



## Business Plan

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# Confidentiality Agreement

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The undersigned reader acknowledges that the information provided by Small Batch in this business plan is confidential; therefore, the reader agrees not to disclose any information contained within the business plan without the express written consent and permission of the Company.

It is acknowledged by reader that any information to be furnished in this business plan is in all respects confidential in nature (other than information that is in the public domain through other means), and that any disclosure or use of same by reader may cause serious harm or damage to Small Batch.

This document is to be returned to the Company immediately upon request.

This is a business plan. It does not imply an offering of securities.

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Signature

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Name (typed or printed)

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Date

# Mission Statement

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*“Small Batch offers fine wines from around the world and hand-crafted cocktails to complement upscale cuisine created from high-quality, local ingredients.”*

# Executive Summary

Small Batch, LLC (also referred to as “the Company”) is a startup wine bar venture that aims to be fully operational by March 2011. The Company intends to locate in the Logan Square neighborhood, a transforming and expanding historical area in the northwest part of Chicago. The name “Small Batch” refers to the small-production wines, liquors, and handcrafted cocktails that the Company will specialize in. The Company will offer wines from around the world, most by the bottle, but some by the glass. Small Batch will also offer fine cuisine made from high-quality, fresh, and local ingredients, which will be locally-sourced whenever possible. The Company will be open for a dinner and late-night crowd Monday through Saturday.

Small Batch will operate on the fine line between the Drinking Establishments industry and the Single Location Full-Service Restaurants industry. Both industries have suffered in recent years due to the recession, but they are starting to show signs of recovery. Revenue for the Drinking Establishments industry is projected to reach \$21.29 billion in 2010. The industry will continue to pick up as the economy improves, unemployment rates decline, and consumers once again are able to spend money on luxuries like going to drinking establishments. Over the next five years, industry revenue is expected to increase at an average annual rate of 2.7 percent to \$24.35 billion by 2015. The Single Location Restaurant industry is forecasted to generate revenue of \$89 billion in 2010, representing a 3.2 percent growth from the previous year.

The Company will be situated in Chicago’s historic Logan Square, a neighborhood, which has become increasingly vibrant and prosperous in recent years, attracting a growing number of upper-income residents. Logan Square combines old-world charm with a progressive-minded culture and refined tastes, making it an ideal setting for a wine bar like Small Batch. With its high-quality local ingredients and large wine and cocktail selection, Small Batch will reach a wide range of demographics and garner customers from the greater Chicago metro area, and area known for its quality restaurants and rich culture.

Small Batch expects to cater primarily to college-educated professionals in their twenties and thirties, many of whom will be single with above-average discretionary incomes. The Company will offer them a warm, stylish environment for enjoying premium food and drinks. The Company also expects a good deal of business from local families looking to enjoy Small Batch’s unique “farm-to-table” dining experience. To gain public awareness, the Company will utilize a multi-faceted marketing campaign that will involve various online tactics including a professionally designed website, social networking, and daily deals through group buying websites. Additionally, the Company will also organize private and public events for local distribution houses to showcase their wines and liquors and host classes for the public. Small Batch also place advertisements in popular local newspapers and on the radio.

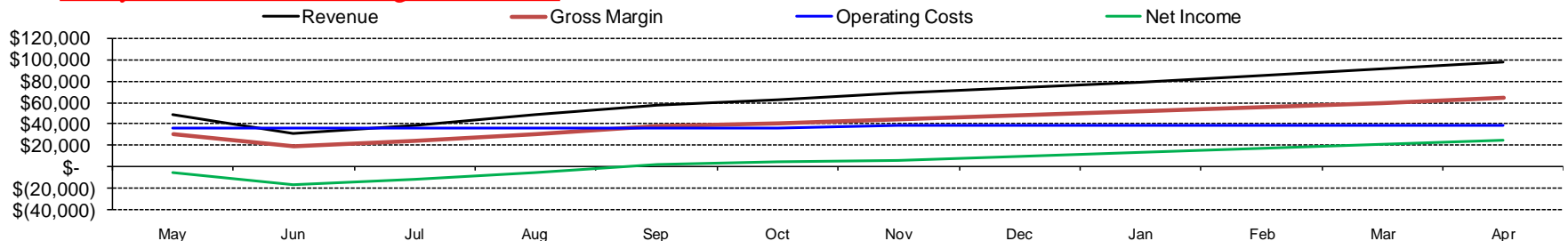
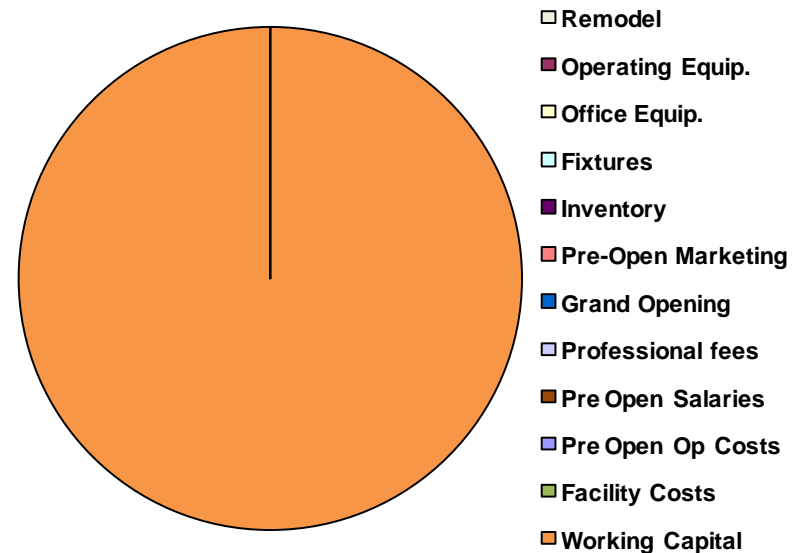
# Executive Summary (cont.)

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Small Batch will face competition from establishments with similar offerings such as Hachi's Kitchen, Buona Terra, and Revolution Brewing Co. However, these establishments do not offer anything comparable to the experience that the Company will offer. Small Batch will be better aligned with the progressive culture of the neighborhood as well as projected consumer trends. Furthermore, the Company's commitment to featuring a world of wines and liquors, along with using locally-sourced ingredients will give Small Batch a strong competitive edge.

The Company will be owned and operated by John Doe and Dave Smith, both of whom have extensive experience in the local fine wine and dining industries. Mr. Doe will act as general manager and Mr. Smith will be the executive chef. For more information on their respective skills, work histories, and educations, please refer to the *Management* section. Due to the location / startup costs uncertainty I've left common categories in the table to the right – will modify after you have more knowledge in this area.

### Start-Up Uses of Funding



# Keys to Success

**The following keys to success have been determined as essential in obtaining Small Batch's primary objectives:**

**Effective marketing:** The Company will be entering the local marketplace with a unique food-and-drink concept. A comprehensive marketing strategy will be necessary to raise brand awareness and differentiate Small Batch's offerings from other drinking establishments and restaurants in the Chicago metro area.

**Exceptional products:** Small Batch is committed to offering the highest quality wines, liquors, and food at reasonable prices. The Company will use only fresh, seasonal ingredients – locally sourced as possible. Small Batch will ensure that all perishable goods are kept at optimum temperature and that inventory is consistently monitored to guarantee that all items are delivered to customers as fresh as possible.

**High-class ambience:** The Company will arrange and decorate the dining room to create a relaxed, warm, and elegant atmosphere to enhance the overall customer experience. Small Batch will ensure that the establishment is clean and well-organized at all times.

**Outstanding service:** To maintain its unique image and positive reputation among food and wine enthusiasts, the Company will consistently provide attentive and friendly service. Employees will know regular customers by name and will make every effort to ensure that everyone in the restaurant feels welcomed and valued.

**Customer feedback:** The Company will encourage and value feedback, quickly acting upon changes that will enhance the overall customer experience and updating its business model as needed.

**Strategic location:** Small Batch's location in Chicago's historic Logan Square neighborhood carries with it a number of favorable demographic indicators, including traffic counts, average income, number of households, hotels, and offices within a certain radius.

**Profitability:** Controlling operational and supplier costs, managing budgets in accordance with the Company's goals, adhering to strategic business plans for growth, and reinvesting back into the business and its employees will ensure that Small Batch becomes and remains profitable.

# Strategic Objectives

**Small Batch proposes to reach the following strategic objectives:**

**Be fully operational by March 2011:** Mr. Doe and Mr. Smith are working to complete all possible primary startup operations for the business without outside investment, such as choosing a location, making supplier contacts, initiating a grassroots marketing campaign. After funding is acquired, the Company will secure a lease agreement, complete all necessary renovations, finalize hiring and training, and develop an event schedule.

**Reach target market:** Small Batch will utilize a comprehensive promotional campaign that will include a professional website, social media presence, radio spots, newspaper advertisements, and hosting special events and parties in cooperation with local distributors. Once operational, the Company will host an impressive grand opening event, and subsequently host special events and theme nights as necessary to spur customer loyalty and grow through positive word-of-mouth advertising.

**Build a recognized brand:** The Company will offer a wine bar and dining experience unlike any other establishment in the area. By focusing on providing an upscale environment with high-quality food and drinks, the Company will position itself as a premier establishment in the local community. This will help Small Batch build a strong reputation and cultivate a repeat customer base.

**Provide an enticing atmosphere:** Small Batch will ensure that the establishment is always clean, maintained, appealing, and elegantly decorated. Staff members will be knowledgeable, professional, and courteous to all customers. The Company will work to create an enjoyable experience for all customers.

**Remain Compliant:** Small Batch will consistently follow all retail licensing requirements and food and alcohol service regulations, staying up-to-date with any changes.

**Generate revenue:** Considering Small Batch's strategic location, Mr. Doe's and Mr. Smith's extensive knowledge and experience within the industry, and pricing detailed in the Revenue Model, the Company is poised to become profitable after **XXX** months of operations. **(Will set this after the model is finalized)**



# Funding Objectives

The Company is seeking an investment of

Primary uses include

This section will be written after you have settled on a location and have a better feel for the startup costs.

A complete financial forecast may be found at the end of this document.

## Sources

Loan	\$	110,000
Owner Cash	\$	10,000
Investor	\$	-
<b>Total Sources</b>	<b>\$</b>	<b>120,000</b>

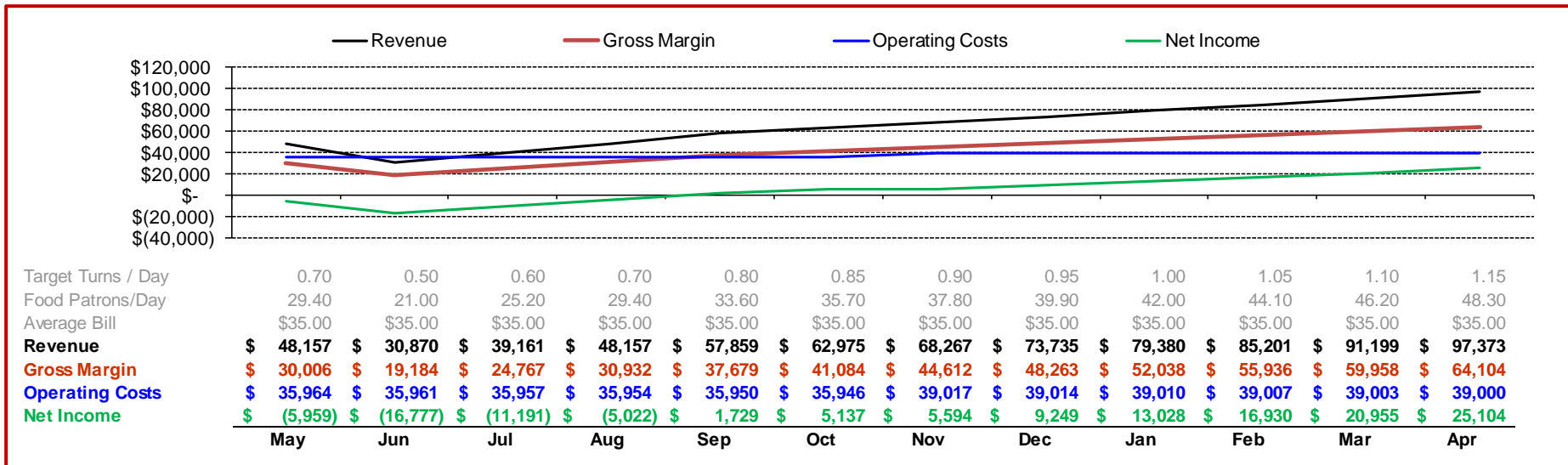
## Uses

Remodel	\$	-
Operating Equip.	\$	-
Office Equip.	\$	-
Fixtures	\$	-
Inventory	\$	-
Pre-Open Marketing	\$	-
Grand Opening	\$	-
Professional fees	\$	-
Pre Open Salaries	\$	-
Pre Open Op Costs	\$	-
Facility Costs	\$	-
Working Capital	\$	120,000
<b>Total Uses</b>	<b>\$</b>	<b>120,000</b>

# Performance Objectives

First year performance goals are illustrated below. As with all forecasts found in this document, this is not intended as a guarantee – but represent a logical estimation the Company believes to be achievable.

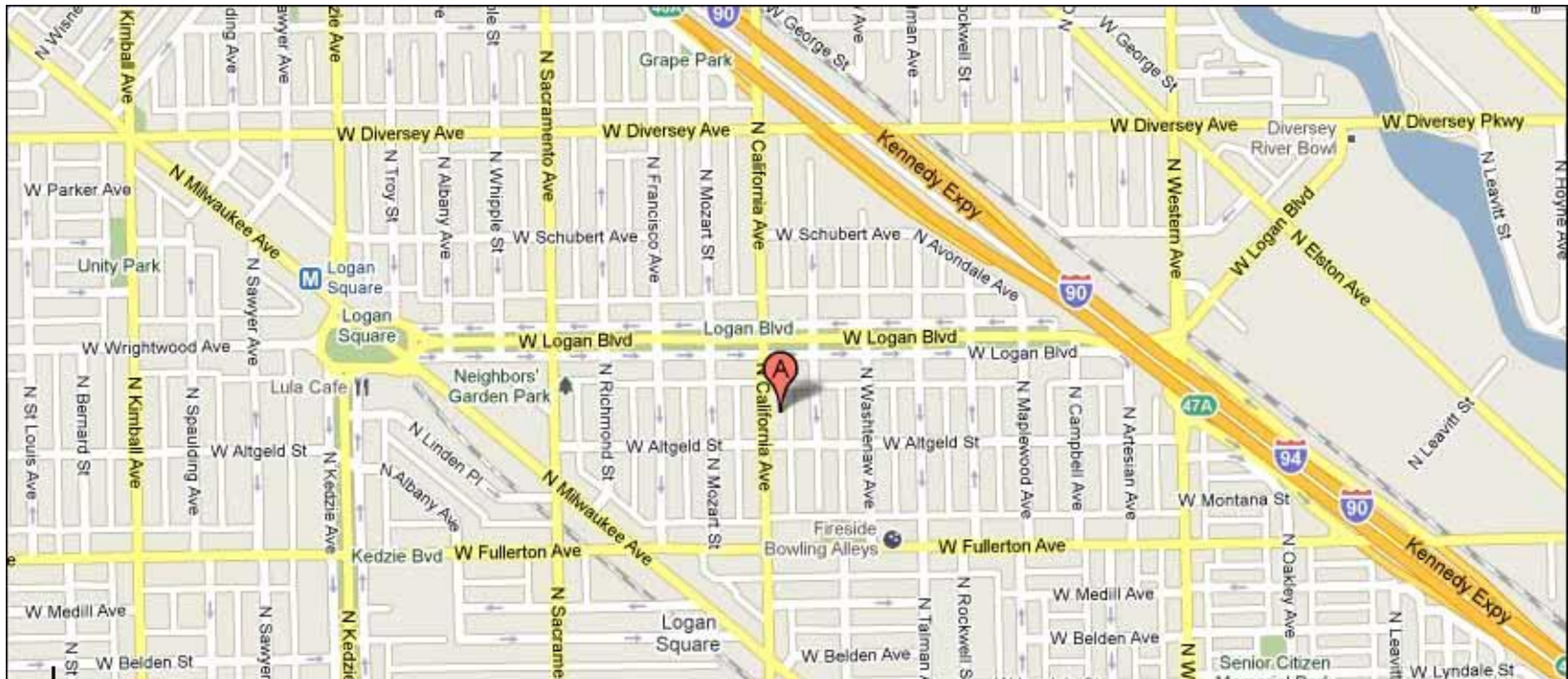
Detailed revenue assumptions are found in the Revenue Model. Detailed operating cost assumptions are found in the Income Statement.



# Location

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Small Batch will be established as a Limited Liability Company jointly owned and operated by John Doe and Dave Smith. The Company will be located in 2,000 sq. ft. of upscale retail space at 555 N. California Ave. in Chicago, IL, 60647. This location is in the heart of the Logan Square neighborhood, a transforming and expanding historical area in the northwest part of Chicago. Small Batch will operate on the ground floor of a two-story building that includes two residential apartments on the second floor. The space was previously occupied by another restaurant that is now closed. The facility has dark hardwood floors, earth tone paint, brick wall accents and unique glass chandeliers. Benches have been built along the interior walls, and a glass atrium surrounded by a half-crescent shaped bar sits at the center of the establishment. Bathrooms and are located in the back, where there is also a full size kitchen and walk-in cooler.



# Establishment Exterior

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# Establishment Interior

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# Products & Services

Small Batch will be an upscale 21 and over establishment offering a comfortable yet refined environment in a wine bar atmosphere. The Company will be open from Monday through Saturday from 4pm to 1am.

Patrons will enjoy high-quality wines from California, Italy, France, Spain, New Zealand, and more. Some will be available by the glass, but most will be priced per bottle to encourage customers to stay, relax, and socialize. A comprehensive but not all-inclusive wine list can be seen on pages 17 and 18. A revolving selection of American microbrews will be on draught.

Small Batch will feature a number of unique, hand-crafted cocktails made from hand pressed juices, high-quality infused liquors, and fresh garnishes. A variety of bourbon, rye, whiskey, scotch, vodka, gin, rum, tequila, and brandy will be also available.

The Company will offer an elegant Italian-inspired menu of tapas, small plates, and impressive entrees. Food will be sourced locally whenever possible. Tapas are shown below, small and large plate descriptions can be found on the following page:

## **Cured**

- Prosciutto San Daniele
- Lomo
- Jamon Ibericio “pata negra”
- Smoked duck prosciutto
- Finocchiona salami
- Soppresatta salami

## **Cheese**

- Cyprus Grove, goat
- Trugole, cow
- Gouda 7 year. cow
- Podda, sheep, cow

# Menu

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## Small

**Arancini:** Saffron rice, mozzarella, breaded, fried

**Octopus:** Slow braised Portuguese baby octopus, san marzano tomato, olive

**Gnocchi:** Black truffle, potato, lobster, spinach, butter, truffle

**Duck & Rabbit Rillettes:** Gunthrop farms duck and rabbit leg, cognac, toasts

**Sturgeon:** House smoked American wild sturgeon, crème fraise, sturgeon roe, brioche

**Beets:** Millers farms crimson beets, house made sheep milk ricotta, aged balsamic

**Egg:** Soft boiled egg, breaded and fried, Michigan field greens, peppers

**Torchon de foie gras:** Napa Valley foie gras, poached in Riesling

## Large

**Chicken:** Gunthrop Farms roasted hen, red vinegar, herbs, broccolini, corn bread

**Scallops:** Pan roasted with celery root and cashews, caper-raisin sauce

**Short ribs:** Snake River Farms braised beef ribs, beets and carrots, whipped potatoes

**Pike:** Pan roasted Lake Superior Pike, cauliflower gnocchi, brussels sprouts, brown butter

**Pork:** Slow roasted berkshire pork belly, Tuscan kale, honey spiced bourbon

**Veal:** Tenderloin, root vegetables, canaderli, podda butter crust

**Risotto:** Creamy rice with roasted organic mushrooms, English peas and goat cheese

# Wine List

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## **Bubbles!**

Marcato, Lessini Durello, Brut, Veneto, Italy N.V.

Jacques Picard, Brut, Champagne, France N.V

Henkell, Trocken, Sec, Germany N.V.

Bellavista, Franciacorta, Brut, DOCG, Lombardia, Italy N.V.

Bollinger, Rose, Brut, Champagne, France N.V.

## **My Sweet One**

Kallfelz, Riesling, Kabinett, Mosel, Germany 2006

Joh. Jos. Prum, "Bernkastelar Badstube," Riesling, Auslese, Mosel 2005

Selbach-Oster, "Zeltinger Sonnenuhr," Riesling, Spatlese 2007

Domaine Bott-Geyl, "Les Elements," Pinot Gris, Alsace, France 2008

Domaine Huet, "Le Haut-Lieu," Vouvray, Demi-Sec, Loire, France 2009

## **Taste My Steel**

Terredora Dipaolo, Falanghina, Irpinia, DOC, Campania 2009

William Fevre, "Champs Royaux," Chablis, France 2008

Didier Dagueneau, Blanc Fume de Pouilly, Loire, France 2006

Domaine Wachau, "Achleiten," Gruner Veltliner, Samaragd, Wachau, Austria 2007

Henschke, "Julius," Riesling, Eden Valley, Australia 2009

Kim Crawford, "Small Parcel," Sauvignon Blanc, Marlborough, New Zealand 2009



# Wine List (cont.)

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## **Flower Power**

Tenuta di Pietra, “Regillo,” Frascati, Superiore, Secco, DOC, Lazio, Italy

Pala, “I Fiori,” Vermentino, DOC, Sardegna, Italy 2009

Christophe Pichon, Condrieu, N. Rhone, France 2007

Darioush, Viognier, Napa, California 2007

Qupe, Marsanne, Santa Ynez Valley, California 2008

## **By the Barrel**

Castillo della Sala, “Bramito del Cervo,” Chardonnay, IGT, Umbria, Italy 2009

Bernard Moreau et Fils, Bourgogne, Burgundy, France 2007

Chateau de la Maltroye, Chassagne-Montrachet, Burgundy, France 2006

Newton, Unfiltered, Chardonnay, Napa, California 2007

Hirsch Vineyards, Chardonnay, Sonoma Coast, California 2008

## **Tastes like Fruit**

Saint Clair Estate, “Vicar’s Choice,” Pinot Noir, Marlborough, New Zealand 2009

Vincent Girardin, “Vieilles Vignes,” Gevrey-Chambertin, Burgundy, France 2005

Costa de Oro, Pinot Noir, Santa Barbara County, California 2005

Ransom, “Selection,” Pinot Noir, Willamette Valley, Oregon 2008

Victory Vineyards, “Parcel Thirty One,” California 2007

Bodega Chacra, “Barda,” Pinot Noir, Rio Negro, Argentina 2007

Tenuta delle Terre Nere, “Guardiola,” Etna Rosso, Sicily, Italy DOC 2007

# Wine List (cont.)

## **Dirty Girls**

Baileyana, “Firepeak Vineyard,” Syrah, Edna Valley, California 2006

John Anthony, Syrah, Napa, California 2005

Sequel Cellars, Syrah, Columbia Valley, Washington 2005

Rene Rostaing, Cote Rotie, N. Rhone, France 2006

Domaine la Barroche, Chateauneuf-du-Pape, S. Rhone, France 2003

Domaine de la Charbonniere, Vacqueyras, S. Rhone, France 2005

Alvaro Palacios, “Les Terrasses,” Priorat, Spain 2006

Pingus, “Psi,” Ribera del Duero, Spain 2008

## **By the Barrel**

Cartlidge & Brown, Cabernet Sauvignon, Napa, California 2008 8 / 32

Gilbert Cellars, Claret, Wahluke Slope, Washington 2006 12 / 48

Drinkward Peschon, “Entre Duex Meres,” Cabernet Sauvignon, Napa, California 2005 115

Once Wines, “The Table,” Cabernet Sauvignon, Napa, California 2007 50

Makor, “Westside - Bien Nacido Vineyard,” Santa Barbara, California 2008 35

Ridge Vineyards, Santa Cruz Mountains 2004 80

Betz Family Winery, “Clos de Betz,” Columbia Valley, Washington 2005 85

Chateau Monbousquet, Grand Cru, St. Emilion, Bordeaux, France 2004 125

Poderi San Rocco, Barolo, DOCG, Piedmont, Italy 2001 60

Vietti, “Castiglione,” Barolo, DOCG, Piedmont, Italy 2006 90

# Drinking Establishments Industry

Small Batch will enter the marketplace as a player in the Drinking Establishments industry which, according to IBISWorld, the largest provider of industry information in the U.S., is currently valued at \$21.29 billion. Recovery for the industry soon expected, following a disappointing 2008 and 2009, when industry revenue declined 9.3 percent in response to the weak economy and changes in alcohol consumption patterns.

In 2009, the decline of the domestic economy and increase in unemployment forced people to become more selective regarding how they spent their income, and personal consumption expenditure declined by 0.6 percent. As people cut down on spending across the board, they were less likely to spend money on luxuries like trips to bars or expensive dinners. Alcohol consumption is also declining as a proportion of total household expenditure. This has been reinforced by significant changes in consumer preferences regarding the types of alcohol they consume and the manner in which it is consumed. For example, some prefer packaged beverages to drink at home rather than on tap at taverns or bars.

Over the next five years, the industry is expected to continue to experience competition from non-industry establishments, such as restaurants, as well as from people opting to stay at home. This will result in industry employment declining 1.8 percent per year to 355,481 persons and the number of industry establishments falling 1.1 percent per year to 63,474. Nevertheless, as the economy improves, industry revenue will grow as well. Over the five-year period to 2015, industry revenue is forecast to increase at an average annualized rate of 2.7 percent to reach \$24.35 billion.

The Drinking Establishments industry will benefit as the economy improves, unemployment rates decline and consumers begin to spend money again, particularly on luxuries like going out on the town. Personal consumption expenditure is expected to increase 1 percent in 2010, and over the next five years, expenditure should increase at an average annualized rate of 2.5 percent. IBISWorld forecasts that industry revenue will increase at an average annualized rate of 2.7 percent to \$24.35 billion in that period. Operators that continue to monitor the market and meet changing customer needs within identified niches can and will continue to operate successfully.

# Current Market Climate

Wine's popularity with American consumers is growing so quickly that experts predict the U.S. will become the largest consumer of wine in the world sometime in the next three years. Baby Boomers make up the biggest market segment in terms of dollars spent, however Generation Y (ages 21-30) is currently at a close second.

According to a Nielsen survey, Generation Y drinkers frequently seek new tastes and are willing to pay a premium price for alcoholic beverages. Raised with diverse beverage choices and consequently a more discriminating taste than previous generations, the study showed that American drinkers have become more sophisticated at a younger age, and are more discriminating than those generations before them.

Interestingly, compared to older generations, this group showed a preference for red wines. Cabernet Sauvignon and Pinot Noir are the favorites. Chardonnay is still the most popular white wine, however, Pinot Grigio, Sauvignon Blanc, and Riesling have gained ground. The survey also showed that Generation Y drinkers are more likely to socialize, and are more likely to choose an expensive drink compared to older consumers.

The specialty bar industry which includes the wine bar concept has become increasingly popular over the past decade in the U.S. Wine bars provide an important consumer niche and offer a relaxed atmosphere that entice both beginner wine drinkers and experienced connoisseurs.

# Restaurants Industry

Offering a full menu for dinner service, Small Batch will also be involved in the Single Location Full-Service Restaurant industry. IBISWorld expects the industry to generate revenue of \$89.1 billion in 2010, which represents the first growth in four years. During the last five years, industry revenue fell at an average annual rate of 1.3 percent.

The economic downturn that began late in 2007 caused a significant drop in guest traffic and average guest check amount for establishments across the country. General business and consumer sentiment was affected by the subprime mortgage crisis and the decline in overall household wealth. Consequently, consumers felt compelled to conserve their income and substituted restaurant dining with in-home food preparation and/or prepared meals from supermarkets. As customer flows declined, the industry experienced high levels of price-based competition on menu offerings.

In 2011, a positive upswing in economic activity and concurrent reduction in unemployment are projected to bring the best year for the industry since 2004. Restaurants will no longer need to offer significantly discounted menu items, but consumers will still have their eye on value. An increase in demand for healthier foods and menu items will continue to occur, as the population becomes more health conscious about their expanding waistlines.

Despite these forecasts of more robust economic growth, however, the industry is expected to remain under significant competitive and operational pressure. Guest traffic will rise, but price-based competition will remain because of the industry's large number of small operators. Over the next five years, IBISWorld expects industry revenue will grow at an average annual rate of 2.8 percent to reach \$104.9 billion by 2016.

# Demographics

Small Batch believes that it will garner customers from the greater Chicago metro area. The following data was obtained from ESRI, a prominent market research firm that uses the most recent Census data to calculate local demographics.

<b>2010 Total Population</b>	<b>9,739,919</b>
2015 Total Population	9,920,929
2010 - 2015 Annual Rate	0.37%

<b>2010 Households by Income</b>	
Household Income Base	3,500,787
< \$15,000	9.2%
\$15,000 - \$24,999	7.0%
\$25,000 - \$34,999	7.3%
\$35,000 - \$49,999	12.7%
\$50,000 - \$74,999	20.5%
\$75,000 - \$99,999	18.9%
\$100,000 - \$149,999	15.0%
\$150,000 - \$199,999	4.4%
\$200,000 +	5.0%
Average Household Income	\$82,593

<b>2010 Population by Race/Ethnicity</b>	
Total	9,739,919
White Alone	64.7%
Black Alone	17.2%
American Indian Alone	0.3%
Asian or Pacific Islander Alone	5.4%
Some Other Race Alone	9.7%
Two or More Races	2.7%
Hispanic Origin	21.0%
Diversity Index	69.9

<b>2010 Population by Age</b>	
Total	9,739,919
Age 0 - 4	7.4%
Age 5 - 9	7.2%
Age 10 - 14	6.9%
Age 15 - 19	7.1%
Age 20 - 24	6.7%
Age 25 - 34	14.1%
Age 35 - 44	13.9%
Age 45 - 54	14.4%
Age 55 - 64	10.8%
Age 65 - 74	6.0%
Age 75 - 84	3.7%
Age 85+	1.7%

<b>2010 Population 25+ by Educational Attainment</b>	
Total	6,295,109
Less than 9th Grade	6.6%
9th - 12th Grade, No Diploma	7.5%
High School Graduate	25.9%
Some College, No Degree	19.9%
Associate Degree	7.0%
Bachelor's Degree	20.5%
Graduate/Professional Degree	12.6%

# Demographics (cont.)

## 2010 Employed Population 16+ by Industry

Total	4,238,548
Agriculture/Mining	0.3%
Construction	5.1%
Manufacturing	11.4%
Wholesale Trade	4.0%
Retail Trade	10.4%
Transportation/Utilities	5.9%
Information	2.4%
Finance/Insurance/Real Estate	9.6%
Services	47.6%
Public Administration	3.2%

## 2010 Employed Population 16+ by Occupation

Total	4,238,548
White Collar	65.1%
Management/Business/Financial	15.9%
Professional	22.9%
Sales	12.0%
Administrative Support	14.3%
Services	15.4%
Blue Collar	19.5%
Farming/Forestry/Fishing	0.1%
Construction/Extraction	4.2%
Installation/Maintenance/Repair	3.2%
Production	5.8%
Transportation/Material Moving	6.1%

## 2010 Population 15+ by Marital Status

Total	7,638,234
Never Married	34.2%
Married	51.0%
Widowed	6.0%
Divorced	8.8%

Apparel & Services: Total \$	\$7,141,431,492
Average Spent	\$2,039.90
Spending Potential Index	85

Entertainment/Recreation: Total \$	\$13,505,844,451
Average Spent	\$3,857.85
Spending Potential Index	120

Food Away from Home: Total \$	\$13,524,250,446
Average Spent	\$3,863.11
Spending Potential Index	120

Retail Goods: Total \$	\$97,283,636,947
Average Spent	\$27,788.38
Spending Potential Index	112

Travel: Total \$	\$8,085,750,884
Average Spent	\$2,309.64
Spending Potential Index	122

# Target Market

While Small Batch will reach a wide range of demographics with its enticing offerings and strategic Logan Square location, potential customers will likely have some, if not most of the following characteristics:

- Age 25 - 50
- Household income of at least \$45,000
- Professional
- Enjoys the nightlife
- Drinks socially
- Likes meeting new people
- Connoisseur of fine wines and liquors
- Interested in discovering new foods and drinks
- Wants to support local businesses
- Is confident and willing to try new things
- Eats outside of the home 1-3 times a week



# Competition

Small Batch will face competition from other food and drink establishments in Logan Square area. The closest competitors in terms of location are profiled below:

**Hachi's Kitchen:** Located next door to Small Batch's proposed location, Hachi's Kitchen is a sushi restaurant that also accommodates walk-up, take-out and delivery orders. Main entrees range in price from \$15 to \$30, but their menu also includes a number of appetizers and other dishes in the \$10 range, and a variety of à la carte items for under \$5. Hachi's Kitchen is owned Jim Bee, who also serves as the head chef of the restaurant. For the last twenty years, Mr. Bee has operated another Sushi restaurant, Sai Cafe, in the Lincoln Park are of Chicago. Hachi's Kitchen is open Monday through Thursday from 4:30 p.m. to 11:00 p.m.; Friday and Saturday from 4:30 p.m. to 12:00 a.m.; and on Sunday from 3:30 p.m. to 10:00 p.m.

**Revolution Brewing Co.** is a brewery and restaurant located in the Logan Square area. The company brews about 25 different styles of beer throughout the year and features guest taps of choice beers from other microbreweries. As for food, the company's menu includes items such as fish and chips, pizza, hamburgers, and sandwiches, all of which are generally priced between \$10 and \$20. Revolution Brewing is open 7 days a week, from 11:00 a.m. to 2:00 a.m., except on weekends, when it opens an hour earlier, at 10:00am, to serve brunch.

**Buona Terra** is an Italian restaurant that has been operating in Logan Square since April 2002. The restaurant serves a variety of Italian cuisine with an emphasis on using fresh ingredients. Entrées average \$15 each. The company also makes itself available to host special events like wedding showers, rehearsal dinners, and other large parties. Approximately four times a year, Buona Terra puts on special wine dinners that feature pairings of five courses and five wines. Restaurant hours of operation are as follows: Tuesday through Thursday: 5:00 p.m. to 10:00 p.m.; Friday and Saturday: 5:00 p.m. to 11:00 p.m.; Sunday: 4:00 p.m. to 9:00 p.m.

**Letizia's Natural Bakery** offers espresso drinks, a variety of baked goods, along with fresh lunches and snacks for under \$10. The company has tentative plans to expand its operations to include a full dinner menu that will offer pastas, salads, antipasti, fish and grilled meats, along with an extensive wine list. The company is currently open from 6:00 a.m. to 11:00 p.m. Monday through Friday; and from 6:30 a.m. to 11:00 p.m. on Saturday and Sunday.

# Competitive Advantages

Small Batch will build upon the following strengths to exceed the expectations of its target market and outperform all competitors:

**Location:** The Company will operate in Chicago's historic Logan Square, a transforming neighborhood that has enjoyed increasing prosperity in recent years. The growing number of affluent, college-educated residents offers an excellent business opportunity for an upscale food and drink establishment.

**Experienced owners:** Mr. Doe and Mr. Smith are both seasoned professionals in the wine and fine dining industry. They know how to successfully manage restaurant operations and develop the kind of menu and customer service that will set them apart from their competitors.

**Effective marketing campaign:** Small Batch will employ a multi-faceted marketing campaign encompassing grassroots initiatives, media spots, a strong online presence, and organizing special events. These tactics will build brand recognition in the local area and highlight the Company's superiority.

**Exceptional Offerings:** Mr. Doe and Mr. Smith will leverage their extensive industry experience, knowledge, and connections to offer only the finest wines, beers, liquors, as well as fresh cuisine that is locally sourced whenever possible.

**Outstanding Customer Service:** Small Batch will focus on providing excellent service for every customer. As operations expand and new employees are hired, the Company will ensure that they are properly trained so that customers will experience the same friendly and knowledgeable service no matter when they visit the establishment.

# Web Marketing

In today's highly competitive and technology-driven marketplace, having a strong online presence is imperative for gaining new customers in every industry. A professionally-designed and functional website will be launched to provide a comprehensive explanation of Small Batch and its mission. The Company's web marketing strategy is outlined below:

**Content:** Since the website will serve as an important source of information for prospective customers, it will contain pictures of the establishment, food and drink menus with prices, hours of operations, and a calendar of upcoming events. Text will include specific calls to action, encouraging users to visit the establishment, or call to make reservations.

**Online Directories:** Small Batch will advertise on Open Table, a website that allows customers to find restaurants and make reservations online. The Company will also advertise through general local online directories such as Yahoo! Local, Bing Local, 411.com, DexKnows.com, YellowPages.com, Yelp.com and CitySearch.com.

**Media Relations:** The website will include a downloadable press kit, which will include the latest press releases.

**Marketing:** Initial and ongoing search engine optimization of Google, Yahoo, and Bing will be done by the web developer or an SEO firm. The Company will also utilize a Google AdWords campaign which can be reduced or defunded if organic search rankings are high enough.

**Social Networking:** The Company will maintain an active presence on popular social networking sites such as Facebook and Twitter to build a strong local following. These websites will be utilized to analyze customer demographics and gain suggestions for new products and services.

**Group Buying:** Small Batch will offer periodic deals through websites such as Groupon.com or LivingSocial.com. This rapidly growing trend will provide the Company with guaranteed paying customers that are interested in trying new things. There are no out-of-pocket costs associated with being featured on these types of websites, and they provide exposure to thousands of subscribers and link directly to other social networking pages, allowing them to share deals with others instantly.

# Additional Marketing Strategies

Small Batch will employ a cost effective marketing strategy, utilizing the following marketing tactics:

**Media Releases:** The Company will send a press release to announce its inception to local publications based in the Chicago metro area. Mr. Doe has connections with a number of local and national journalists and will leverage these relationships.

**Grand Opening:** In the same month that the Company deems its establishment operational, Small Batch will host a grand opening event, which will include food and wine tastings and discounted food and drink specials. The Company will advertise the event online and through professionally designed posters hung throughout the Logan Square area.

**Sponsored Events:** The Company will create strategic partnerships with local distributing houses interested in sponsoring promotional wine or liquor showcasing events and/or private parties. These houses generally donate products free of charge.

**Classes:** Mr. Doe will host inclusive yet educational wine and spirit classes in the establishment for a nominal fee. The Company will advertise these events in local newspapers and on all web communication.

**Signage:** The Company will ensure that its location has a large, attractive outdoor sign, visible to foot and car traffic.

**Radio:** Small Batch will utilize popular Chicago-based radio stations that will target potential customers and advertise the Company's latest promotions and events.

**Print Advertising:** The Company will advertise in the free local newspapers such as The Redeye and The Chicago Reader.

**Word of Mouth:** Satisfied customers will tell their friends and co-workers about their new favorite wine bar in the local area. Small Batch will rely on this free, yet highly effective marketing tool to grow their market share in the area. The Company will also benefit from positive comments and postings on social networking and blog pages.

# SWOT Analysis

Small Batch has performed the following SWOT (strengths, weaknesses, opportunities, and threats) analysis to better understand its position in the marketplace.

## **Strengths**

- Owners have identified an appealing location in a transforming historical neighborhood
- Small Batch will provide the finest wines from around the world, liquors, and handcrafted cocktails in the area
- A high-class “farm-to-table” dining experience
- Commitment to providing outstanding customer service at all times
- The Company has experienced owners with solid reputations and valuable industry and supplier connections

## **Weaknesses**

- Outside investment is needed to purchase lease, equipment, and initial food supplies
- Small Batch has not yet fully developed a marketing campaign or launched a website
- The Company has not yet hired and trained employees

## **Opportunities**

- Cultivate a large repeat clientele base that will build word-of-mouth advertising in the local area and throughout Chicago
- Enable e-commerce capabilities on the Company’s website to accommodate take-out requests
- Offer a wider selection of goods and services and respond to special requests
- Increasing demand for fresh and locally-sourced foods
- Increasing disposable income among consumers as economy improves

## **Threats**

- Competition from established restaurants in the local area
- Rising food, employ shipping costs
- Economic turbulence may lead consumers to remain price conscious and less likely to dine out
- Not generating enough revenue to cover day-to-day operational costs

# Management

## **John Doe, Co-Owner and General Manager**

Mr. Doe has over eight years of experience as a wine buyer, during which time he has worked at some of the finest restaurants in Chicago. In addition to selecting and purchasing wines to compliment the cuisine of these establishments, he has helped manage day-to-day operations, train new employees, and organize special events.

Currently, he is the wine director for Italian Village Restaurants in Chicago, where he is responsible for buying and selling wines and spirits for three different restaurants: The Village, Vivere, and La Cantina. His duties also include managing a wine inventory of 40,000 bottles comprised of 2,000 different labels, and working with chefs to organize the pairing of wine for weekly specials, tasting menus, and special events. Twice a week he conducts a wine and spirits class for employees from all three restaurants. Mr. Doe's previous experience includes working as a Sommelier at both the Salpicon and Moto restaurants in Chicago.

Mr. Doe holds a Bachelor of Fine Arts degree from Western Kentucky University. He also has 1<sup>st</sup> and 2<sup>nd</sup> level certifications from the Court of Master Sommeliers' educational program, a Bassett certificate from the State of Illinois, and a mixology certificate from BarSmarts Advanced.

As an expert in fine wines, Mr. Doe has been featured in the Sommelier Journal and Michigan Avenue Magazine.

# Management (cont.)

## **Dave Smith, Co-Owner and Executive Chef**

Mr. Smith's experience as an executive chef stretches back to 1992. Over the years, he has become highly skilled in almost every aspect of restaurant administration, including menu development, marketing, operations management, budget development, cost controls, inventory management, and employee training.

He first began working as an executive chef at Quadri, a restaurant serving California-style Italian cuisine in San Antonio, TX, where he managed all aspects of kitchen operations. He then became corporate sous chef for the restaurant chain That's Amore in Rockville, MD. A year after joining That's Amore, he was promoted to executive chef, and eventually became the manager of seven company restaurants operating in the Washington D.C./Baltimore area. During this time, his responsibilities included menu development, inventory and cost control, as well as the hiring, training, and development of all company chefs. He took on similar duties as the executive chef at Biaggi's Italian Restaurant in Chicago, while also directly assisting the company's CEO and operations director in all aspects of property development for the opening of new restaurants.

Mr. Smith is fluent in Spanish. He is currently the executive chef at Vivere Contemporary Italian Restaurant in Chicago, which specializes in hand-crafted pastas, risotto, seafood, meats, game, cheeses, and truffles.

# Staffing

At the Company’s inception, Small Batch will employ 4 line/prep cooks, 2 dishwashers, 5 servers, and 1 bartender. Additional employees will be hired as necessary. Both owners will take a salary and will oversee all day-to-day operations of the establishment.

Ownership	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	YR 1	YR 2	YR 3	YR 4	YR 5
Taylor	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 50,004	\$ 60,005	\$ 72,006	\$ 86,407	\$ 103,688
Reynaud	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 50,004	\$ 60,005	\$ 72,006	\$ 86,407	\$ 103,688
<b>Total</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 8,334</b>	<b>\$ 100,008</b>	<b>\$ 120,010</b>	<b>\$ 144,012</b>	<b>\$ 172,814</b>	<b>\$ 207,377</b>

Staff	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	YR 1	YR 2	YR 3	YR 4	YR 5
Prep Cook	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 24,768	\$ 26,006	\$ 27,307	\$ 28,672	\$ 30,106
Prep Cook	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 24,768	\$ 26,006	\$ 27,307	\$ 28,672	\$ 30,106
Prep Cook	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 24,768	\$ 26,006	\$ 27,307	\$ 28,672	\$ 30,106
Prep Cook	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 24,768	\$ 26,006	\$ 27,307	\$ 28,672	\$ 30,106
Prep Cook							\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 12,384	\$ 26,006	\$ 27,307	\$ 28,672	\$ 30,106
Dishwasher	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 1,333	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 2,064	\$ 20,382	\$ 26,006	\$ 27,307	\$ 28,672	\$ 30,106
Dishwasher	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 7,998	\$ 8,398	\$ 8,818	\$ 9,259	\$ 9,722
Server	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 8,772	\$ 9,211	\$ 9,671	\$ 10,155	\$ 10,662
Server	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 8,772	\$ 9,211	\$ 9,671	\$ 10,155	\$ 10,662
Server	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 8,772	\$ 9,211	\$ 9,671	\$ 10,155	\$ 10,662
Server	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 8,772	\$ 9,211	\$ 9,671	\$ 10,155	\$ 10,662
Server	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 8,772	\$ 9,211	\$ 9,671	\$ 10,155	\$ 10,662
Runner	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 8,772	\$ 9,211	\$ 9,671	\$ 10,155	\$ 10,662
Bartender	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 731	\$ 8,772	\$ 9,211	\$ 9,671	\$ 10,155	\$ 10,662
<b>Total</b>	<b>\$ 15,373</b>	<b>\$ 15,373</b>	<b>\$ 15,373</b>	<b>\$ 15,373</b>	<b>\$ 15,373</b>	<b>\$ 15,373</b>	<b>\$ 18,168</b>	<b>\$ 18,168</b>	<b>\$ 18,168</b>	<b>\$ 18,168</b>	<b>\$ 18,168</b>	<b>\$ 18,168</b>	<b>\$ 201,240</b>	<b>\$ 228,911</b>	<b>\$ 240,356</b>	<b>\$ 252,374</b>	<b>\$ 264,993</b>

<b>Total Payroll</b>	<b>\$ 23,707</b>	<b>\$ 23,707</b>	<b>\$ 23,707</b>	<b>\$ 23,707</b>	<b>\$ 23,707</b>	<b>\$ 23,707</b>	<b>\$ 26,502</b>	<b>\$ 26,502</b>	<b>\$ 26,502</b>	<b>\$ 26,502</b>	<b>\$ 26,502</b>	<b>\$ 26,502</b>	<b>\$ 301,248</b>	<b>\$ 348,920</b>	<b>\$ 384,368</b>	<b>\$ 425,188</b>	<b>\$ 472,369</b>
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# Projected Revenue Model

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Small Batch	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Days / Month</b>	30	30	30	30	30	30	30	30	30	30	30	30		30	30	30	30
<b>Seating</b>	70	70	70	70	70	70	70	70	70	70	70	70		70	70	70	70
<b>Target Turns / Day</b>	0.7	0.5	0.6	0.7	0.8	0.85	0.9	0.95	1	1.05	1.1	1.15		1.45	1.7	1.9	2.1
<b>Total Cust. / Day</b>	49.0	35.0	42.0	49.0	56.0	59.5	63.0	66.5	70.0	73.5	77.0	80.5	721.0	101.5	119.0	133.0	147.0
<b>Food Patrons/Day</b>	29.4	21	25.2	29.4	33.6	35.7	37.8	39.9	42	44.1	46.2	48.3		60.9	71.4	79.8	88.2
<b>Cust/Month</b>	882	630	756	882	1,008	1,071	1,134	1,197	1,260	1,323	1,386	1,449	12,978	1,827	2,142	2,394	2,646
<b>Average Bill</b>	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00		\$36.00	\$36.50	\$37.00	\$37.50
<b>Rev.</b>	<b>\$30,870</b>	<b>\$22,050</b>	<b>\$26,460</b>	<b>\$30,870</b>	<b>\$35,280</b>	<b>\$37,485</b>	<b>\$39,690</b>	<b>\$41,895</b>	<b>\$44,100</b>	<b>\$46,305</b>	<b>\$48,510</b>	<b>\$50,715</b>	<b>\$454,230</b>	<b>\$789,264</b>	<b>\$938,196</b>	<b>\$1,062,936</b>	<b>\$1,190,700</b>
<b>COGS</b>	42%	41%	40%	39%	38%	38%	38%	38%	38%	38%	38%	38%		38%	38%	38%	38%
<b>COGS</b>	<b>\$12,965</b>	<b>\$9,041</b>	<b>\$10,584</b>	<b>\$12,039</b>	<b>\$13,406</b>	<b>\$14,244</b>	<b>\$15,082</b>	<b>\$15,920</b>	<b>\$16,758</b>	<b>\$17,596</b>	<b>\$18,434</b>	<b>\$19,272</b>	<b>\$175,342</b>	<b>\$299,920</b>	<b>\$356,514</b>	<b>\$403,916</b>	<b>\$452,466</b>
<b>Total Rev./period</b>	<b>\$48,157</b>	<b>\$30,870</b>	<b>\$39,161</b>	<b>\$48,157</b>	<b>\$57,859</b>	<b>\$62,975</b>	<b>\$68,267</b>	<b>\$73,735</b>	<b>\$79,380</b>	<b>\$85,201</b>	<b>\$91,199</b>	<b>\$97,373</b>	<b>\$782,334</b>	<b>\$865,913</b>	<b>\$1,045,253</b>	<b>\$1,198,788</b>	<b>\$1,359,250</b>
<b>COGS</b>	<b>\$18,152</b>	<b>\$11,687</b>	<b>\$14,394</b>	<b>\$17,225</b>	<b>\$20,180</b>	<b>\$21,891</b>	<b>\$23,655</b>	<b>\$25,472</b>	<b>\$27,342</b>	<b>\$29,265</b>	<b>\$31,240</b>	<b>\$33,269</b>	<b>\$273,773</b>	<b>\$322,915</b>	<b>\$388,632</b>	<b>\$444,671</b>	<b>\$503,031</b>
<b>Total Margin</b>	\$30,006	\$19,184	\$24,767	\$30,932	\$37,679	\$41,084	\$44,612	\$48,263	\$52,038	\$55,936	\$59,958	\$64,104	\$508,561	\$542,998	\$656,622	\$754,116	\$856,219
<b>Margin %</b>	62%	62%	63%	64%	65%	65%	65%	65%	66%	66%	66%	66%	65%	63%	63%	63%	63%

# Projected Income Statement

Small Batch	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenue</b>	\$ 48,157	\$ 30,870	\$ 39,161	\$ 48,157	\$ 57,859	\$ 62,975	\$ 68,267	\$ 73,735	\$ 79,380	\$ 85,201	\$ 91,199	\$ 97,373	\$ 782,334	\$ 865,913	\$ 1,045,253	\$ 1,198,788	\$ 1,359,250
COGS	\$ 18,152	\$ 11,687	\$ 14,394	\$ 17,225	\$ 20,180	\$ 21,891	\$ 23,655	\$ 25,472	\$ 27,342	\$ 29,265	\$ 31,240	\$ 33,269	\$ 273,773	\$ 322,915	\$ 388,632	\$ 444,671	\$ 503,031
<b>Gross Margin</b>	\$ 30,006	\$ 19,184	\$ 24,767	\$ 30,932	\$ 37,679	\$ 41,084	\$ 44,612	\$ 48,263	\$ 52,038	\$ 55,936	\$ 59,958	\$ 64,104	\$ 508,561	\$ 542,998	\$ 656,622	\$ 754,116	\$ 856,219
Percent	62.3%	62.1%	63.2%	64.2%	65.1%	65.2%	65.3%	65.5%	65.6%	65.7%	65.7%	65.8%	65.0%	62.7%	62.8%	62.9%	63.0%
<b>Operating Costs</b>																	
Owner Salary	\$ 8,334	\$ 8,334	\$ 8,334	\$ 8,334	\$ 8,334	\$ 8,334	\$ 8,334	\$ 8,334	\$ 8,334	\$ 8,334	\$ 8,334	\$ 8,334	\$ 100,008	\$ 120,010	\$ 144,012	\$ 172,814	\$ 207,377
Salaries	\$ 15,373	\$ 15,373	\$ 15,373	\$ 15,373	\$ 15,373	\$ 15,373	\$ 15,373	\$ 18,168	\$ 18,168	\$ 18,168	\$ 18,168	\$ 18,168	\$ 201,240	\$ 228,911	\$ 240,356	\$ 252,374	\$ 264,993
Payroll Tax	\$ 2,371	\$ 2,371	\$ 2,371	\$ 2,371	\$ 2,371	\$ 2,371	\$ 2,371	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 30,125	\$ 34,892	\$ 38,437	\$ 42,519	\$ 47,237
Rent	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 45,600	\$ 45,600	\$ 45,600	\$ 45,600	\$ 45,600
Utilities	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 21,600	\$ 22,680	\$ 23,814	\$ 25,005	\$ 26,255
Phone	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400	\$ 2,520	\$ 2,646	\$ 2,778	\$ 2,917
Marketing	\$ 1,699	\$ 1,699	\$ 1,699	\$ 1,699	\$ 1,699	\$ 1,699	\$ 1,699	\$ 1,699	\$ 1,699	\$ 1,699	\$ 1,699	\$ 1,699	\$ 20,389	\$ 20,389	\$ 20,389	\$ 20,389	\$ 20,389
Bookkeeping	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647
Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,050	\$ 1,103
Attorney	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400	\$ 2,520	\$ 2,646	\$ 2,778	\$ 2,917
Liab. Insurance	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800	\$ 1,890	\$ 1,985	\$ 2,084	\$ 2,188
Internet	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600	\$ 630	\$ 662	\$ 695	\$ 729
Equipment Lease	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200	\$ 5,000	\$ 5,250	\$ 5,513	\$ 5,788
Misc.	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000	\$ 12,600	\$ 13,230	\$ 13,892	\$ 14,586
Interest	\$ 638	\$ 635	\$ 631	\$ 627	\$ 624	\$ 620	\$ 617	\$ 613	\$ 610	\$ 606	\$ 602	\$ 599	\$ 7,422	\$ 6,673	\$ 6,160	\$ 5,647	\$ 5,133
Depr. & Amor.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Op. Costs</b>	\$ 35,964	\$ 35,961	\$ 35,957	\$ 35,954	\$ 35,950	\$ 35,946	\$ 39,017	\$ 39,014	\$ 39,010	\$ 39,007	\$ 39,003	\$ 39,000	\$ 449,783	\$ 508,464	\$ 549,543	\$ 596,661	\$ 650,913
<b>Pre-Tax Income</b>	\$ (5,959)	\$ (16,777)	\$ (11,191)	\$ (5,022)	\$ 1,729	\$ 5,137	\$ 5,594	\$ 9,249	\$ 13,028	\$ 16,930	\$ 20,955	\$ 25,104	\$ 58,778	\$ 34,534	\$ 107,079	\$ 157,456	\$ 205,306
Cumulative Op. Pro	(5,959)	(22,736)	(33,927)	(38,948)	(37,219)	(32,082)	(26,488)	(17,239)	(4,211)	12,718	33,674	58,778	58,778	93,311	200,390	357,846	563,152
Taxes 0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Income</b>	\$ (5,959)	\$ (16,777)	\$ (11,191)	\$ (5,022)	\$ 1,729	\$ 5,137	\$ 5,594	\$ 9,249	\$ 13,028	\$ 16,930	\$ 20,955	\$ 25,104	\$ 58,778	\$ 34,534	\$ 107,079	\$ 157,456	\$ 205,306
<b>Cash Flow Adjustments</b>																	
Add: Depr. & Amor.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Incr. in Payables	\$ 14,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,826	\$ 1,521	\$ 1,692	\$ 1,942	\$ 2,237
Sub: Incr. in Inv.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub: Dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub: Princ. Repay	\$ (347)	\$ (349)	\$ (351)	\$ (353)	\$ (355)	\$ (357)	\$ (359)	\$ (361)	\$ (364)	\$ (366)	\$ (368)	\$ (370)	\$ (4,301)	\$ (4,684)	\$ (5,012)	\$ (5,363)	\$ (5,738)
<b>Total Adjustments</b>	\$ 13,942	\$ (349)	\$ (351)	\$ (353)	\$ (355)	\$ (357)	\$ 1,178	\$ (361)	\$ (364)	\$ (366)	\$ (368)	\$ (370)	\$ 11,525	\$ (3,163)	\$ (3,319)	\$ (3,420)	\$ (3,501)
<b>Total Cash Flow</b>	\$ 7,983	\$ (17,126)	\$ (11,542)	\$ (5,375)	\$ 1,374	\$ 4,780	\$ 6,772	\$ 8,888	\$ 12,664	\$ 16,564	\$ 20,587	\$ 24,734	\$ 70,303	\$ 31,370	\$ 103,760	\$ 154,035	\$ 201,805
Cumulative Cash Fl	\$ 7,983	\$ (9,143)	\$ (20,685)	\$ (26,060)	\$ (24,686)	\$ (19,907)	\$ (13,135)	\$ (4,247)	\$ 8,417	\$ 24,981	\$ 45,569	\$ 70,303	\$ 70,303	\$ 101,673	\$ 205,433	\$ 359,468	\$ 561,273
<b>EBITDA</b>	\$ (5,321)	\$ (16,143)	\$ (10,560)	\$ (4,394)	\$ 2,353	\$ 5,757	\$ 6,211	\$ 9,862	\$ 13,637	\$ 17,536	\$ 21,558	\$ 25,703	\$ 66,200	\$ 41,207	\$ 113,239	\$ 163,102	\$ 210,439
EBITDA Margin	-11%	-52%	-27%	-9%	4%	9%	9%	13%	17%	21%	24%	26%	8%	5%	11%	14%	15%

# Projected Balance Sheet

Small Batch	OPEN	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Assets</b>																		
<b>Short Term Assets</b>																		
Cash	\$ 120,000	\$ 127,983	\$ 110,857	\$ 99,315	\$ 93,940	\$ 95,314	\$ 100,093	\$ 106,865	\$ 115,753	\$ 128,417	\$ 144,981	\$ 165,569	\$ 190,303	\$ 190,303	\$ 221,673	\$ 325,433	\$ 479,468	\$ 681,273
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Rec.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-Paid Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acc. Depr. & Amol	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total S-T Assets</b>	<b>\$ 120,000</b>	<b>\$ 127,983</b>	<b>\$ 110,857</b>	<b>\$ 99,315</b>	<b>\$ 93,940</b>	<b>\$ 95,314</b>	<b>\$ 100,093</b>	<b>\$ 106,865</b>	<b>\$ 115,753</b>	<b>\$ 128,417</b>	<b>\$ 144,981</b>	<b>\$ 165,569</b>	<b>\$ 190,303</b>	<b>\$ 190,303</b>	<b>\$ 221,673</b>	<b>\$ 325,433</b>	<b>\$ 479,468</b>	<b>\$ 681,273</b>
<b>Long-Term Assets</b>																		
Bldg & Improv.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acc. Depr. & Amol	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total L T Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Assets</b>																		
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 120,000</b>	<b>\$ 127,983</b>	<b>\$ 110,857</b>	<b>\$ 99,315</b>	<b>\$ 93,940</b>	<b>\$ 95,314</b>	<b>\$ 100,093</b>	<b>\$ 106,865</b>	<b>\$ 115,753</b>	<b>\$ 128,417</b>	<b>\$ 144,981</b>	<b>\$ 165,569</b>	<b>\$ 190,303</b>	<b>\$ 190,303</b>	<b>\$ 221,673</b>	<b>\$ 325,433</b>	<b>\$ 479,468</b>	<b>\$ 681,273</b>
<b>Liabilities</b>																		
Acc. Payable	\$ -	\$ 14,289	\$ 14,289	\$ 14,289	\$ 14,289	\$ 14,289	\$ 14,289	\$ 15,826	\$ 15,826	\$ 15,826	\$ 15,826	\$ 15,826	\$ 15,826	\$ 15,826	\$ 17,346	\$ 19,039	\$ 20,981	\$ 23,218
Cur. Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Note Payable	\$ 110,000	\$ 109,653	\$ 109,304	\$ 108,953	\$ 108,600	\$ 108,244	\$ 107,887	\$ 107,528	\$ 107,166	\$ 106,803	\$ 106,437	\$ 106,069	\$ 105,699	\$ 105,699	\$ 101,015	\$ 96,004	\$ 90,641	\$ 84,903
<b>Total Liabilities</b>	<b>\$ 110,000</b>	<b>\$ 123,942</b>	<b>\$ 123,592</b>	<b>\$ 123,241</b>	<b>\$ 122,888</b>	<b>\$ 122,533</b>	<b>\$ 122,176</b>	<b>\$ 123,354</b>	<b>\$ 122,992</b>	<b>\$ 122,629</b>	<b>\$ 122,263</b>	<b>\$ 121,895</b>	<b>\$ 121,525</b>	<b>\$ 121,525</b>	<b>\$ 118,362</b>	<b>\$ 115,042</b>	<b>\$ 111,622</b>	<b>\$ 108,121</b>
<b>Shareholders Equity</b>																		
Common Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Addtl.Paid In Cap.	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Ret. Earnings	\$ -	\$ (5,959)	\$ (22,736)	\$ (33,927)	\$ (38,948)	\$ (37,219)	\$ (32,082)	\$ (26,488)	\$ (17,239)	\$ (4,211)	\$ 12,718	\$ 33,674	\$ 58,778	\$ 58,778	\$ 93,311	\$ 200,390	\$ 357,846	\$ 563,152
<b>Tot. Shareholder E</b>	<b>\$ 10,000</b>	<b>\$ 4,041</b>	<b>\$ (12,736)</b>	<b>\$ (23,927)</b>	<b>\$ (28,948)</b>	<b>\$ (27,219)</b>	<b>\$ (22,082)</b>	<b>\$ (16,488)</b>	<b>\$ (7,239)</b>	<b>\$ 5,789</b>	<b>\$ 22,718</b>	<b>\$ 43,674</b>	<b>\$ 68,778</b>	<b>\$ 68,778</b>	<b>\$ 103,311</b>	<b>\$ 210,390</b>	<b>\$ 367,846</b>	<b>\$ 573,152</b>
<b>Tot. Liab. and Eq</b>	<b>\$ 120,000</b>	<b>\$ 127,983</b>	<b>\$ 110,857</b>	<b>\$ 99,315</b>	<b>\$ 93,940</b>	<b>\$ 95,314</b>	<b>\$ 100,093</b>	<b>\$ 106,865</b>	<b>\$ 115,753</b>	<b>\$ 128,417</b>	<b>\$ 144,981</b>	<b>\$ 165,569</b>	<b>\$ 190,303</b>	<b>\$ 190,303</b>	<b>\$ 221,673</b>	<b>\$ 325,433</b>	<b>\$ 479,468</b>	<b>\$ 681,273</b>