



Restaurant Franchise

BUSINESS PLAN

STEPHENSON'S, INC., dba REUBEN'S DELI

413 S. Kraut Ln.
Akron, OH 43905
April 1995

Stephenson's, Inc. operates Reuben's Deli, a franchise delicatessen. This business plan features a discussion of factors unique to a franchise, such as the history of its performance in other areas, the applicability of the concept in the new area, special trademark and image issues, and the advantages of a franchise as opposed to an independently-owned restaurant.

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NARRATIVE

The Company

Stephenson's, Inc. was formed as a Delaware Corporation in July of 1995. The Company was formed to establish operating Reuben's Deli restaurants in Akron, OH. The Company will develop this concept, which currently has a time-tested, proven market acceptance of its food and beverage group(s). In addition to other considerations, the Company in its evaluations elected to execute this concept based upon the simplicity of the concept overall, the training by the Franchisor, the support offered by the local area developer group, and the ease and costs of entry and the likelihood of success at the store level under the various market conditions and environments. Initial efforts in this development shall be primarily focused upon the commitment and execution of an initial Reuben's Restaurant located in the Akron, OH area. It is the intention of the company to establish its headquarters in Akron, OH during its first year of operation.

Company History

Stephenson's, Inc. was co-founded by Caren and Eddie Stephenson. Mrs. Stephenson acts as President and Mr.

Источник бизнес-плана: <http://www.referenceforbusiness.com>



Stephenson acts as Executive Vice President. Both are Directors of the Company. The Company is a start-up situation, however, and it should be recognized that it also represents an extension of a successful 23 year-old chain of more than 400 operating restaurants. Further, the company will have very effective guidance provided by the local Area Developers who will be working day to day with the Company to help insure its success. The Area Developers are Mr. Wilson and Mr. Jones. Mr. Wilson has extensive experience in the food and beverage industry. Mr. Wilson was formerly with Wendy's International Inc. of Columbus, OH and worked for its chairman Mr. Dave Thomas for over five (5) years. He was also Co-Founder and President of Calibre Inc., a publicly held company in the business of building and operating various restaurant concepts. These concepts include Chuck E. Cheese Pizza Time Theaters, RAX Restaurants, and G.D. Ritzzy's. In addition, Mr. Wilson began his restaurant career with his family as they owned and operated one of the first Kentucky Fried Chicken restaurants and a full-service family restaurant known as Wilson's Drive-In located in Lima, OH. Mr. Jones has over 15 years' experience in developing startup and ongoing businesses. Mr. Jones has worked closely with successful entrepreneurs, including the nationally recognized billionaire and insurance magnate Clement Stone; America's leading real estate educator and author, Dr. Albert J. Lowry; and others, including Charles J. Givens, ZigZiglar, and Mr. Bob Harrington (Chaplin of Bourbon Street). Mr. Jones spent six years doing national platform speaking engagements on investment strategies, business management, and motivational topics. He has extensive experience in formulating and executing start-up businesses for others as well as himself. He has spent the past eight years involved with law firms specializing in tax planning strategies to high net worth individuals and clients of these law firms. Additionally, Mr. Jones taught attorneys and CPAs methods of tax and estate planning with the use of both domestic and off-shore trusts.

Company Objectives

The Company's first priority is to establish its first operating Reuben's Deli restaurant. Prior to opening the first restaurant, the principals shall obtain complete training from both the parent company, Reuben's Inc. of Boise, Idaho, and the local Area Developer, Yukon, Inc. Second, it will continue to pursue sites for the future development of subsequent restaurants. The Company has entered into an Agreement with Reuben's Inc. to build and develop additional franchise units.

RISK FACTORS

It is the long-term objective of the Company to obtain adequate financing for the project, identify sites, and develop successful Reuben's Deli restaurants. The selection of this specific concept was made as a result of the likelihood of success in a new business venture of this type. Significant risks that are usually inherent in start-up businesses are reasonably mitigated as a result of Reuben's history and track record. Reuben's Inc. has developed a 24-year track record of success and profitability with over 400 operating franchises. The Company believes that the timing of this sector of the food market is most desirable. Food industry experts agree that a specialty sandwich with unique flavors offered at competitive prices will be the fastest growing segment for the next ten (10) years. However, in all events, there are certain risks that need to be addressed appropriately since the Company is directly competing for transactions with other existing restaurant chains as well as independent operations.

Operating History

Stephenson's, Inc. is in its first year of operation. It has located and established its headquarters in Akron, OH. The Company has submitted a lease proposal on a site located at _____. Further consideration is under evaluation for a site in _____, OH. It is anticipated that construction and completion of the initial company store shall be not later than _____. Stephenson's, Inc. will expedite additional efforts during 1995 and into 1996 to build and operate additional company-owned stores and increase the depth and strength of management of the company.



Dependence on Management

The success of the Company will depend on the ability of management to operate daily. The Company plans upon growing its base of management as needed and when it becomes financially feasible. There is no assurance that management can do this in a timely or profitable manner.

Competition

All aspects of the retail food industry are highly competitive, but the competition in the quick serve food segment is particularly intense. The Company will be competing with a large number of other quick serve food stores. Some of the competitors have greater financial resources and more established reputations than this company. However, the Reuben's chain does have a 24-year successful operating history.

Dependence on Company Support Personnel

The Company's ability to develop and manage franchises will require significant time commitments from management. The Company intends upon staffing two persons by the end of the second year to manage the franchise with its owners. The placement of these persons will be difficult in light of the competition. Therefore, no assurance can be given that the Company will attract or be able to retain qualified individuals to satisfy the Company's requirements for such personnel. In such an event, the management may need to continue to maintain and operate the stores and their growth.

Dependence on Manufacturers and Suppliers

The Company has no production facilities for food and equipment and is dependent upon obtaining the services of outside manufacturers. Although the Company anticipates that it will be able to purchase sufficient products, equipment, and agreements with approved manufacturers, no assurance can be given that the Company will be able to always obtain such products, equipment, or agreements.

COMPANY STATUS

The Company has entered its first full year of operations and has started to develop relationships with area professionals to advise the Company in the areas of Real Estate, Banking, Accounting, and Legal needs. Its activities include the establishment of initial store financing. The Company has also recently submitted a proposal to acquire a lease in Akron, OH. Upon obtaining a commitment for financing for its first store, the Company will then execute a Franchise Unit Development Agreement with Reuben's, Inc. Currently, the Company has executed a Unit Development Agreement with Reuben's and has paid \$____.00 in franchise fees to the franchisor. The Company anticipates building a minimum of ____ units.

Capitalization

The Company is currently seeking to obtain a loan of \$ 170,000 to develop the first store. The terms of that loan shall be determined when management has negotiated what is going to be realistic to offer based upon projected earnings. Further, the Company anticipates providing an additional amount of cash between \$75,000 and \$90,000 towards its first store development.

Use of Proceeds

The amounts set forth in this business plan represent the Company's present intentions with respect to promised expenditures. Actual expenditures may vary substantially, depending upon future developments such as marketing, sales activity, corporate opportunities, and certain other recognized or unforeseen factors. Any



change either in the allocation of funds or in the order of priority will be at the discretion of the Company's Board of Directors.

Loans

The Company may utilize trade and other commercial credit, if available. Working capital, lines of credit, secured by orders and accounts receivable, will likely be used during the routine course of its business.

PROPRIETARY FEATURES

The Company and Reuben's Inc. intend to mutually protect all patents, trademarks and other proprietary rights to the extent such action is feasible. The packaged goods, advertising, logos, recipes, local promotions, and any other product, service or idea deemed proprietary will also be protected appropriately. The intent is to preserve the integrity of the concept and to hold the protected property to certain standards and monitor use of these trademarks as they are supposed to apply to certain promotions and products as directed by the parent company. The Company and Reuben's Inc. rely upon certain recipes and proprietary products to present a unique atmosphere, ambiance, aroma, food taste, and overall consistent presentation to the customer. Any representation of these items or trademarks should only be as directed by Reuben's Inc. and the Company as an area developer. The Company primarily relies upon the laws of unfair competition and confidentiality agreements to protect its designs and other proprietary information.

COMMUNITY BENEFITS

The Company believes it will be an asset within its development area as it will generate new job opportunities for the residents of the respective communities in which it builds stores. The Company plans to hire as many employees as possible from the local community residents for each store. It will also give the cities increased revenues through payroll and sales taxes and increased consumer spending by employing the local residents. The Company believes that as a franchise owner for Reuben's Inc., that Reuben's Deli will become a well-known brand name nationwide and create a company that the local communities will be proud to have. Further, Reuben's has established a tradition that the Company plans on supporting along with other area franchise owners and the Area Developers for the benefit of local charities. For the past several years Reuben's Inc. has sponsored a 5K race to benefit various charities by raising significant dollars through the participation of the public. It is noted to be one of the most successful 5K races in the U.S. Stephenson's Inc., in cooperation with other franchise owners plans on co-sponsoring this race in the greater Akron market.

THE PRODUCT

The Need

The Company together with Reuben's Inc. is providing an opportunity designed to fulfill the needs of an active population who find themselves in a busy working environment with schedules that are pressing because of circumstances which cause them to have their time restrained for various reasons. Therefore, this population who appreciates a quality product at a fair price will use their disposable income to eat at a quick service restaurant offering outstanding customer service in an effort to obtain both convenience and entertainment. Reuben's Deli enjoys a base of customers that have traditionally developed during the past 24 years, into a heavy user profile (more than 4 visits per month). This allows for a solid customer base. Therefore a Reuben's franchise fulfills a need for a small business owner of a single unit or a larger business organization which would include multi-unit operations. The franchise provides a time-tested business opportunity with a successful track record and products proven to be widely accepted.



Customer Response

The Company has observed and spoken with customers of other Reuben's Deli franchise units who have indicated their overwhelming acceptance of the products in this market. Indications are strong that as the Reuben's system grows nationally and internationally, the recognition will continue to cause further interest in the concept. Many studies point out that if you're interested in operating a restaurant your odds of success are greatly enhanced with a concept that has been in business for at least 10 years and offers a unique product. In fact, it has been statistically shown that the odds are that if you start your own restaurant without any history, it will fail 85% of the time, while if you develop a franchise with a proven track record, like Reuben's Deli, you will be successful 85% or more of the time. Reuben's Deli certainly is a proven entity. The customer responds for the following reasons:

The wide appeal and the quality of Reuben's Deli products. Reuben's enjoys one of the highest customer responses in the food industry today. The average customer visits a Reuben's Deli 4-6 times per month.

- The universal acceptance of the old and especially new restaurant designs.
- The affordable price of the products as compared to other competitive food operations.
- The cleanliness of the overall operation.

COMPETITION

Any restaurant is certainly considered competition in this industry. However, the food segment that we are in, the specialty deli type sandwich is rapidly becoming the fastest growing segment in the food industry. Reuben's Deli and similar food operators in this category are showing impressive results as featured in various industry publications like "Restaurant News."

Competitive Advantage

The Reuben's restaurant concept has a 24-year operating history which gives it a vast amount of past operating history and proven stability. The products in a Reuben's Deli have stood the test of time. The quality is unequaled and truly unique and that is why so many franchise owners already operating in this system have experienced success. The new updated building layouts and designs, together with the quality of the product and expanded menu is encouraging a very high level of repeat business. The addition of many new store, approximately 15-20 per month, is creating an awareness of Reuben's Deli nationwide and will fuel its popularity through this growth. In 1993, system-wide sales exceeded \$71,000,000.00, an increase of over 20% from the previous year. In 1994, sales reached in excess of \$100,000,000.00 system-wide. It is anticipated that by 1999, there will be in excess of 3800 stores producing almost two (2) billion in annual sales. The Area Developer program has further enhanced this growth and success of the nationwide development of the Reuben's Deli system due to the increase in support to the local franchise owners by their area developers.

Industry and Market Overview

The Reuben's Deli restaurant concept is involved in one of the largest dollar volume industries in the world. However, those who excel in this category are generously rewarded both personally and financially. The largest cross section of population in the world spends money daily in this industry and those trends are continuing to increase rapidly. Reuben's Deli has a 24-year operating history and has now entered the mature growth stage of their development. This is the time in the development history when restaurant chains historically experience explosive growth and effective market penetration. The markets are growing nationally and internationally, and the specialty sandwich segment is viewed by experts in the industry as the segment clearly offering the most dynamic opportunities. The blended flavors of the sandwich menu and the popular gourmet pizza products, together with the new flavored coffee program, have combined to attract industry attention. "Entrepreneur Magazine" again recently named the Reuben's Deli concept as the Number 1 franchise in the sandwiches,



soups, and salads category, representing the second consecutive year that award has been won by Reuben's. This is an impressive list to be on at any level and to be named Number 1 tribute to the concept. Reuben's Inc. and Yukon, Inc. (Area Developers) have been the focus of several national and local periodicals.

PLANNED DEVELOPMENT

Yukon, Inc., Area Developer, anticipates and estimates that the territories under their control for development will support over 667 Reuben's Deli restaurants. The minimum development contract demands that at least 317 stores be developed over the next five years. This growth is affected by seasonality, market share achieved, market trends, pricing strategies, and product line strategies. Management has determined that after evaluating all of these criteria and spending valuable due diligence time, that the growth in our respective areas will significantly enhance the credibility and visibility of Stephenson's, Inc. in its efforts to develop.

SALES AND ADVERTISING PROGRAMS

Stephenson's, Inc. plans on using several methods of local store marketing as suggested by the Reuben's, Inc. marketing department and the area developer. The primary method for obtaining sales is initially contacting surrounding businesses and residents and inviting them to visit the store through special local store promotions. Coupons, radio, and frequency cards will be utilized early as pre-opening sales tools. Reuben's has also contracted a number of national magazines and/or newspapers to continuously prepare and run advertising for exposure of the concept. Stephenson's, Inc. will contribute 1% of total gross store sales to the national marketing fund for the overall corporate wide system marketing program. Additionally, the Company will spend at least 3% annually of its gross revenues of Companyowned stores on local advertising and promotions and will participate with these funds in the area co-op programs. The Company will develop working relationships with various advertising agency's and will receive quality guidance from the co-op members and its area development company, Yukon, Inc., in choosing the most effective advertising.

MANAGEMENT DUTIES AND RESPONSIBILITIES

The Company consists of a Board of Directors and two (2) full-time management employees including Mr. Eddie Stephenson and Mrs. Caren Stephenson who are also officers of the Company. The principals will be managers in these stores. The functions of managements are structured according to the operating requirements for the successful execution of the business. These functions include but are not limited to corporate strategic planning, sales and marketing, implementation and updates of operations, advertising and promotions. Additionally, management currently is responsible for the daily operations of Companyowned stores. Outside professional services will support the needs for legal and accounting functions. Also, the Company will utilize the services of a life insurance professional and an advertising and public relations firm based in the greater Akron, OH area.

Major Management Objectives

The Company has outlined as its 1995 major management objectives the following points in order to continue to successfully execute its business plan:

- Complete the Company's need for financing
- Locate, negotiate, obtain, develop, and open store #1
- Complete training in operations at Boise, Idaho, per Reuben's, Inc. requirement
- Increase the depth of knowledge in management of the Company organization
- Participate closely with Reuben's Inc. to further enhance the overall improvement of the Reuben's Deli concept



- Promote awareness of the Reuben's Deli in the local trade area through in-store promotions
- Select and hire quality employees who appropriately represent the image of the success of Reuben's Deli
- Operate a clean profitable store

FINANCIAL ESTIMATES

Projected Statement of Earnings

For years ending December 31, 1996-1998

	Year 1		Year 2		Year 3	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Gross Sales	400,000	100.00	450,000	100.00	500,000	100.00
Less: Coupons	4000	1.00	4500	1.00	5000	1.00
Less: Emp. disc/meals	5840	1.45	5570	1.46	7300	1.45
Net Sales	390,160	97.54	438,930	97.54	487,700	97.54
Cost of Sales						
Food & Bev	111,000	27.75	124,875	27.75	138,750	27.75
Paper & Plastic	9000	2.25	10,125	2.25	11,250	2.25
Total Cost of Sales	120,000	30.00	135,000	30.00	150,000	30.00
Gross Profit	270,160	67.54	303,930	67.54	337,700	67.54
Employee Expenses						
Payroll						
Owner	10,632	2.66	5315	1.18	3544	.71
Manager	12,500	3.13	25,750	5.72	26,500	5.30
Hourly	60,000	15.00	61,800	13.73	63,654	12.73
Taxes	10,800	2.70	11,124	2.47	11,488	2.29
Workers Comp	1200	.30	1350	.30	1500	.30
Health Ins.	2400	.60	4800	1.07	4800	.96
Total Emp. Exp.	97,532	24.38	110,140	24.48	111,456	22.29
Other Expenses						
Accounting						
Bookkeeping	3000	.75	3000	.67	3300	.66
Year End Rev & Taxes	5000	1.25	5000	1.11	6000	1.20
Payroll Service	360	.09	2750	.61	2750	.55
Advertising	8000	2.00	8779	1.95	9754	1.95
Amortization						
Franchise Fees	2750	.69	2750	.61	2750	.55
Organizational Costs						
Accounting	500	.13	500	.11	500	.10
Legal	520	.13	520	.12	520	.10
Training Costs	900	.23	900	.20	900	.18
Cash Over/Short & Theft	320	.08	360	.08	400	.08
Depreciation						
Leasehold Imprv	12,500	3.13	12,500	2.78	12,500	2.5
Equipment	18,800	4.7	18,800	4.18	18,800	3.76
Franchise Royalties	23,410	5.85	26,336	5.85	29,262	5.85

Year 1	Year 2		Year 3			
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Gross Sales	400,000	100.00	450,000	100.00	500,000	100.00
Less: Coupons	4000	1.00	4500	1.00	5000	1.00
Less: Emp. disc/meals	5840	1.45	5570	1.46	7300	1.45
Net Sales	390,160	97.54	438,930	97.54	487,700	97.54
Cost of Sales						
Food & Bev	111,000	27.75	124,875	27.75	138,750	27.75
Paper & Plastic	9000	2.25	10,125	2.25	11,250	2.25
Total Cost of Sales	120,000	30.00	135,000	30.00	150,000	30.00
Gross Profit	270,160	67.54	303,930	67.54	337,700	67.54
Employee Expenses						
Payroll						
Owner	10,632	2.66	5315	1.18	3544	.71
Manager	12,500	3.13	25,750	5.72	26,500	5.30
Hourly	60,000	15.00	61,800	13.73	63,654	12.73



Year 1	Year 2		Year 3			
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Taxes	10,800	2.70	11,124	2.47	11,458	2.29
Workers Comp	1200	.30	1350	.30	1500	.30
Health Ins.	2400	.60	4800	1.07	4800	.96
Total Emp. Exp.	97,532	24.38	110,140	24.48	111,456	22.29
Other Expenses						
Accounting						
Bookkeeping	3000	.75	3000	.67	3300	.66
Year End Rev & Taxes	5000	1.25	5000	1.11	6000	1.20
Payroll Service	360	.09	2750	.61	2750	.55
Advertising	8000	2.00	8779	1.95	9754	1.95
Amortization						
Franchise Fees	2750	.69	2750	.61	2750	.55
Organizational Costs						
Accounting	500	.13	500	.11	500	.10
Legal	520	.13	520	.12	520	.10
Training Costs	900	.23	900	.20	900	.18
Cash Over/Short & Theft	320	.08	360	.08	400	.08
Depreciation						
Leasehold Imprv	12,500	3.13	12,500	2.78	12,500	2.5
Equipment	18,800	4.7	18,800	4.18	18,800	3.76
Franchise Royalties	23,410	5.85	26,336	5.85	29,262	5.85

	Year1		Year2		Year3	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Insurance	2000	.5	2000	.44	2000	.4
Laundry & Uniforms	1800	.45	1800	.4	1800	.36
Lease	28,000	7.09	31,500	7.00	3500	7.00
Lease CAM	3000	2.00	3000	2.00	10,000	2.00
Lies. & Permits	600	.15	600	.13	600	.12
Miscellaneous	2000	.5	2250	.5	2500	.5
NAMF Contribution	4000	1.00	4500	1.00	5000	1.00
Postage	300	.08	300	.07	300	.06
Repairs & Maint						
Bldg.	500	.13	500	.11	500	.10
Equip	2400	.60	2400	.53	2400	.48
Supplies	4000	1.00	4500	1.00	5000	1.00
Taxes	0	0	0	0	0	0
Telephone	900	.23	900	.20	900	.18
Waste Removal	300	.08	300	.07	300	.06
Utilities	15,000	3.75	15,000	3.33	15,000	3.00
Total Other Expenses	145,860	36.46	157,744	35.05	168,378	33.75
Earnings from Ops	26,758	6.69	36,045	8.01	57,508	11.50
Other (Income) Expenses						
Interest Income	0.00		0.00		0.00	
Interest Expense	12,616	3.15	11,719	2.60	10,742	2.15
Total Other (Income) Expense	12,616	3.15	11,719	2.60	10,742	2.15
Net Earnings	14,142	3.54	24,372	5.41	46,766	9.35
Non-cash Expenses						
Amortization						
Franchise Fees	2750	.69	2750	.61	2750	.55
Organizational Costs						
Accounting	500	.13	500	.11	500	.10
Legal	520	.13	520	.12	520	.10
Training Costs	900	.23	900	.20	900	.18
Depreciation						
Leasehold Imprv.	12,500	3.13	12,500	2.79	12,500	2.50
Equipment	18,800	4.70	18,800	4.18	18,800	3.76
Total Non-cash Expenses	35,970	8.99	35,970	7.99	35,970	7.19
Cash Flow	50,122	12.53	60,297	13.40	82,736	16.55

	Year1		Year2		Year3	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Insurance	2000	.5	2000	.44	2000	.4



	Year1		Year2		Year3	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Laundry & Uniforms	1800	.45	1800	.4	1800	.36
Lease	28,000	7.000	31,500	7.00	3500	7.00
Lease CAM	8000	2.00	9000	2.00	10,000	2.00
Lies. & Permits	600	.15	600	.13	600	.12
Miscellaneous	2000	.5	2250	.5	2500	.5
NAMF Contribution	4000	1.00	4500	1.00	5000	1.00
Postage	300	.08	300	.07	300	.06
Repairs & Maint						
Bldg.	500	.13	500	.11	500	.10
Equip	2400	.60	2400	.53	2400	.48
supplies	4000	1.00	4500	1.00	5000	1.00
Taxes	0	0	0	0	0	0
Telephone	900	.23	900	.20	900	.18
Waste Removal	300	.08	300	.07	300	.06
Utilities	15,000	3.75	15,000	3.33	15,000	3.00
Total Other Expenses	145,860	36.46	157,744	35.05	168,378	33.75
Earnings from Ops	26,758	6.69	36,046	8.01	57,508	11.50
Other (Income) Expenses						
Interest Income		0.00		0.00		0.00
Interst Expense	12,616	3.15	11,719	2.60	10,742	2.15
Total Other (Income)						
Expense	12,616	3.15	11,719	2.60	10,742	2.15
Net Earnings	14,152	3.54	24,372	5.41	46,766	9.35
Non-cash Expenses						
Amortization						
Franchise Fees	2750	.69	2750	.61	2750	.55
Organizational Costs						
Accounting	500	.13	500	.11	500	.10
Legal	520	.13	520	.12	520	.10
Training Costs	900	.23	900	.20	900	.18
Depreciation						
Leasehold Imprv.	12,500	3.13	12,500	2.79	12,500	2.50
Equipment	18,800	4.70	18,800	4.18	18,800	3.76
Total Non-cash						
Expenses	35,970	8.99	35,970	7.99	35,970	7.19
Cash Flow	50,122	12.53	60,297	13.40	82,736	16.55



Projected Balance Sheet

Assets	Year1
Current Assets	
Cash	5450
Inventory	6233
Prepaid Expenses	
Total Current Assets	11,683
Property & Equipment	
Leasehold Improvements	125,000
Equipment	94,000
Less: Accumulated Depreciation—Leaseholds	(12,500)
Less: Accumulated Depreciation—Equipment	(18,800)
Total property and equipment	187,700
Other Assets	
Franchise Fees	27,500
Deposits	4500
Organizational Costs—Accounting	2500
Organizational Costs—Legal	2600
Training Costs	4500
Less: Accumulated Amortization—Franchise Fees	(2750)
Less: Accumulated Amortization—Org. Cost, Accounting	(500)
Less: Accumulated Amortization—Org. Cost, Legal	(520)
Less: Accumulated Amortization—Training Costs	(900)
Total Other Assets	36,930
Total Assets	236,313
Liabilities and Stockholders' Equity	
Current Liabilities	
Current Maturities of Long-term debt	11,045
Accounts Payable	
Accrued Rent Concessions	
Accrued Liabilities	
Total Current Liabilities	11,045
Long-term Debt	142,352
Less: Current Maturities of Long-term Debt	(11,045)
Total Long-term Debt	131,307
Stockholders' Equity	
Common Stock	1000
Preferred Stock	
Contributed Capital	78,000
Retained Earnings	14,152
Total Stockholders' Equity	93,152
Total Liabilities & Stockholders' Equity	236,313
Cash Requirements	120,285

Assets	Year 1
Cash	5450
Inventory	6233
Prepaid Expenses	
Total Current Assets	11,683
Property & Equipment	
Leasehold Improvements	125,000
Equipment	94,000
Less: Accumulated Depreciation—Leaseholds	(12,500)
Less: Accumulated Depreciation—Equipment	(18,800)
Total property and equipment	187,700
Other Assets	
Franchise Fees	27,500
Deposits	4500
Organizational Costs—Accounting	2500
Organizational Costs—Legal	2600
Training Costs	4500
Less: Accumulated Amortization—Franchise Fees	(2750)
Less: Accumulated Amortization—Org. Cost, Accounting	(500)
Less: Accumulated Amortization—Org. Cost, Legal	(520)
Less: Accumulated Amortization—Training Costs	(900)
Total Other Assets	36,930
Total Assets	236,313
Liabilities and Stockholders' Equity	

**Current Liabilities**

Current Maturities of Long-term debt	11,045
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Accounts Payable	
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Accrued Rent Concessions	
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Accrued Liabilities	
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Total Current Liabilities	11,045
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Long-term Debt	142,852
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Less: Current Maturities of Long-term Debt	(11,045)
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Total Long-term Debt	131,807
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Stockholders' Equity

Common Stock	1000
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Preferred Stock	
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Contributed Capital	78,309
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Retained Earnings	14,152
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Total Stockholders' Equity	93,461
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Total Liabilities & Stockholders' Equity	236,313
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Cash Requirements	120,283
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Leasehold Improvements	125,000
Equipment	94,000
Subtotal	219,000

Start-up Expenses

Opening Cash	5450
Opening Inventory	6233
Franchise Fees	27,500
Deposits	4500
Organizational Costs--Accounting	2500
Organizational Costs--Legal	2600
Training Costs	4500
Common Stock Purchase	1000
Subtotal	54,283

Less Loan Proceeds	(153,000)
Net Cash Requirements	120,283

Leasehold Improvements	125,000
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Equipment	94,000
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Subtotal	219,000
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Start-up Expenses

Opening Cash	5450
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Opening Inventory	6233
-------------------	------

Franchise Fees	27,500
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Deposits	4500
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Organizational Costs—Accounting	2500
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Organizational Costs—Legal	2600
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Training Costs	4500
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Common Stock Purchase	1000
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Subtotal	54,283
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Less Loan Proceeds	(153,000)
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Net Cash Requirements	120,283
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Adjusted Projections: Cash Flow Only

	Percent				
Sales Per Month	33333	41666	50000	58333	
Gross Sales	400000	500000	600000	700000	100
Less: Coupons	8000	10000	12000	14000	2
Less: Employee Meals	4000	5000	6000	7000	1
Net Sales	388000	485000	582000	679000	97
Cost of Sales					
Food & Beverage	111000	138750	166500	194250	27.75
Paper & Plastic	9000	11250	13500	15750	2.25
Total Cost of Sales	120000	150000	180000	210000	30
Gross Profit	268000	335000	402000	469000	67
Employee Expenses					
Payroll & P. Tax/Owner	5979	5979	5979	5979	
Payroll & P. Tax/Manager	28118	28118	28118	28118	
Payroll Hourly	76000	95000	114000	133000	19
Payroll Tax/Hourly	6360	7950	9540	11130	1.59
Workers Compensation	1840	2300	2760	3220	0.46
Health Insurance	2400	2400	2400	2400	
Total Employee Expenses	120697	141747	162797	183847	45.95

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Total Employee Expenses	120697	141747	162797	183847	45.95

**Other Expenses**

Accounting Year End - Taxes	1500	1500	1500	1500	
Accounting - Payroll	360	360	360	360	
Advertising	11640	14550	17460	20370	2.91
Cash Over/Short - Theft	320	400	480	560	0.08
Franchise Royalties	23400	29250	35100	40950	5.85
Insurance	2000	2000	2000	2000	
Laundry	1800	1800	1800	1800	
Lease	62400	62400	62400	62400	
Licenses & Permits	600	600	600	600	
Miscellaneous	2000	2500	3000	3500	0.5
Muzak	660	660	660	660	
NAMF Contribution	3880	4850	5820	6790	0.97
Repairs & Maint. - Bldg.	1000	1000	1000	1000	
Repairs & Maint. - Equip.	500	500	500	500	
Supplies	4000	5000	6000	7000	1
Taxes					
Telephone & Postage	1200	1200	1200	1200	
Waste Removal	600	600	600	600	
Utilities	15000	15000	15000	15000	
Total Expenses	132860	144170	155480	166790	
Net Earnings from Operations	14443	49083	83723	118363	

Other Expenses

Accounting Year End - Taxes	' 1500	1500	1500	1500	
Accounting - Payroll	360	360	360	360	
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Muzak	660	660	660	660	
NAMF Contribution	3880	4850	5820	6790	0.97
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Repairs & Maint. - Equip.	500	500	500	500	
Supplies	4000	5000	6000	7000	1
Taxes					
Telephone & Postage	1200	1200	1200	1200	
Waste Removal	600	600	600	600	
Utilities	15000	15000	15000	15000	
Total Expenses	132860	144170	155480	166790	
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