

# Sample Business Plan

## Executive Summary

I plan to start up a hot dog cart vending business in the ABC Industrial Complex primarily serving the lunch hour (and breaks) blue collar crowd 10:00am to 3:00pm weekdays Monday to Friday.

This area is currently under serviced with long line ups observed at the 3 sit down or take out restaurants. Many of the area workers have to walk a long distance or even drive to get to these existing establishments. I have determined that a hot dog and pretzel cart strategically located at the ABC Industrial Complex would be highly successful. This industrial complex alone has a weekday population of 5000 personnel not including visitors.

The American hotdog council estimates that Americans consume 20 Billion hot dogs per year. They are enjoyed by 95% of U.S. households. That works out to be 70 hotdogs per person per year. Approximately 15% of these are purchased at American style hotdog vendor carts. Based on these figures and a retail price of \$4.00 per serving including side order and beverage, the annual sales potential in the ABC Industrial complex area is \$ 210,000.

The business will be registered under the name Your Town Dog'n Twist. It is a sole proprietorship.

To start up the business I require a 3 year loan of \$20,000.00 in addition to my own investment of \$5000.00 to cover the purchase cost of the vendor cart and start up supplies. Please refer to my attached Start Up Cost Estimate sheet.

I plan to start the business on or before \_\_\_\_\_

## Marketing Plan

Estimated gross annual sales are \$ 200,000.00 based on estimated sales of 200 average vendor servings per day. This sales level is realistically achieved by daily serving only 4% of the personnel in the business complex alone.

Additional sales could be achieved by serving the breakfast and/or break crowd from 8am to 10am at the above complex. I have access to a jumbo 6.5oz. gourmet soft pretzel line, featuring stuffed egg and cheese, cinnamon apple and other varieties. Hot coffee and

pretzels are a popular morning snack. Additional sales may also be achieved by servicing special events during evenings and weekends such as sporting events, conventions, cultural events, parades, fairs, large sales and business grand openings.

The product line will consist of standard size quality sausage dogs, jumbo size dogs, related condiments, side order items including coleslaw and potato chips, as well as canned soft drinks and bottled water. When I become established I will consider adding the pretzel line at a later date. Please see the attached menu sheet.

Prices have been set by researching prices charged by other area vendor carts. The profit margin achieved is 66%. Please see the attached item cost versus retail price comparison sheet.

To achieve success and market capture, a professional quality focused business approach is to be maintained. This will ensure customer satisfaction and repeat business. Please see the attached policy sheets titled Vendor Cart Dress Code and Employee Rules of Conduct. These will be company policy and strictly adhered to.

Competitors are 3 sit down or take out restaurants, all at a considerable walking distance from the ABC Business Complex. Most of the businesses in the complex have some type of snack or soda vending machine on their premises; however, the appeal of a freshly made hot dog with all the toppings exceeds anything found in a vending machine.

### **Operational Plan**

The cart will be stored and serviced at the owner's residence (or Commissary) located at 123 Main St., Your Town, OH. It will be moved into location daily ready for business at 10:00am . Perishable food supplies will be stored or purchased from Your Supply House and loaded into the cart each morning. This arrangement will also facilitate meeting all health dept. regulations. See the attached copy of the storage and supply agreement entered into between Your Town Dog'n Twist and Your Supply House, 789 Commercial Blvd, Pleasantville, OH.

The vendor cart meets all Health Department codes and regulations and will be properly licensed and inspected. It will be maintained according to the manufacturers Vendor Cart Operations and Maintenance Guide as well as all county Health Department guidelines. See attached copy of the Commissary Agreement

A business license and location license have been acquired from the city. A location rental agreement (copy attached) has been reached with the ABC Industrial Complex management.

Food supplies and other necessary supplies have been sourced from local reputable and reliable suppliers. Please see the attached Supplies List and Vendor Cart Reorder Form for details.

### **Financial Plan**

#### Monthly Sales

-200 customers/day x \$4.00 x 21 days	\$16,800
Food Costs @ 1/3	<u>\$ 5,600</u>
Gross profit margin after food purchase costs	<u>\$11,200</u>
Less the following costs (estimated monthly)	
Estimated product spoilage @ \$25/day	525
Commissary rental	500
Vendor Cart Location Rental	750
Business/ Health licenses	50
Business insurance	75
Business training	75
Other Business costs	50
Cleaning supplies	100
Uniform/Clothing allowance	100
Equipment repairs allowance	150
Business loan repayment	<u>700</u>
TOTAL monthly expenses	<u>\$ 3,075</u>
 Monthly Net Profit	 <u>\$ 8,125</u>