

12-2009

# Bone Rattlers Bar & Grill business plan

Lovedy Ann Zie Carroll  
*University of Nevada, Las Vegas*

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Bone Rattlers Bar & Grill Business Plan

by

Lovedy Ann Zie Carroll  
Bachelor of Arts, Communication Studies  
Sonoma State University  
1998

A professional paper in partial fulfillment of the requirements for the

Master of Hospitality Administration  
William F. Harrah College of Hotel Administration

Graduate College  
University of Nevada, Las Vegas  
December 2009

## ABSTRACT

Bone Rattlers Bar & Grill Business Plan

by

Lovedy Zie Carroll

Dr. Clark Kincaid, Committee Chair

Associate Professor of Hospitality Administration, Tourism and Convention Department

University of Nevada, Las Vegas

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## **Acknowledgements**

The author first thanks her father, a restaurateur himself, for his encouragement and feedback regarding the design of the business. The author first thanks her husband for his encouragement and financial support to finish graduate school and through the process of writing this project. A special thank you goes to Carrie Schriver from creating the initial Bone Rattlers logo concept. Also a grateful thank you is given to Doctors Pearl Brewer and Clark Kincaid for encouraging the author's work on an independent master's project rather than the traditional route of study.

## **Introduction**

Independent restaurants are important in communities. Not only can restaurants provide the basic need of an enjoyable meal but restaurants also serve as gathering places for social and recreational purposes. People can celebrate special occasions, spend time with family or friends, and/or enjoy the atmosphere at restaurants. A restaurateur must have a solid business plan and understanding of what it means to run a restaurant business in both strong and weak economies. Lack of job security has many Americans leaving the corporate world to start their own businesses and make their own future (Cohn, 2009). According to the U.S. Small Business Administration, seven out of ten of these new employer firms however last only at least years and roughly half survive five years. These grim statistics prove that in any business, preparation and research are a necessity before embarking into a business venture.

The successful restaurateur must know the product, its packaging and the servicescape (which includes the atmosphere, layout and service features to all be harmonious to foster a positive customer experience). An understanding of the city or community demographic, the future anticipated growth of the city and business demand, and the general “feel” or “attitude” of the city is important for a restaurateur looking to open an establishment. A restaurateur should prepare a strategic business plan that includes an operational analysis and overall financial assessment guide; one that can be revisited continually (SCORE, 2009).

The author began her original business plan with a considered location along the Hwy 76. After receiving some information from her mentor, she investigated and discovered that highways renovations are scheduled and continue for four years (Downey, 2009). These highway renovations will significantly impact any businesses along the Hwy 76. A restaurant (a business similar to the author’s own) called “Hell’s Kitchen,” has been severely effected highway

renovations and has profound negative financial impact on the motorsports restaurant (Emery, 2008). This discovery is an example that a restaurateur needs to investigate and analyze the location and how future development may impact the business.

As a long time San Diego County and Oceanside resident, this project's author, Lovedy Zie Carroll, has worked in the hospitality industry for 11 years and comes from a family of restaurateurs as well. It is her goal to one day open a business in her hometown. From the author's observation, the city has grown over the past twenty years, with a development being on a strong tourism base, particularly along the coast (City of Oceanside website, 2009). Although she understands the business side of operations and the need for profit, the project's author is more excited by the opportunity to grow a business, see it come to fruition and be embraced by customers.

When on vacation in June of 2008 in Virginia Beach (a tourist destination for the Virginia area), the author and her husband drove by a bar called Bone Shakers Saloon<sup>1</sup>. The saloon is located on a major street with lots of traffic. Every time they drove by, this saloon's parking lot was packed with motorcycles, particularly some of the most expensive motorcycles. Thinking upon the notion of the popularity this type of restaurant and the general good weather year round in Oceanside<sup>2</sup>, it got the author thinking on opening a bar and grill on the West Coast. Popular movies such as Wild Hogs and Ghost Rider and television shows like American Chopper and Orange County Chopper have changed the image of motorcycling in contemporary America. Motorcycle riders have more disposable income than other individuals (Reuters, 2009). A 2008 motorcycle owners survey conducted by the Motorcycle Industry Council found that motorcycles are becoming more mainstream and becoming more accepted by Americans

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<sup>1</sup> The restaurant's website touts the Saloon as the "best damn biker bar on the East Coast - no bones about it!"

<sup>2</sup> Oceanside has the 5<sup>th</sup> most desirable climate in the world (Oceanside Chamber of Commerce website, 2009).

(Reuters, 2009). The restaurant's theme is a reflection of the popularity of the open road, whether one rides a motorcycle or cruises it in a kickin' car. As a restaurateur, it will be the author's significant personal achievement to open her own Bone Rattlers Bar & Grill in Oceanside.

Oceanside is a growing seaside community. Unlike the other beach cities around it, Oceanside has true "beach city" feel like that Venice or Manhattan Beach in Los Angeles County; unlike the posh areas of Carlsbad, Del Mar, and Solana Beach. Oceanside has a humble, down-to-earth feel. Perhaps it is the military base nearby or it is the least expensive of the beach cities to reside in that gives Oceanside its character. In the City of Oceanside, there are currently 5,913 Businesses, with 2,778 of those businesses being Brick-and-Mortar businesses (City of Oceanside website).<sup>3</sup> Information from a 2009 study on Oceanside's California Welcome Center helped to provide the City of Oceanside Chamber of Commerce with the goal of "... creating and building an image for Oceanside as a classic California beach town, without the high-rise condos and dense development that mark some other coastal towns" (Rowe, 2009). Residents are predominately middle working class. Many north county residents commute to San Diego daily or even Orange County and Los Angeles for work.

## **Purpose**

This paper is comprised of a literature review on the nature of restaurant ownership, in relation to the importance of the business plan, and then is followed by the author's business plan for "Bone Rattler's Bar & Grill." The business plan will be a comprehensive guide for a bar and grill restaurant in the north county San Diego area with the restaurant's primary theme being

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<sup>3</sup> Brick-and-Mortar businesses are those businesses with a commercial storefront or operation; not internet or home-based businesses.

motorcycle and car enthusiasm on the California coast. This business plan will include a detailed plan for the 1). Description of the business, 2). Marketing, 3). Management. and 4). Finance.

### **Constraints**

The constraint to this project is the financial data. Essentially the financial data is based on rough estimates. Variables such as space available for lease, food costs and initial start-up costs have been estimated to come as close to possible to realistic expenses. Start-up costs have been estimated though to generate initial run costs.

### **Literature Review**

#### *Introduction*

The restaurant industry is primarily made up of independent restaurants (Kim, Dalbor, & Feinstein, 2007) and approximately 26% of restaurant ventures fail within the first year of operation (Parsa, Self, Nijte, & King, 2005). In 2008 627,200 new employer firms began operations in, and 595,600 firms closed that year (Small Business Administration's Office of Advocacy, 2009). This saddening statistic is proof a restaurateur must prepare for success and examine all aspects of the business. From finance to operations, restaurateurs face daily the challenges to managing and operating their businesses; weathering the up and downs of entrepreneurship can be an emotional, physical and financial challenge (Wood, 1998).

The restaurateur must investigate and conceptualize the business to develop it into a viable entity. A carefully laid plan and advice from other restaurateurs and experts in the industry can help ensure success of the business (Cohn, 2009). Restaurateurs, particularly when buying an existing restaurant operation, must consider these factors of the restaurant itself: Location, financial records, vendor relationships, liens on the property, the employees and ownership of intellectual property (Ertman, 2009). In order to prepare for success, a restaurateur must

understand, the importance of location; the support of tourism in the located area; the importance of food, service, and ambiance quality to successful restaurants; how cost management relates to financial performance for small businesses; the nature of the restaurateur in relation to tourism endeavors; and the importance of a good business plan.

### *Location*

Location, location, location. Any business that requires Location is arguably the important factor of the restaurant's success. Commonly known aspects of location include drive-by traffic, street visibility, ease in access to the facility and proximity to other attractions. However saturation is an extremely important aspect for a restaurateur to consider with regard to location. Close proximity to other restaurants can be beneficial provided that the restaurant can differentiate itself from the competition (Parsa, Self, Nijte, & King, 2005). Despite the volume of independent restaurants to franchise restaurants, franchise establishments, due to their financial resources for marketing and customer outreach, make it difficult for independent restaurants to compete when the market is over-saturated (Parsa, Self, Nijte, & King, 2005).

Tourism can only flourish in an environment where tourism is sought and understood as a viable enterprise (Koh, 2006). Establishing the business in a tourism-friendly city is important to developing the customer base and building exposure to tourists as well. A recent study on of the California Welcome Center in Oceanside suggests that the Center helps to bring in \$21 million dollars annual in tourism sales to the city of Oceanside (Rowe, 2009). Many visitors to Oceanside are residents of Southern California (Rowe, 2009). Redevelopment over the past ten years is changing the face of Oceanside. As a result, the city's redevelopment downtown and in the harbor area is attracting new ventures (San Diego Union Tribune, 2007) and has proven profitable for independent restaurateurs (Sisson, 2007).

Businesses can be thwarted by heavy taxation, unfair city policies, lender discrimination against small businesses (Koh, 2006 and Parsa, Self, Nijte, & King, 2005). One of the key issues as an example is the application and receipt of a liquor license. Obviously the restaurant is a bar & grill and its ability to provide customers liquor is important. However the wait for a liquor license from the state is a long wait due to the amount of ventures in the bid process for a license. Also finding the right lender for the restaurant is also important; due to the discrimination that takes place against small businesses from larger banks and lending institutions (Advanced Restaurant Finance website).

#### *Food Quality, Service and Ambiance*

Second to location in importance to restaurant success is food, setting and service and a manager needs to know how satisfied customers are with each element (Sulek & Hensley, 2004). Managers and/or owners need to be committed to food quality and patron satisfaction. All aspects of the service experience need to be thought of in processes that satisfy customer's needs (Brunner-Sperdin & Peters, 2004). Analysis of cost management and financial obligations within the operation directly correlate to the restaurant's ability to provide quality of food, setting, and service in order to satisfy customers. Integration of this concept in the business plan will help solidify the organization's mission and goals.

#### *Cost Management*

Cost management is an important aspect to the restaurant business. Management and ownership philosophies correlate to cost management (Kim, Dalbor & Feinstein, 2007). Inventory and expense control are crucial to the operation. In study conducted in 2006 by Kim, Dalbor and Feinstein, the authors found that as primary ownership in the restaurant business decreases, profit margin decreases. The authors also found that the cost of business decreases by

an average of .47 cents when the restaurant has a single family as a majority owner however has less financial leverage than when compared to outside-managed restaurants. This result indicates that independent family-operated restaurants have lower costs in doing business but might not have the financial ability to overcome external factors such as slow business, low demand periods or competitor's marketing.

#### *A Restaurateur's Personal Characteristics*

A key component in entrepreneurship is to self-identify personal characteristics to determine if entrepreneurship is the ultimately the right avenue for the operator. There is a fundamental difference between a small business owner and a tourism entrepreneur. Tourism entrepreneurs are enthusiastic individuals that have creative visions for tourism development within the community focused on profit and growth rather than personal goals, generate new concepts and ideas, and essentially "dream big" (Koh, 2006). A restaurateur may have entrepreneurial attitudes and innovative ideas years before a window of opportunity presents itself (Brunner-Sperdin & Peters, 2004).

Owners must identify their commitment to the business to avoid burnout and generate a life cycle to their business agenda. The personal characteristics of the entrepreneur that assist in the company's success of innovative aspirations, creativity the need for achievement, internal barometer of control, and risk behavior connects the exploration for new opportunities (Brunner-Sperdin & Peters, 2004). A restaurateur must have a strong internal drive for success. A passion for business, high energy levels and the ability to motivate employees is a necessity in the restaurant business (Parsa, Self, Nijte, & King, 2005).

In family-run tourism operations, challenges related to the demands of the business abound which can include but are not limited to long hours, little return or loss during initial



operations, the inability to balance family or personal demands in relation to the business (Small Business Administration; Getz & Carlsen, 2000; and Parsa, Self, Nijte, & King, 2005).

Complaints regarding the impact on quality of life from family business owners (particularly women) included long hours, low financial return and disruptions to family and community life (Getz & Carlsen, 2000). Aside from personality and cognitive processes of tourism entrepreneurs, the restaurateur's ability to balance lifestyle and operational demands contribute to running a successful business operation.

### *The Business Plan*

A solid business plan covers products/services, marketing, operations, management, and financing (SCORE, 2009; U.S. Small Business Administration Website). Writing a business plan forces the restaurateur to evaluate issues crucial to the business operation and to help obtain financing from lenders (Fairfield County Business Journal, 2009). Continual revisions are needed to create a solid business. Other important elements of preparing a business plan include learning about the restaurateur's respective industry and analyzing competitor's pricing and marketing (Cohn, 2009). Ultimately the business plan is a strategic process of researching and conceptualizing the business in a systematic way (SCORE, 2009).

### *Conclusion*

With the aforementioned factors for a developing a successful restaurant business, careful consideration must be made to the personal and financial obligations within the development of a restaurant business. The business plan acts as a roadmap for the restaurant operation however only a strategic and enthusiastic tourism entrepreneur can lead the business to success. Despite statistics on business and restaurant failure, small businesses provide jobs to over half of the United States work force and are a viable part of the U.S. economy (Small Business

Administration Office of Advocacy). The business plan will be presented in the next section of this project. Contrary to the assumption that it would be easier to assume a pre-existing restaurant and then make conversions, the author of this project has written the business plan as a start-up operation given the perimeters and scope of the proposed operation.

## **Business Plan**

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### *1 Executive Summary*

#### *1.1 Business Concept –*

Bone Rattlers Bar & Grill is the contemporary “upscale” version of a biker bar with entertainment, delicious food and beverages. Owned by proprietor, Lovedy Zie Carroll, Bone Rattlers Bar & Grill will be in a desired location with access by locals and tourists alike. However serving one type of clientele is not prudent, particularly in this economy. Bone

Rattlers Bar & Grill will be a restaurant which operates during lunch and dinner hours.

Overall the theme is “Cruisin’ California” expressed through visual images to help create the ambiance within the restaurant. Aside from general restaurant operation, this venue will serve those as a destination during their “ride” or “cruise” along Highway 101 or Pacific Coast Highway (PCH) in San Diego North County area. The four tenants of Bone Rattlers Bar & Grill will be delicious American style food with a California twist and good cocktails, quality service, an enjoyable atmosphere with entertainment, and fair prices for lunch and dinner. The restaurant will be decorated in a cruisin’ California theme for those tourists visiting the area.

#### 1.2 Mission Statement –

The Bone Rattlers Bar & Grill will provide motorcycle and car enthusiasts delicious American style food with a California twist and good cocktails along Pacific Coast Hwy in Oceanside, California. We have a dedication to excellence, sincerely delivered customer service, and support of the community in which the restaurant operates.

Bone Rattlers Bar & Grill’s motto is “Keep the Dirty Side Down and the Shiny Side Up.”

#### 1.3 Keys to Success –

Eating out is part of people’s daily routines (National Restaurant Association, 2008). Despite a weakened economy and rising food costs, consumers are still frequenting restaurants. The restaurant industry is particularly strong in California. Restaurant sales growth in 2009 for the pacific region is estimated at 2.7% (National Restaurant Association, 2008).

Bone Rattlers Bar & Grill’s keys to the restaurant’s success will be:

- The restaurant's unique theme – there currently is not a competitor with a similar theme in the San Diego North County area. This restaurant concept has been unexplored in this area. The closest competitor with a similar target demographic is 20 miles.
- The restaurant has the ability to appeal to a large audience, despite the target demographic. Given the relatively close proximity to four major cities with a population base of 432,916, with 273,865 of those people being over the age of 25 years of age.
- Tasty meal options and custom crafted beverages will be on the menu. Integration of local grown produce and goods will be important not only to appeal to customers but also for effective cost management.
- Satisfied customers are important to the profitability and success of the business. The restaurants patronage can only grow through customer satisfaction.
- Behind creating satisfied customers, are the restaurant's employees. Our goal is to provide the best working environment with the best benefits that we can provide for the staff.
- Community involvement. Businesses that support their community get supported by the community. Businesses alliances and local community public relations are crucial to integrating the restaurant within the community.
- Cost control measures will be implemented through:
  - An effective food and supply management program.
  - The use of energy saving devices throughout the restaurant, particularly in the kitchen.

- Recycling packaging, cans and bottles.
- Remaining eco-conscious in our operation.
- Bone Rattlers Bar & Grill will become a destination, not only for motorcycle riders and car enthusiasts, but also those individuals who appreciate the ambiance and food of the restaurant.

## 2 *Company Description*

The Bone Rattlers Bar & Grill will be owned and operated as a sole-proprietorship by Lovedy Zie-Carroll.<sup>4</sup>

## 3 *Product*

### 3.1 Menu Offerings

For both lunch and dinner, the menu offerings will be traditional entrees, burgers, sandwiches, soups, salads and side dishes. Lunch will have smaller portions lighter fare and reduced prices, whereas dinner will have heavier meal options. Offerings will be a simple menu will be divided with appetizers (“Hammer Downs”), Burgers and Sandwiches (“Throttlers”) traditional entrees (“Classic Cruisers”), side dishes (“Kickstands”), and desserts (“Tail Gunners”). The importance of themed names for the items is not only to provide add to the concept of the restaurant but also to tie a positive connotation with riding or cruising to the food options. Entrees will run between \$7.00 to \$9.00 for lunch and dinner entrees will increase \$4.00 per entrée and be equivalent in price to portion.

Beverages are an important part to the overall aspect to the restaurant. The goal for this operation is obtain a full liquor license. As indicated by the 2009 forecast by National

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<sup>4</sup> With research, the author found that as a sole-proprietorship there are many tax benefits however increased risk. The most common form of ownership in the hospitality industry is sole-proprietorship (Hospitality Industry Managerial Accounting, 6<sup>th</sup> ed.).

Restaurant Association the current Top 5 Beverage Alcohol Trends include craft beer/microbrews, specialty beer and micro-distilled artisan liquor. There are several local breweries in the San Diego County area, such as Stone Breweries, that distribute their beer to restaurants. Therefore alcohol is a must for this operation because it goes with the food and also increases the meal tab. Non-alcoholic beverages (“Sissy Bars”) will also be included. Alcohol will be \$5.50 for well and \$6.50 for premium. Hand-crafted ales will run between \$6.50 and \$7.00, dependent upon the type of ale.

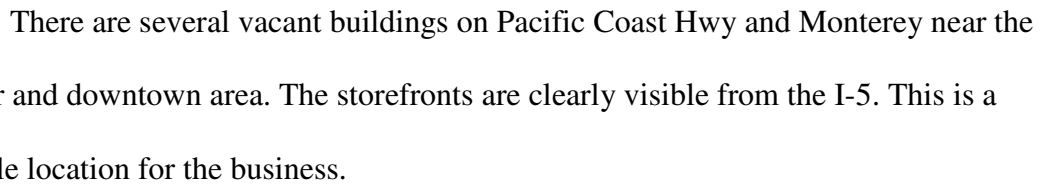
### 3.2 Servicescape

The restaurant interior design will reflect the styling of a vintage motorcycle or car. Metal, faux leather, & light wood will be integrated throughout the restaurant. Brick walls will also accent the look and possibly a black and white tile floor. At the entrance, it is important to have a vintage motorcycle and “club emblem” on the floor with seating for waiting guests). The booths will be referred “stalls” (like a garage stall) and the bar stools will be referred to as “lifts” or “jacks”, and the banquet room as the “bay”.

### 3.3 Location

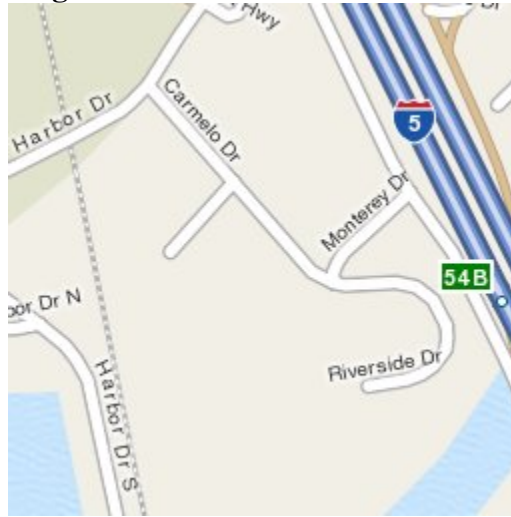
An ideal location for the restaurant would be on a major thorough-fare with ample parking. The need for amply parking can not be overstated because customers who have expensive bikes and cars don’t want to park in little parking spaces (or will take 2 spaces). A large dining space, area for bar and dance floor, and a banquet room, large enough to hold 30 to 50 people, is needed. 1640 to 2000 sq. ft. is the ideal size for the building. Location is pending based on the availability of a retail space. The downtown area of Oceanside has gone under major renovations and remodeling near the pier area. This restaurant will fit into the eclectic atmosphere of downtown.

### Figure 1 - Layout of Restaurant, Concept 1





**Figure 2 - Ideal location**



### 3.4 Entertainment

The restaurant will have a small stage (approximately 16' x 16') to have a band, small dance floor and two large LCD screens for viewings in the bar areas. The restaurant will operate from the hours of 11 a.m. to 12 a.m. and in the evenings on Friday and Saturday feature a live band. One to two pool tables and a dart board will also accent the bar area.

## 4 Market Analysis – Definition of the Market

### 4.1 Customers

#### 4.1.1 Target demographic

The target demographic is both men and women between the ages of 35 to 65 years old. Generally these individuals have more disposable income than younger individuals. Motorcycle owners exceed the median household income of the average American by approximately \$9,000; motorcycle owners average \$59,290 compared to the U.S. average of \$50,233 (Reuters, 2009).

Traditionally enthusiasts for motorcycles and cars are male. However the importance of women cannot be ignored. Women count for 23 percent (5.7 million) of the 25

million Americans who ride motorcycles and these women are influential in the decisions regarding household spending (Reuters, 2009). Obviously including women in the target demographic is important as well.

Camp Pendleton is next to the city of Oceanside. This group can particularly be addressed as there are many Marines that ride motorcycles, although the younger Marines do not fall within the target demographic. The younger Marines do not have as much disposable income and sometimes attract the young, drunk and rowdy<sup>5</sup>. Marketing to the right segment of the military population is important to attract the senior enlisted and officers that have more disposable income.

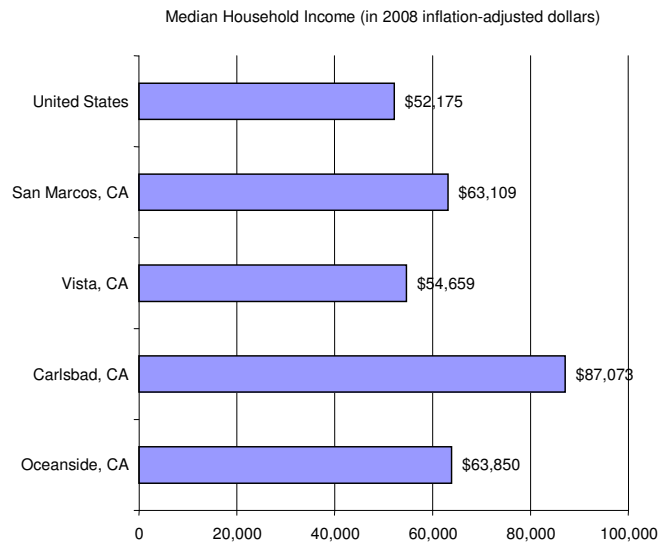
#### 4.1.2 Demographic of surrounding communities

The median income of the surrounding communities (to include Oceanside, Carlsbad, Vista, and San Marcos) exceeds the national average and the amount aforementioned of income of motorcyclists in section 4.1.1. The average median income of these communities is \$67,172. Table 1 illustrates visually the median household income in comparison to the national average. Further research is needed to determine the amount of the motorcycle riders and classic car collectors in the San Diego area, however the owner knows of at least 4 large motorcycle organizations and 4 classic car clubs in the San Diego County alone.

**Table 1 – Median Household Income (in 2008 inflation-adjusted dollars) using data compiled from the U.S. Census Bureau.**

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<sup>5</sup> The primary concern is Marines who ride sport bikes, drink and then drive; a report last year found that more Marines died riding motorcycles than in Iraq (Shaughnessy, 2008). A consideration will be to control serving these men (and women).



The target demographic will be locals within the surrounding community for regular business however patrons will be welcomed. Oceanside and Carlsbad also have a large tourist population during summer season from about May to September. Many of these tourists may also bring in motorcycle and car enthusiasts from other areas.

## 4.2 Competitors

4.2.1 There are three primary competitors that draw on the same demographic.

However each restaurant varies slightly in the demographic it serves. Minor competitors include a few local bars & restaurants in the Oceanside area but do not target the same demographic. Dependent upon the decided location for the restaurant, the owner will address immediate competitors within the vicinity.

a) *Rainbow Oaks Restaurant* (Photo 1 & 2), Rainbow, Ca. Rainbow Oaks is located 25 miles from Oceanside in the city of Rainbow on Old Hwy 395, which is conveniently located off the I-15. Many motorcyclists ride their motorcycles on Old Hwy 395 and it is a nice drive. The restaurant is located next to a market and antiques shop. The owner's completed the renovations on the restaurant and offers traditional entrees and

fair portions. Many bikers frequent this location and many car clubs meet there. The owners are motorcyclists and are well known in the motorcycle and car club community. The restaurant doesn't look like much from the exterior, however the inside has a rustic decoration in all local wood. The bar area has many framed motorcycle club emblems and car club posters on the walls. The restaurant had 14 booths for room for four to six guests and five tables with four chairs per table plus a small bar area with about six stools. Many people inside the restaurant had motorcycle attire and car club attire on, although the parking lot was full of regular cars. The menu was 4 pages long including breakfast, lunch and dinner. Prices seemed a little high but the meal serving was excessive and equal to the price point. Food was decent but not overwhelming taste-wise. This restaurant is full-service restaurant supported by the local car & motorcycle community.

**Photo 1**



**Photo 2**



- b) *Hell's Kitchen* (Photo 3), Hwy 79, El Cariso Village, Ca. Hell's Kitchen is a Harley Davidson themed restaurant although the owner calls it a "motorsports" restaurant. Approximately 53 miles north east of Oceanside. Hells Kitchen is located in El Cariso on Ortega Hwy (Hwy 74) which runs between Lake Elsinore and San Clemente (the highway is currently under renovations). Ortega is very curvy two lane road through

the mountains popular with motorcycle riders. Restaurant serves a lot of fried dishes and traditional hamburgers, Starbucks coffee, and other beverages. Menu is moderately priced, generally the tab would run between \$25 to \$35 for two people. The restaurant has ample parking (there were 35 motorcycles in the driveway, mainly Harley Davidson motorcycles and a few touring bikes; the 3 sports bikes parked off under a tree). There was a large dining room with a pool table and some televisions, a bar area and two outdoor eating areas. The restaurant was decorated with faux red leather and metal tabletops, a coffin as the condiment bar, motorcycle posters in the hallway corridors, and the restaurant's exterior is painted in flames. The disadvantage to this restaurant is the location, given that it is in a remote area, however has been at this location for many years and has a following.

**Photo 3**



- c) *The Lookout Roadhouse*. Hwy 74, Lake Elsinore, Ca. The Lookout Roadhouse is located headed up to El Cariso Village from the Lake Elsinore area. As the author passed by, there were a large group sports bikes (25 to 30) parked out in front. Menu is moderately to slightly expensively priced (\$13.95 for a hamburger). The restaurant has a take out window (as can be seen in Photo 5 near the open sign) which opens up

into the restaurant to order from on the other side. The type of bikers was much different from the Hell's Kitchen group. Many of the motorcycles here were of the sport bike and European styles. The advantage of this restaurant is the incredible view of the Lake Elsinore areas.

**Photo 4**



**Photo 5**



## 5 *Strategy and Implementation*

### 5.1 Marketing

#### 5.1.1 Target Market Segment Strategy

Bone Rattler's Bar & Grill will provide locals a place to socialize and talk shop while enjoying spirits and hearty food. Particular for this demographic is to have social gatherings such as car or motorcycle group meet-ups, enjoy live entertainment, watch races or car shows and "fight nights"; even military functions are a possibility.

Word-of-mouth advertising will be the primary form of advertising restaurant through outreach to motorcycle and car club groups. There are many motorcycle and car clubs in the area. A medium sized banquet area would be ideal for club or chapter meetings. Some of these clubs include: H.O.G. (Harley Owner's Group) chapters, Red Hot Riders of San Diego (Honda motorcycle association), Gold Wing Road Riders, Bikers for Christ, Beach City Riders of Long Beach, The Axel Draggers and The Little Guys Street Rod Car Club of

Oceanside. Advertising on their websites will be important as well (which will be discussed in section 5.2 Advertising). Marketing to these groups is crucial because they are ultimately the end customer.

Community relations are an also important aspect to overall marketing program as well. In turn cultivating a tourism environment in the Oceanside area is important to building the economy of the community. Sponsorship of local community activities will be important such as motorcycle club fundraiser rides and, as a specific example, Oceanside Mission Motor Fest in Oceanside which is a festival for car enthusiasts. Building support for the restaurant and establishing Bone Rattlers Bar & Grill in the community at large will be done through a grass-roots and face to face advertising at bike rallies and car club meetings in the effort to gather reciprocating support of the restaurant's patrons.

#### 5.1.2 Advertising

Advertising to the target demographic will be done through the internet, radio, and "what to do" community listings in the newspaper. Many of these methods are free or low cost but yield a great amount of exposure. Internet advertising in the form of ads primarily on target demographic websites (such as club web pages) and through web posts on Facebook and Twitter. Monitoring of customer feedback on websites, such as Yelp!, is also important to developing good word-of-mouth (free) advertising. Radio is also a good medium for exposure. There are several local radio stations which do a lot of radio promotions at different businesses. Ultimately the chosen advertising medium will depend on budget.

Television and print advertisements are too expensive.

## 6 *Management Team and Operations*

### 6.1 Operational Chart

Bone Rattlers Bar & Grill will be owned and operated by Lovedy Zie Carroll. There management philosophy is to enable the Bone Rattlers' staff to provide excellent guest service.

With over 19 years in the customer service industry and 11 of those in hospitality operations, Lovedy is well versed in aspects of hospitality and whose entrepreneurial parents owned two fine-dining restaurants in Oregon. Recently Lovedy graduated from Executive Master's Degree Program in Hospitality Administration through the William F. Harrah College at the University of Nevada, Las Vegas. She served honorably for six years in the United States Army Reserve's 302<sup>nd</sup> Mobile Public Affairs Detachment. Lovedy is a magna cum Laude graduate of Sonoma State University with at Bachelor of Arts degree in Communication Studies (1998).

The restaurant will receive operational assistance from Jeremy Carroll. Jeremy, a motorcycle rider himself, served 15 years in the United States Marine Corps as both a non-commissioned officer and officer. He is well-versed in the aspects of supply and logistics. Jeremy graduated with honors from California State University, San Marcos with a Bachelor of Arts degree in history.

## 6.2 Personnel Plan

This operation is an independent full service restaurant operating for both lunch and dinner. Monday through Wednesday the restaurant will operate from the hours of 11 a.m. to 10 p.m. Thursday through Saturday the restaurant will operate from the hours of 11 a.m. to 12 a.m. and in the evenings on Friday and Saturday feature a live band. Saturday and Sunday will feature brunch with hours of 9 a.m. to 11 a.m.



Operation will require 1 hostess, 3 to 4 waitresses depending on volume (10 to 14 guests per server), 2 bussers, 1 bartender, 2 cooks, 2 prep cooks, 1 dishwasher and 2 bouncers on the weekends. Owner will act as manager initially until operation is underway. Staffing requirements may fluctuate based on business volume.

### 6.3 Operations

Initial plan development requires a restaurant plan submission for the County of San Diego to approve so that the restaurant meets nearly all aspects of the State of California's Retail Food Code. A food facility consultation is not required although highly suggested by the County of San Diego to help the owner meet the health inspection physical building requirements and remain in compliance with the health code (Food and Housing Division Plan Submittal and Construction Guide for Opening a New Food Establishment in San Diego County, 2009). A liquor license and other health and business permits are required to open the restaurant. The owner is also required to attend a food protection manager certification class, as well as it is suggested to have the restaurant workers take a food handler's certification class (California Retail Food Code, 2007). All of the requirements will need to be met before opening.

Inventory and Seat Turnover will be tracked through financial equations to best volume capacity and analyze peak periods, use of inventory and assess general business operations (Hospitality Industry Managerial Accounting, 6th ed.). Basic assumptions will be that the business will operate at a low participation rate until business levels climb due to efforts put forth in marketing the restaurant.

## 7 *Financial Analysis*

### 7.1 Peak Period Analysis

Assumptions for this analysis are that 1. restaurant is not full with the exception of Saturday and Sunday Breakfast., 2. Bar sales on Friday and Saturday night have not been added in initial (if liquor license is delayed) and 3.

***Saturday & Sunday  
Breakfast***

Average amount per  
check  
\$ 25.00  
Peak Periods 9 a.m. to 12  
noon  
Total Max 88 people  
3 hours x \$25 bill for two people x 2  
a week  
\$ 3,300.00  
3300 x 2  
\$ 6,600.00  
**\$6600 on a weekend  
breakfast**

***Monday to Thursday  
Lunch***

Average amount per  
check  
\$ 17.00  
Peak Periods 11:30 a.m. to 1:00  
p.m.  
Total 64 people  
1.5 hours x \$17 bill for two people x 4 days a  
week  
\$ 816.00  
816 x 5  
\$ 4,080.00  
**\$4080 on a weekday  
lunch**

***Friday & Saturday Dinner***

Average amount per check  
\$ 40.00  
Peak Periods 6 p.m. to 9 p.m.  
Total 72 people  
3 hours x \$40 bill for two people x 2 a  
week  
\$ 4,320.00  
4320 x 2  
\$ 8,640.00  
**\$8640 for weekend night  
dinner**

***Friday - Sunday Lunch***

Average amount per check  
\$ 22.00  
Peak Periods 11:30 a.m. to 1:00 p.m.  
Total 66 people  
1.5 hours x \$22 bill for two people x 3  
days a week  
\$ 1,089.00  
1089 x 3  
\$ 3,267.00  
**\$6237 on a weekend lunch**

**Total Revenue based only Peak Period Performance Per Week**

\$	6,600.00	
\$	8,640.00	
\$	4,080.00	
\$	3,267.00	
<b>\$</b>	<b>22,587.00</b>	Based on 1 turn per hour during peak period

**Total Revenue based only Peak Period Performance Per Month**

**\$ 90,348.00**

## 7.2 Start-up Costs

### **Projected Start-up Costs**

Furniture & Equipment	\$	20,000
Renovations	\$	10,000
Legal Fees	\$	2,500
Collateral (menus, websites, ads)	\$	5,000
Lease	\$	8,800
Food Cost	\$	10,000
Liquor License	\$	12,000
County Permit	\$	2,318
City Permit	*needed, could not obtain from website	
Band	\$	2,000
Owner's Start-up Funds	\$	(30,000.00)
Funds needed	\$	<b>42,618</b>

## 7.3 Personal Financial Statement and Records

This section remains unwritten due to the private nature of the statement and will be compiled once the business plan is put forward to a lender.

## 8 *Appendices*

### 8.1 Definitions for Menu

**Cruiser** – A larger motorcycle know for “cruising” versus a street or racing bike. In the classic car circle, the name means the same thing; a car that is for “cruising” the streets versus one that is used for racing.

**Hammer Down** - Accelerate quickly.

**Kickstand** – When motorcycle is parked, this device is kicked by the rider to keep the motorcycle upright.

**Sissy Bars** – Small bar on the back of motorcycle seat for a 2<sup>nd</sup> rider to hold on to.

**Tail Gunner** - The last rider following at the back of the formation during a group motorcycle ride.

## 8.2 Demographic Data

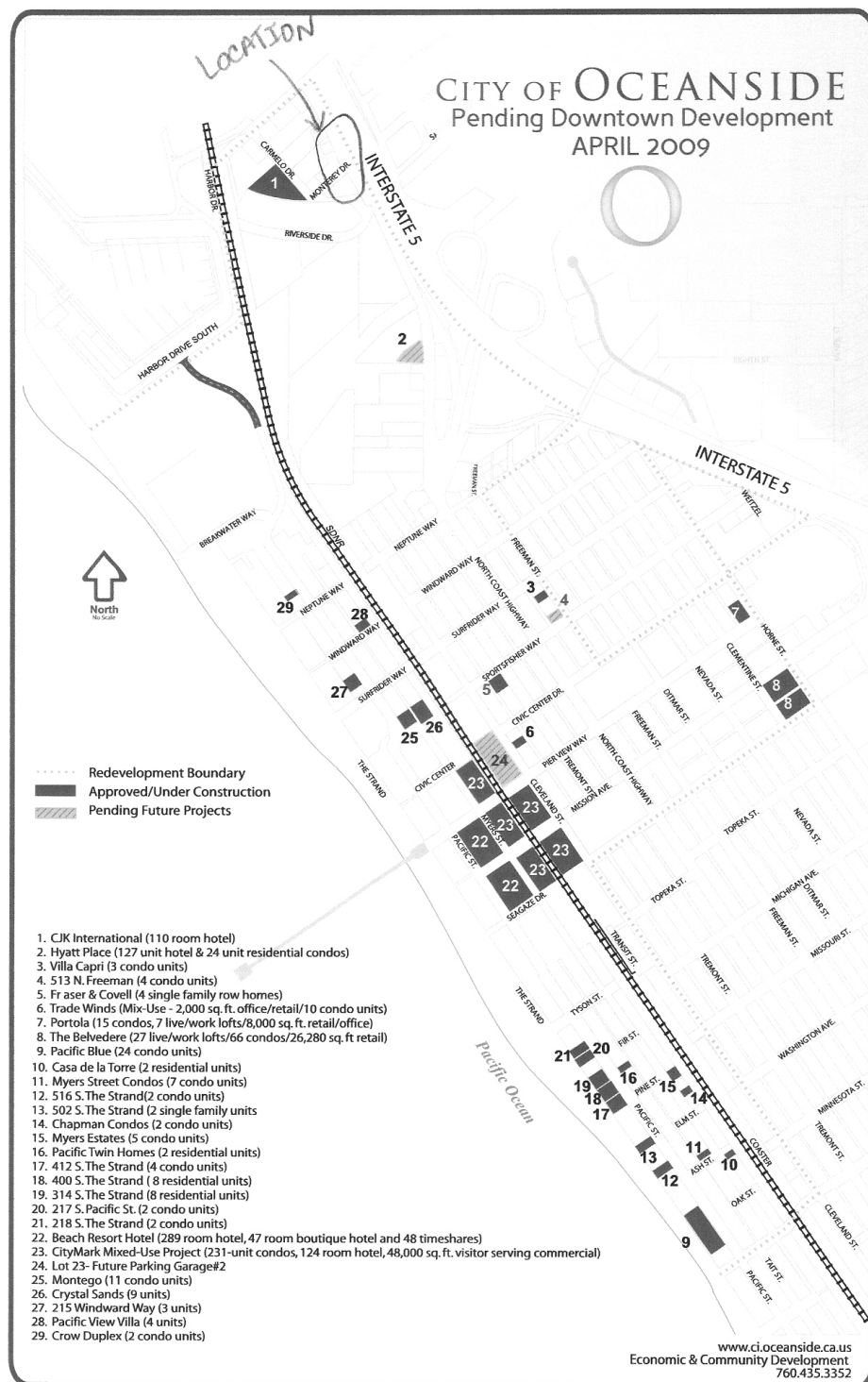
**Table 2 – Combine U.S. Census Bureau Data for Oceanside, Carlsbad, Vista and San Marcos**

### **Combined Data for Oceanside, Carlsbad, Vista, San Marcos**

Social Characteristics - show more >>	<b>Estimate</b>
Average household size	2.88
Average family size	3.43
Population 25 years and over	273,865
High school graduate or higher	
Bachelor's degree or higher	
Civilian veterans (civilian population 18 years and over)	36,057
Male, Now married, except separated (population 15 years and over)	89,243
Female, Now married, except separated (population 15 years and over)	87,096
Household population	426,918
Group quarters population	
Economic Characteristics - show more >>	<b>Estimate</b>
In labor force (population 16 years and over)	54,822.50
Median household income (in 2008 inflation-adjusted dollars)	67,172.75
Median family income (in 2008 inflation-adjusted dollars)	78,552.75
Per capita income (in 2008 inflation-adjusted dollars)	30,421.50

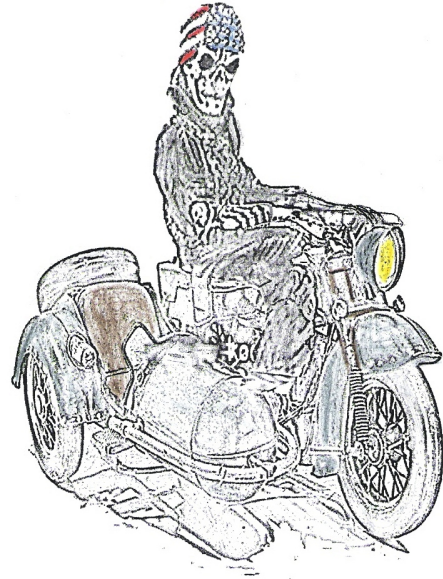
	-
ACS Demographic Estimates - show more >>	
<i>Total population</i>	<i>432,916</i>
<i>Male</i>	<i>215,052</i>
<i>Female</i>	<i>217,864</i>
Median age (years)	<i>34</i>
<i>Under 5 years</i>	<i>9,441</i>
<i>18 years and over</i>	<i>79,059</i>
<i>65 years and over</i>	<i>12,808</i>

### 8.3 Redevelopment Map of Oceanside



## 8.4 Concept for Logo

For the purposes of this project, the author has included a visual concept for the restaurant logo due her inability to hire a graphic designer at this time.<sup>6</sup> The picture below is similar to the owner's concept for the Bone Rattler Bar & Grill logo of a skeleton (the Bone Rattler) riding a motorcycle.



## 8.5 Certification of Completion from U.S. Small Business Administration

**Photo 6**



<sup>6</sup> Image concept by Carrie Schriver.

## 9 *Recommendations*

The author concludes that additional financial research and analysis is necessary regarding the 1. demand for the product, 2. peak period volume vs. regular business volume, and 3. peak seasonal periods in comparison to business trends through the Oceanside and Southern California areas. Additional sales forecasts need to be done to adequately analyze whether or not the restaurant will be a viable operation. Overall this project was the initial conceptualization of a restaurant operation however more concrete financial data is needed to carry through with the business and obtain a loan from a financial lender.



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