

Bar/Nightclub



Business Plan

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Bar/Nightclub Business Plan

Concept: Upscale Lounge

Location: TBD

Capacity: 250-300

Décor: Casual Plush, Starlight Ceiling

Hours: 5PM-2AM

Additional: Dance Floor (different dj each night), Ample Parking, 180 Degree Bar

Opening Costs:

Business Buy-out	\$500,000
Renovations	\$150,000
Bar	\$ 20,000
Decor	\$ 60,000
Music Equipment	\$ 10,000
Cash Registers/POS System	\$ 10,000
Exteriors	\$ 10,000
Restrooms	\$ 5,000
Equipment (Beer Coolers, etc.)	\$ 25,000
Glassware, Plates, Utensils	\$ 4,000
Staff Training	\$ 6,000
Licenses, Fees	\$ 10,000
Decorator (6 weeks)	\$ 6,000
Consultant (4 weeks)	\$ 4,000
Payroll (4 weeks-50 shifts-month 1)	*\$ 15,000
Managers (4 weeks + 8 pre-opening)	\$ 24,000 (\$1,000/week)
DJ (month 1)	\$ 3,000 (\$750/week)
Accountant (Payroll, Taxes, etc.)	\$ 12,000
Legal	\$ 5,000
Janitorial	\$ 1,000
Insurance	\$ 6,000
Promotions	\$ 1,000
Advertising	\$ 10,000
Liquor/Food/Supplies	\$ 25,000
Office	\$ 2,000
Misc.	<u>\$226,000</u>
Total	\$1,000,000

Mission

With the feel of a cozy lounge, we hope to create a nightclub that will sustain a regular clientele in addition to attracting trendy types. We plan to stay a step ahead of our competition through the superior service of our exceptional staff. A simple, yet unique, menu and atmosphere will create a sense of 'belonging' for locals and hipsters alike. Our motto is "Whatever it takes to make you happy!"

The main objectives of the development of this new venue are:

- To launch the venue with a highly publicized grand opening event in the upcoming spring.
- To maintain tight control of costs, operations, and cash flow through diligent management.
- To maintain a food cost below 33% of food revenue.
- To maintain a total beverage cost below 25% of beverage revenue.
- To exceed \$500,000 in annual sales.

The keys to success in achieving our goals are:

- Provide exceptional service that leaves an impression.
- Consistent entertainment atmosphere and product quality.
- Managing our internal finances and cash flow to enable upward capital growth.
- Strict control of all costs, at all times, without exception.

Company Ownership

The nightclub will be a privately-held LLC, which consists of two primary owners, John Doe and Jane Doe, who will each hold 300 of the company's 1,000 shares.

John Doe and Jane Doe, who will manage the venue, proved to be an unstoppable team when they managed another very successful nightclub in New York City. They implemented many money-saving policies and revenue-generating ideas, which are responsible for the 33% higher revenues in the club's second year. These two strong managers formed a team of superior, loyal staff, which is further credit to their success.

John has managed several businesses and is expert with cost-effective policies. He has an exemplary track-record and his polite demeanor has earned him the reputation of the perfect host.

Jane Doe has worked in the nightclub business for over 25 years. Her job titles have included all positions and she is considered an expert on customer service in the bar industry. Her enthusiasm makes everyone feel like a guest, rather than a customer.

The other 400 shares will be held by investors, distributed at 40 shares for \$25,000 each. These owners will be silent partners.

Projections

The following charts and graphs show the many possibilities of revenues and operating costs. They may be used as a guide to calculate projections, considering all factors in operations and allowing for unforeseen expenses. Keep in mind that a more detailed business plan may not be a better one. Too many charts and numbers become confusing. Research on the demographic and the location should also be considered when determining the desired clientele, which will affect projections.

Payroll Estimates

In estimating payroll, hours open, capacity and service should be considered.

Employee	Shifts	Pay	Weekly Total	Monthly Total
D.J.	3	\$250	\$750	\$3,000
Door Host	3	\$100	\$300	\$1,200
Security (3)	2 x (3)	\$125	\$750	\$3,000
Security (1)	4	\$125	\$500	\$2,000
Waitress (2)	2 x (2)	\$75	\$300	\$1,200
Waitress (1)	2	\$75	\$150	\$600
Shot Girl	2	\$25	\$50	\$200
Bartender (2)	2 x (2)	\$75	\$300	\$1,200
Bartender (1)	4	\$75	\$300	\$1,200
Barback	6	\$100	\$600	\$2,400
Busboy	2	\$75	\$150	\$600
Cook	6	\$100	\$600	\$2,400
Manager	6	\$175	\$1,050	\$4,200
Asst Manager	3	\$100	\$300	\$1,200
Total			\$6,100	\$24,400

First Year Projections:

Sales

	Heads	Cover Charge	2 drinks/\$7 average	Sales
Month 1	5,420	\$10	\$14	\$130,080
Month 2	6,050	\$10	\$14	\$145,200
Month 3	6,500	\$10	\$14	\$156,000
Month 4	6,800	\$10	\$14	\$163,200
Month 5	7,000	\$10	\$14	\$168,000
Month 6	6,750	\$10	\$14	\$162,000
Month 7	7,000	\$10	\$14	\$168,000
Month 8	7,500	\$10	\$14	\$180,000
Month 9	6,000	\$10	\$14	\$144,000
Month 10	6,500	\$10	\$14	\$156,000
Month 11	6,800	\$10	\$14	\$163,200
Month 12	7,100	\$10	\$14	\$170,400
Annual	79,420			\$1,906,080

Operating Costs

	Payroll	Liquor	Food	Rent	Utilities	Promos	Misc.	Total
Month 1	\$25,000	\$10,000	\$500	\$5,000	\$1,500	\$1,000	\$10,000	\$53,000
Month 2	\$25,000	\$12,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$47,100
Month 3	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Month 4	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Month 5	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Month 6	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Month 7	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Month 8	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Month 9	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Month 10	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Month 11	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Month 12	\$25,000	\$15,000	\$600	\$5,000	\$1,500	\$1,000	\$2,000	\$50,100
Annual	\$276,000	\$172,000	\$7,100	\$60,000	\$18,000	\$12,000	\$32,000	\$601,100

Revenues-Month 1

Day	Heads	\$ per Head	Revenue	x 4 weeks		
Monday	150	\$25 / \$20 / \$15	\$3,750 / \$3,000 / \$2,250	\$15,000	\$12,000	\$ 9,000
Tuesday	150	\$25 / \$20 / \$15	\$3,750 / \$3,000 / \$2,250	\$15,000	\$12,000	\$ 9,000
Wednesday	180	\$25 / \$20 / \$15	\$4,500 / \$3,600 / \$2,700	\$18,000	\$14,400	\$10,800
Thursday	225	\$25 / \$20 / \$15	\$5,625 / \$4,500 / \$3,375	\$22,500	\$18,000	\$13,500
Friday	350	\$25 / \$20 / \$15	\$8,750 / \$7,000 / \$5,250	\$35,000	\$28,000	\$21,000
Saturday	400	\$25 / \$20 / \$15	\$10,000 / \$8,000 / \$6,000	<u>\$40,000</u>	<u>\$32,000</u>	<u>\$24,000</u>
Total	1,455		\$36,375 / \$29,100 / \$21,825	\$145,500	\$116,400	\$87,300
Op. Costs				-\$29,000	-\$29,000	-\$29,000
PROFIT				\$116,500	\$87,400	\$58,300

Revenues-Month 2

Day	Heads	\$ per Head	Revenue	x 4 weeks		
Monday	150	\$25 / \$20 / \$15	\$3,750 / \$3,000 / \$2,250	\$15,000	\$12,000	\$ 9,000
Tuesday	180	\$25 / \$20 / \$15	\$4,500 / \$3,600 / \$2,700	\$18,000	\$14,400	\$10,800
Wednesday	225	\$25 / \$20 / \$15	\$5,625 / \$4,500 / \$3,375	\$22,500	\$18,000	\$13,500
Thursday	275	\$25 / \$20 / \$15	\$6,875 / \$5,500 / \$4,125	\$27,500	\$22,000	\$16,500
Friday	350	\$30 / \$25 / \$20	\$10,500 / \$8,750 / \$7,000	\$42,000	\$35,000	\$28,000
Saturday	450	\$30 / \$25 / \$20	\$13,500 / \$11,250 / \$9,000	<u>\$54,000</u>	<u>\$45,000</u>	<u>\$36,000</u>
Total	1,630		\$44,750 / \$36,600 / \$28,450	\$179,000	\$146,400	\$113,800
Op. Costs				-\$47,100	-\$47,100	-\$47,100
PROFIT				\$131,900	\$99,300	\$66,700

Revenues-Months 3-12

Day	Heads	\$ per Head	Revenue	x 4 weeks		
Monday	180	\$25 / \$20 / \$15	\$4,500 / \$3,600 / \$2,700	\$18,000	\$14,400	\$10,800
Tuesday	180	\$25 / \$20 / \$15	\$4,500 / \$3,600 / \$2,700	\$18,000	\$14,400	\$10,800
Wednesday	275	\$25 / \$20 / \$15	\$6,875 / \$5,500 / \$4,125	\$27,500	\$22,000	\$16,500
Thursday	275	\$25 / \$20 / \$15	\$6,875 / \$5,500 / \$4,125	\$27,500	\$22,000	\$16,500
Friday	400	\$30 / \$25 / \$20	\$12,000 / \$10,000 / \$8,000	\$48,000	\$40,000	\$32,000
Saturday	450	\$30 / \$25 / \$20	\$13,500 / \$11,250 / \$9,000	<u>\$54,000</u>	<u>\$45,000</u>	<u>\$36,000</u>
Total	1,760		\$48,250 / \$39,450 / \$30,650	\$193,000	\$157,800	\$122,600
Op. Costs				-\$ 50,100	-\$ 50,100	-\$50,100
PROFIT				\$142,900	\$107,700	\$72,500

First Year Projections-PROFIT

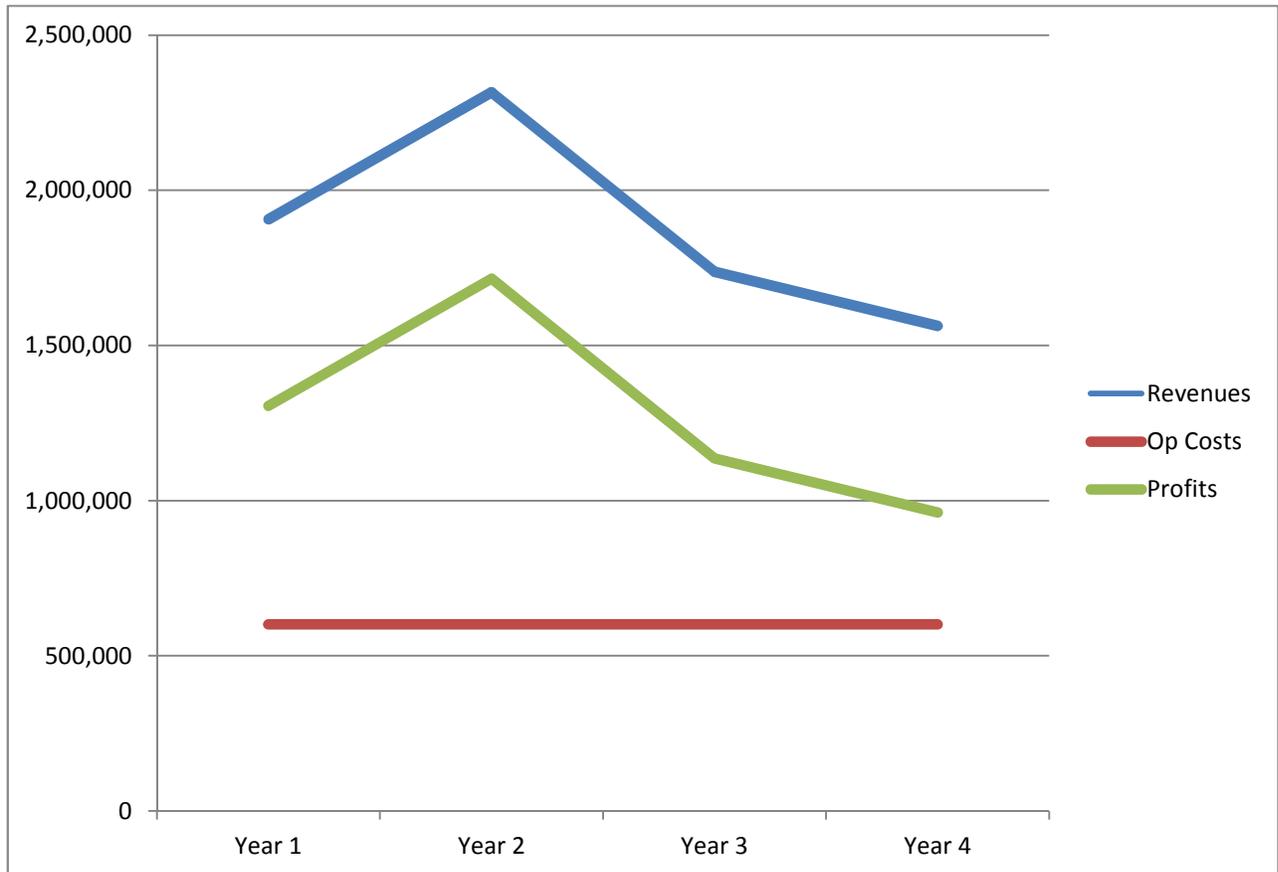
Month	High	Average	Low
1	\$116,500	\$87,400	\$58,300
2	\$131,900	\$99,300	\$66,700
3	\$142,900	\$107,700	\$72,500
4	\$142,900	\$107,700	\$72,500
5	\$142,900	\$107,700	\$72,500
6	\$142,900	\$107,700	\$72,500
7	\$142,900	\$107,700	\$72,500
8	\$142,900	\$107,700	\$72,500
9	\$142,900	\$107,700	\$72,500
10	\$142,900	\$107,700	\$72,500
11	\$142,900	\$107,700	\$72,500
12	\$142,900	\$107,700	\$72,500
Misc.*	<u>\$ 52,800</u>	<u>\$ 52,800</u>	<u>\$52,800</u>
Total	\$1,730,200	\$1,316,500	\$902,800
Minus Investment	-\$1,000,000	-\$1,000,000	-\$1,000,000
PROFIT	\$ 730,200	\$ 316,500	-\$97,200

*Other Prospective Revenues Per Month (\$4,400 x 12 = \$52,800/year):

- ◆ Film Production-\$500
- ◆ Merchandise Sales- \$500
- ◆ Private Parties-\$1,000
- ◆ Food Delivery-\$400
- ◆ Lunch-\$2,000

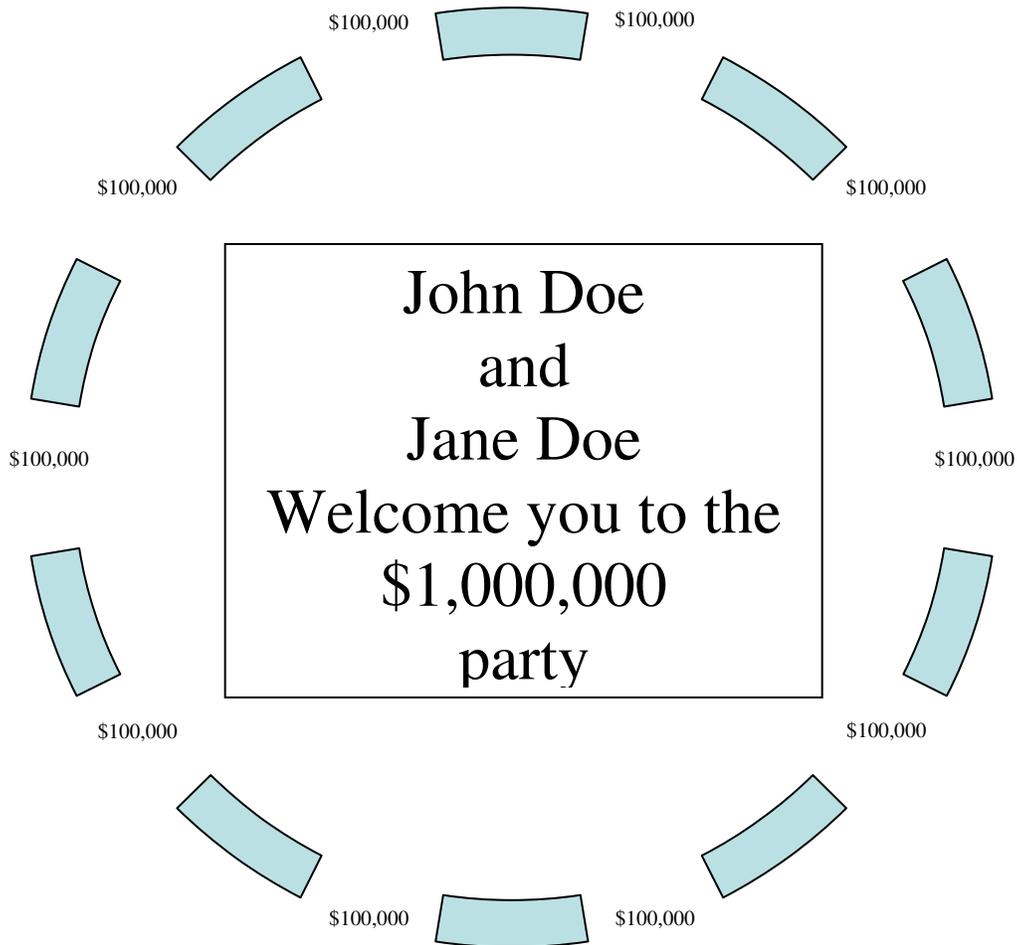
Projected Profits

The first few months after opening may be sporadic in sales, but within the 3 – 6-month range, revenues should peak and remain steady. In the third year, they may decline by as much as 25%, with a 10% decline each year after.

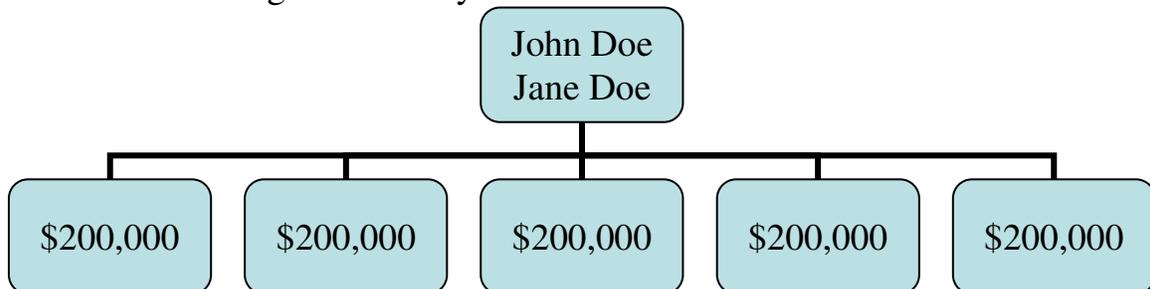


Operating costs will fluctuate, but should remain fairly level. As revenues dip, so will payroll costs, but then promotions expenses should rise.

Investors

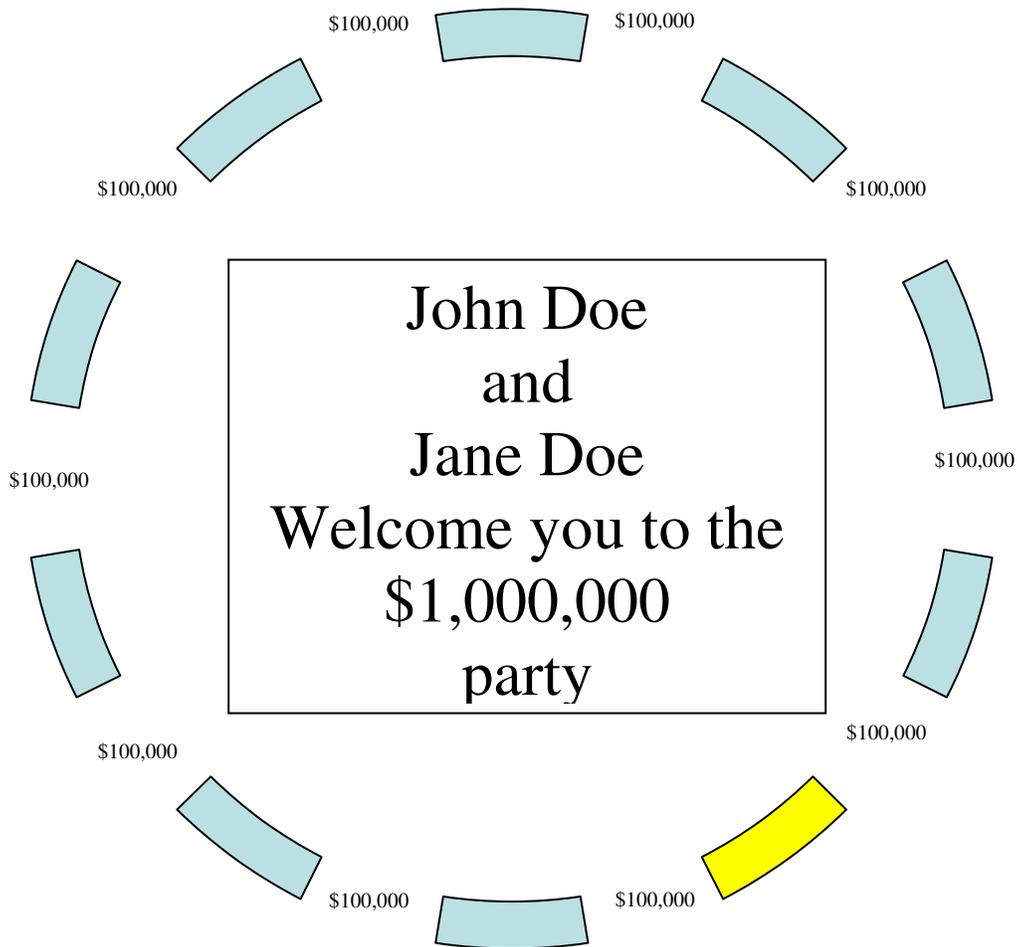


Perhaps John Doe and Jane Doe will be the managing owners with an initial investment equal to the other investors (\$100,000). They would then receive an equal share of profits and also a management salary.



If John Doe and Jane Doe do not contribute a financial investment, then they may work for an equal share of the profits with little or no salary or they may receive a regular salary with a smaller share of the profits.

Multiple Investor Shares



If one of the \$100,000 shares were divided into ten \$10,000 shares, these shares could be sold to key investors who would bring in business. These may be younger people, who usually have less to contribute financially, but lots more to offer as far as social networking.

