



# BUSINESS PLAN

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## **EXECUTIVE SUMMARY**

### **1.0 SUMMARY**

Hall's Catering by Design (HCbyD's) is a local catering company with its own unique blend of flavor and a well-established client base across Northwest Ohio/Southeast Michigan. Hall's Catering brings several new advantages to the local market, including an executive culinary chef with 30 years of experience; providing catering services for any event size ranging from a private dinner with 2 to 10 guests to a corporate event with as many as 800 guests; a banquet hall and full kitchen with in & outdoor seating; and a customizable menu with price points to fit the budgetary requirements of all clients.

Hall's Catering by Design's business model will focus on the following three revenue streams:

1. Food preparation and delivery
2. Food preparation and catering
3. Banquet Hall Rental

### **1.1 OBJECTIVES**

Hall's Catering by Design has set the following objectives for the first three years of company launch:

- Grow private sector client/event base by 10% in the first year
- Maintain current public sector client base through first year operations
- Maintain a positive cash flow in the first year, to meet all financial obligations
- Produce a positive return on investment for equipment and property acquisition by the end of the third year

### **1.2 MISSION**

Our mission is to create a memorable, fashionable, and upscale dining experience for clients of every budget type.

### **1.3 FINACIAL PROJECTIONS**

HCbyD's annual sales goal is to maintain a 75% Gross Margin after direct costs. To achieve this, HCbyD is projecting an annual 10% increase in sales for the first three years of operations.

### **1.4 KEYS TO SUCCESS**

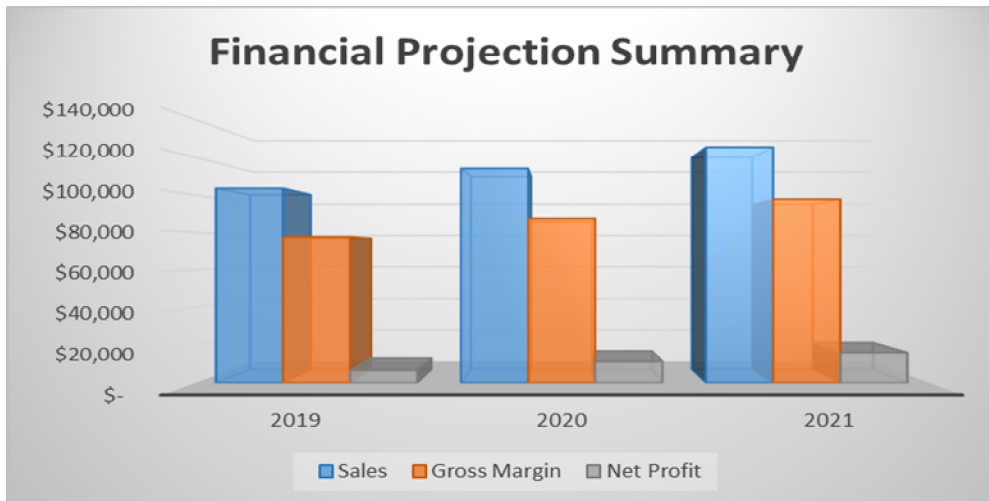
HCbyD's Keys to success include:

- Maintaining and growing current client base
- Meet and exceed client expectations in terms of food quality and service excellence
- Working with clients to fit their menu choices into their budget
- Providing an unmatched dining experience at the HCbyD's banquet hall or customer location
- Making public aware of Hall's Catering by Design through fliers at events, business cards, and word of mouth from current clients

### **1.5 FUNDING REQUEST**

HCbyD is seeking financing in the amount of \$150k to cover banquet hall purchase and renovations, equipment purchase, and start-up expenses.

## **CHART: FINANCIAL PROJECTION SUMMARY**



Note: Financial projections are based on the following assumptions:

- In 2019, HCbyD will complete the purchase and renovation work on a banquet hall location. With a projection of eight months of full operations, HCbyD will need to average \$12k per month in sales or five events per month at \$2,331 to meet its projections for the year.
- In 2020 & 2021, the financial projections are based on twelve months of operation, increasing sales by 10% per year, 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).

## **COMPANY**

### **2.0 SUMMARY**

Hall's Catering by Design and banquet hall will be located at 226 South Byrne RD in Toledo, Ohio. This building will be purchased and renovated by Hall's to be utilized as the company's primary operations site.

Since 1995, Executive Chef Reggie Hall has been catering events, both big and small in his free time outside of his current job and clientele has grown to the size of opening his own catering business full-time.

HCbyD will provide a catering experience that will provide food dishes that are beyond the traditional catered meals. Hall's competitive edge is their specialty style of food preparation and customer service. HCbyD's is well entrenched and well known in the corporate/executive circles. Chef Reggie has provided meals and catered events from two-couple to large catering parties for over 32 years. He has made a name for himself, within circles of executive homes. Chef Hall is the caterer of choice for many well-known private and public clients, including the Toledo Zoo, AP Federal Credit Union, Buckeye Cablesystem, Johnson Controls and Sun Oil and local large non-profit events such as the Toledo Zoo to Do and Relay For Life event.

HCbyD will prepare food items at its location, will transport, set-up and serve the desired catered meal. Hall's has utilized experienced food servers over the years who are a knowledgeable wait staff. In the case of catering a picnic event, HCbyD can provide grilling on site. A new service will be added to provide catered meals for families. A family can call and place an order earlier in the day and pick up dinner after leaving work.

## 2.1 COMPANY OWNERSHIP

Hall's Catering by Design will be owned solely by Reggie Hall. The business is an established LLC in the State of Ohio.

## 2.2 PRODUCTS

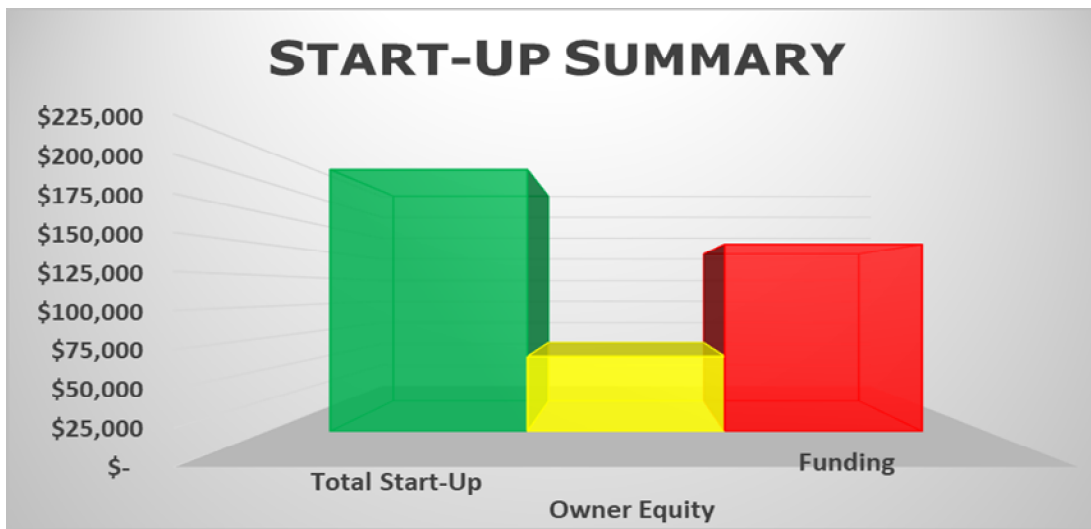
Hall's Catering by Design's provides the following three products:

1. Food Preparation
  - HCbyD offers breakfast, lunch, dinner, and specialty menus for all your events.
2. Catering
  - HCbyD will offer at location catering services for the executive, commercial and residential customers.
3. Banquet Hall Rental
  - HCbyD offers banquet hall rental. The customer can choose to have Hall's Cater the event or provide their own catering service.

## 2.3 START-UP

Hall's Catering by Design will seek financing in the amount of \$150k to cover banquet hall purchase and renovations, equipment purchase e.g. commercial ventilation hood system, and start-up expenses. To date, HCbyD's has invested \$60k in the business (see assets in table below).

### CHART: START-UP



**TABLE: START-UP COSTS**

<b>EXPENSES</b>	
License/Permits (Legal)	1,500
Accounting Services	1,500
Insurance	2,000
Web Development & Hosting	3,000
Promotions and Advertising	1,000
Site Purchase and Renovation	100,000
Opening Inventory	3,000
<b>Total Expense</b>	<b>\$ 112,000</b>
<b>ASSETS</b>	
Equipment	84,000
Cook & Dishware	4,300
Beverage Dispensers	4,500
Furnishing	5,200
<b>Total Assets</b>	<b>\$ 98,000</b>
<b>Total Start-Up</b>	<b>\$ 210,000</b>

## **INDUSTRY ANALYSIS**

### **3.0 SUMMARY**

NAICS Code 722320 Caterers - This industry comprises establishments primarily engaged in providing single event-based food services. These establishments generally have equipment and vehicles to transport meals and snacks to events and/or prepare food at an off-premise site. Banquet halls with catering staff are included in this industry. Examples of events catered by establishments in this industry are graduation parties, wedding receptions, business or retirement luncheons, and trade shows.

The catering industry is responsible for many of the food items we eat at parties and events. Whether it is a buffet-style service or tableside, the catering industry is often the go-to industry when someone needs a job and has a few cooking skills.

The revenues within the catering industry have doubled over the last decade. The catering industry has grown faster than any other foodservice industry for the last 3 years. Catersource Magazine states "Catering is growing faster than all other foodservice segments for the third year in a row – another 5.6% growth predicted in 2013." In 2013, the catering industry contributed over \$45 billion to the economy. Independent catering companies were able to make over \$8 billion in revenues in the last year alone. Lucas County, Ohio 2012 census data for NAICS Code 722320 indicates there are 15 establishments with \$3,067,000 annual payroll and 241 paid employees.

With the modern lifestyle demanding more than it ever has before of people, there is less time to cook meals, prepare foods, and spend time in the kitchen. The average family, however, still wants to spend time together at the table eating dinner together. To make that possible, the catering industry is utilized on a regular basis. As lifestyles continue to stay busy, profits will only continue to grow. Estimates are that the catering industry will see over 5% growth in the next year.

### **3.1 MARKET SEGMENTATION**

HCbyD will provide events for the Executive, Commercial, Residential, Non-Profit market segments. A category of "Other" has also been included for additional events that may be planned.

#### Executive

Executive Dinner/Events

#### Commercial

Businesses/Schools: Picnics, Lunches, Dinners, Meetings, Special Events

#### Residential

Weddings

Dinners: Birthdays, Retirements, Repass, Anniversary, Baby Showers, Graduation, Family Reunions, etc.

Catered meals for families

#### Non-Profit

Fundraisers, Special Celebrations

Give-Back: Prepare meals for St. Paul's Community Center, Kitchen for the Poor

#### Other

Outdoor Concerts, Space Rental, Food Shows

### **3.2 TARGET MARKET SEGMENT STRATEGY**

HCbyD will provide events for the Executive, Commercial, Residential, Non-Profit and Other market segments.

### **3.3 INDUSTRY ANALYSIS**

NAICS Code 722320 Caterers - This industry comprises establishments primarily engaged in providing single event-based food services. These establishments generally have equipment and vehicles to transport meals and snacks to events and/or prepare food at an off-premise site. Banquet halls with catering staff are included in this industry. Examples of events catered by establishments in this industry are graduation parties, wedding receptions, business or retirement luncheons, and trade shows.

The catering industry has grown faster than any other foodservice industry for the last 3 years. Catersource Magazine states "Catering is growing faster than all other foodservice segments for the third year in a row, another 5.6% growth predicted in 2013." In 2013, the catering industry contributed over \$45 billion to the economy. Independent catering companies were able to make over \$8 billion in revenues in the last year alone. Lucas County, Ohio 2012 census data for NAICS Code 722320 indicates there are 15 establishments with \$3,067,000 annual payroll and 241 paid employees.

Halls by Design catering services will match the trend in catering in that growth will be realized as the company officially starts provided catering services.

### **3.4 COMPETITION AND BUYING PATTERNS**

HCbyD has identified a few of the local competitors:

- Skaff Catering provides more American dishes and/or basic catering; Hall's provides a menu that includes international dishes.
- Pinnacle Catering provides upscale catering with a "keep it simple" focus and does give great presentation, but does not design menus to the customer; they exhibit a take it or leave it style. Hall's will create a menu to fit the customer needs and tastes and provide great presentation.
- Panceway Place Catering provides upscale catering; again Hall's provides a catering service that beyond basic and provides meals that go beyond the traditional, home style version.
- Brandywine Country Club Catering provides upscale catering; again Hall's provides a catering service that beyond basic and provides meals that go beyond the traditional, home style version.

### **3.5 COMPETITIVE EDGE**

HCbyD competitive edge is their specialty style of food preparation and customer service. Hall's is well entrenched and well known in the corporate/executive circles. Chef Reggie has provided meals and catered events from two-couple to large catering parties for over 30 years. He has made a name for himself, within circles of private homes and local large non-profit events such as the Toledo Zoo.

HCbyD creates menus to fit all potential clients. Halls' will not turn away small parties, Hall's is the only local catering company to do private dinners for two individuals or groups up to ten (multiple couples).

## **MARKETING STRATEGY**

### **4.0 SUMMARY**

The strategy for Hall's Catering by Design is to complete renovations and building upgrades to the business location at 226 South Byrne Rd. and to obtain financing to purchase kitchen equipment that will allow Hall's to immediately start preparing food items from this location. The business will then "officially" be operated out of this location.

Hall's has identified the following market segments where catering services will be provided:

#### Executive

Executive Dinner/Events

#### Commercial

Businesses/Schools: Picnics, Lunches, Dinners, Meetings, Special Events

#### Residential

Weddings

Dinners: Birthdays, Retirements, Repass, Anniversary, Baby Showers, Graduation, Family Reunions, etc.

Catered meals for families

#### Non-Profit

Fundraisers, Special Celebrations

Give-Back: Prepare meals for St. Paul's Community Center, Kitchen for the Poor

### **4.1 MARKETING AND PROMOTIONS**

Hall's Catering by Design marketing strategy will be:

- Word of mouth with existing clientele, focus will be to drive the business to Hall's By Design versus Chef Hall
- Utilize website, social media e.g. Facebook, radio ads, marketing brochures, and business cards



## **MANAGEMENT AND OPERATIONS**

### **5.0 SUMMARY**

HCbyD will employ a part-time staff and will be managed by Reggie Hall. To minimize turn over, HCbyD will pay its staff above industry average hour wages and offer health and 401k benefits. HCbyD will contract out all other services, e.g. accounting.

### **5.1 MANAGEMENT TEAM AND STAFF**

Staff will consist of:

- Owner/Manager: Reggie Hall
- 6 Cooks
- 8 Servers
- 2 Delivery Persons

Outside Consultants/Contractors:

- Accounting Services
- Attorney Services
- Social Media/Web Designer

### **5.2 OWNER COMPENSATION**

Reggie Hall will receive an annual manager salary of \$25k

### **5.3 FACILITY DESCRIPTION**

The facility will consist of 4000 sqft of banquet space including bar and stage area with audio equipment. Fully equipped kitchen with cold storage. Handicap assessable men and women rest rooms. The facility will include an outdoor area with full bar, fire pit, and serving station for conducting outdoor buffets and other summer events.

### **5.4 ASSET DESCRIPTION**

See appendix for the following tables

- Equipment List
- Cookware/Beverage List
- Furnishing List

## **FINANCIAL ANALYSIS AND PROJECTIONS**

### **6.0 SUMMARY**

Hall's Catering by Design's sales will be divided over three revenue streams:

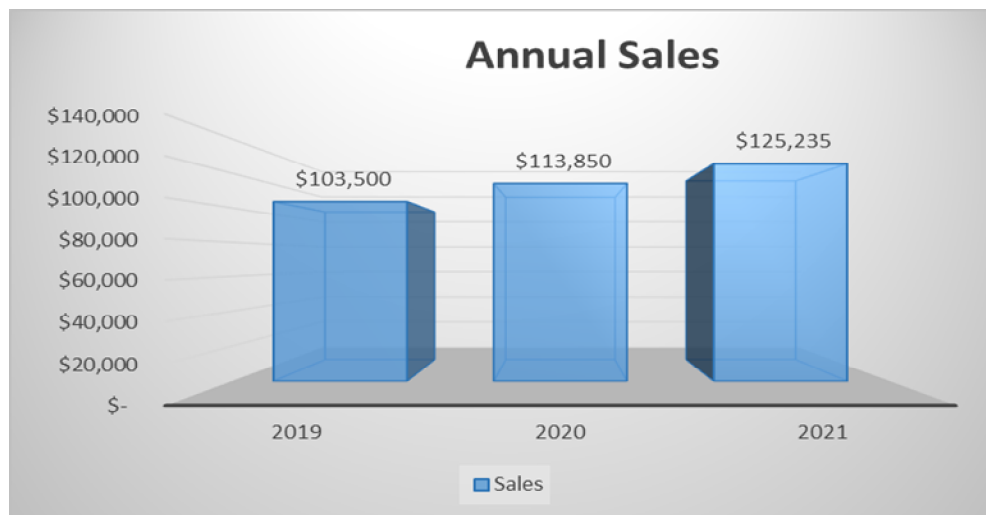
1. 40% Food Preparation
  - HCbyD offers breakfast, lunch, dinner, and specialty menus for all your events.
2. 40% Catering
  - HCbyD will offer in-house or at customer location catering services for the executive, commercial and residential customers.
3. 20% Banquet Hall Rental
  - The customer can choose to have HCbyD Cater the event or provide their own catering service.

HCbyD's annual sales goal is to maintain a 75% Gross Margin after direct costs. To achieve this, HCbyD is projecting an annual 9.4% increase in sales for the first three years of operations.

**TABLE: SALES FORECAST**

Unit Sales	2019	2020	2021
<b>FOOD PREP Only - 20% of Sales</b>			
	20,700	22,770	25,047
<b>FULL SERVICE CATERING - 40% of Sales</b>			
	41,400	45,540	50,094
<b>HALL RENTAL – 40 % of Sales</b>			
	41,400	45,540	50,094
<b>Total Sales</b>	<b><u>\$ 103,500</u></b>	<b><u>\$113,850</u></b>	<b><u>\$ 125,235</u></b>

**CHART: SALES FORECAST**



## 6.1 PERSONNEL COST FORECAST

HCbyD's personnel costs are based on an average of 2,843 total hours of operations per year for the first three years. Reggie Hall will earn a management salary of \$25k annually.

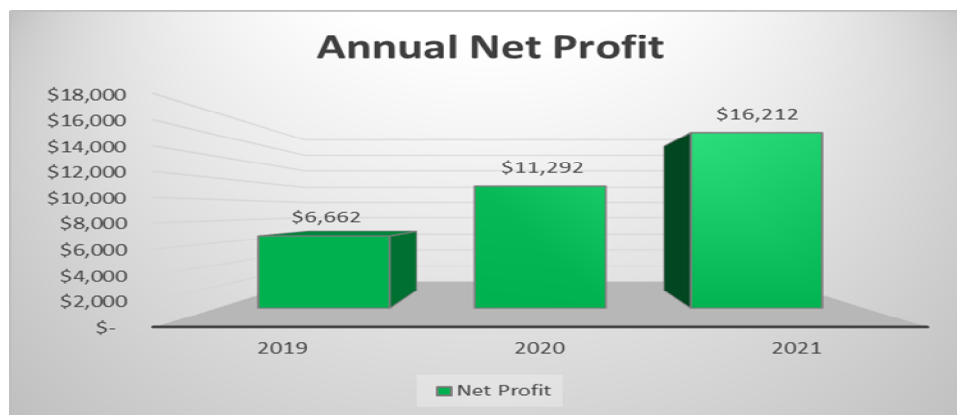
**TABLE: PERSONNEL COSTS**

Staff	Rate	HRS	2019	HRS	2020	HRS	2021
Cooks	\$14.50	864	\$ 12,528	942	\$ 13,659	1038	\$ 15,051
Servers	\$ 9.00	1296	\$ 11,664	1413	\$ 12,717	1557	\$ 14,013
Delivery	\$10.25	288	\$ 2,952	314	\$ 3,219	346	\$ 3,547
Management			\$ 25,000		\$ 25,000		\$ 25,000
<b>Total Wages</b>			<b><u>\$52,144</u></b>		<b><u>\$54,595</u></b>		<b><u>\$57,611</u></b>

## 6.2 PROFIT & LOSS TABLE

Pro Forma Profit and Loss	2019	2020	2021
Sales (+10% per year)	\$ 103, 500	\$ 113, 850	\$ 125, 235
Direct Cost of Sales (+3% per year)	\$ 25, 875	\$ 26, 651	\$ 27, 451
Other Costs of Sales	\$ -	\$ -	\$ -
Total Cost of Sales			
Gross Margin	\$ 77, 625	\$ 87, 199	\$ 97, 784
Gross Margin %	75. 00%	76. 59%	78. 08%
Expenses			
Payroll	\$ 52, 144	\$ 54, 595	\$ 57, 611
Marketing/Promotion	\$ -	\$ -	\$ -
Depreciation	\$ -	\$ -	\$ -
Property Taxes	\$ 2, 500	\$ 2, 500	\$ 2, 500
Water	\$ 912	\$ 912	\$ 912
Gas	\$ 1, 800	\$ 1, 800	\$ 1, 800
Electric	\$ 1, 476	\$ 1, 476	\$ 1, 476
Phone/Cable/Internet	\$ 1, 886	\$ 1, 886	\$ 1, 886
Insurance	\$ 2, 004	\$ 2, 004	\$ 2, 004
Payroll Taxes	\$ -	\$ -	\$ -
Taxes	\$ -	\$ -	\$ -
Trash Collection	\$ -	\$ -	\$ -
Ban (Insr. Maint. Gas)	\$ -	\$ -	\$ -
Licence/Permits (Vehicle)	\$ -	\$ -	\$ -
Licence/Permits (Legal)	\$ 420	\$ 420	\$ 420
Security	\$ 288	\$ 288	\$ 288
Accounting/Legal	\$ 1, 500	\$ 1, 500	\$ 1, 500
Maintenance/Repair	\$ 2, 496	\$ 2, 496	\$ 2, 496
Miscellaneous	\$ -	\$ -	\$ -
Work Comp	\$ -	\$ -	\$ -
Laundry/Drum Cleaning	\$ -	\$ -	\$ -
Office Supplies	\$ -	\$ -	\$ -
Pest Control	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 67, 376	\$ 69, 827	\$ 72, 843
Profit Before Interest and Taxes			
EDTDA	\$ 10, 249	\$ 17, 372	\$ 24, 941
Interest 6%, 10 yrs)	\$ 13, 320	\$ 13, 320	\$ 13, 320
Taxes (35%)	\$ 3, 587	\$ 6, 080	\$ 8, 729
Other Income			
Name	\$ -	\$ -	\$ -
Total Other Income	\$ -	\$ -	\$ -
Other Expenses			
Name	\$ -	\$ -	\$ -
Total Other Expenses	\$ -	\$ -	\$ -
Net Other Income	\$ -	\$ -	\$ -
Net Profit	\$ 6, 662	\$ 11, 292	\$ 16, 212
Net Profit %	6. 44%	9. 92%	12. 94%

## CHART: NET PROFIT



### 6.3 BREAK-EVEN ANALYSIS

A monthly average of 11,656, 7,975, and 8,227 sales respectively is required for the HCbyD to break even in each of its first three years of operations.

Breakeven is calculated by dividing total monthly expense by the annual average revenue per sale.

#### **BREAK-EVEN TABLE**

<b>Monthly</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
# Sales to Breakeven	40	60	60
\$ Breakeven Revenue	\$11,656	\$7,975	\$8,227
<b><u>Assumptions</u></b>			
Average Revenue Per Sale	\$2,331	\$1,595	\$1,645
Projected Total Yearly Expense	\$93,251	\$95,702	\$98,718

### **FUNDING REQUEST AND EXIT STRATEGY**

#### **7.0 FUNDING REQUEST**

This plan is intended to obtain supplemental financing in the amount of \$100,000. Hall's Catering by Design, will invest \$60,000 for a total investment of \$160,000. This funding will cover the cost of startup and supplement the first two years of 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, HCbyD will fine tune and document its operations into a repeatable process while increasing market shares and name recognition. HCbyD will apply this process to opening a four star restaurant location

- **SCENARIO TWO**

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

## APPENDIX

### **Funding**

Start-Up Funding	
Start-Up Expenses to Fund	\$ 13,000
Start-Up Assets to Fund	\$ 197,000
Total Start-Up Funding	\$ 210,000
Assets	
Non-Cash Assets from Start-Up	\$ -
Cash Requirements from Start-up	\$ -
Additional Cash Raised	\$ -
Cash Balance on Starting Date	\$ -
Total Assets	\$ -
Liabilities and Capital	
Liabilities	
Current Borrowing	\$ -
Long-Term Liabilities	\$ -
Other Current Liabilities	\$ -
Total Liabilities	\$ -
Capital	
Planned Investments	
Owner	\$ 60,000
Investor	\$ -
Additional Investments	\$ -
Total Planned Investments	\$ 60,000
Loss at Start-Up (Start-Up Expenses)	\$ -
Total Capital	\$ 60,000
Total Liabilities and Capital	\$ 60,000
Total Funding	\$ 150,000

**APPENDIX Cont.**

**TABLE: EQUIPMENT LIST**

Walk-in coolers	
Walk-in freezer	
Double stack steamer	
Pizza ovens	
Portable gourmet stoves	
Commercial microwaves	
Twin fudge server with pumps	
Heat 'n Serve rethermalizer	
Hobart heavy duty slicer	
Robot Coupe food processor	
Heavy-duty floor mixer	
Heavy duty bain maries	
Stainless steel portion scales	
Storage Racks	
Buffalo chopper	
Two heat lamps	
Heavy Duty Outdoor Grill	
Reach-In Freezer	
Reach-In Fridge	
Commercial Deep Fryers	
Commercial Double Convention Oven	
Gas Char Broiler	
Electric hot food buffet steamtable	
Wall Hand Sinks	
Mobile heated and insulated cabinet	
Commercial ice maker	
48" long stainless steel work table	
Mobile stainless steel bun pan racks	
Stainless steel utility carts	
Wire shelving units – 74" x 24" x 48"	
Plastic shelving units – 72" x 21" x 48"	
Countertop electric induction ranges	
36" commercial gas range	
Ansul fire suppression system	
Air ventilation hood system	
Single Door Dishwasher	

**APPENDIX Cont.**

**TABLE: COOKWARE LIST**

Stainless steel inset pans with covers – Small	20
Stainless steel inset pans with covers – Medium	20
Stainless steel inset pans with covers – Large	20
Stainless steel food pans – Small	20
Stainless steel food pans – Medium	20
Stainless steel food pans – Large	20
Baking, roast, and sauce pans	20
Mandoline slicer	2
Non-stick, sauté, and stir-fry pans	20
Stock and sauce pots	20
Sheet pans – various sizes	20
Forschner and Connoisseur cutlery	3
China cap strainers	10
Soup kettles	2
Griddle stand	4

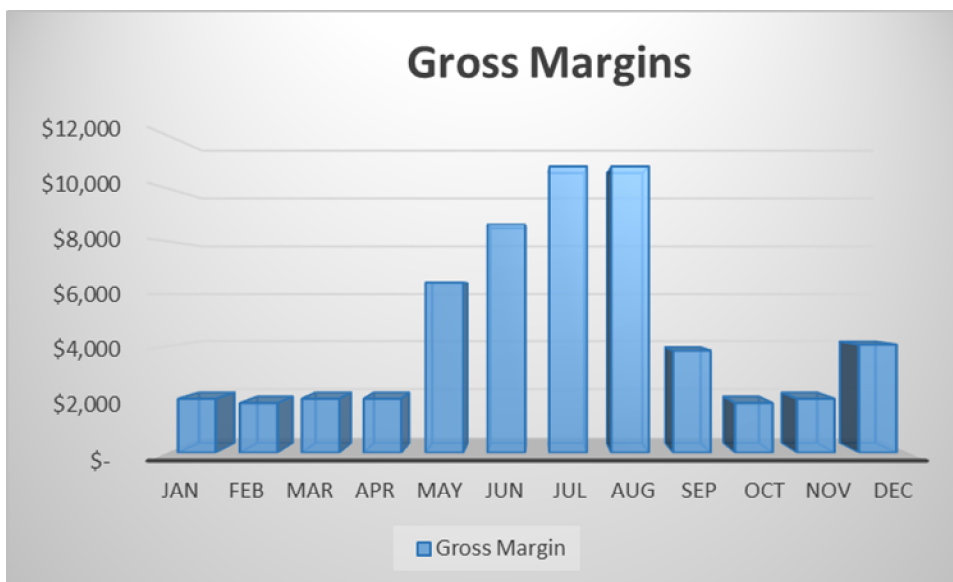
**TABLE: DISHWARE/BEVERAGE LIST**

Chafing and banana split dishes	1000
Large pitchers	50
Medium Pitchers	50
Small Pitchers	50
Heavy duty braziers	50
Sundae, sherbet, and parfait dishes	1000
Wine decanter	10
Wine taster	50
Coffee brewing systems	4
Coffee warmers	4
Drink mixer	20
Iced tea, pilsner, and cocktail drink ware	20
Punch bowls and beverage displays	1000

**TABLE: FURNISHING LIST**

Banquet Tables	50
Banquet Chairs	500

### APPENDIX Cont.





## APPENDIX Cont.

