

# BUSINESS PLAN

## *“A Taste of the Islands”*

### 1.0 EXECUTIVE SUMMARY

#### 1.1 Company Name:

*A Taste of the Islands*  
123 Main Street  
Anytown

#### 1.2 Key Personnel:

Owner Principal, Business Manager

General Manager

Assistant Manager

#### 1.3 Brief Description:

A Taste of the Islands is a West Indian themed restaurant that will be located in the Northeast quadrant of the City of Anytown. The restaurant will focus on West Indian cuisine, island atmosphere, background music (reggae and calypso) and traditional West Indian hospitality. The location of the restaurant will offer patrons "something different" in an area swamped with Italian, American, and Mexican restaurants.

#### 1.4 Market Overview

As more and more people dine out, a variation in cuisine can be a strong attraction. A Taste of the Islands will be the only West Indian restaurant in a city with over 1/2 million people. The Anytown market dines out nearly two times per week, and with commitment to authenticity, service and product, a Taste of the Islands can become one of the "hot spots" in Anytown, and a "must go to" restaurant for visitors and residents.

#### 1.5 Strategy Overview:

A Taste of the Islands Restaurant will focus primarily on West Indian (Caribbean) Cooking in an atmosphere that brings the tropical island paradise of the West Indies to the dining room. This includes providing a realistic atmosphere with authentic foods, costumes, and background music of the islands. The restaurant will seat only 75 patrons, initially, with expansion as market allows. It is intended to expand in several locations, rather than expanding in one location. A limited liability partnership form of ownership has

been chosen in order to provide equity financing and to combine the culinary and management skills needed for the success of this business. The principals selected form the core management team, with full investment and "ownership".

### 1.6 Experience

Key personnel (principals/managers) have over 25 years combined experience in West Indian foods. The past experience in the preparation, presentation, and service in this industry is a strong asset in the formulation of this venture. All managers and the supervisory cook are also West Indian, with over 18 years experience in this cuisine.

### 1.7 Financial Summary

The projected cash flow (Exhibit FP-4) illustrates an investment of \$84,900.00 from each principal, for a total start-up investment of \$274,500.00. Of this, \$193,520 will be used as start-up expenses, and thru remainder as cash flow injection for the first two months. The projected Income Statement (Profit/Loss) indicates a Gross Profit Margin of 73.48%, and a Net Profit of 7.75% at the end of the first year of operation. The following table highlights financial forecasts:

End of First Year			
Sales Revenue:	\$ 1,129,530	Gross Profit:	\$ 829,991
<u>Less Cost of Good Sold:</u>	<u>\$ 299,539</u>	<u>Less Expenses:</u>	<u>\$ 765,655</u>
Gross Profit	829,991	Net Profit	\$ 64,336
Total Assets:	\$ 163,165	Principal Investment:	\$ 254,700
<u>Total Liabilities:</u>	<u>\$ 90,345</u>	Projected Return:	\$ 43,189
Owner's Equity:	\$ 72,820	Return on Investment:	16.94%

## 2.0 VISION AND MISSION STATEMENT

**2.1 Vision.** The objectives for "A Taste of the Islands" for the first five years of operation is:

- a. Grow two units within the first five years.
- b. Keep food costs below 35% of revenue.
- c. Keep employee labor costs between 16-18% of revenue.
- d. Maintain tight controls on cost and operations through partnership management.

**2.2 Mission.** A Taste of the Islands will strive to be the premier specialty restaurant in the Northeast Heights of Anytown, AnyState. We want our guest to have the total experience of

the Caribbean Islands, not only with a great meal, but also be provided with the atmosphere. We will be doing unique things, such as Island style brunches, and West Indian Festival and Holiday celebrations. Our focus will be concentrate on four major areas:

- a. We will serve quality food for a competitive price, with a large selection of West Indian Cuisine.
- b. Our customer service support will show that we want to be the restaurant of choice for families and singles, young and old, male and female.
- c. Employee welfare will be equally important to our success. We want our employees to feel as a part of the success of A Taste of the Islands. Happy employees make happy guests.
- d. We will combine menu variety, atmosphere, ambiance, and friendly service to create a sense of “place” in order to reach our goals.

**2.3 Competitive Advantage.** A Taste of the Islands will have the competitive advantage of being the only restaurant within the largest populated county of AnyState with the “uniqueness” of West Indian hospitality. The foods, atmosphere and “catchy” West Indian music will draw patron for their first visit, through curiosity alone. The service and quality of the food will assist in the formulation of “regulars” and referrals. At this time, there are no restaurants with “island” atmospheres serving this population (500,000 +).

### **3.0 Business and Industry Profile.**

**3.1 Stage of Growth.** A Taste of the Islands is a start-up venture. Although it is not an ongoing operation, the three partners have extensive experience in West Indian Food Service (see key personnel). The selected location for the restaurant is located in a high traffic, shopping area of Anytown. This location will assist in the success of the venture.

**3.2 Industry Analysis.** The current restaurant industry in the Anytown market is strong. According to recent estimates, there are 9 major restaurants started each year, with a very high success rate. Restaurants with national affiliation (Olive Garden, Landry's, etc.) dominate the American food and more popular cuisine markets (Italian, French, etc.) and small to medium, locally owned enterprises, dominate the Mexican food markets. The current market choices within the metropolitan area of Anytown (excluding fast food) include the following:

Cajun: 2	Chinese: 33	Continental: 3	French: 3	German: 2
Greek: 6	Indian: 5	Italian: 13	Japanese: 16	Korean: 3
Mediterranean: 1		Mexican: 33	Middle Eastern: 1	
New Mexican: 26		Persian: 2	Thai: 5	Vietnamese: 6

**3.3 Market Demographics:** The target market for A Taste of the Islands includes families with disposable incomes above the area mean. The target market demographic breakdown includes the following:

- a. Total Population (Anytown Metropolitan Area): 292,627 Households with a mean disposable income of \$15,853.00. Of this, the spending potential index for restaurants is 94. The Anytown market holds a lifestyle rank of 61.
- b. Median income: \$38,326, with a majority above the median income between 45 and 64 years old. (A Taste of The Islands' target market)

**3.4 Growth Rate:** In order to be successful, a new restaurant must control its growth to match the demand for its cuisine. A Taste of the Islands includes expansion to two restaurants within the first 5 years only. Each restaurant will be designed for small to medium patron count (+/- seating for 75).

**3.5 SWOT Analysis.**

- a. Strengths. In terms of product strengths, A Taste of the Islands (ATI) has several distinct advantages over its competitors. ATI's menu will be "different", with unheard of entrees. The atmosphere will be authentic, with calypso and reggae music, West Indian costume and island setting. Management's extensive experience in West Indian cuisine will also be a strength for this venture.
- b. Weaknesses. Constriction in this venture include pricing, ethnicity, and wage demands. Competition may present "differences" with lower prices, informal (less expensive) atmosphere, and national chain affiliation. The worst threat that ATI

will face is the indifference toward its theme. These weaknesses can be overcome with extensive planning and on target marketing efforts.

- c. **Opportunities.** Dining out is becoming a regular occurrence in the Anytown area. Households dine out an average of 4 times per week (AnyState Restaurant Association), and continue to seek different cuisines. ATI can create a “niche” for its patrons, if properly executed. The addition of a lunch or brunch menu will also increase the opportunity to attract patrons. Catering to the casual dining market requires good service, excellent food, and a memorable environment.

**3.6 The Competition.** ATI’s competition includes 15 specialty restaurant types. Many of the restaurants listed in 3.2 above, do not include a “themed” atmosphere, and rely on the popularity of their food. ATI will include an atmosphere that will be as memorable as its food, reinforcing the desire to return. The competition (especially themed restaurants) product price is within the range offered by ATI.

#### **4.0 MARKETING STRATEGY**

4.1 Promotions. ATI will utilize special promotions to advertise the grand opening, special events, and seasonal finales. These promotions will be targeted to residents and employees in the Northeast quadrant of Anytown. The promotions will concentrate on the age group between 45 and 64, the “bunch for lunch” crowd, and businesses entertaining out of town guests.

- a. **Opening Promotion.** Local DJ on site, broadcasting live from ATI.
- b. **Special Promotions.** Popular “Reggae” artists, live.
- c. **Seasonal promotions.** A Taste of the Island’s special menu changes based on seasonal foods.

4.2 Advertising. The advertising program (see cash flow) includes funds for the promotions outlined above. Advertising will also be done with four 30 second spots during drive time radio, morning and afternoon, five days per week. The advertising will be sponsored by a

well known talk show host, giving instant acceptance to the largest audience within the target audience. Advertising will be concentrated on Radio, with very little print advertising (flyers at restaurants, coupons in entertainment books, and weekly local magazines). The media message will be "you don't have to go to the islands to experience them, you can do it right here!" It will be important to differentiate "West Indian" from other ethnic cuisines. Authenticity will create the differentiation. Maintenance of authenticity becomes important.

4.3 The description of the marketing mix for this venture includes:

- a. Product - a complete West Indian menu and environment (ambiance). The hours of operation will be 10:00 AM to 10:00 PM with full breakfast, lunch and dinner menus. Alcoholic beverages will include beer and wine only.
- b. Place – Predominantly Northeast quadrant of Anytown, with some patrons for the remainder of our County.
- c. Price – Breakfast through lunch to be competitive - \$9.55 Dinner - \$18.55
- d. Promotion - Advertisement in media (print, radio) as required based on target market research. Promotion will concentrate on target customer needs and wants.

## 5.0 HUMAN RESOURCES

**5.1 Philosophy.** "A Taste of the Islands" has adopted the human resource philosophy that "You are your environment". All staff members of the establishment are an integral part of its success, and will strive to create an environment of mutual respect, fair treatment and equitable compensation.

**5.2 Policy.** "A Taste of the Islands" will implement human resource policies to effectively "brand" the establishment to have the highest-quality, pre-qualified potential employees approach the establishment for employment, by its reputation alone.

### 5.3 Human Resource Staffing and Estimated Costs

<b>A. Assumptions</b>	Hours of Operation:	10:00 AM to 10:00 PM
	Staffing Hours:	9:00 AM to 11:00 PM
Dining Capacity:	75 Peak Evening @ 3 turn-over per night	
	25 Daytime @ 4 turn-over per day	

**B. Staff Positions**

<u>Position</u>	<u>No</u>	<u>FT/HRS</u>	<u>PT/HRS</u>	<u>RATE</u>	<u>COST/YR</u>
Business Manager	1	FT/ 40		SALARY	30,000.00
General Manager	1	FT/40		SALARY	36,000.00
Assistant Manager	1	FT/ 40		SALARY	28,000.00
Supervisor Cook	1	FT/40		15.00/hr	31,200.00
First Cook	1	FT/40	11.00/hr		22,880.00
Cook	3	2 FT/40	1/32 hrs	10.00/hr	58,240.00
Hostess	3	2 FT/40	1/32 hrs`	11.00/hr	64,064.00
Wait Staff	7	4 FT/40	3/32 hrs	4.50/hr	55,404.00
Bus Staff	4	2 FT/40	2/32 hrs	4.50/hr	33,696.00
<u>Dish Washers</u>	<u>3</u>	<u>2 FT/40</u>	<u>1/32 hrs</u>	<u>4.50/hr</u>	<u>26,208.00</u>
					\$ 379,692.00
Labor Burden at 24%					<u>91,126.00</u>
					\$ 470,818.00

(See financial models for meal rate labor support)

**5.4 Key Personnel**

**(Full Resume of key personnel attached as Appendix HR-1)**

**Business Manager – Principal**

Education: Present- Business Administration major, School of Professional Studies, Regis University, CO.  
Associate of Applied Science Degree, Business Administration, Anytown Technical Vocational Community College, NM

Experience: 9 years experience as Office manager. My responsibilities include supervision of day-to-day operation and administration, purchasing, contract management, human resource management, general entry accounting, accounts receivable and payable management, payroll, budget, strategic planning and records management.

**Skills:** Native West Indian with demonstrated communicative, organizational, and administrative skills; proficient in business management computer software programs to include word processing, spreadsheet, data base, accounting, scheduling and programming.

### **General Manager – Principal**

**Education:** Associates of Arts, Restaurant Management

**Experience:** 7 years experience in restaurant management and operations, 6 years experience in food production and 12 years experience as Hostess and waitress. Responsibilities included the complete management of operations of a 75 capacity dining room, kitchen operations, bar and alcohol service, inventory control and food orders.

**Skills:** Native West Indian with demonstrated restaurant management skills to include personnel supervision, kitchen and bar operations supervision, food and liquor inventory control, purchasing, quality control, customer satisfaction and food preparation.

### **Assistant Manager -Principal**

**Education:** Associate of Arts in Culinary Arts

**Experience:** 9 years experience in West Indian Cuisine, 3 years pantry cook, and pastry; 9 years in kitchen supervision, food and beverage orders; nutrition, menu planning and presentation.

**Skills:** Native West Indian with over 9 years experience in the preparation of West Indian cuisine, menu planning, recipe creation, kitchen supervision, food supply order, food presentation, pastry and specialty dishes.

## **5.5 Professional Support – Contracted Advisory Services**

**Hospitality:** The Innovations Group, Inc.

*The Innovations Group* is a consulting corporation established to assist in the preparation of operations plans, processes and procedures for

new hospitality ventures. The Innovations Group will assist “A Taste of the Islands” in marketing, initial set-up and first year operations, through site visits and organized staff “charrettes” through out the first year of operations.

Accounting:                    *CPA*, will perform all bookkeeping services, regulatory reporting, tax accounting and payroll. She will receive daily receipts, invoices, inventory balance reports and prepare all profit and loss statements, balance sheets, reports of partner income/loss and partnership equity.

Attorney:                    *Attorney-CCIM*. The law firm of Attorney and Attorney, PC will form the LLC, and provide legal advice throughout the business operation.

#### **5.6 Other Key Personnel**

Supervisor:                Chef  
  
                                          West Indian Specialty  
  
                                          He has over 18 years experience in the preparation and service of West Indian (Jamaican) foods. His specialty includes traditional dishes, pastries, beverages and presentations.

Hostess:  
  
                                          She has over 11 years experience in several “up scale” restaurants in New York, performing as waitress and hostess and will join the team as its hostess.

## 5.6 Critical Job Description Summary

### (Complete Job Descriptions attached as Appendix HR-2)

- Supervisor** The supervisory cook is responsible for directing the activities of other kitchen staff, menu planning, recipe creation, food and supply requests, specialty cooking duties, presentation and be responsible for environmental health regulatory compliance. The supervisory cook will report to the General Manager and serve on the quality assurance team.
- First Cook** The first cook will act as supervisor in the absence of the supervisory cook. Duties of the first cook will include the preparation of menu items in accordance with recipes prepared for each dish, supervise pastry and salad preparation and perform cooking duties for day to day menu orders.
- Hostess** The hostess will be responsible for all aspects of table management. This includes taking reservations, coordinating of wait staff levels in dining rooms, assignment of tables and sections to staff, greeting and seating customers, logging and tracking of members checks, logging of events and functions in the reservation book, and coverage of the dining room phone during business hours.

## 5.7 Other Job Descriptions

### (Complete Job Descriptions attached as Appendix HR-2)

- Cook** Cooks will be responsible for daily food preparation, limited menu planning and limited recipe creation. Cooks will also supervise kitchen dish washing operations.
- Wait Staff** Wait staff will be responsible for set up and preparation of the dining room, providing the Highest standards of service to customers, proper maintenance of dining rooms and equipment, correct ringing of orders to insure correct billing of customers, breakdown/reset of dining rooms after times of service.
- Bus Staff** The bus staff will be responsible for set up and maintaining the beverage station, running trays of food promptly to correct tables, running trays of dishes to the kitchen, assisting wait staff with beverage service and

bussing tables, setting up and breaking down functions, while providing the highest standard of service to the members.

## **5.8 Human Resource Governmental Regulations**

**a. Labor Laws.** “A Taste of the Islands” restaurant is mindful of the government regulations that affect this business. The main federal laws affecting the employment relationship include:

1. Fair Labor Standards Act (1938)- sets the minimum wage which increased to \$3.44 per hour in 2001.
2. Occupational Safety and Health Act (1970)-requires employers to provide a workplace free of health and safety hazards.
3. Americans with Disabilities Act (1990)-requires employers to make “reasonable accommodations” so qualified disabled employees can perform their job (with exceptions to small businesses)
4. Immigration Reform and Control Act (1986)- Verifies employment eligibility and prevents employment of illegal aliens.

**b. Employment Laws.** Social Security Act (1935)- protects the retirement income of employees and retirees.

1. AnyState Unemployment Compensation Act – business provides unemployment insurance premiums to the State for employees for compensation when unemployed.
2. Federal Unemployment Taxation Act (FUTA) – business pays federal unemployment insurance premium to assist the state in maintaining state reserves.
3. AnyState Workmen’s Compensation Act – business pays premiums (based on type of labor) for worker’s compensation when employees become injured and cannot work.

## **6.0 QUALITY CONTROL/CUSTOMER SERVICE**

**6.1 Quality Control.** Quality control will implement Demming’s 14 points of integrating Total Quality Management (TQM) into every day business operations. The management staff will create an environment to instill “Quality as Everyone’s Business”. Quality control techniques will include product, service, reception, presentation and environment.

**6.2 Customer Service.** Customer service will be incorporated into the TQM model, as customer service “starts and ends in the parking lot”. Techniques to implement strong customer service will include employee incentive programs based on “time of service”, guest response cards, patron suggestions and comments and “team sponsored programs”. In keeping with the human resource philosophy, customer service will also be “branded”, with high return “regular” patrons.

## **7.00 FINANCIAL PLAN**

**7.1 OVERVIEW.** A TASTE OF THE ISLANDS is organized as a Domestic LLC organization, under the requirements for organizing a AnyState Limited Liability Company (53-19-7 to 55-19-10 NMSA 1978) with Articles of Organization filed with the Public Regulation Commission, Corporations Bureau, Chartered Documents Division, City, AnyState. Income taxes will pass to Organization Partners, and is assumed at the rate of 27%. The Certificate of Organization and Articles of Organization are attached as Exhibit FP-5.

The financial models contained in this plan are based on important assumptions, most of which are shown in the following table. Assumptions made on the financial models presented as exhibits to this plan are listed under Financial Plan Assumptions, and illustrated in more detail in the referenced appendices or financial analysis sources cited.

- a. The Owners intend to invest \$254,700 at start up (\$84,900.00 each).
- b. The economy will remain strong, without a major recession.
- c. That there are no unforeseen changes in consumer’s tastes or interests to make our concept less competitive.
- d. That personnel burden rates will remain at the current rate during the period of the financial models represented.
- e. That components contained in the cost of goods sold will remain at their current rate throughout the period of the models presented.

## **7.2 START-UP COSTS (Exhibit FP-1)**

### **7.21 FACILITIES**

A TASTE OF THE ISLANDS will be located in the North Eastern Quadrant of the City of Anytown, in leased facilities located within a major shopping hub offering ample parking, access and visibility from a major thoroughfare. Facility costs associated with Start-up costs include the first and last month lease payment,

due upon execution of the lease. The facility will include approximately 1,500 square feet of dining area, 600 square feet of kitchen area, 200 square feet of storage, and 350 square feet of waiting/entry area. It is assumed that the facility will cost \$14.00/square foot/year, under a one-year lease agreement with 4 automatic extensions (5 year lease). Annual facility costs will be \$37,104.00.

#### **7.22 FURNITURE, FIXTURES AND EQUIPMENT**

Furniture, fixtures and equipment contained in the start-up costs include all major food preparation equipment, appliances, tools, dining furniture and serve ware necessary for a dining capacity of 75 patrons. The Major food preparation equipment (freezers, ranges, work tables, etc.) will be leased through a major supply house in Anytown, and the remainder of the equipment needed (\$32,760.00) will be purchased with start-up capital.

#### **7.23 MARKETING**

It is the intent to conduct special promotions to “kick off” the venture, prior to opening. The advertising started in these promotions will continue during popular drive slots, as shown on the projected cash flow (Exhibit FP-4). Marketing and Promotion also includes print material, menus, and office stationery.

#### **7.24 REGULATORY**

Regulatory compliance costs include all costs associated with the permitting, licensing and environmental inspections necessary prior to the start of business. These costs also include the first year lease cost of the beer and wine license.

#### **7.25 FEES**

In order to ensure that proper programming and planning are conducted throughout the first year of operation, A Taste of the Islands will engage the services of The Innovations Group (hospitality professional advisors). These services will include market planning, facility layout, initial financial records processes, and assistance in selection of staff. Start-up costs will include the initial 6 months of advisory service. Professional fees also include prepaid legal, accounting, and audit services.

## 7.26 PRE-OPEN

Pre-opening costs include all costs associated with opening the doors on the first day. These costs include staff orientation and training, special opening promotion, interior decorating (West Indian Artifacts), and facility cleaning and set-up.

## 7.3 FINANCIAL PLAN EXHIBITS

<b>7.31</b>	START-UP COSTS	EXHIBIT FP-1	Initial Costs for venture Start-Up
<b>7.32</b>	INCOME STATEMENT	EXHIBIT FP-2	Projected Profit/Loss by Quarter, 1 <sup>st</sup> year
<b>7.33</b>	BALANCE SHEET	EXHIBIT FP-3	Projected Balance Sheet at start and 1 <sup>st</sup> year

## 7.4 FINANCIAL RATIOS

	THIS VENTURE	INDUSTRY STANDARD
<b>7.41</b>	Net Profit After Tax	5.65% 2.4% (D&B)
<b>7.42</b>	Gross Profit Margin	73.48% 54.9% (D & B SIC 5812)
<b>7.43</b>	Asset Ratio (UQ)	1.8:1 1.3:1 (D&B) 1.6:1 (RMA)
<b>7.44</b>	Quick Ratio	1.27:1 .9:1 (RMA) 1.5:1 (FRA)

## 7.5 FINANCIAL PLAN ASSUMPTIONS

### 7.51 START-UP COSTS (Exhibit FP-1)

- A. Limited Partners will invest \$84,900 each, with initial funds of \$64,900 and \$10,000 due at the beginning of operation, and an additional \$10,000 due at the end of the first month of operation. The additional \$20,000 will be used as cash injection for operation.
- B. Funds not used as specified in start-up expenses will be deposited in the reserve account, or included in operating cash flow.
- C. Additional start-up costs (if any) will be shared equally by the limited partners, as described in the Articles of Operation. Funds needed for additional start-up will not be deducted from cash flow injection.

### 7.52 INCOME STATEMENT (Exhibit FP-2) and CASH FLOW (Exhibit FP-4)

- A. Hours of Operation: 10:00 AM to 10:00 PM – 7 days per week
- B. Hours of Staffing: 9:00 Am to 11:00 PM 7 days per week

- C. Seating Capacity: 75
- D. Number of patrons: Evening 240 Max/day, Daytime 480 Max/day
- E. Assumed number of patrons at start: Evening 66/day, Daytime 49/day
- F. Assumed number of patrons after 2 months: Evening 150/day. Daytime 50/day
- G. Occupancy Rate at Beginning: 27% After 2 months: 62%
- H. Average Meal Cost Breakdown: (New York West Indian Restaurant Costs)

PER PLATE	EVENING	DAYTIME
(1) Raw food costs	\$ 3.10	\$ 1.85
(2) Dry Goods	.05	.05
(3) Sundries	.16	.05
(4) Condiments	.13	.13
(5) Paper Goods	.11	.11
(6) Linen	.07	0.00
(7) Labor with burden	5.38	2.87
(8) Marketing Allowance	2.37	1.37
(9) <u>Other Expenses</u>	<u>3.65</u>	<u>1.65</u>
Total	\$ 15.02	\$ 8.08
Menu Price Per Plate:	\$ 18.55	\$ 9.55
Gross Profit Per Meal:	23.5%	18.2%

- I. Marketing Costs:
  - (1) Radio Advertising: Drive time \$130/60 second slot at 4 slots per day
  - (2) Printed Material: Coupons and brochures at area hotels at \$.85 each at 22,000
  - (3) Promotions: Area DJ on site at \$4,800 each visit – scheduled 3 events
  - (4) Outdoor Advertising: Each billboard at \$800.00/month
  - (5) Exterior sign lease: Artwork and Sign at Mall entrance at \$240.00/month
- J. Assumed Tax Rate of Partners: 27%

K. Industry Standards ratio calculations used are included as Appendices, and include the following:

(1) Dunn & Bradstreet Cost of Doing Business Report (D&B)

2002 SIC 5812 Page 113

Appendix FP-A

(2) Risk Management Association Financial Statements (RMA)

2002 SIC 5812, Page 1266

Appendix FP-B

(3) Financial Research Associates (FRA)

2000 Assets from \$50,000 - \$1,000,000, Page 192

Appendix FP-C

### **7.53 BALANCE SHEET (Exhibit FP-3)**

- A. Current Assets includes starting capital of \$30,000 (\$10,000 each partner) and initial supply purchases (inventory) for start-up.
- B. Fixed Assets includes lease amounts (Equipment and sign leases have low buy-outs).
- C. Current Liabilities includes unpaid (2 week) expenses and salaries.
- D. Long-Term Liabilities includes exposed lease payments (1 year terms).
- E. Balance sheet includes projections at start-up and at the end of 12 months operation.