

# **Grille & Bar Business Plan**

**Plan Number \_\_\_\_\_**

***Name***

The name Grill & Bar was chosen because it describes the business. Several other names were evaluated, however, after looking at alphabetical names, personal names or random names, Grill & Bar is the most appropriate. A city visitor will know exactly what type of restaurant Grill & Bar is and have specific expectations.

***Company History/Situation***

Grille & Bar is a restaurant and bar that will attract a clientele interested in retro-music in a cozy, comfortable atmosphere. In general, most customers will be from the upper-middle class area and visit regularly. Several competing restaurants offer a similar format, however are located closer to the center of Metropolitan.

This location has been chosen based upon its proximity to the Metro Rest-Plex, a business district of offices and eclectic restaurants. The Metro Rest-Plex contains a number of complementary businesses such as the Spooq's, and Carl's. Both of these restaurants will provide a significant source of customers for Grille & Bar .

Grille & Bar will be funded entirely with equity capital, and managed by an experienced manager. The owners have extensive business experience and superb financial standing. The manger also has an extensive background in the restaurant industry and has demonstrated success as a general manager for this type of restaurant.

The overall market for Grille & Bar will continue to expand and grow. While the bar will attract customers from throughout the metropolitan area, the restaurant population within the immediate vicinity will sustain a high level of income.

The median age of the residents living in the immediate area is forty-two, with over 60 percent classified as white collar, and median household income is nearly \$35,000. The location is adjacent to the second busiest intersection in Metropolitan, which includes 1st which intersects Botom.

**Promotion/ Advertising**

Grill & Bar is planning a soft opening beginning January 15<sup>th</sup> and a Grand Opening February 2<sup>nd</sup>. The soft opening will allow traffic to filter in before the anticipated grand opening rush. This will allow all the employees enough time to become familiar with the operation and customer interaction.

The Grand Opening will begin on a Thursday, which will further improve the employees' skills before the major dining nights of Friday and Saturday. The Grand Opening will be advertised in the local paper and radio and last one month. Once the newness of the restaurant has subsided, Grill & Bar will engage in an ongoing advertising campaign targeted at the local vicinity, five-mile radius.

Special promotions will also occur prior to holidays and celebrated events (Mother's day, Father's Day, etc). Because Grill & Bar has ample seating for 250 individuals, it will be a destination for large gatherings of families and friends.

Nightly specials will be offered in the bar and weekend live music will be performed. Local jazz and 'background' music entertainers will provide music in the bar. Grill & Bar will not be the 'new release site' for up and coming musicians, however, will offer good listening music in a relaxed atmosphere.

**Industry History/Industry Trends**

The restaurant industry is projected to exceed \$407.8 billion in 2002, an increase of nearly 4 percent over 2001. This represents the eleventh consecutive year of real growth in the industry.

In spite of the economic downturn the restaurant industry will continue to grow. As the economy improves and disposable income increases, these will propel the industry into another year of real growth.

The full-service sector is projected to lead the way with sales growth of 4.5 percent. When compared to quickservice, full-service will experience .8 percent more growth. According to the National Restaurant Association, over half of the full-service operators expect 2002 to be better than 2001, while higher-check establishments were even more optimistic.

The major challenges facing the industry are economy (recession), maintaining the business volume, recruiting/retaining labor, and competition.

Overall the restaurant industry is experiencing excellent growth and expansion. Individuals are eating out more and enjoy gathering outside the home.

Financial Analysis

***Inventory***

Appendix A-1, Restaurant Inventory

***Start-up Cost Estimates***

Appendix B-1

Appendix B-1

***Budgets***

Appendix C

Appendix C-01, Year Ending December 31, 2002

Appendix C-02, Year Ending December 31, 2003

Appendix C-03, Year Ending December 31, 2004

Appendix C-04, Year Ending December 31, 2005

***Income Statement***

Appendix D-1 Income Statement Summary

Appendix D-02, Year Ending December 31, 2002

Appendix D-03, Year Ending December 31, 2003

Appendix D-04, Year Ending December 31, 2004

Appendix D-05, Year Ending December 31, 2005

***Balance Sheet***

Appendix E, Starting Balance Sheet

Appendix E-02, December 31, 2002

Appendix E-03, December 31, 2003

Appendix E-04, December 31, 2004

Appendix E-05, December 31, 2005

***Break-even analysis***

Appendix F

***Financial Ratios***

Appendix G

***Company Documents***

Appendix H

C-01

Grill Bar  
Cash Budget Statement  
December 31, 2002

	January	February	March	April	May	June	July	August	September	October	November	December
Beginning Cash Balance	\$ 125,000	\$ 131,225	\$ 135,050	\$ 137,675	\$ 140,300	\$ 143,825	\$ 147,650	\$ 152,675	\$ 158,900	\$ 165,725	\$ 173,150	\$ 180,575
Add receipts: Customer collections	\$ 31,200	\$ 28,800	\$ 27,600	\$ 27,600	\$ 28,500	\$ 28,800	\$ 30,000	\$ 31,200	\$ 31,800	\$ 32,400	\$ 32,400	\$ 30,600
Cash available before disbursements	\$ 156,200	\$ 160,025	\$ 162,650	\$ 165,275	\$ 168,800	\$ 172,625	\$ 177,650	\$ 183,875	\$ 190,700	\$ 198,125	\$ 205,550	\$ 211,175
<b>Less Disbursements</b>												
Advertising	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Utilities	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900
Telephone	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125
Insurance	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Licenses/Permits	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Supplies	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Professional Fees	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550
Manager/Staff/Hosts	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
Promotions	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Lease	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
Maintenance	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Liquor Stock	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Miscellaneous	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements</b>	\$ 24,975	\$ 24,975	\$ 24,975	\$ 24,975	\$ 24,975	\$ 24,975	\$ 24,975	\$ 24,975	\$ 24,975	\$ 24,975	\$ 24,975	\$ 24,975
Cash excess(deficiency) before financing	\$ 131,225	\$ 135,050	\$ 137,675	\$ 140,300	\$ 143,825	\$ 147,650	\$ 152,675	\$ 158,900	\$ 165,725	\$ 173,150	\$ 180,575	\$ 186,200
Borrow to maintain \$10,000 minimum balance (at beginning of period)							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment (at end of period)												
Interest at 8% per annum												
Ending cash balance	\$ 131,225	\$ 135,050	\$ 137,675	\$ 140,300	\$ 143,825	\$ 147,650	\$ 152,675	\$ 158,900	\$ 165,725	\$ 173,150	\$ 180,575	\$ 186,200

Grill Bar  
ProForma Income Statement  
December 31, 2003

		January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>Sales Revenue</b>														
Customers		5100	5000	4900	5000	5100	5200	5300	5400	5500	5400	5400	5100	62,400
Cusomer Sales		\$ 43,350	\$ 42,500	\$ 41,650	\$ 42,500	\$ 43,350	\$ 44,200	\$ 45,050	\$ 45,900	\$ 46,750	\$ 45,900	\$ 45,900	\$ 43,350	\$ 530,400
Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue		\$ 43,350	\$ 42,500	\$ 41,650	\$ 42,500	\$ 43,350	\$ 44,200	\$ 45,050	\$ 45,900	\$ 46,750	\$ 45,900	\$ 45,900	\$ 43,350	\$ 530,400
<b>Expenses</b>														
Cost of Sales	29%	\$ 12,750	\$ 12,500	\$ 12,250	\$ 12,500	\$ 12,750	\$ 13,000	\$ 13,250	\$ 13,500	\$ 13,750	\$ 13,500	\$ 13,500	\$ 12,750	\$ 156,000
Cost of Sales		\$ 12,750	\$ 12,500	\$ 12,250	\$ 12,500	\$ 12,750	\$ 13,000	\$ 13,250	\$ 13,500	\$ 13,750	\$ 13,500	\$ 13,500	\$ 12,750	\$ 156,000
Gross Profit		\$ 30,600	\$ 30,000	\$ 29,400	\$ 30,000	\$ 30,600	\$ 31,200	\$ 31,800	\$ 32,400	\$ 33,000	\$ 32,400	\$ 32,400	\$ 30,600	\$ 374,400
Operating expenses		\$ 25,724	\$ 25,724	\$ 25,724	\$ 25,724	\$ 25,724	\$ 25,724	\$ 25,724	\$ 25,724	\$ 25,724	\$ 25,724	\$ 25,724	\$ 25,724	\$ 308,691
All other expenses	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EBIT		\$ 4,876	\$ 4,276	\$ 3,676	\$ 4,276	\$ 4,876	\$ 5,476	\$ 6,076	\$ 6,676	\$ 7,276	\$ 6,676	\$ 6,676	\$ 4,876	\$ 65,709
Interest	10%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	28%	\$ 1,365	\$ 1,197	\$ 1,029	\$ 1,197	\$ 1,365	\$ 1,533	\$ 1,701	\$ 1,869	\$ 2,037	\$ 1,869	\$ 1,869	\$ 1,365	\$ 18,399
After tax profit		\$ 3,511	\$ 3,079	\$ 2,647	\$ 3,079	\$ 3,511	\$ 3,943	\$ 4,375	\$ 4,807	\$ 5,239	\$ 4,807	\$ 4,807	\$ 3,511	\$ 47,310
														8.9%

Grill Bar  
ProForma Balance Sheet  
December 31, 2005

Cash	71.7%	380,144	Notes Payable	0.0%	-
Accounts Receivable	0.0%	-	Accounts Payable	2.8%	15,000
Restaurant Equipment	7.7%	41,000	Income Taxes Payable	0.4%	1,963
Other current assets	0.0%	-	Current Maturity of Long-term debt	0.0%	-
			All other Current Liabilities	0.0%	-
<b>Total Current Assets</b>	<b>79.4%</b>	<b>421,144</b>	<b>Total Current Liabilities</b>	<b>3.2%</b>	<b>16,963</b>
Restaurant Fixtures	6.4%	34,000	Long-term Debt	0.0%	-
		-	Deferred Taxes	0.0%	-
All other Non-Current & Intangibles	14.1%	75,000	All other Non-Current	0.0%	-
<b>Total Long-term Assets</b>	<b>20.6%</b>	<b>109,000</b>	<b>Total Long-term Liabilities</b>	<b>0.0%</b>	<b>-</b>
			Net worth	96.8%	513,181
<b>Total Assets</b>	<b>100.0%</b>	<b>\$ 530,144</b>	<b>Total Liabilities &amp; Net Worth</b>	<b>100.0%</b>	<b>\$ 530,144</b>