% for most



food items with a 25% food cost for soft drinks and 50% for beer and wine coolers. Retail prices are across the board, carry-out or eat-in, with the paper cost of carry-out being offset by the savings in service inherent to take-out food.

The pinnacle attraction at Butcher Hollow BQ is the full slab rib platter, priced at \$13.00 and including two side dishes and bread. Many people will order half slabs at \$7.50 per plate or \$5.50 per sandwich. Our other entrees, Half Chickens, Pork Steaks, and Jack Salmon are priced at \$7.50 per platter and \$5.50 per sandwich accordingly. Meatballs and spaghetti with garlic cheese bread will be \$7.50.

Both our barbecue sauce and our spaghetti sauce are special recipes and are very important to the overall delectability of the finished product. Extra sauces will be available in individual portions or by the quart, priced with a 50% food cost.

We expect our aggregate food and beverage cost to average about 44% and we will monitor this figure closely. We will be utilizing modern computer data entry on all of our food purchases. Recipes are preprogrammed to extrapolate the updated finished cost per portion, thereby enabling management to keep a constant check on food cost percentages, adjusting pricing as needs dictate.

As our financial forecast will indicate, we anticipate first-year sales of \$113,000 with net operating profits of \$12,300. We would find this acceptable in view of the anticipated "starvation period" that accompanies all new openings and the one-time expenditures of advertising and promotion that is booked in for the first six months. Our monthly break-even point is \$6,700, a very reachable \$1,500 per week.

Profits for the second year are expected to reach \$30,500.

#### Break-Even Evaluation

##### Computed on Gross Sales

Percent Cost of Goods Sold	33%
Percent Gross Profit	67%
Monthly Overhead	\$4,491
Monthly Gross Sales to reach break-even	\$6,703

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[\*For detailed derivation of these calculations, refer to Twelve Month Proforma, Financial Projections.]

## SUMMARY & USE OF FUNDING

In order to open Butcher Hollow Bar BQ, management has determined that capitalization of \$45,000 will be required. These funds will be allocated as follows:

Equipment & Fixtures	\$15,000
Installation and make ready	6,000
Advertising & Promotion	12,000
Deposits and initial start-up costs	5,000
Contingency	2,000
Operating Reserve	5,000
<b>Total</b>	<b>\$45,000</b>

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Contingency	2,000
Operating Reserve	5,000





## Total \$45,000

Equipment & Fixtures are listed in the schedule on the following page. Our Business Plan anticipates that capitalization will be funded as follows:

Proprietors' Equity	\$15,000
Borrowed Capital	\$30,000
<b>Total</b>	<b>\$45,000</b>

Proprietors' Equity \$15,000

Borrowed Capital \$30,000

**Total \$45,000**

The proprietors equity is derived from savings. It is projected that borrowed capital would be drawn over a period of 60 days preceding Grand Opening, through the first 180 days of operations. Grand opening is targeted for May 1, 2000.

## FINANCIAL PROJECTIONS

### EQUIPMENT SCHEDULE

	Brand	Model	Rating	Capacity/ New/Used	Cost
Gas broiler w/hood & fire suppressor	Star	LBLB4400	6'x3'	Used	\$1,200
Deep-fat fryer	Star	LB300	5 Gal	Used	500
Cooler for meat	Hussman	Economy	1 HP	Used	1,000
Regular refrigerator	GE	Double	1 HP	Used	600
Preparation table	Servco	Door		Used	200
Oven (holding), surface range	Star	6 burner double ovr		Used	600
Commercial microwave	Micron	Z200	5 HP	Used	600
Ice machine	Airman	AS1500	150#	New	1,800
Pot sink	Servco	Double cavity		Used	500
Cash register	Kamatsui	JM5		Used	300
Order wheel				Used	150
Tables, chairs, and booths				Used	2000
Freezer	Westinghouse	12 cu ft		Used	400
Slicer, meat grinder	Hobart	K40/GR50	1 HP	Used	300
Food processor	Hobart	GH55		Used	450
Dishwasher	Hobart	J500		Used	500
Computer	Macintosh	G3		Used	1,800
<b>Total equipment costs</b>					<b>\$14,700</b>

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Gas broiler w/hood & fire suppressor	Star	LBLB4400	6'x3'	Used	\$1,200
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Preparation table	Servco	Door		Used	200
Oven (holding), surface range	Star	6 burner double ovn		Used	600
Commercial microwave	Micron	Z200	5 HP	Used	600
Ice machine	Airman	AS 1500	150#	New	1,800
Pot sink	Servco	Double cavity		Used	500
Cash register	Kamatsui	JM5		Used	300
Order wheel				Used	150
Tables, chairs, and booths				Used	2000
Freezer	Westinghouse	12 cu ft		Used	400



## EQUIPMENT SCHEDULE

	Brand	Model	Rating	Capacity/New/Used	Cost
Slicer, meat grinder	Hobart	K40/GR50	1 HP	Used	300
Food processor	Hobart	GH55		Used	450
Dishwasher	Hobart	J500		Used	500
Computer	Macintosh	G3		Used	1,800
<b>Total equipment costs</b>					<b>\$14,700</b>

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TWELVE-MONTH PROFORMA  
CHART 1

	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten
Sales										
Sale of Food & Beverage	6,500	6,923	7,372	7,852	8,362	8,906	9,351	9,818	10,309	10,825
Other Sales	300	300	300	300	300	300	300	300	300	300
<b>Total Sales</b>	<b>6,800</b>	<b>7,223</b>	<b>7,673</b>	<b>8,152</b>	<b>8,662</b>	<b>9,206</b>	<b>9,651</b>	<b>10,118</b>	<b>10,609</b>	<b>11,125</b>
Cost of Sales	2,244	2,383	2,532	2,690	2,858	3,038	3,185	3,339	3,601	3,671
<b>Gross Profit</b>	<b>4,556</b>	<b>4,839</b>	<b>5,141</b>	<b>5,462</b>	<b>5,804</b>	<b>6,168</b>	<b>6,466</b>	<b>6,779</b>	<b>7,108</b>	<b>7,454</b>

## Operating Expenses

## Sales &amp; Marketing

Advertising	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Commissions	0	0	0	0	0	0	0	0	0	0
Entertainment	0	0	0	0	0	0	0	0	0	0
Literature	0	0	0	0	0	0	0	0	0	0
Sales Promotion	100	100	100	100	100	100	100	100	100	100
Trade Shows	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0	0
Salaries (Sales Personnel)	0	0	0	0	0	0	0	0	0	0
PR Taxes & Costs, Sales	0	0	0	0	0	0	0	0	0	0

<b>Total Selling Cost</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>
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	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten
Sales										
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Other Sales	300	300	300	300	300	300	300	300	300	300
<b>Total Sales</b>	<b>6,800</b>	<b>7,223</b>	<b>7,673</b>	<b>8,152</b>	<b>8,662</b>	<b>9,206</b>	<b>9,651</b>	<b>10,118</b>	<b>10,609</b>	<b>11,125</b>
<b>Cost of Sales</b>	<b>2,244</b>	<b>2,383</b>	<b>2,532</b>	<b>2,690</b>	<b>2,858</b>	<b>3,038</b>	<b>3,185</b>	<b>3,339</b>	<b>3,601</b>	<b>3,671</b>
<b>Gross Profit</b>	<b>4,556</b>	<b>4,839</b>	<b>5,141</b>	<b>5,462</b>	<b>5,804</b>	<b>6,168</b>	<b>6,466</b>	<b>6,779</b>	<b>7,108</b>	<b>7,454</b>

Operating  
ExpensesSales &  
Marketing

Advertising	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Commissions	0	0	0	0	0	0	0	0	0	0
Entertainment	0	0	0	0	0	0	0	0	0	0
Literature	0	0	0	0	0	0	0	0	0	0
Sales Promotion	100	100	100	100	100	100	100	100	100	100
Trade Shows	0	0	0	0	0	0	0	0	0	0



	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten
Travel	0	0	0	0	0	0	0	0	0	0
Salaries (Sales Personnel)	0	0	0	0	0	0	0	0	0	0
PR Taxes & Costs, Sales	0	0	0	0	0	0	0	0	0	0
<b>Total Selling Cost</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>

Month Eleven	Month Twelve	Year One	Per cent
11,366	11,934	109,518	97%
300	300	3,600	3%
<b>11,666</b>	<b>12,234</b>	<b>113,118</b>	
<b>3,850</b>	<b>4,037</b>	<b>37,329</b>	<b>33%</b>
<b>7,816</b>	<b>8,397</b>	<b>75,789</b>	<b>67%</b>

1,000	1,000	12,000	
0	0	0	
0	0	0	
0	0	0	
100	100	1,200	
0	0	0	
0	0	0	
0	0	0	
0	0	0	
<b>1,100</b>	<b>1,100</b>	<b>13,200</b>	<b>12%</b>

Month Eleven	Month Twelve	Year One	Percent
11,366	11,934	109,518	97%
300	300	3,600	3%
<b>11,666</b>	<b>12,234</b>	<b>113,118</b>	
<b>3,850</b>	<b>4,037</b>	<b>37,329</b>	<b>33%</b>
<b>7,816</b>	<b>8,397</b>	<b>75,789</b>	<b>67%</b>
1,000	1,000	12,000	
0	0	0	
0	0	0	
0	0	0	
100	100	1,200	
0	0	0	
0	0	0	
0	0	0	
0	0	0	
<b>1,100</b>	<b>1,100</b>	<b>13,200</b>	<b>12%</b>



## TWELVE-MONTH PROFORMA CHART II

General & Administrative	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten
Accounting	50	50	50	50	50	50	50	50	50	50
Amorization	0	0	0	0	0	0	0	0	0	0
Bad Debts	0	0	0	0	0	0	0	0	0	0
Depreciation	202	202	202	202	202	202	202	202	202	202
Insurance	100	100	100	100	100	100	100	100	100	100
Legal Fees	50	50	50	50	50	50	50	50	50	50
Licenses & Permits	100	100	100	100	100	100	100	100	100	100
Salaries & Wages	1,530	1,602	1,679	1,760	1,847	1,939	2,036	2,137	2,243	2,354
PR Taxes & PR Costs	184	192	201	211	222	233	244	256	269	283
Taxes (non-income taxes)	50	50	50	50	50	50	50	50	50	50
Office Expense	50	50	50	50	50	50	50	50	50	50
Rent	600	600	600	600	600	600	600	600	600	600
Telephone	75	75	75	75	75	75	75	75	75	75
Utilities	400	404	408	412	416	420	425	429	433	437
<b>Total General &amp; Administrative Cost</b>	<b>3,391</b>	<b>3,476</b>	<b>3,566</b>	<b>3,661</b>	<b>3,762</b>	<b>3,870</b>	<b>3,982</b>	<b>4,099</b>	<b>4,223</b>	<b>4,352</b>
<b>Net Income Before Taxes and Interest</b>	<b>65</b>	<b>263</b>	<b>475</b>	<b>700</b>	<b>941</b>	<b>1,198</b>	<b>1,384</b>	<b>1,580</b>	<b>1,786</b>	<b>2,002</b>
Interest	250	247	244	240	237	234	230	227	224	220
<b>Net Income</b>	<b>-185</b>	<b>16</b>	<b>231</b>	<b>460</b>	<b>704</b>	<b>964</b>	<b>1,154</b>	<b>1,353</b>	<b>1,562</b>	<b>1,782</b>

General & Administrative	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten
Accounting	50	50	50	50	50	50	50	50	50	50
Amorization	0	0	0	0	0	0	0	0	0	0
Bad Debts	0	0	0	0	0	0	0	0	0	0
Depreciation	202	202	202	202	202	202	202	202	202	202
Insurance	100	100	100	100	100	100	100	100	100	100
Legal Fees	50	50	50	50	50	50	50	50	50	50
Licenses & Permits	100	100	100	100	100	100	100	100	100	100
Salaries & Wages	1,530	1,602	1,679	1,760	1,847	1,939	2,036	2,137	2,243	2,354
PR Taxes & PR Costs	184	192	201	211	222	233	244	256	269	283
Taxes (non-income taxes)	50	50	50	50	50	50	50	50	50	50
Office Expense	50	50	50	50	50	50	50	50	50	50
Rent	600	600	600	600	600	600	600	600	600	600
Telephone	75	75	75	75	75	75	75	75	75	75
Utilities	400	404	408	412	416	420	425	429	433	437
<b>Total General &amp; Administrative Cost</b>	<b>3,391</b>	<b>3,476</b>	<b>3,566</b>	<b>3,661</b>	<b>3,762</b>	<b>3,870</b>	<b>3,982</b>	<b>4,099</b>	<b>4,223</b>	<b>4,352</b>
<b>Net Income Before Taxes and Interest</b>	<b>65</b>	<b>263</b>	<b>475</b>	<b>700</b>	<b>941</b>	<b>1,198</b>	<b>1,384</b>	<b>1,580</b>	<b>1,786</b>	<b>2,002</b>
Interest	250	247	244	240	237	234	230	227	224	220
<b>Net Income</b>	<b>-185</b>	<b>16</b>	<b>231</b>	<b>460</b>	<b>704</b>	<b>964</b>	<b>1,154</b>	<b>1,353</b>	<b>1,562</b>	<b>1,782</b>



Month Eleven	Month Twelve	Year One	Per cent
50	50	600	
0	0	0	
0	0	0	
202	202	2,429	
100	100	1,200	
50	50	600	
100	100	1,200	
2,471	2,593	24,191	
297	311	2,903	
50	50	600	
50	50	600	
600	600	7,200	
75	75	900	
442	446	5,073	
4,487	4,628	47,496	42%
2,230	2,469	15,093	13.3%
217	213	2,781	2.5%
2,013	2,256	12,312	10.9%

Month Eleven	Month Twelve	Year One	Percent
50	50	600	
0	0	0	
0	0	0	
202	202	2,429	
100	100	1,200	
50	50	600	
100	100	1,200	
2,471	2,593	24,191	
297	311	2,903	
50	50	600	
50	50	600	
600	600	7,200	
75	75	900	
442	446	5,073	
<b>4,487</b>	<b>4,628</b>	<b>47,496</b>	<b>42%</b>
<b>2,230</b>	<b>2,469</b>	<b>15,093</b>	<b>13.3%</b>
217	213	2,781	2.5%
<b>2,013</b>	<b>2,256</b>	<b>12,312</b>	<b>10.9%</b>





## THREE-YEAR PROJECTED INCOME STATEMENT

Sales	Year 1		Year 2		Year 3	
Sale of Food & Beverage	109,518		142,373		170,848	
Other Sales	3,600		3,960		4,356	
Total Sales	113,118		146,333		175,204	
Cost-of-Goods-Sold	37,329	33%	48,290	33%	57,817	33%
Gross Profit	75,789		98,043		117,387	
Selling Expense	13,200	12%	4,926	3%	5,197	3%
General & Administrative	47,496	42%	50,108	34%	52,864	30%
Net Income Before Taxes & Interest	15,093	13%	43,009	29%	59,325	30%
Interest	2,781	2.5%	2,271	1.6%	1,707	34%
Income Taxes	3,078		10,184		14,405	1.0%
Net Income or Loss	9,234	8%	30,553	21%	43,214	25%

Sales	Year 1		Year 2		Year 3	
Sale of Food & Beverage	109,518		142,373		170,848	
Other Sales	3,600		3,960		4,356	
Total Sales	113,118		146,333		175,204	
Cost-of-Goods-Sold	37,329	33%	48,290	33%	57,817	33%
Gross Profit	75,789		98,043		117,387	
Selling Expense	13,200	12%	4,926	3%	5,197	3%
General & Administrative	47,496	42%	50,108	34%	52,864	30%
Net Income Before Taxes & Interest	15,093	13%	43,009	29%	59,325	30%
Interest	2,781	2.5%	2,271	1.6%	1,707	34%
Income Taxes	3,078		10,184		14,405	1.0%
Net Income or Loss	9,234	8%	30,553	21%	43,214	25%

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## CASH FLOW PROJECTION

	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten
Beginning Cash Balance	15,000	9,354	6,961	6,833	6,985	7,435	8,200	9,320	10,692	12,324
Cash Receipts from Sales	4,100	8,301	8,836	9,404	10,005	10,643	11,221	11,736	12,271	12,827
Total Cash Available	19,100	17,655	15,798	16,237	16,991	18,078	19,421	21,056	22,962	25,151
<b>Cash Disbursements:</b>										
Accounts Payable, merchandise	0	3,608	3,841	4,088	4,350	4,628	4,923	5,149	5,384	5,629
Selling costs	312	322	333	344	355	367	380	393	407	422
General & Administrative	1,215	1,222	1,230	1,238	1,246	1,256	1,266	1,277	1,289	1,302
Salaries	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Total Cash Disbursements	2,917	6,552	6,803	7,070	7,352	7,651	7,968	8,219	8,481	8,753
Net Cash from Operations	16,173	11,103	8,994	9,167	9,639	10,427	11,453	12,837	14,482	16,398
<b>Proceeds of Loans</b>										
National Bnk, Fixtures & Equip	15,000	0	0	0	0	0	0	0	0	0
National Bnk, Operating Line	0	0	0	0	0	0	0	0	0	0
<b>Capital Infusion</b>										
Additional Paid in Capital	0	0	0	0	0	0	0	0	0	0
<b>Other Disbursements</b>										
Proprietor's Draw	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Debt Service	319	319	319	319	319	319	319	319	319	319
<b>Capital Disbursements</b>										
Furniture & Fixtures	5,000	0	0	0	0	0	0	0	0	0
Equipment	10,000	0	0	0	0	0	0	0	0	0
Inventory Purchases	5,000	323	343	363	385	408	314	326	339	353
Prepaid Expense/Deposits	0	2,000	0	0	0	0	0	0	0	0
Net Cash Balance	9,354	6,961	6,833	6,985	7,435	8,200	9,320	10,692	12,324	14,226

	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten
<b>Beginning Cash Balance</b>	<b>15,000</b>	<b>9,354</b>	<b>6,961</b>	<b>6,833</b>	<b>6,985</b>	<b>7,435</b>	<b>8,200</b>	<b>9,320</b>	<b>10,692</b>	<b>12,324</b>
<b>Cash Receipts from Sales</b>	<b>4,100</b>	<b>8,301</b>	<b>8,836</b>	<b>9,404</b>	<b>10,005</b>	<b>10,643</b>	<b>11,221</b>	<b>11,736</b>	<b>12,271</b>	<b>12,827</b>
<b>Total Cash Available</b>	<b>19,100</b>	<b>17,655</b>	<b>15,798</b>	<b>16,237</b>	<b>16,991</b>	<b>18,078</b>	<b>19,421</b>	<b>21,056</b>	<b>22,962</b>	<b>25,151</b>
<b>Cash Disbursements:</b>										
Accounts Payable, merchandise	0	3,608	3,841	4,088	4,350	4,628	4,923	5,149	5,384	5,629
Selling costs	312	322	333	344	355	367	380	393	407	422
General & Administrative	1,215	1,222	1,230	1,238	1,246	1,256	1,266	1,277	1,289	1,302
Salaries	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
<b>Total Cash Disbursements</b>	<b>2,917</b>	<b>6,552</b>	<b>6,803</b>	<b>7,070</b>	<b>7,352</b>	<b>7,651</b>	<b>7,968</b>	<b>8,219</b>	<b>8,481</b>	<b>8,753</b>
<b>Net Cash from Operations</b>	<b>16,173</b>	<b>11,103</b>	<b>8,994</b>	<b>9,167</b>	<b>9,639</b>	<b>10,427</b>	<b>11,453</b>	<b>12,837</b>	<b>14,482</b>	<b>16,398</b>
<b>Proceeds of Loans</b>										
National Bnk, Fixtures & Equip	15,000	0	0	0	0	0	0	0	0	0
National Bnk, Operating Line	0	0	0	0	0	0	0	0	0	0
<b>Capital Infusion</b>										



	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven	Month Eight	Month Nine	Month Ten
Additional Paid in Capital	0	0	0	0	0	0	0	0	0	0
<b>Other Disbursements</b>										
Proprietor's Draw	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Debt Service	319	319	319	319	319	319	319	319	319	319
<b>Capital Disbursements</b>										
Furniture & Fixtures	5,000	0	0	0	0	0	0	0	0	0
Equipment	10,000	0	0	0	0	0	0	0	0	0
Inventory Purchases	5,000	323	343	363	385	408	314	326	339	353
Prepaid Expense/Deposits	0	2,000	0	0	0	0	0	0	0	0
<b>Net Cash Balance</b>	<b>9,354</b>	<b>6,961</b>	<b>6,833</b>	<b>6,985</b>	<b>7,435</b>	<b>8,200</b>	<b>9,320</b>	<b>10,692</b>	<b>12,324</b>	<b>14,226</b>

Month  
Eleven

Month  
Twelve

14,226 16,409

13,406 14,008

27,632 30,417

5,884 6,149

438 391

1,316 1,331

1,400 1,400

9,037 9,271

18,595 21,146

0 0

0 0

0 0

1,500 1,500

319 319

0 0

0 0

367 382

0 0

16,409 18,946

## Month Eleven Month Twelve

14,226 16,409

13,406 14,008

27,632 30,417

5,884 6,149

438 391

1,316 1,331

1,400 1,400

9,037 9,271

**Month Eleven    Month Twelve****18,595                      21,146**

0                              0

0                              0

0                              0

1,500                        1,500

319                           319

0                              0

0                              0

367                           382

0                              0

**16,409                      18,946****BALANCE SHEET**

Assets	Current	Year 1	Year 2	Year 3
<b>Current Assets</b>				
Cash and Equivalents	10,000	36,946	77,211	124,825
Receivables from Sales	0	7,008	8,760	10,074
Other Receivables	0	0	0	0
Inventory	5,000	8,903	8,651	9,942
Prepaid Expense/Deposits	0	2,000	2,000	2,000
<b>Total Current Assets</b>	<b>15,000</b>	<b>54,857</b>	<b>96,623</b>	<b>146,841</b>
<b>Fixed Assets:</b>				
Equipment & Machinery	15,000	15,000	15,000	15,000
Less accumulated depreciation	0	2,429	4,857	7,286
<b>Net Fixed Assets</b>	<b>15,000</b>	<b>12,571</b>	<b>10,143</b>	<b>7,714</b>
<b>TOTAL ASSETS</b>	<b>30,000</b>	<b>67,428</b>	<b>106,766</b>	<b>154,556</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade Payables	0	6,424	6,243	7,174
Income Tax Payable	0	8,360	12,578	15,602
Short Term Notes	0	0	0	0
<b>Total Current Liabilities</b>	<b>0</b>	<b>14,784</b>	<b>18,821</b>	<b>22,776</b>
<b>Long term Liabilities</b>				
Notes Payable, Bank	15,000	12,566	10,131	7,160
Notes Payable, Others	0	0	0	0
Other Liabilities	0	0	0	0
<b>Total Long Term Liabilities</b>	<b>15,000</b>	<b>12,566</b>	<b>10,131</b>	<b>7,160</b>
<b>TOTAL LIABILITIES</b>	<b>15,000</b>	<b>27,349</b>	<b>28,952</b>	<b>29,936</b>
<b>PROPRIETOR'S ACCOUNT</b>				
Owner's Equity	15,000	15,000	15,000	15,000
Less Withdrawals	0	25,079	62,813	109,619
<b>TOTAL NET WORTH</b>	<b>15,000</b>	<b>40,079</b>	<b>33,813</b>	<b>124,619</b>
<b>TOTAL NET WORTH and LIABILITIES</b>	<b>30,000</b>	<b>67,428</b>	<b>106,766</b>	<b>154,556</b>
<b>Current Ratio</b>		3.7	5.1	6.4
<b>Quick Ratio</b>		3.1	4.7	6
<b>Debt to Equity Ratio</b>		0.7	0.4	0.2
<b>Return on Investment</b>		1.7	2.5	3.1

**Assets****Current Assets**

Cash and Equivalents                      10,000                      36,946                      77,211                      124,825

Receivables from Sales                      0                              7,008                      8,760                      10,074

Other Receivables                              0                              0                              0                              0

Inventory    5,000                      8,903                      8,651                      9,942

Prepaid Expense/Deposits                      0                              2,000                      2,000                      2,000

**Total Current Assets                      15,000                      54,857                      96,623                      146,841****Fixed Assets:**

Equipment &amp; Machinery                      15,000                      15,000                      15,000                      15,000

Less accumulated depreciation                      0                              2,429                      4,857                      7,286

**Net Fixed Assets                              15,000                      12,571                      10,143                      7,714**



<b>Assets</b>	<b>Current</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>TOTAL ASSETS</b>	<b>30,000</b>	<b>67,428</b>	<b>106,766</b>	<b>154,556</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade Payables	0	6,424	6,243	7,174
Income Tax Payable	0	8,360	12,578	15,602
Short Term Notes	0	0	0	0
<b>Total Current Liabilities</b>	<b>0</b>	<b>14,784</b>	<b>18,821</b>	<b>22,776</b>
<b>Long term Liabilities</b>				
Notes Payable, Bank	15,000	12,566	10,131	7,160
Notes Payable, Others	0	0	0	0
Other Liabilities	0	0	0	0
<b>Total Long Term Liabilities</b>	<b>15,000</b>	<b>12,566</b>	<b>10,131</b>	<b>7,160</b>
<b>TOTAL LIABILITIES</b>	<b>15,000</b>	<b>27,349</b>	<b>28,952</b>	<b>29,936</b>
<b>PROPRIETOR'S ACCOUNT</b>				
Owner's Equity	15,000	15,000	15,000	15,000
Less Withdrawals	0	25,079	62,813	109,619
<b>TOTAL NET WORTH</b>	<b>15,000</b>	<b>40,079</b>	<b>33,813</b>	<b>124,619</b>
<b>TOTAL NET WORTH and LIABILITIES</b>	<b>30,000</b>	<b>67,428</b>	<b>106,766</b>	<b>154,556</b>
<b>Current Ratio</b>		<b>3.7</b>	<b>5.1</b>	<b>6.4</b>
<b>Quick Ratio</b>		<b>3.1</b>	<b>4.7</b>	<b>6</b>
<b>Debt to Equity Ratio</b>		<b>0.7</b>	<b>0.4</b>	<b>0.2</b>
<b>Return on Investment</b>		<b>1.7</b>	<b>2.5</b>	<b>3.1</b>