



# BUSINESS PLAN

## **The EXECUTIVE SUMMARY**

### **1.0 Summary**

This business plan has been prepared to obtain supplemental financing and layout a plan of operation for a deli, wine and cheese retail operation. The name of this retail operation will be the wineLight *Café* and will begin operations in May of 2012.

The wineLight *Café* brand name will be owned by a privately held limited liability corporation that will operate under the name wineLightcafe, LLC. The founder, [REDACTED] will be wineLightcafe, LLC's majority owner. There are currently no minority owners.

The wineLight *Cafés'* retail stores will be located in and around popular restaurant and shopping districts, in cities with major universities and a significant corporate business environment. It's unique, upscale, and warm décor will be enhanced by the beauty of saltwater fish aquariums throughout the store. Creating a relaxing environment that will set the wineLight *Café* apart from other deli and internet cafes. In addition, customers will enjoy access to a variety of best selling books and magazines which will be available via Apple iPads. The wineLight *Café* will routinely deliver live in house author led book reviews, poetry sessions, and unique musical and comedy performances.

The wineLight *Cafés'* primary market will consist of individuals between the ages of 25 and 59 with at least some college education and a cultural appreciation for books, music, and poetry. These customers will also have an interest in social networking online and offline with others who share similar backgrounds and experiences.

The wineLight *Cafés'* revenues will be derived from one or a combination of the following groups of sales:

- Take-out customers who are seeking a well proportioned deli sandwich meal at an affordable price.
- Eat-in or wine sipping customers who are seeking a relaxing environment where they can enjoy meeting others who have similar interests and experiences.
- Lunch time catering to area businesses.



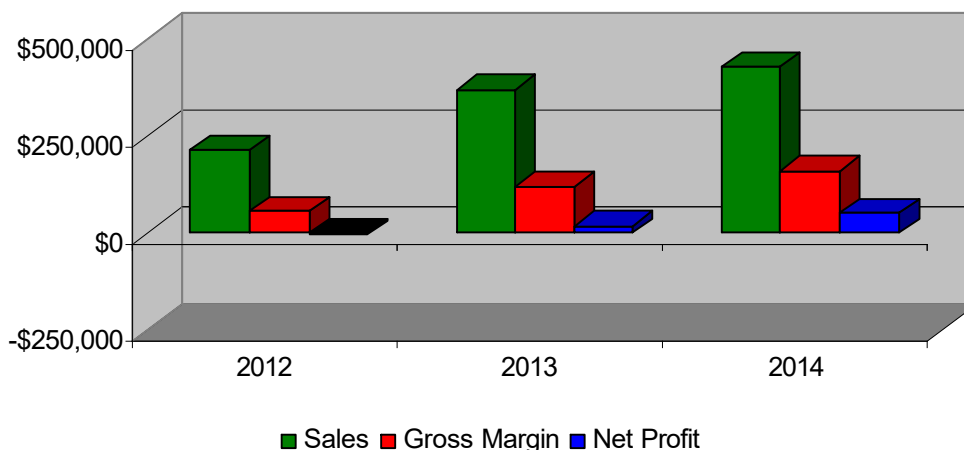
The Economics of One Deli Sandwich (EOU) suggests that there's profitability.

Selling Price		8.14
Material	0.41	
Labor	<u>3.83</u>	
Cost of Goods Sold	<b>4.24</b>	
Cross Profit per Unit		<b><u>3.90</u></b>

Note: The chart below contains the following financial assumptions:

- In 2012, the store will be in operation for only eight months, and as a result will need to average 3,015 sales per month at an average of \$8.36 per sale to meet its projections for the year.
- In 2013, the financial projections are based on the wineLight Café increasing sales by 10% and the cost of goods sold increasing at a rate of no more than 3.38% (this rate is based on the average increase in inflation since 1913). An average of 3,316 sales per month at an average of \$8.36 per sale is needed to meet projections for the year.
- In 2014, the financial projections are based on the wineLight Café increasing sales by 10% and the cost of goods sold increasing at a rate of no more than 3.38%. An average of 3,648 sales per month at an average of \$8.36 per sale is needed to meet projections for the year.
- Sales will be significantly lower during the first year of operations due to the store's May of 2012 opening.

### Financial Projection Summary



## **1.1 Objectives**

### **Short Term**

The company's first year objectives will be to:

- Create a deli retail operation that will provide tasty and well proportioned deli sandwiches.
- Create a unique in house wine and cheese retail operation.
- Create a unique, upscale, and relaxing environment that will promote social networking amongst its customers.

### **Long Term**

The company's one to five year objectives will be to:

- Standardize the store's environment, deli, wine and cheese operations into an easily repeatable process. This will be achieved through documenting and applying the practice through opening and operating additional stores.
- Beginning in 2015, wineLightcafe, LLC will open and operate one additional store per year through the year 2020.
- wineLightcafe, LLC's exit plan is to franchise the process and name brand to other entrepreneurs around the world.

## **1.2 Mission**

Our mission will be to develop and standardize a repeatable process that can be marketed to other entrepreneurs across the world.

## **1.3 Key's to Success**

1. Creating a repeat customer base.
2. The ability easily duplicate the deli, wine and cheese retail operation and its unique environment.



## **The COMPANY**

### **2.0 Summary**

The wineLight *Café* will provide a uniquely relaxing and upscale environment where people with similar interests and backgrounds can enjoy social networking, web browsing, and reading. The wineLight *Café* will also provide to its customers live book reviews, poetry, and unique musical and comedy performances. All while they enjoy tasty and well proportioned deli sandwiches, cheese, and wine beverages at an affordable price.

### **2.1 Company Ownership**

The wineLight *Café* brand name will be owned by a privately held limited liability corporation that will operate under the name wineLightcafe, LLC. The founder, [REDACTED] will be wineLightcafe, LLC's majority owner. There are currently no minority owners.

[REDACTED] holds a Masters degree in International Business and has over 20 years of managerial and IT experience. To further support the store's operations and growth, significant time in 2011 will be spent consulting with other popular deli and wine shop owners in various cities around the US.

### **2.2 Start-Up Summary**

The wineLight *Cafés'* start-up funding will cover the cost of the wineLightcafe, LLC formation. The cost of the wine license, site renovation and furnishing, kitchen equipment, and one year operating expense (rent, salaries, and utilities).

The start-up funding will also cover the cost of setting the site up as a wireless hotspot, which will include a network server and backup storage, the cost of procuring Apple iPads, online books and magazine subscriptions, audio equipment, and saltwater aquarium setup and stocking.

The wineLight Cafés' start-up plan will be broken into three phases:

Phase 1 – Company formation and funding

- Complete the paperwork and legal requirements to establish the wineLightcafe limited liability corporation.
- Once the corporation has been formed, the process of raising investment capital will begin. wineLightcafe, LLC will seek out both public and private funding.

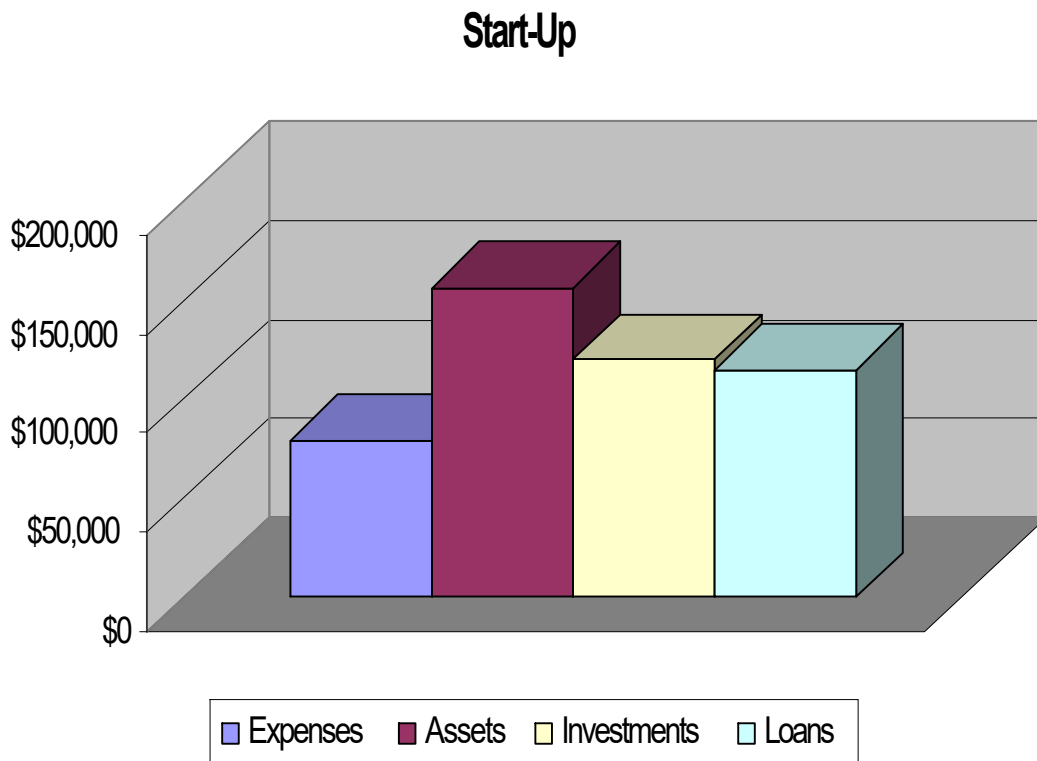
Phase 2 – Site Development

This phase will require significant capital and as a result, it cannot be started until phase one has been successfully completed.

Phase 3 – Grand Opening

The wineLight Cafés' opening will coincide with the launch of its marketing plan which will include special events and local advertising.

**Graph: Startup Summary**



**Table: Startup Summary**

Items	Total Cost
<b><u>Expense</u></b>	
Lease (4400 sq ft at 10.00 per)	4,000.00
Legal Services	1,500.00
Accounting Services	1,500.00
Insurance	500.00
Web Development & Hosting	3,000.00
Promotions and Advertising	5,500.00
Site Renovation (Painting, Carpeting, Fireplace, etc...)	60,000.00
Opening Inventory	3000.00
<b>Total Start-Up Expense</b>	<b>\$79,000.00</b>
<b><u>Assets</u></b>	
On Hand Cash Reserve	50,000.00
Wine Licenses	10,000.00
Furnishings	
Dining Booths tables & Benches	6,500.00
Dining Chairs and Tables (Large & Small)	5,500.00
Lounge Chairs & Tables	9,000.00
Server, Routers, Storage, PCs, Apple iPads Printer, POS System...	30,000.00
Fish Aquariums and Online Books and Subscriptions	15,000.00
Counters & kitchen equipment, Signage	30,000.00
<b>Total Start-Up Assets</b>	<b>156,000.00</b>
<b>Total Start-Up Cost</b>	<b>\$235,000.00</b>



## **The OPPORTUNITY ANALYSIS AND RESEARCH**

### **3.0 Industry Summary**

The U.S. restaurant industry's annual sales are larger than 90 percent of the world's economies. If it were a country, it would rank as the 18th largest economy in the world.

According to a February 2011 report released by the National Restaurant Association, from 2008 to 2010 the U.S. restaurant industry experienced three straight years of negative real sales growth. However for 2011, this same report is projecting record total sales of \$604 billion for the industry. This is an increase of 3.6% over 2010 sales and equals a 1.1% real sales growth after adjusting for inflation.

A 2009 association survey found that nearly four out of five consumers believe that going to a restaurant with friends or family gives them an opportunity to *socialize* and is a more preferred way to spend their leisure time. With nine of ten saying that they enjoyed going to restaurants.

### **3.1 Segment Analysis (Limit Service Restaurants)**

This U.S. industry (722211) is comprised of establishments primarily engaged in providing food services (except snack and nonalcoholic beverage bars) where patrons generally order or select items and pay before eating. Food and drink may be consumed on premises, taken out, or delivered to the customer's location. Some establishments in this industry may provide these food services in combination with selling alcoholic beverages.

According to the National Restaurant Association, the Limit Service Restaurants segment is forecasted to post sales of \$167.7 billion. This is an increase of 3.3% over 2010 sales for this segment. For the last three years, growth in this segment has outpaced the growth in the full service segment.



Key 2010 segment trends:

- 35% percent of adults said that they would use wireless internet access at limited service restaurants. This number jumps to 55% for 18-34 year olds.
- 54% of adults indicated an interest in home and office delivery service. This number increased to 72% for 18-34 year olds.

### **3.2 Competition Summary**

The WineLight *Cafés'* direct competition includes deli/sandwich retail operations and wine bars. It is anticipated that indirect competition will come from possible substitutes like fast food and full service restaurants, pups/bars, and coffee shops.

According to the 2005 – 2009 census data:

- There are a total of 624 full and limited service restaurants in the █████ metropolitan area.
- Of the 624 retail establishments, 272 are limited service restaurants. With 129 of those serving alcoholic beverages.
- Limited service restaurants had annual sales of 165,185,000.

### **3.3 Competitive Analysis**

The WineLight *Cafés'* primary competition includes retail operations that fall into one of the following categories:

#### **1. National Deli/Sandwich operations**

**Subway** is not only the leading sandwich retail operation, but also the world's largest fast food chain with more than 23,000 outlets in the U.S. alone. This compares to McDonalds which has 14,000 outlets in the U.S.

While the 500 largest U.S. restaurant chains registered a collective 0.8 percent sales decline in 2009, Subway posted a 4.2 percent sales growth and total sales of \$10 billion, according to Technomic, a Chicago-based restaurant research firm.

According to Technomic, the average U.S. Subway store had sales of approximately \$445,000 in 2009.

There are approximately 30 subway locations in the [REDACTED] area with an estimated \$13,350,000 total in annual sales.

Other primary national chains competitors include:

- **Panera Bread**  
National: 1362 stores and 2,011,500 annual sales per unit.  
Local: 9 stores with estimated annual sales of \$18,103,500.
- **Jimmy Johns**  
National: 613 stores and 980,000 annual sales per unit  
Local: 10 stores with estimated annual sales of \$9,800,000.
- **Quiznos**  
National: 3511 stores and 390,800 annual sales per unit  
Local: 9 stores with estimated annual sales of \$3,517,200.
- **Arby's**  
National: 3,572 stores and 900,000 annual sales per unit  
Local: 8 stores with estimated annual sales of \$7,200,000.

## **2. Local Deli/Sandwich operations**

There are 21 independent retail operators in the [REDACTED] area. Their annual sales total TBD.

## **3. Super Markets**

- 12 locations
- These competitors have established in-house deli or wine shops

## **4. Full Service Restaurants**

- 2 locations that are view as potential direct competition
- These competitors offer wine bars and the ambiance that the WineLight Cafés' will establish.

## **3.4 Competitive Advantage**

None of the wineLight Cafés' competitors offer the following combinations of products and customer ambiance.

- It is the intent of the wineLight Café to build an environment where in the customer's mind the product becomes secondary to the ambiance and experience.
- Regional based Wine and Cheese product combinations
- iPads throughout the store that customers can use at no cost to access an in-store library of top ten novels, as well as a variety of news and magazine subscriptions.
- Live monthly entertainment which will include author led book reviews, customer led poetry sessions, jazz and comedy performances.
- the wineLight Café will use focus groups to help develop its menu

**Table: Competitor List** (Bold = vendor location near proposed site location)

Competitor	Category	Dine	Wine Bar	Full Bar	Wireless Hotspot	# of Units
<b>Subway</b>	Deli	Out				30
Jimmy Johns	Deli	Out				10
<b>Panera Bread</b>	Deli	In			Yes	9
Quiznos	Deli	Out				9
<b>Arby's</b>	Deli	Out				8
Mancino's	Deli	Out				5
Penn Station	Deli	Out				2
Big Apple Deli	Deli	Out				1
Chandler Café	Deli	Out				1
Focaccia's	Deli	Out				1
Glass City Café	Deli	In			Yes	1
Olga's Kitchen	Deli	In				1
Fetoosh	Deli	Out				1
Schlotzsky's	Deli	Out				1
Romans	Deli	Out				1
Broadway Deli	Deli	Out				1
Ab's Deli	Deli	In				1
Tropical Smoothie	Deli	Out				1
Pita Sub	Deli	Out				1
Java Jeff's	Deli	Out				1
Blimpie Subs	Deli	Out				1
Krogers	Grocery	Out				8
Zingerman's	Grocery	Out				2
Giant Eagle	Grocery	Out				1
Uptown Vineyard	Wine Store		Full			1
Rosie's	Italian	In	Full	Yes		1
Calvino's	Italian	In	Full	Yes		1

### **3.5 Environmental Analysis**

#### **Strengths**

- Being the first to the [REDACTED] market with its unique combination of products and customer ambiance.

#### **Weakness**

- Need to spend significant resources to develop a customer base.
- Need to become more versé in deli, wine and cheese products

#### **Opportunity**

- The wineLight *Café* has the opportunity to build and retain a loyal customer base. This time will be used to develop and refine a repeatable process that will lead to a rapid deployment of wineLight *Cafés* across the U.S. and eventually the world.

#### **Threats**

- Because the low barriers to entry into the restaurant industry. The most significant threat that the wineLight *Café* faces will be from new or established competitors offering a similar combination of products and customer satisfaction.



## **The MARKET STRATEGY AND PLAN**

### **4.0 Market Summary**

The wineLight Cafés' primary market will encompass area codes 43623 (site location), 43613, 43615, and 43560. Our primary market will consist of individuals between the ages of 25 and 59 with at least some college education and a cultural appreciation for books, music, and poetry. Our customers will also have an interest in social networking online and offline with others who share similar backgrounds and experiences.

WineLight Cafés' revenues will be derived from one or a combination of the following groups of sales:

- Deli sandwich take-out customers
- Eat-in deli and/or wine and cheese customers who are seeking a relaxing environment where they can enjoy meeting others who have similar interests and experiences.
- Lunch time catering to area businesses.

### **4.1 Market Analysis**

#### **a. Market Area Population**

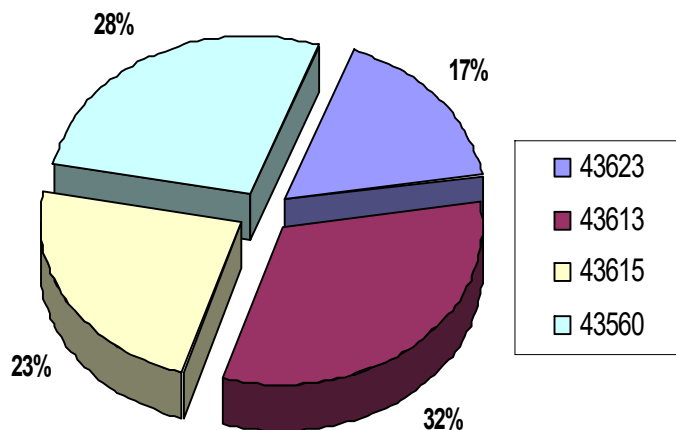
As seen in the Market Analysis table below, 72,344 individuals have at least some college education. The WineLight Cafés' marketing campaign will focus on 60% (43,400) of this population area.

**Table: Market Analysis by Zip Code**

<b>Zip Code</b>	<b>Population</b>	<b>Median Age</b>	<b>Median Income</b>	<b>Some College</b>
43623	20,996	41.3	43,246	11,758
43613	39,756	35.1	39,412	17,338
43615	28,746	38.5	39,174	22,263
43560	33,996	35.6	60,271	20,985



## **Graph: Market Analysis by Zip Code**



### **b. Business Population**

As seen in the area business table below, there are 861 non-restaurant businesses located within the proposed site's zip code. The WineLight Café will focus its marketing campaign on obtaining 25% (3106) of this market as a repeat lunchtime customer base.

### **Table: Market Area Business**

Zip Code	Total # of Businesses	Total # of Employees	Annual Payroll
43623	861	12,424	400,000,000

## **4.2 Product Summary**

The WineLight Café will focus on three product offerings, which will consist of a variety of well proportioned hot and cold deli sandwiches, an assortment of moderately priced wines and cheeses from around the world.

## **4.3 Product Description**

### **a. Deli Sandwiches**

The total weight of a typical sandwich will be one pound and will consist of a combination of following ingredients:

4 oz of Meat

- Turkey, Ham, Roast Beef, Salami, Pastrami, Chicken Salad, Tuna Salad

Cheese

- White American, Cheddar, Muenster, Swiss, Havarti, Pepperjack, Provolone, Feta, Cream Cheese, Goat Cheese

Veggies

- Spouts, Avocado, Red Cabbage, Red Onions, Spinach, Cucumber, Carrots, Lettuce, Tomato, Green Peppers, Red Peppers, Banana Peppers, Jalapenos, Kalamata Olives, pickles

Spreads

- Hummus, tabouleh, Olive Tapenade, Sundried Tomato, Peanut butter, Jelly

Condiments

- Horseradish, Horseradish Mustard, Yellow Mustard, Spicy Deli Mustard, Mayo

Breads – Slice or Sub

- Honey Wheat, White, Deli Rye, Marble Rye, Sourdough, hoagie Rolls

## b. Wine

- An assortments of wines will be available
- An assortment of wine tasting Flights
- The majority of the sales will come from screw cap single serving bottles
- A limited corked bottle inventory for glasses of wines
- Whole bottle purchases of corked bottled wines
- The menu will contain wine and recommended cheese combos

### **Table: Wine List**

<b>Wine</b>	<b>Top</b>	<b>Recommended Cheese</b> (ref. cheese table)
Beaujolais	Cork	4,5,14
Champagne	Cap	2,4,5,6,7,9,11,16
Gewurztraminer	Cap	5,7,21,25
Cabernet Franc	Cork	3,4,5,6,13,14,15
Chenin Blanc	Cap	5,14,17
Gruner Veltliner	Cap	3,14,21
Cabernet Sauvignon	Cap	5,6,9,10,15
Chianti	Cork	Regional Cheese
Chardonnay	Cap	5,14,16,18,22,24
Dessert Wine	Cap	
Merlot	Cap	4,5,6,15,16,18,22
Pinot Blanc	Cap	4,5,12
Pinot Gris	Cap	1,6,11,14,16,20
Pinot Noir	Cap	4,5,12,18,19,21,23
Port	Cork	3,15
Riesling	Cap	3,4,9,11,19
Rioja	Cap	1,6
Sangiovese	Cap	3,13,20,22,24
Sauvignon Blanc	Cap	1,4,6,12,18
Shiraz/Syrah	Cork	6,11,16,22
Zinfandel	Cap	1,3,12,14,16,18,21



### c. Cheese

- An assortment of Cheese trays, with bread and fruit
- Cheese will be purchased as blocks and cut at the time of purchase
- 4 oz or 1 lb Portions will be sold

#### **Table: Cheese List**

1	Asiago	14	Goats (France)
2	Beaufort	15	Gorgonzola
3	Blue	16	Gouda
4	Brie	17	Graddost
5	Camembert	18	Gruyere
6	Cheddars	19	Monterey Jack
7	Chevre	20	Mozarella
8	Chianti	21	Muenster
9	Colby	22	Parmesan
10	Danish Blue	23	Port Salut
11	Edam	24	Provolone
12	Feta (Greece)	25	Swiss (Switzerland)
13	Fontina		

## **4.4 Pricing**

The WineLight *Cafés'* pricing objectives will be to maximize profit margins. While the store's pricing will remain competitive, it is our intention to employ a skim pricing strategy. A typical WineLight *Café* customer is expected to be motivated by product quality and delivery and less sensitive to product pricing.

To achieve its pricing objectives, the WineLight *Café* will employ a cost-plus pricing method. Formula employed: Price = Cost + Profit (%)

#### **Table: Sandwich Pricing**

Product	Formula (average cost per serving)	Price
6" Sub	Price = 0.35 + 1572%	5.50
12" Sub	Price = 0.70 + 1428%	10.00



**Table: Wine Pricing** (see exhibit A appendix)

Product	Formula (average cost per serving)	Price
187 ml 6 oz bottle	Price = 2.0 + 325%	6.50
Per 6 oz Glass	Price = 4.50 + 167% (4 per bottle)	7.50
755 ml 25.5 fl oz	Price = 18.00 + 175%	31.50

**Table: Cheese Pricing**

Product	Formula (average cost per serving)	Price
1 Cheese 3 oz	Price = .75 + 1000%	6.00
3 Cheese 9 oz	Price = 2.25 + 800%	12.00

## **4.5 Promotion**

Our logo and slogan (top of page) will be displayed on all our product wrapping, promotional material, and delivery vehicle.

### **a. Electronic Media**

According to the National Restaurant Association, in 2010 59% of restaurant operators utilizing electronic media such as email, newsletters, online and cell phone text message advertising. The WineLight Café will utilize these methods as well as twitter and facebook technologies.

### **b. Website**

The Website will be used by the consumer for the following:

- Place online lunch orders for catering, delivery, or pickup
- View upcoming guess and entertainment announcements
- Long term the site will be developed into an interactive experience that will expand on the WineLight Café customer's social networking experience.

### **c. Kickoff Promotion**

the WineLight *Cafés*' kickoff promotion will utilize a two month radio campaign where the listener will be teased with an ad that announces the coming of something uniquely special that will "Redefine the Social Networking Experience". The listener will not be completely informed of what the something is until a few weeks before the store's grand opening. The promotion is intended to build suspense and curiosity on the part of the listener each time they hear the advertisement. Suspense and curiosity will heighten interest in visiting the store to see what the fuss was all about. For example,

- Ad 1 - Week 1-2: Its coming and its redefining the social networking experience
- Ad 2 - Week 3-4: The listener will hear subtle conversations in the background talking about meeting up or planning to spend a quite evening with a glass of wine and a good book. All while the quiet voice of the announcer says "Its coming and its redefining the social networking experience"
- Ad 3 - Week 5-6: The listener will hear subtle conversations in the background saying "hey did you hear? (the name of opening night entertainment) will be there." A quite echo of whispers will repeat the name "Wine Light", all while the quiet voice of the announcer says "Its coming and its redefining the social networking experience"
- Ad 4 - Week 7-8: The listener will be told that its here!
  - what "the WineLight *Café*"
  - Where
  - When

### **4.6 Company Location and Facilities**

- wineLight *Cafés*' will be located in and around popular restaurant and shopping districts, in cities with major universities.
- The first store will be located in the Westfield Mall shopping area (Zip Code 43623). Note that the exact location has not yet been determined. (See Exhibit D)



## The MANAGEMENT & OPERATIONS

### 5.0 Management Team and Staff

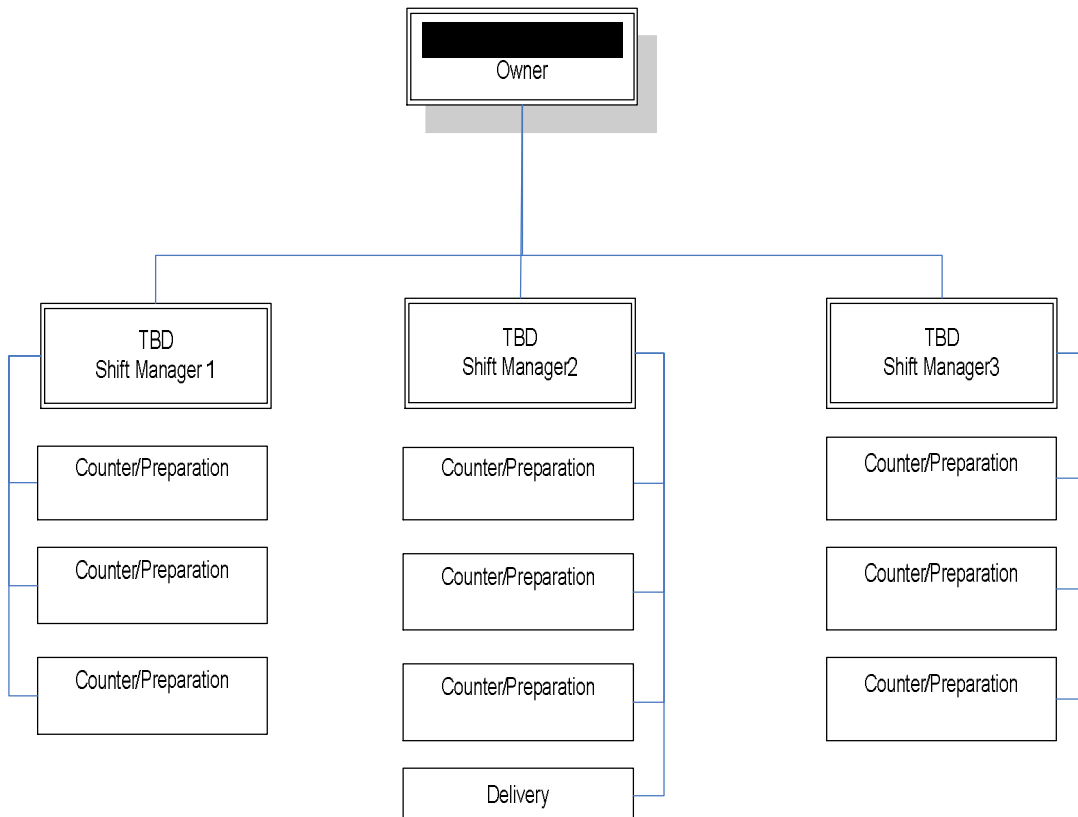
Staff will consist of:

- Owner: [REDACTED]
- 3 Shift Managers (note, includes [REDACTED])
- 12 Counter/Preparation Persons
- 2 Delivery Persons

Outside Consultants/Contractors:

- Accounting Services
- Attorney Services
- Janitorial Services
- Saltwater Aquarium Specialist
- Network/Wireless Specialist

### Chart: Organization Chart



### **5.1 Owner Compensation**

- [REDACTED] will receive a yearly salary of \$30,225. This is included in the shift manager's salary above.

### **5.2 Research and Development**

- Owner [REDACTED] will spend 2011 consulting with deli owners in various cities around the country. Information obtain through these session will be used to develop the wineLight *Cafés'* deli menu.
- Owner [REDACTED] will spend 2011 consulting with wine vineyards and vendors. Information obtain through these session will be used to develop the wineLight *Cafés'* wine menu.
- Owner [REDACTED] will spend 2011 consulting with wine cheese manufactures and vendors. Information obtain through these session will be used to develop the wineLight *Cafés'* cheese menu.
- The wineLight *Café* will utilize focus groups to test menu and future develop its product menus.

### **5.3 Facilities Description**

- The wineLight *Café* retail operations will require between 3000 and 4000 sq ft. This space will have a comfortable seating capacity of 100-125 customers.

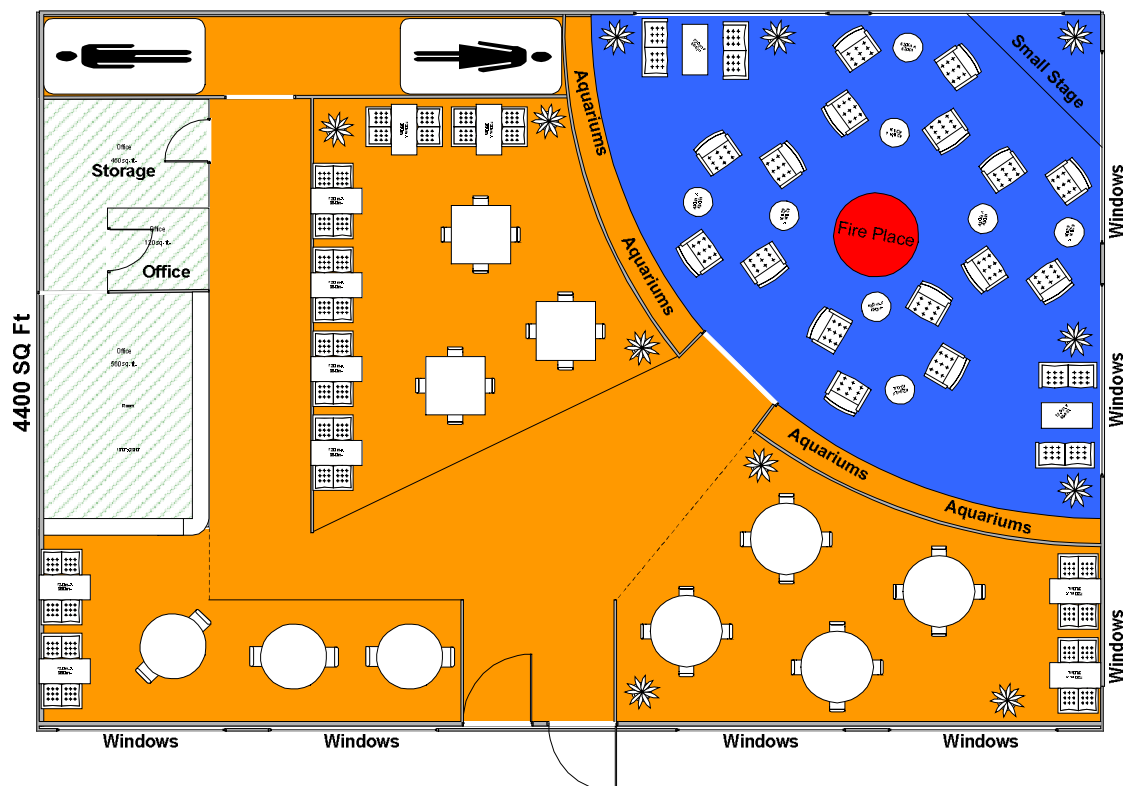
The entire store will be decorated in the soft blue and yellow wineLight *Café* color scheme, with Carpeting throughout. The primary eating and leisure areas will be separated by a half wall which will enclose a series of saltwater fish aquariums. There will be Abstract art work and Plants placed throughout the store to enhance the atmosphere.

- The store will be divided into the following four areas:
  1. The retail operational area. This area will consist of:
    - Retail counter space including display cases for wine and cheese products.
    - Product Preparation Area
      - Sandwich area
      - Meat carving equipment
      - Small ovens
      - Micro waves
      - Soda machines
      - Coffee machines



- Storage and Office Areas
  - Refrigeration
  - Shelving
  - Management desk area
  - Server and computer equipment room
- 2. Primary Eating area which will Include:
  - Individual tables (two and four seats)
  - Dinning booths
- 3. A leisure area that will be arranged to promote individual or small groups gatherings. This area will be furnished as follow:
  - Comfortable leather lounge chairs with coffee and end tables
  - A vent less fireplace will highlight the center of the room
  - A small stage with audio equipment that will be used during live shows and audience events.
- 4. An out door patio area

## **Diagram: Facility**





**Table: Furnishing and Equipment**

Items	Units	Cost	Total Cost
<b><u>Furnishings</u></b>			
booth chairs	10	550	5,500
booth tables	10	100	1,000
Large Tables	7	200	1,400
Small Tables	3	150	450
Chairs	34	100	3,400
Lounge Chairs	26	300	7,800
End Tables	8	100	800
Cocktail Tables	2	200	400
<b><u>Equipment</u></b>			
Site Renovation Expense			20,000
Wireless Computer Network			4,000
IPads & Protection Plan	24	740	17,760
Books & Online Subscriptions			1,000
Aquariums and Setup	4	2000	8,000
POS System			10,000
Counters & kitchen equipment, Signage			30,000
<b>Total Cost</b>			<b>\$111,510</b>

## **5.4 Facility Operations**

- Hours of operation:
  - 0800 – 11:00 PM Sunday – Thursday
  - 0800 – Midnight Friday and Saturday
- Customers will order and pickup orders at the counter. No waiting staff will be employed.
- Each customer will be given a buzzer to alert them when the order is ready to be picked up.
- Staff will be appropriately uniformed in hair nets, tams, and baker aprons sporting the wineLight Café logo.
- A soft casual selection of jazz music will play throughout the store

## **5.5 Delivery Operations**

- wineLight Café will provide area business catering and delivery service Monday – Friday from 11:00 AM to 1:00 PM.
- Website/phone orders delivered via store van with the wineLight Café logo.

## **5.6 No-Charge Service Operations**

- Wireless internet
- Each lounge chair location will be equipped with an Apple Ipad through which the customer will have access to the internet, a library of top ten best selling books, and popular news and magazine subscriptions.
- Monthly, the wineLight Café will provide live Friday and Saturday night entertainment that will included:
  - Single to small band musical artist
  - Comedy performances
  - Author book readings and reviews
  - Audience led poetry sessions

## **5.7 Suppliers**

The wineLight Café will focus on a limited number of suppliers which can consistently deliver quality and timely products. The types of suppliers include:

- Full Service Deli Distributors
- Wine wholesale Distributors
- Cheese wholesale Distributors
- Restaurant Products (Paper and Plastic ware)

### **Table: Suppliers**

<b>Supplier</b>	<b>Type</b>	<b>ST</b>	<b>Website</b>	<b>Contact</b>
RLB Food Distributors	Deli	NJ	<a href="#">RLB Food</a>	(973) 575-1019
FSAFood	Deli	MT	<a href="#">Food Service Of America</a>	406-238-7800
For Michigan Distributors	Deli	MI	<a href="#">Michigan Distributors</a>	
Hardys Winery	Wine	AUS	<a href="#">Hardys Winery</a>	
Vintners Express	Wine	CA	<a href="#">Vintners Express</a>	(650) 351-7576
Dionysus Wines	Wine	NC	<a href="#">Dionysus Wine Distributors</a>	(919)790-8205
Glazers	Wine	OH	<a href="#">Glazers</a>	419) 866-7090
Bowling Green Beverage	Wine	OH		(419) 353-2337
Global Wine Spirits	Wine	CAN	<a href="#">Global Wine Spirits</a>	866-255-9463
Wholesale Cheese	Ches		<a href="#">Wholesale Cheese</a>	
Clawson	Ches	ENG	<a href="#">Clawson</a>	44 1664 822332
Shullsburg Creamery	Ches	WI	<a href="#">Shullsburg Creamery</a>	800-533-9594
Georgia Pacific	Prod	GA	<a href="#">Georgia Pacific</a>	866-435-5647
Sysco Corp	Prod	OH	<a href="#">Sysco</a>	419) 666 - 0702



## The FINANCIAL ANALYSIS & PROJECTIONS

### **6.0 Sales Forecast Summary**

The wineLight Cafés' sales will be divided over four revenue streams, 45% sandwiches, 35% wines, 15% cheese, and 5% others sales (ex. other beverages, breads).

The wineLight Café is projecting a three year average check per sale of \$8.36. This falls in line with the National Restaurant Association's (NRA) 2010 industry report which projects that the average check for a limited service sandwich/subs/deli restaurants at \$8.00 - \$8.50 per sale.

The goal of sales is to achieve a minimum 40% Gross Margin after direct cost. The wineLight Café is projecting a 33%, 38%, and 42% gross margin respectively for the first three years of operations.

### **Table: Sales Forecast**

<b>Unit Sales</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Sandwiches 45% of Sales</b>			
6 inch	7,290	12,029	13,231
12 inch	4,860	8,019	8,821
<b>Wine 35% of Sales</b>			
6 oz. Bottle	5,670	9,356	10,291
6 oz. per Class	2,835	4,678	5,146
25.5 oz. Bottle	945	1,559	1,715
<b>Cheese 15% of Sales</b>			
3 oz. Serving	2,430	4,010	4,410
9 oz. Serving	1,620	2,673	2,940
<b>Other 5% of Sales</b>	1,350	2,228	2,450
<b>Total Units Sales</b>	<b><u>27,000</u></b>	<b><u>44,550</u></b>	<b><u>49,005</u></b>



**Table: Sales Forecast Cont.**

<b>Unit Prices</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Sandwiches 45% of Sales</b>			
6 inch	\$5.50	\$5.78	\$6.06
12 inch	\$10.00	\$10.50	\$11.03
<b>Wine 35% of Sales</b>			
6 oz. Bottle	\$6.50	\$6.83	\$7.17
6 oz. per Class	\$7.50	\$7.88	\$8.27
25.5 oz. Bottle	\$31.50	\$33.08	\$34.73
<b>Cheese 15% of Sales</b>			
3 oz. Serving	\$6.00	\$6.30	\$6.62
9 oz. Serving	\$12.00	\$12.60	\$13.23
<b>Other 5% of Sales</b>			
	\$2.00	\$2.10	\$2.21
<b>Sales</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Sandwiches 45% of Sales</b>			
6 inch	40,095	69,465	80,232
12 inch	48,600	84,200	97,250
<b>Wine 35% of Sales</b>			
6 oz. Bottle	36,855	63,851	73,748
6 oz. per Class	21,263	36,837	42,547
25.5 oz. Bottle	29,768	51,572	59,566
<b>Cheese 15% of Sales</b>			
3 oz. Serving	14,580	25,260	29,175
9 oz. Serving	19,440	33,680	38,900
<b>Other 5% of Sales</b>			
	2,700	4,678	5,403
<b>Total Sales</b>	<b><u>\$213,300</u></b>	<b><u>\$369,542</u></b>	<b><u>\$426,821</u></b>



**Table: Sales Forecast Cont.**

<b>Unit Costs</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Sandwiches 45% of Sales</b>			
6 inch	0.35	0.36	0.37
12 inch	0.7	0.72	0.74
<b>Wine 35% of Sales</b>			
6 oz. Bottle	2	2.07	2.14
6 oz. per Class	4.5	4.65	4.81
25.5 oz. Bottle	18	18.61	19.24
<b>Cheese 15% of Sales</b>			
3 oz. Serving	0.75	0.78	0.8
9 oz. Serving	2.25	2.34	2.4
<b>Other 5% of Sales</b>	0.35	0.36	0.37
<b>Unit Costs</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Sandwiches 45% of Sales</b>			
6 inch	1,944	3,300	3,731
12 inch	2,592	4,400	4,974
<b>Wine 35% of Sales</b>			
6 oz. Bottle	7,201	12,298	13,984
6 oz. per Class	11,342	19,338	22,003
25.5 oz. Bottle	19,433	33,168	37,720
<b>Cheese 15% of Sales</b>			
3 oz. Serving	1,389	2,383	2,689
9 oz. Serving	2,778	4,766	5,377
<b>Other 5% of Sales</b>	360	611	691
<b>Total Cost of Sales</b>	<b><u>\$47,039</u></b>	<b><u>\$80,264</u></b>	<b><u>\$91,169</u></b>

## **6.1 Profit & Loss Summary**

The wineLight Cafés' sale projections are in line with the single store sales (\$380,000) of the smaller national competitors. Note that sales will be significantly lower during the first year of operations due to the store's May of 2012 opening. In its first full year of operations, the wineLight Café is expecting to increase sales by 42% over year one.

The wineLight Café is projecting reasonable net profits of -2%, 5% and 12% during its first three years of operations. Profits are based on an average gross margin of 32% after allowing for direct cost of sales.

### **Table: Profit and Loss**

	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>Gross Sales</b>	213,300	369,542	426,821
Direct Cost of Sales (products & wages)	156,991	250,767	267,435
Other Costs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Cost of Sales	156,991	250,767	267,435
<b>Gross Margins</b>	<b><u>\$56,309</u></b>	<b><u>\$118,776</u></b>	<b><u>\$159,387</u></b>
Expenses			
Payroll Taxes	3,850	6,029	6,233
Rent	32,000	49,622	51,300
Utilities	8,000	12,406	12,825
Loan (principal)	5,178	8,514	10,011
Insurance	2,000	3,101	3,206
Other	<u>4,000</u>	<u>6,203</u>	<u>6,412</u>
Total Operating Expenses	<b><u>\$55,028</u></b>	<b><u>\$85,875</u></b>	<b><u>\$89,987</u></b>
Profit Before Interest and Taxes	1,281	32,901	69,400
Interest Expense	5,931	8,149	7,452
Taxes Incurred @ 15%	<u>192</u>	<u>4,935</u>	<u>10,410</u>
<b>Net Profit</b>	<b><u>-\$4,842</u></b>	<b><u>\$19,817</u></b>	<b><u>\$51,538</u></b>
<b>Net Profit %</b>	<b>-2%</b>	<b>5%</b>	<b>12%</b>

## **6.2 Personnel Costs Summary**

The wineLight *Cafés'* personnel costs are based on 6,292 total hours of store operations per year. These hours are divided into 3 shifts per day with an average of 3 persons per shift.

**Table: Hours and Wages**

<b>Per Store</b>	<b>Managers (3)</b>	<b>Counter persons (12)</b>	<b>Delivery persons (2)</b>
Hours per Month	484	952	40
Hourly Rate	12.00	8.00	8.00

**Table: Personnel Costs**

<b>#</b>	<b>Staff</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
3	Shift Managers	46,464	72,052	74,487
12	Counter persons	60,928	94,481	97,675
2	Delivery persons	2,560	3,970	4,104
	<b>Total Wages</b>	<b>\$109,952</b>	<b>\$170,503</b>	<b>\$176,266</b>

## **6.3 Breakeven Analysis**

A monthly average of 1,992, 3,167, and 3,368 sales respectively is required for the wineLight *Café* to break even in each of its first three years of operations.

Breakeven is calculated by dividing total monthly expense by a projection of \$8.36 per sale.

**Table: Breakeven**

<b>Monthly</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
# Sales to Breakeven	1,992	3,167	3,368
\$ Breakeven Revenue	\$16,651	\$26,476	\$28,154
<b><u>Assumptions</u></b>			
Average Revenue Per Sale	\$7.96	\$8.36	\$8.78
Projected Total Yearly Expense	\$199,811	\$317,711	\$337,851



**Table: Balance Sheet**

<b>Assets:</b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
Cash	39,980	53,433	75,943
Inventory	3,000	3,000	3,000
Prepaid Rent	4,000	4,000	4,000
Furnishing, Equipment, & Signage	26,000	26,000	26,000
Counters & kitchen equipment	25,000	25,000	25,000
Computers & POS	30,000	30,000	30,000
Fish Aquariums and Online Books and Subscriptions	15,000	15,000	15,000
Improvements	60,000	60,000	60,000
Wine License	10,000	10,000	10,000
Organization Costs	3,500	3,500	3,500
Preopening Costs	8,500	8,500	8,500
Accumulated Depreciation	-13,400	-26,800	-40,200
<b>Total Assets</b>	<b><u>\$211,580</u></b>	<b><u>\$211,633</u></b>	<b><u>\$220,743</u></b>
<b>Liabilities &amp; Owner Equity</b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
<b>Liabilities</b>			
Accrued Expense Payable	0	0	0
Notes Payable	0	0	0
Accrued Interest	0	0	0
Long Term Liabilities	109,822	98,616	89,405
<b>Total Liabilities</b>	<b><u>\$109,822</u></b>	<b><u>\$98,616</u></b>	<b><u>\$89,405</u></b>
<b>Owner Equity</b>			
Paid-In Capital	106,600	93,200	79,800
Retained Earnings	-4,842	19,817	51,538
<b>Total Owner Equity</b>	<b><u>101,758</u></b>	<b><u>113,017</u></b>	<b><u>131,338</u></b>
<b>Total Liabilities and OE</b>	<b><u>211,580</u></b>	<b><u>211,633</u></b>	<b><u>220,743</u></b>
<b>Net Worth</b>	<b><u>\$211,580</u></b>	<b><u>\$211,633</u></b>	<b><u>\$220,743</u></b>

## The Funding Request & Exit Strategy

### **7.0 Funding Request**

This plan is intended to obtain supplemental financing in the amount of \$115,000. The WineLightcafe, LLC, will invest \$120,000 for a total investment of \$235,000. This funding will cover the cost of startup and supplement the first two years of retail operations.

### **7.1 Exit Strategy**

There are three scenarios for investors and management to recover their investment.

- **Scenario One**

Over the first three years of operations, wineLight *Café* will fine tune and document its operations into a repeatable process while increasing market shares and name recognition. The corporation will apply this process to opening and operating other corporate location. The intent of this repeatable process is to open the door to future franchising opportunities for the corporation.

This is the preferred option

- **Scenario Two**

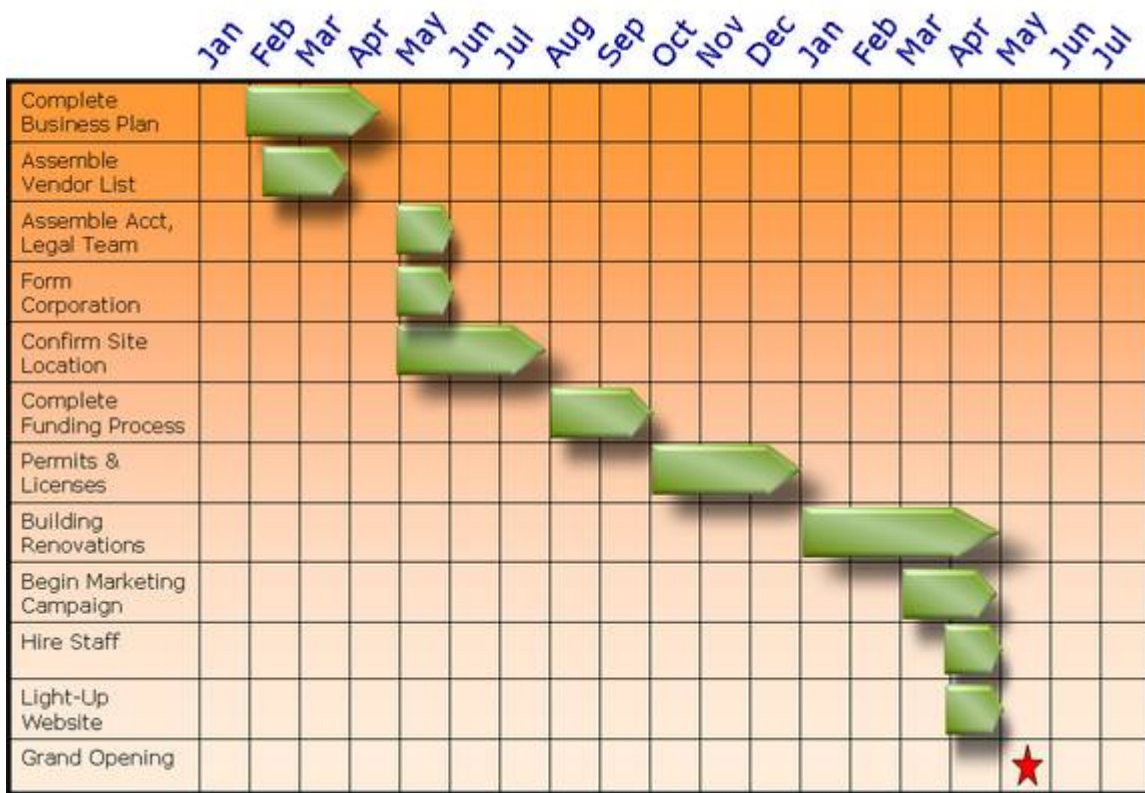
Over the first three years of operations, wineLight *Café* will fine tune and document its operations into a repeatable process while increasing market shares and name recognition. The corporation will apply this process to opening and operating other corporate location. The corporation and its retail operations will be sold at a significant profit.

- **Scenario Three**

Over the first three years of operations, wineLight *Café* will fine tune and document its operations into a repeatable process while increasing market shares and name recognition. The café is sold for a significant profit.



## 7.2 Key Milestones/Start-Up Timeline





## The Appendix

### Exhibit A – Product Illustrations

#### Deli Sandwich



#### Single Serving Screw Cap Wine



## **Cheese Tray**



## **Exhibit B – Job Descriptions**

### **Assistant Manager**

#### **Job Summary and Mission**

This job contributes to the wineLight Cafés' success by assisting the store manager in executing store operations. This job assists and supervises a team of store employees to create and maintain the wineLight Cafés' customer experience.

Summary of key responsibilities and essential job functions include but are not limited to the following:

- Maintains regular and consistent attendance and punctuality.
- Develops positive relationships with shift team by understanding and addressing individual motivation, needs and concerns.
- Engages in conversation with customers to understand customer needs and the needs of the community in which the store is located.
- Reviews store environment and key business indicators to identify problems, concerns and opportunities for improvement in order to provide coaching and direction to the shift team to achieve operational goals. Communicates ideas to the store manager for broader areas of improvement
- Utilizes and provides direction to employees during their shift on the use of operational tools to achieve operational excellence.

#### **Prerequisites**

##### **Experience:**

- Progressively responsible restaurant/retail experience (2 years)
- Service experience in a retail or restaurant environment (1 year)
- Experience in directing the work of others

##### **Education:**

- High School or Some College Preferred

##### **Required Knowledge, Skills and Abilities:**

- Knowledge of the retail environment
- Effective oral communication skills
- Ability to act with a customer first attitude and deliver customer service that meets or exceeds customer expectations.
- Strong problem-solving skills

## **Sandwich/Counter Attendant**

### **Job Summary and Mission**

Performs a variety of duties relating to wineLight Cafés' service offerings including greeting and serving customers, cold & hot food preparation, stocking counters and steam table, and maintaining sanitation standards. Responsible customer service is a major component of this position.

### **Required Knowledge, Skills and Abilities**

- Checks supplies in counter area and restocks items to ensure a sufficient supply throughout the shift.
- Maintains cleanliness and sanitation of the front-of-the-house including all tables, floors, windows, and beverage station, Restroom, etc.
- Greets customers and takes their orders – use cash register to records the order and computes the amount of the bill – collects payment from guest and make change.
- Complies with all portion sizes, quality standards, company policy & procedures.
- Counts money, checks, and charge payments in cash drawer at end of shifts.
- Complete cold & hot food preparation assignments neatly, accurately, and in a timely fashion.
- Maintains proper food handling, safety and sanitation standards while preparing food, serving food and clean-up.
- Maintains professional appearance at all times, clean and well groomed as per standards. Displays a positive and enthusiastic approach to all assignments.
- Demonstrates a complete understanding of daily menu items and explains it to customers accurately.
- Exhibits a cheerful and helpful manner when dealing with customers.

### **Prerequisites**

**Education:** High School or Equivalent

**Experience:** Demonstrated ability to understand and implement written and verbal instruction.

**Physical:** Positions requires bending, standing, and walking the entire workday. Must be able to lift 50 pounds. Cleaning duties such as wiping tables and small equipment, sweeping and refilling of stock.





## Exhibit C – Proposed Area for Site Location





## **Exhibit D – PoS, Server, and Wireless Hotspot**

