

BUSINESS PLAN BREAKFAST DINER



Confidentiality Agreement

The undersigned reader of Company ABC Business Plan hereby acknowledges that the information provided is completely confidential and therefore the reader agrees not to disclose anything found in the business plan without the express written consent of Company ABC.

It is also acknowledged by the reader that the information to be furnished in this business plan is in all aspects confidential in nature, other than information that is in the public domain through other means and that any disclosure or use of the same by the reader may cause serious harm and or damage to Company ABC.

Upon request this business plan document will be immediately returned to Company ABC. This is a business plan. It does not imply an offer of any securities.

Applicable Law

This contract shall be governed by the laws in the COUNTRY.

Signature

Printed Name



Overview

Based on the tenets of high-quality food and unparalleled customer service, Company ABC is a newcomer to the CITY food scene. The brainchild of X partners with decades of experience in the food and beverage industry, this new venture aims to capitalize on the growing breakfast restaurant industry to deliver a unique and high-quality dining experience.

Situated at a prime location in a prospering locality, in conjunction with its commitment to sourcing fresh, local ingredients and a service model which makes customers feel at home, connected, and cared for, Company ABC has all the potential to become the go-to local breakfast spot and capture a prominent share of the local food and beverage industry.



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Executive Summary

Ownership Summary

Company ABC is wholly owned and operated by XYZ with equal equity investments from all the X partners of XYZ.

Product Summary

Based in X, Company ABC is a new breakfast-focused restaurant which aims to become the go-to breakfast spot, both in the locality as well as the broader XYZ region. Company ABC aims to deliver high quality meals and develop loyal customer base by focusing on sourcing fresh, local ingredients as well as a service model which makes customers feel at home, connected, and cared for.

Market Summary

The global breakfast restaurant market size was valued at USD X billion in XYXY and is expected to grow X% annually from XYXY to XYXY. X accounts for X% of this revenue share. Specifically for the United States, the market size, measured by revenue, of the Breakfast Restaurants & Diners industry is expected to be \$X bn in 2022, depicting a X% YoY growth. As a consumer driven industry, the success of restaurants and cafes is very much contingent on their ability to predict, keep pace with, and respond to evolving consumer preferences and needs. To name a few, an increasing level of health consciousness and knowledge, rapid globalization resulting in cultural diversity and greater demand for 'non-traditional' cuisines, as well as meals which can keep pace with a variety of lifestyles, be it breakfast on-the-go or a sit-down family meal, are all emerging trends that modern, successful restaurants need to recognize and contend with.

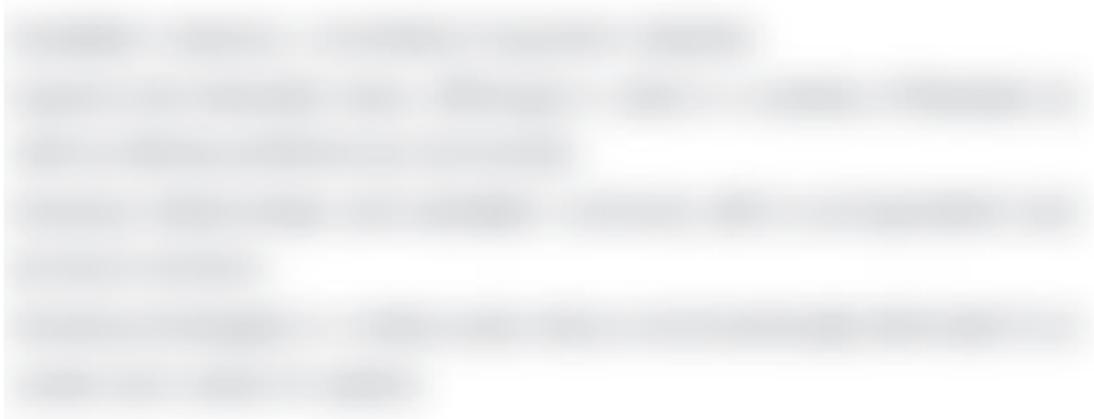
Three Year Objectives

The management has identified the following three-year objectives for Company ABC:

- Achieve breakeven point within the first year and continue to increase profit and revenue.



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Keys to Success

The management has identified the following keys to success for Company ABC:

- Establishing a unique reputation as the restaurant that uses fresh, locally grown ingredients and delivers the quality and taste of a home-cooked food with the comfort of a high-end restaurant.
- Regularly piloting new menu items while being flexible enough to iterate and adjust based on customer feedback.
- Experimenting with customer engagement strategies and opening the restaurant as a space for community congregation and events.
- Developing and strengthening mutually beneficial relationships with local vendors.

Financing Summary

Startup Assets		Startup Liabilities	
Cash on Hand		Liabilities and Capital	
Equipment		Current Borrowing	
Total Startup Assets		Long-Term Liabilities	
Startup Expenses		Accounts Payable	
Registration & Licensing		Other Current Liabilities	
Advertising Campaign			
Legal Expenses			
Design Expenses			
Consulting			
Misc.			
Total Startup Expenses			
Total Requirements		Startup Investments	
Total Startup Expenses		Planned Investment	
Total Startup Assets		Total Planned Investment	
Total Requirements		Startup Funding	
		Total Liabilities	
		Total Planned Investment	
		Total Funding	



About Company ABC

With a forward-looking and experienced management, Company ABC caters to the needs of the rapidly changing food market, specifically the breakfast diners, and responds to the changing consumer preferences. We stay on top of things by constantly listening to our customers and keenly observing the industry trends. Once we observe and verify consumer needs and market trends, we respond with innovative products and superior service.

Breakfast Restaurant

X plans to open a breakfast restaurant under the name “Company ABC” in the XYZ, located at ABC. People residing, or working, within the 15-minute driving distance are the primary potential customers for our restaurant.

Products & Services Features

The management of the café recognizes the fierce competition in the food industry and therefore aims to set itself apart from the competitors by offering the following features in its products and services:

- Made out of scratch breakfast
- Highest quality fresh ingredients
- Locally sourced ingredients to ensure freshness
- A variety of healthy options with the feel of home-cooked food
- Highly trained waiting staff to ensure great service
- Calm ambience that allows visitors to enjoy the morning

Delivery Model

While we prefer that customers come to the restaurant and utilize our dine-in services to enjoy the complete experience Company ABC has to offer, we will also provide the home delivery option. Customers within 15 minutes’ drive will be able to call the restaurant directly to place an order. We will also be partnering with food delivery apps such as UberEATS and Door Dash to cater to the customers living beyond the above-mentioned radius.



Industry Overview

Market Trends

Despite the restaurant industry facing challenges overall, the most important meal of the day – breakfast – remains one of the industries bright spots with high growth potential. It is the only segment in the restaurant industry that has grown in the last several years in terms of meals per person and customer traffic.

Global Breakfast Restaurant Market

The global breakfast restaurant market size was valued at USD X billion in XYXY and is expected to grow X% annually from XYXY to XYXY¹. Consumers are increasingly eating and ordering out breakfast at restaurants, with approximately X% considering breakfast to be more of a destination meal compared to just two years ago.

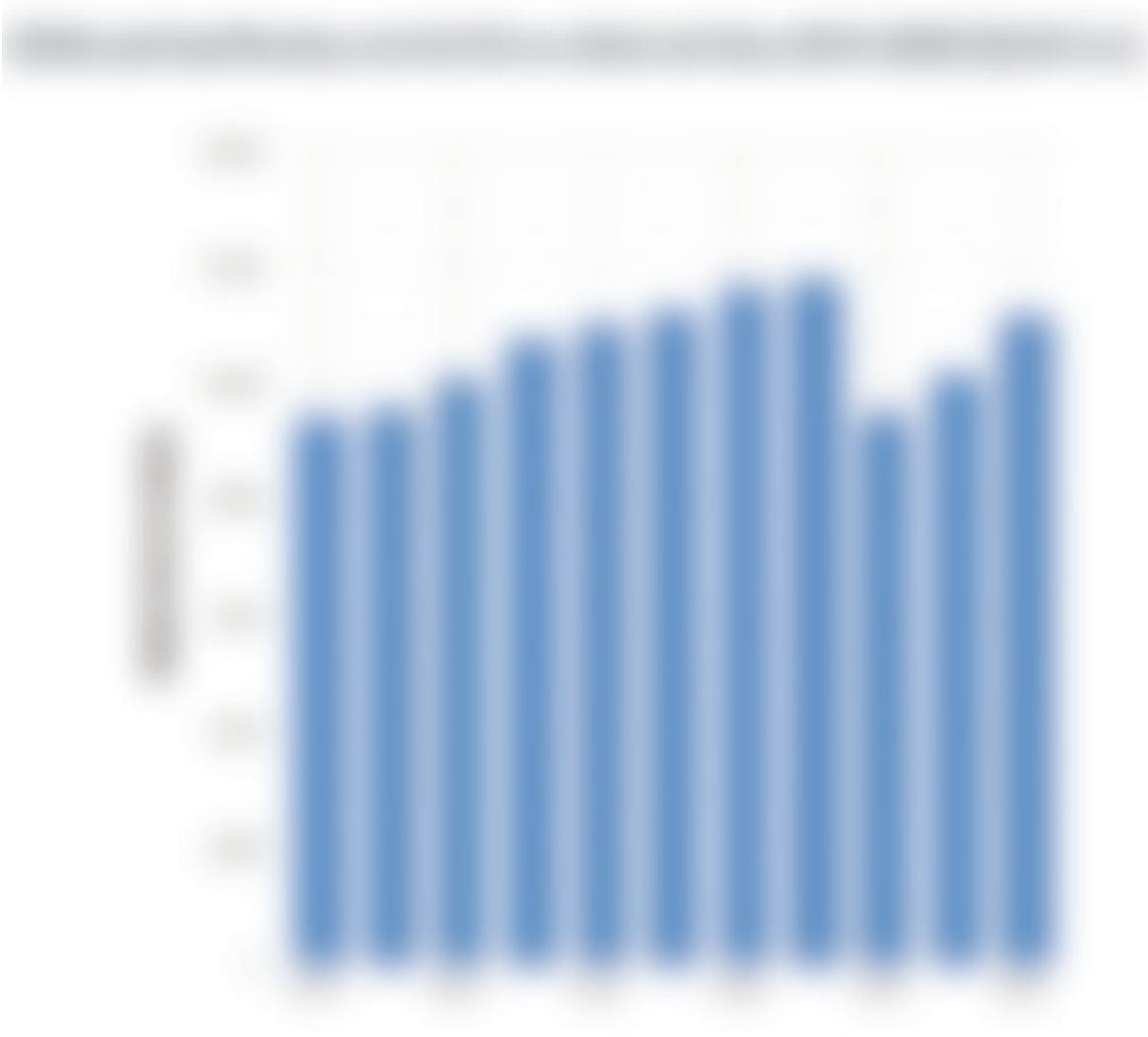
US Breakfast Restaurant & Diners Market

The US market size, measured by revenue, of the Breakfast Restaurants & Diners industry is expected to be \$XBn in XYXY, depicting a X% YoY growth, as representing in the following graph:²

¹ Lorem ipsum lorem ipsum lorem ipsum lorem ipsum lorem ipsum lorem ipsum

² Lorem ipsum lorem ipsum lorem ipsum lorem ipsum lorem ipsum lorem ipsum

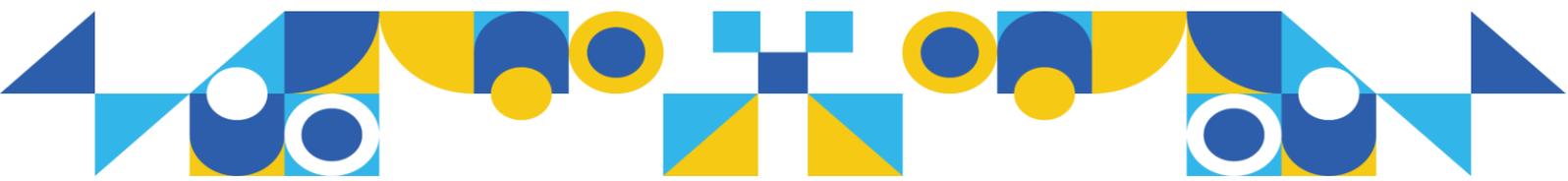




The market experienced a decline in 2020 due to COVID-19 lockdowns but has bounced back at a growth rate higher than the previous years. It is expected that the revenues will reach to pre-pandemic levels by YYYY and the market will continue to experience mid-single digit positive growth in the coming years.

Consumer Preferences

In terms of customer preferences, approximately X% of US adults prefer that restaurants serve breakfast all day. Furthermore, this demand has globalized and progressed beyond traditional menu items, now incorporating South Asian, Latin, African and other international cuisines. Fried chicken, baked goods such as craft donuts, as well as egg and biscuit-centric restaurants are all food trends that are



rapidly gaining popularity and demonstrate how demand patterns are a balance between both health and flavor considerations³.

Market Needs

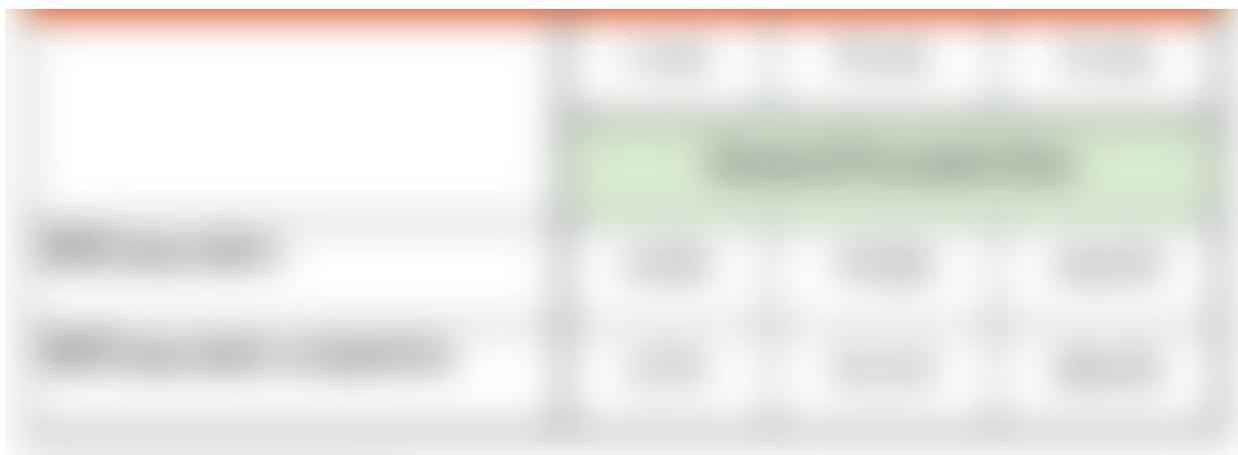
In order to capitalize on the thriving business of breakfast, new restaurants and cafes need to be aware of evolving customer needs and preferences. Broadly these are:

- An increasing level of health knowledge and consciousness.
- The post COVID-19 pandemic return to in-person work and public spaces resulting in both a demand for on-the-go and sit-down meal options.
- Increasing levels of globalization and migration resulting in diverse communities bringing with them diverse cuisine and taste preferences.

Market Opportunity

Demand & Supply Gap

As previously established, the business of breakfast is growing globally. In addition, locally, the proposed location of the Company ABC provides an unprecedented opportunity. The demographics of the surrounding locality signal growing socio-economic prosperity. Disposable incomes, and the demand for the product and service being offered, are increasing however very few existing businesses operate in Company ABC niche and are meeting this demand. This mismatch between supply and demand is summarized in the table below which list the relevant supply and demand side characteristics.



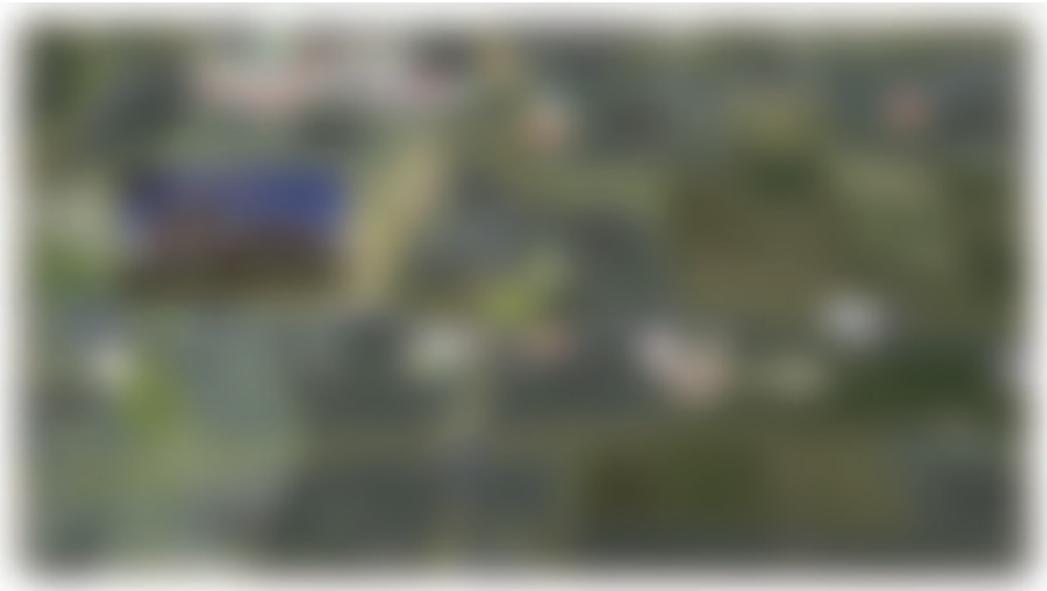
³ Lorem ipsum lorem ipsum lorem ipsum lorem ipsum lorem ipsum lorem ipsum





Prime Location Advantage

Company ABC will be located in XYZ, a commercial facility located at the heart of numerous master planned communities. The aerial view can be seen as follows:



With around X people residing within 3 miles radius, the business has a high probability of success due to high foot traffic expected in the area. Moreover, the retail center is expected to be occupied by national retailers, making it an ideal location for a restaurant. Another value addition is the presence of offices of renowned corporations in the vicinity, Amazon for example, that will further enhance the potential of our breakfast restaurant to be a success.



Strategy and Implementation Summary

The partners starting Company ABC have decades of experience in different sectors of industry including food service, convenience stores, and the meat market. We intend to leverage the management experience as well as valuable connections in the industry to source the highest quality ingredients available in the market, hire the best talent in town and market the business as the upcoming market leader.

Management Team

The partners, their role, and detailed backgrounds and experiences are listed below:

Person One Name: **Owner 1**

Role: **CEO**



Person Two Name: **Owner 2**

Role: **Vice President**



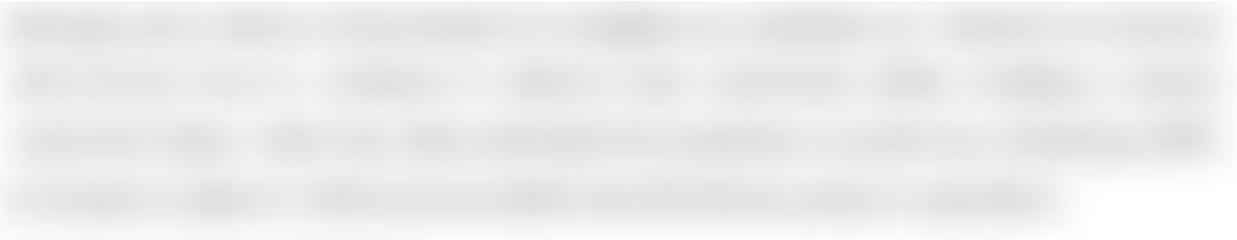
Person Three Name: **Owner 3**

Role: **CFO**



Person Four Name: **Owner 4**

Role: **COO**



Person Five Name: **Owner 5**

Role: **VP for Advertising**



SWOT Analysis

Strengths

- Experienced partners with diverse skillset.
- Prime and easily accessible location
- Presence in a retail center increases visibility and foot traffic thereby resulting in a greater probability of walk-in customers.
- Proximity to both commercial workspaces and residential communities offering the opportunity to cater to a diverse clientele needs ranging from family dinners to corporate networking.

Weaknesses

- As a new entrant into a market where consumers typically tend to side with established tastes and preferences the company will have a hard time establishing its repute.
- New location - needs some time to build clientele
- Need to hire and train new staff

Opportunities

- A sizeable food and drink industry gap of approximately X million USD in a 5-mile radius of the restaurant location (approximately X million of which is a 1-mile radius) indicating demand from an economically affluent population which is currently not being met.
- Very few food and drink businesses per capita (X in a 5-mile radius and only X in a 1-mile radius) with even fewer focusing on breakfast – one of the few segments in the food and drink industry that is documenting growth.
- Upper-middle class neighborhood – a median household income of USD Xk and a positive projected growth rate - indicating a potential client base with the appropriate socio-economic demographics and disposable income to optimize costing in a manner which maximizes profit margins.



Threats

- The ever-changing nature of customer preferences and trends poses a threat of menu offerings becoming out-dated, easily replaceable or commonplace.



Competitive Comparison

As established in the market needs section, there are very few restaurants in the vicinity of the proposed Company ABC location which offer a comparable product and services.

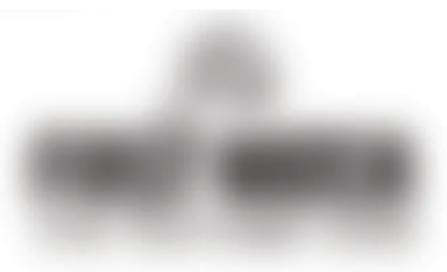
Figure 1 illustrates the restaurant landscape surrounding the proposed Company ABC location.



Figure 1

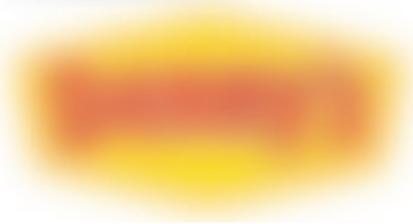
The major restaurant chains offering breakfast – either exclusively or as one of several meal offerings - in the vicinity of the proposed Company ABC location are summarized below.

Competitor 1



Competitor 1 is an American restaurant chain based in XYZ. As of June YYYY, the chain has more than X locations in X states and X employees. Competitor 1 is also the owner of XYZ, a fast-casual café concept located in X. Competitor 1 offers menu items such as avocado toast, smoked salmon eggs benedict, farm stand breakfast tacos, lemon ricotta pancakes, and a fresh juice bar.

Competitor 2



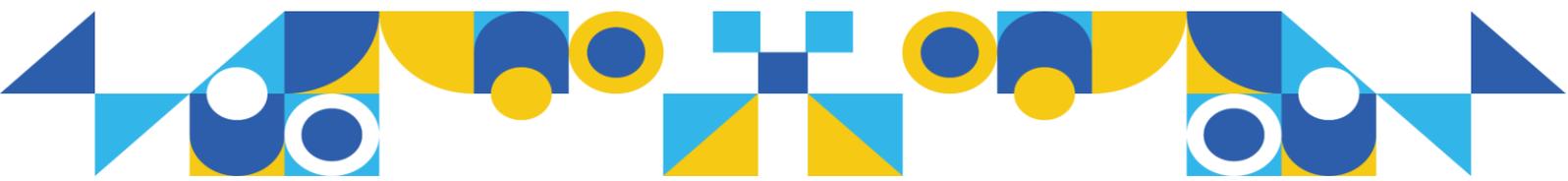
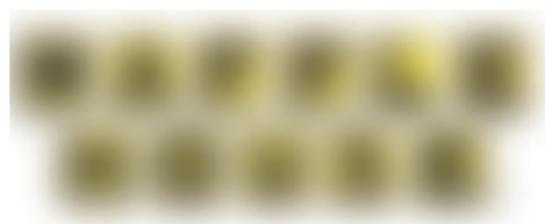
Competitor 2 is an American table service diner-style restaurant chain. It operates over X restaurants in many countries.

Competitor 3



Competitor 3 is an American multinational pancake house restaurant chain that specializes in American breakfast foods. The company has X locations in the Americas, the Middle East and the Indian Subcontinent. While Competitor 3 focus is on breakfast, serving pancakes, waffles, French toast, and omelettes, it also offers a menu of lunch and dinner items such as sandwiches, burgers, and salads

Competitor 4



Competitor 4 is an American restaurant chain with X locations in X states in the United States. Most of the locations are in the Y, where the chain is a regional cultural icon. Competitor 4 is headquartered in XYZ.

Competitive edge and advantage

Company ABC will have a number of advantages over other businesses in the area. Firstly, our approach is local. In contrast to other national chains, we are in a better position to adopt change and align food to the evolving preferences of our target market.

In this market landscape, Company ABC competitive advantage is based on its healthy and innovative meal offerings that can cater to variety of lifestyles, tastes, and preferences.

- Sourcing high quality, seasonal, fresh, locally sourced ingredients to develop healthy and balanced menu options.
- A customer service model which allows efficient service to run in parallel for different customer lifestyles and preferences on how and where they want to eat - be it pick-up, delivery, or sit-down service.
- Chefs who have the creativity and foresight to reinvent comfort foods and traditional American breakfast menu items to cater to diverse consumer bases and stay on trend with global flavors.



Marketing Plan and Promotion Strategy

Social Media Marketing

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In-Person Marketing

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Partnerships with Food Delivery Applications

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Customer Loyalty and Membership Programs

Discounts and deals will be offered to incentive repeat customers. Examples include offering points per purchase which can then be redeemed in store, loyalty



cards which can be stamped and result in an n^{th} free purchase, and free/discounted birthday purchases, to name a few.



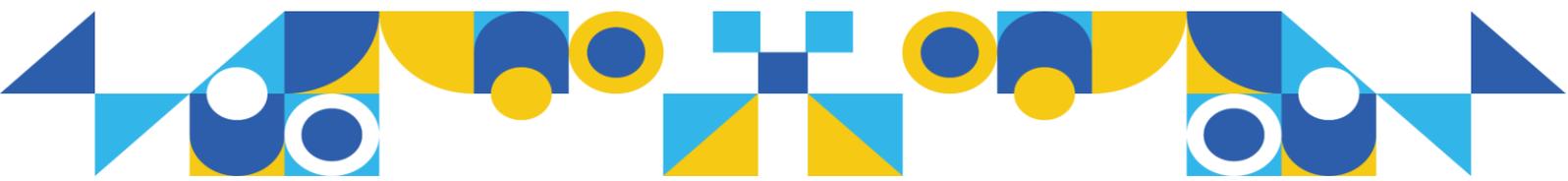
Financial Forecasts

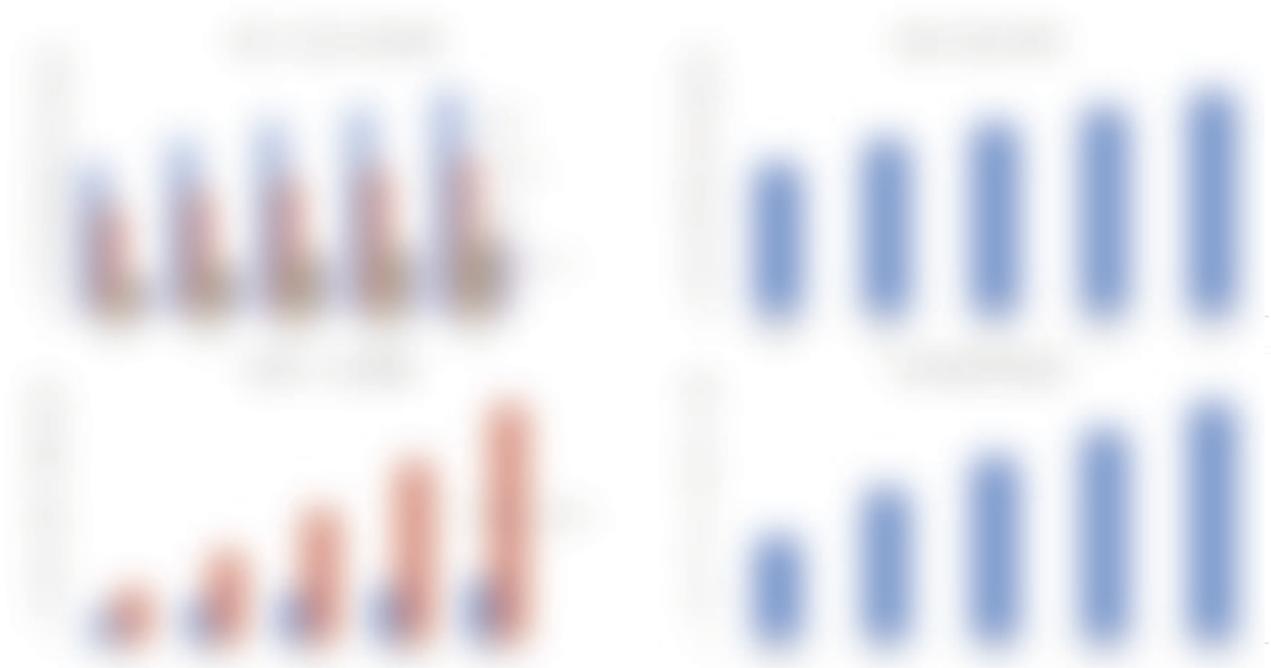
Use of Funds

Startup Assets		Startup Liabilities	
Cash on Hand		Liabilities and Capital	
Equipment		Current Borrowing	
Total Startup Assets		Long-Term Liabilities	
		Accounts Payable	
		Other Current Liabilities	
Startup Expenses		Startup Investments	
Registration & Licensing		Planned Investment	
Advertising Campaign		Total Planned Investment	
Legal Expenses			
Design Expenses		Startup Funding	
Consulting		Total Liabilities	
Misc.		Total Planned Investment	
Total Startup Expenses		Total Funding	
Total Requirements			
Total Startup Expenses			
Total Startup Assets			
Total Requirements			

Financial Highlights

Financial Highlights (\$000)																	
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue																	
Gross Margin																	
Operating Expense																	
EBITDA																	
EBIT																	
Gross Margin/Revenue																	
EBITDA/Revenue																	
EBIT/Revenue																	
Net Cash Flow																	
Cash Balance - Ending																	





Financial Indicators

Financial Indicators			
	Year 1	Year 2	Year 3
Profitability %'s:			
Gross Margin			
Net Profit Margin			
EBITDA to Revenue			
Return on Assets			



Revenue Forecast

Revenue Forecast					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue Forecast					
Restaurant Sales					
Total Revenue					
Direct Cost of Revenue					
Restaurant Sales					
Subtotal Cost of Revenue					

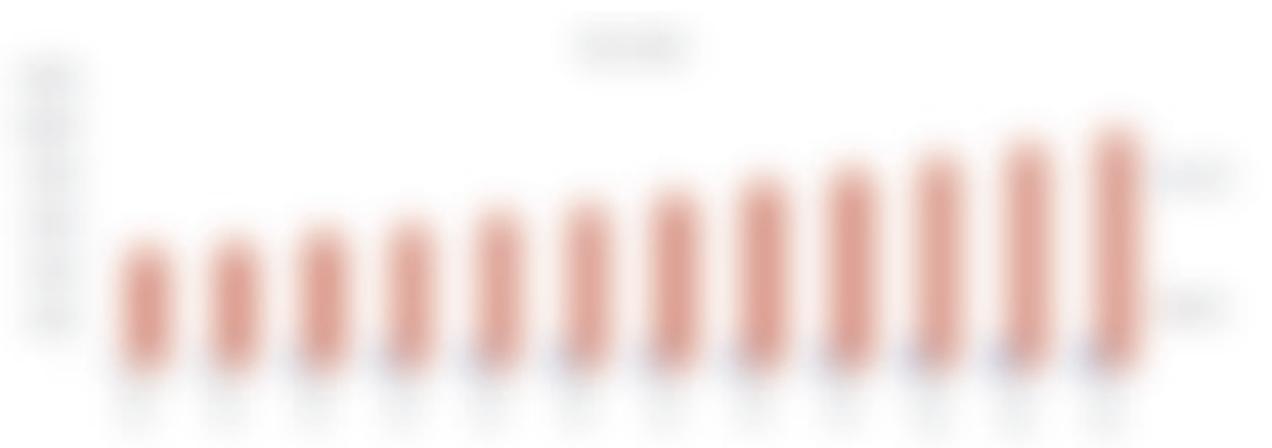
Projected Profit and Loss

Pro Forma Profit and Loss					
	Year 1	Year 2	Year 3	Year 4	Year 5
Restaurant Sales					
Revenue					
Subtotal Cost of Revenue					
Total Cost of Revenue					
Gross Margin					
Gross Margin/Revenue					
Expenses					
Supplies					
Rent & Related Costs					
Wages and Payroll					
Telephone, Internet, and Software					
Advertising					
Accounting and Legal					
Insurance					
Utilities					
Licenses					
Misc					
Depreciation					
Total Operating Expenses					
Net Operating Income					
NOI/Revenue					



Projected Cash Flow

Pro Forma Cash Flow					
	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Cash Balance					
Cash Inflows					
Income from Sales					
Accounts Receivable					
Total Cash Inflows					
Cash Outflows					
Investing Activities					
New Fixed Assets Purchases					
Inventory Addition to Bal.Sheet					
Cost of Sales					
Operating Activities					
Salaries and Wages					
Fixed Business Expenses					
Taxes					
Financing Activities					
Loan Payments					
Line of Credit Interest					
Line of Credit Repayments					
Dividends Paid					
Total Cash Outflows					
Cash Flow					
Operating Cash Balance					
Ending Cash Balance					



Projected Balance Sheet

Pro Forma Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash					
Other Current Assets					
Total Current Assets					
Long-term Assets					
Long-term Assets					
Accumulated Depreciation					
Total Long-term Assets					
Total Assets					
Liabilities and Capital					
Current Liabilities					
Accounts Payable					
Current Borrowing					
Other Current Liabilities					
Subtotal Current Liabilities					
Long-term Liabilities					
Total Liabilities					
Common Stock					
Retained Earnings					
Total Capital					
Total Liabilities and Capital					

Sensitivity Analysis

Best Case Scenario (Revenue Increase by 15%)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Cost of Goods Sold					
Gross Profit					
Gross Profit/Revenue					
Operating Expenses					
EBIT					
EBIT/Revenue					

Worst Case Scenario (Revenue Decrease by 15%)					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Cost of Goods Sold					
Gross Profit					
Gross Profit/Revenue					
Operating Expenses					
Wages & Payroll					
EBIT					
EBIT/Revenue					



Appendix

Year 1 Profit & Loss												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales												
Restaurant Sales												
Revenue												
Subtotal Cost of Revenue												
Total Cost of Revenue												
Gross Profit												
Gross Margin/Revenue												
Expenses												
Supplies												
Rent & Related Costs												
Wages and Payroll												
Telephone, Internet, and Software												
Advertising												
Accounting and Legal												
Insurance												
Utilities												
Licenses												
Misc												
Depreciation & Amortization												
Total Operating Expenses												
EBIT												
EBIT/Revenue												

Year 1 Cash Flow												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Revenue												
New Current Borrowing												
New Long-Term Liabilities												
Sale of Other Current Assets												
Sale of Long-Term Assets												
New Investment Received												
Subtotal Cash Received												
Expenditures												
Expenditures from Operations												
Subtotal Spent on Operations												
Additional Cash Spent												
Current Borrowing Repay												
L-T Liabilities Principal Repay												
Purchase Inventory												
Purchase Long-Term Assets												
Dividends												
Cash Spent												
Net Cash Flow												
Cash Balance												

