



# BUSINESS PLAN



1. Executive Summary.....	4
1.1 Business Objectives.....	5
1.2 Mission Statement.....	5
1.3 Guiding Principles.....	5
1.4 The Keys to Success.....	6
2. Business Description.....	7
2.1 Ownership.....	7
2.2 Legal Form.....	7
2.3 Start Up Summary.....	7
2.4 Location and Facilities.....	7
3. Services.....	8
3.1 Daily Operation and Production.....	8
3.2 Competition Analysis.....	8
3.3 Suppliers.....	9
3.4 Management Controls.....	9
3.5 Administrative Systems.....	9
3.5.1 Cash Control.....	9
3.5.2 Weekly Prime Cost Report:.....	9
3.5.3 Purchasing Records.....	9
3.5.4 Payroll Processing.....	9
4. Market Analysis.....	10
4.1 Market Segments.....	10
4.2 Market Tests.....	10
4.3 Target Market Segment Strategy.....	11
5. Marketing Strategy and Implementation.....	12
5.1 Strengths.....	12
5.2 Weaknesses.....	12
5.3 Competitive Edge.....	12
5.4 Website.....	12
5.5 Sales Strategy.....	12
5.6 Sales Forecast.....	13
5.7 Sales Programs.....	13

5.8 Milestones.....	14
5.9 Exit Strategy.....	14
6. Organization and Management.....	15
6.1 Organization Structure.....	15
6.2 Management Team.....	15
6.3 Management Team Gaps.....	15
6.4 Personnel Plan.....	16
7. Financial Plan.....	17
7.1 Important Assumptions.....	17
7.2 Initial Startup Costs.....	17
7.3 Source of Funds and Their Use.....	19
7.4 Break Even Analysis.....	19
7.4 Pro Forma Profit and Loss.....	21
7.5 Pro Forma Cash Flow.....	22
7.6 Projected Balance Sheet.....	23
7.7 Business Ratios.....	24
7.8 Weekly Sales Projection.....	25

SAMPLE

## Executive Summary

Entre Restaurant Services will be a suitably priced 100 seat restaurant that will offer corporate style food and service to individuals. The menu will include continental breakfast, pot roast, steaks, burgers, pizza and different types of salads. On certain days of the week there will be an 'all you can eat' buffet which will increase the likelihood of participation from all strata of society

The restaurant is jointly owned by cofounders Marcus and James, who together have over 50 years of experience in the restaurant and hospitality industry.

The Thompsons will be leasing a land of over 3500 square feet in Hi-Trade center, a prominent retail center located in the suburbs of Chappaqua, in New York City. The site is well known for its close proximity to various food supply lines, a fact which can be further reinforced by the knowledge that it was previously leased by another restaurant. While the land was previously leased as a restaurant, the tenants evacuated all the furniture, fixtures and relevant equipment needed to keep the restaurant running. They will need to be replaced and will require additional renovation facilities to reflect the growing change in restaurant trends.

We believe the décor needs a color palette which appeals to the creativity and ingenuity of foodies who enter our establishment. For example, classical and sturdy chairs which offer comfortable cushions for seating.

While the sales projection assumes that people will be interested in the first week of operation, there is justification for this analysis. The former tenants had up to 1800 customers turn up during the first week of sales, which means that we can expect a similar attendance of around 1600 customers per week, the resulting sales of which will be around \$20,000 weekly, or close to a million annually. This figure equates to around \$400 per square foot in sales, annually, which will position Entre Restaurant Services as a highly desirable restaurant for ownership and investment. This is in view of the current state of the market that puts moderately successful businesses at \$200 to \$300 per square foot.

## **Business Objectives**

The main objectives of business plan for the restaurant are as follows:

- Becoming the premier home style restaurant in New York City
- Providing high quality, hygienic meals at economical prices and exemplary services
- Achieving a quick cover ratio of at least 1.75 x after each serving
- Controlling our restaurant's prime cost ratios to around 65% to 55%

## **Mission Statement**

Entre Restaurant Services' mission is to provide the best service in the hospitality industry, the likes of which should serve as a word-of-mouth advertisement for our clientele. We will achieve this by providing a concise yet attractive menu, which will use the best ingredients and serve them at reasonable prices. We will train our staff to appear humble and serve all our customers with dignity and respect.

## **Guiding Principles**

### ***1. Caring about our customers and the staff***

We select our staff by properly screening them through ethical and moral values, we go to at great lengths to perform proper background checks on them to ensure that our customers get the best service possible.

### ***2. High quality of service***

Our motto is plain and simple: to deliver a high quality of service. This can only happen if the menu, ingredients and service are all on the same page with each other. The only way to retain clients is through good quality of service.

### ***3. Attitude matters***

In the hospitality industry, every little smirk, facial contortion and gesture matters significantly. They have the ability to change a person's demeanor in an instant, which either provoke feelings of happiness or hostility. That is why our staff will be trained to adopt an attitude which gives off positive vibes.

## The Keys to Success

- *Repeat customers*

The most important part of any business is their long list of customers who return to them every now and then. These clients provide us with word of mouth marketing, which is a powerful advertisement tool that cannot be bought by money.

- *Hiring the best chefs*

The restaurant will hire the best chefs in town and will offer them any training necessary to fill in any gaps of knowledge, they might have.

- *Location*

As we said before, this restaurant is built on prime location and is close to the market, which means that supply chains won't take up the majority of our capital.

- *Attractive Menu*

The restaurant will have a concise but attractive menu which will attract clientele. The food will be reasonably priced and will be made of the highest quality of ingredients.

## **Business Description**

Entre Restaurant Services is owned by Marcus and James in New York City. The restaurant will serve a large variety of foods and will shake up its menu every now and then to keep customers coming back for new surprises. From classic home style favorites such as mashed potatoes to mouthwatering chocolate ice cream, the eatery will have it all.

The restaurant will be open seven days a week.

### **Ownership**

The restaurant is owned by Marcus. Marcus's restaurant career spans a time of over 25 years where he enrolled as a server to put himself through college. He found that customers felt really at home in his presence, it took him a few months to realize that the hospitality industry is his true calling. He earned his degree and then worked for a restaurant chain where he held the title of General Manager, working closely with chefs, servers, waiters and other staff.

James has received formal training in the culinary arts, having attained a culinary degree from Generic College in Fort Worth. He was employed as chef at a five star hotel immediately after graduating, his depth of knowledge allowed him to get the title of kitchen manager.

### **Legal Form**

Entre Restaurant Services is a partnership jointly owned by Marcus and James. It is registered in the state of Texas and has acquired requisite licenses to operate as a business.

### **Start up Summary**

The cost to open the restaurant is placed at around \$400,000. The majority of these expenses are furniture, fixture and other equipment which are placed at around \$200,000. The restaurant will also need some renovation which will cost an additional \$100,000 to complete.

\$200,000 of the costs will be initially funded by the owners themselves, the rest will be acquired through investment.

### **Location and Facilities**

The 3,500 square foot restaurant is located in a New York City, Hi-trade Center, a renowned retailer outlet which is characterized by high customer traffic because it is located at the urban center of the city.

The suburb has a population of over 100,000 people according to the Census Report 2015. The median household income is stated at around \$50,000 and major employers include Hewlett Packard and Western Union.

## Services

### Daily Operation and Production

Entre Restaurant Services will be opened for 7 days a week for breakfast, lunch, and dinner, which means there will be a requirement of multiple shifts. This would require a thoroughly planned out schedule to account for the increase or decrease of hourly labor according to the volume of sales to maintain a consistent cash inflow-outflow ratio.

The strategic use of rotation techniques and storage facilities will allow the restaurant to meet increased demands during peak business hours. Replenishment of depleted resources will continue when less strain is placed on our staff.

Marcus will be given the responsibility of ordering and maintaining minimum levels of inventory to meet the production demands. Perishable goods which are consumed soon after purchase will be ordered multiple times a week to preserve their freshness while food items which are ordered less often will be done so using a schedule.

Marcus will rely on useful checklists to verify that the food is prepared according to demand and that regular operational standards are followed during and after staff's shift timings.

The restaurant's layout, which will include the kitchen, dining room and serving line, is going to be designed to maximize efficiency and meet customer demands during peak business hours.

When guests arrive they will be immediately greeted by an assistant manager and guided to a seat of their choice. Guests will be given their choice of drink (on the house) followed by complimentary chocolate smoothies. This will allow customers to get appropriate time to prepare for an order. Once the order has been placed it will be printed out and taken to the kitchen. The head cook will use the printed ticket to keep track of their ordered items and guide the rest of their staff appropriately. The kitchen will have a minimum of 2 line cooks and a maximum of 3 additional cooks, this number will fluctuate depending on the amount of business volume. During shift hours, the support staff will be responsible for cleanup, restocking and preparation for the employees. All checks and balances regarding the finances will be taken care of during the closing shift, which will leave the restaurant clean and prepared for the next day of business.

### Competition Analysis

The restaurant industry generated annual revenue of around \$350 billion, and it has about 460,000 restaurants. We have identified only three local competitors in our immediate vicinity, and they are as follows:

**Generic Restaurant 1:** Their food quality is average and has lukewarm reception.

**Generic Restaurant 2:** This is a chain restaurant and offers a price range of \$6 to \$20, they are a crowd favorite.



**Generic Restaurant 3:** They are a sole proprietorship and specialize in steaks. They do not compete directly with our restaurant but target the same demographic and have been operating since 1960. They are generally looked favorably by foodies.

## Suppliers

Over the years, The Thompson brothers have established friendly relationships with several qualified, high quality suppliers who provide products at a reasonable price and deliver them strictly according to schedule.

## Management Controls

The Thompson brothers specialize in best management practices to control costs, regulate the quality of product and ensure the highest quality of customer service. They will prepare an order guide to track order history, weekly inventory to decide weekly profit and loss reports and daily inventory tracking to ensure that designated products are properly accounted for.

## Administrative Systems

During the first few months of operation, the Thompson brothers will have to make do with a limited staff. For this reason they will have to rely on a POS system to relieve them of daily administrative reports.

- ***Cash control***

The sales and receipts generated by the POS system will be compared to real time exchange of cash and credit card deposits. Discrepancies of over \$4 will not be tolerated and will prompt the Thompson brothers for an immediate audit of their finances to search for reasons behind account deficit. Cash, credit and debit card receipts will be stored in a deposit.

- ***Weekly Prime Cost Report***

Marcus will design a weekly report that will accurately show gross profit margins once the cost of goods labor costs have been accounted for by removing the sales revenue.

- ***Purchasing Records***

The staff will also include a part time book keeper to process and record invoices on a daily basis. Reports detailing accounts payable transactions, cash expenditures and payments by check will be readily available. These checks will be prepared by the bookkeeper, and the signing authority will be given to James.

- ***Payroll Processing***

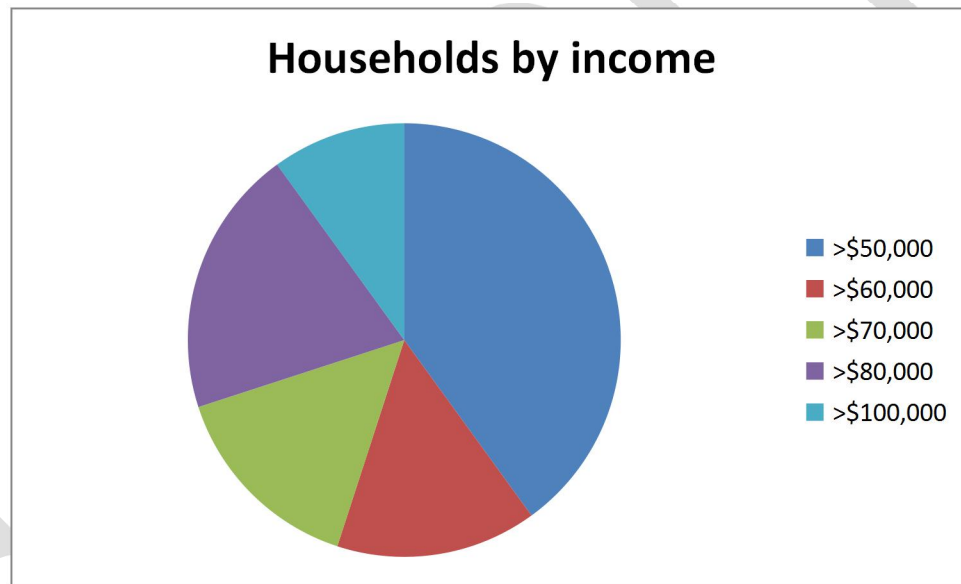
Entre Restaurant Services will consult human resources groups to design an appropriate payroll system which will take into account the time and attendance system to automate payrolls at the end of the week and month.

## Market Analysis

The hospitality industry is a large and diverse business, the sales forecast for the year 2011 were placed at around \$XX billion which was a 10% increase from the past year. The restaurant industry will experience an increase of 4 percent annually. Given the high quality of service and prime location of Entre Restaurant Services, the sales volume will generate at least \$X million during the first few years of operation.

### Market Segments

Entre Restaurant Services will target a large base of consumers in both residential and commercial centers of New York City. The location for Entre Restaurant Services was elected to attract as many customers and clients as possible in the area. Given that there are more than 100,000 people in the immediate vicinity with a median household income of \$50,000, business is ripe for the taking.



### Market Tests

Marcus and James have been catering at various restaurants for the past 25 years and have a cumulative experience of 50 years. They have found out that the home style money is immensely popular with family reunions, particularly when it comes to long distance relatives returning after a long duration away from home. These clients, after being immensely impressed by the work output of Marcus brothers would always suggest them to open up their own family business.

Over the years the Thompson brothers have gathered a substantial customer base and have set up a website which has been hugely popular with foodies. It has around 1000 visitors on a daily basis, all of whom want to be the first visitors to their restaurant once it is established.

## **Target Market Segment Strategy**

The Thompson brothers plan on utilizing all the traditional modes of advertisement along with the latest means of advertisement such as social media, the internet, websites and various online publications such as Google Adwords and Facebook ads.

Advertisements will also be placed in food magazines for local critiques to become aware about our presence, booths will be set up at trade shows and participating in local conferences to get word out. This coupled with word of mouth from loyal customers will increase our sales volume within the first few weeks of opening the restaurant.

SAMPLE

## Marketing Strategy and Implementation

Entre Restaurant Services will position itself as the premier restaurant in New York City, Hi Trade Center, we will do this by providing high quality home meals, prepared with the best ingredients at reasonable prices. Customers will also enjoy the surroundings both inside and outside the restaurants because of the relaxed ambience, good quality servers and warm smiles, the customers will be welcomed as if the restaurant was their own home.

We believe that the most important aspect of a successful restaurant is friendly staff.

### Strengths

- We're at prime location which is easy to access
- Our staff our exceptionally trained in the art of serving guests
- The owners have plenty of experience in the market
- Because we're starting early and are small in size, we will provide exceptional quality by hand selecting chefs and servers
- Once we do have a larger staff, we will continue to maintain these levels of quality

### Weaknesses

- Recruitment costs of quality employees
- Tight deadlines and amateur staff
- Weak supply lies

### Competitive Edge

Entre Restaurant Services' competitive edge lies with its founders. Both of whom are industry experts with years of experience between them, they are able to pull large number of customers because of their flair alone. Although we have few staff members on board with us, they are highly trained and have plenty of experience in their own right. Our long term goal is to hire celebrity chefs who have a prominent positioning in the restaurant industry, their experience and loyal fan base will serve as free advertisement for our business.

### Website

For our website, we will be hiring a full time content writer who specializes in all things related to food. This person will be responsible for converting potential leads into sales by increasing traffic value to the website. The content writer will write blog posts, how-tos, recipes and even shoot cinematic videos to create high quality vlogs – the perfect means of advertisement.

No business today is successful without an online presence, which is why Entre Restaurant Services has a prominent social media marketing campaign that will be used to increase and maximize sales revenue

### Sales Strategy

Customer service is of the highest importance to us! Our staff will be friendly enough to get customers to open up about any problems they may have with the restaurant so we could immediately rectify

them before they take it up with Google Reviews or Yelp. We will deploy training programs to teach our employees about customer service, customer attitudes and customer perception to help them deal with complaints. All guest complaints will be taken seriously and referred to management. The more serious problems such as harassment and alternations will be documented.

## Sales Forecast

The company expects to grow increase by a moderate 5% in sales annually over the next 3 years. By adding catering revenues the sales will increase by a further 13% in Year 2 and 7% in year 3.

Sales			
<i>Food and Beverage Revenues</i>	\$1,000,000	\$1,100,000	\$1,200,000
<i>Additional Revenues</i>	\$0	\$70,000	\$100,000
<i>Total Sales</i>	\$1,000,000	\$1,170,000	\$1,300,000
<i>Controllable Costs</i>			
<i>COGS</i>	\$400,000	\$400,000	\$460,000
<i>Payroll</i>	\$270,000	\$300,000	\$340,000
<i>Total Prime Cost</i>	<b>\$670,000</b>	<b>\$700,000</b>	<b>\$800,000</b>
<i>Controllable Profits</i>	<b>\$453,123</b>	<b>\$516,848</b>	<b>\$562,343</b>

## Sales Programs

Our employees will be encouraged to grow their customer base because they will be given incentives, bonuses and appraisals in case of referrals and repeat clientele. These incentives are going to be planned in stages as we begin the hiring process. These plans will play an active role in defining the overall work ethic.

After the launch of our catering business, which will launch once the restaurant starts to grow in terms of sales volume, we will hire a sales director to streamline this portion of the business. The sales director will be compensated appropriately to lead our teams to success.

## Legal

The initial business structure of the restaurant will be that of a partnership. Overtime the company plans to form into a limited liability company.

## Milestones

To properly guide the business to the path of success, the company has set up milestones which they plan to follow.

Milestones	Date
Sign lease with XYZ shopping center	2/1/2016
Compete the kitchen	4/1/2016
Redesign the interior décor	4/1/2016
Repair the kitchen	4/1/2016
Completing the wait station needs	4/1/2016
Hiring back staff	4/1/2016
Hiring front staff	4/1/2016
Install a point of sale system	4/1/2016
Secure investment for the startup and working capital	4/1/2016

## Exit Strategy

Disposal of damaged and useless property such as kitchen equipment, restaurant furniture, lighting fixtures and curtains would occur regularly. Discarded staff uniforms will be sold at auction on e-bay. Leftover food inventory and menu would be written off because they are perishable items.

## Organization and Management

### Organizational Structure

Entre Restaurant Services plans to recruit 20 employees. The founders Marcus and James will personally hire each candidate. They've designed an elaborate interview process designed to sift the highly qualified candidates from the less qualified ones. Each applicant will be judged based on merit, the criteria for which will be predefined by a set of standards specifically designed for each position. Investigative agencies would be hired to handle the background checks for all designated positions. It will be preferable to base most recruitment efforts on referrals.

### Management Team

The restaurant is owned by Marcus. Marcus is considered as a luminary in the hospitality industry. Having served across dozens of restaurants, chains and hotels, in leadership positions, he has been thoroughly trained in the art of serving delicious foods to consumers while giving them the best customer service known.

### Management Team Gaps

Because the restaurant will not have fully equipped staff during the initial phases of operation, most management gaps will be filled in by Marcus and James. Over time they plan on hiring a sales director, general manager and a head chef.

To help them facilitate a timely payroll, efficient inventory management system and accurate cost accounting, the Thompsons will purchase a POS (point of sale system) to relieve most of the burden. They will also enlist the consulting services of human resources groups to help in design a Time In/Time Out mechanism. Communication software such as GSuite will help meet communication gaps between the kitchen staff, waiting staff and managerial positions.

## Personnel Plan

Personnel	Year 1	Year 2
Owner	\$0	\$0
Assistant Manager	\$25,000	\$30,000
Cashier	\$30,000	\$40,000
Line Cooks	\$60,000	\$70,000
Prep Cooks	\$80,000	\$90,000
Servers	\$20,000	\$30,000
Dishwashers	\$20,000	\$30,000
Sales Agents	\$0	\$30,000
Bookkeepers	\$10,000	\$11,000
<b>Total</b>	<b>\$245,000</b>	<b>\$331,000</b>



## Financial Plan

This section contains the financial outline for the first two years of operation

- Cost of startup
- Profit and loss
- Balance Sheet
- Financial Ratios

### Important Assumptions

- Price range of meal \$9-\$16
- Average lunch price \$9
- Average dinner price \$14
- The restaurant is located in New York City, Hi Trade Center and spans across an area of 3500 square feet.
- The dining room is comprised of 15 tables with a sitting capacity of 90 seats and 45 available parking spaces to meet the needs of clients.

### Initial Startup Costs

The total startup costs will range from \$400,000 to \$450,000, most of which will be contributed by the owners and the rest of it will be loaned from a banks.

Start Up Expenses	Amount
Graphic designing	\$1,500
Permits	\$2,000
Lease deposits	\$15,000
Contingency	\$15,000
Interior décor improvements	\$100,000
Working capital	\$120,000
<b>Total</b>	<b>\$253,500</b>

<b>Start up Assets</b>	<b>Cost</b>
Artwork	\$900
Walk in cooler	\$9,000
Commercial dishwasher	\$8,000
Stainless steel cold station	\$5,000
30 quart food processor	\$1,000
Beverage coolers	\$4,000
Sandwich prep reach ins	\$6,000
Other kitchen wares	\$2,000
Six Burner	\$3,000
Shelving systems	\$300
Reach in coolers	\$6,000
Stainless steel work tables	\$2,000
Fire protection system	\$5,000
Lighting fixture	\$3,000
Table clothes	\$1,000
Art, Décor	\$2,000
Fireplace	\$400
<b>Total start up assets</b>	<b>\$58,600</b>
<b>Total Capital Required</b>	<b>\$312,100</b>

## Source Of Funds And Their Use

The total start up costs are estimated at around \$312,000, but a rough ballpark figure can be taken to be \$350,000. The majority of these costs are taken up by restaurant equipment, inventory, furniture and lighting fixtures. These costs are necessary to renovate the restaurant from the ground up, improving plumbing and adding a proper HVAC system. Additional start up expenses can be expected to be around \$190,000.

The Thompsons will contribute half of required operating capital amount and the rest will be requested from a bank in the form of a loan. The loan is expected to be fully repaid in a 5 year time period.

Source Of Funds	Amount
Owners	\$160,000
Bank	\$160,000
Total source of funds	\$320,000
Use of funds	
Buildings and real estate	\$50,000
Building improvements	\$50,000
Equipment	\$50,000
Inventory	\$100,000
Advertisement	\$30,000
Other expenses	\$32,000
<b>Working capital</b>	<b>\$312,000</b>

## Break Even Analysis

The total fixed costs are estimated at around \$700,000 and will represent the annual expenses. The variable cost is estimated at \$5.5 per meal. Assuming that each meal costs \$12.4, the breakeven revenue comes out at \$1,000,000.

Net units	Net Revenue	Fixed Costs	Variable Costs	Total Costs	Total Profit
Fixed: \$700000					
Number of units 14000					
Average price: \$12.50					
Variable price: \$5.50					
0	\$0	\$700,000	\$0	\$700,000	(\$700,000)
14,000	\$175,000	\$700,000	\$77,000	\$777,000	(\$602,000)
20,000	\$250,000	\$700,000	\$110,000	\$810,000	(\$560,000)
25,000	\$312,500	\$700,000	\$137,500	\$837,500	(\$525,000)
30,000	\$375,000	\$700,000	\$165,000	\$865,000	(\$490,000)
40,000	\$500,000	\$700,000	\$220,000	\$920,000	(\$420,000)
50,000	\$625,000	\$700,000	\$275,000	\$975,000	(\$350,000)
55,000	\$687,500	\$700,000	\$302,500	\$1,002,500	(\$315,000)
200,000	\$2,500,000	\$700,000	\$1,100,000	\$1,800,000	\$700,000

## Pro Forma Profit and Loss

<b>Pro Forma Profit and Loss</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Income</b>			
Sales	\$1,000,000	\$1,100,000	\$1,300,000
Cost of Goods Sold	(\$500,000)	(\$550,000)	(\$600,000)
<b>Gross Profit</b>	<b>\$500,000</b>	<b>\$550,000</b>	<b>\$700,000</b>
<b>Expenses</b>			
Accounting/Legal	\$26,000	\$28,000	\$30,000
Bad debts	\$50,000	\$52,000	\$55,000
Shrinkage	\$70,000	\$75,000	\$80,000
Credit Card Fees	\$24,000	\$30,000	\$35,000
Taxes	\$13,000	\$15,000	\$20,000
Payroll Taxes	\$0	\$0	\$0
Permits and Licenses	\$60,000	\$75,000	\$80,000
Rent	\$20,000	\$30,000	\$40,000
Salaries	\$100,000	\$150,000	\$200,000
Miscellaneous	\$200,000	\$250,000	\$300,000
<b>Total Expenses</b>	<b>\$563,000</b>	<b>\$705,000</b>	<b>\$840,000</b>
<b>Net Profit</b>	<b>(\$63,000)</b>	<b>(\$155,000)</b>	<b>(\$140,000)</b>

## Pro Forma Cash Flow

Pro Forma Cash Flow	Year 1	Year 2	Year 3
<b>Cash Received</b>			
Cash from Operations	\$150,000	\$32,000	\$22,000
Cash Sales	\$1,400,000	\$1,500,000	\$1,600,000
Subtotal Cash from operations	\$1,550,000	\$1,532,000	\$1,622,000
Owner investment	\$150,000		
Subtotal Cash Received	\$1,400,000	\$1,400,000	\$1,400,000
<b>Expenditure</b>			
Expenditures from operations	\$800,000	\$450,000	\$430,000
Cash spent	\$720,000	\$750,000	\$800,000
Bills paid			
Subtotal Spent on Operations	\$1,300,000	\$1,235,000	\$1,200,000
Extra Cash Used			
Sales Tax			
Loan Repayment	\$32,000	\$35,000	\$38,000
Subtotal Additional Cash Spent	\$32,000	\$35,000	\$38,000
Subtotal Expenditures	\$1,364,000	\$1,305,000	\$1,276,000
<b>Net Cash Flow</b>	<b>\$32,564</b>	<b>\$25,453</b>	<b>\$21,324</b>
<b>Cash Balance</b>	<b>\$32,564</b>	<b>\$25,453</b>	<b>\$21,324</b>

## Projected Balance Sheet

Pro Forma Balance Sheet	Year 1	Year 2	Year 3
<b>Assets</b>			
<b>Current Assets</b>			
Money	\$64,000	\$70,000	\$80,000
Accounts Receivable	\$26,000	\$30,000	\$32,000
Inventory	\$15,000	\$15,500	\$16,000
Other assets	\$105,000	\$115,500	\$128,000
Total current assets	\$250,000	\$260,000	\$280,000
<b>Long term assets</b>			
Long term assets	\$150,000	\$152,000	\$160,000
Total depreciation	\$0	\$0	\$0
Total long term assets	\$270,000	\$275,000	\$280,000
Total assets	\$520,000	\$535,000	\$560,000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$31,000	\$35,000	\$37,000
Current borrowing	\$1,000	\$1,200	\$1,300
Other current liabilities	\$30,000	\$32,000	\$35,000
Subtotal Current liabilities	\$62,000	\$68,200	\$73,300
Long term liabilities	\$190,000	\$195,000	\$200,000
Total liabilities	\$280,000	\$290,000	\$310,000
Invested Capital	\$240,000	\$241,000	\$250,000
Retained Earnings			
<b>Earnings</b>			
Total capital	\$240,000	\$241,000	\$250,000
Total capital and liabilities	\$520,000	\$531,000	\$560,000
<b>Net worth</b>	<b>\$240,000</b>	<b>\$241,000</b>	<b>\$250,000</b>

## Business Ratios

Ratio analysis	Year 1	Year 2	Year 3	Industry Profiles
Quick ratio	1.39	1.39	1.39	1.07
Current ratio	3.09	3.09	3.09	1.5
Current liabilities to Net Worth	0.25	0.25	0.25	0.3
Current liabilities to inventory	4.25	4.25	4.25	5.34
Total liabilities to net worth	1.25	1.25	1.25	1.25
Fixed Assets to Net Worth	1.21	1.21	1.21	1.12
<b>Collection Period</b>				
Inventory Turnover	29.2	29.1	27	30.12
Assets to sales	49.10%	45.20%	45.19%	49.20%
Working Capital/Sales ratio	15.60%	15.43%	15.30%	13%
Accounts payable/Sales ratio	3.10%	3%	2.99%	3.20%
Return on sales	0.20%	6%	8%	2%
Return on assets	0.30%	12.12%	20.21%	2.50%
Return on equity	0.50%	30%	43%	5.30%
Interest Coverage	90%	7.50%	16.40%	1.20%
<b>Income Statement</b>				
Gross sales	100%	100%	100%	100%
Gross profit	59%	60%	65%	55%
Operating income	0.20%	6%	8%	2.20%
<b>Net Profit After Tax</b>				
<b>Balance Sheet</b>				
Cash	13.10%	13.10%	13.10%	13.10%
Accounts receivable	6%	6%	6%	6%
Inventory	2.50%	2.50%	2.50%	2.70%
Total current assets	45.50%	45.50%	45.50%	49%
Total fixed assets	24.90%	24.90%	24.90%	21.20%
Other noncurrent assets	8%	8%	8%	8%
Total assets	100%	100%	100%	100%
Accounts payable	6%	6%	6%	6%
Total current liabilities	0%	0%	0%	15%
Total long term liabilities	39%	39%	39%	39%
<b>Net worth</b>	<b>44.50%</b>	<b>44.50%</b>	<b>44.50%</b>	<b>44.50%</b>



**Weekly Sales Projection**

<b>Weekly Sales Projection</b>			
Estimated square feet 3500			
Avg meal price \$12			
Number of seats 95			
<b>Days</b>		<b>Clients</b>	<b>Amount</b>
<b>Monday</b>	Breakfast		
	Lunch	100	\$1,200
	Dinner	120	\$1,440
	Daily Totals	220	\$2,640
<b>Tuesday</b>	Breakfast		
	Lunch	110	\$1,320
	Dinner	130	\$1,560
	Daily Totals	240	\$2,880
<b>Wednesday</b>	Breakfast		
	Lunch	110	\$1,320
	Dinner	130	\$1,560
	Daily Totals	240	\$2,880
<b>Thursday</b>	Breakfast		
	Lunch	110	\$1,320
	Dinner	130	\$1,560
	Daily Totals	240	\$2,880
<b>Friday</b>	Breakfast		
	Lunch	110	\$1,320
	Dinner	130	\$1,560
	Daily Totals	240	\$2,880
<b>Saturday</b>	Breakfast		
	Lunch	200	\$2,400
	Dinner	220	\$2,640
	Daily Totals	420	\$5,040
<b>Sunday</b>	Breakfast		
	Lunch	220	\$2,640
	Dinner	230	\$2,760
	Daily Totals	450	\$5,400
<b>Weekly Total</b>		<b>2050</b>	<b>\$24,600</b>

SAMPLE