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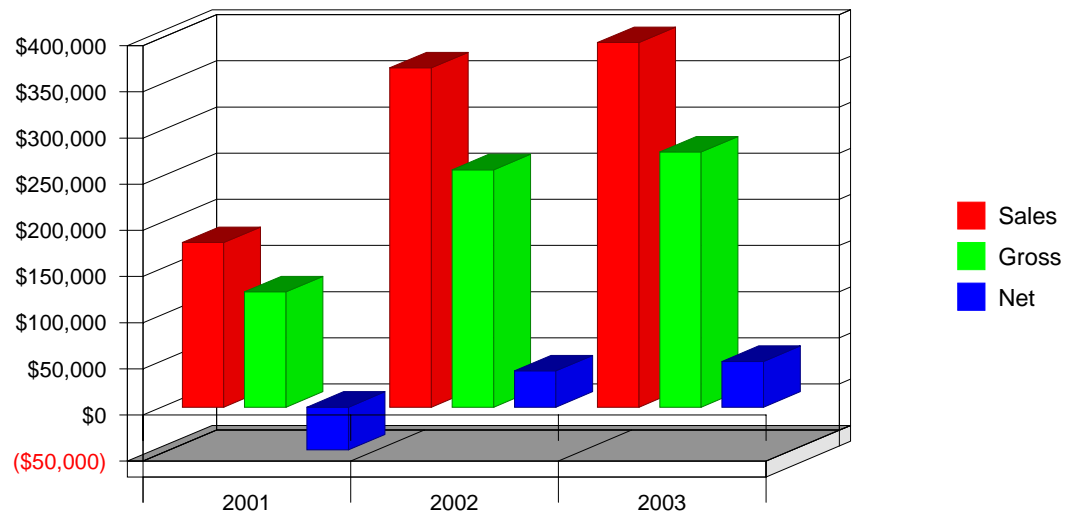
Fressen Catering

1.0 Executive Summary

Fressen Catering is a kosher catering company that serves the Philadelphia market. Fressen offers creative, colorful, and unusual food options for kosher as well as the traditional standbys. The service offerings are quite a change relative to the existing kosher catering market which is quite stagnant. Most people make the incorrect assumption that kosher food means ordinary, boring food. This assumption prevails throughout the Jewish community so there is not much demand for new offerings.

Fressen catering will inject new life into the kosher catering market, leveraging Chef Susan Cheflly's culinary skills to develop creative new catering options. Susan's advanced skills, industry insight, and a great market opportunity will allow Fressen Catering to reach profitability by month 11 and generate \$395,000 in revenues for year three.

Highlights (Planned)



1.1 Objectives

The objectives for the first three years of operation include:

- To create a service-based company whose primary goal is to exceed customer's expectations.
- To increase the number of client's served by 20% per year through superior service.
- To develop a sustainable start-up business.
- To develop enough cash flow to pay all salaries as well as grow the business.

Fressen Catering

1.2 Mission

Fressen Catering's mission is to provide the customer with the finest kosher catering. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers.

1.3 Keys to Success

The key to success is to meet and exceed the customer's needs in terms of quality of food and excellence of service.

2.0 Company Summary

Fressen Catering, located in Philadelphia, PA will offer high-end kosher catering to the Philadelphia community. Fressen Catering will serve parties of 25-300 people with high-end kosher foods that are currently only available in New York City. Fressen Catering will offer a large menu repertoire, from traditional favorites to creative inventions. All of the food and drink items served will be done under strict supervision of the Orthodox Rabbinic authority.

Fressen will rent space for the office and kitchen in an industrial area of Philadelphia. Renting in the industrial area will significantly lower the cost. Since the space will be used for food production it is not relevant for the store front to be aesthetically pleasing, or in a nice neighborhood. Fressen Catering is forecasted to generate \$395,000 in revenues for year three.

2.1 Company Ownership

Fressen Catering is a sole proprietorship owned by Susan Cheflly.

2.2 Start-up Summary

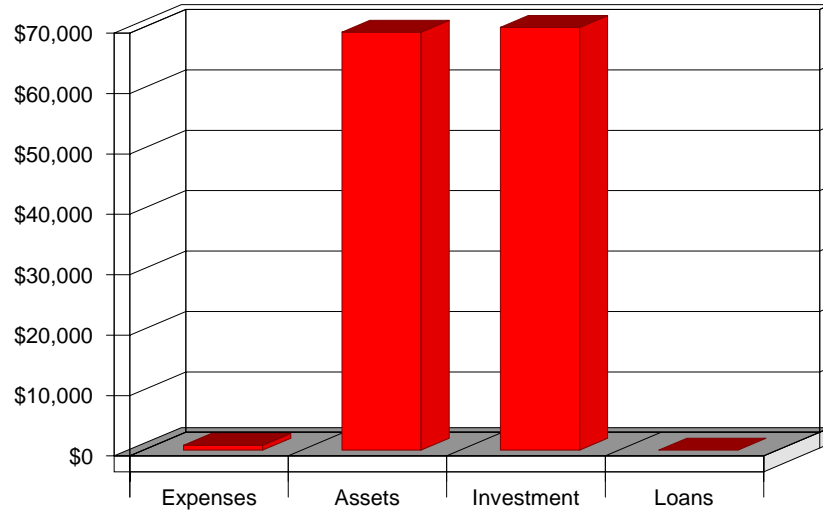
Fressen Catering will incur the following start-up costs:

- Two commercial stoves with ovens.
- Dishwasher.
- Two sets of cookware.
- Two sets of dishware.
- One van with rolling racks built in (a rolling rack is a wheeled rolling cart system that is insulated for both hot and cold food).
- Assorted serving trays and utensils, knives and cutting boards (two each).
- Desk and chair.
- Computer with printer, CD-RW, Microsoft Office, and QuickBooks Pro.
- Copier and fax machine.

Please note that the following items which are considered assets to be used for more than a year will be labeled long-term assets and will be depreciated using G.A.A.P. approved straight-line depreciation method.

Fressen Catering

Start-up



Fressen Catering

Table: Start-up

<u>Start-up</u>	
<u>Requirements</u>	
<u>Start-up Expenses</u>	
Legal	\$500
Stationery etc.	\$150
Brochures	\$150
Rent	\$0
Other	\$0
<u>Total Start-up Expense</u>	<u>\$800</u>
<u>Start-up Assets Needed</u>	
Cash Balance on Starting Date	\$36,700
Other Short-term Assets	\$0
<u>Total Short-term Assets</u>	<u>\$36,700</u>
Long-term Assets	\$32,500
<u>Total Assets</u>	<u>\$69,200</u>
<u>Total Requirements</u>	<u>\$70,000</u>
<u>Funding</u>	
<u>Investment</u>	
Susan	\$35,000
Family and friends	\$35,000
Other	\$0
<u>Total Investment</u>	<u>\$70,000</u>
<u>Short-term Liabilities</u>	
Accounts Payable	\$0
Current Borrowing	\$0
Other Short-term Liabilities	\$0
<u>Subtotal Short-term Liabilities</u>	<u>\$0</u>
Long-term Liabilities	\$0
<u>Total Liabilities</u>	<u>\$0</u>
Loss at Start-up	(\$800)
<u>Total Capital</u>	<u>\$69,200</u>
<u>Total Capital and Liabilities</u>	<u>\$69,200</u>

3.0 Services

Fressen Catering will provide Philadelphia with high quality kosher catering. The catering service will be for weddings, Bar/Bat Mitzvahs, and other assorted parties.

Kosher or kashruth is a specific, ritual/set of rules that applies to certain sects of Judaism in regards to food/drink preparation and consumption. A kitchen or catering service must be specially set up to provide kosher meals. The explanation below regarding the prohibition of dairy and meat served together or made in the same kitchen by the same pots and utensils is the reason that Fressen Catering will require two sets of everything, including two stove top ranges and ovens.

The Hebrew word kosher means fit or proper as it relates to dietary (kosher) laws. It means that a given product is permitted and acceptable. The sources for the laws of kashruth are of Biblical origin and expounded in Rabbinic legislation. These laws are codified in the Shulchan Aruch (Code of Jewish Law). Though a hygienic benefit has been attributed to the observance of kashruth, the ultimate purpose and rationale is simply to conform to the Divine Will as expressed in the Torah.

Fressen Catering

Kosher and non-kosher meat, poultry and fish:

- The Torah (Leviticus Chapter 11) lists the characteristics of permitted mammals and fish, and indicates the forbidden fowl. The only mammals permitted are those which chew their cud and are cloven hoofed.
- The Torah does not list specific characteristics to distinguish permitted from forbidden birds. Instead, it details 24 forbidden species of fowl.
- The Torah establishes two criteria in determining kosher fish. They must have fins and scales. All shellfish are prohibited. One, however, should not eat fish with meat.

Another element of Kosher meat consumption applies to the way in which the meat is slaughtered. There are several different methods:

- **Shechita.** Only a trained kosher slaughterer (shochet) certified by rabbinic authorities is qualified to slaughter an animal. The trachea and esophagus of the animal are severed with a special sharp, perfectly smooth blade causing instantaneous death with no pain to the animal.
- **Bedika.** After the animal has been properly slaughtered, a trained inspector (bodek) inspects the internal organs for any physical abnormalities that may render the animal non-kosher (treif).
- **Glatt Kosher.** Some Jewish communities or people only eat of an animal that has been found to be free of all adhesions. "Glatt" means smooth, that the meat comes from an animal whose lungs have been found to be free of all adhesions. "Glatt Kosher" is used more broadly as a consumer phrase meaning kosher without question.
- **Koshering.** The Torah forbids the eating of the blood of an animal. The two methods of extracting blood from meat are salting and broiling. Meat once ground cannot be made kosher, nor may meat be placed in hot water before it has been "koshered."
- **Salting.** The meat must first be soaked in salt. After the salting, the meat must be thoroughly soaked and washed to remove all salt.
- **Broiling.** Liver may only be koshered through broiling, because of the preponderance of blood in it. Both the liver and meat must first be thoroughly washed to remove all surface blood. They are then salted slightly on all sides. Then they are broiled on a perforated grate over an open fire, drawing out the internal blood.

One of the main tenants is the prohibition of meat and dairy in the kitchen together. The Torah forbids cooking meat and milk together in any form, eating such cooked products, or deriving benefit from them. As a safeguard, the Rabbis extended this prohibition to disallow the eating of meat and dairy products at the same meal or preparing them on the same utensils. One must wait up to six hours after eating meat products before any dairy products may be eaten.

Fressen Catering will serve a wide variety of dishes. This is offered for two reasons.

1. The larger repertoire of menu items is a benefit to the customers.
2. A large selection is required because meat and dairy cannot be mixed within the meal, therefore, in essence you have to have two different menus, one with dairy and one with meat.

Some of the menu offerings will be traditional kosher/Jewish meals such as beef brisket with potatoes and vegetables and a roasted chicken with rice and spinach. More inventive meals will also be offered to appeal to the higher end, more discriminating customers such as chicken pesto dishes or a red pepper couli sauce, or maybe salmon with curry couli and plum chutney.

Kosher catering is not cheap. The ingredients cost more, as well as the additional equipment that is needed to eliminate the mixing of dairy and meat products. Per person costs range from \$45-110.

4.0 Market Analysis Summary

The Philadelphia kosher catering market is an interesting one. There are several caterers that offer services that are quite similar to each other in terms of price and menu options. For whatever reasons, there has been little demand by consumers to get caterers to innovate their menu. This is not to say that consumers would not welcome new kosher menu items, it is just that people have incorrectly made the assumption that kosher meals have to be boring. Fressen will occupy a niche in the kosher catering market that offers new, creative menu items, broadening people's conception of kosher food. This market consists of two target segments that are differentiated by household income.

4.1 Market Segmentation

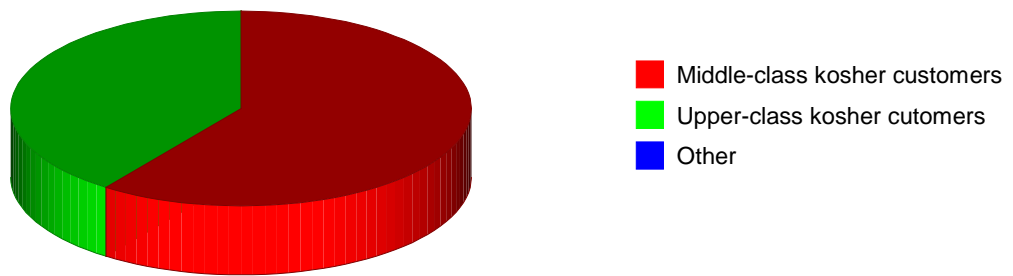
Fressen Catering has two distinct target populations:

1. Middle class kosher clients. This group of people does not have huge amounts of disposable income, recognizes that it is costly to sponsor a kosher dinner party, and is willing to incur the expenses, but will try to minimize them.
2. Upper class kosher clients. This group has intertwined kosher values throughout their lives and is willing to spend whatever it takes to throw a high-end kosher dinner function. Typically, this group is characterized by a wealthy one-income family where the male works and the female does not. The female of the household typically thoroughly enjoys the planning of these events.

Table: Market Analysis

Market Analysis Potential Customers	Growth	2001	2002	2003	2004	2005	CAGR
Middle-class kosher customers	8%	120,547	130,191	140,606	151,854	164,002	8.00%
Upper-class kosher customers	9%	80,457	87,698	95,591	104,194	113,571	9.00%
Other	0%	0	0	0	0	0	0.00%
Total	8.40%	201,004	217,889	236,197	256,048	277,573	8.40%

Market Analysis (Pie)



4.2 Target Market Segment Strategy

The target market segment strategy will not be significantly different to address the two different groups. Both groups, regardless of income typically belong to the same group of religious congregations. Therefore, to reach the different groups does not require a distinctly different strategy. What differentiation it will require is different menu offerings needed to satisfy the different groups. The upper-end menu items are cost prohibitive for the middle class target segment.

4.3 Service Business Analysis

The kosher catering business in Philadelphia is fairly unique. At the low- to mid-price point of the cost spectrum, there are four other kosher caterers. These caterers tend to serve the part of the market that must have kosher food served at an occasion due to religious beliefs, but struggle to be able to afford the cost variance between standard and kosher catering. All four of these caterers have fairly standard menu offerings. There is a fifth caterer that also serves the lower end of the market (defined as middle class) but serves the high end of the market as well. Although there is a large wealthy population in Philadelphia that practices kosher rituals, they have been underserved.

4.3.1 Competition and Buying Patterns

As stated in the previous section, there are four other kosher caterers that serve the low to middle end of the market. These caterers compete to some degree on cost (due to budget constraints of some clients), but more so on service. The quality and the serving of the food are the main areas of service that the caterers compete on.

There is one high-end caterer who will compete with Fressen. This caterer, while serving the upper-end market, does not provide its clients with upper-end service. This company is not a strong competitor because of their overpriced service offerings relative to the service provided, and its business has been declining over the last few years. Lastly, one competitor for the high-end market is kosher caterers from New York City. When cost is no object, there are many people that are willing to pay the additional cost of bringing in the caterer from NYC.

The buying habits of consumers of kosher catering is to some degree price sensitive at the middle end of the market. Between two different service providers, the middle class group will choose the service provider with the best services. However, cost is certainly an issue and some of the caterers are not even options because they are priced out of this consumer groups price range. The buying habits for the high end of the market is price insensitive. Choices are made by menu offerings, reputation, and attention to service.

5.0 Strategy and Implementation Summary

Fressen Catering will gradually gain market share in the kosher catering market by leveraging its competitive edges. These edges are superior attention to detail and innovative nouveau cuisine kosher meals. The edges that Fressen will leverage are areas that have been ignored in this market for some time now. These competitive edges coupled with a targeted advertising campaign and networking will be Fressen's game plan for increasing their market share.

5.1 Competitive Edge

Fressen Catering's competitive edge is its attention to servicing customers and inventive approach to kosher cuisine. Fressen's customer attention differentiates them in the world of kosher catering which is dominated by several companies that have plenty of demand. The consequence of market demand is a decreased pressure to accommodate customers. Fressen is approaching the market as if there was significant competition between the different service providers. By making customer satisfaction a priority, over time, local customers will come to appreciate the attention that their needs are given and form a long lasting relationship with Fressen Catering.

Fressen's other competitive edge is their nouveau cuisine approach to kosher food. Traditionally, kosher food has remained stable and unimaginative for a long time. Most people believe that there are large compromises that must be made when serving kosher. These compromises need not be made however, and Fressen is changing these misperceptions. Just because there are strict rules regarding the types of foods that may be used and the way it must be prepared does not eliminate creativity. Fressen is taking their knowledge of nouveau cuisine and creating inventive, colorful, and delicious kosher alternatives.

5.2 Marketing Strategy

Fressen's marketing strategy will be based on developing visibility among Philadelphia's kosher community. This will be accomplished through two ways. The first method is a targeted advertising campaign. Advertisements will be placed in various Jewish newsletters. There are a couple of Philadelphia-wide newsletters. Additionally, Fressen will advertise in a few Synagogue-specific newsletters. These advertisements should yield a decent amount of service inquiries since they are fairly targeted toward the target population that utilizes kosher catering.

The other marketing strategy which is less formal is a networking campaign among the Philadelphia Jewish population. Susan has been an active member of the Philadelphia Jewish community for five years. While the Jewish population is of decent size, numbering around 200,000, it is a fairly close knit community where people tend to know each other. Susan will leverage her contacts within the Jewish community to raise awareness for her catering activities. While the networking might not cast as large of a net as advertisements will, it costs far less and the relationships that it builds will be far stronger because of the trust relationship that has already been established.

Fressen Catering

5.3 Sales Strategy

Fressen's sales strategy will use a combination of superior customer attention and a comprehensive repertoire of dishes for the menu to turn information seekers into customers. Susan recognizes when a prospective customer calls to get information about Fressen, it is Susan's main opportunity to turn them into a customer. She will do this by spending as much time on the phone as necessary.

Another benefit that Susan will leverage to develop sales is her comprehensive menu. In addition to all of the traditional kosher dishes, Susan will offer many innovative nouveau cuisine kosher items that she has developed over her years spent in the culinary industry. An innovative available menu should be seen as a large benefit. There is no intuitive or logical reason that people who adhere to kosher are any less adventurous when it comes to food other than the fact that they have been raised that way.

5.3.1 Sales Forecast

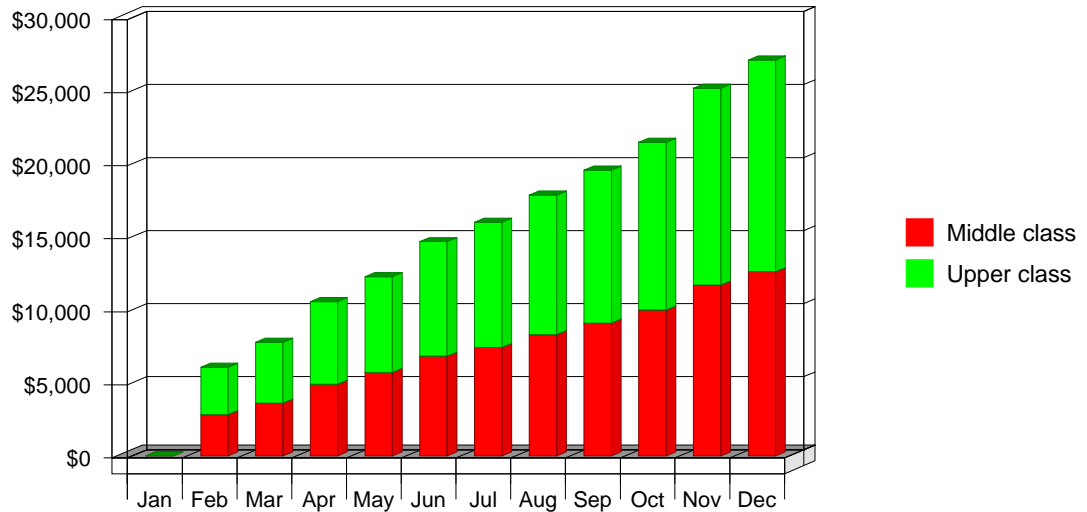
The first month will be used to set up the kitchen and office. There will be no sales activity during the first month. The second month will see a few catering jobs, but still will not be a significant source of income. Months three and four will see a steady increase in sales. Word will have gotten out from the advertising as well as networking that Fressen is the new kosher caterer in town and offers a very high-quality service. Throughout the year it is forecasted that sales will incrementally grow in size until profitability is reached toward the end of year one.

Table: Sales Forecast (Planned)

Sales Forecast			
Sales	2001	2002	2003
Middle class	\$83,017	\$170,992	\$183,774
Upper class	\$95,422	\$196,543	\$211,234
Total Sales	\$178,439	\$367,535	\$395,008
Direct Cost of Sales	2001	2002	2003
Middle class	\$24,905	\$51,298	\$55,132
Upper class	\$28,627	\$58,963	\$63,370
Subtotal Direct Cost of Sales	\$53,532	\$110,261	\$118,502

Fressen Catering

Sales Monthly (Planned)



5.4 Milestones

Fressen Catering will have several milestones early on:

1. Business plan completion. This will be done as a roadmap for the organization. This will be an indispensable tool for the ongoing performance and improvement of the company.
2. Kitchen and office set up.
3. The first catering job.
4. Profitability.

Table: Milestones (Planned)

Milestones	Start Date	End Date	Budget	Manager	Department
Business plan completion	1/1/01	2/1/01			
Kitchen and office set up	1/1/01	2/1/01			
The first catering job	1/1/01	3/1/01			
Profitability	1/1/01	12/1/01			
Totals			\$0		

Fressen Catering

6.0 Management Summary

Susan Chefly, the founder and owner received her Bachelor of Arts from the University of Pittsburgh. After college, Susan went to work in the restaurant industry because it was a good source of money. While serving at an upscale restaurant in Pittsburgh, Susan befriended one of the chefs there who began to teach her cooking techniques. Susan began to find this instruction very interesting and enjoyable. After six months of this tutoring, Susan decided that she wanted to remain in the restaurant industry, but wanted to learn the skills needed to be a chef. Susan decided to enter the Pennsylvania Culinary Institute, a well-regarded training school for chefs. Susan completed the one year program and graduated near the top of her class.

With this education, Susan went to work as a chef at one of the nicer nouveau cuisine restaurants in Philadelphia. Susan thoroughly enjoyed the five years spent as head chef, but she longed to work for herself, running her own business. Susan thought she would appreciate the ability to set her own hours, to be her own boss. One day, while in temple, the thought hit her that she could operate a kosher catering company and do well because the upper-end of the market has been largely ignored by the current competitors. With this thought in mind, Susan began to do market research. After speaking with many different people as well as holding three focus groups, she recognized that her idea was viable and started writing this business plan.

6.1 Personnel Plan

Besides utilizing Susan's skills full time, Fressen Catering will require the following personnel:

- Rabbi: a part-time position where the Rabbi is used to inspect and confirm that all of the ingredients and preparation follow the rules of kashruth.
- Servers: two will be hired. The servers will be the people who serve the food at the events as well as clear the plates and help with set up and take down of the event. In the event of a large party, the back end kitchen people will be trained to help out with serving.
- Cooks: two will be hired to prepare the dishes that Susan has developed.
- Back kitchen help: these two people will be used to help clean up in the kitchen as well as assist at functions.

Table: Personnel (Planned)

Personnel Plan	2001	2002	2003
Susan	\$36,000	\$36,000	\$40,000
Rabbi	\$11,000	\$12,000	\$12,000
Cook	\$30,800	\$33,600	\$33,600
Cook	\$22,400	\$33,600	\$33,600
Server	\$9,240	\$10,800	\$10,800
Server	\$6,720	\$10,800	\$10,800
Backend kitchen helper	\$9,240	\$10,800	\$10,800
Backend kitchen helper	\$6,720	\$10,800	\$10,800
Total Payroll	\$132,120	\$158,400	\$162,400
Total People	8	8	8
Payroll Burden	\$19,818	\$23,760	\$24,360
Total Payroll Expenditures	\$151,938	\$182,160	\$186,760

Fressen Catering

7.0 Financial Plan

The following sections will outline important financial information.

7.1 Important Assumptions

The following table details important financial assumptions.

Table: General Assumptions

General Assumptions	2001	2002	2003
Short-term Interest Rate %	10.00%	10.00%	10.00%
Long-term Interest Rate %	10.00%	10.00%	10.00%
Tax Rate %	30.00%	30.00%	30.00%
Expenses in Cash %	10.00%	10.00%	10.00%
Personnel Burden %	15.00%	15.00%	15.00%

7.2 Break-even Analysis

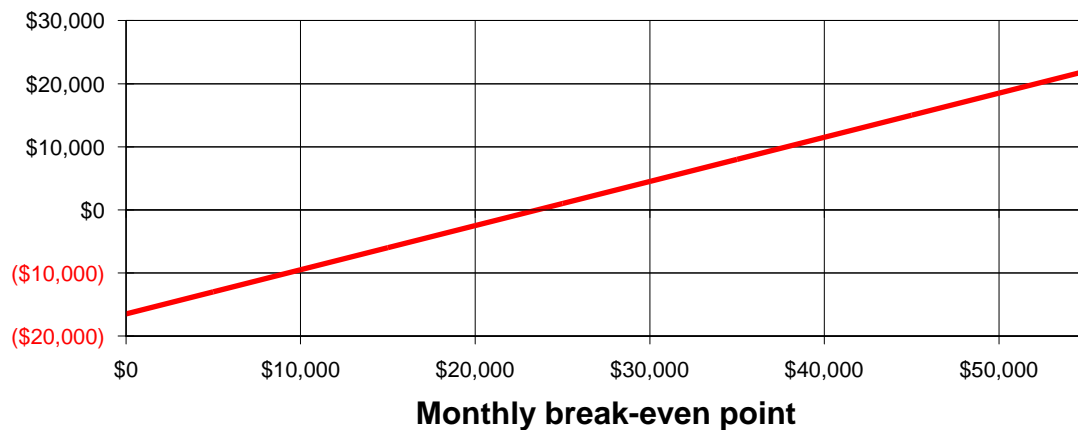
The Break-even Analysis indicates that \$23,566 will be needed in monthly revenue to reach the break-even point.

Table: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	5
Monthly Sales Break-even	\$23,566

Assumptions:	
Average Per-Unit Revenue	\$5,000.00
Average Per-Unit Variable Cost	\$1,500.00
Estimated Monthly Fixed Cost	\$16,496

Break-even Analysis



Break-even point = where line intersects with 0

Fressen Catering

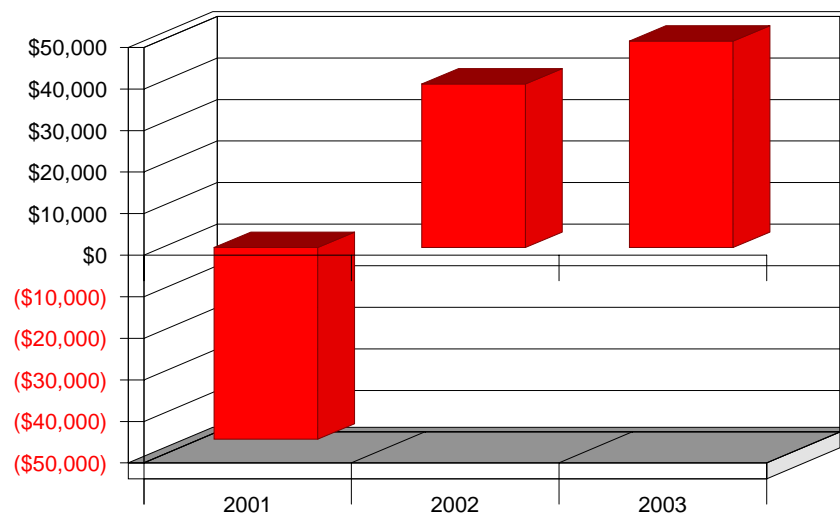
7.3 Projected Profit and Loss

The following table will indicate projected profit and loss.

Table: Profit and Loss (Planned)

Pro Forma Profit and Loss			
	2001	2002	2003
Sales	\$178,439	\$367,535	\$395,008
Direct Cost of Sales	\$53,532	\$110,261	\$118,502
Other Production Expenses	\$0	\$0	\$0
Total Cost of Sales	\$53,532	\$110,261	\$118,502
Gross Margin	\$124,907	\$257,275	\$276,505
Gross Margin %	70.00%	70.00%	70.00%
Operating Expenses:			
Advertising/Promotion	\$1,200	\$1,000	\$900
Travel	\$0	\$0	\$0
Miscellaneous	\$600	\$600	\$600
Payroll Expense	\$132,120	\$158,400	\$162,400
Payroll Burden	\$19,818	\$23,760	\$24,360
Depreciation	\$6,504	\$6,504	\$6,504
Leased Equipment	\$0	\$0	\$0
Utilities	\$600	\$600	\$600
Insurance/ licenses	\$1,800	\$1,800	\$1,800
Rent	\$8,400	\$8,400	\$8,400
Contract/Consultants	\$0	\$0	\$0
Total Operating Expenses	\$171,042	\$201,064	\$205,564
Profit Before Interest and Taxes	(\$46,135)	\$56,211	\$70,941
Interest Expense Short-term	\$0	\$0	\$0
Interest Expense Long-term	\$0	\$0	\$0
Taxes Incurred	\$0	\$16,863	\$21,282
Extraordinary Items	\$0	\$0	\$0
Net Profit	(\$46,135)	\$39,348	\$49,659
Net Profit/Sales	-25.85%	10.71%	12.57%

Profit Yearly (Planned)



Fressen Catering

7.4 Projected Cash Flow

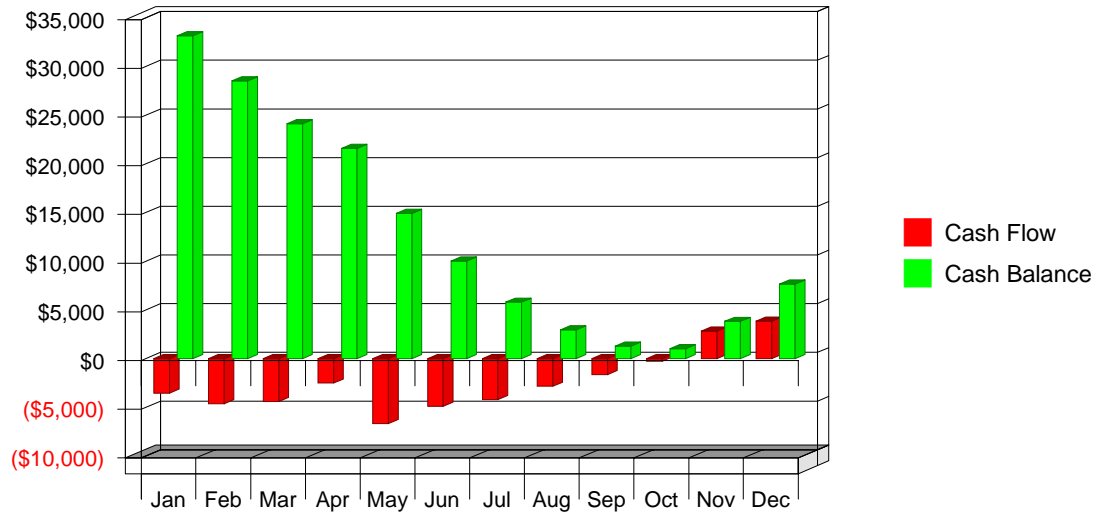
The following chart and table will indicate projected cash flow.

Table: Cash Flow (Planned)

Pro Forma Cash Flow	2001	2002	2003
Cash Received			
Cash from Operations:			
Cash Sales	\$178,439	\$367,535	\$395,008
From Receivables	\$0	\$0	\$0
Subtotal Cash from Operations	\$178,439	\$367,535	\$395,008
Additional Cash Received			
Extraordinary Items	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of other Short-term Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$178,439	\$367,535	\$395,008
Expenditures			
Expenditures from Operations:			
Cash Spent on Costs and Expenses	\$6,613	\$13,952	\$15,208
Wages, Salaries, Payroll Taxes, etc.	\$151,938	\$182,160	\$186,760
Payment of Accounts Payable	\$48,937	\$113,828	\$134,866
Subtotal Spent on Operations	\$207,488	\$309,940	\$336,835
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Short-term Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Adjustment for Assets Purchased on Credit	\$0	\$0	\$0
Subtotal Cash Spent	\$207,488	\$309,940	\$336,835
Net Cash Flow	(\$29,049)	\$57,595	\$58,173
Cash Balance	\$7,651	\$65,247	\$123,420

Fressen Catering

Cash (Planned)



Fressen Catering

7.5 Projected Balance Sheet

The following table will indicate the projected balance sheet.

Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets			
Short-term Assets	2001	2002	2003
Cash	\$7,651	\$65,247	\$123,420
Other Short-term Assets	\$0	\$0	\$0
Total Short-term Assets	\$7,651	\$65,247	\$123,420
Long-term Assets			
Long-term Assets	\$32,500	\$32,500	\$32,500
Accumulated Depreciation	\$6,504	\$13,008	\$19,512
Total Long-term Assets	\$25,996	\$19,492	\$12,988
Total Assets	\$33,647	\$84,739	\$136,408
Liabilities and Capital			
	2001	2002	2003
Accounts Payable	\$10,582	\$22,326	\$24,336
Current Borrowing	\$0	\$0	\$0
Other Short-term Liabilities	\$0	\$0	\$0
Subtotal Short-term Liabilities	\$10,582	\$22,326	\$24,336
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$10,582	\$22,326	\$24,336
Paid-in Capital	\$70,000	\$70,000	\$70,000
Retained Earnings	(\$800)	(\$46,935)	(\$7,587)
Earnings	(\$46,135)	\$39,348	\$49,659
Total Capital	\$23,065	\$62,413	\$112,072
Total Liabilities and Capital	\$33,647	\$84,739	\$136,408
Net Worth	\$23,065	\$62,413	\$112,072

Appendix

Appendix Table: Sales Forecast (Planned)

Sales Forecast	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales												
Middle class	\$0	\$2,823	\$3,614	\$4,911	\$5,711	\$6,825	\$7,436	\$8,304	\$9,096	\$9,986	\$11,706	\$12,605
Upper class	\$0	\$3,245	\$4,154	\$5,645	\$6,564	\$7,845	\$8,547	\$9,545	\$10,455	\$11,478	\$13,455	\$14,489
Total Sales	\$0	\$6,068	\$7,768	\$10,556	\$12,275	\$14,670	\$15,983	\$17,849	\$19,551	\$21,464	\$25,161	\$27,094
Direct Cost of Sales												
Middle class	\$0	\$847	\$1,084	\$1,473	\$1,713	\$2,048	\$2,231	\$2,491	\$2,729	\$2,996	\$3,512	\$3,782
Upper class	\$0	\$974	\$1,246	\$1,694	\$1,969	\$2,354	\$2,564	\$2,864	\$3,137	\$3,443	\$4,037	\$4,347
Subtotal Direct Cost of Sales	\$0	\$1,820	\$2,330	\$3,167	\$3,682	\$4,401	\$4,795	\$5,355	\$5,865	\$6,439	\$7,548	\$8,128

Appendix

Appendix Table: Personnel (Planned)

Personnel Plan	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Susan	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Rabbi	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Cook	\$0	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
Cook	\$0	\$0	\$0	\$0	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
Server	\$0	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840
Server	\$0	\$0	\$0	\$0	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840
Backend kitchen helper	\$0	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840
Backend kitchen helper	\$0	\$0	\$0	\$0	\$840	\$840	\$840	\$840	\$840	\$840	\$840	\$840
Total Payroll	\$3,000	\$8,480	\$8,480	\$8,480	\$12,960	\$12,960	\$12,960	\$12,960	\$12,960	\$12,960	\$12,960	\$12,960
Total People	1	5	5	5	8	8	8	8	8	8	8	8
Payroll Burden	\$450	\$1,272	\$1,272	\$1,272	\$1,944	\$1,944	\$1,944	\$1,944	\$1,944	\$1,944	\$1,944	\$1,944
Total Payroll Expenditures	\$3,450	\$9,752	\$9,752	\$9,752	\$14,904	\$14,904	\$14,904	\$14,904	\$14,904	\$14,904	\$14,904	\$14,904

Appendix

Appendix Table: General Assumptions

General Assumptions	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Short-term Interest Rate %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate %	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Expenses in Cash %	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Personnel Burden %	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%

Appendix

Appendix Table: Profit and Loss (Planned)

Pro Forma Profit and Loss	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$0	\$6,068	\$7,768	\$10,556	\$12,275	\$14,670	\$15,983	\$17,849	\$19,551	\$21,464	\$25,161	\$27,094
Direct Cost of Sales	\$0	\$1,820	\$2,330	\$3,167	\$3,682	\$4,401	\$4,795	\$5,355	\$5,865	\$6,439	\$7,548	\$8,128
Other Production Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$0	\$1,820	\$2,330	\$3,167	\$3,682	\$4,401	\$4,795	\$5,355	\$5,865	\$6,439	\$7,548	\$8,128
Gross Margin	\$0	\$4,248	\$5,438	\$7,389	\$8,592	\$10,269	\$11,188	\$12,494	\$13,686	\$15,025	\$17,613	\$18,966
Gross Margin %	0.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
Operating Expenses:												
Advertising/Promotion	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Payroll Expense	\$3,000	\$8,480	\$8,480	\$8,480	\$12,960	\$12,960	\$12,960	\$12,960	\$12,960	\$12,960	\$12,960	\$12,960
Payroll Burden	\$450	\$1,272	\$1,272	\$1,272	\$1,944	\$1,944	\$1,944	\$1,944	\$1,944	\$1,944	\$1,944	\$1,944
Depreciation	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542	\$542
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Insurance/ licenses	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Rent	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Contract/Consultants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$5,042	\$11,344	\$11,344	\$11,344	\$16,496	\$16,496	\$16,496	\$16,496	\$16,496	\$16,496	\$16,496	\$16,496
Profit Before Interest and Taxes	(\$5,042)	(\$7,096)	(\$5,906)	(\$3,955)	(\$7,904)	(\$6,227)	(\$5,308)	(\$4,002)	(\$2,810)	(\$1,471)	\$1,117	\$2,470
Interest Expense Short-term	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense Long-term	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$5,042)	(\$7,096)	(\$5,906)	(\$3,955)	(\$7,904)	(\$6,227)	(\$5,308)	(\$4,002)	(\$2,810)	(\$1,471)	\$1,117	\$2,470
Net Profit/Sales	0.00%	-116.94%	-76.04%	-37.46%	-64.39%	-42.45%	-33.21%	-22.42%	-14.37%	-6.85%	4.44%	9.12%

Appendix

Appendix Table: Cash Flow (Planned)

Pro Forma Cash Flow	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received												
Cash from Operations:												
Cash Sales	\$0	\$6,068	\$7,768	\$10,556	\$12,275	\$14,670	\$15,983	\$17,849	\$19,551	\$21,464	\$25,161	\$27,094
From Receivables	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash from Operations	\$0	\$6,068	\$7,768	\$10,556	\$12,275	\$14,670	\$15,983	\$17,849	\$19,551	\$21,464	\$25,161	\$27,094
Additional Cash Received												
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$0	\$6,068	\$7,768	\$10,556	\$12,275	\$14,670	\$15,983	\$17,849	\$19,551	\$21,464	\$25,161	\$27,094
Expenditures												
Expenditures from Operations:												
Cash Spent on Costs and Expenses	\$105	\$287	\$338	\$422	\$473	\$545	\$584	\$640	\$692	\$749	\$860	\$918
Wages, Salaries, Payroll Taxes, etc.	\$3,450	\$9,752	\$9,752	\$9,752	\$14,904	\$14,904	\$14,904	\$14,904	\$14,904	\$14,904	\$14,904	\$14,904
Payment of Accounts Payable	\$0	\$662	\$2,092	\$2,905	\$3,569	\$4,120	\$4,712	\$5,154	\$5,613	\$6,086	\$6,585	\$7,439
Subtotal Spent on Operations	\$3,555	\$10,701	\$12,182	\$13,078	\$18,947	\$19,569	\$20,200	\$20,699	\$21,209	\$21,739	\$22,349	\$23,261
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjustment for Assets Purchased on Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$3,555	\$10,701	\$12,182	\$13,078	\$18,947	\$19,569	\$20,200	\$20,699	\$21,209	\$21,739	\$22,349	\$23,261
Net Cash Flow	(\$3,555)	(\$4,632)	(\$4,414)	(\$2,522)	(\$6,672)	(\$4,899)	(\$4,218)	(\$2,849)	(\$1,658)	(\$275)	\$2,812	\$3,834
Cash Balance	\$33,145	\$28,513	\$24,099	\$21,576	\$14,905	\$10,006	\$5,788	\$2,939	\$1,281	\$1,006	\$3,818	\$7,651

Appendix

Appendix Table: Balance Sheet (Planned)

Pro Forma Balance Sheet

Assets	Starting Balances	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Short-term Assets													
Cash	\$36,700	\$33,145	\$28,513	\$24,099	\$21,576	\$14,905	\$10,006	\$5,788	\$2,939	\$1,281	\$1,006	\$3,818	\$7,651
Other Short-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Short-term Assets	\$36,700	\$33,145	\$28,513	\$24,099	\$21,576	\$14,905	\$10,006	\$5,788	\$2,939	\$1,281	\$1,006	\$3,818	\$7,651
Long-term Assets													
Long-term Assets	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500
Accumulated Depreciation	\$0	\$542	\$1,084	\$1,626	\$2,168	\$2,710	\$3,252	\$3,794	\$4,336	\$4,878	\$5,420	\$5,962	\$6,504
Total Long-term Assets	\$32,500	\$31,958	\$31,416	\$30,874	\$30,332	\$29,790	\$29,248	\$28,706	\$28,164	\$27,622	\$27,080	\$26,538	\$25,996
Total Assets	\$69,200	\$65,103	\$59,929	\$54,973	\$51,908	\$44,695	\$39,254	\$34,494	\$31,103	\$28,903	\$28,086	\$30,356	\$33,647
Liabilities and Capital													
Accounts Payable	\$0	\$945	\$2,867	\$3,817	\$4,708	\$5,398	\$6,184	\$6,732	\$7,342	\$7,953	\$8,607	\$9,761	\$10,582
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Short-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Short-term Liabilities	\$0	\$945	\$2,867	\$3,817	\$4,708	\$5,398	\$6,184	\$6,732	\$7,342	\$7,953	\$8,607	\$9,761	\$10,582
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$945	\$2,867	\$3,817	\$4,708	\$5,398	\$6,184	\$6,732	\$7,342	\$7,953	\$8,607	\$9,761	\$10,582
Paid-in Capital	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Retained Earnings	(\$800)	(\$800)	(\$800)	(\$800)	(\$800)	(\$800)	(\$800)	(\$800)	(\$800)	(\$800)	(\$800)	(\$800)	(\$800)
Earnings	\$0	(\$5,042)	(\$12,138)	(\$18,045)	(\$21,999)	(\$29,903)	(\$36,130)	(\$41,438)	(\$45,440)	(\$48,250)	(\$49,721)	(\$48,605)	(\$46,135)
Total Capital	\$69,200	\$64,158	\$57,062	\$51,155	\$47,201	\$39,297	\$33,070	\$27,762	\$23,760	\$20,950	\$19,479	\$20,595	\$23,065
Total Liabilities and Capital	\$69,200	\$65,103	\$59,929	\$54,973	\$51,908	\$44,695	\$39,254	\$34,494	\$31,103	\$28,903	\$28,086	\$30,356	\$33,647
Net Worth	\$69,200	\$64,158	\$57,062	\$51,155	\$47,201	\$39,297	\$33,070	\$27,762	\$23,760	\$20,950	\$19,479	\$20,595	\$23,065