Business Plan

Bar Hawk

June 26th, 2014

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# Introduction

The purpose of Bar Hawk is to a hub of information about the bars located within downtown Kent and its immediate vicinity. Bar Hawk will be free and easy for users to find the information they are looking for. The amount of information about each bar will include but is not limited to: Beers available on tap and in bottles, drink and menu specials, and future shows that are coming to the bar.

Initially, Bar Hawk will establish the following websites:

* www.barhawk.co with future plans to purchase www.barhawk.com

The business is slated to be an LLC under the name Bar Hawk LLC. The corporation has 2 primary owners, Joe Sarko and Brad Kolasinski, each taking 50 percent stake in the company.

# Executive Summary

The purpose of Bar Hawk is to provide one place where users can find information about the bars located in Downtown Kent, Ohio.

The company will be owned by 2 parties: Joe Sarko and Brad Kolasinski.

Target Market: Our target market will be college students ages 21 to 29.

Unique Selling Proposition: Bar Hawk caters exclusively to bars in a highly active college town. This focus lets us push only information we know our users will find valuable.

Growth Plans: Bar Hawk plans to expand within 2 years to include other major college towns with the first few being Akron, Athens, and Toledo. We plan to have an office in each location to supervise the flow of information.

# Mission, Strategies, etc. (Company, Strategy and Management Team)

## Vision

Bar Hawk’s vision is to be the best source of information when it comes to planning a night out. We will earn our customers’ trust by providing relevant and correct information about any bar in Downtown Kent Ohio. Barhawk.co will start as website and be transitioned into a fully functional app for both Android os as well as iOS

To provide adults a comprehensive and easy to use tool to plan a night out in downtown Kent Ohio.

## Objectives/Goals

Grow user base from date of launch, 0 to over 1 thousand visitors a week in 6 months time.

Expand from 1 city to 2 cities within 1 year’s times.

Introduce added usability by developing and deploying a multiplatform mobile application within 2 years’ time.

We will not expand our reach to include restaurants as our main focus will always remain bars.

## Keys to Success

Keys to success for Bar Hawk are:

* **Narrow Focus.** By only focusing on bars and not the entire nightlife, we can delivery highly detailed and timely content.
* **Updated Content.** Our website will emphasize daily updates on beer and food specials, shows, and other bar happenings.
* **Networking.** The success of this business depends on heavily networking within not only downtown Kent, but on the Kent campus as well. Because the revenue sources are from advertising maximizing traffic on the websites is critical to its success. By networking with students on Kent’s campus, we will drive traffic to the website and to advertiser’s locations.
* **Guerrilla and Viral Marketing.** With the growing number of companies utilizing social media networking and our target demographic, Bar Hawk will need to focus marketing efforts on guerrilla marketing and viral marketing on social media.
* **Reputation.** The website needs to generate organic traffic on the Internet through referrals and word of mouth. Establishing a reputation as the best place to find entertainment information within downtown Kent pushes more people to our website.
* **Usability.** Providing a service that works across all devices and platform is key for a mobile service. By developing a responsive website that appears as a mobile app and porting it over to a mobile app, it is guaranteed the best possible user experience across all devices.

## Strengths, Weaknesses, Opportunities and Threats (SWOTs)

**Strengths:**

* Co-Owners have over 7 years of website design experience (HTML, CSS Java Script, PHP, SEO, Link Building)
* Co-Owners have a combined 5 years of real world experience in the marketing field.
* One of the co-owners, Brad, has over 5 years of experience in video production.
* Start-up costs will be kept low by using the combined knowledge of the co-owners to build and manage the website resources.

**Weaknesses**

* The target audience is a very small cross section of the general population.

**Opportunities**

* There are a limited number of websites which have similar content.
* Most sites like Bar Hawk are directories that requite tedious searching to find relevant information.

**Threats**

* Larger and better funded companies can duplicate our products and services easily.

## Strategies

In order focus the development of the business, the following strategies will be followed.

* Develop the website to be easily viewable across every device, especially mobile devices.
* Develop a unified app for major phone operating systems. Leverage freelancers through sites such as [www.elance.com](http://www.elance.com/) to develop the application.
* Utilize low-cost college students to find content for the website as well as update all content and guerrilla marketing. Allow students to use Bar Hawk as an internship and get real world experience all while keeping labor costs low. Student workers can network with bar goers as well as hang flyers and pass out informational brochures.
* Allow website users to get notifications by text, twitter, and facebook when a new event or special is posted on the website.
* Continually add new content.
* Continually add new locations.

# Products and Services.

Since the business model is to generate advertising revenue from websites, Bar Hawk will provide its service for free. In order for this service to be free, Bar Hawk needs to attract repeat users to the website and attract advertisers. The products the business will provide are:

* **Detailed Drink Information.** Each bar will have a comprehensive drink list on the website. This list will include draft beer, bottled beer, wine, and mixed beverages. These will be accompanied by prices for each drink on the list (when available).
* **Event Schedule.** Business will each have an individual calendar which will then be compiled into one large calendar that lists all events. The events will include a date, time, location, and any specials that will accompany the event. Events can include concerts, karaoke, open mic night ect.
* **Drink Specials.** Daily drink specials will be featured on the home page of the website and one “deal of the day” will be featured first. Specials will be sorted from most savings to least savings. Each bar will also have their individual specials featured on their page.
* **Bar Reviews.** Unbiased reviews of bars submitted by users will be featured on the website. The reviews will be filtered for decency but not for rating.

# Revenue Sources

Bar Hawk will generate revenues through advertisements on the websites through our featured bar program. This section identifies the advertising sources along with an estimate of the annual revenues generated by each advertising source.

The total expected annual revenues starting after the first year is $15,000. This projection is a rough estimate and will depend greatly on the effectiveness of building traffic to the website. Additional revenue can be generated in the future as other services and locations are added to the website.

## Paid Per Click Advertising – Google AdSense

Pay-per-click advertising through Google AdSense is expected to generate about $5,000 per year in revenues. Relevant ads are generated by AdSense based on the content of the website. The bids for relevant ads vary according to the topic. We have based the following revenue estimates based on a pilot of each of the website and determining overall traffic on similar websites.

Page Views per Day: 2,000

Effective CPM: $2.50

**Annual Revenue: $5,000**

## Paid Per Click Advertising – Local Business

Local businesses will have the opportunity to advertise on every page of Bar Hawk’s website. The businesses can choose to advertise on the home page, their own page (if they’re a bar), or be randomly put onto the website. With the co-owner’s background in graphic and web design, ad design will be handled in house to cut down on costs.

Ad price will be based on length of time the ad will run as well as ad location and number of clicks. Advertisers can set up a monthly payment system that will allow then to retain their ads for months at a time.

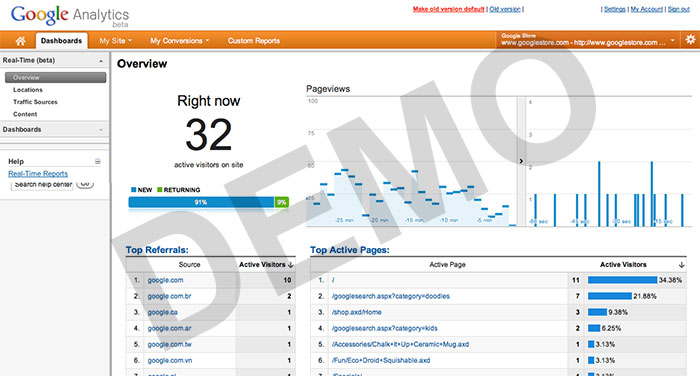
## Featured Bar Program

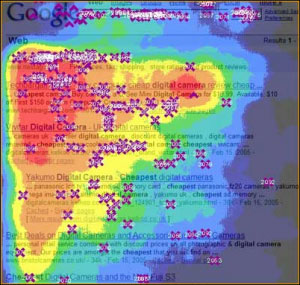
There will be different tiers of featured bar programs available for bars within downtown Kent. Bars can choose the highest tier that would get them featured as the very first picture to be loaded on the home page as well as mentioned at the top of all marketing materials that are generated within that months’ time. The second tier would be eligible to be randomly loaded after the top tier bar’s image on the home page. They will also get their logo (small and at the bottom) of all marketing materials that are dispersed throughout that month. Other tiers may be added as well as these tiers edited upon necessity.

## 5 . 4 . Analytics Packages

The traffic to the website will be represented in a meaningful and visually comprehensible way, giving bar managers and owners an inside look at how their customers are utilizing Barhawk. Information such as how many users are visiting their profile, what specials are popular, what links are getting clicked on and those that aren't. This will be a tiered package, a basic package, a plus package, and a premium package.

* **Basic package:** Will simply make available data gathered from Google Analytics and our hosts analytics. This data will be available to bar operators to utilize as well as a recommendation report from Barhawk to help guide businesses to make smart marketing decisions based on the data gathered.
* **Plus Package:** This package will include all the features of the basic package, as well as: Bar owners will be given access to eye tracking technology and heatmap data gathered on Barhawk from a third party program, CrazyEgg. This will allow operators to visually see how their customers are interacting with their page.
* **Premium Package:** This package will include all of the features of the basic and plus package, as well as: Bar owners will not only have access to their page statistics, but their competitors statistics also. This powerful information will enable bar operators to make critical changes in their buisiness marketing strategy enabling them to get a leg up on their competition.

**Figure 5.4.1 – *Google Analytics***

**Figure 5.4.2 – *CrazyEgg Heat Map***

# Future Growth Opportunities

## Mobile Application Implementation

Mobile applications provide users with added functionality that a website cannot. The application (currently under development) will add location based bar recommendations and reviews, as well as specials. There will also be useful tools such as the ability to post a picture to our website (after review) and a tip calculator.

## City Expansion

With over 108 four year universities and hundreds more two year universities and trade schools, Ohio has almost limitless expansion. Our first city would be Akron, Ohio, followed by Athens and then Toledo. These campus’ provide a diverse enough student population as well as population size to get a metric for other expansion endeavours. When manpower is available, expansion to larger cities such as Cleveland will help drive an immense amount of traffic and business to Barhawk.

## Bar Marketing Services

Leverage our relationships with bars to help them succeed in business. Packages to help bars grow their business would include website design, video production, social media marketing, and traditional marketing packages.

# Marketing Plan

A unique marketing plan is key to the success of our business. The company’s marketing will center around viral marketing and personal marketing through networking. We will first focus on attention grabbing twitter and facebook posts as well as interesting video’s that explain the company or bar related information. This will be paired with a Bar Hawk street team. The Street team will include the Bar Hawk girls that will pass out Bar Hawk branded merchandise as well as the Bar Hawk photographer that will take pictures, brand them with the Bar Hawk logo, and allow them to be shared on social media.

## Market Analysis

A market analysis has not been performed, this is not required initially since we will be selling products which are already on the market. We will perform market analysis for new product lines which we will be developing. Market analysis for these products will include surveying stores in our area, surveying consumers, and researching demand for items through other sources.

## Competition

An analysis of the competition has not been performed. During the initial start-up of the business, an analysis of the competition will be performed. Information to include in the analysis includes;

* Identify the five nearest direct competitors.
* How do they advertise?
* What are their strengths and weaknesses?
* How does their product differ from ours?

We will maintain a file on each of the five competitors. In this file we will keep copies of their advertising and promotional materials, their pricing strategy, and any other information which can be collected.

## Customer Profile

Here we provide a high level profile of the customers for each of the websites.

**<www.BarHawk.co>**

This website targets those who want information on Downtown Kent Bars. The target customer is:

**Students** ages 21-29 that know the bars in Kent but are looking for specials or a certain beer.

**Adults age 21-29** that may be visiting Kent and have no idea what Downtown Kent has to offer.

**Bars** that want to see what other bars in the area are offering that night.

## Market Size, Sales & Share Projections

The market size for people looking for a good time or something to do is always expanding. As the population of Kent grows, so does the market share that we hope to capture. By making the site usable across all devices and platforms, this allows us the best chance of capturing a large market share.

## Strategies for reaching or exceeding your targeted sales levels

Our primary method of gaining new customers will be through the use of viral and guerilla marketing as well as direct marketing. New users will be gained through flyers hung at every bar in Kent as well as social media marketing. Video will also be utilized to market our website as well as bars featured on our website.

The usability of the website as well as the information contained on the site is what will keep users coming back. The information will be updated on a daily basis with new specials and content including pictures and videos from the night prior. We will also offer giveaways through the website as well as social media of Bar Hawk merchandise such as t-shirts hats key chains etc.

## Sales Strategy

Bar Hawk sales will not be done using the traditional hard selling techniques. We will sell advertising to bars using metrics as well as results from previous advertising campaigns.

Bar Hawk will rely on social media, word of mouth, as well as B2B selling to sell advertising and gain users.

## Advertising and Public Relations

The advertising budget will be well funded. Advertising will rely heavily on word of mouth as well as merchandise giveaways and contests to get Bar Hawk out there.

# Operations Plan

Bar Hawk will operate out of the house of one of the co-owners. This base of operations is located at 169 Willard Ave. NE, Warren Ohio, 44483. Since this is an online business, this facility will house only the computer equipment needed to reach the Internet and the company records.

## Location

Initially the business will be located at 169 Willard Ave. NE, Warren Ohio, 44483. It will be located in the residence of the primary principal, thus minimizing the startup costs.

As the business grows, offices will be introduced within the cities of operation. Within the first year, an office within Kent Ohio will be leased and, upon expansion, offices will be leased within the new cities.

## Production

Production within Bar Hawk is limited, as most content will be provided by the bars listed on the website. All production that is required will be done in house, by the co-owners at start up, but transferred to interns as the opportunity provides.

* **Website Development and Updates.** The website is being built on a content management system. This allows the outsourcing of web updated to interns that may not necessarily have any web experience.
* **Search Engine Optimization (SEO).** All SEO activities will be performed in-house by the co-owners.
* **Merchandise Creation.** Merchandise creation will be handled by a local screen printing start up. A barter system will be used to keep costs down and help both businesses grow.

# Management & Administration (Organization Plan)

The management team consists of the two partners of the business; Joe Sarko and Brad Kolasinski. The management team makes up the entire staff for the company. Additional staff will be hired as interest and expansion dictates.

During the initial start-up period for the company the owners will not receive salaries or benefits. Salaries will be determined based on cash profitability and at no time will salaries exceed fifty percent of the company’s profit. The remainder of the profit will be reinvested into the company and used to pay off any outstanding debt. Salaries will be equal for all officers of the company. Benefits will be evaluated after the company becomes profitable, this will likely be outsourced to a Human Resource type company.

## Company Ownership

The corporation is owned equally by two persons; Joe Sarko and Brad Kolasinski. Managerial Style

**Decisions Making.** Joe Sarko and Brad Kolasinski will be the final decision makers for all business decisions.

**Project Management.** Project management will be according to the PMI PMBOK standards and will follow that process. Gantt charts will be used for schedule management.

**Record Keeping.** We will use QuickBooks to manage our financial records. Other electronic means will be used to track records which cannot be captured in QuickBooks. Whenever possible, all records should be made web accessible.

**Communication.** Communication within the company will be primarily oral or through emails. For any communications for which a record is desired will be made through emails. Communication external to the company will be primarily through emails.

## Management

The management team consists of the two principals of the company. Joe Sarko is the President, Director of Operations; and Brad Kolasinski Director of Finance, Director of Information Technology. Both partners will share the title of Director of Marketing.

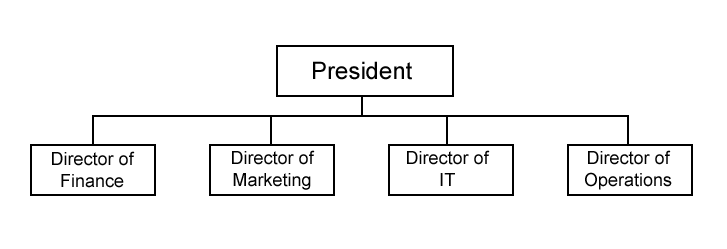
The President is responsible for overseeing the overall operation of the company. The President ensures that the company’s vision is pursued, that goals are set and followed and the company’s strategy is followed. The President reviews the Business Plan periodically to confirm that the plan is current, still applies to the company’s needs, and that the company is following the plan.

The Director of Finance is responsible for maintaining all financial records, ensuring that the company complies with all tax laws and provides financial reports to management.

The Director of Marketing is responsible for the marketing of the company, it’s products. Marketing includes product development, creating and distributing newsletters, link building and any other marketing needs that arise.

Director of Information Technology (IT) is responsible for developing and maintaining all IT systems including; website, desktop/laptop computers, applications and search engine optimisation (SEO).

The Director of Operations is responsible for the day to day operations of the business. This includes ensuring that inquiries are answered, content is maintained on the websites and the overall operations of the business continues in an organized and proficient manner.



**Figure 9.1 *Organizational Chart***

## Administration

Since this business is being managed and operated by two persons, administrative responsibilities will overlap. Primary areas of responsibility and associated tools are listed in figure 9.2, Administrative Responsibilities.

**Figure 9.2 *Administrative Responsibilities***

|  |  |  |
| --- | --- | --- |
| Administrative Task | Administrator | Tools |
| Accounting and Inventory. | President | QuickBooks |
| Payroll and Taxes | Director of Finance | Outsourced |
| Product Development | Director of Marketing | MS Word |
| Link Building | Director of Marketing | Elance |
| Advertising | Director of Marketing | Google Adwords |
| Web Page Design | Director of Marketing | Dreamweaver |
| Web Page Development and Updates | Director of Information Technology (IT) | Dreamweaver & WS\_FTP |
| Web Server | Director of Information Technology (IT) | N/A |
| Content Updating on Web Site | Director of Operations | N/A |
| Day to Day Administrative Functions | Director of Operations | N/A |

# Financial Plan

This financial plan conservatively projects the overall finances of the corporation. Although many of the projections are based off pilot programs and statistical averages, the projections are merely approximations. The success of this business is determined by its ability to offer enough free products such that the websites generate enough traffic to result in substantial advertising revenue.

## Projected Cash Flow

The projected cash flow is based on the assumption that there are no sales in the first 12 months of business.

## Start-up and Operating Budgets

The company will be funded by an initial grant of $5,000 from the Student Launch Fund. The costs associated with the start-up of the business is listed below in Figure 10.1, Start-up Budget.

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Category | One Time Cost | Recurring Cost (per mo.) |
| Business Incorporation Filing | Legal | $200 |  |
| Register Internet Domain Name (2 years) | Marketing | $11.99 |  |
| QuickBooks Accounting Software | Software | $200 |  |
| Web Hosting | Web Hosting | $140 |  |
| Merchandise Creation | Marketing | $1000 |  |
| Logo Creation | Marketing | $250 |  |
| Marketing Materials | Marketing | $500 |  |
| Laptop Purchase | Business Tools | $1250 |  |
| Student Marketers | Marketing | $500 |  |
|  |  |  |  |
|  |  |  |  |
| Total |  | $4051.99 |  |
|  |  |  |  |

**Figure 10.1 *Start-up Budget***

## Operating Budget

The monthly operating budget is based on known operating expenses on a monthly basis. The costs associated with running the business is listed below in Figure 10.3, Monthly Operating Budget.

## Accounting and Inventory Control System

We will use QuickBooks Professional accounting software to maintain our accounting and inventory records.

## Cash Flow Projections

Cash flow projections presented here are based on known start-up and ongoing expenses. The cash flow projections does not project sales and the cost of the merchandise sold, rather it shows the financial operational health of the company. Expected cash flow projections are presented in graphical format in Figure 10.4, Cash Flow Projections.

**Figure 10.4 *12 Month Cash Flow Projection***



**3 year projections**

**Figure 10.4 *3 Year Cash Flow Projection***

## Funding Requirements

Funding for the start-up and first year of operations will be provided by the principals of the corporation. No additional funding will be required.