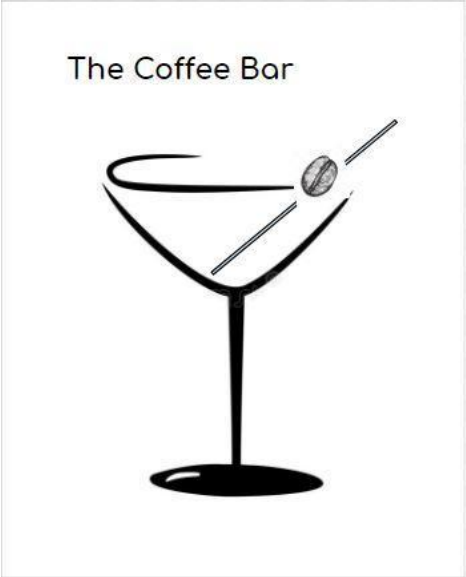

The Coffee Bar
Anela Kettler & Taravati Schmitt
Business Planning
MGMT-407
Culinary Institute of America-Greystone
8th Semester, 2018
Professor Rogge

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Executive Summary

The Coffee Bar is one for the books in style, deliciousness, house-roasted coffee, and alcohol quantity. Located in the heart of Ann Arbor, Michigan, the youthful clientele ranging from their early twenties to late thirties are appreciative of this new innovative look to the coffee house. Utilizing the coffee beans straight from the source and roasting them in house we create a new exciting adventure for the avid palette explorer. This is able to be accompanied or even drank along with the abundant range of alcohol and locally sourced ingredients. The majority of ingredients and alcohols such as wine, grain, dairy, beer, and mead are sourced in the Ann Arbor region not much farther than a stone's throw away. The trend of speakeasies with coffee and cocktails are growing vastly in major cities and as any trendy person would know, Ann Arbor is flourishing with a growing population and larger incomes. If one is simply stopping by our establishment for a good cup of Joe in the morning or ready to rock the beat on the weekend The Coffee Bar is there.

The marketing plan that takes the information from the customers and how to reach them and display what they're missing is a vital part of the business's strategy to success. This explains each step and tactic that will draw them in and keep them coming back through and through. The average customer that walks through The Coffee Bar's doors are more of a contemporary millennial. This is a general observation and the cafe welcomes all that come through it's doors. The Coffee Bar has an appreciation for the ones who seek out the new and unusual in life and are ready to indulge in mystery. Having a customer base that enjoys the creativity and unique but delightful moments in life is very freeing in the sense of testing out new flavor combinations and trends that might cater to them. The

objective in its marketing plan is to make at least $1,693,510 during our first year in annual sales in order to successfully pay rent. Based off of the check averages that are projected for The Coffee Bar, this seems to be a good start.

Social media is a very important platform for the success of each business that wants to wield it in a more profitable way. Apps known to especially our clientele are Snapchat, Instagram, Tumblr, Facebook, Myspace, Google, and others. These platforms are especially helpful in spreading the word of the business and the upcoming events that could promote the progress of the establishment in the public eye and through word-of-mouth. By becoming one with these networks the reputation and identity are going to be of higher value and amount than others could be in the position. This is an investment that in turn will promote a profit incomparable to the small amount used to broadcast the business.

To retain the loyal customers, The Coffee Bar will have punch cards and discounts if they bring their own mugs and so forth, especially if bought in house. By utilizing reward programs for customers that come back regularly, they will be rewarded with a free pastry or cup of coffee.

The Coffee Bar is made up of a team that is well and able to bring the business and it's concept to reality. The excellent hospitality that the business gives to our customers is out of this world in comfort and helpfulness. The team is led by educated managers Anela Kettler and Taravati Schmitt. They both have bachelor's from the Culinary Institute of America. The Coffee Bar is organized and run by these two professionals that are some of the most creative and sweet chefs. The quality shows in both the ingredients and products used as well as the finesse shown in their day-to-day. By keeping their minds open and their thoughts clear of distraction the inspiration to create these cocktails and roast blends become present in the forefront of the business. The total project costs $ 1,253,264 to open up this coffee bar. The owners of The Coffee Bar are expected to come up with $4,557 while the rest is to be funded via debt. It will take about six years to payback the investors as all will go well.

In its first year, The Coffee Bar, is expecting to make $1,693,510 due to the average food check average of $15.38 and $8.70 for alcoholic beverage. There are

approximately 50 covers per day, this surpasses the minimum needed for solely rent. Beverage sales make it big during the evening along with our to-go option for food and non-alcoholic beverages, this makes up around 100 covers daily.

The total hourly employees are 22.4% of the total sales, bringing total management pay at 10.9%. This brings the overall pay for employees to 33.3%. After all expenses have been sorted, The Coffee Bar comes out unscathed and ready for the future. It is projected that there is a $72,986% net income before income taxes. To breakeven in the first year of operations, The Coffee Bar must make $134,545 per month. Based on these calculations there is hope for The Coffee Bar to exceed expectations in quality, locally sourcing, and overall hospitality.

Sources and Uses of Funds

Below are the sources and uses of funds necessary to open The Coffee Bar. Please refer to Appendix I for the capital budget and opening inventory cost sheets.

The Coffee Bar

Projected Sources & Uses of Cash

Development & Startup Period

SOURCES OF CASH:		
Equity Contributions	$ 426,110	
Loan Financing	827,154	
TOTAL SOURCES OF CASH		$ 1,253,264
USES OF CASH:		
Land & Building	0	
Leasehold Improvements	350,000	
Bar / Kitchen Equipment	21,236	
Bar / Dining Room Furniture	6,552	
Professional Services	3,000	
Organizational & Development	54,333	
Interior Finishes & Equipment	24,237	
Exterior Finishes & Equipment	1,000	
Pre-Opening Expenses	92,079	
Working Capital & Contingency	700,828	
TOTAL USES OF CASH		$ 1,253,264

Business Description

Restaurant Description

The Coffee Bar is a European Pastry and late-night Coffee house. We provide in house roasted coffee, hand-selected teas, and alcoholic beverages in the evening shift. Average check should be about $8 in the daytime for a coffee and a Pastry and about $13 at night for an alcoholic drink and a savory pastry. We are located in downtown Ann Arbor, which is prime real estate for the morning and evening commuters. We will be open from 6am until 7pm on Sunday through Thursday and 8am until 11pm Friday and Saturday. We will market to Generation Y and Z, people that need a place to escape with a warm atmosphere and comfortable seating while getting a quality pastry and coffee. The median age of the consumers in the Ann Arbor area are around the age of twenty-eight years old with a disposable income of $75,440.

Mission Statement

The Coffee Bar strives to create high quality roasted coffee, locally sourced ingredients, and an exciting bar selection while supporting the local community.

Statement of Sustainability

The Coffee Bar will put forth the effort necessary to be a sustainable cafe in downtown Ann Arbor. By using the Triple Bottom Line concept, The Coffee Bar will maintain sustainable practices while staying profitable. The social practices The Coffee Bar will utilize include human labor practices. The Coffee Bar will set strict guidelines of the hours that an employee can work. Employees can only work 8-hour days with a required 30-minute paid lunch break every day an employee work more than 5 hours. The Coffee Bar will also pay employees a living wage. The living wage in Washtenaw County is $12.39 (Living), so The Coffee Bar will pay employees $12 a starting wage of $12 an hour with ability to earn raises after 3 months. By giving everyone to opportunity to gain raises and paying a livable wage for Washtenaw County, The Coffee Bar hopes to keep turnover costs low by retaining employees.

The Coffee Bar will provide a positive impact of the community by inviting local artists and artisans to sell their products in The Coffee Bar. This partnership will help increase The Coffee Bar's profits by creating a deal in which The Coffee Bar gets 10% of all proceeds from these products being sold. Allowing the local artists and artisans to gain recognition and allowing The Coffee Bar to gain profits.

The Coffee Bar will practice product responsibility by providing detailed labels on all products including ingredients used, where local products were sourced, and nutritional information to be as transparent as possible. The customer should know where everything comes from and the impact it may have on them and the world around them. The Coffee Bar will also work towards using sustainable packaging and providing incentives for those who being in reusable drink containers. The Coffee Bar will also provide as much in store reusable plates and glasses as possible. By purchasing reusable ware, The Coffee Bar will be able to cut down on the amount of money spent on recyclable products. The Coffee Bar will also provide straw free cold cup lids to eliminate the amount of straws being disposed of improperly. The Coffee Bar will provide compostable straws to those who request them.

The Coffee Bar will invest in automatic light systems that shut of when no movement is detected as well as a timed system for all other lights and electronics powered throughout the coffeehouse. By using automatic and timed systems, The Coffee Bar will be able to reduce the cost of energy in the establishment by using less energy when unnecessary.

The Coffee Bar will reduce the amount of waste produced by using less disposable packaging, creating a compost system for coffee ground and other food waste, and recycling when able. By creating less waste, The Coffee Bar will spend less money garbage bags and be able to contribute to a compost system.

The Coffee Bar will be financially responsible by giving back to the community through the support of local artists and artisans. The Coffee Bar will also give back to the community by providing a livable wage, which will in turn allow for employees to contribute to the local economy.

Menu

the coffee bar

beverage menu

coffee stuff
espresso 3
french press coffee cup/pot 3/6
mocha 5
latte 5
nitro coffee 5
frappuccinos 6
breve 6
cafe au lait 4
americano 4

milk options
whole, skim, almond, rice, soy

the other stuff
spiced chai latte 6
fresh fruit smoothies** 6
tea 3
fresh lemonade 3
matcha latte 6
juice 3
hot cocoa 4
apple cider 6
bottled pop 3

**seasonal fruit
16 oz hot 20 oz cold
most drinks can be hot or iced

---

food menu

pressed sandwiches 13
includes a side salad and root chips

cheesin'
gruyere brioche, apple butter

vegtown
caramelized onion, veggie mix, muhammara

honey, you're a ham
honey baked ham, veggie, fried egg

breakfast sandwiches 7
includes piece of seasonal fruit

sunshine sandy
sausage, egg, cheese, muffin

eggcited
egg cheese, veggie mix, challah

b.e.c.ky
bacon, egg, cheese, biscuit

local pastries and breakfast options
parfait (**L**) 5
coffee cake 4
tea cake (weekly special) 5
croissants (**L**) 4
almond croissants (**L**) 5
chocolate croissants (**L**) 5
muffins (daily specials) 4
cinnamon rolls (**L**) 4

snacks
brazilian cheese puffs (4 pieces) 7

soft pretzels 10
spicy honey mustard, smoked gouda, sliced avocado

popcorn pananza 4
popcorn, spice blend, sea salt

bruschetta 6
fresh tomatoes & herbs, mozzarella, sourdough

(**L**=locally sourced)
(veggie mix changes with seasons)

the coffee bar

adult beverage menu

wine 9

2017 pinot grigio, bowers Harbor

2017 gewurztraminer, wind whistle bowers harbor

2016 riesling, medium sweet, bowers harbor

2017 sauvignon blanc, laurentide

2016 chardonnay rls reserve, bowers harbor

2017 rosé pinot noir, bowers harbor

2016 zinfandel, deangelis

2017 vinosesso, deangelis

2014 merlot, deangelis

2016 shiraz, deangelis

2002 cabernet sauvignon, deangelis

beer 7

district 16 , amber lager, wolverine state

barista, brown lager, wolverine state

tundra king , i.p.a., wolverine state

big pun, sour, wolverine state

promise, golden ale, wolverine state

drones, i.p.a., homes

chicken scratch, pale ale, homes

impossible vibes, stout, homes

bucks, stout, homes

mead 7

controlla, blend, bløm

apple cyser, wildflour honey, bløm

hopped, tangerine pine, bløm

coffee cocktails

irish coffee 14
coffee, whiskey, cream

espresso martini 12
vodka, espresso, coffee liqueur

b-52 10
coffee liqueur, irish cream, grand marnier

rüdesheimer kaffee 10
brandy, coffee, cream

karsk 10
vodka, coffee

siciliano 15
vermouth, amaro, coffee, orange

affogato martini 14
espresso, gelato, coffee liqueur

cocktails

mimosas (half off sunday 9-11am) 14

hot toddy 13
choice of tea, bourbon

fresh fruit daiquiri 13
seasonal fruit, rum

mojito 14
fresh mint, rum, lime

vesper 14
vodka, gin, lillet

margarita 13
tequila, orange, lime

moscow mule 12
vodka, ginger beer, lime juice

sangria 13
rosé, seasonal fruit, brandy, soda

all alcohol sourced within michigan

Ownership Structure

The Coffee Bar will operate as an LLC with Taravati Schmitt and Anela Kettler as the forming members. An operating agreement is currently being drafted, outlining every aspect of the members' responsibilities in the restaurant. The document will be reviewed by legal counsel and signed for a binding agreement. All aspects of decision-making will follow the The Coffee Bar company policy and by-laws of the operating agreement.

Management Team

The management team is skillful and passionate. The following are people that have proven to be excellent management and of great leadership and other skills that create a harmonic experience to work under at The Coffee Bar. The following are both bachelor graduates of the Culinary Institute of America.

Taravati Schmitt- Kitchen Manager

Her name is Taravati Schmitt and is a graduate of The Culinary Institute of America. She has been employed at several upper-end restaurants and cafes such as: Eastern Standard, Island Creek Oyster Bar, Hotel Commonwealth, Wildflour Bakery & Cafe, Brick Farm Tavern, etc. These places have instilled the confidence and skill that can bring the business to the forefront of the evening crowds. She graduated with a double majoring of Wines and Mixology and Pastry and Chocolates included in my overall Business Management degree. This will help the business centralized in alcohol, drinks, and pastries.

The local community in the area will be used in not only a more sustainable way, but in a business-oriented way. She has lived in New Jersey for most of her life apart from seven years in California and a year and half in Massachusetts. This enables an adaptability that would be in play for changing trends in the local and

cultural shifts that happen in our client base. She is currently in her 20s which is the same demographic targeted, 20-30-year-old. This is making it easier to understand the wants and needs of the consumers. Ever since she was old enough to move about she has been in love with the creation of foods and overall wonder at the processes. From EZ-Bake Oven to a professional kitchen in downtown Boston, she has been working hard and passionate about her dreams of this industry and the products make, this business coming into play is a dream come true.

Anela Kettler- General Manager

Anela Kettler graduated from the Culinary Institute of America with a BBA in Business Management and a concentration in Advanced Concepts in Baking and Pastry in 2018. She went of the obtain her MBA from the University of Michigan while working in the Cake Studio at Zingerman's Bakehouse in Ann Arbor, Michigan. After obtaining her MBA, Kettler chose to move to Los Angeles, California to work at Charm City Cakes West and gain a larger presence in the cake decorating business. After a few years Kettler moved back to Michigan to pursue a more independent career. Kettler and Schmitt reconnected after many years to open The Coffee Bar. Kettler's passion for sustainably sourced and roasted coffee, and her unwavering love of tea, combined with Schmitt's passion for the world of alcohol inspired them to jump of the bandwagon of this new and exciting trend.

Michael Weiss- Beverage Program Advisor

His name is Michael Weiss and is a wine instructor at the Culinary Institute of America in Hyde Park. He has worked at several high-end restaurants and have been given several awards of valor in this industry specializing in wine, beverage, and hospitality. By working as an instructor at several colleges along with the amount of wine tasting competition he is qualified in a multitude of ways to be a mentor to the graduates making this business. He is a Master Sommelier which is incredibly helpful for both alcoholic drinks along with non-alcoholic drinks. For pairings with foods, flavors, aromas, and the knowledge shared would greatly be used in the majority of the business. The overflow of connections in the beverage industry that it has is enough to definitely help build a business as interesting as this one.

Marketing

Industry Analysis

Economic Factors

The current economic outlook is a positive one for a while to come. Though Trump's presidency has said the growth will climb to the unstable percentage of four; the GDP realistically predicts it to stay between 2 and 3 percent which is the preferred range. If the percentage were to climb at the rate President Trump depicts it would ultimately be climb too quickly leaving long-term a big drop. Fed rates will continue to climb under this preferred climate of economic growth. It is estimated that it will increase from 2.1 to 2.9 by 2020, this is not the best for short-term interest rates such as credit cards; it is great if you mainly use fixed rates where you can. This will promote an ample selling environment much like our business's property plan.

The unemployment rate will drop to 3.8 in 2018 and continue to at 3.6 in 2020 as forecasted by the Federal Reserve Chair Janet Yellen. The growth will mainly stay in lower income jobs including the large quantity of americans working part-time jobs. Almost 164,000 jobs were created in April 2018. According to the Bureau of Labor Statistics the job growth was in professional and business services, much like our own, which also helped impede the unemployment rate from 4.1 to 3.9 (NCSL).

It is said that once the tell-tale signs of a peak another recession will follow in a couple years afterwards. Currently we have the prediction of when the recession does happen it will not be nearly as bad or long as our previous one. The signs of reaching the cycle peak phase is when buyers reach an 'irrational exuberance' for a product. This leads them to place bidding wars that far outshine the worth of such products and drive the prices out of reach (Sheller). This is a natural part of the economic cycle, to have peaks and downfalls, it all depends on the swiftness of growth and duration it lasts. Currently we are still in the growth phase officially moving out of the people's eye of still recovering from our last recession; creating

the perfect environment for customers to spend their money on artisanal and unique experiences, an example of which would be The Coffee Bar.

Political Factors

The rise in minimum wage on a yearly basis is affecting businesses statewide. This rise started with the Workforce Opportunity Wage Act, Public Act 138 of 2014 (Fair). The rise in minimum wage starts at $8.15 the previous minimum wage before this act and rises to $9.25 in 2018. Raising the minimum wage will cost businesses. Michigan should plan to see rising prices, but also a rise in the money supply because of employees being paid a wage that more closely resembles a living wage. This will barely affect The Coffee Bar as we plan to raise our wage as the years go by as we would like to provide our employees with a livable wage.

Social / Cultural Factors

The culture trends that are coming to play in America in 2018 are transformative and empowering, these are especially supported by the generation of millennials growing up. The trend which seems to be grossing in use are the deeper meanings people are finding in hashtags, women playing strong leads, and people trying to disconnect on a network that won't quit. The hashtags, as an example, are used in a sense of togetherness with the #metoo and #extra. The #metoo internet formed movement is about calling out the social norm of being sexually assaulted and its continuous frequency. The #extra hashtag meant more of calling out those who are overly attention-seeking and the newer way showing the realization to try turning it down a bit on the self-centered meter (Forbes.) Our establishment is partaking in an eco-friendly lifestyle and supporting our local community creating a pleasing climate for planet-conscious clients to enjoy. The overwhelming strain of electronic devices and instant replies is starting to show resentment in larger numbers and people are now choosing to opt for restaurants and shops with more of a natural comfort style.

Baby-boomers were thought to have been the largest workforce for most of their lifetime, until they had children. By next year there will be more millennials in the workforce than any other generation before them by making up 35% of the total workforce (Pew). With the largest generation of workers being our target market, it makes sense to have set up shop in a city dominated by the mid-twenty to mid-thirty crowd. This makes up for the exuberant expense of rent as we are in a prime location with heavy foot traffic.

Technological Factors

The busy life of the typical coffee drinker does not allow for much time to stand in line and wait for a coffee. Drive thrus and online ordering are the solution to this problem. The Square Order app allows for businesses to set up an ordering system that makes it easier for the consumer and the business. Customers are able to order their favorite beverages from a coffee shop and have their order ready when they walk through the door. The app even has the customer submit a selfie, so the barista can get to know their customers better. The ability to submit orders online can cut down a customer's commute and create a better relationship with that specific coffee shop. (Gokey)

Target Market Personas

Name: Jonah

Age: 22

Profession: Sales associate at Sunglass Hut

Education Level: Associate's

Major: Political Science

Income Level: $38,000

Marital Status: Single

Residence: Dorm- University of Michigan

Hobbies: Jonah enjoys artisanal food and wine tastings, food blogging, hanging out with friends and going for late night strolls. He also loves striking up political and environmental conversations with strangers.

To further his 'artisanal palate' Jonah will use The Coffee Bar as a platform of supporting the community trend and will be able to tell people he actively supports the planet with our recycling and biodegradable items.

Jonah values quality ingredients, in-house roasts, vintage clothing, and a well-kept beard.

Pet Peeves: being called a "hipster", processed foods, littering, mainstream, and republicans.

Preferred mode of transportation: bike

Jonah fills his phone with apps including Snapchat, Instagram, Tumblr, Rotary Dialer, Spendbook, WaterMinder, Hype Machine, and Facebook. Jonah is always on the lookout for new shows for his favorite band Sonic Youth.

Name- Kelsey

Age- 26

Profession- Program Manager at a Non-Profit

Education level- Bachelor's

Income level- $50,000

Marital status- Engaged

Residence- Downtown Ann Arbor, Studio Apartment

Hobbies- Kelsey likes to spend her weekends gardening at the local community garden and taking photos along the way. She is always down to volunteer. She also loves driving to Lake Huron during her days in the summer and kayaking.

Kelsey has a busy schedule and to keep up you have to fuel up. She stops by the Coffee Bar every other morning with her reusable travel mug and never takes a straw. The Coffee Bar is also her favorite place to have a drink with her friends from the nonprofit on a Friday night.

Kelsey values time with her friends and her fiancé. She makes sure that when they go out, it's to a place that is accepting and friendly.

Kelsey, like many other consumers, is not a person that like to wait, she loves using the Square App to order her coffee ahead of time. She's always driving her hybrid car and in a hurry. She loves Instagram and alternative music.

Market Area

The characteristics of our market area are presented with solid data provided by both the area itself and government statistics. The population density for the city of Ann Arbor is 4103% higher than the state average. The population density per square mile is 4,239 (AreaVibes). The average age range for this area is twenty-eight. This is great in terms of the target market age range and their opinions. This is the lowest in the state and shows promise for up and coming concepts to flourish. A younger crowd that is a part of the largest generation to enter the workforce is the perfect target for long-term clientele. The length of regular customers returning once the business wins them over is strongly indicated through the demographics that site that half of the population have lived in the same basic area of Michigan for most of their lives and the other half moved in from out of state (AreaVibes).

The median household income in Ann Arbor is 57,697 versus the average in the state with 50,803 (AreaVibes). This helps the business plan of having higher quality products with a price tag that won't be daunting to our target market. By keeping the price points on the menu affordable but also reflective of the higher quality ingredients, our business will be easily adapted to the public. The public transit provided in Ann Arbor, Michigan is plentiful in the sense of bus terminals and stops throughout the downtown area. Through 'TheRide' public transportation, besides hitting all the colleges around the area the stops are frequent enough in the city marketplace and hospitals. If you were to imagine what the grid looks like, it is similar to The Line in Boston, to which there are different colors and coordinates. This is helpful because The Coffee Bar is located close to two of the most used stops as said by the operators when asked what the foot traffic was like getting off at the spots near our business.

This leaves less to worry about when taking note of no available parking spaces, besides along the street in front. The main draw is that it is a stand-alone in the middle of a thriving city to which has heavy foot traffic and a young clientele who are much of the population in the area. College students in the area generally enjoy

the wine and beverage scene during the hours not in class, for coffee or alcohol, The Coffee Bar is their one-stop shop.

Signature events in the area include, but are not limited to, Iron mining events, music festivals featuring local artists, Boyne's City's Boyne Appetit, Frankenmuth Bavarian Festival, Centerline Independence Festival, Lilac Festival 10k, and HUB Fest.

Competitors

Zingerman's Next Door

422 Detroit Street

Ann Arbor, MI 48104

Zingerman's Next Door is an extension of Zingerman's Deli in the Kerrytown neighborhood of Ann Arbor. Next Door serves a variety of Zingerman's products including cheese and baked goods, and products from other local businesses as well. They also create and serve coffee drinks using beans roasted in Zingerman's Coffeehouse. Zingerman's Next Door targets a similar market to The Coffee Bar.

Starbucks

300 South Main Street

Ann Arbor, MI 48104

Starbucks is a coffee shop that serves a variety of coffee blends, coffee drinks, and pastries. Starbucks is a competitor because they cater to a similar target market. They are also a coffee shop similar to The Coffee Bar.

RoosRoast

117 E Liberty St,

Ann Arbor, MI 48104

RoosRoast is a coffee shop that roasts beans in house. They use a roaster that uses 80% less energy than traditional roasters. They are a competitor of The Coffee Bar because they also produce in house roasted coffee and an inviting atmosphere.

Alley Bar

112 W Liberty Rd,

Ann Arbor, MI 48104

Alley Bar provides a wide selection of quality bar options and a comfortable environment. Alley Bar is a competitor of The Coffee Bar because they offer a quality bar range with local ingredients.

Espresso Royale

324 S. State St.

Ann Arbor,Michigan 48104

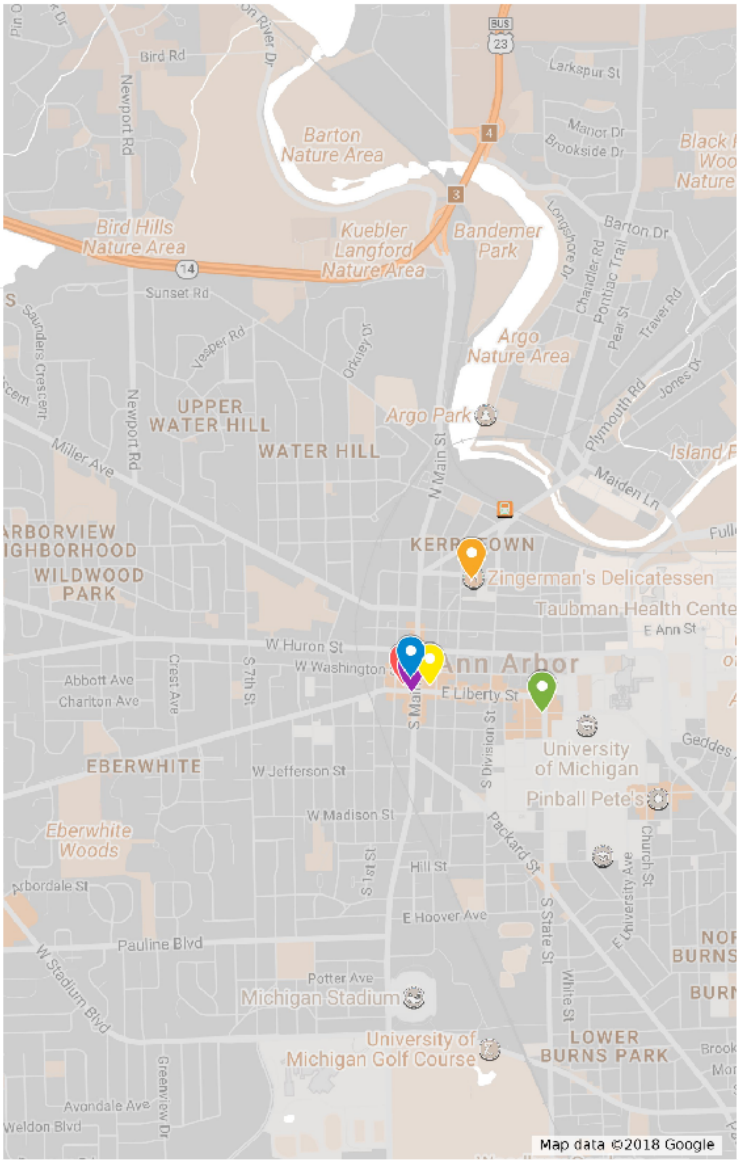
Espresso Royale was inspired by espresso bars in the San Francisco area in the 1980's. They have a friendly staff and a dedication to great service. Espresso Royale is a competitor of The Coffee Bar because of their dedication to quality coffee and an exciting experience.

Competitors' Locations Map

Competitors

Untitled layer

- Alley Bar
- Espresso Royale
- Starbucks
- RoosRoast Liberty
- Zingerman's Next Door Café
- 210 S Main St



Competition Matrix

Competition Benefit Analysis

	The Coffee Bar	**Zingerman's**	**Starbucks**	**RoosRoast Liberty**	**Alley Bar**	**Espresso Royale**
Location	210 S Main St	418 Detroit St	300 S Main Street	117 E Liberty St	112 W Liberty Rd	324 S. State St.
Years in Business	Zero	27 years	47 years	13 years	130 years	31 years
Occupancy	40 seats	60 seats	25 seats	Unknown	60 seats	Unknown
Service Style	Fast Casual	Fast Casual	Fast Casual	Fast Casual	Bar Service	Fast Casual
Beverage Service	Full Bar	Coffee Service	Coffee Service	Coffee Service	Full Bar	Coffee Service
Cuisine	European Cafe	Jewish Deli	Coffee House	Coffee House	Alcohol Only	Coffee, Tea, and Baked Goods
Benefits: Seating	Comfortable	Outdoor Seating	Cozy, WiFi	Plants around	Booths and Bar	Seating for studying and meeting with friends
Benefits: unique features	Coffee and Alcohol	Zingerman's Products	Well Known	Energy efficient roasting	Historical	80's Influences
Benefits: Beverage	In house roasted coffee, local products.	Wide range of in house roasted coffees	Consistency and range of coffee blends	In house roasting, energy efficient	Wide bar range	Organic Coffee and Tea

The competitors in the area are thriving in this current economic climate. This is good because it means that the similar aspects which it is selling will enter a market already enjoying these types of products, i.e. coffee and local alcohol. The city itself is very locally supportive with events and other such festivals that show pride in their heritage and surroundings. It may provide coffee and alcohol, but ours are both local and house-made. It provides closure to the sustainably conscious consumer as well as giving a place where social interaction in a comfortable

environment is available. The majority of the populous in the area of Ann Arbor, Michigan is single, thus giving us another competitive advantage in having no pressures to collide but giving an easier chance if they wanted to try. It provides both coffee and alcohol with an arrangement of foods that are almost 90% locally sourced.

SWOT Analysis

Strengths

- In-House roasted coffee
- Staff
- Bar selection
- Downtown location
- Locally sourced ingredients and products
- Higher quality

To maximize our strengths, it is going to sell with a grand amount of quality in the foods. Promoting our unique in house roasting style coffee is a vital aspect that will draw in both the coffee drinkers and the ones who like to stay up late. By sourcing our products and ingredients locally and supporting the local economy it will bring up a prosperous environment for business growth. The Coffee Bar maximizes the foot traffic with the prime spot it obtained in downtown.

Weaknesses

- Large selection of surrounding coffee houses
- Large selection of surrounding bars
- Significant purchase to construct a bar/kitchen
- Higher prices

To minimize the lesser comings in the marketplace will make ties with other local businesses to build each other up and bring about more local buzz in the community. Our concept is unique in the fact that it'll be the only coffee cocktail bar in the area of Ann Arbor. This provides future customers a great new place to go out and explore the selection. The prices are higher in our establishment than the others in the immediate area, but contrary to the other local businesses the bar is competing with, it provides locally sourced ingredients such as dairy, grains, produce, wines, beer, mead, and gin.

Opportunities

- High walkability score
- Expansion in other neighborhoods
- Capitalization on new trends
- New concepts

If business goes well and our growth rate is stable enough to expand might move to another city that has a similar demographic and expendable income. Since The Coffee Bar is based off the trend coffee and bar mash-up the business is open to adapting a special or even a slot on the menu for each new trend that could be more profitable. The walkability score can double during the summers where the hours may differ if need be to events held in the area.

Threats

- Increasing cost of goods sold
- New retail development in area of shop
- Increased minimum wage
- Seasonal threats of depletion

To minimize the amount of issues that may arise will alter the costs of the market and to the appeal of the customer base. Continuous testing and polls to understand the customer base more will be helpful in both short and long-term goals. By meeting the minimum wage will only need certain experienced workers, while the rest can be entry-level.

Marketing & Public Relations Strategy

The Coffee Bar's marketing objective is to break even by the end of the first year of business. The break-even point is $1,614,540 in sales determined by the financial report and can be achieved through sales of ToGo, in house, and online ordering.

Strategies

1. Create a compelling and intriguing online presence.
2. Carry out themed nights and promotional specials.
3. Establish a positive and recognized impact in the community.
4. Create an unforgettable atmosphere for the guests.

Strategy 1: Create a compelling and intriguing online presence.

Tactic 1: Website

The Coffee Bar will create a comprehensive website that highlights the features of The Coffee Bar, explains the story behind The Coffee Bar, and showcases the food, coffee, and beverage menus. The Coffee Bar will use a Wix.com website that allows for a unique domain name, free of wix.com associated advertisements (Premium).

Tactic 2: Facebook Page

The Coffee Bar will have a Facebook page to connect with current and potential guests. The Coffee Bar will engage in promotional specials, advertising, and featuring new menu items on the Facebook page. The Coffee Bar will also be advertising through Facebook for roughly $140 a month (Help).

Tactic 3: Instagram

The Coffee Bar will engage in an Instagram page that showcases the atmosphere and menu that The Coffee Bar has to offer. The Instagram page will also be used for customer engagement and advertising to potential customers.

Tactic 4: Snapchat

The Coffee Bar will create a SnapChat account to engage one on one with customers and potential customers. The Coffee Bar will also create and use a filter for potential customers within a certain range of The Coffee Bar.

Tactic 5: Selfie Contest Giveaway

The Coffee Bar will carry out a giveaway through the three social media platforms being used. Customers who take a selfie with their coffee, post, and hashtag #TheCoffeeBar will be entered to win a T-Shirt and travel mug. The Coffee Bar will also repost several of these posts to create a better relationship with the customers.

Tactic 6: Online Ordering

The Coffee Bar will use Square POS system in house as well as the connected online ordering system for customers. The Coffee Bar will engage in delivery and grab and go coffee systems (Square).

Strategy 2: Carry out themed nights and promotional specials.

Tactic 1: Trivia Night

The Coffee Bar will host trivia nights every Tuesday with Sporcle. Sporcle is a company that does trivia nights at bars and pubs to create more business for the company (Sporcle). Trivia nights have proven to draw in crowds and The Coffee Bar plans to make every night a busy night.

Tactic 2: Wine Wednesdays

The Coffee Bar will be carrying out a promotional special on Wednesday nights to create a larger crowd on a typically slow night. The Coffee Bar will be selling bottles of wine for 25% off. The Coffee Bar will be handing out fliers around town and at local businesses to generate awareness of this discount.

Tactic 3: Reusable Mug Discount

The Coffee Bar will be selling reusable mugs. These mugs will include a free drink upon purchase and a $ 0.50 discount on any future drinks purchased for this mug. The Coffee Bar will also offer a $0.50 discount for anyone using a reusable mug.

Tactic 4: Punch Cards

The Coffee Bar will offer punch cards for any guest. For every drink that a guest purchases they will receive a punch on their card. Ten drink purchases will equal a free beverage of their choice. By incorporating this into The Coffee Bar, the retention of customers should increase.

Strategy 3: Establish a positive and recognized impact in the community.

Tactic 1: Create relationships with local businesses and artists.

The Coffee Bar will contact local small business and artists to display and sell their products and artwork in The Coffee Bar. By displaying the products and art in The Coffee Bar, a relationship is created with small businesses and artists as well as contributing to the ambiance.

Tactic 2: Be present in local events

The Coffee Bar will participate in local events to be present in the communities and expand the customer base. The Coffee Bar will also plan to participate in community support and charity events in the area.

Tactic 3: Decrease our environmental impact

The Coffee Bar will strive to be sustainable whenever possible. The Coffee Bar will use recyclable and compostable packaging when available. The Coffee Bar will partner with a local farm to contribute the composting to.

Strategy 4: Create an unforgettable atmosphere for the guests.

Tactic 1: Use comfortable and interesting seating

The Coffee Bar will find and use seating from thrift stores to create an ambiance that cannot be easily created. The Coffee Bar will contribute to the lifecycle of the furniture by continuing to reuse it.

Tactic 2: Create a noteworthy experience with a coffee bar combo.

The Coffee Bar will stand out from the crowd with the combination of quality coffee and an exciting bar scene.

Pre Opening Marketing

The pre-opening marketing plan here at The Coffee Bar is going to implement both a soft-opening and provide a pre-opening party. Before the restaurant opens it will

provide pastries and drinks that will be held for our opening parties and as a practice run in our public relations. Each employee will work for two weeks before it officially opens. The week it opens will be a soft opening beginning at the start of the week and then continuously test the grounds as it will make its way to Sunday.

Staff will be hired and trained a week before as well as will practice how it will run with business during our soft opening. This will help the company decide if it has enough people, the right people for the jobs, where certain seating works, our feedback on the foods, and create a learning environment.

The Coffee Bar's web presence is incorporated in our website, social media, and ads. The locals will be invited via community groups, Facebook pages, Instagram hashtags, and notices will be sent to the colleges and businesses in the area with permission of their public relations. This will be used to promote our pre-opening party, create brand recognition, and spread via word-of-mouth to people in our target market.

The Coffee Bar will open with a pre-opening party, this will include a specialty coffee cocktail, wine donated from DeAngelis Winery, and a beer keg donated by HOMES brewery. These are sponsored as they are a part of the connections we have with our local businesses and their products. By providing the best options for the customers it will attract, the return rate of customers will hopefully parallel those of our competitors, or even exceed. The Coffee Bar thrives on the home-away-from-home feeling; however, the enjoyable differences of searchlights in front and our décor will provide a celebrity red carpet style entrance into our establishments.

There will be some events during the week before that will host some events; i.e. women empowerment brunches, Wine tastings, coffee tastings, beer tastings, local events set a stand up at, supporting the local libraries with a book club meeting hosted at our venue. Those of which come to these events get an additional discount on their return to our business during our first week open officially. This brings up the subject of collateral in promotion. The promotion of these events along with our pre-opening party, and soft opening will include several merchandise given for free.

It will be spent in total. Some examples are stickers, mugs, t-shirts, and other pleasantries.

Pre Opening Marketing Budget

Marketing/Public Relations Pre-Opening Budget

	Marketing/ PR Tactic (Channel)	Advertising	Public Relations	Opening Parties	Notes
1	Create website updates with status of opening, press and date of party	$ 3,500.00			14 x month
2	Design Business Cards for GM, Barista, Chef				300 business cards, 100 per
3	Secure 2 Searchlights			$ 700.00	
4	Stickers		$10	$15	400, use left over for public relations
5	Recyclabled fabric banner			$31	discounted vistaprint
6	cocktail demo mixologist/barista			$60	cocktail demo- five hours for $12 each
7	shirts		$230	$324	100 count
8	mugs			$588	100 count
9	business pens			$498	300 count
	Totals	$ 3,500.00	$ 240.00	$ 2,216.00	

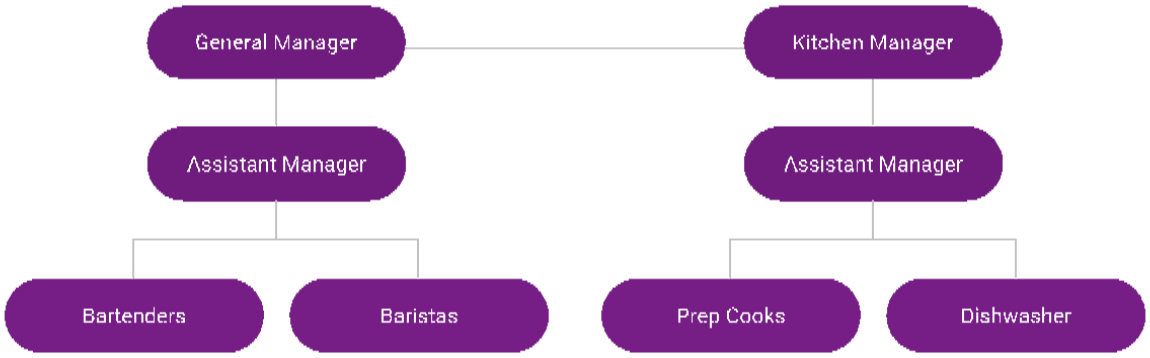
Marketing Budget

Marketing/Public Relations Budget

	Marketing/ PR Channel	Target Market	Selling and Promotions		Advertising		Printed Materials		Research	
1	Website	Gen Y / Gen X	Monthly Costs		Monthly Costs	($ 14.00)	Monthly Costs		Monthly Costs	
2	Facebook	Gen Y / Gen X	Monthly Costs		Monthly Costs	($ 140.00)	Monthly Costs		Monthly Costs	
3	Instagram	Gen Y / Gen X	Monthly Costs		Monthly Costs	($ 140.00)	Monthly Costs		Monthly Costs	
4	Snapchat	Gen Y / Gen X	Monthly Costs		Monthly Costs	($ 500.00)	Monthly Costs		Monthly Costs	
5	Selfie Contest Giveaway	Gen Y / Gen X	Monthly Costs	($ 36.00)	Monthly Costs		Monthly Costs		Monthly Costs	
6	Online Ordering	Gen Y / Gen X	Monthly Costs	($ 60.00)	Monthly Costs		Monthly Costs		Monthly Costs	
7	Trivia Nights	Gen Y / Gen X	Monthly Costs	($ 800.00)	Monthly Costs		Monthly Costs		Monthly Costs	
8	25% off Wine Wednesdays	Gen Y / Gen X	Monthly Costs		Monthly Costs		Monthly Costs	($ 53.00)	Monthly Costs	
9	Punch Cards	Gen Y / Gen X	Monthly Costs		Monthly Costs		Monthly Costs	($ 30.00)	Monthly Costs	
			Total	($ 896.00)	Total	($ 794.00)	Total	($ 83.00)	Total	($ -)

Organizational Chart

Below is the organizational structure of The Coffee Bar.



Labor Cost Schedule

- EARLY -																
(breakfast & lunch)		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday		WEEK
Covers		80		80		80		80		120		140		140		720
Total Restaurant Sales		$1,247		$1,247		$1,247		$1,247		$1,871		$2,129		$2,129		$11,116
Position	Rate	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Labor $
Kitchen -																
Dishroom	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	672.00
Prep Cooks	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	2.00	8.0	2.00	8.0	2.00	960.00
Line Cooks	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Expo	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Dining Room -																
Barista	$ 12.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	3.00	8.0	3.00	1536.00
Bartender	$ 12.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	8.0	1.00	8.0	1.00	8.0	1.00	288.00
Bussers	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Bartenders	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Cashiers	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Labor Cost Per Shift - $		384		384		384		384		576		672		672		3,456
Labor Cost Per Shift - %		30.8%		30.8%		30.8%		30.8%		30.8%		31.6%		31.6%		31.1%

- LATE -																
(dinner only)		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday		WEEK
Covers		40		80		80		80		80		80		40		480
Total Restaurant Sales		$971		$1,942		$1,942		$1,942		$1,942		$1,942		$971		$11,652
Position	Rate	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Labor $
Kitchen -																
Dishroom	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	672.00
Prep Cooks	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	1056.00
Line Cooks	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Expo	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Dining Room -																
Barista	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	2.00	8.0	2.00	8.0	2.00	960.00
Bartender	$ 12.00	8.0	1.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	1.00	1152.00
Bussers	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Bartenders	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Cashiers	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Labor Cost Per Shift - $		384		480		480		576		672		672		576		3,840
Labor Cost Per Shift - %		39.5%		24.7%		24.7%		29.7%		34.6%		34.6%		59.3%		33.0%

Operations Plan

Facility Fact Sheet

Address: 210 South Main Street

Total Square footage: 1400 sq ft

Projected monthly rent:

Kitchen Area: [BOH square footage] 350 sq ft

Dining Area: [FOH Square footage] 1050 sq ft

Seating Capacity: 40 seats

Theme:

Our coffee cocktail bar supports the local community through local products. The amount of product that we use that is locally-sourced compared to imported foods is 80% at least. The Coffee Bar provides a place of relaxation and great times. There is both the wakening factor of coffee and the social interactions that go along with bars. The whole theme is to be warm and welcoming like a cup of coffee. The walls, furniture, and overall experience of our bar are for those looking for a home away from worries, stress, and any of those pesky bothersome things that drain the mind of fun.

Interior:

warm, exciting, fun, trendy

The interior of our business is warm and inviting with warm colors and an overall warm faculty. Since this establishment is mainly a bar for both non-alcoholic drinks and alcoholic drinks the cooking options is limited to easily made foods that don't require a full kitchen or hoods. The paintings on the wall and the decor will be on trend and the staff will be sweet.

Ambiance:

The ambiance is comfortable and chic. By targeting a crowd of 20-30 year old adults in this establishment it is obligated to stay on trend and within their price range.

This brings a welcoming and exciting atmosphere with cool interesting cocktails made of artisanal coffee beans that we roast in house.

Focal Point:

The focal point of the bar is the counter in the middle of the cafe which includes the main reason people visit. The main counter has the liquids, the foods, and the cashiers. This is the main area from which to get any type of substances we serve.

Color Scheme:

The color scheme is inviting and comfortable. The Coffee Bar will provide warm woods, and warm colors; The walls will be splatter painted with reds, orange, white, and yellow. The floor itself will be chestnut.

Wall Treatments:

The walls will have white paint over whatever wall type it currently is as a base color before painting the other colors described above along with exposed brick.

Tables:

The tables are circular and have one centralized part that supports it. This is so if friends or acquaintances can pull up a chair in the social sense. The other reason is that we can always change a four top to two tops.

Chairs:

The chairs are a range of dining, bar, and outdoor seating. The dining chairs are the most used with only a couple options via bar stools. The outdoor seating would be in warm weather and would be 6 at most due to limited space on the sidewalk.

Flatware:

The plates and bowls will be speckled and earth-toned.

Uniforms:

The uniform for the employees includes: non-ripped jeans, a The Coffee Bar shirt, non-slip shoes and a similar logo apron.

China:

The vessels the business uses for beverage consumption are: clear mugs, stein, cocktail glasses, highball.

Ceiling:

The ceiling is textured and designed in a beautifully mosaic design. Imagine the below photo but darker.

Lighting:

The lighting will have a candlelight essence to it. The use of thrift store lamps in the front of the building will be vital to our lighting inside and the overall feeling of the customers in our business.

Flooring:

The look of our flooring is chestnut. We will peel back the older layer and replace it with a 2nd hand chestnut wood.

Music:

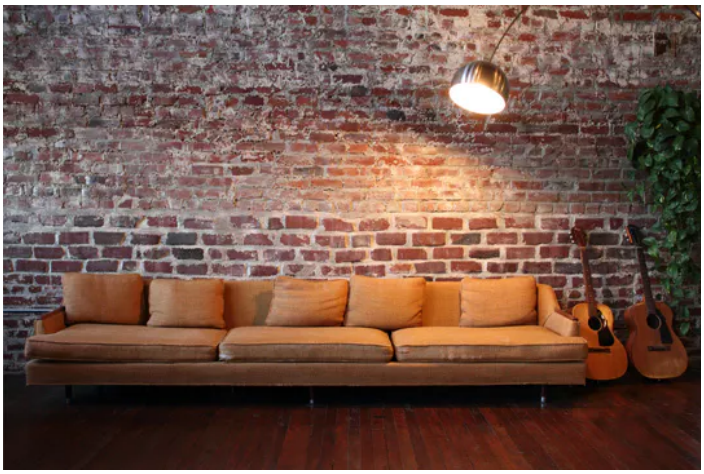
The music The Coffee Bar will play is chill radio on apple music. The music we want to play is relaxed but very centralized to the modern music scene.

Exterior:

There will be a large sign titled “The Coffee Bar” logo, and we will have string lights all around the entrance as a draw to walk inside.

Walls:

The wall will be painted over in white and other warm colors. The worn brick wall will be the central look throughout the walls in the area with an accent splatter of warm colors on the front wall.



Windows:

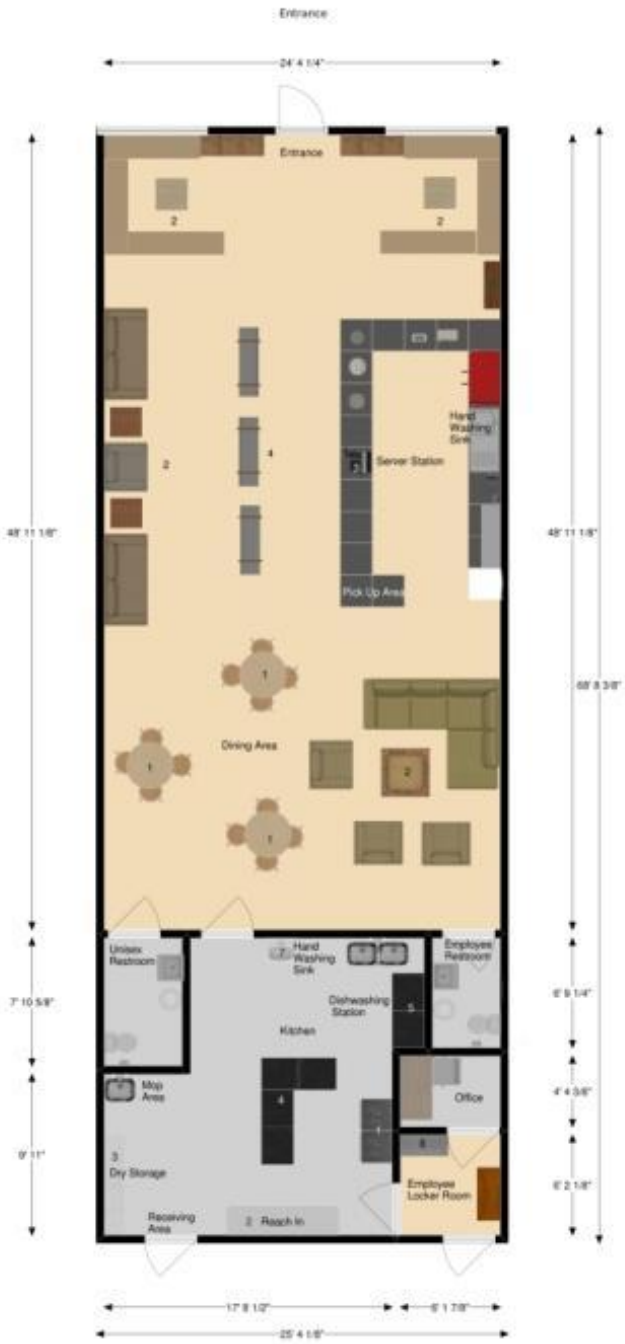
The windows are all centralized in the front of the store. There are exactly six windows in front of the cafe. These would have wooden trim and a nice detailing at the top.

Other Exterior treatments

The other exterior treatments would be: plants, chairs, and window coverings.

Facility Floor Plan

The Coffee Bar features a large bar that can convert from daytime coffee service to nighttime bar service. The layout also includes a summary of the types of seating arrangement available to the guests.



Restaurant Name
Address

List in Legend:
Kitchen:
1. Convection Ovens
2. Reach In Refrigerator and Freezer
3. Dry Storage Shelves
4. Prep Tables
5. Dishwasher
6. Sink
7. Hand Washing Station
8. Employee Lockers

Front of the house
1. 4 Top Tables
2. Couch Seating
3. Server Station
4. Display Shelves

List of Major Suppliers

For The Coffee Bar, most of the products the business sells are locally sourced either from vendors, farmers, vineyards, or wineries. The other products used in the restaurant such as towels, linens, janitorial needs, furniture, basic dry ingredients, and equipment are found online or through regular paths used in most businesses of wholesale buying. These companies were all chosen because they provide great products and reasonable prices. When talking over the phone they responded with the fact that if the business became a reality they would give a reduced cost and promote the business to their regulars and around the city. The area and its vendors were pretty excited to hear about the new coffee cocktail bar opening up in the center.

For several of the company's grocery needs to produce our products they are gained by local businesses. For produce such as fruits, vegetables, nuts, and fresh spices we source from *Rowes Produce Farm* as the place for these necessities when it is seasonally acceptable. *Rowe*s is located 5 miles outside of Ann Arbor and is a supplier to both consumers and restaurants alike. The backup supplier on days where the supply of certain produce is strained will be *Arbus Farm Sto*p. They are both roughly the same distance away from our business but are willing to deliver almost every day since it is along their route to other deliveries.

Fresh and powdered herbs that are not sourced from *Rowes Produce Farm* will come from the online source *Pacific Botanicals*. This website prides itself on healthy organic herbs and when they offered to send samples of each herb that would be used in the cocktails served and overall foods it was a good sign. They ship these herbs in temperature sensitive containers and since they aren't far from their base of operation they were content to give a discount of shipping. The next option for herbs is *FreshDirect* which is a little farther and not able to give the business a discount, but would deliver right to the door every week like *Pacific Botanicals.*

For the quick breads, granola, and oats needed for breakfast the business will have it sourced from *The Grainery*. This is exciting as a trusted advisor recommended this business to get our grains from for the production uses. They would deliver to the door every 12 days or a little less than two weeks. If they

weren't available, we would go with King Arthur for the grain and oat needs. They provide optimal service and quality along with being less expensive than any of the other grain businesses in the area.

Our dairy provider is Calder Dairy, an Ann Arbor staple in the community and an avid business in support of the well-being of its animals. They will produce our dairy, cheeses, yogurt, ice cream, and eggs. We will get it shipped every week and if there is an issue, FreshDirect is our fallback.

For our beverage program, which is our main attraction to the consumer, we have several sources. Non-alcoholic beverages will be made in-house like lemonade, teas, cider, and smoothies. We also got sponsored by GoodBelly in response to their revamp to target the millennial generation as long as we include their product in our community programs; i.e. sporting events. For alcohol needs we have several purveyors in our payroll. For wine we source from two different vineyards: DeAngelis Winery and Bowers Harbor Vineyard. We gain a multitude of customers from their business and being able to hold them in our restaurant. As long as we promote people to go visit their base of operations and vice versa the cost of delivery and overhead are at a minimum. They also offered to partner up in off-site events, if we provide our foods, they will provide the wine.

For beer, we have two providers as well: Wolverine and HOMES brewery. They are both also based in Ann Arbor itself. They were happy to oblige by giving us free kegs at our opening parties and for the first month as a trial run. They are also well known within our target market in the area and have high ratings on all customer review sites. Along with the beer we will be selling Mead since our area has a certain fascination with it as an alcoholic choice. The provider of this drink is Meadworks which is also located in Ann Arbor.

For hard alcohol we will be using wholesale liquors from Boxed.com. This website is discounted liquor for restaurant and bar use and has been used at several restaurants we've worked at in the past. If that isn't available or if our mixologist wants to experiment with certain unique liquors with our budget having some wiggle room, we will order from Liquor.com as an alternative source.

For meat we decided to go to a trustworthy and craftful butchery named *JohnnyJack Butchery.* Johnny and Jack are brothers and have been carrying out their business from generation to generation creating another staple in the community that is good to have ties to for PR purposes. The meats they use are from farmers they work with in the area and are cruelty-free. This helps ease the minds of consumers and makes the meat all the better to use for our needs.

Pastries are baked and made every morning in a bakery down the road and delivered to us every morning. *Crust* is our main supplier and is alternated with *Pastry Peddler* two blocks away depending on the customer's feelings towards their products. Both have been raved about in papers around town and are viable options in the success of our business.

The coffee beans we get delivered to our door are from S*weet Marias*. The green coffee beans we buy in bulk are from Rwanda and are of the Kivu Kanzu variety. This was the only source we want to get coffee beans from as they are unique and full of complex flavors.

Our alarm system we are going with *SimpliSafe*, a reliable source for a secure business. This is not unique to Ann Arbor or even Michigan itself, but is a continentally used alarm system. By going with the common use of alarm systems we are betting on the quality they serve the rest of their clientele to be the same with our business. This goes along with the thought for our janitorial and linen needs. We are going to use *The Company Store* and *Restaurant Supply* for those needs as they are commonplace in the restaurant industry and delivery to each business, most of the time with free shipping because of the purchasing size and cost.

For pest control we went with a local company for effective and quick resolutions if we stumble into that kind of situation. One issue we don't want to have is be shut down because of pests. This is why we decided to go with the business *Knock Em' Out Pest Control Company*.

Product	Main Supplier	Terms/Delivery	Alternate Supplier

Produce (i.e. fruits, nuts, and veggies)	Rowes Produce Farm	[2 days/ Yes]	Argus Farm Stop
Fresh and Powdered Herbs	Pacific Botanicals	[7 days/ Yes]	FreshDirect
Fresh Milled Oats, granola, wheats	The Grainery	[12 days/ Yes]	King Arthur
Dairy (i.e. Milk, cheese,etc.)	Calder Dairy	[7 days/Yes]	FreshDirect
Beverage	-GoodBelly, -made in house	[COD]	WebRestaurant Store
Meat	JohnnyJack Butchery	[3 days/ Yes]	Sysco Foods
Coffee Beans	Sweet Maria's	[15 days/ Yes]	N/A
Wine	-DeAngelis Winery -Bowers Harbor Vineyard	[30 days/ Yes]	Lone Oak Vineyard Estate
Beer	Wolverine HOMES Brewery	[20 days/ Yes]	The Session Room
Mead	Meadworks	[40 days/ Yes]	GreatClubs
Hard Alcohol	Boxed	[20 days/ Yes]	Liquor.com
Alarm Monitoring Panic Button	SimpliSafe	[Net 30]	N/A

Linen Company	The Company Store	[Net 15]	Acme
Janitorial Needs	Restaurant Supply	[Net 25]	Acme
Pastries	Crust	[1 day/ yes]	Pastry Peddler
Pest Control	Knock 'Em Out Pest Control Company	[Net 15]	Yourself

Daily Operations and Production

Day of the Week	**Hours of Operation**
Monday	6 am to 7 pm
Tuesday	6 am to 7 pm
Wednesday	6 am to 7 pm
Thursday	6 am to 7 pm
Friday	8 am to 11 pm
Saturday	8 am to 11 pm
Sunday	6 am to 7 pm

The Coffee Bar is open seven days a week for breakfast lunch and dinner necessitating staggered shifts. Schedules are written by departmental managers and posted every Wednesday before the schedule period starting the following Monday. The schedules are written in a manner that allows management to increase or decrease hourly labor according to sales volume in order to maintain a consistent labor cost control.

Designated management and opening baristas will report for work 30 minutes before opening to prepare for opening.

The menu has been created in a manner to allow the preparation of many recipe ingredients to be done ahead of time. Proper labeling and rotation techniques accompanied by ample storage facilities will ensure that high quality prepared products will be sufficiently available to meet the demands during peak business hours. Replenishment and ongoing preparation will continue during off peak business hours.

The General Manager is responsible for ordering, receiving and maintaining sufficient inventory to meet production demands. Ordering schedules are staggered with perishable products being ordered multiple times per week to preserve

freshness. Standard grocery and supply orders will be ordered less often, according to a predetermined schedule and storage capacity.

Baristas and Bartenders arrive at staggered intervals, allowing sufficient time to prepare for anticipated customer traffic.

Management uses operational checklists to verify that each work shift has been properly prepared for and to ensure the operational standards are followed before, during and after work shifts.

The fast-casual style of The Coffee Bar is by design intended to complement the guest's overall perception of the restaurant, creating a designed guest experience. The restaurant layout, including the dining room, cafe, kitchen and serving line, will be designed for efficiency and flexibility to accommodate the fluctuation in customer traffic and peak meal periods.

Customer Service

The philosophy of customer service our establishment follows is one that values the customers feelings and opinions. They are meant to be heard with both negative or positive feedback if constructive. The Coffee Bar is a place willing to hear the thoughts of an individual and their experience. The business wants them to have a great experience and our manager will be on the floor throughout our hours of operation.

The way our business will maintain a higher level of customer service is by tracking the guests' experience through a number of different ways. For example, since our manager will be present they will walk around the room and talk to the guests and ask if there's anything they need or how their experience is via word of mouth in a nonchalant setting while keeping a level of professionalism of course. Along with the check the comment card will be handed to the customer. This can be misinterpreted as a bad choice in the way of customer feedback; but I'd say the contrary. Since we have the manager getting timely updates of customers the written form can be documented easily via pictures and incorporated into the evening's meeting at the end or relayed to the prep team in the morning if there's enough of

one type of complaint or suggestion. Online reviews are also welcome, though if there are bad ones we will try our best to direct them off the internet and into a private emailing session to come back to our business and enjoy a complimentary croissant or discounted foods. This is included in the restitution to unhappy guests. We hope they will make it back to use to relieve their experience in a better light.

Management will track feedback via social media, in person, and comment cards. They will have a stack of comment cards piled behind the cash register to read during the slow moments or after hours. When the manager does indeed go up to tables and ask about their experiences, he/she would write it down notes during or immediately after the conversation takes place. On social media the manager will be monitoring tags, posts, and geofilters that are said about the establishment. This can be stored in the Cloud or just noted when needed.

The manager will report feedback back to the employees during either the morning meeting or evening/closing time meeting. This would depend on the severity, type, and amount of feedback given for the day. The employee responsible for positive feedback repeatedly will be given some type of reward or bonus, even if it is getting off early during a slow shift. Now, if the feedback is negative towards a specific employee they will be taken aside and will have to discuss the issue if it happens again or is of notice. Overall good or bad feedback will be told to the entire working staff to help build a camaraderie type workplace and to help each other if one or another is struggling to meet demands one day.

Technology Plan

Technology Strategy Summary

Security System

The Coffee Bar will use SimpliSafe as the security system for the cafe. This system runs 24/7. This system includes motion sensors, security cameras, and entry sensors. The essential security system will alert us to any unusual activity and will also contact the police if necessary.

Music/Sound/Audio-Visual System

The Coffee Bar will use Soundtrack for business. Soundtrack is a branch of Spotify specifically for businesses. This contract will pay all necessary fees. The Coffee Bar will have access to over 150 playlists including any playlist from personal spotify accounts. This music system can also be controlled from an app to eliminate the need to leave the counter to change the music. The Coffee Bar will use an Atlas sound system throughout the cafe to ensure adequate music distribution. The Coffee Bar will provide WiFi through Comcast for all customers to enjoy.

Cash Register / Point of Sale

The Coffee Bar will use the Square POS system in the cafe. The Coffee Bar will have one terminal with an IPad POS, cash drawer, and receipt printer. The Square system will be used to process all credit card transactions as well as the ToGo ordering system that will be set up through Square.

Phone System

The Coffee Bar will use a simple Panasonic phone system with 1 main receiver and 2 extension receivers. The main receiver will be placed in the office with one phone by the counter and 1 in the kitchen. The Coffee Bar will obtain a local phone number and will not have a fax machine.

Office Equipment/Computer

The Coffee Bar will obtain a Dell laptop computer to perform the necessary functions for the cafe. The Coffee Bar is a small business with simple needs. The software purchased for the laptop includes QuickBooks, Office 365, and Sonic Gateway antivirus protection. The Coffee Bar will be investing in a large printer to be used for printing menus and flyers as needed instead of outsourcing the printed materials. The website and online ordering are included in the marketing plan.

Technology Start-up Cost Matrix

	Technology Systems	Hardware Costs	Software Costs	Start-up Costs	Monthly Costs
1	Security Systems	719.88	-	-	24.99
2	Music System	595	-	-	34.99
3	Phone Service and WiFi for Guests	-	-	-	114.90
4	Phone System	71	-	-	-
5	POS System	975	-	-	-
6	Office Equipment	-	-	-	-
	Office Computer	529	-	-	-
	Quickbooks	-	199.99	-	-
	Office 365	-	99.99	-	-
	Anti-Virus	-	298	-	-
	Color Printer and Scanner	249	-	-	-
	Total	3,138.88	597.98	-	174.88

Financial Information

Profit & Loss Pro Forma Year 1 and Breakeven

For documentation supporting the Pro Forma and breakeven, please refer to the Inventory Cost Sheets in Appendix I and the complete Financial Workbook in Appendix III.

The Coffee Bar

CASH FLOW Break-Even Worksheet

Fixed Costs		Annual	Monthly
Total Management Salaries		$ 185,000	$ 15,417
Minimum Hourly Labor	65%	$ 246,605	$ 20,550
Employee Benefits		$ 91,952	$ 7,663
Direct Operating Expenses		$ 90,095	$ 7,508
Music & Entertainment -		$ 420	$ 35
Marketing -		$ 21,276	$ 1,773
Utilities -		$ 84,825	$ 7,069
General & Administrative -		$ 86,030	$ 7,169
Repairs & Maintenance		$ 45,228	$ 3,769
Occupancy Costs:		$ 68,600	$ 5,717
Interest		$ 56,025	$ 4,669
Misc Other Expense		$ -	$ -
Loan Principal Payments		$ 59,223	$ 4,935
		$ 1,035,278	$ 86,273

Variable Costs	% of Sales	$
Cost of Sales	24.6%	$ 33,144
Hourly Labor	7.8%	$ 10,550
Employee Benefits	1.3%	$ 1,720
Credit Card Expense	2.1%	$ 2,859
Paper Supplies	0.0%	$ -
	35.9%	$ 48,272

	Annual	Monthly
Percentage Rent	$ -	$ -

	Annual	Monthly	Weekly
Break-even Sales	$ 1,614,540	$ 134,545	$ 31,049

Sales Break-Down:	Annual	Monthly	Weekly
Food	$ 1,358,633	$ 113,219	$ 26,128
Liquor	$ 114,717	$ 9,560	$ 2,206
Beer	$ 61,771	$ 5,148	$ 1,188
Wine	$ 79,419	$ 6,618	$ 1,527
Total	$ 1,614,540	$ 134,545	$ 31,049

Five Year Operating Projections

The Coffee Bar

5 Year Operating Projections

	Year 1		Year 2		Year 3		Year 4		Year 5	
Sales:										
Food	$ 1,425,086	84.1%	$ 1,453,588	84.1%	$ 1,497,195	84.1%	$ 1,557,083	84.1%	$ 1,634,937	84.1%
Beverage	268,424	15.9%	273,792	15.9%	282,006	15.9%	293,287	15.9%	307,951	15.9%
TOTAL SALES	1,693,510	100.0%	1,727,380	100.0%	1,779,202	100.0%	1,850,370	100.0%	1,942,888	100.0%
Cost of Sales:										
Food	356,272	25.0%	363,397	25.0%	381,785	25.5%	404,842	26.0%	433,258	26.5%
Beverage	60,904	22.7%	62,972	23.0%	64,861	23.0%	68,922	23.5%	72,368	23.5%
TOTAL COST OF SALES	417,176	24.6%	426,369	24.7%	446,646	25.1%	473,764	25.6%	505,627	26.0%
Gross Profit	1,276,334	75.4%	1,301,011	75.3%	1,332,555	74.9%	1,376,606	74.4%	1,437,261	74.0%
Payroll:										
Salaries & Wages	564,392	33.3%	581,324	33.7%	592,950	33.3%	604,809	32.7%	616,905	31.8%
Employee Benefits	113,596	6.7%	117,004	6.8%	119,344	6.7%	121,731	6.6%	124,165	6.4%
TOTAL PAYROLL	677,988	40.0%	698,328	40.4%	712,294	40.0%	726,540	39.3%	741,071	38.1%
PRIME COST	**1,095,164**	**64.7%**	**1,124,697**	**65.1%**	**1,158,940**	**65.1%**	**1,200,304**	**64.9%**	**1,246,698**	**64.2%**
Other Controllable Expenses:										
Direct Operating Expenses	90,095	5.3%	91,897	5.3%	93,735	5.3%	95,609	5.2%	97,521	5.0%
Music & Entertainment	420	0.0%	422	0.0%	424	0.0%	426	0.0%	428	0.0%
Marketing	21,276	1.3%	21,489	1.2%	21,919	1.2%	22,357	1.2%	22,804	1.2%
Utilities	84,825	5.0%	88,218	5.1%	91,747	5.2%	95,417	5.2%	99,234	5.1%
General & Administrative Expenses	122,017	7.2%	126,898	7.3%	131,974	7.4%	137,253	7.4%	142,743	7.3%
Repairs & Maintenance	45,228	2.7%	46,133	2.7%	47,055	2.6%	47,996	2.6%	48,956	2.5%
TOTAL OTHER CONTROLLABLE EXP.	363,861	21.5%	375,056	21.7%	386,854	21.7%	399,059	21.6%	411,687	21.2%
CONTROLLABLE PROFIT	**234,485**	**13.8%**	**227,627**	**13.2%**	**233,408**	**13.1%**	**251,007**	**13.6%**	**284,504**	**14.6%**
Occupancy Costs & Depreciation										
Occupancy Costs	68,600	4.1%	68,600	4.0%	68,600	3.9%	68,600	3.7%	68,600	3.5%
Depreciation & Amortization	36,874	2.2%	36,874	2.1%	36,874	2.1%	36,874	2.0%	36,874	1.9%
Other (Income) Expenses										
Other (Income)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Interest Expense	56,025	3.3%	51,743	3.0%	47,153	2.7%	42,230	2.3%	36,952	1.9%
Other Expense	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NET INCOME BEFORE INCOME TAXES	**$ 72,986**	**4.3%**	**$ 70,410**	**4.1%**	**$ 80,781**	**4.5%**	**$ 103,303**	**5.6%**	**$ 142,078**	**7.3%**
ADD BACK:										
Depreciation & Amortization	36,874	2.2%	36,874	2.1%	36,874	2.1%	36,874	2.0%	36,874	1.9%
DEDUCT:										
Loan Principal Payments	(59,223)	(3.5%)	(63,504)	(3.7%)	(68,095)	(3.8%)	(73,017)	(3.9%)	(78,296)	(4.0%)
CASH FLOW BEFORE INCOME TAXES	**$ 50,637**	**3.0%**	**$ 43,780**	**2.5%**	**$ 49,560**	**2.8%**	**$ 67,160**	**3.6%**	**$ 100,656**	**5.2%**

PROJECTED INVESTMENT RETURNS

Distributable Cash Flow Percent *	90%	90%	90%	90%	90%
Distributable Cash Flow	$45,574	$39,402	$44,604	$60,444	$90,591
Cash Distribution:					
Investment Partner/Member (LLC)	$41,016	$35,461	$40,144	$54,399	$81,532
Operating Partner/Member (LLC)	$4,557	$3,940	$4,460	$6,044	$9,059
Investment Partner/Member (LLC) Returns:					
Net Investment After Cash Distributions - End of Year	$306,714	$271,252	$231,108	$176,709	$95,177
Payback Period	6.0 yrs.				
Annual Return on Investment (before tax)	11.8%	10.2%	11.5%	15.6%	23.4%
Average Annual Return on Investment	14.5%				

* It may be advantageous to retain a portion of the cash flow in the business for working capital, capital improvement reserves or for other reasons.

INVESTMENT ASSUMPTIONS

Total Equity Investment	$426,110
Operating Partner/Member (LLC)	
Equity Contribution	$78,360
Cash Distribution Ratio Before Investor Payback *	10%
Cash Distribution Ratio After Investor Payback	90%
Investment Partner/Member (LLC)	
Equity Contribution	$347,750
Cash Distribution Ratio Before Investor Payback	90%
Cash Distribution Ratio After Investor Payback	10%

* Investor "Payback" is the point at which the investor recoups 100% of their Equity Contribution.

OPERATING ASSUMPTIONS - Years 2 - 5

Sales - % Increase Over Prior Year				
Food	2.0%	3.0%	4.0%	5.0%
Beverage	2.0%	3.0%	4.0%	5.0%
Cost of Sales - Cost as a % of Sales				
Food	25.0%	25.5%	26.0%	26.5%
Beverage	23.0%	23.0%	23.5%	23.5%
Salaries & Wages - % Increase over Prior Year				
Salaries & Wages	3.0%	2.0%	2.0%	2.0%
Employee Benefits	3.0%	2.0%	2.0%	2.0%
Other Expenses - % Increase over Prior Year				
Direct Operating Expenses	2.0%	2.0%	2.0%	2.0%
Music & Entertainment	0.5%	0.5%	0.5%	0.5%
Marketing	1.0%	2.0%	2.0%	2.0%
Utilities	4.0%	4.0%	4.0%	4.0%
General & Administrative Expenses	4.0%	4.0%	4.0%	4.0%
Repairs & Maintenance	2.0%	2.0%	2.0%	2.0%
Occupancy Costs	0.0%	0.0%	0.0%	0.0%
Depreciation & Amortization (assumed to be constant in years 1-5)				
Other (Income)	0.0%	0.0%	0.0%	0.0%
Interest Expense (from annual interest expense on loan amortization schedule on "Assumptions" page)				
Other Expense	0.5%	0.5%	0.5%	0.5%
Loan Principal Payments (from annual total principal payments on loan amortization schedule on "Assumptions" page)				

CASH DISTRIBUTION WORKSHEET - DO NOT PRINT

		Year 1	2	3	4	5		
Investment Balance	$347,750	306,714	271,252	231,108	176,709	95,177		
Investor - Before Payback	90%							
Investor - After Payback	10%							
Total Cash Distribution		45,574	39,402	44,604	60,444	90,591	PROOF	
Investor Portion-Before Payback	90%	41,016	35,461	40,144	54,399	81,532	252,552	90%
Operator Portion-Before Payback	10%	4,557	3,940	4,460	6,044	9,059	28,061	10%
Amount Distributed - Before Payback		45,574	39,402	44,604	60,444	90,591	280,614	
Investor Portion-After Payback	10%	0	0	0	0	0		
Operator Portion-After Payback	90%	0	0	0	0	0		
	PROOF	45,574	39,402	44,604	60,444	90,591		

Financial Assumptions

The Coffee Bar

Assumptions to the Operating Projections

Sales (from "Sales Projection" worksheet)	Weekly Ave	Annual	
Food	27,406	1,425,086	84.1%
Liquor	2,314	120,328	7.1%
Beer	1,246	64,792	3.8%
Wine	1,602	83,304	4.9%
Total Sales	32,568	1,693,510	100.0%

Cost of Sales			Annual $	% of Sales
1. Food Cost %	25.0%	of food sales	356,272	
2. Liquor Cost %	18.0%	of liquor sales	21,659	
3. Beer Cost %	22.0%	of beer sales	14,254	
4. Wine Cost %	30.0%	of wine sales	24,991	
Total Cost of Sales			417,176	24.6%

Management Salaries (Annual)		% of Sales
1. General Manager	50,000	3.0%
2. Kitchen Manager	50,000	3.0%
3. Assistant Manager	45,000	2.7%
4. Assistant Manager	40,000	2.4%
5. Other	0	0.0%
Total Management Salaries	185,000	10.9%

Hourly Labor Cost (from "Hourly Labor" worksheet)	Weekly Ave	Annual	%
Restaurant Only	7,296	379,392	
Special Events	0	0	
Total Hourly Labor Cost	7,296	379,392	22.4%
Total Management Salaries		185,000	10.9%
Total Gross Payroll		564,392	33.3%

Employee Benefits	Monthly $	Annual $	% of Sales
1. FICA Taxes - as a % of Gross Payroll	8.00%	45,151	
2. State Unemployment-as a % of Gross P/R	1.50%	8,466	
3. Federal Unemployment-as a % of Gross P/R	0.80%	4,515	
4. Other Payroll Taxes-as a % of Gross P/R	0.00%	0	
5. Worker's Comp. - as a % of Gross P/R	6.0%	33,864	
6. Group Medical Ins.-cost per employee	300	14,400	
7. Group Medical Ins.-# of employees covered	4		
8. Disability & Life Insurance	300	3,600	
9. 401k Plan - per month	0	0	
10. Employee Meals - per month	0	0	
11. Employee Education - per month	0	0	
12. Awards & Prizes - per month	100	1,200	
13. Employee Christmas & Other Parties	200	2,400	
14. Transportation & Housing	0	0	
Total Employee Benefits		113,596	6.7%

Direct Operating Expenses	Monthly $	% of Sales	Annual $	% of Sales
1. Auto Expense	0		0	
2. Catering & Banquet Supplies	0		0	
3. Cleaning Supplies	56	0.04%	677	
4. Contract Cleaning	14	0.01%	169	
5. Extermination	14	0.01%	169	
6. Flowers & Decorations	423	0.30%	5,081	
7. Kitchen Utensils	565	0.40%	6,774	
8. Laundry & Linen	2117	1.50%	25,403	
9. Licenses & Permits	28	0.02%	339	
10. Menus & Wine Lists	28	0.02%	339	
11. Miscellaneous	706	0.50%	8,468	
12. Paper Supplies (enter monthly amount or cost as a % of food sales)	2117	1.50%	25,403	
13. Security System			0	
14. Tableware & Smallwares	28	0.02%	339	
15. Uniforms	1411	1.00%	16,935	
Total Direct Operating Expenses			**90,095**	**5.3%**

Music & Entertainment -	Monthly $	Annual $	% of Sales
1. Musicians	0	0	
2. Musak & Sound System	35	420	
3. Other	0	0	
Total Music & Entertainment		**420**	**0.0%**

Marketing -	Monthly $	Annual $	% of Sales
1. Selling & Promotions	896	10,752	
2. Advertising	794	9,528	
3. Printed Materials	83	996	
4. Research	0	0	
Total Marketing		**21,276**	**1.3%**

Utilities -	Monthly $	Annual $	% of Sales
1. Electricity	4,320	51,837	
2. Gas	1,571	18,852	
3. Water	785	9,420	
4. Trash Removal	393	4,716	
Total Utilities		**84,825**	**5.0%**

General & Administrative -	Monthly $		Annual $	% of Sales
1. Accounting Services	2,540	1.80%	30,483	
2. Bank Charges	113	0.08%	1,355	
3. Bank Deposit Services	0		0	
4. Cash (Over) / Short	14	0.01%	169	
5. Credit Card Charges	2,999		35,987	
6. Dues & Subscriptions	565	0.40%	6,774	
7. Miscellaneous	565	0.40%	6,774	
8. Office Supplies	988	0.70%	11,855	
9. Payroll Processing	1,129	0.80%	13,548	
10. Postage	127	0.09%	1,524	
11. Professional Fees	565	0.40%	6,774	
12. Protective Services	0		0	
13. Telephone	423	0.30%	5,081	
14. Training Materials	141	0.10%	1,694	
Total General & Administrative			**122,017**	**7.2%**

Credit Card Charges:				
Percentage of Credit Card Sales	85.0%			
Average Discount Percentage	2.5%			
Repairs & Maintenance	**Monthly $**		**Annual $**	**% of Sales**
1. Building Repairs & Maint.	785		9,420	
2. Equipment Repairs & Maint.	2,356		28,272	
3. Grounds, Landscaping & Parking Lot	628		7,536	
Total Repairs & Maintenance			**45,228**	**2.7%**
Occupancy Costs:	**Monthly $**		**Annual $**	**% of Sales**
1. Base (minimum) Rent	4,667		56,000	
2. Percentage Rent -			0	
Percentage amount	0.0%			
On annual sales above	0			
3. Common Area Maintenance (CAM)	0		0	
4. Equipment Rental	0		0	
5. Real Estate Taxes	350		4,200	
6. Personal Property Taxes	350		4,200	
7. Insurance on Building & Contents	350		4,200	
8. Liquor Liability	0		0	
Total Occupancy Costs			**68,600**	**4.1%**
Depreciation & Amortization:	**Basis**	**Period**	**Per Year**	**% of Sales**
1. Building	0	30 years	0	
2. Leasehold Improvements	384,522	39.5 years	9,735	
3. Furniture & Equipment	31,525	7 years	4,504	
4. Pre-Opening Costs	113,179	5 years	22,636	
Total Depreciation & Amortization			**36,874**	**2.2%**
Other Income	**Monthly $**		**Annual $**	
1. Vending & Telephone Commissions	0		0	
2. Grease Sales	0		0	
3. Misc Other Income	0		0	
Other Expense	**Monthly $**		**Annual $**	
1. Interest	4,669		56,025	
2. Misc Other Expense	0		0	
Loan Financing				
Principle Amount	827,154			
Rate	7.0%			
Term	10	years	**Annual $**	
Monthly Payment	9,604	monthly pmt.	115,248	

Appendix I: Opening Inventory Cost Sheets

The Coffee Bar

Opening Inventory: Bar- Kitchen Equipment

Area	Item Specification	Manufacturer	Model Number	Vendor	Quantity	Unit	Price	Total Cost
60 x 29 x 39	60" Undercounter Refrigerator	Avantco	178SSUC60RHC	VebRestaurantStor	1	1	$ 1,519.00	$ 1,519.00
60 x19 x 43	3 compartment sink	Advanced Tabco	E-3-1014-15RL-2	VebRestaurantStor	1	1	$ 373.00	$ 373.00
19" *16" *31"	Ice Machine	Costway	22301312	Overstock	1	1	$ 928.00	$ 928.00
x 9.3 inches x	Blender	Ninja	12981333	Overstock	1	1	$ 90.00	$ 90.00
n x 17.25 in x	Sink	Dawn	17767060	Overstock	1	1	$ 139.00	$ 139.00
37 x 21 x 21	ESP3-220V 3 Group Espresso Machine	Camilia Venezia	385ESP3220V	Overstock	1	1	$ 3,578.00	$ 3,578.00
. x 14.1 x 8 in	Coffee Roaster Machine	Kaldi		Ebay	1	1	$ 633.00	$ 633.00
X 1.25 In. X	Mirror floor length	erican Manufacte	17211927	Overstock	1	1	$ 665.00	$ 665.00
15 x 14 x 13	Wide Conveyor Toaster with 2	Nemco	56440	Restaurant Supply	1	1	$ 588.00	$ 588.00
x 25.25" x 15.	Bistro Series Double Sandwich Grill wi	Globe	#211376	Restaurant Supply	1	1	$ 655.00	$ 655.00
n x (58.5 / 64	First Aid Kit	Noble	5773SHELFNOB	Restaurant Supply	1	1	$ 101.00	$ 101.00
22 x 3 x 10	exit lights	ETL US	695C2RWBB	VebRestaurantStor	1	1	$ 33.00	$ 33.00
9 x 14 x 12	Automatic 5 lb. Coffee Grinder	Curtis	945SLG10	VebRestaurantStor	1	1	$ 549.00	$ 549.00
29 x 32 x 82	Refridgerator	Avantco	178SS1RHC	VebRestaurantStor	1	1	$ 1,563.00	$ 1,563.00
30 x 25	Countertops	Advanced Tabco	130601	Restaurant Supply	4	1	$ 475.00	$ 1,900.00
28 x 60 x 16.	Freezer	Frigidaire	23672625	Restaurant Supply	1	1	$ 922.00	$ 922.00
	able & Seating Mahogany Finish Wood	Lancaster		WebRestaurantStor	40	1	$ 47.99	$ 1,919.60
	overlay extendable tables	Lark More		WayFair	20	1	$ 236.00	$ 4,720.00
	11 Door Cell Phone Locker	alisbury Industries		WayFair	1	1	$ 276.00	$ 276.00
	Little Neck 21" Table Lamp	Wrought Studio		WayFair	8	1	$ 27.00	$ 216.00
								$ -
								$ -
	Milo Melamine Dinner Plate	Langley Street			60	6	$ 34.00	$ 2,040.00
	Milo Mel 6 Piece dessert small plates	Langley Street			60	6	$ 18.80	$ 1,128.00
	Milo 6 Piece Cream Cereal Bowl Set	Langley Street			60	6	$ 6.00	$ 360.00
	Glasses							$ -
	Dijon Mug	Mint Pantry			60	4	$ 5.00	$ 300.00
	Sociable Glassware	Libbey			60	5	$ 3.00	$ 180.00
	16 Piece Drinkware Glass Set	Imperial			60	8	$ 7.00	$ 420.00
	Classic 16-piece Drinkware Glass Set	Libbey			60	1	$ 2.00	$ 120.00
	Silverware							$ -
	Nordic 30 Piece Flatware Set Spoon	Nordic			50	1	$ 1.50	$ 75.00
	Nordic 30 Piece Flatware Set Fork	Nordic			50	1	$ 1.60	$ 80.00
	Nordic 30 Piece Flatware Set Knife	Nordic			50	1	$ 1.55	$ 77.50
	Alpha Irish Coffee Spoons	Cuisinox			50	12	$ 1.68	$ 84.00
	Canter Small Beverage Spoon	Ebern Designs			50	1	$ 2.00	$ 100.00
Total Capital Equipment								**$ 26,332.10**

Appendix II: Complete Financial Workbook

Company / Setup Information

Name of Entity	The Coffee Bar
Type of Entity	LLC
Name of Restaurant	The Coffee Bar
Type of Concept	Fast Casual
Number of Dining Seats	40
Square Footage	1,400
Projected Opening Date	August 15th, 2018
Equity Capital	$ 426,110

The Coffee Bar

Projected Sources & Uses of Cash

Development & Startup Period

SOURCES OF CASH:		
Equity Contributions	$ 426,110	
Loan Financing	827,154	
TOTAL SOURCES OF CASH		$ 1,253,264
USES OF CASH:		
Land & Building	0	
Leasehold Improvements	350,000	
Bar / Kitchen Equipment	21,236	
Bar / Dining Room Furniture	6,552	
Professional Services	3,000	
Organizational & Development	54,333	
Interior Finishes & Equipment	24,237	
Exterior Finishes & Equipment	1,000	
Pre-Opening Expenses	92,079	
Working Capital & Contingency	700,828	
TOTAL USES OF CASH		$ 1,253,264

The Coffee Bar

Capital Budget

Cost Classification used to calculate depreciation & amortization.

	TOTAL COST	Detail	Building	Leasehold	Equipment	Start Up	Expense	Non-Ded.
LAND & BUILDING	0							
Land		0						0
Building - Construction / Contractor Fees		0	0					
LEASEHOLD IMPROVEMENTS	350,000			350,000				
Construction Contract		420,000						
Landlord Contribution		(70,000)						
BAR / KITCHEN EQUIPMENT	21,236				21,236			
BAR / DINING ROOM FURNITURE	6,552				6,552			
PROFESSIONAL SERVICES	3,000			3,000				
Architect & Engineering		0						
Legal (State & Incorporation)		1,500						
Project Consultant		0						
Accounting & Tax		1,500						
Name, Logo & Graphic Design		0						
ORGANIZATIONAL & DEVELOPMENT	54,333							
Deposits (sales tax, etc.)		28,275						28,275
Insurance Bonder (property, casualty, liability)		7,917					7,917	
Workers Comp. Bonder		2,808					2,808	
Liquor License		600				600		
Building Permits		1,400		1,400				
Other Licenses & Permits		1,500		1,500				
Utility Deposits (gas, electric, water)		2,500						2,500
Change, Operating Banks & Petty Cash		0						0
Menus / Menu Boards		0				0		
Lease Deposit		9,333						9,333
Travel, Research, Concept Development		0				0		
INTERIOR FINISHES & EQUIPMENT	24,237							
Kitchen Smallwares		20,000				20,000		
Artwork & Specialty Décor		0			0			
Security System		720			720			
Music/Sound/Audio-Visual Systems		595			595			
Cash Register / Point of Sale		975			975			
Phone System		71			71			
Office Equipment / Computer		1,376			1,376			
Office Supplies		500				500		
Interior Signs		0			0			
EXTERIOR FINISHES & EQUIPMENT	1,000			1,000				
Landscaping		0						
Exterior Signs & Decorations		1,000						
Resurfacing		0						
Parking Bumpers		0						
Parking Lot Striping		0						
PRE-OPENING EXPENSES	92,079					92,079		
Construction Period Utilities		14,138						
Construction Period Building Lease		4,667						
Construction Period Interest		0						
Uniforms		0						
Opening Inventories -								
Food		32,862						
Beer, Liquor & Wine		5,817						
Paper & Other Supplies		0						
Marketing -								
Advertising		3,500						
Public Relations		240						
Opening Parties		2,216						
Personnel -								
Management & Chef		16,667						
Hourly Employees		7,200						
Payroll Taxes & Employee Benefits		4,773						
WORKING CAPITAL & CONTINGENCY	700,828							
Working Capital		673,206					673,206	
Contingency		27,622		27,622				
TOTAL PROJECT COST	$ 1,253,264		$ 0	$ 384,522	$ 31,525	$ 113,179	$ 683,931	$ 40,108
			Building	Leasehold	Equipment	Start Up	Expense	Non-Ded.

Project Cost Per Square Foot	$895
Project Cost Per Seat	$31,332

Sales Projection Worksheet - Typical Week

Number of Seats 40

		Table Turns	Covers	Daily Sales By Category: Food	Liquor	Beer	Wine	Total	% of Week
Monday	Breakfast	1.0	40	516	0	0	0	516	
	Lunch	1.0	40	615	52	28	36	731	
	Dinner	1.0	40	623	156	84	108	971	
	Day Totals			1,754	208	112	144	2,218	9.7%
Tuesday	Breakfast	1.0	40	516	0	0	0	516	
	Lunch	1.0	40	615	52	28	36	731	
	Dinner	2.0	80	1,246	312	168	216	1,942	
	Day Totals			2,377	364	196	252	3,189	14.0%
Wednesday	Breakfast	1.0	40	516	0	0	0	516	
	Lunch	1.0	40	615	52	28	36	731	
	Dinner	2.0	80	1,246	312	168	216	1,942	
	Day Totals			2,377	364	196	252	3,189	14.0%
Thursday	Breakfast	1.0	40	516	0	0	0	516	
	Lunch	1.0	40	615	52	28	36	731	
	Dinner	2.0	80	1,246	312	168	216	1,942	
	Day Totals			2,377	364	196	252	3,189	14.0%
Friday	Breakfast	1.5	60	774	0	0	0	774	
	Lunch	1.5	60	923	78	42	54	1,097	
	Dinner	2.0	80	1,246	312	168	216	1,942	
	Day Totals			2,943	390	210	270	3,813	16.7%
Saturday	Breakfast	2.0	80	1,032	0	0	0	1,032	
	Lunch	1.5	60	923	78	42	54	1,097	
	Dinner	2.0	80	1,246	312	168	216	1,942	
	Day Totals			3,201	390	210	270	4,071	17.9%
Sunday	Breakfast	2.0	80	1,032	0	0	0	1,032	
	Lunch	1.5	60	923	78	42	54	1,097	
	Dinner	1.0	40	623	156	84	108	971	
	Day Totals			2,578	234	126	162	3,100	13.6%
WEEK TOTALS (restaurant only)			Totals in $	17,606	2,314	1,246	1,602	22,768	
			Sales Mix %	77.3%	10.2%	5.5%	7.0%	100.0%	
ToGo			Days Open	7.0					
			Ave. # of Guests	100					
			Per Person Average $	$14.00					
			Sales Mix %	100%	0%	0%	0%	100%	
			Special Event Sales Per Week	9,800	0	0	0	9,800	
WEEK TOTALS - All Sales			Totals in $	27,406	2,314	1,246	1,602	32,568	
			Sales Mix %	84.1%	7.1%	3.8%	4.9%	100.0%	

RECAP: Key Sales Numbers:	
Annual Sales	$1,693,510
Average Monthly Sales	$141,126
Annual Sales Per Square Foot	$1,210
Annual Sales Per Seat	$42,338

Calculate Per Person Check Average:

Breakfast	Ave. Price Point	% Ordered	# of Orders	Ave. CK Food	Ave CK Bev	Ave CK
Food -						
sandwiches	7.00	50%	1.0	3.50		
pastry	4.50	60%	2.0	5.40		
Dessert	0.00	0%	0.0	0.00		
Beverages -						
Coffee	4.00	100%	1.0	4.00		
liqour	0.00	0%	0.0		0.00	
beer	0.00	0%	0.0		0.00	
Wine	0.00	0%	0.0		0.00	
TOTALS		**100%**		**12.90**	**0.00**	**12.90**

Lunch	Ave. Price Point	% Ordered	# of Orders	Ave. CK Food	Ave CK Bev	Ave CK
Food -						
sandwich	13.00	50%	1.0	6.50		
snacks	6.75	50%	1.0	3.38		
pastry	4.50	60%	1.0	2.70		
Beverages -						
Non-Alcoholic	4.00	70%	1.0	2.80		
Liquor	13.00	10%	1.0		1.30	
Beer	7.00	10%	1.0		0.70	
Wine	9.00	10%	1.0		0.90	
TOTALS		**100%**		**15.38**	**2.90**	**18.28**

Dinner	Ave. Price Point	% Ordered	# of Orders	Ave. CK Food	Ave CK Bev	Ave CK
Food -						
sandwich	13.00	60%	1.0	7.80		
snacks	6.75	70%	1.0	4.73		
pastry	4.50	50%	1.0	2.25		
Beverages -						
Non-Alcoholic	4.00	20%	1.0	0.80		
Liquor	13.00	30%	1.0		3.90	
Beer	7.00	30%	1.0		2.10	
Wine	9.00	30%	1.0		2.70	
TOTALS		**FALSE**		**15.58**	**8.70**	**24.28**

- EARLY -

(breakfast & lunch)		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday		WEEK
Covers		80		80		80		80		120		140		140		720
Total Restaurant Sales		$1,247		$1,247		$1,247		$1,247		$1,871		$2,129		$2,129		$11,116
Position	Rate	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Labor $
Kitchen -																
Dishroom	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	672.00
Prep Cooks	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	2.00	8.0	2.00	8.0	2.00	960.00
Line Cooks	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Expo	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Dining Room -																
Barista	$ 12.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	3.00	8.0	3.00	1536.00
Bartender	$ 12.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	8.0	1.00	8.0	1.00	8.0	1.00	288.00
Bussers	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Bartenders	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Cashiers	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Labor Cost Per Shift - $		384		384		384		384		576		672		672		3,456
Labor Cost Per Shift - %		30.8%		30.8%		30.8%		30.8%		30.8%		31.6%		31.6%		31.1%

- LATE -

(dinner only)		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday		WEEK
Covers		40		80		80		80		80		80		40		480
Total Restaurant Sales		$971		$1,942		$1,942		$1,942		$1,942		$1,942		$971		$11,652
Position	Rate	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	#	Labor $
Kitchen -																
Dishroom	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	672.00
Prep Cooks	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	1056.00
Line Cooks	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Expo	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Dining Room -																
Barista	$ 12.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	1.00	8.0	2.00	8.0	2.00	8.0	2.00	960.00
Bartender	$ 12.00	8.0	1.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	2.00	8.0	1.00	1152.00
Bussers	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Bartenders	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Cashiers	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Other	$ 0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00
Labor Cost Per Shift - $		384		480		480		576		672		672		576		3,840
Labor Cost Per Shift - %		39.5%		24.7%		24.7%		29.7%		34.6%		34.6%		59.3%		33.0%

- DAY / WEEK TOTALS - RESTAURANT LABOR -

Hourly Labor - $	768	864	864	960	1,248	1,344	1,248	7,296
Hourly Labor Cost - %	34.6%	27.1%	27.1%	30.1%	32.7%	33.0%	40.3%	32.0%

- SPECIAL EVENT LABOR -

Average # of Guests		100		
Per Person Average $		$14		
Average Sales Per Event		$1,400		
Position	Rate	Hours	#	Labor Cost $
Sales Person Commission %	0.0%			0
Supervision	$ 0.00	0.0	0	0
Chef	$ 0.00	0.0	0	0
Cooks	$ 0.00	0.0	0	0
Servers	$ 0.00	0.0	0	0
Bartenders	$ 0.00	0.0	0	0
Drivers	$ 0.00	0.0	0	0
Attendants	$ 0.00	0.0	0	0
Other	$ 0.00	0.0	0	0
Other	$ 0.00	0.0	0	0
Ave. Labor Cost Per Event - $		0		
Ave. Labor Cost Per Event - %		0.0%		

RECAP - HOURLY LABOR COST

	Week	Annual	
Sales:			
Restaurant	22,768	1,183,910	
Special Events	9,800	509,600	
Total	32,568	1,693,510	
Hourly Labor Cost:			
Restaurant	7,296	379,392	32.0%
Special Events	0	0	0.0%
Total	7,296	379,392	22.4%

The Coffee Bar

Assumptions to the Operating Projections

Sales (from "Sales Projection" worksheet)	Weekly Ave	Annual	
Food	27,406	1,425,086	84.1%
Liquor	2,314	120,328	7.1%
Beer	1,246	64,792	3.8%
Wine	1,602	83,304	4.9%
Total Sales	32,568	1,693,510	100.0%

Cost of Sales			Annual $	% of Sales
1. Food Cost %	25.0%	of food sales	356,272	
2. Liquor Cost %	18.0%	of liquor sales	21,659	
3. Beer Cost %	22.0%	of beer sales	14,254	
4. Wine Cost %	30.0%	of wine sales	24,991	
Total Cost of Sales			417,176	24.6%

Management Salaries (Annual)		% of Sales
1. General Manager	50,000	3.0%
2. Kitchen Manager	50,000	3.0%
3. Assistant Manager	45,000	2.7%
4. Assistant Manager	40,000	2.4%
5. Other	0	0.0%
Total Management Salaries	185,000	10.9%

Hourly Labor Cost (from "Hourly Labor" worksheet)	Weekly Ave	Annual	%
Restaurant Only	7,296	379,392	
Special Events	0	0	
Total Hourly Labor Cost	7,296	379,392	22.4%
Total Management Salaries		185,000	10.9%
Total Gross Payroll		564,392	33.3%

Employee Benefits	Monthly $	Annual $	% of Sales
1. FICA Taxes - as a % of Gross Payroll	8.00%	45,151	
2. State Unemployment-as a % of Gross P/R	1.50%	8,466	
3. Federal Unemployment-as a % of Gross P/R	0.80%	4,515	
4. Other Payroll Taxes-as a % of Gross P/R	0.00%	0	
5. Worker's Comp. - as a % of Gross P/R	6.0%	33,864	
6. Group Medical Ins.-cost per employee	300	14,400	
7. Group Medical Ins.-# of employees covered	4		
8. Disability & Life Insurance	300	3,600	
9. 401k Plan - per month	0	0	
10. Employee Meals - per month	0	0	
11. Employee Education - per month	0	0	
12. Awards & Prizes - per month	100	1,200	
13. Employee Christmas & Other Parties	200	2,400	
14. Transportation & Housing	0	0	
Total Employee Benefits		113,596	6.7%

Direct Operating Expenses	Monthly $	% of Sales	Annual $	% of Sales
1. Auto Expense	0		0	
2. Catering & Banquet Supplies	0		0	
3. Cleaning Supplies	56	0.04%	677	
4. Contract Cleaning	14	0.01%	169	
5. Extermination	14	0.01%	169	
6. Flowers & Decorations	423	0.30%	5,081	
7. Kitchen Utensils	565	0.40%	6,774	
8. Laundry & Linen	2117	1.50%	25,403	
9. Licenses & Permits	28	0.02%	339	
10. Menus & Wine Lists	28	0.02%	339	
11. Miscellaneous	706	0.50%	8,468	
12. Paper Supplies (enter monthly amount or cost as a % of food sales)	2117	1.50%	25,403	
13. Security System			0	
14. Tableware & Smallwares	28	0.02%	339	
15. Uniforms	1411	1.00%	16,935	
Total Direct Operating Expenses			**90,095**	**5.3%**

Music & Entertainment -	Monthly $		Annual $	% of Sales
1. Musicians	0		0	
2. Musak & Sound System	35		420	
3. Other	0		0	
Total Music & Entertainment			**420**	**0.0%**

Marketing -	Monthly $		Annual $	% of Sales
1. Selling & Promotions	896		10,752	
2. Advertising	794		9,528	
3. Printed Materials	83		996	
4. Research	0		0	
Total Marketing			**21,276**	**1.3%**

Utilities -	Monthly $		Annual $	% of Sales
1. Electricity	4,320		51,837	
2. Gas	1,571		18,852	
3. Water	785		9,420	
4. Trash Removal	393		4,716	
Total Utilities			**84,825**	**5.0%**

General & Administrative -	Monthly $		Annual $	% of Sales
1. Accounting Services	2,540	1.80%	30,483	
2. Bank Charges	113	0.08%	1,355	
3. Bank Deposit Services	0		0	
4. Cash (Over) / Short	14	0.01%	169	
5. Credit Card Charges	2,999		35,987	
6. Dues & Subscriptions	565	0.40%	6,774	
7. Miscellaneous	565	0.40%	6,774	
8. Office Supplies	988	0.70%	11,855	
9. Payroll Processing	1,129	0.80%	13,548	
10. Postage	127	0.09%	1,524	
11. Professional Fees	565	0.40%	6,774	
12. Protective Services	0		0	
13. Telephone	423	0.30%	5,081	
14. Training Materials	141	0.10%	1,694	
Total General & Administrative			**122,017**	**7.2%**

Credit Card Charges:				
Percentage of Credit Card Sales	85.0%			
Average Discount Percentage	2.5%			
Repairs & Maintenance	**Monthly $**		**Annual $**	**% of Sales**
1. Building Repairs & Maint.	785		9,420	
2. Equipment Repairs & Maint.	2,356		28,272	
3. Grounds, Landscaping & Parking Lot	628		7,536	
Total Repairs & Maintenance			45,228	2.7%
Occupancy Costs:	**Monthly $**		**Annual $**	**% of Sales**
1. Base (minimum) Rent	4,667		56,000	
2. Percentage Rent -			0	
Percentage amount	0.0%			
On annual sales above	0			
3. Common Area Maintenance (CAM)	0		0	
4. Equipment Rental	0		0	
5. Real Estate Taxes	350		4,200	
6. Personal Property Taxes	350		4,200	
7. Insurance on Building & Contents	350		4,200	
8. Liquor Liability	0		0	
Total Occupancy Costs			68,600	4.1%
Depreciation & Amortization:	**Basis**	**Period**	**Per Year**	**% of Sales**
1. Building	0	30 years	0	
2. Leasehold Improvements	384,522	39.5 years	9,735	
3. Furniture & Equipment	31,525	7 years	4,504	
4. Pre-Opening Costs	113,179	5 years	22,636	
Total Depreciation & Amortization			36,874	2.2%
Other Income	**Monthly $**		**Annual $**	
1. Vending & Telephone Commissions	0		0	
2. Grease Sales	0		0	
3. Misc Other Income	0		0	
Other Expense	**Monthly $**		**Annual $**	
1. Interest	4,669		56,025	
2. Misc Other Expense	0		0	
Loan Financing				
Principle Amount	827,154			
Rate	7.0%			
Term	10	years	**Annual $**	
Monthly Payment	9,604	monthly pmt.	115,248	

The Coffee Bar

Annual Operating Projection - Detail

First Full Year of Operations

	MONTHLY AVE		ANNUAL	
Sales:				
Food	$ 118,757	84.1%	$ 1,425,086	84.1%
Liquor	10,027	7.1%	120,328	7.1%
Beer	5,399	3.8%	64,792	3.8%
Wine	6,942	4.9%	83,304	4.9%
TOTAL SALES	141,126	100.0%	1,693,510	100.0%
Cost of Sales:				
Food	29,689	25.0%	356,272	25.0%
Liquor	1,805	18.0%	21,659	18.0%
Beer	1,188	22.0%	14,254	22.0%
Wine	2,083	30.0%	24,991	30.0%
TOTAL COST OF SALES	34,765	24.6%	417,176	24.6%
Gross Profit	106,361	75.4%	1,276,334	75.4%
Payroll:				
Salaries & Wages -				
Management	15,417	10.9%	185,000	10.9%
Hourly Employees	31,616	22.4%	379,392	22.4%
Total Salaries & Wages	47,033	33.3%	564,392	33.3%
Employee Benefits -				
Payroll Taxes - Mgt. Incentive	4,844	3.4%	58,132	3.4%
Worker's Comp.	2,822	2.0%	33,864	2.0%
Group Medical Insurance	1,200	0.9%	14,400	0.9%
Other	600	0.4%	7,200	0.4%
Total Employee Benefits	9,466	6.7%	113,596	6.7%
TOTAL PAYROLL	56,499	40.0%	677,988	40.0%
PRIME COST	**91,264**	**64.7%**	**1,095,164**	**64.7%**

Other Controllable Expenses:				
Direct Operating Expenses				
Auto Expense	0	0.0%	0	0.0%
Catering & Banquet Expenses	0	0.0%	0	0.0%
Cleaning Supplies	56	0.0%	677	0.0%
Contract Cleaning	14	0.0%	169	0.0%
Extermination	14	0.0%	169	0.0%
Flowers & Decorations	423	0.3%	5,081	0.3%
Kitchen Utensils	565	0.4%	6,774	0.4%
Laundry & Linen	2,117	1.5%	25,403	1.5%
Licenses & Permits	28	0.0%	339	0.0%
Menus & Wine Lists	28	0.0%	339	0.0%
Miscellaneous	706	0.5%	8,468	0.5%
Paper Supplies	2,117	1.5%	25,403	1.5%
Security System	0	0.0%	0	0.0%
Tableware & Smallwares	28	0.0%	339	0.0%
Uniforms	1,411	1.0%	16,935	1.0%
Total Direct Operating Expenses	7,508	5.3%	90,095	5.3%
Music & Entertainment -				
Musicians	0	0.0%	0	0.0%
Musak & Sound System	35	0.0%	420	0.0%
Other	0	0.0%	0	0.0%
Total Music & Entertainment	35	0.0%	420	0.0%
Marketing -				
Selling & Promotions	896	0.6%	10,752	0.6%
Advertising	794	0.6%	9,528	0.6%
Printed Materials	83	0.1%	996	0.1%
Research	0	0.0%	0	0.0%
Total Marketing	1,773	1.3%	21,276	1.3%
Utilities -				
Electrical	4,320	3.1%	51,837	3.1%
Gas	1,571	1.1%	18,852	1.1%
Water	785	0.6%	9,420	0.6%
Trash Removal	393	0.3%	4,716	0.3%
Total Utilities	7,069	5.0%	84,825	5.0%

General & Administrative -				
Accounting Services	2,540	1.8%	30,483	1.8%
Bank Charges	113	0.1%	1,355	0.1%
Bank Deposit Services	0	0.0%	0	0.0%
Cash (Over) / Short	14	0.0%	169	0.0%
Credit Card Charges	2,999	2.1%	35,987	2.1%
Dues & Subscriptions	565	0.4%	6,774	0.4%
Miscellaneous	565	0.4%	6,774	0.4%
Office Supplies	988	0.7%	11,855	0.7%
Payroll Processing	1,129	0.8%	13,548	0.8%
Postage	127	0.1%	1,524	0.1%
Legal & Professional Fees	565	0.4%	6,774	0.4%
Protective Services	0	0.0%	0	0.0%
Telephone	423	0.3%	5,081	0.3%
Training Costs	141	0.1%	1,694	0.1%
Total General & Administrative	10,168	7.2%	122,017	7.2%
Repairs & Maintenance -				
Building Repairs & Maint.	785	0.6%	9,420	0.6%
Equipment Repairs & Maint.	2,356	1.7%	28,272	1.7%
Grounds, Landscaping & Parking Lot	628	0.4%	7,536	0.4%
Total Repairs & Maintenance	3,769	2.7%	45,228	2.7%
CONTROLLABLE PROFIT	**19,540**	**13.8%**	**234,485**	**13.8%**
Occupancy Costs & Depreciation				
Occupancy Costs -				
Rent & Common Area Maintenance	4,667	3.3%	56,000	3.3%
Percentage Rent	0	0.0%	0	0.0%
Common Area Maintenance (CAM)	0	0.0%	0	0.0%
Equipment Rental	0	0.0%	0	0.0%
Real Estate Taxes	350	0.2%	4,200	0.2%
Personal Property Taxes	350	0.2%	4,200	0.2%
Insurance on Building & Contents	350	0.2%	4,200	0.2%
Liquor Liability	0	0.0%	0	0.0%
Total Occupancy Costs	5,717	4.1%	68,600	4.1%
Depreciation & Amortization -				
Building	0	0.0%	0	0.0%
Leasehold Improvements	811	0.6%	9,735	0.6%
Furniture & Equipment	375	0.3%	4,504	0.3%
Pre-Opening Costs	1,886	1.3%	22,636	1.3%
Total Depreciation	3,073	2.2%	36,874	2.2%
TOTAL OCCUPANCY & DEPREC.	8,789	6.2%	105,474	6.2%
Other (Income) Expense -				
Vending & Telephone Commissions	0	0.0%	0	0.0%
Grease Sales	0	0.0%	0	0.0%
Misc Other Income	0	0.0%	0	0.0%
Interest	4,669	3.3%	56,025	3.3%
Misc Other Expense	0	0.0%	0	0.0%
Total Other (Income) Expense	4,669	3.3%	56,025	3.3%
NET INCOME BEFORE INCOME TAXES	**$ 6,082**	**4.3%**	**$ 72,986**	**4.3%**
ADD BACK:				
Depreciation & Amortization	3,073	2.2%	36,874	2.2%
DEDUCT:				
Loan Principal Payments	(4,935)	(42.0%)	(59,223)	(3.5%)
CASH FLOW BEFORE INCOME TAXES	**$ 4,220**	**3.0%**	**$ 50,637**	**3.0%**

The Coffee Bar

Annual Operating Projection - Summary

First Full Year of Operations

	MONTHLY AVE		ANNUAL	
Sales:				
Food	$ 118,757	84.1%	$ 1,425,086	84.1%
Beverage	22,369	15.9%	268,424	15.9%
TOTAL SALES	141,126	100.0%	1,693,510	100.0%
Cost of Sales:				
Food	29,689	25.0%	356,272	25.0%
Beverage	5,075	22.7%	60,904	22.7%
TOTAL COST OF SALES	34,765	24.6%	417,176	24.6%
Gross Profit	106,361	75.4%	1,276,334	75.4%
Payroll:				
Salaries & Wages	47,033	33.3%	564,392	33.3%
Employee Benefits	9,466	6.7%	113,596	6.7%
TOTAL PAYROLL	56,499	40.0%	677,988	40.0%
PRIME COST	**91,264**	**64.7%**	**1,095,164**	**64.7%**
Other Controllable Expenses:				
Direct Operating Expenses	7,508	5.3%	90,095	5.3%
Music & Entertainment	35	0.0%	420	0.0%
Marketing	1,773	1.3%	21,276	1.3%
Utilities	7,069	5.0%	84,825	5.0%
General & Administrative Expenses	10,168	7.2%	122,017	7.2%
Repairs & Maintenance	3,769	2.7%	45,228	2.7%
TOTAL OTHER CONTROLLABLE EXP.	30,322	21.4%	363,861	21.4%
CONTROLLABLE PROFIT	**19,540**	**13.8%**	**234,485**	**13.8%**
Occupancy Costs & Depreciation				
Occupancy Costs	5,717	4.1%	68,600	4.1%
Depreciation & Amortization	3,073	2.2%	36,874	2.2%
Other (Income) Expenses				
Other (Income)	0	0.0%	0	0.0%
Interest Expense	4,669	3.3%	56,025	3.3%
Other Expense	0	0.0%	0	0.0%
NET INCOME BEFORE INCOME TAXES	**$ 6,082**	**4.3%**	**$ 72,986**	**4.3%**
ADD BACK:				
Depreciation & Amortization	3,073	2.2%	36,874	2.2%
DEDUCT:				
Loan Principal Payments	(4,935)	(3.5%)	(59,223)	(3.5%)
CASH FLOW BEFORE INCOME TAXES	**$ 4,220**	**3.0%**	**$ 50,637**	**3.0%**

KEY RATIOS:	
Sales Per Square Foot	**$1,210**
Sales Per Seat	**$42,338**
Sales to Investment	**1.4**

The Coffee Bar

5 Year Operating Projections

	Year 1		Year 2		Year 3		Year 4		Year 5	
Sales:										
Food	$ 1,425,086	84.1%	$ 1,453,588	84.1%	$ 1,497,195	84.1%	$ 1,557,083	84.1%	$ 1,634,937	84.1%
Beverage	268,424	15.9%	273,792	15.9%	282,006	15.9%	293,287	15.9%	307,951	15.9%
TOTAL SALES	1,693,510	100.0%	1,727,380	100.0%	1,779,202	100.0%	1,850,370	100.0%	1,942,888	100.0%
Cost of Sales:										
Food	356,272	25.0%	363,397	25.0%	381,785	25.5%	404,842	26.0%	433,258	26.5%
Beverage	60,904	22.7%	62,972	23.0%	64,861	23.0%	68,922	23.5%	72,368	23.5%
TOTAL COST OF SALES	417,176	24.6%	426,369	24.7%	446,646	25.1%	473,764	25.6%	505,627	26.0%
Gross Profit	1,276,334	75.4%	1,301,011	75.3%	1,332,555	74.9%	1,376,606	74.4%	1,437,261	74.0%
Payroll:										
Salaries & Wages	564,392	33.3%	581,324	33.7%	592,950	33.3%	604,809	32.7%	616,905	31.8%
Employee Benefits	113,596	6.7%	117,004	6.8%	119,344	6.7%	121,731	6.6%	124,165	6.4%
TOTAL PAYROLL	677,988	40.0%	698,328	40.4%	712,294	40.0%	726,540	39.3%	741,071	38.1%
PRIME COST	**1,095,164**	**64.7%**	**1,124,697**	**65.1%**	**1,158,940**	**65.1%**	**1,200,304**	**64.9%**	**1,246,698**	**64.2%**
Other Controllable Expenses:										
Direct Operating Expenses	90,095	5.3%	91,897	5.3%	93,735	5.3%	95,609	5.2%	97,521	5.0%
Music & Entertainment	420	0.0%	422	0.0%	424	0.0%	426	0.0%	428	0.0%
Marketing	21,276	1.3%	21,489	1.2%	21,919	1.2%	22,357	1.2%	22,804	1.2%
Utilities	84,825	5.0%	88,218	5.1%	91,747	5.2%	95,417	5.2%	99,234	5.1%
General & Administrative Expenses	122,017	7.2%	126,898	7.3%	131,974	7.4%	137,253	7.4%	142,743	7.3%
Repairs & Maintenance	45,228	2.7%	46,133	2.7%	47,055	2.6%	47,996	2.6%	48,956	2.5%
TOTAL OTHER CONTROLLABLE EXP.	363,861	21.5%	375,056	21.7%	386,854	21.7%	399,059	21.6%	411,687	21.2%
CONTROLLABLE PROFIT	**234,485**	**13.8%**	**227,627**	**13.2%**	**233,408**	**13.1%**	**251,007**	**13.6%**	**284,504**	**14.6%**
Occupancy Costs & Depreciation										
Occupancy Costs	68,600	4.1%	68,600	4.0%	68,600	3.9%	68,600	3.7%	68,600	3.5%
Depreciation & Amortization	36,874	2.2%	36,874	2.1%	36,874	2.1%	36,874	2.0%	36,874	1.9%
Other (Income) Expenses										
Other (Income)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Interest Expense	56,025	3.3%	51,743	3.0%	47,153	2.7%	42,230	2.3%	36,952	1.9%
Other Expense	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NET INCOME BEFORE INCOME TAXES	**$ 72,986**	**4.3%**	**$ 70,410**	**4.1%**	**$ 80,781**	**4.5%**	**$ 103,303**	**5.6%**	**$ 142,078**	**7.3%**
ADD BACK:										
Depreciation & Amortization	36,874	2.2%	36,874	2.1%	36,874	2.1%	36,874	2.0%	36,874	1.9%
DEDUCT:										
Loan Principal Payments	(59,223)	(3.5%)	(63,504)	(3.7%)	(68,095)	(3.8%)	(73,017)	(3.9%)	(78,296)	(4.0%)
CASH FLOW BEFORE INCOME TAXES	**$ 50,637**	**3.0%**	**$ 43,780**	**2.5%**	**$ 49,560**	**2.8%**	**$ 67,160**	**3.6%**	**$ 100,656**	**5.2%**

PROJECTED INVESTMENT RETURNS

Distributable Cash Flow Percent *	90%	90%	90%	90%	90%
Distributable Cash Flow	$45,574	$39,402	$44,604	$60,444	$90,591
Cash Distribution:					
Investment Partner/Member (LLC)	$41,016	$35,461	$40,144	$54,399	$81,532
Operating Partner/Member (LLC)	$4,557	$3,940	$4,460	$6,044	$9,059
Investment Partner/Member (LLC) Returns:					
Net Investment After Cash Distributions - End of Year	$306,714	$271,252	$231,108	$176,709	$95,177
Payback Period	6.0 yrs.				
Annual Return on Investment (before tax)	11.8%	10.2%	11.5%	15.6%	23.4%
Average Annual Return on Investment	14.5%				

* It may be advantageous to retain a portion of the cash flow in the business for working capital, capital improvement reserves or for other reasons.

INVESTMENT ASSUMPTIONS

Total Equity Investment	$426,110
Operating Partner/Member (LLC)	
Equity Contribution	$78,380
Cash Distribution Ratio Before Investor Payback*	10%
Cash Distribution Ratio After Investor Payback	90%
Investment Partner/Member (LLC)	
Equity Contribution	$347,730
Cash Distribution Ratio Before Investor Payback	90%
Cash Distribution Ratio After Investor Payback	10%

* Investor "Payback" is the point at which the investor recovers 100% of their Equity Contribution.

OPERATING ASSUMPTIONS - Years 2 - 5

Sales - % Increase Over Prior Year				
Food	2.0%	3.0%	4.0%	5.0%
Beverage	2.0%	3.0%	4.0%	5.0%
Cost of Sales - Cost as a % of Sales				
Food	25.0%	25.5%	26.0%	26.5%
Beverage	23.0%	23.0%	23.5%	23.5%
Salaries & Wages - % Increase over Prior Year				
Salaries & Wages	3.0%	2.0%	2.0%	2.0%
Employee Benefits	3.0%	2.0%	2.0%	2.0%
Other Expenses - % Increase over Prior Year				
Direct Operating Expenses	2.0%	2.0%	2.0%	2.0%
Music & Entertainment	0.5%	0.5%	0.5%	0.5%
Marketing	2.0%	2.0%	2.0%	2.0%
Utilities	4.0%	4.0%	4.0%	4.0%
General & Administrative Expenses	4.0%	4.0%	4.0%	4.0%
Repairs & Maintenance	2.0%	2.0%	2.0%	2.0%
Occupancy Costs	0.0%	0.0%	0.0%	0.0%
Depreciation & Amortization (assumed to be constant in years 1-5)				
Other (Income)	0.0%	0.0%	0.0%	0.0%
Interest Expense (from annual interest expense on loan amortization schedule on "Assumptions" page)				
Other Expense	0.5%	0.5%	0.5%	0.5%
Loan Principal Payments (from annual total principal payments on loan amortization schedule on "Assumptions" page)				

CASH DISTRIBUTION WORKSHEET - DO NOT PRINT

		Year 1	2	3	4	5		
Investment Balance	$347,730	306,714	271,252	231,108	176,709	95,177		
Investor - Before Payback	90%							
Investor - After Payback	10%							
Total Cash Distribution		45,574	39,402	44,604	60,444	90,591	PROOF:	
Investor Portion-Before Payback	90%	41,016	35,461	40,144	54,399	81,532	252,552	90%
Operator Portion-Before Payback	10%	4,557	3,940	4,460	6,044	9,059	28,061	10%
Amount Distributed - Before Payback		45,574	39,402	44,604	60,444	90,591	280,614	
Investor Portion-After Payback	10%	0	0	0	0	0		
Operator Portion-After Payback	90%	0	0	0	0	0		
	PROOF	45,574	39,402	44,604	60,444	90,591		

The Coffee Bar

CASH FLOW Break-Even Worksheet

Fixed Costs		Annual	Monthly
Total Management Salaries		$ 185,000	$ 15,417
Minimum Hourly Labor	65%	$ 246,605	$ 20,550
Employee Benefits		$ 91,952	$ 7,663
Direct Operating Expenses		$ 90,095	$ 7,508
Music & Entertainment -		$ 420	$ 35
Marketing -		$ 21,276	$ 1,773
Utilities -		$ 84,825	$ 7,069
General & Administrative -		$ 86,030	$ 7,169
Repairs & Maintenance		$ 45,228	$ 3,769
Occupancy Costs:		$ 68,600	$ 5,717
Interest		$ 56,025	$ 4,669
Misc Other Expense		$ -	$ -
Loan Principal Payments		$ 59,223	$ 4,935
		$ 1,035,278	$ 86,273

Variable Costs	% of Sales	$
Cost of Sales	24.6%	$ 33,144
Hourly Labor	7.8%	$ 10,550
Employee Benefits	1.3%	$ 1,720
Credit Card Expense	2.1%	$ 2,859
Paper Supplies	0.0%	$ -
	35.9%	$ 48,272

	Annual	Monthly
Percentage Rent	$ -	$ -

	Annual	Monthly	Weekly
Break-even Sales	$ 1,614,540	$ 134,545	$ 31,049

Sales Break-Down:	Annual	Monthly	Weekly
Food	$ 1,358,633	$ 113,219	$ 26,128
Liquor	$ 114,717	$ 9,560	$ 2,206
Beer	$ 61,771	$ 5,148	$ 1,188
Wine	$ 79,419	$ 6,618	$ 1,527
Total	$ 1,614,540	$ 134,545	$ 31,049

The Coffee Bar

Cash Flow Break-Even Sales Volume

	MONTHLY		ANNUAL	
Sales:				
Food	$ 113,219	84.1%	$ 1,358,633	84.1%
Beverage	21,326	15.9%	255,907	15.9%
TOTAL SALES	134,545	100.0%	1,614,540	100.0%
Cost of Sales:				
Food	28,305	25.0%	339,658	25.0%
Beverage	4,839	22.7%	58,064	22.7%
TOTAL COST OF SALES	33,144	24.6%	397,723	24.6%
Gross Profit	101,401	75.4%	1,216,817	75.4%
Payroll:				
Salaries & Wages	46,517	34.6%	558,200	34.6%
Employee Benefits	9,382	7.0%	112,587	7.0%
TOTAL PAYROLL	55,899	41.5%	670,787	41.5%
PRIME COST	**89,042**	**66.2%**	**1,068,509**	**66.2%**
Other Controllable Expenses:				
Direct Operating Expenses	7,508	5.6%	90,095	5.6%
Music & Entertainment	35	0.0%	420	0.0%
Marketing	1,773	1.3%	21,276	1.3%
Utilities	7,069	5.3%	84,825	5.3%
General & Administrative Expenses	10,028	7.5%	120,339	7.5%
Repairs & Maintenance	3,769	2.8%	45,228	2.8%
TOTAL OTHER CONTROLLABLE EXP.	30,182	22.4%	362,183	22.4%
CONTROLLABLE PROFIT	**15,321**	**11.4%**	**183,847**	**11.4%**
Occupancy Costs & Depreciation				
Occupancy Costs	5,717	4.2%	68,600	4.2%
Depreciation & Amortization	3,073	2.3%	36,874	2.3%
Other (Income) Expenses				
Other (Income)	0	0.0%	0	0.0%
Interest Expense	4,669	3.5%	56,025	3.5%
Other Expense	0	0.0%	0	0.0%
NET INCOME BEFORE INCOME TAXES	**$ 1,862**	**1.4%**	**$ 22,349**	**1.4%**
ADD BACK:				
Depreciation & Amortization	3,073	2.3%	36,874	2.3%
DEDUCT:				
Loan Principal Payments	(4,935)	(3.7%)	(59,223)	(3.7%)
CASH FLOW BEFORE INCOME TAXES	**$ 0**	**0.0%**	**$ 0**	**0.0%**

BREAK-EVEN SALES	
Week	**$31,049**
Month	**$134,545**
Year	**$1,614,540**

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