

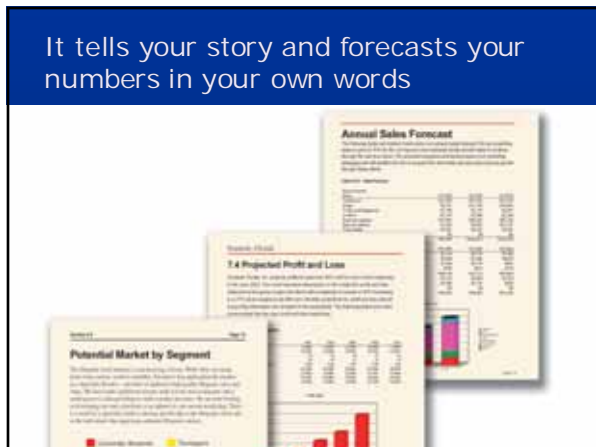
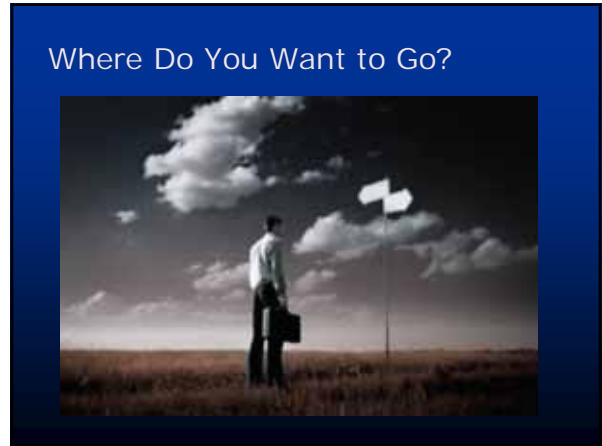
## Developing a Successful Business Plan

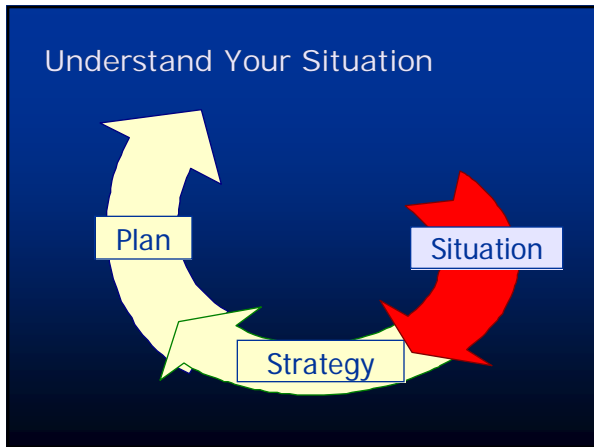
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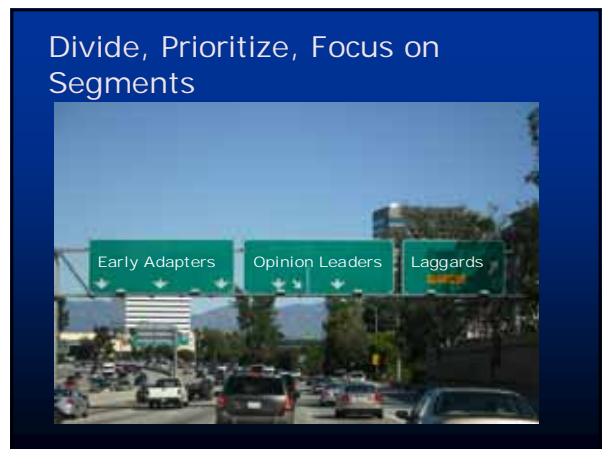
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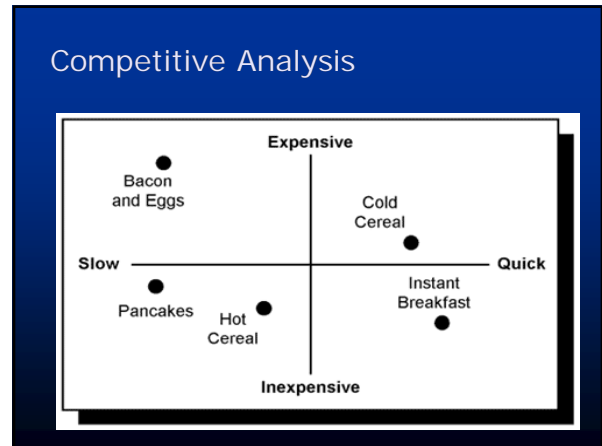
### Develop a SWOT Analysis

<b>Strengths</b> <ul style="list-style-type: none"><li>• Location</li><li>• Reputation</li><li>• Chef Paul</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>• Parking</li><li>• Small size</li><li>• No separate bar</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>• Second location</li><li>• New menus</li><li>• Catering</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• New competition</li><li>• Shopping mall</li><li>• Hotel closures</li></ul>



### Market Analysis Checklist

Customer	Market	Competition
<ul style="list-style-type: none"> <li>■ Needs</li> <li>■ Pain Points</li> <li>■ Present solutions</li> <li>■ Attitudes</li> <li>■ Benefits</li> </ul>	<ul style="list-style-type: none"> <li>■ How many potential?</li> <li>■ Where are they?</li> <li>■ How do you reach them?</li> <li>■ Messages</li> </ul>	<ul style="list-style-type: none"> <li>■ Who's already there?</li> <li>■ Offerings</li> <li>■ Are they making money?</li> <li>■ Strengths and weaknesses</li> </ul>



### Core Competency

 = Design

 = Online Sales

 = Customer Service

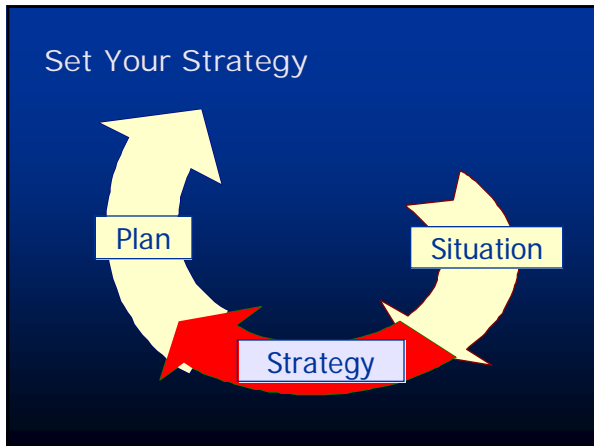
### Competitive Advantage

**Location**

**Design**

**Price**

- ### Situation Analysis Summary
- SWOT
  - Market Analysis
    - Segmentation
    - Competition
    - Positioning
  - Keys to success
  - Core Competence
  - Competitive Advantage



### Strategy is Tailored

- Growth
- Advantage
- Positioning
- Reality

### Strategy is Long Term

- Better a consistently applied mediocre strategy than a series of brilliant strategies


### Strategy is Realistic

### Strategy Starts with Needs

### Strategy Anticipates Market Demand



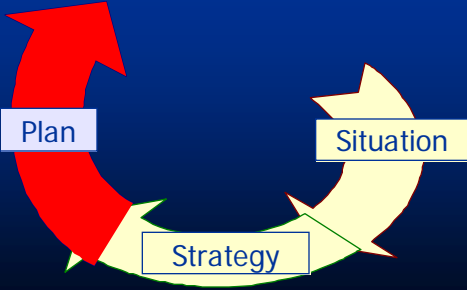
### Strategy Recognizes Displacement



### Strategy Checklist

- Is it focused
- Is it realistic?
  - Competitive advantage?
  - Core competence?
  - Knobs we can turn
- Can we stick to it?
- Is it built on market demand?
- Does it understand displacement?

### Develop the Plan



### Just Tell Your Story

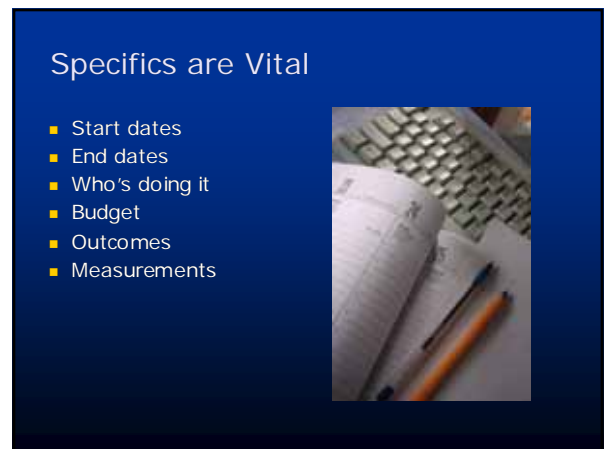
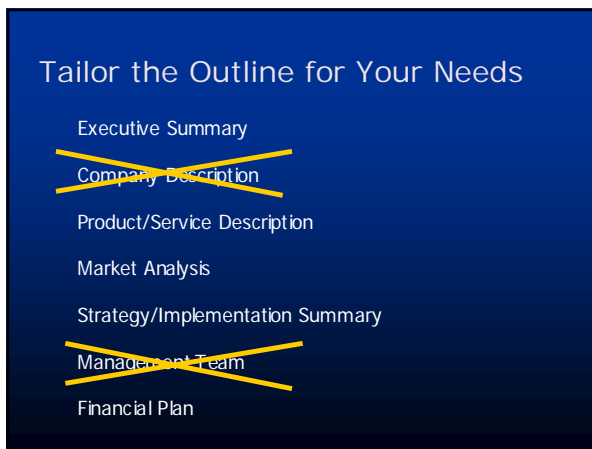
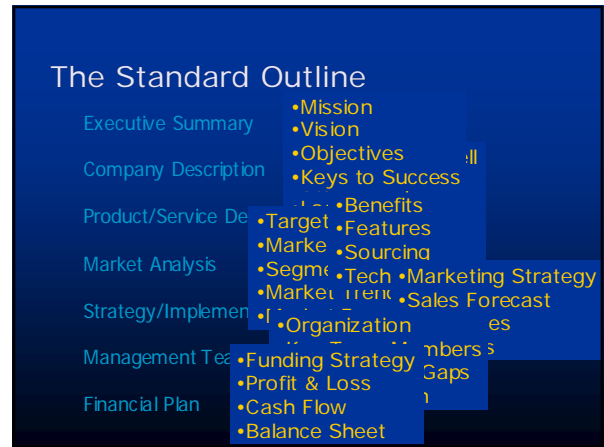
Studio67 is a single-unit, medium-sized restaurant. We focus on organic and creative food. The restaurant will be located in a prime neighborhood of Portland. It will be a greasy food.

Our primary financial objectives are:

1. Sales of \$350K the first year, more than half a million the second.
2. Personnel costs less than \$300K the first year, less than \$400K the second year.
3. Profitable in year two, better than 7.5% profits on sales by year three.

### Jump Around the Outline

- Executive Summary
- Company Description
- Product/Service Description
- Market Analysis
- Strategy/Implementation Summary
- Management Team
- Financial Plan



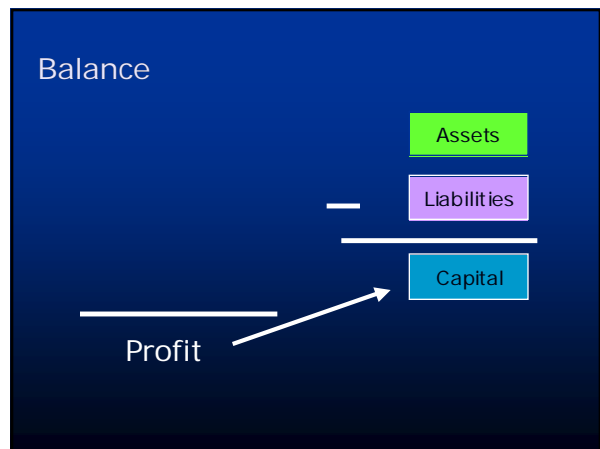
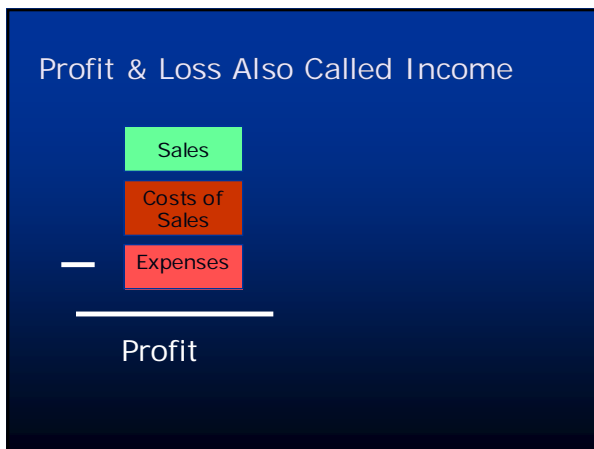
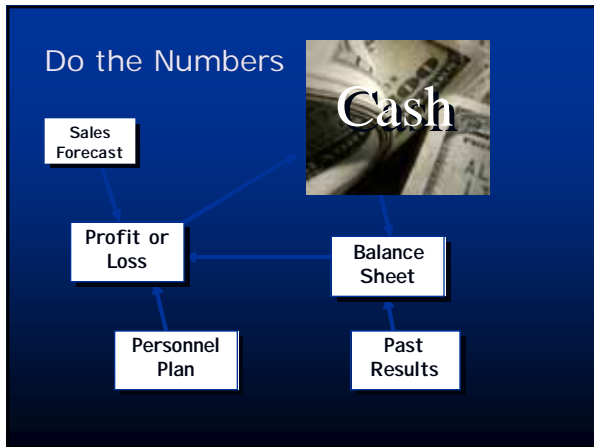
### Objectives Must be Measurable

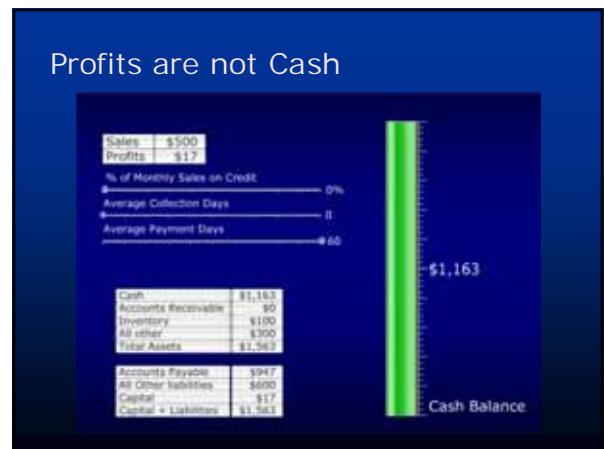
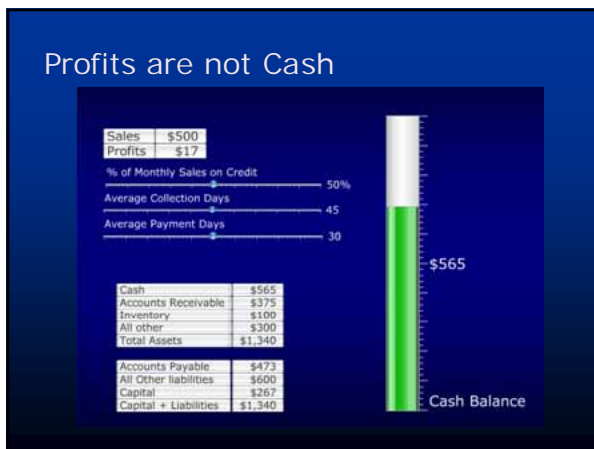
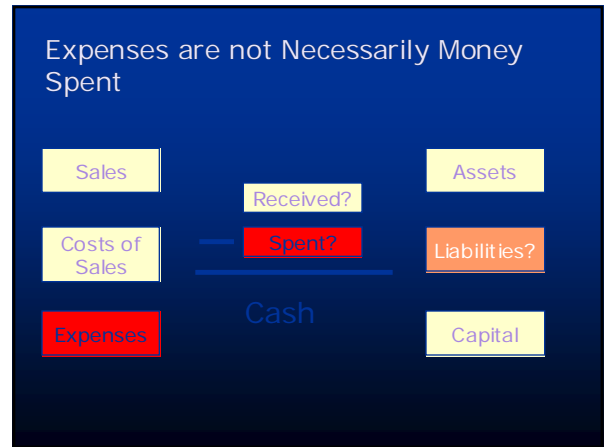
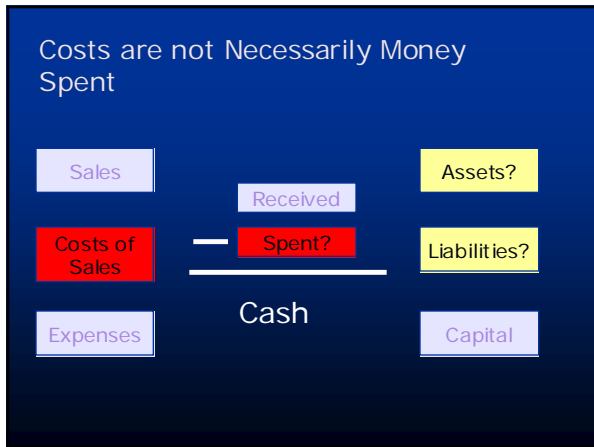
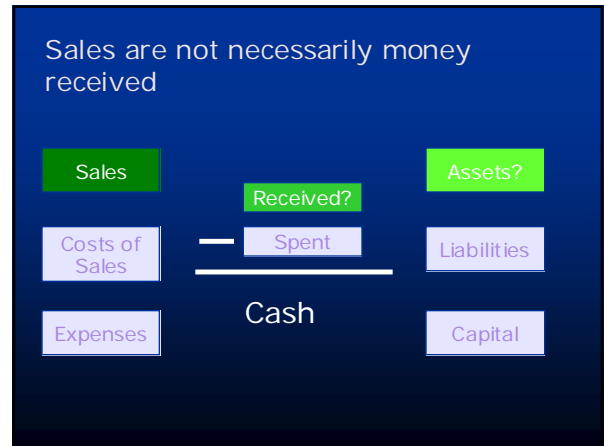
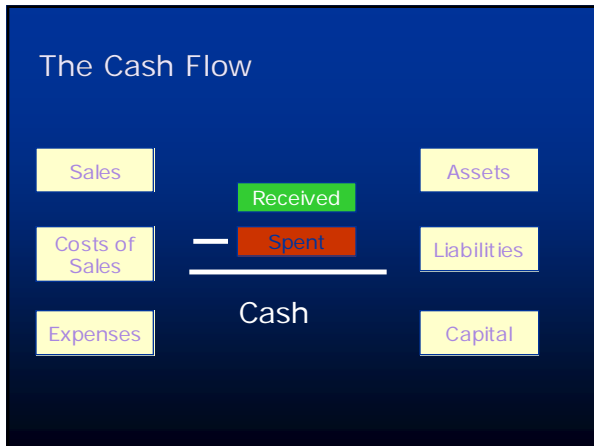
- Dollars
- Units
- Percentage
- Calls
- Presentations
- Complaints
- Transactions
- Contacts
- Messages
- Volume

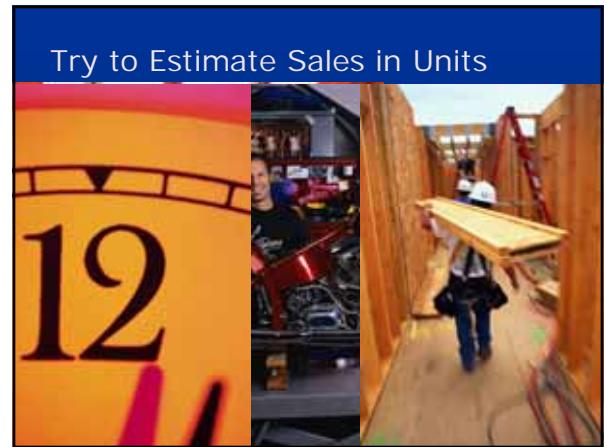
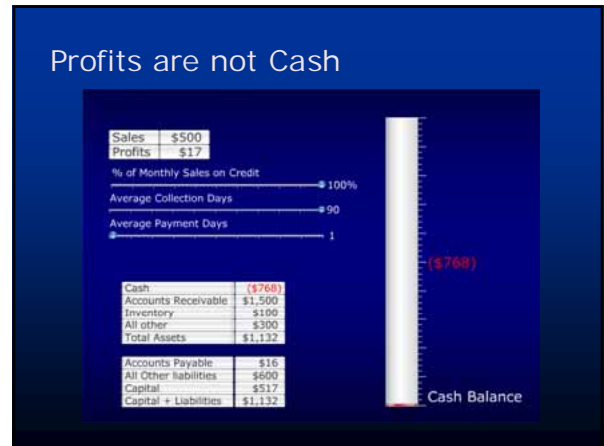
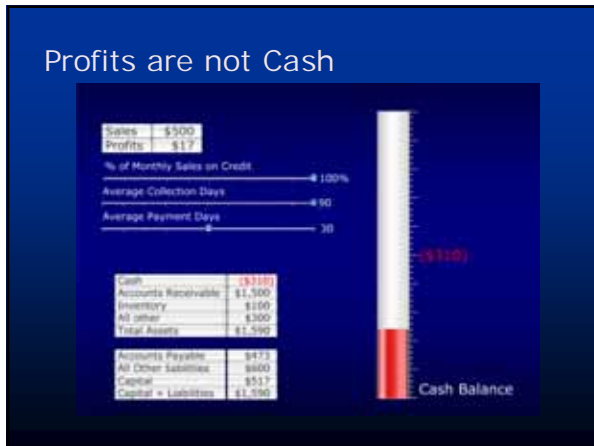


### Sample Milestones

Milestone	Start Date	End Date	Budget	Manager	Department
Corporate Identity	12/1/2006	12/17/2006	\$10,000	TJ	Marketing
Samurai implementation	1/1/2007	1/10/2007	\$1,000	IR	Sales
Business Plan Review	1/2/2007	1/11/2007	\$0	RJ	GM
Upgrade mailer	1/2/2007	1/17/2007	\$5,000	IR	Sales
New corporate brochure	1/2/2007	1/17/2007	\$5,000	TJ	Marketing
Delivery vans	1/1/2007	1/25/2007	\$12,500	SD	Service
Direct mail	2/2/2007	2/17/2007	\$2,500	IR	Marketing
Advertising	2/2/2007	2/17/2007	\$115,000	RJ	GM
V4 Prototype	2/1/2007	2/25/2007	\$2,500	SC	Product
Service revamp	2/1/2007	2/25/2007	\$2,500	SD	Product
6 Presentations	2/2/2007	2/26/2007	\$0	IR	Sales
V4 Testing	3/1/2007	3/6/2007	\$3,000	SG	Product
3 Accounts	3/1/2007	3/17/2007	\$0	SD	Sales
L30 Prototype	3/1/2007	3/26/2007	\$2,500	PR	Product
Tech99 Expo	4/1/2007	4/12/2007	\$15,000	TB	Marketing
VP. S&M hired	6/1/2007	6/11/2007	\$3,000	JC	Sales
Mailing System	7/1/2007	7/28/2007	\$5,000	SD	Service
<b>Totals</b>			<b>\$101,500</b>		







### Estimate Unit Sales

Unit Sales	Jan	Dec	2007	2008	2009
Meals	779	3,835	22,822	35,000	45,000
Drinks	390	1,918	11,415	17,500	22,500
Other	20	20	240	500	1,000
<b>Total Unit Sales</b>	<b>1,189</b>	<b>5,773</b>	<b>34,477</b>	<b>53,000</b>	<b>68,500</b>

### Add Estimated Prices

Unit Sales	Jan	Feb	Mar
Meals	779	1,051	1,505
Drinks	390	527	753
Other	20	20	20
<b>Total Unit Sales</b>	<b>1,189</b>	<b>1,600</b>	<b>2,278</b>
<b>Unit Prices</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
Meals	\$15.00	\$15.00	\$15.00
Drinks	\$2.00	\$2.00	\$2.00
Other	\$10.00	\$10.00	\$10.00

Then Calculate Sales

	Jan	Feb	Mar
<b>Unit Sales</b>			
Meals	779	1,053	1,505
Drinks	390	527	753
Other	20	20	20
<b>Total Unit Sales</b>	1,189	1,600	2,278
<b>Unit Prices</b>			
Meals	\$15.00	\$15.00	\$15.00
Drinks	\$2.00	\$2.00	\$2.00
Other	\$10.00	\$10.00	\$10.00
<b>Sales</b>			
Meals	\$11,685	\$15,795	\$22,575
Drinks	\$780	\$1,054	\$1,506
Other	\$200	\$200	\$200
<b>Total Sales</b>	\$12,665	\$17,049	\$24,281

Finally, Estimate Costs

	Jan	Feb	Mar
<b>Unit Sales</b>			
Meals	779	1,053	1,505
Drinks	390	527	753
Other	20	20	20
<b>Total Unit Sales</b>	1,189	1,600	2,278
<b>Direct Unit Costs</b>			
Meals	\$2.00	\$2.00	\$2.00
Drinks	\$0.50	\$0.50	\$0.50
Other	\$1.00	\$1.00	\$1.00
<b>Direct Cost of Sales</b>			
Meals	\$1,558	\$2,106	\$3,010
Drinks	\$195	\$264	\$377
Other	\$20	\$20	\$20
<b>Subtotal Direct C</b>	\$1,773	\$2,390	\$3,407

More Art than Science

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2007	2008	2009
<b>Unit Sales</b>															
Meals	779	1,053	1,505	1,835	22,822	35,000	45,000								
Drinks	390	527	753	1,918	11,415	17,500	22,500								
Other	20	20	20	20	240	500	1,000								
<b>Total Unit Sales</b>	1,189	1,600	2,278	3,773	34,477	53,000	68,500								
<b>Unit Prices</b>															
Meals	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00								
Drinks	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00								
Other	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00								
<b>Sales</b>															
Meals	\$11,685	\$15,795	\$22,575	\$27,525	\$342,330	\$525,000	\$675,000								
Drinks	\$780	\$1,054	\$1,506	\$1,836	\$22,830	\$35,000	\$45,000								
Other	\$200	\$200	\$200	\$200	\$2,400	\$5,000	\$10,000								
<b>Total Sales</b>	\$12,665	\$17,049	\$24,281	\$30,561	\$665,560	\$965,000	\$1,230,000								
<b>Direct Unit Costs</b>															
Meals	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00								
Drinks	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50								
Other	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00								
<b>Direct Cost of Sales</b>															
Meals	\$1,558	\$2,106	\$3,010	\$3,670	\$45,644	\$70,000	\$90,000								
Drinks	\$195	\$264	\$377	\$959	\$5,708	\$8,750	\$11,250								
Other	\$20	\$20	\$20	\$20	\$240	\$500	\$1,000								
<b>Subtotal Direct Cost of Sales</b>	\$1,773	\$2,390	\$3,407	\$4,649	\$51,592	\$79,250	\$102,250								

A Simple List of People

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2007	2008	2009
<b>Manager</b>	\$5,000	\$5,000	\$60,000	\$65,000	\$70,000										
<b>Hostess</b>	\$3,500	\$3,500	\$42,000	\$45,000	\$50,000										
<b>Chef</b>	\$4,500	\$4,500	\$54,000	\$60,000	\$65,000										
<b>Cleaning</b>	\$2,500	\$2,500	\$30,000	\$35,000	\$40,000										
<b>Waiters</b>	\$6,000	\$6,000	\$72,000	\$100,000	\$130,000										
<b>Other</b>	\$2,000	\$2,000	\$24,000	\$52,000	\$55,000										
<b>Total Payroll</b>	\$23,500	\$23,500	\$282,000	\$357,000	\$410,000										

Profit & Loss

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2007	2008	2009
<b>Sales</b>	\$12,665	\$17,049	\$24,281	\$30,561	\$665,560	\$965,000	\$1,230,000								
<b>Direct Cost of Sales</b>	\$1,773	\$2,390	\$3,407	\$4,649	\$51,592	\$79,250	\$102,250								
<b>Production Payroll</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
<b>Total Cost of Sales</b>	\$1,773	\$2,390	\$3,407	\$4,649	\$51,592	\$79,250	\$102,250								
<b>Gross Margin</b>	\$10,892	\$14,659	\$20,874	\$25,912	\$603,968	\$885,750	\$1,127,750								
<b>Gross Margin %</b>	86.00%	85.98%	86.99%	84.85%	90.15%	91.96%	91.67%								
<b>Operating Expenses</b>															
Advertising	\$200	\$200	\$2,400	\$520	\$2,400	\$5,000	\$10,000								
Rent	\$2,000	\$2,000	\$24,000	\$52,000	\$24,000	\$28,000	\$38,000								
Payroll	\$23,500	\$23,500	\$282,000	\$357,000	\$410,000	\$410,000	\$410,000								
Promotion	\$2,250	\$2,250	\$27,000	\$59,250	\$63,750	\$63,750	\$63,750								
Depreciation	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000								
Utilities	\$100	\$100	\$1,200	\$2,600	\$2,600	\$2,600	\$2,600								
Payroll Taxes	\$3,525	\$3,525	\$42,300	\$92,250	\$92,250	\$92,250	\$92,250								
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Other	\$50	\$50	\$600	\$1,300	\$1,300	\$1,300	\$1,300								
<b>Total Operating Expens</b>	\$29,375	\$29,375	\$356,300	\$412,350	\$483,300	\$483,300	\$483,300								
<b>Profit Before Interest &amp; Taxes</b>	(\$10,483)	(\$10,483)	(\$10,483)	(\$10,483)	(\$10,483)	(\$10,483)	(\$10,483)								
<b>Interest Expense</b>	\$833	\$833	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000								
<b>Taxes Incurred</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
<b>Net Profit</b>	(\$10,316)	(\$10,316)	(\$10,316)	(\$10,316)	(\$10,316)	(\$10,316)	(\$10,316)								
<b>Net Profit/Sales</b>	-152.53%	-152.53%	-152.53%	-152.53%	-152.53%	-152.53%	-152.53%								

Business Plans vs Tax Accounting

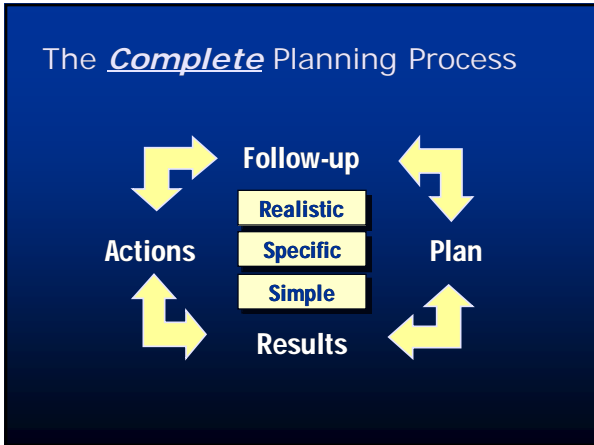


### Make it Happen



### Keep Your Plan Alive

		Jan	Feb	Mar
<b>Unit Sales</b>				
Meals	770	1,050		
Drinks	390	520		
Other	20	30		
<b>Total Unit Sales</b>		<b>1,640</b>	<b>1,600</b>	<b>1,680</b>
<b>Unit Price</b>				
Meals	945			
Drinks	279			
Other	87			
<b>Total Unit Price</b>		<b>1,158</b>	<b>1,158</b>	<b>1,158</b>
<b>Sales</b>				
Meals		\$3,711	\$502	\$6,193
Drinks		(\$96)	\$37	\$730
Other		\$302	\$271	\$902
<b>Total Sales</b>		<b>\$3,916</b>	<b>\$810</b>	<b>\$7,826</b>



### More Information

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