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**BAR BUSINESS PLAN
(COMPANY NAME)**

**(COMPANY NAME)
(STREET ADDRESS)
(CITY, STATE ZIP CODE)**

(CREATION DATE)

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1.0 Executive Summary

The Neighborhood Bar and Grill (“NB&G”) will be a unique gathering place in the suburbs of Palm Beach County. By providing exemplary service (think of the character Norm from Cheers as he’s warmly greeted each day after work), a vast selection of beer and wines and award winning food in a relaxed comfortable setting, the NB&G will be the premier bar that ‘the locals’ go to in suburban Palm Beach County.

The success of the bar is in its owners – with collectively 30+ years experience in the restaurant and bar industry. They are committed to making this operation a successful one. Employees have been hand selected and share the same views as the owners, that is, keeping the customer happy assures repeat business.

The NB&G has plans to initially capture 2% market share or \$334,000 of the \$16.7 million of the local market by fiscal Year One, and an additional 2.3% and 2.53% for Years Two and Three respectively. The NB&G will accomplish this through a concerted advertising and marketing campaign, reliance on signage and primarily by word of mouth. Located at a major intersection in Palm Beach County, the site is located in a neighborhood retail centered anchored by a Winn Dixie grocery store. With average traffic counts of 42,000 daily, the site was primarily selected because of its location, the local demographics surrounding the site and reasonable rental rates.

The NB&G is leasing 1,400 square feet retail space in the shopping center and paying \$18.00 per square foot annually NNN lease.

The following business plan summarizes the history of the NB&G, where the business currently resides and its future plans for growth.

1.1 Business Objectives

The NB&G will be a newly established bar and grill located in West Palm Beach, Florida. The bar will cater to office workers and tourists during the day, and at night, the bar will cater to local patrons coming home from work for some relaxation. The bar will provide a top notch menu featuring traditional bar fare along with fine food offerings. On weekends the NB&G will feature live music including acoustical guitar and small jazz venues.

The NB&G’s primary goal is capture 2% of the local \$16.7 million bar and nightclub market by the end of calendar year one.

The NB&G plans to generate a profit within the first 24 months of operations and repayment of all financial obligations within the first 5 years of operations.

The bar will accomplish these goals by holding itself apart from competition as a true neighborhood bar, offering a vast selection of beer and wine, by providing fine cuisine in addition to standard bar fare, all in a relaxing environment designed to make patrons return.

1.2 Mission Statement

The NB&G will provide a comfortable place for locals to come and gather for relaxation, striving to be the bar of choice for the locals in the Cresthaven neighborhood and suburban West Palm Beach. The NB&G will be known as the “Cheers Bar” – where everybody knows your name and the business will do this by: providing a relaxed atmosphere encouraging patrons to unwind --specifically targeting professionals between the ages of 30 and 65 making \$50,000 annually. The NB&G is based on the guiding principles that life is to be enjoyed and this is reflected in its vast selection of beverages, its delicious food offerings and the professional team members. The NB&G wants to be synonymous with country singer Toby Keith’s song “*I Love This Bar*”.

1.3 Guiding Principles

The NB&G’s philosophy is simple: enjoy life and treat others as you’d want to be treated. These sound principles apply to all life’s situations, both personal and professional. At the NB&G, these principles are applied to management, employees, customers and suppliers alike.

Life is to be enjoyed! NB&G employees love their jobs and their customers! This is not only reflected in the outstanding service – it is because management personally culls and trains each employee putting them in the position that is ideally suited for them.

Integrity – In the spirit of all great bartenders, treat each customer with utmost respect and professionalism. The NB&G bartenders and wait staff are trained to act professionally in all situations. If a regular patron happens to become disorderly say after a particularly stressful day, the NB&G’s staff is trained to promptly and discreetly order a cab for these individuals. No one wants to work with drunken and disorderly individuals and the patrons do not want to be known as such either.

1.4 Keys to Success

The NB&G’s key to success will be based on:

- Outstanding customer services – the NB&G’s goal is be the place “where everyone knows your name”. All team members are hand selected and love what they what do.
- Customer Satisfaction – By providing a quiet and relaxed environment, where friends can meet and unwind and relax.
- Provide a vast offering of specialty beer and wine offerings – catering to the public’s increased requirement for variety and sophistication in alcoholic beverages.

2.0 Company Description

The NB&G will be a locally owned neighborhood bar equally owned and operated by Ben Davis, Roberta Gary and Danny Zinn. The NB&G is a C-Corporation.

The NB&G will occupy a 1,400 square foot facility located in a neighborhood shopping center known as the Shoppes at Cresthaven. The property address is 2601 South Military Trail.

The NB&G will provide a soft, quiet environment for its patrons. The furnishings are comprised of leather appointed chairs and small booths throughout the bar. These items were obtained at various local auctions and although not entirely matching, lend an eclectic look to the cocktail lounge area. The walls are adorned with a hodgepodge collection of memorabilia from the local area - many donated by Mr. Davis' wine bar patrons including two cigar store Indians, an antique bear claw and 1950's coca cola signs.

The bar will have a small central stage and provide the site for jazz musicians and open mic nights on the weekends.

2.1 Ownership

The NB&G is C-Corporation, owned equally by Ben Davis, Roberta Gary and Danny Zinn.

Mr. Davis has 20+ combined experience years in management and operations. A successful business owner, he currently owns two independent wine bars in West Palm Beach and Boca Raton.

Ms. Gary has 10+ years experience the restaurant and bar industry beginning her career as an Event Coordinator for the Radisson and most she recently managed two nightclubs in exclusive South Beach.

Chef Danny Zinn will oversee the kitchen. He brings to the table 15+ years experience as a formerly trained Culinary Chef. Mr. Zinn and Ms. Gary met while employed at the Radisson.

2.2 Legal Form

The NB&G is a registered C-Corporation, owned equally by Ben Davis, Roberta Gary and Danny Zinn, doing business in the State of Florida.

2.3 Start-Up Summary

Following is a summary of required funds to establish the business:

Tenant improvement costs have been in the form of new heating/air conditioning, electrical, plumbing, painting, carpentry, flooring and smoke detectors.

The owners have spent \$38,262 in furnishing and fixtures including leather chairs and small booths throughout the bar. These items were obtained at various local auctions.

The owners are currently remodeling and retrofitting the space to accommodate both a front and back bar along with stools for customers. The back bar was secured from a

consignment shop and is ornately decorated English walnut, marble and glass. The front bar will be constructed by Mr. Davis' brother-in-law who owns a cabinet company.

Additional out of pocket expenses were rent and security deposits.

The owners are seeking a \$22,000 working capital loan to meet start-up inventory requirements, and licensing requirements. The loan will be secured by UCC filings on all inventories, and accounts receivables.

Further, the owners are seeking a commercial loan in the amount of \$61,000 to purchase kitchen equipment, supplies and bar supplies. The space was formerly a restaurant and the layout is perfect for the proposed kitchen. The commercial loan proceeds will be used to purchase the majority of the kitchen equipment including two stoves and ovens, one walk in refrigerator, a freezer, two microwaves and a deep fryer. The commercial loan will be secured by UCC filings on all furniture fixtures and equipment.

Total starts up costs are \$142,512. To date the owners have contributed \$59,512 or 42% equity in the business. The source of repayment for both loans will primarily be cash flow from the bar and secondary source of repayment will be recourse to the owners. The tertiary form will be disposal of the assets.

2.4 Location and Facilities

The location was a key component for the NB&G. The owners specifically sought this location because the demographics aligned with their target customer.

The 1,400 square foot NB&G will be located in the Shoppes at Cresthaven located at 2601 South Military Trail in West Palm Beach, Florida. Located on the northwest corner of Military Trail and Cresthaven Boulevard, approximately 42,000 cars pass the site daily. The shopping plaza is anchored by a Winn Dixie grocery store. The area surrounding the NB&G is the Cresthaven neighborhood. The NB&G residents live in this neighborhood and surrounding area.

The bar location specifically meets the needs of the owner's patron profile – that is professionals between the ages of 30-65 with incomes greater than \$50,000. The following table briefly summarizes the population in the 3 and 5 mile radius:

DEMOGRAPHIC SUMMARY		
	3-Mile Radius	5-Mile Radius
Postal Count Population	137,665	291,827
Median Age	38.6	38.8
Est. Average Household Income	\$55,092	\$59,083
Est. Median Household Income	\$45,894	\$46,766

3.0 Products

3.1 Products/Services Descriptions

The NB&G will offer a broad and deep variety of specialty beers and wines which will appeal the public's ever changing and increasingly more sophisticated demands for variety in beer and wine. The bar will also offer a full service liquor bar.

Patrons desiring food will not be disappointed by the bar's food offerings either. One of the owners is an award winning chef formerly trained at the Florida Culinary Institute and most recently employed by the Fontainebleau in Miami. Chef Danny Zinn will prepare traditional bar foods such as nachos, potato skins, and calamari, along with the local favorites of fish dip and fried grouper sandwiches. Dining patrons will also enjoy his daily specials including freshly caught Atlantic Snapper and Mahi Mahi.

The kitchen will close at 8 pm, but patrons will still have the option of easily prepared foods, that the bartender can microwave or easily throw into the deep fryer.

On Friday and Saturday nights, the NB&G will provide live entertainment performed by local jazz musicians. A cover charge will be applied to patrons to cover the band expenses. The bands will be responsible for setup and tear down of all equipment.

3.2 Competitive Comparison

Within a five mile radius of the subject are six comparables:

Applebee's Neighborhood Bar and Grill
6706 Forest Hill Blvd
West Palm Beach

Cococabana Bar & Grill
2944 S Jog Rd, Lake Worth Florida
cococabanabg.com

Flanigans Seafood Bar & Grill
2401 10th Ave N, Lake Worth, Florida
www.flanigans.net

Franchie's Bar
3476 2nd Ave N, Lake Worth Road
Lake Worth, Florida

Pit Row
4064 Forest Hill Blvd Ste 8
West Palm Beach Florida
www.unclemicks.com/pitrow

Plush Pony
2028 S Military Trail
West Palm Beach Florida

3.3 Product/Service Sourcing

The key food suppliers for the business will be Sysco Foods and Treasure Coast Food Service. Having two suppliers assures the NB&G exceptional delivery times, and better overall prices.

Restaurant supplies (pots, pans, cutlery, and cooking utensils) will come from Grover Restaurant Supply.

Alcoholic beverages will be purchased from Gold Coast Beverage Distributors and Florida Distributing Company.

The NB&G will utilize a P-O-S (Point of Sale) touch screen system throughout the bar and restaurant area. These monitors and hand held units will provide point of sale menus, inventory control analysis, credit card sales, and office management.

3.4 Inventory Management

The POS system will be instrumental in the NB&G's success. Bartender theft and employee theft can quickly be the financial demise of any business. The POS systems will alert the chef when inventory levels are low and the bar manager when to place his order.

3.5 Warehousing and Fulfillment

N/A

3.6 Future Products/Services

The owners of the NB&G realize the customer is the key to the success of the business and will work continually to improve/enhance the patron experience. Comment cards will be available throughout the bar and management will keenly review these comments, making adjustments as needed. For example, the owners might consider open mic nights, creating a Trivia Night or providing other options as deemed acceptable by the customers.

4.0 Market Analysis

4.1 Industry Analysis

Although people still gather to socialize in bars, just as they have for hundreds of years, other factors have come into play for the industry as well. Problems with driving while intoxicated have changed the drinking patterns of people in United States. The growing concern with health and fitness toward the end of the 20th century took its toll on the bar industry. Keeping tabs on this industry requires a look at the alcoholic beverage industry as a whole--what people buy in the store doesn't differ much from what they buy in a bar. The distilled spirits industry generates around \$100 billion in U.S. economic activity annually. (Distilled Spirits Council)

The US bar and nightclub industry includes about 45,000 establishments (single-location companies and branches of multi-location companies) with combined annual revenue of about \$20 billion. No major companies dominate; varying state liquor laws complicate the ability to form large chains. The industry is highly fragmented: the 50 largest companies account for about 5 percent of revenue. (First Research)

Personal income and entertainment needs drive demand. The profitability of individual companies depends on the ability to drive traffic and develop a loyal clientele. Large companies can offer a wide variety of food, drinks, and entertainment, and have scale advantages in purchasing, financing, and marketing. Small companies can compete effectively by serving a local market, offering unique products or entertainment, or providing superior customer service. The industry is labor-intensive: average annual revenue per worker is about \$60,000. (First Research)

Major sources of revenue include beer (about 35 % of sales), distilled spirits or hard liquor (30 %), food and non-alcoholic beverages (20 %), and wine (7 %). (First Research).

4.1.1 Market Size

The US bar and nightclub industry includes about 45,000 establishments (single-location companies and branches of multi-location companies) with combined annual revenue of about \$20 billion. No major companies dominate; varying state liquor laws complicate the ability to form large chains. The industry is highly

fragmented: the 50 largest companies account for about 5% of revenue. (First Research)

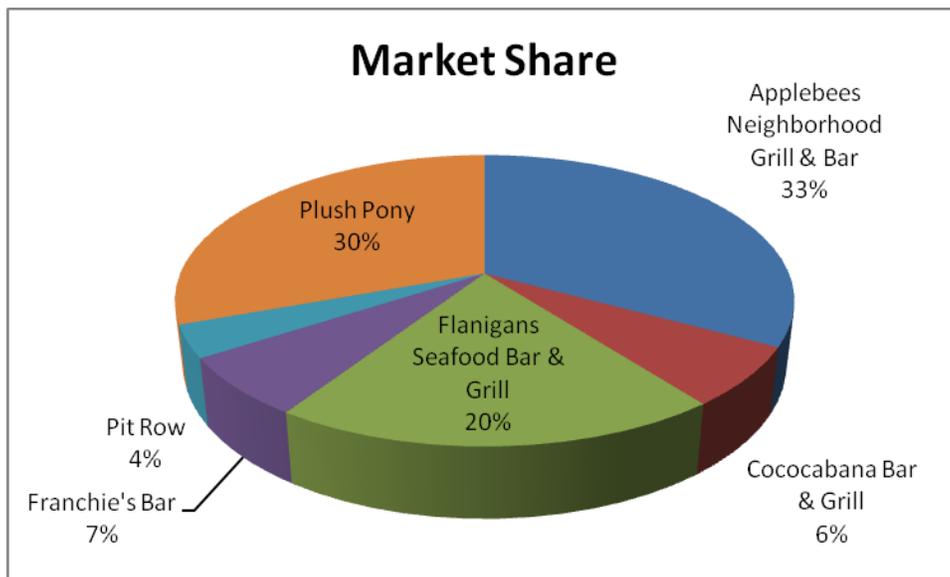
4.1.2 Industry Participants

There are few barriers to entry in the neighborhood bar industry, and the capital costs of starting a new neighborhood bar are low. However, competition among bars and taverns is intense due to the large number of bars in the target market. When combined with a small industry growth rate, market share gains by one bar will be at the expense of others.

Competing for the neighborhood bar are other small neighborhood bars and larger chain restaurants with full service bars. Additional competition for the NB&G are other types of bars, for example, sports bars, pubs, coffeehouses, and wine sellers. The slower economy resulted in some patrons purchasing from grocery stores, package stores and convenience stores.

4.1.3 Main Competitors

A recent analysis revealed six bars/restaurants with bars or a \$16.7 million market as classified under the NAICS (North American Industry Classification System) code 722410 – bars and nightclubs - within a 5 mile radius of the subject. The following is summary of the comparables:



*Applebee's Neighborhood Bar and Grill
6706 Forest Hill Blvd
West Palm Beach*

This 16,500 square foot corporate restaurant and bar was established in 1997. The neighborhood restaurant/bar generates approximately \$5.5 million annually and has 55 employees. The Applebee's target market is not the same as the subject, catering primarily to families and as a restaurant; it will not compete directly with the subject.

Cococabana Bar & Grill
2944 S Jog Rd, Lake Worth Florida
cococabanabg.com

Privately owned, this is 3,300 square foot restaurant/bar with 11 employees and generates approximately \$1.1 million annually in revenues. The restaurant specializes in Dominican food and drinks. With a focus on black beans and rice and mojitos, the theme is quite different from the subject. However, based on its size, its proximity to the subject and its uniqueness, the NB&G will have to work hard to attract these patrons. Word of mouth and its initial marketing campaign will have to convince these patrons that the NB&G's food and beverage offerings are superior to this competitor.

Flanigans Seafood Bar & Grill
2401 10th Ave N, Lake Worth, Florida
www.flanigans.net

Established in 1990, the iconic restaurant and bar is one of twenty-two facilities in the South Florida area. Flannigan's is well known and has a loyal following. The 9,900 square foot bar and restaurant is privately owned and generates \$3.3 million annually. The restaurant and bar has 33 employees. Because of its unique target focus as primarily a restaurant this business, like Applebee's, this is an indirect competitor.

Franchie's Bar
3476 2nd Ave N, Lake Worth Road
Lake Worth, Florida

This freestanding 3,300 square foot bar is privately owned and operated. The bar has 11 employees and generates approximately \$1.1 million annually. The bar has a "C" credit rating and does not provide food. The bar is old (its age unknown as it was not filed publicly) and is generally known in the area as a "dive bar". This bar's clientele do not typically meet the profile of the subject and will not compete directly with the subject.

Pit Row
4064 Forest Hill Blvd Ste 8
West Palm Beach Florida
www.unclemicks.com/pitrow

With a race 'pit' themed bar and menu, Pit Row offers drink specials on NASCAR race days. The neighborhood bar has a sports bar theme. The bar has a pool league and a Texas Hold 'Em

game night. More of a sports bar, the subject will compete indirectly with this competitor. The 1,800 facility is located in a strip center and generates \$600,000 annually. The bar has 6 employees. This neighborhood bar is one of three in Palm Beach County that are privately held by the same owner.

Plush Pony
2028 S Military Trail
West Palm Beach Florida

This 15,300 square foot bar started in 1995 has a tremendous following. Known as a “dive bar”, the Plush Pony has line dancing and country music. With 51 employees and \$5.1 million in annual revenues, this country music bar is an indirect competitor.

4.1.4 Market Segments

- Middle class, ‘white collar’ office workers on their way home from work. These are the patrons that will become the bar’s ‘regulars’, patronizing the bar on their way home from work and stopping for a glass of wine paired with some light appetizers and unwinding prior to heading home.
- Tourists and workers on their lunch hour – the bar is centrally located in Palm Beach County making it an ideal location for both tourists and workers alike.
- Late night and bar crowd seeking “lighter” late night venues – the NB&G will have live jazz music and acoustic guitar on weekends and some weeknights.

The owners of the NB&G are targeting the following individuals for their target market:

- Household income of \$50,000
- Between the ages of 30 and 65
- Gender Demographic (75% Male, 25% Female)
- Lives within a 5 miles radius of the subject location

4.2 Market Tests

The owners specifically targeted this location because of the lack of finer ‘neighborhood bars’ in the suburbs – a bar that is quaint and cozy – but also provides a great option to take out of town guests with finer food and beverage offerings.

While patrons can find similar bars in the trendier downtown and midtown locations, the quieter, smaller bars offering finer foods and jazz venues, are all but overlooked in the suburbs. Experienced in the business, the owners listened to their patrons and created NB&G based on these requested needs.

The local distributors support this business venture as well and based on the area demographics and are anxious tap into this lucrative market.

4.3 Target Market Segment Strategy

The NB&G specifically targets individuals in the local market with incomes greater than \$50,000 desiring a quiet neighborhood bar and grille to relax and unwind. The marketing strategy is designed to target this group.

This target group was selected primarily because of

- the location of the bar and grille,
- the setting is designed to appeal to this target market and
- the current target market does not have any venues comparable to the subject. In fact the closest direct comparables are located eight miles away in downtown – the majority of locals would prefer a spot closer to home.

4.3.1 Market Needs

As the owner of two South Florida wine bars, Mr. Davis was constantly told by his patrons, that while they loved the local taverns, they'd be more interested in trying some finer quality food offerings along with some finer beverage choices, especially when they had guests visiting from out of town.

While still maintaining its image as “the place the locals go”, the owners have added some “class” to this little bar and grille by:

- Offering both traditional bar fare, but also offering selections of daily prepared specials from a chef formally employed by the Fontainebleau and trained at the Florida Culinary Institute
- The bar will provide “light” jazz music and acoustic guitar, filling the vast void in such venues in the ‘burbs’ location.

4.3.2 Market Trends

- Recent market trends focus increasingly on healthier lifestyles. Studies have shown that although consumers are drinking less alcohol, their tastes are becoming more discriminating.
- A greater emphasis on technology (POS) and training (“Star Servers and Bartenders”) resulting in increased productivity and earnings.
- Upgrades in improvements and interior décor – the days of the dimly lit and dark smoky bar rooms are quickly becoming a thing of the past.

The NB&G is designed to embrace these trends. The NB&G will feature a vast assortment of locally crafted and imported beer offerings. The wine selection will be somewhat smaller but just as impressive. Food offerings will consist of standard bar fare along with, finely prepared daily gourmet specials. The owners will rely on POS system for orders, inventory control, accounting functions, time management and other functions. All bartenders will be hand selected and trained to cross sell

appetizers or higher margin items. The NB&G's 'shabby chic' interior is designed to be a comfortable, sociable and enjoyable environment.

4.3.3 Market Growth

Liquor sales and the bar industry overall is demonstrating improving trends. The following is a summary from the February 2012 U.S. Distilled Spirits Council Report:

- Volume / revenue growth at pre-recession levels.
- Revenue up 6.3% to \$20.3 billion
- Volumes up 2.9% to 196 million 9-liter cases
- Growth driven by improving economy/consumer confidence, increase in restaurant sales, stable pricing environment and product innovation
- Improved economy = return of premiumization
- Sales growth has pushed market share to 34.1% of revenue, 33.8% of volume
- Future growth dependent upon state of economy (Industry Review Distilled Spirits Council 02/2012)

4.4 Positioning

The NB&G will position itself as the bar and grille of choice for patrons desiring a comfortable and relaxed bar and grille experience. Designed like its competitor's downtown and midtown, the central location will appeal to suburbanites living in the area who don't care to travel more than a few minutes from home.

5.0 Marketing Strategy and Implementation

The NB&G will position itself as the bar and grille of choice by providing top notch service, offering a vast selection of beverages, and providing both traditional bar fare as well as daily market specials prepared by its culinary chef. The ambience and décor will be comfortable and relaxing and with the benefit of light jazz in the background, the bar and grille will be a one of a kind experience in the suburbs. The owners and staff are constantly aware of patrons changing likes and dislikes and the bar and grille will act quickly to make changes to meet these needs.

5.1 SWOT Analysis

The following information summarizes the SWOT analysis. SWOT stands for strengths, weaknesses, opportunities and threats. A SWOT analysis is a method for strategic planning that evaluates these four elements as they relate to the business objectives.

5.1.1 Strengths

- Relatively easy entry and low capital outlay.
- Committed owners with combined 35 years industry experience.
- The NB&G will be a unique one of a kind experience in its suburban location.

- Targeted, specific focus on its customers creates a memorable experience for its patrons resulting in repeat business.

5.1.2 Weaknesses

- Disorderly patrons can potentially harm both business reputations or cause collateral damage
- Employee theft can make or break a bar business. Management's exclusive use of the POS system mitigates this risk.
- Very specific target market – if the target market was broader the owners could increase market share in the segment that was the strongest.
- High turnover in bar industry – many bars are here today and gone tomorrow

5.1.3 Opportunities

- Opportunity to obtain a share of a \$16.7 million market

5.1.4 Threats

- Another new entrant could potentially hurt market share; competition is fierce

5.2 Strategy Pyramid

Strategy: Be the neighborhood bar and grille of choice

Tactics: Provide exceptional customer service in a relaxed and inviting environment encouraging patrons to return again

Programs: Extensive and ongoing employee training. Employees will be rewarded financially for providing impeccable service with opportunities to benefit in profit sharing.

All staff are hand selected and share the same core beliefs of the owners; everyone will be trained to be keenly aware of patrons and anticipate their needs before the customer does, for example always offering to promptly show them to their table, graciously asking to hang their coats, and bring them their drinks expediently.

5.3 Unique Selling Proposition (USP)

The NB&G will be a small, casual local bar. The bar features a vast selection of hand crafted beers – both local and imported, as well as an impressive wine selection. The bar features traditional pub fare as well as daily specials prepared by a formally trained culinary chef. With its 'lighter' music including live jazz and acoustic guitar performances on weekends and some evenings, the NB&G will be the alternative to its louder more raucous competitors. Although similar bars are located in downtown West Palm Beach, the NB&G is specifically designed to fill the void in the suburbs.

5.4 Competitive Edge

The NB&G specifically caters to its target market and is truly a unique local bar experience. The bar differs in its décor, its extensive beer and wine offerings, culinary choices and music style; the NB&G patrons cannot get this experience in any other bar within a 5 mile radius.

5.5 Marketing Strategy and Positioning

The NB&G is centrally located on the northwest corner of Cresthaven Boulevard and Military Trail. Traffic counts approximate 42,000 daily. In addition to its prime location, the NB&G will rely on:

- Advertising
 - Outdoor Signage
 - Grand Opening
- Word of Mouth

According to the Bob Johnson with Beverage Management Institute in Clearwater, South Carolina, the only cost-effective way to advertise a bar is word-of-mouth. "When you don't have word-of-mouth working for you, you are in serious trouble. It's not necessarily terminal. There are still ways to get some advertising and marketing out there without spending a ton of money. But anytime you reach into your own pocket to buy advertising for a bar, it's not good.

"Word-of-mouth advertising is priceless," he continues. "It means everything is right. Everything is happening. The bar is alive. Your employees love working there. They are talking and saying great things about the place, and that is passed on to your customers. The customers love being there, and they tell other customers. If you can get to that point, it's just priceless."

5.5.1 Positioning Statement

The owners have a combined 35 years industry experience in restaurant and bar management and fully support the operation. The NB&G will provide a vast collection of handcrafted beers and wine, provide jazz music and gourmet food, and will strive to be the premier bar 'where the locals go' in suburban Palm Beach County. The NB&G will go above and beyond the call of duty making patrons come back and tell everyone they know.

5.5.2 Pricing Strategy

The NB&G's pricing will be similar to the competitor's (competition based pricing) initially and management may consider lowering drink prices initially to attract initial patrons. However, near term, when the NB&G captures at least 2% of the local market, management plans to price alcohol and food to be more reflective of acquisition costs.

The menu items are moderately priced. Appetizer range from \$8-\$12, burger plates and wraps range from \$9-\$12 and the daily gourmet plates average \$17.00.

5.5.3 Promotion and Advertising Strategy

The NB&G's primary promotion and advertising strategy will be outdoor street signage and word of mouth. Additionally the bar is planning a grand opening in September, 20XX.

The NB&G will open mid August 20XX with a grand opening scheduled for September 20XX. The early opening date will allow the staff to familiarize themselves with operations and customer interfacing.

In addition, the NB&G will participate in select promotions annually. Once the bar is up and running, management will determine which nights need a boost. Historically, bars are busiest Friday and Saturday nights, with Thursdays coming in third place. The NB&G might decide to create an open mic night say on Tuesdays or Wednesday evenings. In addition, the bar will have promotional events on holidays such as Cinco de Mayo and the 4th of July. Management anticipates profit to equate to 3X the cost of advertising the promotion. In order to maintain the high energy levels during the promotions, all prizes will be awarded at the end of the evening. That way, patrons will have to stay all night to see whether or not they've won the grand prize.

5.5.4 Website

The NB&G will have website featuring the menu items, phone number, hours of operation, events calendar and map. The website will also have links to its Facebook Page.

5.5.5 Marketing Programs

The owners of the NB&G will rely on a combination of customer feedback / sales reports captured from the POS to determine how well the bar is performing. Customer comment cards will be available tableside and guests will have the option to receive discounts on appetizers when the card is submitted. Additionally, the neighborhood market will utilize a local 'mystery shopper' company. All employees will be made aware of the NB&G's commitment to customer service and this additional tool to be used to evaluate employee performance.

5.6 Sales Strategy

The patrons will be warmly greeted immediately upon entering the bar. The objective at the NB&G is to make everyone feel at home and be the place 'where everyone knows your name'. Upon finding a comfortable location either at the bar, a cozy booth, or high top table, patrons will be asked for their drink and food order. Employees will be trained to cross sell high margin items. The NB&G truly values its employees and provides them with the very best training – and therefore the best service. Management believes that this

investment in its employees ensures satisfied customers and in turn repeat business, leading to increased revenues.

The NB&G will be one of the few places that will truly make people happy. The NB&G staff will make sure patrons are comfortable, offer coffee, and hang coats for them. The owner will come to the table or booth and not just ask is everything okay, but is going to look to see what's wrong before he/she even comes to the table. Employees will offer samples from the menu at no charge, and make fresh coffee because they know it's been sitting out for a while.

At the NB&G, the staff goes above and beyond the call of duty which makes patrons come back and tell everyone they know.

5.6.1 Sales Forecast

The following table demonstrates the annual sales forecast:

Table 5.6.1 Annual Sales Forecast

Annual Sales Forecast	Year 1	Year 2	Year 3
Average Drink	\$245,000	\$269,500	\$296,480
Average Appetizer	\$70,000	\$77,000	\$84,710
Average Meal	\$35,000	\$38,500	\$42,380
Total Income	\$350,000	\$385,000	\$423,570
Cost of Sales			
Average Drink	\$137,688	\$158,239	\$174,080
Average Appetizer	\$28,000	\$30,800	\$33,884
Average Meal	\$10,500	\$11,550	\$12,714
Total Cost of Sales	\$176,188	\$200,589	\$220,678
Gross Margin	\$173,812	\$184,411	\$202,892

5.6.2 Sales Programs

The NB&G employees will be the primary salespeople and will participate daily in the tip pool. Employees will participate in ongoing training and be compensated for their accomplishments as well. The NB&G has a strong belief that the bar only performs as well its employees.

5.7 Legal

The NB&G will be a C Corporation recognized in the State of Florida. The bar is currently in the process of obtaining the following licenses: liquor liability license, food service license, sales tax license, and entertainment permit.

5.8 Milestones

The following milestones will guide the NB&G to meet its goals:

Table 5.8 Milestones

Milestone	Date
Secure space and negotiate lease terms	July 20XX
Complete Retrofit and Build-Out	July 20XX
Furnish restaurant and bar area	July 20XX
Obtain and meet necessary licensing requirements	Aug 20XX
Purchase inventory, kitchen equipment and POS system	Aug 20XX
Interview and hire employees	Aug 20XX
Grand Opening	Sep 20XX
Hire accountant when revenues exceed \$500,000	Year Four

5.9 Exit Strategy

In the event that sales drop more than 5% for more than four consecutive quarters, the bar will have to liquidate. After employee's compensation, furniture, and equipment will be sold at auction to repay lenders.

6.0 Organization and Management

The following information provides the organizational components germane to the NB&G.

6.1 Organizational Structure

The NB&G will be owned equally by Ben Davis, Roberta Gary and Danny Zinn each with 33.3% ownership interest.

General duties will include review of daily operations, inventory control, employee training, employee hiring and firing, ordering supplies, and routine maintenance and upkeep of the bar, equipment and facilities management.

Danny Zinn will be head chef and oversee the day kitchen staff personnel, including 1 line and 1 prep cook.

The owners will also hire wait staff and bartenders.

All full time employees will be compensated with benefits including health insurance and education and training. They will have an opportunity to participate in profit sharing.

6.2 Management Team

Mr. Davis, a graduate of Florida Atlantic University left the corporate world of Pratt and Whitney behind over ten years ago to establish two neighborhood-based, independently owned wine bars. These gathering places showcase fine wines with exemplary food offerings. Mr. Davis has over a decade of experience in management, project development, and marketing providing the foundation for his business operations, including site selection, rehabilitation and construction and investor financing. In addition to overseeing the day to day operations (“back end”), Mr. Davis fully enjoys the "front end" of the business as well, by interacting with customers to ensure their experience is constantly improving.

Ms. Roberta Gary brings over ten years business and nightclub experience. A Florida native with a Masters of Business Administration from the University of Florida, Ms. Gary began her career as an Event Coordinator for the Radisson, and then moved to Miami to act as nightclub manager for two South Beach bars. Ms. Gray is a keen talent scout and will screen local acts for live performances.

Chef Danny Zinn was formally trained at the Florida Culinary Institute and has over fifteen years’ experience in the restaurant industry. Most recently he was employed at Miami’s famous Fontainebleau. Mr. Zinn will prepare traditional both traditional bar fare along with local specialties such as fresh Atlantic Grouper and Mahi Mahi. Mr. Zinn, a colleague of Ms. Gary, met her while they were both employed at the Radisson.

6.3 Management Team Gaps

Until the NB&G reaches \$500,000 in annual revenues, they will utilize a part time bookkeeper to assist in payroll and income tax preparation (Reference legal and accounting line item on income statement).

6.4 Personnel Plan

The following chart shows employee salaries over the next three year period:

Table 6.4 Personnel Plan

Position	Year 1	Year 2	Year 3
Bartender Number One	11,520	11,520	11,520
Bartender Number Two	11,520	11,520	11,520
Line Cook	19,200	19,200	19,200
Prep Cook	19,200	19,200	19,200
Waitress Number One	5,760	5,760	5,760
Waitress Number Two	5,760	5,760	5,760
Total Personnel Costs	72,960	72,960	72,960

*While the salaries appear low, these employees all benefit from the daily tip pool. Average take home pay is \$60,000 and compares favorably with industry peers.

6.5 Board of Directors

N/A

7.0 Financial Plan

The financial plan will cover the following:

- Required Cost of Start-Up
- Profit and Loss
- Cash Flow
- Balance Sheet
- Financial Ratios

7.1 Important Assumptions

- All 6 employees will be hired from day one of operations (the analysis does not assume employee growth during the initial three years of operations)
- Zero growth in employees' salaries over the first three years, then after initial three years, employees will have opportunity for profit sharing.
- Management salaries remain constant as well - \$7,500 monthly over the initial three years of operations
- Average drink sales price: \$5.45
- Average appetizer sales price: \$10.00
- Average meal sales price: \$12.00
- Annual sales allow economic cyclical.

7.2 Start-Up Costs

Tenant (leasehold) improvement costs consist of new heating/air conditioning, electrical, plumbing, and painting, carpentry, flooring and smoke detectors.

Equipment consists of two stoves and ovens, one walk in refrigerator, a freezer, two microwaves and a deep fryer.

Furniture and fixtures consist of leather chairs, stools and small booths along with a front and back bar. The back bar was secured from a consignment shop. The front bar will be constructed by Mr. Davis' brother-in-law who owns a cabinet company.

To date, the owners have invested almost \$60,000 out of pocket (42% equity) to meet these startup costs including payment of rent and security deposit.

The owners are seeking a \$22,000 working capital loan to meet start-up inventory requirements and, licensing requirements. The loan will be secured by UCC filings on all inventories and receivables.

They are seeking a commercial loan in the amount of \$61,000 to purchase kitchen equipment, supplies and bar supplies.

Total start up costs a\$142,512.

Table 7.2 Start-Up Costs

Start-Up Expenses	Amount
Operating Capital	\$ -
Salaries and Wages	\$ 6,080
Insurance Premiums	\$ 450
Beginning Inventory	\$ 22,000
Legal and Accounting Fees	\$ 675
Rent Deposits	\$ 3,250
Utility Deposits	\$ 150
Supplies	\$ -
Advertising and Promotions	\$ 1,000
Licences	\$ 35,000
Other Initial Costs	\$ 12,907
Working Capital (cash on hand)	\$ -
Total Start-Up Expenses	\$81,512
Start-Up Assets	
Real Estate	\$ -
Buildings	\$ -
Leasehold Improvements	\$ 18,000
Equipment	\$ 43,000
Furniture and Fixtures	\$ -
Vehicles	\$ -
Other Fixed Assets	\$ -
Total Start-Up Assets	\$61,000
Total Required Start-Up Costs	\$142,512

7.3 Source and Use of Funds

The following table demonstrates the proposed sources and uses of funds: To date the owners have contributed approximately \$60,000 or 40% of the total cost to start the business.

Table 7.3 Source and Use of Funds

Source and Use of Funds		Column2
Sources of Funds		
Owner's Injection	\$	59,512
Commerical Loan	\$	61,000
Commerical Mortgage	\$	-
Inventory and Working Capital Loan		22,000
Total Source of Funds		\$ 142,512
Use of Funds		
Fixed Assets	\$	61,000
Operating Capital	\$	81,512
Total Use of Funds		\$ 142,512

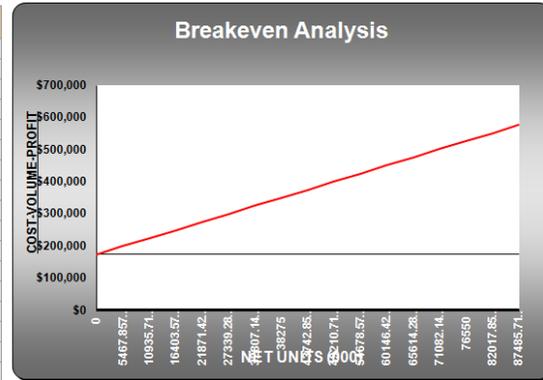
7.4 Break-Even Analysis

Total fixed costs are estimated to be \$174,026. The variable cost (overhead) is estimated to be \$4.60 per unit. Units are assumed to be: the combined average of: the average drink, the average appetizer, and the average meal. Based on the assumption of \$9.15 as the average sales price per unit, the breakeven revenue then is \$350,214 or 38,275 units. This is further depicted in the Table Below and the Graph that follow:

Table 7.4 Break-Even Analysis
BREAK-EVEN ANALYSIS

FIXED COST	\$ 174,026.11
VARIABLE COST	\$ 4.60
NUMBER OF UNITS	5,468
UNIT PRICE	

NET UNITS	NET REVENUE	FIXED COST	VARIABLE COST	TOTAL COST	TOTAL PROFIT
0	\$0	\$174,026	\$0	\$174,026	-\$174,026
5468	\$0	\$174,026	\$25,170	\$199,196	-\$199,196
10936	\$0	\$174,026	\$50,339	\$224,366	-\$224,366
16404	\$0	\$174,026	\$75,509	\$249,535	-\$249,535
21871	\$0	\$174,026	\$100,679	\$274,705	-\$274,705
27339	\$0	\$174,026	\$125,849	\$299,875	-\$299,875
32807	\$0	\$174,026	\$151,018	\$325,044	-\$325,044
38275	\$0	\$174,026	\$176,188	\$350,214	-\$350,214
43743	\$0	\$174,026	\$201,358	\$375,384	-\$375,384
49211	\$0	\$174,026	\$226,527	\$400,554	-\$400,554
54679	\$0	\$174,026	\$251,697	\$425,723	-\$425,723
60146	\$0	\$174,026	\$276,867	\$450,893	-\$450,893
65614	\$0	\$174,026	\$302,037	\$476,063	-\$476,063
71082	\$0	\$174,026	\$327,206	\$501,232	-\$501,232
76550	\$0	\$174,026	\$352,376	\$526,402	-\$526,402
82018	\$0	\$174,026	\$377,546	\$551,572	-\$551,572
87486	\$0	\$174,026	\$402,715	\$576,742	-\$576,742


7.4.1 Projected Profit and Loss

The NB&G's estimated profit and loss for the initial three years of operations is reflected below:

Table 7.5.1 Pro Forma Profit and Loss

Pro Forma Profit and Loss	Year 1	Year 2	Year 3
Income			
Average Drink	\$245,000	\$269,500	\$296,480
Average Appetizer	\$70,000	\$77,000	\$84,710
Average Meal	\$35,000	\$38,500	\$42,380
Total Income	\$350,000	\$385,000	\$423,570
Cost of Sales			
Average Drink	\$137,688	\$158,239	\$174,080
Average Appetizer	\$28,000	\$30,800	\$33,884
Average Meal	\$10,500	\$11,550	\$12,714
Total Cost of Sales	\$176,188	\$200,589	\$220,678
Gross Margin	\$173,812	\$184,411	\$202,892
Expenses			
Salaries and Wages			
Owners Compensation	\$86,250	\$90,000	\$90,000
Salaries	\$69,920	\$72,960	\$72,960
Social Security	(\$6,502)	(\$6,502)	(\$6,502)
Medicare	(\$2,245)	(\$2,245)	(\$2,245)
Federal Unemployment Tax	(\$32,655)	(\$34,074)	(\$32,655)
State Unemployment Tax	(\$1,178)	(\$1,178)	(\$1,178)
Workers Compensation	(\$960)	(\$960)	(\$960)
Employee Benefit Programs	(\$6,900)	(\$6,900)	(\$6,900)
Total Salaries and Wages	\$105,732	\$111,102	\$112,522
Business Expenses			
Advertising	\$4,400	\$4,800	\$4,800
Car and Truck Expense	\$0	\$0	\$0
Credit Card Charges	\$0	\$0	\$0
Insurance	\$12,000	\$12,000	\$12,000
Legal and Accounting	\$600	\$600	\$600
Office Expenses	\$1,100	\$1,100	\$1,100
Postage and Shipping	\$0	\$0	\$0
Rent on Business Property	\$25,200	\$25,200	\$25,200
Rent on Equipment	\$0	\$0	\$0
Repairs	\$2,200	\$2,400	\$2,400
Supplies	\$0	\$0	\$0
Telephone	\$1,200	\$1,200	\$1,200
Travel	\$0	\$0	\$0
Utilities	\$3,600	\$3,600	\$3,600
Miscellaneous Expenses	\$4,400	\$4,400	\$4,400
Amortized Start-Up Expenses	\$0	\$0	\$0
Depreciation	\$8,714	\$8,714	\$8,714
Total Business Expenses	\$63,414	\$64,014	\$64,014
Less Interest Expense			
Commerical Loan	\$3,509	\$2,819	\$2,084
Commerical Mortgage	-	\$0	-
Inventory and Working Capital Loa	\$1,372	\$861	\$312
Total Interest Expense	\$4,880	\$3,680	\$2,397
Net Operating Income	(\$214)	\$5,616	\$23,960
Less Income Taxes	\$0	\$0	\$0
Net Profit (Loss)	(\$214)	\$5,616	\$23,960

7.4.2 Projected Cash Flow

The statement of cash flow shows the incoming and outgoing cash of the business.

Table 7.5.2 Pro Forma Cash Flow

Pro Forma Cash Flow	Year 1	Year 2	Year 3
Beginning Cash Balance	\$0	(\$7,388)	\$30,553
Cash Inflows			
Income from Sales	\$350,000	\$385,000	\$423,570
Accounts Receivables	-	-	-
Total Inflows	\$350,000	\$385,000	\$423,570
Total Cash Outflows	\$357,388	\$347,059	\$410,918
Operating Cash Balance	(\$7,388)	\$30,553	\$43,205

7.4.3 Projected Balance Sheet

The following chart depicts the proforma balance sheet:

Table 7.5.3 Pro Forma Balance Sheet

Proforma Balance Sheet	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	(\$7,388)	\$30,553	\$43,205
Accounts Receivable	\$0	\$0	\$0
Inventory	\$22,000	\$22,000	\$22,000
Prepaid Expenses	\$40,525	\$40,525	\$40,525
Other Current	\$12,907	\$12,907	\$12,907
Total Current Assets	\$68,044	\$105,985	\$118,637
Fixed Assets			
Improvements	\$18,000	\$18,000	\$18,000
Furniture and Fixtures	\$0	\$0	\$0
Equipment	\$43,000	\$43,000	\$43,000
Real Estate	\$0	\$0	\$0
Buildings	\$0	\$0	\$0
Other Fixed	\$0	\$0	\$0
Total Fixed Assets	\$61,000	\$61,000	\$61,000
Less Accumulated Depreciation	\$8,714	\$17,429	\$26,143
Total Assets	\$120,329	\$149,556	\$153,494
Liabilities and Owner's Equity			
Accounts Payable	\$0	\$0	\$0
Notes Payable	\$50,272	\$38,854	\$26,701
Mortgage Payable	\$0	\$0	\$0
Inventory and Working Capital	\$15,190	\$7,869	(\$0)
Total Liabilities	\$65,462	\$46,723	\$26,701
Owner's Equity			
Common Stock	\$59,512	\$59,512	\$59,512
Retained Earnings	(\$4,644)	\$43,322	67,282
Total Owner's Equity	\$54,868	\$102,834	\$126,794
Total Liabilities and Owner's Equity	\$120,329	\$149,556	\$153,494

7.5 Business Ratios

The following ratios are based on the Standard Industrial Classification (SIC) code 5183 and the North American Industry Classification System (NAICS) code 722410 – bars and nightclubs. The ratio analysis compares the subject to industry peers based on similar asset size and revenues.

Table 7.6 Ratio Analysis

Ratio Analysis	Year 1	Year 2	Year 3	Industry Profile
Financial Ratios				
Quick Ratio	-0.15	0.79	1.62	0.7
Current Ratio	1.35	2.73	4.44	1.6
Current Liabilities to Net Worth	0.13	0.08	0.00	2.92
Current Liabilities to Inventory	0.69	0.36	0.00	3.06
Total Liabilities to Net Worth	1.19	0.45	0.21	4.10
Fixed Assets to Net Worth	1.11	0.59	0.48	4.76
Collection Period	0.00	0.00	0.00	0
Inventory Turnover	8.01	9.12	10.03	18.6
Sales to Total Assets	2.91	2.57	2.76	3.3
Sales to Working Capital	5.14	3.63	3.57	59.7
Accounts Payable to Sales	0	0	0	0.054
Return on Assets	0.01	0.04	0.16	9.6
Return on Equity	0.03	0.05	0.19	30.800
Interest Coverage	1.29	2.53	11.00	1.50
Income Statement				
Net Sales	100%	100%	100%	100%
Gross Profit	49.66%	47.90%	47.90%	53.5%
Operating Income	0.41%	1.46%	5.66%	5.00%
Net Profit Before Tax	0.41%	1.46%	5.66%	4.10%
Balance Sheet				
Cash	-6.14%	20.43%	28.15%	15.70%
Accounts Receivable	0.00%	0.00%	0.00%	0.40%
Inventory	18.28%	14.71%	14.33%	10.10%
Total Current Assets	56.55%	70.87%	77.29%	27.50%
Total Fixed Assets	50.69%	40.79%	39.74%	50.50%
Other Non-Current Assets	0.00%	0.00%	0.00%	8.60%
Total Assets	100%	100%	100%	100%
Accounts Payable	0.00%	0.00%	0.00%	5.40%
Total Current Liabilities	12.62%	5.26%	0.00%	30.90%
Total Long Term Liabilities	54.40%	31.24%	17.40%	58.40%
Net Worth	45.60%	68.76%	82.60%	10.60%



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Bar Business Plan Template

This business plan template can be downloaded at:

<http://www.fastbusinessplans.com/business-plan-template.html>

Free sample business plans are available at:

<http://www.fastbusinessplans.com/sample-business-plans.html>.

Many articles to assist in guiding you through the writing of your business plan are available at:

<http://www.fastbusinessplans.com/business-plan-guide.html>