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## SAMPLE BUSINESS PLAN

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# Restaurant

B u t c h e r H o l l o w B a r B Q

1020 Allen Ave.  
St. Louis, MO 63104

Butcher Hollow Bar B Q will be an eat-in, carry-out restaurant, specializing in evening and weekend leisure dining.

This business plan appeared in **Business Plans Handbook, Volume 7**. It has been updated for this volume.

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### EXECUTIVE SUMMARY

Butcher Hollow Bar B Q 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 B Q 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 barbecue 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, Kiel Auditorium, etc. Many look forward to a stop in historic Soulard. Butcher Hollow Bar B Q 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 and 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 barbecue, frosted steins of beer, along with convenient carry out. Relaxed patio dining is also planned for 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 B Q 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 goes a long way to assuring success of a business venture.

Our anticipated capitalization consists of a budget of \$67,500, including \$22,500 owner's equity derived from joint savings of Mr. and Mrs. Carter and another \$45,000 in borrowed capital.

The operating plan provides for proprietor withdrawals of \$1,500 per month for the first 12 months of operations. 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 \$18,000 on sales of \$169,500. 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 \$45,750 on sales of \$219,000 yielding a 38.1% R.O.I.

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## THE COMPANY—PRESENT SITUATION

Butcher Hollow Bar B Q, 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 B Q 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 carry-out. 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 \$22,500 derived from savings. Mrs. Carter will continue on her present employment as Assistant Front Desk Manager at the Crest Downtown Hotel, and will work weekends at Butcher Hollow. Mr. Carter will be full time from start-up and has resigned his employment as food and beverage manager of Holiday Inn Southtown.

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## OBJECTIVES

Butcher Hollow Bar B Q 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 after work 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 for a special lunch on Friday. Featured dishes will be the soon-to-be-famous Butcher Hollow Bar B Q 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 specialty 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.

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## MANAGEMENT

Tom Carter will head the husband and wife team of Tom and Helen Carter, as he devotes full time to the planning, installation, and start-up of Butcher Hollow Bar B Q. Tom, 43, holds an associate BS 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 2005, 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 2013. 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 closing 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 opening and operating Butcher Hollow Bar B Q.

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 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 after 22 years. 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 bring Butcher Hollow Bar B Q on stream. 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 B Q has reached the point of requiring and being able to support her full-time services.

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## PRODUCT DESCRIPTION—THE MENU

Barbecue, of course, is the lead item at Butcher Hollow Bar B Q. The Butcher Hollow Bar B Q 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 B Q people know how to put out production volume without losing any of the delightful, delectable texture and tastes that will bring back the customers, time and time again.

Our plan calls for opening with a fairly limited menu, featuring Bar B Q Ribs, Bar B Q Pork Steaks and Bar B Q 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 Bar B Q sauce on the side.

Another specialty of wide appeal will be our Meat Ball and Spaghetti platter, served with a knock-out 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 B Q 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.

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## PRODUCT DESCRIPTION—THE SETTING

Butcher Hollow Bar B Q will not be served in an ostentatious setting. The Soulard neighborhood lends itself to nice store front 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, hard cider, 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 according to some 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 B Q has identified four distinct target markets which will comprise our customers.

They consist of:

- Primary residential population of the Soulard and Lafayette Square neighborhoods.
- Secondary residential population of the Near South Side and South St. Louis proper sections.
- 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 and egress. 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-home. The 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 B Q.

- 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.

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## MARKET SURVEY

To obtain consumer feedback for our idea, a telemarketing survey was instituted in the fall of 2015 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 was: If there were a good barbecue restaurant in the Soulard neighborhood, would you patronize it either for eat-in or carry-out? 66% 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 time per year
- 10%—about once a year

About 75% indicated a preference for carry-out.

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## 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 B Q. Our primary area consists of some 55,000 households, with a median adult age of 42 years. Approximately 22% have income of over \$70,000, with 36% having income of \$50,000 to \$69,000. Families with median incomes of over \$50,000 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 enroute to 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:



- BJC Healthcare, 24,182
- Boeing, 15,000
- Edward Jones, 5,362
- Monsanto, 4,190
- Nestle Purina, 2,082

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

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## 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 B Q, 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 B Q being both well-known and highly sought by consumers from all over the metro region. McCrary's Bar B Q 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.

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

The closest is a church-sponsored barbecue carryout operation of long standing in the sixty 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 surround-ing air. Butcher Hollow Bar B Q 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 riskier business ventures because of the known high rate of failure of new restaurants. The proprietors of Butcher Hollow Bar B Q 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 owner-operator of a successful restaurant for eight years in St. Louis during which he retired a \$37,500 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 B Q of 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 \$1,500 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 as Assistant Front Desk Manager 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 \$750,000 public and product liability umbrella.

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## MARKETING STRATEGY—ADVERTISING, PROMOTION & PUBLIC RELATIONS

Butcher Hollow Bar B Q 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 \$3 off or a free 24oz. 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 \$13,500 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 online ordering web address 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 will also make use of occasional Comp Cards, which are complimentary lunches when used with an order exceeding X dollars. Included with each carry-out lunch will be a flyer touting Butcher Hollow Bar B Q 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 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 B Q intends to maintain a high profile during both festivities and become a well-established and popular addition to the Soulard scene.

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## PRICE & PROFITABILITY

The price formula to be employed at Butcher Hollow Bar B Q 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 hard cider. 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 B Q is the full slab rib platter, priced at \$19.50 and including two side dishes and bread. Many people will order half slabs at \$11.25 per plate or \$8.25 sandwich. Our other entrees, including half chickens, pork steaks, and Jack Salmon are prices at \$11.25 per platter, or \$8.25 per sandwich. Meat balls and spaghetti with garlic cheese bread will be \$11.25.

Both our Bar B Q 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 \$169,500 with net operating profits of \$18,450. We would find this acceptable in view of the anticipate "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 \$10,055, a very reachable \$2,500 per week.

Profits for the second year are expected to reach \$45,750.

### Butcher Hollow Bar B Q Break-Even Evaluation

Percent cost of goods sold—33.0%

Percent gross profit—67.0%

Monthly overhead—\$6,737

Monthly gross sales to reach breakeven—\$10,055

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## SUMMARY & USE OF FUNDING

In order to bring Butcher Hollow Bar B Q on stream, management has determined that capitalization of \$67,500 will be required. These funds will be allocated as follows:

Equipment & fixtures—\$22,500

Installation and make ready—\$9,000

Advertising & promotion—\$18,000

Deposits and initial start-up costs—\$7,500

Contingency—\$3,000

Operating reserve—\$7,500

Total—\$67,500

Our Business Plan anticipates that capitalization will be funded as follows:

Proprietors—\$22,500

Borrowed capital—\$45,000

Total—\$67,500

The proprietor's 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, 2015.

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## FINANCIAL FORECASTS

### Butcher Hollow Bar BQ Equipment Schedule

	Brand	Model	Capacity/Rating	New/Used	Cost
Gas broiler w/hood & fire suppressor	Star	LBLB4400	6'x3'	Used	1,800
Deep fat fryer	Star	LB300	5 Gal	Used	750
Cooler for meat	Hussman	Economy	1 HP	Used	1,500
Regular refrigerator	GE	Double	1 HP	Used	900
Preparation table	Servco	Door		Used	300
Oven (holding), surface range	Star		6 bmrdbld ovr	Used	900
Commercial microwave	Micron	Z200	5 HP	Used	900
Ice machine	Airman	AS1500	150#	New	2,700
Pot sink	Servco		Double cavity	Used	750
Cash register	Kamatsui	JM5		Used	450
Order wheel				Used	225
Tables, chairs, and booths				Used	3,000
Freezer	Westinghouse		12 cu ft	Used	600
Slicer, meat grinder	Hobart	K40/GR50	1 HP	Used	450
Food processor	Hobart	GH55		Used	675
Dishwasher	Hobart	J500		Used	750
Computer	Macintosh	MacII	4 MB	Used	2,700
Total equipment costs					19,350

# RESTAURANT

	Month One	Month Two	Month Three	Month Four	Month Five	Month Six	Month Seven
<b>Sales</b>							
Sale of food & beverage	9,750	10,385	11,058	11,778	12,543	13,359	14,027
Other sales	450	450	450	450	450	450	450
<b>Total sales</b>	<b>10,200</b>	<b>10,835</b>	<b>11,510</b>	<b>12,228</b>	<b>12,993</b>	<b>13,809</b>	<b>14,477</b>
Cost of sales	3,366	3,575	3,798	4,035	4,287	4,557	4,778
Gross profit	6,834	7,259	7,712	8,193	8,706	9,252	9,699
<b>Operating expenses</b>							
<b>Sales &amp; marketing</b>							
Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Commissions							
Entertainment							
Literature							
Sales promotion	150	150	150	150	150	150	150
Trade shows							
Travel							
Salaries (sales personnel)							
PR taxes & costs, sales							
<b>Total selling cost</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>
<b>General &amp; Administrative</b>							
Accounting	75	75	75	75	75	75	75
Amortization							
Bad debts							
Depreciation	303	303	303	303	303	303	303
Insurance	150	150	150	150	150	150	150
Legal fees	75	75	75	75	75	75	75
Licenses & permits	150	150	150	150	150	150	150
Salaries & wages	2,295	2,403	2,519	2,640	2,771	2,909	3,054
PR taxes & PR costs	276	288	302	317	333	350	366
Taxes (non-income taxes)	75	75	75	75	75	75	75
Office expense	75	75	75	75	75	75	75
Rent	900	900	900	900	900	900	900
Telephone	113	113	113	113	113	113	113
Utilities	600	606	612	618	624	630	638
<b>Total general &amp; administrative cost</b>	<b>5,087</b>	<b>5,214</b>	<b>5,349</b>	<b>5,492</b>	<b>5,643</b>	<b>5,805</b>	<b>5,973</b>
Net income before taxes and Interest	98	395	713	1,050	1,412	1,797	2,076
Interest	375	371	366	360	356	351	345
Net income	(278)	24	347	690	1,056	1,446	1,731

# RESTAURANT

	Month Eight	Month Nine	Month Ten	Month Eleven	Month Twelve	Year One	Percent
<b>Sales</b>							
Sale of food & beverage	14,727	15,464	16,238	17,049	17,901	164,277	97%
Other sales	450	450	450	450	450	5,400	3%
<b>Total sales</b>	<b>15,177</b>	<b>15,914</b>	<b>16,688</b>	<b>17,499</b>	<b>18,351</b>	<b>169,677</b>	
Cost of sales	5,009	5,402	5,507	5,775	6,056	55,994	33%
Gross profit	10,169	10,662	11,181	11,724	12,596	113,684	67%
<b>Operating expenses</b>							
<b>Sales &amp; marketing</b>							
Advertising	1,500	1,500	1,500	1,500	1,500	18,000	
Commissions							
Entertainment							
Literature							
Sales promotion	150	150	150	150	150	1,800	
Trade shows							
Travel							
Salaries (sales personnel)							
PR taxes & costs, sales							
<b>Total selling cost</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>19,800</b>	<b>12%</b>
<b>General &amp; Administrative</b>							
Accounting	75	75	75	75	75	900	
Amortization							
Bad debts							
Depreciation	303	303	303	303	303	3,644	
Insurance	150	150	150	150	150	1,800	
Legal fees	75	75	75	75	75	900	
Licenses & permits	150	150	150	150	150	1,800	
Salaries & wages	3,206	3,365	3,531	3,707	3,890	36,287	
PR taxes & PR costs	384	404	425	446	467	4,355	
Taxes (non-income taxes)	75	75	75	75	75	900	
Office expense	75	75	75	75	75	900	
Rent	900	900	900	900	900	10,800	
Telephone	113	113	113	113	113	1,350	
Utilities	644	650	656	663	669	7,610	
<b>Total general &amp; administrative cost</b>	<b>6,149</b>	<b>6,335</b>	<b>6,528</b>	<b>6,731</b>	<b>6,942</b>	<b>71,244</b>	<b>42%</b>
Net income before taxes and Interest	2,370	2,679	3,003	3,345	3,704	22,640	13%
Interest	341	336	330	326	320	4,172	3%
Net income	2,030	2,343	2,673	3,020	3,384	18,468	11%

<b>Sales</b>	<b>Year 1</b>		<b>Year 2</b>		<b>Year 3</b>	
Sale of food & beverage	164,277		213,560		256,272	
Other sales	5,400		5,940		6,534	
<b>Total sales</b>	<b>169,677</b>		<b>219,500</b>		<b>262,806</b>	
Cost-of-goods-sold	55,994	33%	72,435	33%	86,726	33%
Gross profit	113,684		147,065		176,081	
Selling expense	19,800	12%	7,389	3%	7,796	3%
General & administrative	71,244	42%	75,162	34%	79,296	30%
Net income before taxes & interest	22,640	13%	64,514	29%	88,988	30%
Interest	4,172	3%	3,407	2%	2,561	34%
Income taxes	4,617		15,276		21,608	1.0%
Net income or loss	13,851	8%	45,830	21%	64,821	25%

# RESTAURANT

	Month One	Month Two	Month Three	Month Four	Month Five	Month Six
Beginning cash balance	22,500	14,031	10,442	10,250	10,478	11,153
Cash receipts from sales	6,150	12,452	13,254	14,106	15,008	15,965
<b>Total cash available</b>	<b>28,650</b>	<b>26,483</b>	<b>23,697</b>	<b>24,356</b>	<b>25,487</b>	<b>27,117</b>
<b>Cash disbursements:</b>						
Accounts payable, merchandise		5,412	5,762	6,132	6,525	6,942
Selling costs	468	483	500	516	533	551
General & administrative	1,823	1,833	1,845	1,857	1,869	1,884
Salaries	2,100	2,100	2,100	2,100	2,100	2,100
<b>Total cash disbursements</b>	<b>4,376</b>	<b>9,828</b>	<b>10,205</b>	<b>10,605</b>	<b>11,028</b>	<b>11,477</b>
<b>Net cash from operations</b>	<b>24,260</b>	<b>16,655</b>	<b>13,491</b>	<b>13,751</b>	<b>14,459</b>	<b>15,641</b>
<b>Proceeds of loans</b>						
National bnk, fixtures & equip	22,500					
National bnk, operating line						
<b>Capital infusion</b>						
Additional paid in capital						
<b>Other disbursements</b>						
Proprietor's draw	2,250	2,250	2,250	2,250	2,250	2,250
Debt service	479	479	479	479	479	479
<b>Capital disbursements</b>						
Furniture & fixtures	7,500					
Equipment	15,000					
<b>Inventory purchases</b>	<b>7,500</b>	<b>485</b>	<b>515</b>	<b>545</b>	<b>578</b>	<b>612</b>
Prepaid expense/deposits		3,000				
<b>Net cash balance</b>	<b>14,031</b>	<b>10,442</b>	<b>10,250</b>	<b>10,478</b>	<b>11,153</b>	<b>12,300</b>
	Month Seven	Month Eight	Month Nine	Month Ten	Month Eleven	Month Twelve
Beginning cash balance	12,300	13,980	16,038	18,486	21,339	24,614
Cash receipts from sales	16,832	17,604	18,407	19,241	20,109	21,012
<b>Total cash available</b>	<b>29,132</b>	<b>31,584</b>	<b>34,443</b>	<b>37,727</b>	<b>41,448</b>	<b>45,626</b>
<b>Cash disbursements:</b>						
Accounts payable, merchandise	7,385	7,724	8,076	8,444	8,826	9,224
Selling costs	570	590	611	633	657	587
General & administrative	1,899	1,916	1,934	1,953	1,974	1,997
Salaries	2,100	2,100	2,100	2,100	2,100	2,100
<b>Total cash disbursements</b>	<b>11,952</b>	<b>12,329</b>	<b>12,722</b>	<b>13,130</b>	<b>13,556</b>	<b>13,907</b>
<b>Net cash from operations</b>	<b>17,180</b>	<b>19,256</b>	<b>21,723</b>	<b>24,597</b>	<b>27,893</b>	<b>31,719</b>
<b>Proceeds of loans</b>						
National bnk, fixtures & equip						
National bnk, operating line						
<b>Capital infusion</b>						
Additional paid in capital						
<b>Other disbursements</b>						
Proprietor's draw	2,250	2,250	2,250	2,250	2,250	2,250
Debt service	479	479	479	479	479	479
<b>Capital disbursements</b>						
Furniture & fixtures						
Equipment						
<b>Inventory purchases</b>	<b>471</b>	<b>489</b>	<b>509</b>	<b>530</b>	<b>551</b>	<b>573</b>
Prepaid expense/deposits						
<b>Net cash balance</b>	<b>13,980</b>	<b>16,038</b>	<b>18,486</b>	<b>21,339</b>	<b>24,614</b>	<b>28,419</b>

Assets	Current	Year 1	Year 2	Year 3
<b>Current assets</b>				
Cash and equivalents	15,000	55,419	115,817	187,238
Receivables from sales		10,512	13,140	15,111
Other receivables				
Inventory	7,500	13,355	12,977	14,913
Prepaid expense/deposits		3,000	3,000	3,000
<b>Total current assets</b>	<b>22,500</b>	<b>82,286</b>	<b>144,935</b>	<b>220,262</b>
<b>Fixed assets:</b>				
Equipment & machinery	22,500	22,500	22,500	22,500
Less accumulated depreciation		3,644	7,286	10,929
Net fixed assets	22,500	18,857	15,215	11,571
<b>Total assets</b>	<b>45,000</b>	<b>101,142</b>	<b>160,149</b>	<b>231,834</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade payables		9,636	9,365	10,761
Income tax payable		12,540	18,867	23,403
Short term notes				
<b>Total current liabilities</b>		<b>22,176</b>	<b>28,232</b>	<b>34,164</b>
<b>Long term liabilities</b>				
Notes payable, bank	22,500	18,849	15,197	10,740
Notes payable, others				
Other liabilities				
<b>Total long term liabilities</b>	<b>22,500</b>	<b>18,849</b>	<b>15,197</b>	<b>10,740</b>
<b>Total liabilities</b>	<b>22,500</b>	<b>41,024</b>	<b>43,428</b>	<b>44,904</b>
<b>Proprietor's account</b>				
Owner's equity	22,500	22,500	22,500	22,500
Less withdrawals		37,619	94,220	164,429
Total net worth	22,500	60,119	50,720	186,929
<b>Total net worth and liabilities</b>	<b>45,000</b>	<b>101,142</b>	<b>160,149</b>	<b>231,834</b>
Current ratio		3.7	5.1	6.4
Quick ratio		3.1	4.7	6.0
Debt to equity ratio		0.7	0.4	0.2
Return on investment		1.7	2.5	3.1

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