**Restaurant Business Plan**

**Executive Summary**

On the Water is a new Mediterranean restaurant on the Sunset Strip. On the Water will target both fun-seeking as well as sophisticated diners looking for good food in a fascinating atmosphere. On the Water will seek to earn 85% gross margins through an innovative setting, a wonderful menu, and an experienced restaurateur.

**The Market**

On the Water will be targeting locals and tourists who are active restaurant seekers. There will be a special focus on young adults with $15K-$60K of income looking for good food and a great time. In addition to the young adults with money to spend, On the Water will also be targeting adults and tourists known to frequent Sunset Blvd. The general demographics are males and females ages 20-50 with some or all of a college education. In addition to local Hollywood area people, On the Water will also serve party animals from neighboring cities and tourists.

Historically, if there is a dip in the general economy, the restaurant industry is usually effected far less that the overall economy. To some degree this is because of people’s perception that food, regardless whether it is from the grocery or a restaurant is a fundamental necessity of life and spend accordingly.

**The Service and Products**

One thing that is always consistent with On the Water is their impeccable service. All server staff hired have extensive experience and all go through three weeks of training, ensuring benchmarked customer service. On the Water’s services are all delivered in their extraordinary atmosphere which includes a comprehensive art and culture collection from Mediterranean Europe. This provides an authentic surrounding that at times seems to distract everyone as they analyze the wealth of artifacts on display.

The menu is Lily Valdivia’s pride. It is a culmination of over 20 years of cooking. The menu contains traditional favorites such as hummus, baba ganouj, and tabouli. These favorites are differentiated through the use of the freshest organic ingredients. Most people are not aware of how much better the items taste when they are prepared with the freshest ingredients and made with love. Other menu items are kebobs, chutneys, flat breads and desserts. Everything is fresh, homemade, and prepared daily.

**Management**

The restaurant is led by Lily Valdivia, an industry veteran. Her restaurant experience began 12 years ago as a server. She quickly moved up to fine dining serving where she perfected her formal, customer-centric serving approach. For the last five years Lily has been the manager at a European restaurant with over $2.5 million in annual sales. As mentioned earlier, Lily started cooking 20 years ago as a child in Greece. Lily came from a large family and it quickly became her responsibility to cook for the entire family. Her mother, who had three generations of traditional recipes, trained her. Lily quickly mastered these and began experimenting with her own dishes. The feedback from her family was always very positive. She knew one day she would have to parlay this skill into a business opportunity.

On the Water is forecasted to reach profitability by month two. Sales are forecasted to reach $1,785,000 by year two and grow to $2,345,000 by year three. We forecast a high net profit on these sales.

**1.1 Objectives**

Sales increasing to more than $2,345,000 by the third year.

Keeping gross margin at approximately 80%.

Improve inventory turnover to two-hundred turns next year in year two, and to 240 in year three.

**1.2 Mission**

On The Water is a business that envelopes fine dining of unique mediterranean taste and an excellent bar and grill atmosphere. The mission is not only to have great tasting food, but have efficient and friendly service. Our dining environment is not only welcoming and sophisticated, it is unique in design, with walls on almost all sides that are constantly wet with running water and a lush jungle ceiling that will hang from above. We concentrate on customer satisfaction and quality food that is always fresh and specially selected. We will not judge a customer on class or dress. We want the On The Water grill to be place people can enjoy a good meal and meet new friends at our tropical Mediterranean Honey bar located inside the restaurant.

Company Summary

On The Water creates and serves a wild atmosphere for dining and eloquent mediterranean feasts for people who love the restaurant and bar scene, as well as a good time spent out on the town. Its customers are creative, fun-seeking, and sophisticated diners who wish to be best served by the restaurant they choose.

2.1 Company Ownership

On The Water is a sole-proprietorship business owned in majority by its founder and president Lily Valdivia. The business employs the owner, one investor and eight employees.

2.2 Start-up Summary

Our start-up expenses come to $61,450 which is mostly expensed equipment, rent, and legal and consulting costs associated with opening our first restaurant. We also require $69,000 of start-up assets, which includes $22,000 cash and $45,000 of long-term assets. The start-up costs are to be financed some by direct owner investment, as well as with the help of a major investor.

Products and Services

On The Water provides delicious mediterranean cuisine, with friendly, efficient service and atmosphere. We are especially focused on providing a unique environment for people to dine and meet. We have a full Mediterranean Honey bar for young adults and adults to enjoy drinks and music. We also provide the value of flawless and creative staff at a “hip” location located on Sunset Strip with valet included.

Market Analysis Summary

On The Water focuses on local and tourist active restaurant seekers, with special focus on young adults with a $20-30,000/year income and a desire for good food and a fascinating atmosphere as our target market.

4.1 Market Segmentation

Our target market segmentation is divided between young restaurant seekers with money to spend, as well as other adults and tourists who are known to frequent Sunset Blvd. for recreational enjoyment. Defining the high-end crowd is difficult because most of Sunset Strip goers are such.

We generally know the characteristics of our clientele with our available demographics of the area, our personal crowd would consist of young adults (ages 20-29) and adults (ages 30-50), both male and female, usually at least one year of college if not already fully graduated. Our geographics include people from the local Hollywood area, party animals from other neighboring cities, and tourists from other states and countries. The psychographics of our clientele include “yuppies, big spenders, club hoppers, baby boomers, Sunset rats, etc…” The buying patterns of our clientele will be people who like to spend money on pampering themselves, on quality food, feeling special, projecting an image of wealth, trying new things, and thrill seeking.

4.2 Target Market Segment Strategy

On The Water will focus on attracting young adults and adults ages 20-55, with an annual income of at least $15,000 to $60,000. We will concentrate on the high-end spenders who enjoy new restaurants, eating out, a fun atmosphere, and high-end food and service. We want the yuppies, baby boomers, high-end clubbers, tourists with money, wealthy image seekers and compulsive spenders. We focus on these specific groups because these are the types of people who frequent other clubs and restaurants like ours on Sunset Blvd. They are the ones that are willing to spend their money on good dining and service at high prices.

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