

# Catering For Kids Business Plan Example

October 24, 2011



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EXAMPLE

## Overview of Business Plan Example

The following business plan example, "Catering For Kids"<sup>1</sup>, has been edited and adapted from its original to serve as an illustration of a functional and realistic business plan.

This example will:

- Provide a template for business plan creation
- Demonstrate how to apply a business model or idea to a business plan framework
- Contain general information applicable to a variety of business types
- Offer guidance with respect to appropriate business plan content, layout, design, organization, and structure (see "Tips")

This example will not:

- Capture the unique operating characteristics of various business types
- Be directly transferrable to all business models

EXAMPLE

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<sup>1</sup> Source: <http://www.bplans.com>

## EXECUTIVE SUMMARY

Bright Future Youth and Family Services is a private nonprofit organization that serves more than 7,000 children, youth and families each year in Lane County, Oregon. We provide a continuum of services ranging from prevention to treatment for clients ranging in age from two to 24. Our agency also works closely with, and helps shape, the major systems that impact the young people and families in our community and state. You will find us involved in such diverse areas as mental health, juvenile justice, positive youth development, education, and work readiness.

The Chambers School and Career Center is one of ten tax-exempt nonprofit programs of Bright Future Youth and Family Services. Our mission is to assist at-risk youth in the Eugene/Springfield area in becoming productive citizens by providing a learning and work environment where they feel challenged, respected, and accountable as they strive to meet the demands of adulthood. We have a staff of approximately 250 employees and also utilize several volunteers each year who play a vital role in the organization.

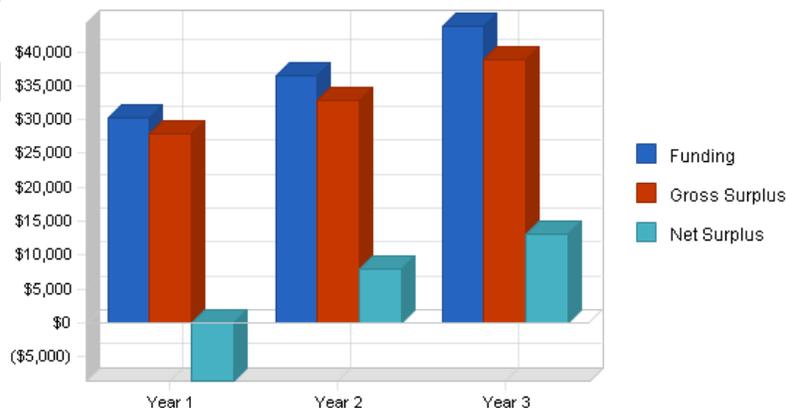
After a successful first year of operating the culinary arts program, we are looking to expand the program further. By developing the program into a full day program of academics and culinary arts training, we can develop an entrepreneurial curriculum that will allow our students to gain an insight into the operation of a small business. Specifically, by launching a lunch box catering business (called the Catering For Kids), we could offer our students the opportunity to gain valuable work experience for which they can earn both school credit and a stipend, acquire entrepreneurial business skills and achieve a real sense of accomplishment.

However, major challenges face Catering For Kids in the future. These include the need to:

1. Fund the program, including possible expansion of the existing commercial kitchen or lease of a larger kitchen off-campus.
2. Employ additional staff to teach the afternoon curriculum.
3. Purchase the additional food inventory required to launch the catering business.

The Board of Directors, staff, and volunteers of Bright Future continue to work toward providing a quality experience in the most effective and efficient manner possible with optimism for the future of this program.

Highlights



### Executive Summary Section Tips

This section should encompass the most important points of the entire business plan in no more than two (2) pages. The following information should be included:

- ✓ Description of the organization, its mission, objectives, and keys to success.
- ✓ Brief introduction of executive management structure.
- ✓ Definition of the industry in which the business operates.
- ✓ Outlook on the potential and future of the business.

This should be the **last** section of the plan written.

## 1.2 Mission

Catering For Kids is dedicated to providing at-risk youth with an opportunity to gain work experience and transferable skills by providing our customers with healthy, homemade foods and excellent service at reasonable prices. Employees of Catering For Kids will be students who are enrolled in the culinary arts program at the Chambers School and Career Center and are interested in gaining work experience in the restaurant and food services industry. The experiences the students have while participating in this program will assist them in making the transition from school to work, and will allow them to develop entrepreneurial skills that will be transferable to any job in the future.

## 1.3 Keys to Success

- Cultivate an identity (brand) for the Catering For Kids business in the Eugene/Springfield community.
- Expand our customer base into new areas within Eugene/Springfield.
- Hire a year-round business manager for the catering business, thereby providing student employment twelve months of the year.
- Expand the donor/corporate partner base and corporate contributions that add to the financial resources of Chambers School's programs.
- Provide students with entrepreneurial job skills that can open doors to future employment opportunities.
- Acquire additional equipment to support future growth and offer greater flexibility, leading to expanded services offered by Catering For Kids that will further the goal of providing valuable work opportunities for homeless and at-risk youth.

## 1.4 Objectives

- Enroll approximately 25 Chambers School students for stipend and school credit based positions in the next school year.
- Serve a sufficient number of clients to break even financially, covering pay for student employees, staff and all inventory expenses.
- Move from serving internal clients of Bright Future to external clients, especially other nonprofit organizations.
- Develop an entrepreneurial curriculum for the culinary arts program and other students of Chambers School.

## ASSETS AND INFRASTRUCTURE

The Chambers School and Career Center is an accredited alternative school, offering education and vocational training for out-of-school youth, ages 14 to 21. Our mission is to help prepare young adults to become productive citizens by providing a work and learning environment where they feel challenged, respected, and accountable as they strive to meet the demands of adulthood. The program is funded by the Lane Workforce Partnership, Oregon Youth Conservation Corps, Department of Human Resources, and the local school districts.

Services:

- Comprehensive career and basic skills assessment.
- Basic skills instruction (reading, writing, and math).
- Credit recovery toward a high school diploma.
- General Education Development (GED) instruction.
- Basic computer skills instruction.
- Pre-Employment skills training and job search assistance and placement.
- Work-based learning opportunities.
- Access to community resources.
- Assistance with transportation, job search clothing, child care, and GED testing fees.
- Independent Living Skills Program for youth in foster care.

Eligibility: Academic Program, youth ages 14 to 21; Lane-Metro Youth Corps, youth ages 14 to 24; and Bright Future Inc., youth ages 16 to 20.

Staff: The staff are experienced employment and training professionals. Classroom instructors are certified teachers with experience working with youth from various backgrounds, needs and abilities.

### 2.1 Legal Entity

Bright Future Youth and Family Services is a 501(c)3 tax-exempt not-for-profit organization that strives to uphold the following values:

- Providing quality services to all of our clients, regardless of age, sex, race, color, religion, national origin, sexual orientation, mental or physical disabilities or ability to pay for services.
- Showing sensitivity and caring.
- Being accountable and responsive.
- Pursuing professional excellence.
- Offering a fulfilling work experience and professional development for its employees.

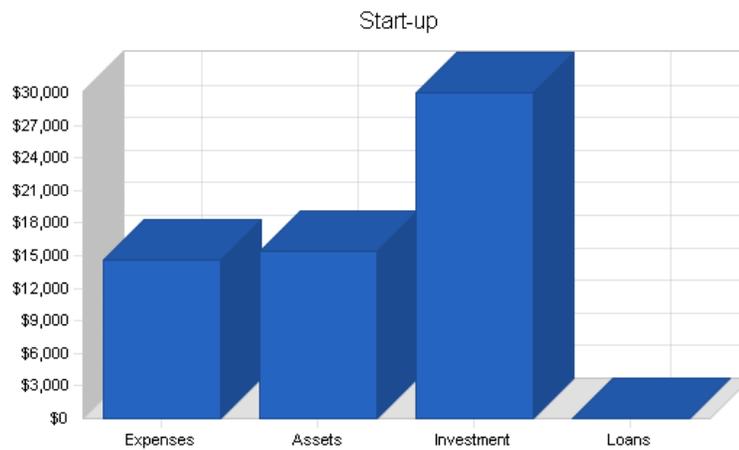
### 2.2 Start-up Summary

Our start-up costs primarily cover inventory costs, marketing materials, and the services of a business consultant from the University of Oregon. The assumptions are shown in the following tables and chart. We will use existing assets in order to keep start-up expenses and need for capital assets down in the early stages of operation.

### Assets & Infrastructure Section Tips

This section should inform the audience about the resources and capital needed to run the business. The following information should be included:

- ✓ Legal designation of the organization.
- ✓ Funding requirements for start-up/operations.
- ✓ Description of the location and quality of facilities, equipment, and other materials needed to operate



### Start-up Requirements

#### Start-up Expenses

Dept. of Health Fees	\$75
Brochures	\$655
Consultants	\$2,000
Lease (Commercial kitchen)	\$11,076
Expensed Equipment	\$100
Software	\$645
<b>Total Start-up Expenses</b>	<b>\$14,551</b>

#### Start-up Assets

Cash Required	\$15,449
Start-up Inventory	\$0
Other Current Assets	\$0
Long-term Assets	\$0
<b>Total Assets</b>	<b>\$15,449</b>
<b>Total Requirements</b>	<b>\$30,000</b>

#### Start-up Funding

Start-up Expenses to Fund	\$14,551
Start-up Assets to Fund	\$15,449
<b>Total Funding Required</b>	<b>\$30,000</b>

#### Assets

Non-cash Assets from Start-up	\$0
Cash Requirements from Start-up	\$15,449
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$15,449
<b>Total Assets</b>	<b>\$15,449</b>

#### Liabilities and Capital

### Start-up Funding

<b>Liabilities</b>	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
<b>Total Liabilities</b>	<b>\$0</b>
<b>Capital</b>	
<b>Planned Investment</b>	
Grantor 1	\$30,000
Other	\$0
Additional Investment Requirement	\$0
<b>Total Planned Investment</b>	<b>\$30,000</b>
Loss at Start-up (Start-up Expenses)	(\$14,551)
<b>Total Capital</b>	<b>\$15,449</b>
<b>Total Capital and Liabilities</b>	<b>\$15,449</b>
<b>Total Funding</b>	<b>\$30,000</b>

### 2.3 Locations and Facilities

Catering For Kids will be located inside the Chambers School and Career Center at 1390 Keasey Boulevard in Eugene, Oregon. The school facility includes a commercial kitchen that is licensed by the Oregon Department of Human Services to serve the public. Currently, the kitchen is used by the culinary arts program to prepare and serve breakfast and lunch for students during each school year.

### 2.4 Milestones

The accompanying table lists important program milestones, with dates and managers in charge, and budgets for each. The milestone schedule indicates our emphasis on planning for implementation.

What the table doesn't show is the commitment behind it. Our business plan includes complete provisions for plan-vs.-actual analysis, and we will be holding follow-up meetings every month to discuss the variance and course corrections.



**Milestones**

<b>Milestone</b>	<b>Start Date</b>	<b>End Date</b>	<b>Budget</b>	<b>Manager</b>	<b>Department</b>
Business plan	7/1/2002	9/30/2002	\$4,500	Saffron Mullay	Consultant
Commercial kitchen certification	8/1/2002	9/1/2002	\$75	Christy Smith	Director
Overhaul culinary arts schedule	8/1/2002	9/1/2002	\$0	Monica Kraft	Culinary Arts
Hire part-time business manager	8/1/2002	9/1/2002	\$12,000	Christy Smith	Director
Buy food supplies	8/1/2002	9/1/2002	\$2,000	Monica Kraft	Culinary Arts
Buy equipment	10/1/2002	10/15/2002	\$100	Monica Kraft	Culinary Arts
Create entrepreneurial curriculum	10/1/2002	10/31/2002	\$0	Christy Smith	Director
Printing of marketing materials	10/1/2002	10/31/2002	\$655	Christy Smith	Director
<b>Totals</b>			<b>\$19,330</b>		

## SERVICE OFFERING (PRODUCTS)

### 3.1 Product Description

Corporate customers demand that food and presentation quality be consistently high, which is why Catering For Kids will strive to maintain the best quality possible. Our ingredients include high quality products and many goods are baked fresh daily. Each boxed lunch is packed with the utmost care in environmentally responsible packaging.

#### Food Product Descriptions

Boxed lunches: a sandwich or salad with dressing packet, deli salad (i.e. pasta salad or cottage cheese, cinnamon and fresh fruit), fresh seasonal fruit, chips and a cookie. Sandwich or salad options will include:

- Roast beef and havarti dill sandwich;
- Avocado, smoked turkey, lettuce and tomato sandwich;
- Chicken caesar salad sandwich;
- Chicken salad with red grapes croissant sandwich;
- Garden hummus and provolone sandwich;
- Hawaiian sunrise with turkey ham;
- Pear, walnut and goat cheese salad.

Buffet style lunches:

- Party platters of meats, cheeses, breads, fruit, condiments, chips and dessert;
- Sandwich wrap platters with several deli salad options, fruit, chips and dessert;
- Baked potato bar with toppings, macaroni salad, fruit and dessert;
- Lasagna bar (including several types) with french bread, salad and fruit and desert;
- Taco salad bar with fresh toppings, taco shells and fresh salsas.

Both styles of lunch catering will include vegetarian, low-fat, dairy-free and allergy-free options and we plan to modify individual meals at our customer's request. Our desserts include freshly baked cookies and dessert bars. Chips will be 1-1.5oz. store-bought packages with a variety of popular flavors available. Each lunchbox will include one package each of mayonnaise, dijonaise deli mustard, a plastic fork, our trademark blue straw and thank you card, a napkin and a Euphoria chocolate. Salads will come with the customer's choice of dressings, packaged on the side. We will offer one variety of dressing that is homemade in our kitchen; others will be store-bought individual packets. Beverages will be available for purchase and will include a variety of fruit juices, sparkling water and soda. Both buffet and boxed style lunches must be ordered three days in advance so that our staff has adequate time to prepare the meal. A minimum order of 10 is required for all buffet style lunches. There will be no minimum for boxed lunch orders.

### 3.2 Alternative Providers

A number of other caterers offer boxed lunches for business clients. However, none of these businesses specialize in serving the nonprofit sector, nor are they themselves a nonprofit that benefits the local community. Catering For Kids will specialize in developing excellent relationships with its nonprofit clientele. We believe that this unique position, combined with competitively priced, fresh, high-quality meals will set Catering For Kids apart as the premier caterer for the Lane County nonprofit sector.

### 3.4 Sourcing

Food products for meal preparation will be purchased by the Catering For Kids marketing manager at local grocery wholesalers, either Costco or United Grocers, using a business account. Staff to prepare the food will be current students of the Chambers School's Culinary Arts Program. These students will receive a stipend for their work as well as school credit. Food preparation will be supervised by

### Service Offering Section Tips

This section should describe the product(s) the business plans to offer in detail. The following should be addressed:

- ✓ Functional purpose and range of the product(s) offered.
- ✓ Product complements and/or alternatives.
- ✓ Supply chain for the product(s) (how the business intends to source input materials).
- ✓ Potential for future product development or

the Chambers School's Culinary Arts instructor. Management of Catering For Kids itself, including finances, marketing and building client relationships, will be handled primarily by a paid part-time staff member.

### 3.5 Technology

So far, only three Eugene caterers offer online ordering, which means that the primary methods of ordering catered lunches in Eugene/Springfield are still by phone or fax. Catering For Kids will offer fax/phone ordering with either trained students or staff taking orders with a minimum two days in advance of delivery. During this first year, Catering For Kids will primarily serve Bright Future internal customers only and online ordering will be unnecessary. However, in the long term as more customers become used to ordering lunch online, Catering For Kids may update its website to receive online orders. During year two, Catering For Kids will have a website that includes its complete menu and contact information. We will include this website address on as many printed materials as possible. The administrative offices of Bright Future currently updates and maintains the organization's websites and we anticipate that this department will also handle the design and creation of the Catering For Kids website.

### 3.6 Future Products

As our business grows, we foresee the need to expand our current kitchen, which may mean opening a second location in which students can work to prepare meals and receive instruction. This additional kitchen must meet strict guidelines set forth by the Department of Human Services and will require our students to be transported to and from this location under adult supervision. However, this second location will allow Catering For Kids to allow an even greater number of at-risk youth to gain valuable work experience before they graduate, thus furthering the ultimate goal of Catering For Kids.

## MARKET AND CUSTOMER ANALYSIS

According to the Eugene Area Chamber of Commerce, "at the heart of the Eugene economy are the homegrown small and medium-sized businesses. Most of Eugene's businesses employ fewer than 20 workers. From specialty retail shops to financial service firms, from management consultancies to ethnic groceries, Eugene's small business community is diverse, active, thriving and well-supported. Including sole proprietorships and limited partnerships, there are more than 10,000 businesses in and around Eugene." Eugene/Springfield's population has grown 3.95% on average since 1998 and this new growth has meant new businesses and expanding opportunities for catering companies who can serve these businesses' needs. Catering For Kids anticipates that Eugene/Springfield businesses have unmet demand for catered lunch meetings and other events. And unlike other restaurant and food-related businesses, business to business catering is not as cyclical as business to consumer catering. Businesses continue to have lunch meetings and employees who wish to purchase their lunches year round. In order to gain some insight into the market size and demand, we undertook some market research.

### 4.1 Market Segmentation

Catering For Kids will serve three primary groups of customers. As our business grows, we will begin serving these groups in the order listed below as each new customer group represents a larger step into the community and therefore requires Catering For Kids to differentiate itself further from local for-profit caterers. All of our target customers may be defined as corporate clients who are continually looking for new, refreshing meals to eat at recurring lunchtime meetings.

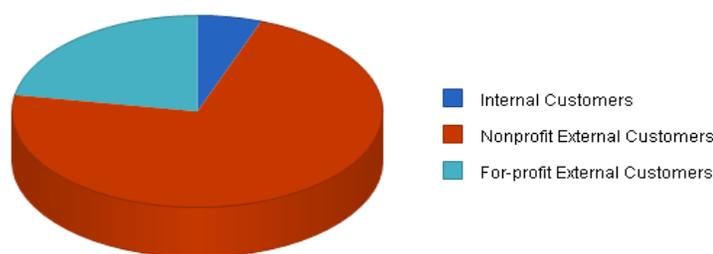
1. Internal Bright Future Customers:
  - Board of Directors meetings, serving 35-45 meals per month in either a buffet or lunch box format.
  - Board Sub-committee meetings, serving 40-50 meals per month in either a buffet or lunch box format.
  - Bright Future Counseling Center meetings, serving approximately 25 meals each week in either a buffet or lunch box format.
  - Miscellaneous meetings throughout the Bright Future organization, which has over 250 employees on staff.
  - Rolling cart lunch service at various Bright Future locations in Eugene/Springfield, serving boxed lunches and beverages only.
2. Nonprofit External Customers:
  - Catered meetings held by other nonprofit clients.
3. For-profit External Customers:
  - Rolling cart boxed lunch and College City coffee service in local government or private sector offices that are underserved by local restaurants and coffee shops.

### Market and Customer Analysis Section Tips

This section should describe the product(s) you plan to offer and the market you plan to enter in detail. The following should be addressed:

- ✓ Market name, segmentation, size, and trends.
- ✓ Description of target customer(s).
- ✓ Marketing, pricing, and promotion strategies.
- ✓ Value proposition – what makes the product(s) worth it for consumers and better than alternatives/competitors?

Market Analysis (Pie)



## Market Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5		
Potential Customers							
	<b>Growth</b>					<b>CAGR</b>	
Internal Customers	1%	1	1	1	1	0.00%	
Nonprofit External Customers	13%	13	13	15	17	19	9.95%
For-profit External Customers	4%	4	4	4	4	4	0.00%
<b>Total</b>	<b>7.46%</b>	<b>18</b>	<b>18</b>	<b>20</b>	<b>22</b>	<b>24</b>	<b>7.46%</b>

### 4.2 Target Market Segment Strategy

Catering For Kids' target market segment is nonprofit customers (including internal customers). We plan to target this group for several important reasons. First, we are a nonprofit organization and believe that we are better positioned to serve the needs of other nonprofits. Secondly, we believe that nonprofit organizations are more likely to try and continue to use a fellow nonprofit for catering services. Thirdly, we do not intend to jump into the commercial catering market in direct competition with for-profit caterers. By postponing this direct competition, we believe our organization will be better able to remain focused on our primary objective: serving at-risk youth in Lane County.

#### 4.2.1 Market Trends

Significant market trends for caterers are as follows:

- Consumers are value-conscious, especially during the current economic climate.
- Consumers are health-conscious with an increasing number expecting vegetarian, dairy-free, low-fat, sugar-free and organic options to be available.
- Consumers are eating less red meat and eggs, and more poultry, fish, grains, fruit and vegetables.
- Increasing numbers of households are choosing to buy prepared food rather than cook at home, which may indicate that fewer employees are bringing lunches to work.

#### 4.2.2 Market Growth

According to the National Restaurant Association, the restaurant industry's share of the food dollar is currently 46.1% and is expected to reach 53% in 2010. More and more Americans are choosing to buy prepared food, rather than make it themselves. As caterers are a part of this industry, they are also likely to see an increase in the number of traditional meal catering engagements as fewer business people bring a lunch to work each day. Nonprofit or tax-exempt organizations have also grown in number across the country, up 34% since 1982 according to The New Nonprofit Almanac by Independent Sector.org. On average, the number of nonprofits increases by 12.6% every five years and as Catering For Kids' primary target market, this means that the potential for new customers and increased revenue is growing.

### 4.3 Value Proposition

Although Catering For Kids will offer high-quality food at competitive prices, the real benefit of using our service is knowing that the money a nonprofit is spending is being used not to improve our bottom line but to improve the lives of at-risk youth in the Eugene/Springfield area. Youth from the Chambers School benefit each time a customer books a catering event with Catering For Kids. Youth involved in the program get valuable work experience and a chance to learn real life skills that will help them make a successful transition from school to work, overcoming the exceptional challenges that disenfranchised young people face.

### 4.4 Competitive Edge

Catering For Kids has the ability to provide internal and external customers with high-quality catered business lunches year round at competitive pricing while providing a valuable service to the community. We are able to provide this value because we have a pre-trained workforce - students of the Bright Future Chambers School and Safe & Sound Youth Project. These students are enrolled in the culinary arts program and have training in commercial food preparation and have food handler's cards. This work experience will provide students with transferable skills that help facilitate their transition from school to work and provide an excellent public relations position for Catering For Kids. The instructor of the culinary arts program is an experienced restaurateur who will bring practical business management know-how to the business and serves as a role model to the students in the program.

### 4.5 Marketing Strategy

Our main strategy is the growth of catering customers. A large customer base provides revenue and furthers both goals of operating a self-sustaining business and providing even more part-time employment for at-risk youth. This also positions Catering For Kids as the caterer of choice for every nonprofit in Eugene/Springfield.

The tactics to grow the customer base are:

1. Building awareness of the Catering For Kids's goals and the benefits of patronizing our business.
2. Providing consistently high-quality meals for internal and external customers.
3. Offering good value to our customers who are often required to stretch their budgets in order to serve our community.

Programs to support these tactics are:

1. Promotions involving current customers, including various marketing media and thank you cards inside each and every boxed lunch.
2. Sending a uniformed delivery chef (student) with each order for external customers.

#### 4.5.1 Distribution Strategy

The distribution strategy for Catering For Kids is:

- Timely delivery of catered lunches.
- Fresh meals whose quality has not been diminished by time in transit.
- Prioritization of wholesale grocery suppliers, such as Costco Wholesale, who offer free delivery in order to make the best use of labor hours.

#### 4.5.2 Marketing Programs

Our most important marketing program is preparation of the meals itself, along with thoughtful presentation that consistently exceeds our customers' expectations. The business manager will be responsible for ensuring that these objectives are met, with a milestone date of the 15th of October, 2003. This program is intended to cultivate and grow our customer base as well as give student workers an opportunity to see the inner workings of an entrepreneurial venture. Achievement should be measured by the slow but steady growth of our customer base and the ability to break even in the second year of operation.

#### 4.5.3 Pricing Strategy

Because of the competitive local catering market, we walk a fine line in pricing our meals. They cannot be so expensive that we are competing with high-end caterers who have professional chefs planning their menus, but at the same time we must cover our operating expenses, overhead and pay for our small staff. Our ready pool of trained student workers, who will be reimbursed primarily through school district stipends, will help keep our prices lower than our competitors. Our boxed lunches will be competitively priced with the middle-range priced caterers in town with each box priced at approximately \$6.50 including a beverage. Our buffet style lunches will be priced at

approximately \$6.50 per person including a beverage. We will charge a small delivery fee for parties smaller than eight people. Deliveries will be made by one paid staff person, accompanied by a rotating student worker in a complete chef's uniform.

#### 4.5.4 Promotion Strategy

Catering For Kids plans to utilize a low-cost, low-visibility promotion program because of our limited ability to grow rapidly in the first year. We have already introduced our service to a number of Lane County nonprofits via an email campaign. We plan to continue this campaign as we move closer to launching the business, keeping potential customers apprised of our development and eventually, of the menu and services we offer. Then, once a service contract has been agreed upon with a customer, each person served during the event receives our thoughtfully prepared marketing information inside their boxed lunch. This includes a small thank you card, which briefly outlines the goals of our program. The benefits that the customer is providing to the larger community are stressed and our contact information is there for future reference. In general, our promotions will center on:

- Observation: meeting attendees experience our high-quality and thoughtfully prepared meal service.
- Visibility: each lunch box or buffet includes thank you cards, so that our presence and name is noticed by everyone.
- Word of mouth: professionals who use our service tell their colleagues. Those with friends at other nonprofits tell them about our service.
- Community service public relations: we maintain a good relationship with the local media, and have received some very flattering and beneficial exposure in the Community Service sections of the newspaper and TV coverage of our other programs. We will look for any opportunities to publicize the Catering For Kids program.

EXAMPLE

## PARTNERS AND COMPETITORS

The catering industry is highly competitive and is made up of large numbers of independent participants. These participants serve the local corporate, social and/or cultural clientele, though some find unique niches such as a local university or school district. Food costs are generally quite low, with most of a caterer's expenses attributed to labor and overhead. Demand for catering services depends on local population size, number of businesses and cultural institutions and standard of living. However, over time, more Americans are choosing to pay for prepared food rather than cooking at home - a positive sign for the catering and restaurant industries alike. Some experts predict that by 2010, 53% of American's food budgets will be spent on food prepared outside of their own kitchens, presenting an interesting opportunity for caterers (Nat'l. Restaurant Association, <http://www.restaurant.org/>).

### 5.1 Competitors

There are several caterers in town that will compete directly with Catering For Kids once we grow beyond serving our internal organization customers only. The key alternative caterers are:

- **Of Grape & Grain**, which specializes in deli style boxed lunches and cafe-style dining. This is the caterer currently used by Bright Future.
- **Cravings Fine Foods**, which specializes in event planning and cafe-style dining but which also offers deli style corporate boxed lunches.
- **Ariana's Deli** (owned by Alpine Catering), which features online ordering of deli style boxed lunches for delivery.
- **Fetuccini and Co.**, which also features online ordering of deli style boxed lunches for delivery.
- **The Garden Deli**, which also features online ordering of deli style boxed lunches for delivery.
- **Napoli Restaurant**, which features Italian style boxed lunches with a limited menu and no delivery.
  - **Brindiamo Catering**, which features high-end boxed lunches with delivery, table decor and waitstaff.
  - **Wild Duck Brewery**, which features hot and cold boxed lunches as well as boxed salads and offers delivery for a small fee.
  - **Oregon Electric Station**, which specializes in high-end events such as weddings and corporate parties.
  - **Alpine Catering**, a full service caterer.
  - **Oakway Caterers**

Several of the above caterers, such as Napoli Restaurant, have a primary focus of operating their restaurant and may not put as much emphasis on catering details. Others, like Wild Duck Brewery, are focused primarily on large events and require a 15 person minimum for service. Still others, like Brindiamo Catering, are focused on very high-end customers and are out of the price range of many nonprofit organizations at over \$12 per person. Therefore, Catering For Kids's primary competitors are the smaller, deli-style caterers, such as Of Grape & Grain and Ariana's Deli, whose prices are around \$5-7 per person and who can be flexible with catering to small, less formal meetings.

There are also a number of low-end caterers that will compete with Catering For Kids even before we grow beyond our internal clients, as these caterers are currently used by some Bright Future programs now. These include:

- **Local and national grocery stores chains** such as Albertson's that will make made-to-order deli submarine sandwiches, chips and sides.

### Partners and Competitors Section Tips

This section should identify existing and/or potential partners, as well as potential competitors. The following information should be included:

- ✓ Names of current partners and a description of the value they contribute to the business.
- ✓ Names of potential future partners and reasons for engaging them.
- ✓ Names of all possible competitors and brief descriptions of related products.
- ✓ Names of most threatening competitors and justification for competing with them.

- **Local and national sandwich fast-food chains** such as Togo's and Quizno's. Like grocery stores, these stores will also make made-to-order sandwich based meals that include chips and a beverage.

Although these providers offer low-cost fare, they are unable to offer much in the way of custom menu planning and do not differentiate between retail consumers and business or nonprofit customers. Thus, their services are one size fits all - they have a fixed and limited menu and their delivery hours are restricted to their normal hours of operation. Patronizing this type of business also does not benefit the community directly as does the Catering For Kids.

## 5.2 Strategic Alliances

We would not exist without the Safe & Sound Youth Project and other organizations, which were instrumental in the planning of this endeavor. Catering For Kids has alliances with the following businesses and organizations that have provided volunteer hours to assist in the launch of this project:

- La Petite Croissant Bakery
- College City Coffee
- Quick-E-Mart
- Levi Straus & Co.
- Eugene Safe Kids Project
- Lane Community College Culinary Arts Program

In the future, these organizations will continue to contribute to the success of this endeavor by providing ongoing consulting and possible product discounts to Catering For Kids.

## GOVERNANCE SUMMARY

The initial management team consists of the director of the Chambers School and the school's culinary arts instructor. A part-time business manager will also be hired who is able to instruct an afternoon shift of students in culinary arts and who will manage the Catering For Kids business. Additional staff will come from the culinary arts programs itself, consisting of five to ten trained high school age students with food handler's cards and a sincere interest in the food and hospitality services industry. A board of advisory volunteers will assist the management team in making decisions regarding the operation of the business.

### 6.1 Organizational Structure

Our organization is led by the director with the instructor(s) reporting directly to this director. A volunteer advisory board offers a broad range social services expertise and years of business experience to the team.

### 6.2 Management Team

Christy Smith, the director of the Chambers School and Career Center, holds an MS in counseling from the University of Ohio and has been employed with Bright Future for the past 24 years. She has over 30 years of experience in working with at-risk youth and 16 years in program management including: personnel, grant writing, fiscal management, contract compliance, public relations and daily operations.

Monica Kraft, the head of the culinary arts program at the Chambers School and Career Center has over 23 years of restaurant business ownership experience. While she currently owns La Pequena Taqueria, a successful food booth that has been serving the Eugene Saturday Market for 23 years, she has also owned a catering business and cafe and was a founding member of the Keystone Restaurant, a fixture in Eugene since 1981. She received her teaching credentials at Kansas State University in 1977 and has been teaching the curriculum she developed for the Chambers School since January 2002.

The Volunteer Steering Committee consists of seven talented members of the Eugene/Springfield business and education communities. Combined, they bring years over 55 years of business experience, including two MBAs, to the table. These volunteers are dedicated to the success of the Catering For Kids and to ensuring that our area youth get the opportunities they deserve.

### 6.3 Management Team Gaps

The remaining position is that of business manager/culinary arts instructor for the Catering For Kids. This part-time position will be funded by a grant and has not yet been filled. Beginning in August, we will begin accepting applications for this position. Like other instructors in culinary arts at the Chambers School, the ideal candidate will have experience teaching youth and successfully operating an entrepreneurial venture from start-up to expansion, demonstrating an ability to manage growth in a competitive environment.

### 6.4 Personnel Plan

The director of the Catering For Kids is employed by the Chambers School and Career Center and therefore, her salary is not included in our budget. Likewise, the head of the culinary arts program is also employed under the auspices of Chambers School and her salary is also omitted.

The student workers, on the other hand, are paid through the Catering For Kids and their wages are included in this budget. However, as these workers are students who are receiving high school credit for their work, their wages are partially offset by public school district reimbursement.

## Governance Section Tips

This section should introduce the management team responsible for running the organization and define personnel requirements. The following information should be included:

- ✓ Names of organizational leaders and their respective positions and roles.
- ✓ Description of organizational structure.
- ✓ Definition of personnel requirements, including payroll projections.

Finally, the only position that is fully included in the Catering For Kids budget is that of the part-time business manager/culinary arts instructor. This position is responsible for teaching approximately three youths in the afternoon shift and in the remaining hours of their shift, in managing the finances, marketing, menus and inventory related to Catering For Kids. It is the goal of the Catering For Kids to include this salary in its budget and still become a self-sustaining enterprise.

### Personnel Plan

	Year 1	Year 2	Year 3
Manager/Instructor	\$16,800	\$17,640	\$18,522
Students/Workers	\$7,200	\$7,200	\$7,200
Name or Title	\$0	\$0	\$0
Other	\$0	\$0	\$0
Total People	\$0	\$0	\$0
<b>Total Payroll</b>	<b>\$24,000</b>	<b>\$24,840</b>	<b>\$25,722</b>

The Catering For Kids will finance growth through cash flow, grants and school district revenues. We recognize that this means we will have to grow more slowly than we might like but that no borrowing is necessary.

## FINANCIAL STRUCTURE

### 7.1 Important Assumptions

The financial plan depends on important assumptions, most of which are shown in the following table. The key underlying assumptions are:

- Direct food costs will be less than or equal to 30% of total direct costs.
- A slow-growth economy without major recession or food crisis.
- No unforeseen changes in government grant funding availability.
- Continued interest in restaurant and hospitality services by students of the Chambers School. It has proved to be a highly popular program in the past and we have no reason to believe this situation will change.
- Continued interest in using catering services by organizations and businesses in the Eugene/Springfield area.

### Other General Assumptions

	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%

### 7.2 Fundraising Strategy

Catering For Kids is committed to balancing its budget and operating on a solid financial foundation. These efforts are based on a mixture of revenues from catering events, fundraising, partnerships with local businesses and charitable gifting. Catering For Kids is emphasizing the need to reduce reliance on donations and looks toward revenues from catering customers to support the program. Our goal is to become self-sustaining, involving our students in the process of maintaining a profitable and competitive venture that benefits our community. This is a considerable challenge due to the number of local catering competitors, the small size of the program and unpredictable variable costs.

#### 7.2.1 Fundraising Programs

3. First year revenues assume that internal Bright Future customers will begin using Catering For Kids in October for all catered board, committee and counseling meetings. A sales increase is anticipated in December when Catering For Kids may be used to cater company Christmas parties.
4. Per person pricing of \$6.50 is assumed and is an average number. This number may be revised up or down to reflect costs of goods and competitor's prices.
5. Anticipated donations are based on past donations received from grant-making foundations for similar Bright Future school-to-work programs. However, as it is a goal of this program to become self-sustaining, these funds taper off over the first year as Catering For Kids becomes more financially stable.

### Financial Structure Section Tips

This section should provide the audience with a complete understanding of the business' current and projected future financial operations. The following information should be included:

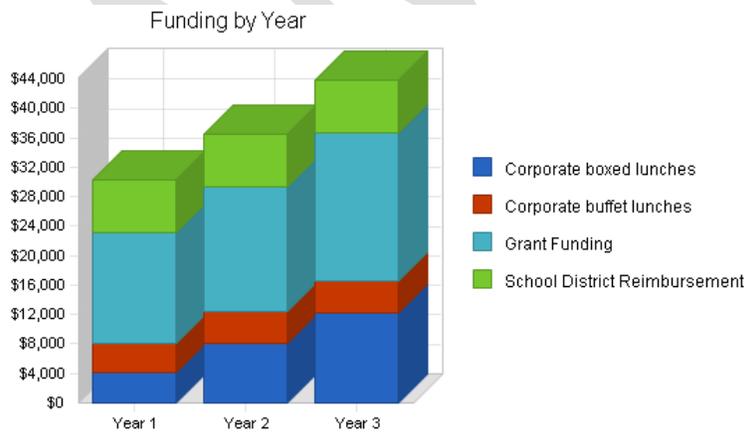
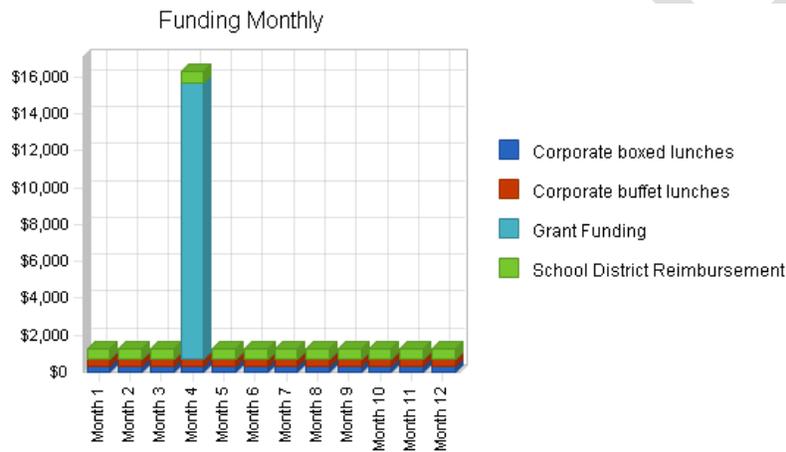
- ✓ Full current income statement, balance sheet, and statement of cash flows.
- ✓ Fundraising strategy and forecast.
- ✓ Projected income statement for at least three (3) years.
- ✓ List of assumptions made in projecting financial performance.
- ✓ Stress tests to show worst case, best case, and expected financial scenarios. This should include a breakeven analysis to show the point where and when the business will become profitable.

### 7.2.2 Funding Forecast

Sales for year one are based on internal Bright Future clients only. We plan to double this number in year two as we expand our business to serving external customers, especially other nonprofits. Finally, in year three, we plan to expand to serving the community at large, including retail customers.

Funding resources primarily come from school district revenues for teaching. A part-time instructor teaching for three hours a day, four days a week in an afternoon class shift of five to eight students would provide revenues of approximately \$600/month. In January of 2003, we plan to receive funding from various grants that we are in the process of applying for now. We have been successful in applying for grants in the past and are very optimistic about receiving this type of funding in the future. Revenues brought in for our current daytime culinary arts curriculum instruction are not included in this calculation as they will continue to be taught with or without the launch of Catering For Kids.

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### Funding Forecast

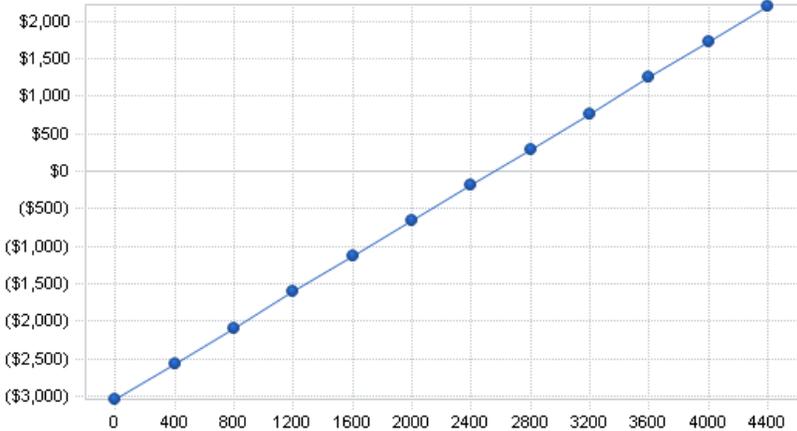
	Year 1	Year 2	Year 3
<b>Units</b>			
Corporate boxed lunches	600	1,200	1,800
Corporate buffet lunches	600	630	662
Grant Funding	15,000	17,000	20,000
School District Reimbursement	7,200	7,200	7,200

<b>Funding</b>			
<b>Total Units</b>	<b>23,400</b>	<b>26,030</b>	<b>29,662</b>
<b>Unit Prices</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Corporate boxed lunches	\$6.75	\$6.75	\$6.75
Corporate buffet lunches	\$6.75	\$6.75	\$6.75
Grant Funding	\$1.00	\$1.00	\$1.00
School District Reimbursement Funding	\$1.00	\$1.00	\$1.00
<b>Funding</b>			
Corporate boxed lunches	\$4,050	\$8,100	\$12,150
Corporate buffet lunches	\$4,050	\$4,253	\$4,465
Grant Funding	\$15,000	\$17,000	\$20,000
School District Reimbursement Funding	\$7,200	\$7,200	\$7,200
<b>Total Funding</b>	<b>\$30,300</b>	<b>\$36,553</b>	<b>\$43,815</b>
<b>Direct Unit Costs</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Corporate boxed lunches	\$2.03	\$2.03	\$2.03
Corporate buffet lunches	\$2.03	\$2.03	\$2.03
Grant Funding	\$0.00	\$0.00	\$0.00
School District Reimbursement Funding	\$0.00	\$0.00	\$0.00
<b>Direct Cost of Funding</b>			
Corporate boxed lunches	\$1,215	\$2,430	\$3,645
Corporate buffet lunches	\$1,215	\$1,276	\$1,340
Grant Funding	\$0	\$0	\$0
School District Reimbursement Funding	\$0	\$0	\$0
<b>Subtotal Direct Cost of Funding</b>	<b>\$2,430</b>	<b>\$3,706</b>	<b>\$4,985</b>

### 7.3 Break-even Analysis

Our break-even analysis is based on the ongoing costs we incur to keep Catering For Kids running. Fixed costs include the overhead for use of the commercial kitchen, utilities/contract services, payroll, and marketing costs. The payroll cost includes the salary for one permanent part-time staff person who will manage the operation of the catering business as well as instruct the student workers for the entrepreneurship portion of the curriculum. Marketing expenses will be kept to a minimum, primarily employing word-of-mouth and other inexpensive means. Our assumptions on the average unit revenue are based on the average price we will charge for our corporate boxed lunch, however this is not the only product that will be offered by Catering For Kids. The result of this analysis offers general insight regarding the number of boxed lunches we must sell in order to maintain uninterrupted operation of the catering business each month.

Break-even Analysis



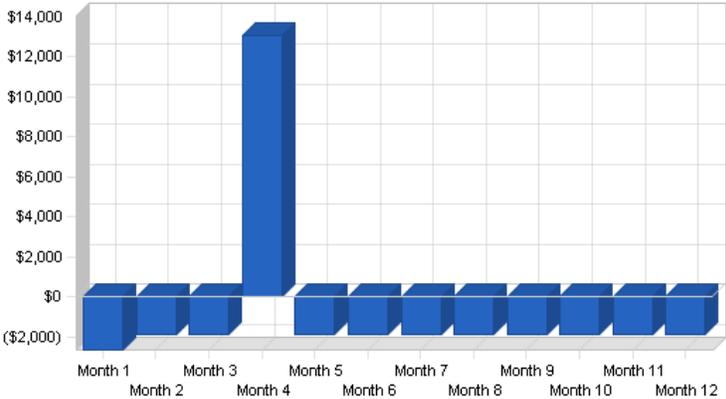
**Break-even Analysis**

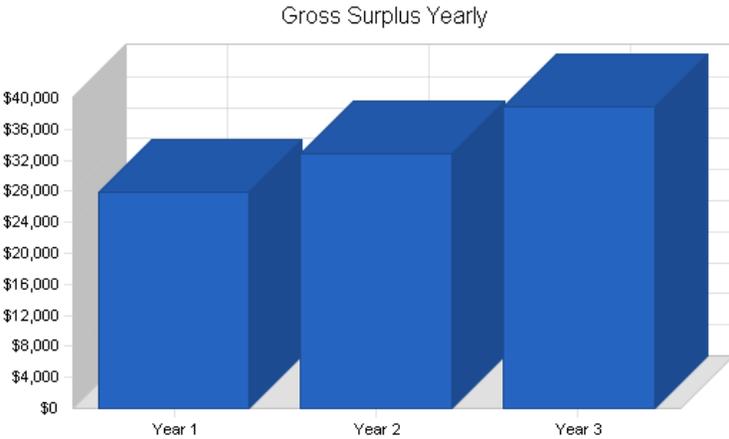
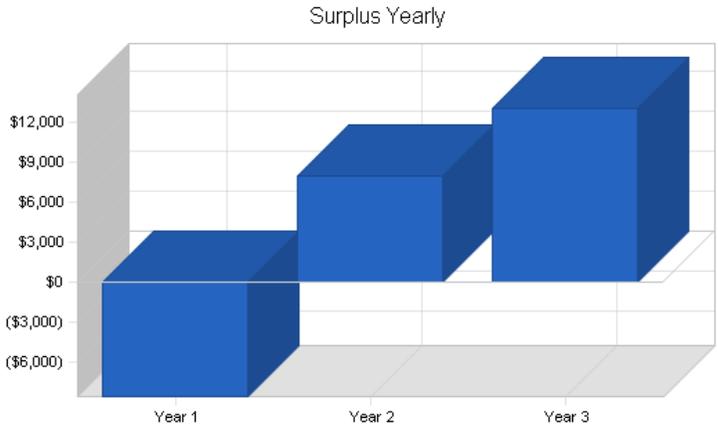
Monthly Units Break-even	2,555
Monthly Revenue Break-even	\$3,308
<b>Assumptions:</b>	
Average Per-Unit Revenue	\$1.29
Average Per-Unit Variable Cost	\$0.10
<b>Estimated Monthly Fixed Cost</b>	<b>\$3,043</b>

**7.4 Projected Surplus or Deficit**

The surplus indicates positive revenues flowing into the Catering For Kids. Expenses will be minimal as we are able to rely on existing resources, including equipment and staff.

Surplus Monthly





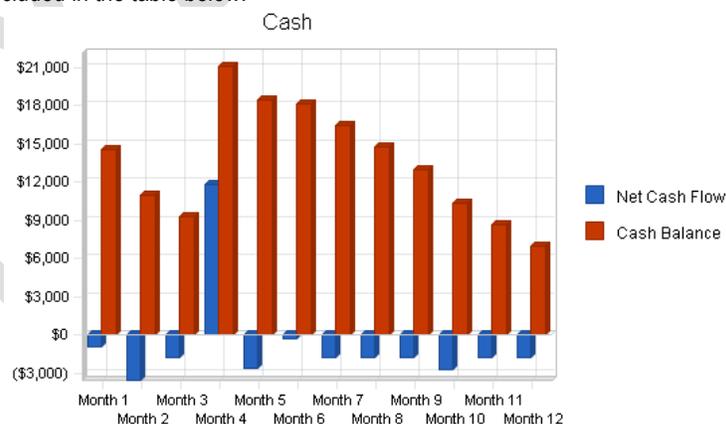
**Surplus and Deficit**

	Year 1	Year 2	Year 3
<b>Funding</b>	<b>\$30,300</b>	<b>\$36,553</b>	<b>\$43,815</b>
Direct Cost	\$2,430	\$3,706	\$4,985
Other Production Expenses	\$0	\$0	\$0

<b>Total Direct Cost</b>	<b>\$2,430</b>	<b>\$3,706</b>	<b>\$4,985</b>
Gross Surplus	\$27,870	\$32,847	\$38,831
Gross Surplus %	91.98%	89.86%	88.62%
<b>Expenses</b>			
Payroll	\$24,000	\$24,840	\$25,722
Sales and Marketing and Other Operating Expenses	\$655	\$0	\$0
Depreciation	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0
Utilities	\$444	\$0	\$0
Payroll Taxes	\$98	\$0	\$0
Commercial Kitchen Use Overhead	\$10,716	\$0	\$0
Miscellaneous	\$600	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$36,513</b>	<b>\$24,840</b>	<b>\$25,722</b>
Surplus Before Interest and Taxes	(\$8,643)	\$8,007	\$13,109
EBITDA	(\$8,643)	\$8,007	\$13,109
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0
<b>Net Surplus</b>	<b>(\$8,643)</b>	<b>\$8,007</b>	<b>\$13,109</b>
<b>Net Surplus/Funding</b>	<b>-28.53%</b>	<b>21.90%</b>	<b>29.92%</b>

## 7.6 Projected Cash Flow

Monthly cash flow is shown in the illustration, with one bar representing the cash flow per month, and the other the monthly cash balance. Annual cash flow figures are included in the table below.



## Pro Forma Cash Flow

	Year 1	Year 2	Year 3
<b>Cash Received</b>			

Cash from Operations			
Cash Funding	\$27,270	\$32,897	\$39,434
Cash from Receivables	\$2,779	\$3,604	\$4,321
<b>Subtotal Cash from Operations</b>	<b>\$30,049</b>	<b>\$36,501</b>	<b>\$43,755</b>
Additional Cash Received			
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 Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
<b>Subtotal Cash Received</b>	<b>\$30,049</b>	<b>\$36,501</b>	<b>\$43,755</b>
<b>Expenditures</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Expenditures from Operations			
Cash Spending	\$24,000	\$24,840	\$25,722
Bill Payments	\$14,566	\$4,623	\$5,179
<b>Subtotal Spent on Operations</b>	<b>\$38,566</b>	<b>\$29,463</b>	<b>\$30,901</b>
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 Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
<b>Subtotal Cash Spent</b>	<b>\$38,566</b>	<b>\$29,463</b>	<b>\$30,901</b>
<b>Net Cash Flow</b>	<b>(\$8,517)</b>	<b>\$7,038</b>	<b>\$12,854</b>
<b>Cash Balance</b>	<b>\$6,932</b>	<b>\$13,970</b>	<b>\$26,824</b>

## 7.7 Projected Balance Sheet

Equipment in kitchen is not included in current assets as they are the property of the lessor. Any depreciation will be accounted for in that party's accounting records.

### Pro Forma Balance Sheet

	Year 1	Year 2	Year 3
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<b>Assets</b>			
Current Assets			
Cash	\$6,932	\$13,970	\$26,824
Accounts Receivable	\$251	\$302	\$363
Inventory	\$570	\$869	\$1,169
Other Current Assets	\$0	\$0	\$0
<b>Total Current Assets</b>	<b>\$7,753</b>	<b>\$15,142</b>	<b>\$28,355</b>
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
<b>Total Long-term Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Assets</b>	<b>\$7,753</b>	<b>\$15,142</b>	<b>\$28,355</b>
<b>Liabilities and Capital</b>			
	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$947	\$329	\$434
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
<b>Subtotal Current Liabilities</b>	<b>\$947</b>	<b>\$329</b>	<b>\$434</b>
Long-term Liabilities			
<b>Total Liabilities</b>	<b>\$947</b>	<b>\$329</b>	<b>\$434</b>
Paid-in Capital	\$30,000	\$30,000	\$30,000
Accumulated Surplus/Deficit	(\$14,551)	(\$23,194)	(\$15,188)
Surplus/Deficit	(\$8,643)	\$8,007	\$13,109
<b>Total Capital</b>	<b>\$6,806</b>	<b>\$14,813</b>	<b>\$27,921</b>
<b>Total Liabilities and Capital</b>	<b>\$7,753</b>	<b>\$15,142</b>	<b>\$28,355</b>
<b>Net Worth</b>	<b>\$6,806</b>	<b>\$14,812</b>	<b>\$27,921</b>

## 7.8 Standard Ratios

Standard business ratios, based on the NAICS code 722320, Caterers are included in the table for comparison. The ratios show a plan for balanced, healthy operations.

### Ratio Analysis

	Year 1	Year 2	Year 3	Industry Profile
Funding Growth	0.00%	20.64%	19.87%	6.61%
<b>Percent of Total Assets</b>				
Accounts Receivable	3.23%	2.00%	1.28%	5.65%
Inventory	7.35%	5.74%	4.12%	3.34%

Other Current Assets	0.00%	0.00%	0.00%	36.38%
Total Current Assets	100.00%	100.00%	100.00%	45.37%
Long-term Assets	0.00%	0.00%	0.00%	54.63%
<b>Total Assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Current Liabilities	12.22%	2.17%	1.53%	18.54%
Long-term Liabilities	0.00%	0.00%	0.00%	23.40%
Total Liabilities	12.22%	2.17%	1.53%	41.94%
<b>Net Worth</b>	<b>87.78%</b>	<b>97.83%</b>	<b>98.47%</b>	<b>58.06%</b>
<b>Percent of Funding</b>				
Funding	100.00%	100.00%	100.00%	100.00%
Gross Surplus	91.98%	89.86%	88.62%	48.89%
Selling, General & Administrative Expenses	15.49%	11.74%	9.63%	25.03%
Advertising Expenses	8.09%	6.48%	5.42%	2.52%
Surplus Before Interest and Taxes	-28.53%	21.90%	29.92%	1.70%
<b>Main Ratios</b>				
Current	8.18	46.00	65.28	1.09
Quick	7.58	43.36	62.59	0.69
Total Debt to Total Assets	12.22%	2.17%	1.53%	51.63%
Pre-tax Return on Net Worth	-127.00%	54.05%	46.95%	5.84%
Pre-tax Return on Assets	-111.48%	52.88%	46.23%	12.06%
<b>Additional Ratios</b>				
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	
Net Surplus Margin	-28.53%	21.90%	29.92%	n.a
Return on Equity	-127.00%	54.05%	46.95%	n.a
<b>Activity Ratios</b>				
Accounts Receivable Turnover	12.08	12.08	12.08	n.a
Collection Days	59	28	28	n.a
Inventory Turnover	3.17	5.15	4.89	n.a
Accounts Payable Turnover	16.38	12.17	12.17	n.a
Payment Days	27	58	26	n.a
Total Asset Turnover	3.91	2.41	1.55	n.a
<b>Debt Ratios</b>				
Debt to Net Worth	0.14	0.02	0.02	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
<b>Liquidity Ratios</b>				
Net Working Capital	\$6,806	\$14,812	\$27,921	n.a
Interest Coverage	0.00	0.00	0.00	n.a

<b>Additional Ratios</b>				
Assets to Funding	0.26	0.41	0.65	n.a
Current Debt/Total Assets	12%	2%	2%	n.a
Acid Test	7.32	42.44	61.76	n.a
Funding/Net Worth	4.45	2.47	1.57	n.a
<b>Dividend Payout</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>n.a</b>

EXAMPLE

## APPENDIX

### Appendix Section Tips

This section should contain additional supplemental materials that support the analyses presented in the business plan. Examples of items to include in the appendix are:

- ✓ Resumes for managerial personnel and/or key decision makers.
- ✓ Financial analyses conducted to support the production of the projected income statement, balance sheet, and statement of cash flows.
- ✓ Examples of marketing materials.

EXAMPLE