

The Funky Magnolia
Business Plan

Executive Summary

The Funky Magnolia is located in Boston, MA. We are a family run Louisiana style restaurant and bar. We also offer live music to dining customers. We offer great food at a reasonable price.

The Funky Magnolia's mission is to provide authentic southern style comfort food and great signature drinks. We truly believe in creating and maintaining a strong relationship with the community.

Our ideal customers range widely. We cater to everyone no matter income, age, education, etc. Most likely, because of our location, college students will most likely be the foundation of our customer base. We believe the bar and live music will be the main reason young youth will visit us more often. The rest of our customers will be local musicians and small families in the low-income range.

Most customers will visit us for the atmosphere of home cooked meals and live music. It creates a sense of community and nostalgia. We believe our unique drinks and style of free entertainment will set us apart from other competitors.

The owners of The Funky Magnolia are Avery Goldsmith, William Goldsmith, and Jenny Goldsmith. Avery Goldsmith has worked in the restaurant since the age of 15. She has experience in all aspects including hosting, serving, and cooking. She also has experience in managing in the restaurant business. She will be the head front of house manager. William Goldsmith has experience in restaurants since the age of 17. Most of his experience is in the kitchen, which he will be head manager of. Jenny Goldsmith has a master's in accounting and experience in that field. She will be responsible for all accounting businesses.

The Funky Magnolia will be a success because of our staff's upbeat attitude and relationship with the community. We will do a number of community activities and gatherings. Our number one goal is to create a safe and fun space for everyone no matter how different they may be. At the end of the day, we are all humans, and all want some great food!

The Funky Magnolia will be a smart investment based on the owners' experience and attitude toward the city of Boston, MA.

Part 1: The Contemporary Business Environment

BUSINESS NAME

The Funky Magnolia

DESCRIPTION OF BUSINESS

The Funky Magnolia will be a small Louisiana style bar and restaurant located in Boston, MA. The bar will offer live music daily, authentic Louisiana style meals, and signature drinks.

FORM OF BUSINESS OWNERSHIP

We will be a partnership. My mother, brother, and I will run the business. My family grew up in the south, so I would like this to be a family business. We all have experience and know a lot about southern food. My brother and I will be managers. My brother has work experience in restaurants, especially in kitchens. He will oversee all kitchen activities and some floor work. He will assist with cooking, training new employees, and will serve if needed. I also have a lot of experience in restaurants and music will oversee the bar, floor, and entertainment. I will assist with customers, booking people to perform for live entertainment, and serving. My mother is an accountant, so she will oversee all financial affairs. We will also hire an additional person to each section for extra help and to check over all financial matters.

IDEAL CUSTOMER

We have a wide range of ideal customers. Products will be reasonably priced, so all can enjoy. All ages are welcome to enjoy the music and food however, we will ask for ID when ordering alcoholic beverages. We will offer brunch, lunch, and dinner with various discounts that will be discussed later, which will allow either students or people with busy schedules to come in and enjoy the atmosphere.

OUR ADVANTAGES

Customers will want to visit us because of our unique style of food with live music. We believe good entertainment and authentic southern cooking makes for a fun time. Our staff will be very attending to customers to ensure they have a great experience. We will also offer open mic nights, comedy open mics, karaoke nights, etc. so people of all ages and backgrounds can get funky with friends and family. People walking on the streets will be intrigued by what's happening in our bar and will come in, have a drink, and stay for the fun entertainment and atmosphere.

ETHICAL ISSUES

We believe in treating all employees with respect. I will go to my full extent to address complaints or feedback from employees to make their work enjoyable. There is also an ethical dilemma with supplier. We will get our food product locally to help local support local suppliers and cut down on shipping, while ensuring the best quality food at a reasonable

price. Another ethical issue would be the entertainment. They will be paid accordingly to their set time and how many people are performing at one time (band, solo, duo, etc.). There will also be a tip jar at the side of the stage so performers can make extra cash from satisfied listeners. This will only be for hired acts; open mics, karaoke, etc. will not be paid. However, tipping will still be allowed.

SOCIAL RESPONSIBILITY

We will be using local suppliers to obtain product. We believe in supporting those locally since we are a family-owned business. We will also give to local homeless shelters since the homeless population in Boston is so high. Instead of throwing out whatever food is left over, we will donate it to people in need. During the holidays, we will also do caroling and catering events around the city to local nursing homes, homeless shelters, hospitals, etc. to spread joy and give back to the community.

GLOBAL ISSUES

The Funky Magnolia will be a local bar and restaurant. We are not planning to expand anytime soon, so there are no global issues.

GOLDSMITH

Part 2: The Business of Managing

MISSION STATEMENT

The mission statement for The Funky Magnolia is providing quality entertainment while eating quality food. We will provide food while you enjoy the fun. We will provide great care to our customer to ensure their return.

BUSINESS GOALS

1st year goal:

- Break even
- Create a good reputation with musicians
- Build strong customer base

Long term goals:

- Open a second location within 7 years
- Increase profits by 5% in a 5 year span

SWOT Analysis for The Funky Magnolia

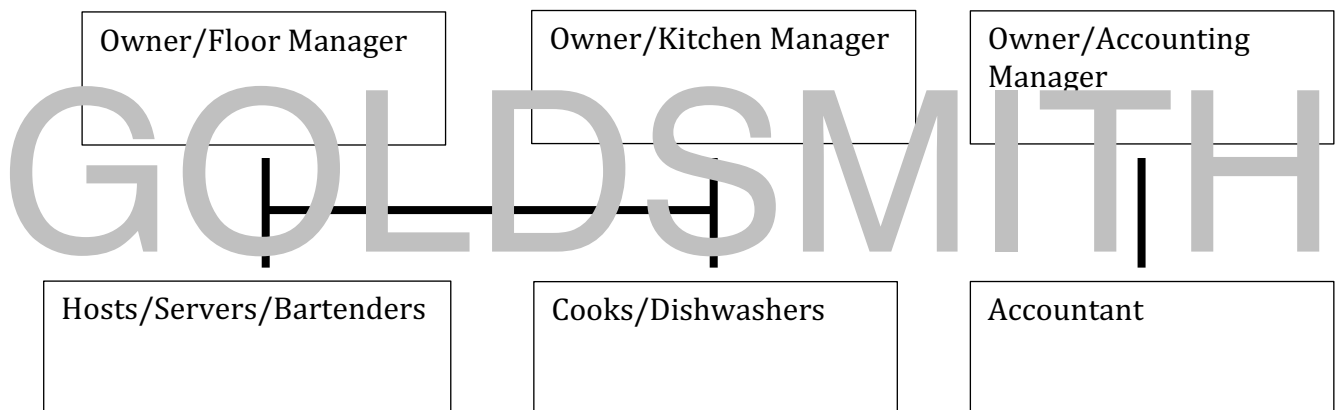
Organizational	Strengths	Weaknesses
	<ul style="list-style-type: none">• Encouraged team• Knowledge in the restaurant business• Allow musicians to gig• Knowledge of city and demographic• Located in large city which means heavy foot traffic	<ul style="list-style-type: none">• Small venue• Local competitors• Insufficient money for starting the business
Environmental	Opportunities	Threats
	<ul style="list-style-type: none">• Live entertainment• Locally sourced products• Catered to everyone	<ul style="list-style-type: none">• Economy may weaken• New competitors• Lack of employees or space

MANAGEMENT

There is one level of management. Different sections of the restaurant will have their own manager managing that section. The different sections are as follows:

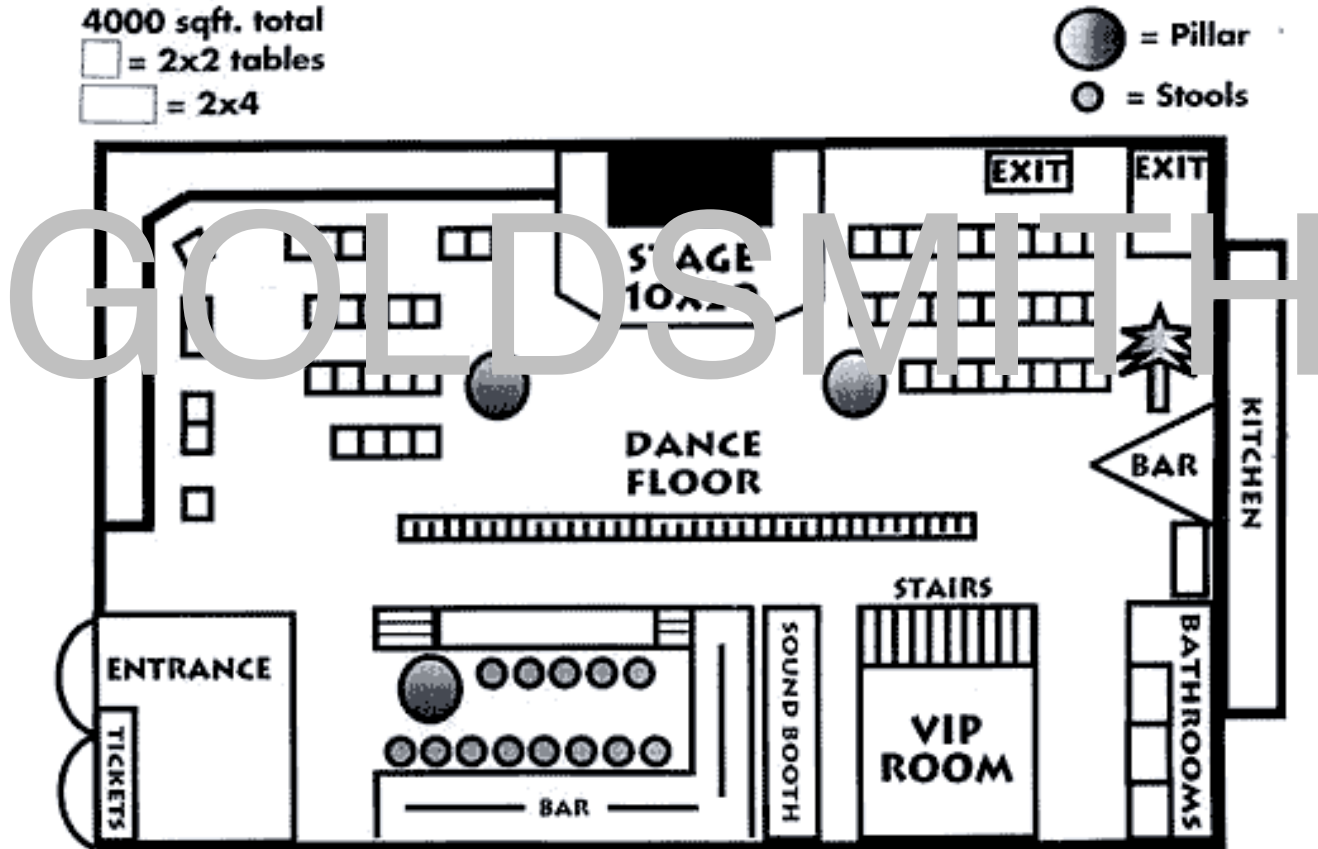
- Floor Manager
- Kitchen Manager
- Accounting Manager

ORGANIZATION CHART



FLOOR PLAN

Because this is a bar and restaurant, the bar will run through the main floor against one wall and booths and tables will be along the opposing wall. There will be larger booth sections in the back towards the kitchen. We will also have a mini stage at the front of the restaurant and offer outdoor patio seating.



RAW MATERIALS AND SUPPLIES

Since we are moving into a new building, we must furnish everything ourselves.
The restaurant will need the following items:

(2) Cash Registers @ \$500 each	\$1,000
POS System.....	800
(15) Tables @ \$70 each.....	1,050
(30) Chairs @ \$50 each.....	1,500
(4) Booths @ \$500 each.....	2,000
(100) Large Glasses @ \$1.50 each	150
(100) Small Glasses @ \$1.50 each.....	150
(50) Wine Glasses @ \$1.80 each.....	90
(50) Cocktail Glasses @ \$2.50 each	125
(50) Beer Glasses @ \$2.50 each.....	125
(100 sets) Plates, Bowls, Mugs @ \$15 each.....	1,500
(100 sets) Utensils @ \$15 per ser.....	1,500
Draft Beer System.....	2,000
Refrigeration Unit	2,500
Freezer.....	2,000
(2) Microwave Ovens @ 150 each	300
Stove.....	1,500
Ice Maker	3,000
Grill.....	1,000
(2) Deep Fryer @ \$1,000 each	2,000
Dishwashing Unit.....	2,000
Total.....	\$24,490

QUALITY ASSURANCE

Quality inspections will be done daily before closing every night. Products will be rotated towards the front based on expiration dates. The most front product will expire sooner than the others or the product that is opened first. All employees will wipe down and clean every surface before closing including tables, ovens, stoves, floors, etc. The managers are the main people that make sure quality of the product and service is happening as it should. We will also send surveys to customers asking how their service was to improve and keep track of giving quality service.

Part 3: People in Organizations

CORPORATE CULTURE

We will maintain a casual work environment. The uniform will be basic including a company t-shirt with "The Funky Magnolia" on it and shorts and shoes of any kind. This will allow customers to pick out employees amongst other customers. Employees will be expected to carry out duties that will be discussed later. They will also ensure organization throughout the restaurant and themselves to make sure reservations, line at the door, orders, etc. are handled properly and in an orderly fashion.

LEADERSHIP PHILOSOPHY

The managers and I will encourage employees to work their hardest, but also make sure they are having fun while working. They will be trained properly (more details on that later) and I will have an "open door" policy which allows all employees to come to me with any problems or questions. I will also make sure managers create a casually friendly but professional relationship with employees to create trust and reliability.

DESCRIPTIONS

The descriptions for The Funky Magnolia will be as follows:

Front of House Manager: The Front of House manager will be responsible for all employees working in the main sections of the restaurant. They will need to be knowledgeable of all menu items, signature drinks, hosting duties, and take care of providing the entertainment. They will need to be organized and must be able to multitask. They will need a friendly personality and get along with all employees.

Kitchen Manager: The kitchen manager oversees all kitchen sections. They will need to be knowledgeable of all sections of the kitchen including the grill, prep stations, dishwasher, and all menu items. They must also follow all food safety protocols and have good hygiene. They also must have a good personality to get along with all employees including servers.

Accounting Manager: The accounting manager will oversee all sales and financial tasks. They will have to have a degree in accounting and be good with numbers. They will have to log all sales and pay all bills. They will also handle all paychecks.

Accountant: The accountant will be responsible for keeping up with payments. It can range from bills to paychecks. They will work alongside the accounting manager and double check all work made in the books.

Hosts: Host/Hostess are responsible for seating guests. They will keep track of reservations and lines that are outside of the restaurant. They will also be responsible for setting tables with plates and silverware, bussing dirty dishes, and wiping down tables when customers leave. They will have to have a friendly personality and be conversational with guests. They will also have to be knowledgeable of table numbers and the restaurant layout.

Servers: Servers are responsible for taking guests orders and food running. They will serve the guests and will be knowledgeable about all menu items including signature drinks. They will also have to learn how to use the POS system and handle the guests checks. They will also be responsible for cleaning their sections at the end of their shift which includes wiping

down tables, refilling condiments, and sweeping the floor.

Bartender: Bartenders are responsible for working the bar. They will need to be fast and knowledgeable about all signature drinks as well as bottled/canned drinks. They will also have to keep tracks of tabs and money, for this can get very unorganized very fast. Bartenders will have to learn quickly. They will also need to have a fun personality to make sure the guests are having a fun time.

Cooks: Cooks are responsible for making all orders. They must have good communication skills. They will have to learn quickly and be able to multitask. They will also need to be knowledgeable of all menu items. They will also have to have good hygiene and follow all food safety protocols.

Dishwasher: The dishwashers are responsible for maintaining a steady flow of cleaning dishes to allow dishes to be fully stocked for cooks to use. They will also need to put away dishes and utensils in their proper places. They will need to be efficient and organized. All dishes need to meet food safety protocols to prevent contamination.

JOB SPECIFICATIONS

Job Title: Host

Needed Skills/Credentials/Qualification for Job: Need to have a great personality and get along with customers. Must be able to greet and seat customers. Hosts will need to be friendly and knowledgeable of all aspects of the restaurants. Must be able to organize and must be able to work with large crowds. Previous work experience is not required.

Job Title: Server/Bartender

Needed Skills/Credentials/Qualification for Job: Must have a friendly personality and get along with customers. Must be able to multitask and be knowledgeable of all menu items, including signature drinks. Must be able to pick up the usage of a POS system quickly and keep track of tips and tabs. Previous experience is preferred, but not required. Must be 18 years old or older.

Job Title: Cook/Dishwasher

Needed Skills/Credentials/Qualification for Job: Must have good personality and can multitask. They must be knowledgeable of all menu items and appliances. Must have good hygiene and follow all food safety protocols. Must be able to organize and work during a large rush. Must be able to use cooking utensils and follow recipes. Previous work experience is preferred but not required. Must be 18 years old or older.

Job Title: Accountant

Needed Skills/Credentials/Qualification for Job: Must have a master's in accounting and 2 years of previous experience. They must know how to work well with others and multitask. Must be able to turn things in on a due date and follow instructions, proper formatting for specific forms, and are diligent with their work.

TRAINING EMPLOYEES

Employees will be trained on a 4-shift day basis in store. The first day will include hosting and food running. The second day will include learning the POS system and taking orders.

The third day will include basic drink mixing. The final day will be a run through of all things learned in the previous days. They will be shadowing managers or employees that are already trained and confident in their job. The trainers will also allow the trainee to take over some tables or tasks on their own to have hands on training. Training in the kitchen will follow the same 4 shift training except in different sections of the kitchen (grill, prep, dishwashing, etc.) All employees will be well trained in all aspects of their job so they can get more shift and hours and can help in multiple areas.

COMPENSATION

For Hosts, their salary will be \$13.50 an hour. All tips will be pooled, so hosts will receive 10% of tips received. The minimum wage in Massachusetts is \$13.50, so that will be their hourly wage plus tips.

For Servers/Bartenders their salary will be \$14.50 an hour. They will keep 90% of what they receive. Their hourly wage is lowered because of the number of tips they receive.

For Kitchen employees their salary will be \$15.00 an hour and will not receive any tip revenue. Their salary is higher because of the work they do. Their work is waged differently than a server or hostess.

INCENTIVES

Every employee above the age of 18 will receive a free meal every shift. All employees below the age of 18 will receive a 20% discount off meals. If the restaurant is trying a new food product or signature drink, there will be a friendly competition of whoever can sell more, will receive a \$25 gift card to the place of their choice. This will also be used if there is a surplus of product.

Part 4: Principles of Marketing

TARGET MARKET

The Funky Magnolia has a large demographic. We create affordable yet delicious food that everyone can enjoy. The target market will most likely be college aged student/musicians with low income. Since we are located in a college area and offer live music, this will most likely be the type of customers that will dine. However, our doors are open to everyone.

PRODUCT FEATURES AND BENEFITS

We will offer local and quality food at a reasonable price. All of our food will be fresh. We will not serve frozen food. We will also offer an assortment of alcoholic beverages located at the bar. We will include vegetarian or vegan options to suit everyone.

PRODUCT DIFFERENTIATION

Our food will be Louisiana style which is not common in our location. We will also be locally sourced which will make us unique. We also offer live music while dining.

PRICING

Distributor = \$5,000 a month

Prices of products will range from \$8 to \$9 for smaller portions like appetizers. Larger entrees will cost between \$12 to \$20 depending on the meal. For example, steaks and lobster will be more expensive than a salad or chicken. Signature cocktails and margaritas will range from \$9 to \$12 depending on the drink. Other drink items will be \$10 or less.

These prices will allow for us to make a profit, but also allow us to serve customers in our demographic.

PLACE (DISTRIBUTION) ISSUES

We will mainly serve out of our main restaurant. Customers can also use various delivery apps like UberEats, DoorDash, etc. in order to receive service without stepping inside. We will also do some catering events to reach out to the community. We will be accessible to everyone in our demographic pool.

ADVERTISING

The Funky Magnolia will be on all social media apps promoting our food and drinks and specials. We will also announce who will be performing and any sort of special even ranging from trivia night to a donation drive. We will also promote ourselves to other small business for them to hand out coupons to first time guests. Of course, in return we will do the same for them, if that is what they wish.

PROMOTIONS

We will offer bottomless mimosas during our brunch hour. This will only be offered during a 3 hour period. We believe people will come to dine with brunch and order mimosas which

will generate business.

Another promotion we will do is if a well-known artist is performing, we will offer a signature drink those customers can order and a percentage of those sales will go to the artist. This allows The Funky Magnolia to create buzz about the restaurant and will allow us and our community to help support local artists.

GOLDSMITH

Part 5: Managing Information

IT RESOURCES

We plan to be on all social media sites to promote new products or events. We will also create a website to allow customers to make a reservation, look at our menu, and/or order pick up/delivery from various apps. We will also allow customers to put in their email to be put on our email list to receive special offers directly to them. We will also need to install a POS system for servers and bartenders to use. This is very crucial to the way our employees do their job effectively.

CUSTOMER SERVICE

All employees that will be hired will be very friendly which will allow them to create relationships with our customers. We believe that coming to dine in a fun and friendly environment will want customers to return and potentially create regulars. On every receipt a customer receives will be a link on our website that they can go to write feedback and rate their experience in our restaurant. It is very important to us to have a strong relationship with our community and accommodate to all customer's needs.

COST OF DOING BUSINESS

Expenses	Expected Monthly Cost	Expected Yearly Cost
Rent	\$ 17,500.00	\$ 210,000.00
Salaries and Wages	\$ 27,360.00	\$ 328,320.00
Supplies	\$ 24,490.00	N/A
Advertising	\$ 22.00	\$ 264.00
Telephone and Internet	\$ 80.00	\$ 960.00
Insurance	\$ 180.00	\$ 2,160.00
Utilities:		
Heat	\$ 3,200.00	\$ 38,400.00
Electricity	\$ 10,150.00	\$ 121,800.00
Gas	\$ 2,800.00	\$ 33,600.00
Water	\$ 3,500.00	\$ 42,000.00
Total	\$ 89,282.00	\$ 777,504.00

EXPECTED REVENUE

We believe that we will receive 500 customers a day. We believe each customer will spend around \$40 per meal. After hours we expect to have 280 customers at \$20.

12 Month Income Statement

The Funky Magnolia

	June	July	August	September	October	November
Revenue (Sales)						
Food Sales	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Drink Sales	\$ 5,600.00	\$ 5,600.00	\$ 5,600.00	\$ 5,600.00	\$ 5,600.00	\$ 5,600.00
Total Revenue (Sales)	\$ 25,600.00	\$ 25,600.00	\$ 25,600.00	\$ 25,600.00	\$ 25,600.00	\$ 25,600.00
Cost of Goods Sold						
Food Purchases	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Drinks Purchases	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Total Cost of Goods Sold	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00
Gross Profit	\$ 18,600.00	\$ 18,600.00	\$ 18,600.00	\$ 18,600.00	\$ 18,600.00	\$ 18,600.00
Expenses						
Rent Expense	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00
Salary/Wage Expenses	\$ 23,640.00	\$ 23,640.00	\$ 23,640.00	\$ 23,640.00	\$ 23,640.00	\$ 23,640.00
Supplies Expense	\$ 24,490.00	N/A	N/A	N/A	N/A	N/A
Advertising Expense	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Utilities Expense	\$ 19,650.00	\$ 19,650.00	\$ 19,650.00	\$ 19,650.00	\$ 19,650.00	\$ 19,650.00
Telephone/Internet Expense	\$ 80.00	\$ 80.00	\$ 80.00	\$ 80.00	\$ 80.00	\$ 80.00
Interest from Loans	\$ 2,402.47	\$ 2,402.47	\$ 2,402.47	\$ 2,402.47	\$ 2,402.47	\$ 2,402.47
Total Expenses	\$ 87,784.47	\$ 63,294.47	\$ 63,294.47	\$ 63,294.47	\$ 63,294.47	\$ 63,294.47
Net Profit	\$ (62,184.47)	\$ (37,694.47)	\$ (37,694.47)	\$ (37,694.47)	\$ (37,694.47)	\$ (37,694.47)

	December	Januray	Feburary	March	April	May	YEARLY
Revenue (Sales)							
Food Sales	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 240,000.00
Drink Sales	\$ 5,600.00	\$ 5,600.00	\$ 5,600.00	\$ 5,600.00	\$ 5,600.00	\$ 5,600.00	\$ 67,200.00
Total Revenue (Sales)	\$ 25,600.00	\$ 25,600.00	\$ 25,600.00	\$ 25,600.00	\$ 25,600.00	\$ 25,600.00	\$ 307,200.00
Cost of Goods Sold							
Food Purchases	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Drinks Purchases	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
Total Cost of Goods Sold	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 84,000.00
Gross Profit	\$ 18,600.00	\$ 18,600.00	\$ 18,600.00	\$ 18,600.00	\$ 18,600.00	\$ 18,600.00	\$ 223,200.00
Expenses							
Rent Expense	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ 210,000.00
Salary/Wage Expenses	\$ 23,640.00	\$ 23,640.00	\$ 23,640.00	\$ 23,640.00	\$ 23,640.00	\$ 23,640.00	\$ 283,680.00
Supplies Expense	N/A	N/A	N/A	N/A	N/A	N/A	\$ 24,490.00
Advertising Expense	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 264.00
Utilities Expense	\$ 19,650.00	\$ 19,650.00	\$ 19,650.00	\$ 19,650.00	\$ 19,650.00	\$ 19,650.00	\$ 235,800.00
Telephone/Internet	\$ 80.00	\$ 80.00	\$ 80.00	\$ 80.00	\$ 80.00	\$ 80.00	\$ 960.00
Interest from Loans	\$ 2,402.47	\$ 2,402.47	\$ 2,402.47	\$ 2,402.47	\$ 2,402.47	\$ 2,402.47	\$ 28,829.00
Total Expenses	\$ 63,294.47	\$ 63,294.47	\$ 63,294.47	\$ 63,294.47	\$ 63,294.47	\$ 63,294.47	\$ 784,023.64
Net Profit	\$ (37,694.47)	\$ (37,694.47)	\$ (37,694.47)	\$ (37,694.47)	\$ (37,694.47)	\$ (37,694.47)	\$ (476,823.64)

Balance Sheet

Assets	
<u>Current Assets</u>	
Cash	\$ 15,000.00
Cash Value of Inventory	\$ 5,000.00
Prepaid Expenses (insurance)	\$ 2,000.00
Total Current Assets	\$ 22,000.00
<u>Fixed Assets</u>	
Machinery and Equipment	\$ 18,100.00
Furniture and Fixtures	\$ 4,550.00
Real Estate/Building	\$ 17,500.00
Total Fixed Assets	\$ 40,150.00
Total Assets	\$ 62,150.00
Liabilities and Net Worth	
<u>Current Liabilities</u>	
Accounts Payable	\$ -
Taxes Payable	\$ 5,000.00
Notes Payable	\$ -
Total Current Liabilities	\$ 5,000.00
<u>Long-Term Liabilities</u>	
Bank Loans Payable	\$ 28,829.00
Less: Short-Term Portion	\$ -
Total Long-Term Liabilities	\$ 28,829.00
Total Liabilities	\$ 33,829.00
Owners' Equity	\$ 22,000.00
Total Liabilities and Owners' Equity	\$ 55,829.00

STARTUP COSTS

The Funky Magnolia will need around \$90,000 to start up. From the previous spread sheet, this amount will be enough to start up the restaurant.

FINANCING

Most of our financing will come from loans. The other founders and I will also put our own money in. I believe this will be enough to get us started. If it is not enough, we will also hold fund raisers and bake drives to raise money for the business.