

Your Business Plan is Ready

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1.0 Executive Summary

The Basement is a specialty beer tavern located near the campus of the University of Free State.

The Basement will be serving the University and the Bloemfontein, community with a constantly rotating lineup of premium, unique microbrews for the discerning beer connoisseur.

The Basement is a privately-funded venture lead by Dashiell Lavine and Tyler Vogel.

The Market

The Basement will be targeting three distinct customer segments. The first is the beer connoisseur, those that have a true passion for fine beers. This segment has a yearly growth rate of 12% with over 12,000 possible customers.

The Basement will also be targeting the general bar attending crowd. This group are typically professionals that use taverns as a place to unwind after work and socialize. This section is growing at 8% with 30,000 potential members.

The last group that The Basement will go after is the college students of the University of Free State. This group cares a bit less about the quality of the beer because they are more price sensitive. The number college students are growing at 10% and there are a total of 20,000 to draw off of.

The Competition

The Basement has three direct competitors that are all centrally located near the campus.

The Basement is able to differentiate itself from these competitors through its emphasis on fine beer. The competitors more accurately target the college students and their lower price point.

The Basement's emphasis on an outstanding selection of premium beers is one of two competitive edges.

Its second competitive edge is a companion website that was developed as an active feedback mechanism for the customers to express their preference of the beer selection. This allows the customers to have a direct impact on the tap offerings. In addition to giving the customers what they want in terms of beer, it also provides the customer with a feeling of empowerment and a sense that The Basement exists to truly meet their needs.

The Management Team

The Basement was founded and will be run by Dashiell Lavine and Tyler Vogel.

Dashiell's experience is primarily from the restaurant industry. After receiving his undergraduate degree, Dashiell went to work serving at *****, a fine Italian restaurant in Johannesburg.

Dashiell worked as a server for two years and then was asked to manage the entire restaurant. Dashiell did this for five years, gaining incredible experience and insight regarding all aspects of running a restaurant, both front-end, customer oriented skills as well as back-end operations.

The Basement

The time spent at ***** solidified Dashiell's desire to be his own boss and remain in the restaurant/bar industry.

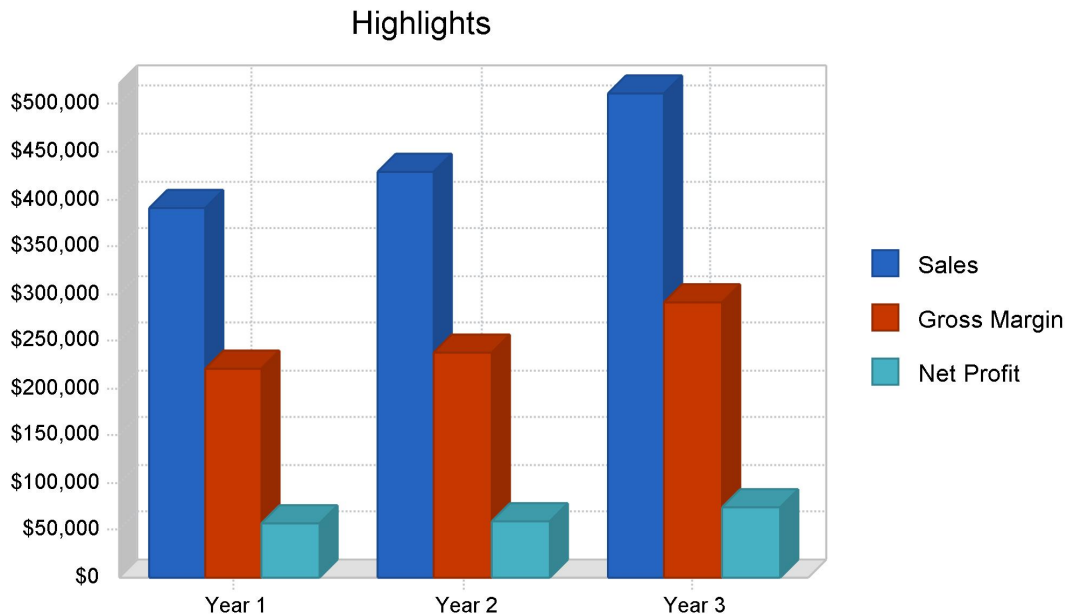
Tyler came from a more academic background as a CPA from *****. Through school Tyler served in restaurants, but after graduation went to work for ***** where he developed an incredible array of financial control skills.

Since it is well known that most restaurants die within the first year, Tyler's financial analysis and control skills will be indispensable in assuring a solid control mechanism to accurately track and manage the large cash sums that will travel through The Basement every day.

The Basement will be a successful venture as it serves the huge demand for premium beers.

The Basement will offer customers a friendly social atmosphere where they can catch up with old friends, meet new ones, and enjoy fine beers. It is forecasted that The Basement will reach profitability by month four and achieve approximately \$73,000 in profits by year three.

Chart: Highlights



1.1 Objectives

Below is a list of the objectives for The Basement.

- Have eight or more good quality, hard-to-find beers on tap.
- Have business grow at least 10% per month.
- Create customer awareness of what The Basement offers through the companion website. Measure popularity by tracking hits on the website.

1.2 Mission

To create an economically healthy organization that provides a variety of quality beers in a casual and classy environment which appeals to a wide range of customers.

1.3 Keys to Success

The keys to the success of The Basement can be summarized by the following points:

- Maintain good relationships with reliable beer distributors.
- Well designed bar with a unique and entertaining atmosphere.
- Quality entertainment.
- Repeat customers.

2.0 Company Summary

The Basement, which will be located near the University of Free State, will offer the community a classy bar with unique beers on tap. The Basement will also provide customers with an innovative environment for enjoying these high quality beers.

2.1 Company Ownership

The Basement will be a privately funded company that will be owned and run by Dashiell Lavine and Tyler Vogel. They will both be equal partners. Joe Smith and Bob Adler will also hold minority stock positions as private investors.

2.2 Start-up Summary

The Basement's start-up costs will cover beer serving equipment, site renovation and remodeling, capital to cover losses during the first year, a computer to maintain The Basement's Web presence, and the entertainment equipment, including a big screen television for sports, a pool table, and a stereo. In addition, costs will be allocated for the beer serving equipment. Eight taps, Carbon Dioxide tanks, and glassware will be purchased from various equipment vendors in Bloemfontein.

The site will require funds for renovation and modification. A single estimated figure will be allocated for this purpose. The renovation/modification cost estimate will include the costs associated with preparing the site for opening business in May.

The furniture, the site renovation, permits and fees, and the entertainment equipment will account for a large amount of our start-up costs.

Because of the competitive nature of the marketplace, we have accounted for more money than necessary when it comes to the cash balance. By doing so, we will be in a good position should

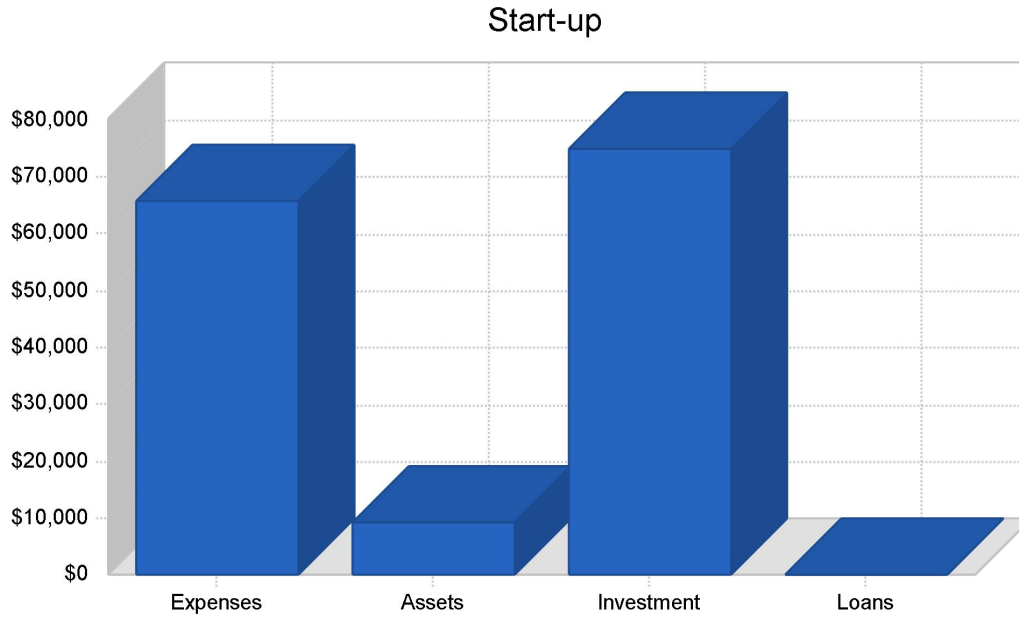
The Basement

our numbers not match what we have forecasted and will not lose the large amount invested to start the business.

Table: Start-up

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Fees & Permits	\$7,500
Exterior Sign	\$2,500
Pool Table	\$5,000
Stereo System	\$350
Legal	\$500
Consultants	\$1,000
Insurance	\$700
Rent	\$1,500
Taps	\$800
Glassware	\$500
Computer System	\$1,500
Misc. Supplies & Equipment	\$700
Bathroom Supplies	\$250
Marketing	\$1,000
Fixtures & Re-Model	\$25,000
Big Screen Television	\$2,000
Point of Sale Systems	\$5,000
Furniture	\$10,000
Total Start-up Expenses	\$65,800
Start-up Assets	
Cash Required	\$7,920
Start-up Inventory	\$1,280
Other Current Assets	\$0
Long-term Assets	\$0
Total Assets	\$9,200
Total Requirements	\$75,000

Chart: Start-up



The Basement

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$65,800
Start-up Assets to Fund	\$9,200
Total Funding Required	\$75,000
Assets	
Non-cash Assets from Start-up	\$1,280
Cash Requirements from Start-up	\$7,920
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$7,920
Total Assets	\$9,200
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Dashiell Lavine	\$20,000
Tyler Vogel	\$20,000
Joe Smith	\$17,500
Bob Adler	\$17,500
Other	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$75,000
Loss at Start-up (Start-up Expenses)	(\$65,800)
Total Capital	\$9,200
Total Capital and Liabilities	\$9,200
Total Funding	\$75,000

2.3 Company Locations and Facilities

The Basement's location will be chosen based upon the following criteria listed in order of importance:

- Proximity to the University of Free State campus.
- High visibility.
- Proximity to public transportation (Bloemfontein Station) and downtown.

Low cost of rent, \$1.00 per square foot for approximately 1,500 square feet.

All of these qualities are consistent with The Basement's goal of providing a central hub of communication and socialization for the Bloemfontein community. In addition to a main area of the bar, there will be two additional rooms. One of the rooms will be the manager's office and will also house the computer that the website will be maintained on. The second room will be a storage facility for supplies and extra kegs of beer.

3.0 Services

The Basement will provide its customers with a unique and friendly environment for enjoying specialty brews and other quality beers. The Basement will also provide customers with a unique and innovative environment for enjoying the quality beers on tap, including a pool table and a big screen television for sporting events.

3.1 Competitive Comparison

The Basement will be the first classy beer-only pub located near the campus that provides its customers with quality beer at affordable prices.

4.0 Market Analysis Summary

The Northwest is the Mecca of microbrews and home brewing, and in recent years there has been a surge of interest in craft beers. That is why we believe The Basement, a speciality beer tavern, will flourish in the city of Bloemfontein. Our target markets include beer connoisseurs, professionals, and college students. The identification of these three markets will help us to better direct our advertising and marketing efforts.

4.1 Market Segmentatio_n

Our numbers are based upon the approximate population of Bloemfontein. Because many people are not drinkers, we decided upon the number 100,000 for the total of people considered available customers. We then segmented the available customers into the following groups:

Beer Connoisseur: These people will be drawn to The Basement because of their love and passion for beer. The main appeal to this segment will be the large number of hard-to-find beers that are available at our establishment.

Professionals: The general bar-attending public from Bloemfontein. This group will be drawn to the bar after work to relax in a friendly and classy atmosphere.

College Students: University of Free State and Lane Community College students. More bargain marketing will be aimed at the segment of the market.

Chart: Market Analysis (Pie)

Market Analysis (Pie)

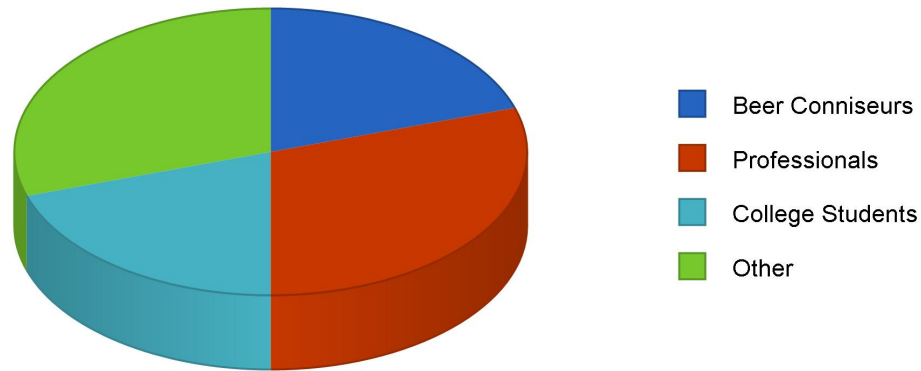


Table: Market Analysis

Market Analysis		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Beer Connoisseurs	12%	20,000	22,400	25,088	28,099	31,471	12.00%
Professionals	8%	30,000	32,400	34,992	37,791	40,814	8.00%
College Students	10%	20,000	22,000	24,200	26,620	29,282	10.00%
Other	2%	30,000	30,600	31,212	31,836	32,473	2.00%
Total	7.60%	100,000	107,400	115,492	124,346	134,040	7.60%

4.2 Target Market Segment Strategy

Both advertising and word-of-mouth will play a big part in the success of The Basement. Therefore, we will strive to appeal to both new and old customers with a unique advertising campaign, including an online presence that will allow regulars to vote for which beers will be featured each week, as well as a friendly atmosphere that will keep the customers coming back.

4.3 Service Business Analysis

The pub and bar industry in Bloemfontein has grown steadily in its past years. Many factors contribute to the large demand for good beer in Bloemfontein. The climate in Bloemfontein is extremely conducive to beer consumption. Current trends in the Northwest reflect the popularity of unique, quality microbrews. In short, Bloemfontein is a haven for beer lovers. Due to intense competition, bar owners must look for ways to differentiate their place of business from others in order to achieve and maintain a competitive advantage. The founders of The Basement realize the need for differentiation and strongly believe that combining a bar with a classy and entertaining atmosphere is the key to its success.

4.4 Main Competitors

Since the business will be located near the University of Free State campus, our three main competitors will be *****, *****, and *****. During the first six months of operation we will aggressively advertise ourselves to University students to differentiate ourselves from the competition.

6.0 Management Summary

The Basement is owned and operated by Dashiell Lavine and Tyler Vogel. The company, being small in nature, requires a simple organizational structure. Implementation of this organizational form calls for the owners and the one manager to make all of the major management decisions in addition to monitoring all other business activities.

6.1 Management Team

Specific details are omitted in this sample plan. Biographies and resumes have not been included for privacy purposes.

6.2 Personnel Plan

The staff will consist of six part-time employees working twenty hours a week at \$6.50 per hour. In addition, a manager who oversees daily operations will be employed to work forty hours a week at \$10.00 per hour. Dashiell Lavine and Tyler Vogel will help with management decisions and will run the back end of the business, which includes the website and administrative duties. Two of the private investors, Bob Adler and Joe Smith, will not be included in management decisions. This will allow disputes to be solved with less hassle. Because of these characteristics, there are fewer coordination problems seen at The Basement than are common within larger organizational chains. This strategy will enable The Basement to react quickly to changes in the market.

Table: Personnel

<i>Personnel Plan</i>	Year 1	Year 2	Year 3
Production Personnel			
Manager	\$19,680	\$19,980	\$20,664
Part-Time Employee 1	\$6,396	\$6,596	\$6,796
Part-Time Employee 2	\$6,396	\$6,596	\$6,796
Part-Time Employee 3	\$6,396	\$6,596	\$6,796
Part-Time Employee 4	\$6,396	\$6,596	\$6,796
Part-Time Employee 5	\$6,396	\$6,596	\$6,796
Part-Time Employee 6	\$6,396	\$6,596	\$6,796
Other	\$0	\$6,596	\$6,796
Subtotal	\$58,056	\$66,152	\$68,236
Sales and Marketing Personnel			
Name or title	\$0	\$0	\$0
Other	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0
General and Administrative Personnel			
Dashiell Lavine (Part-Owner)	\$24,000	\$25,000	\$26,000
Tyler Vogel (Part-Owner)	\$24,000	\$25,000	\$26,000
Other	\$0	\$0	\$0
Subtotal	\$48,000	\$50,000	\$52,000
Other Personnel			
Name or title	\$0	\$0	\$0
Other	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0
Total People	0	0	0
Total Payroll	\$106,056	\$116,152	\$120,236

7.0 Financial Plan

The following section will lay out the general financial plan including our break-even analysis, profit and loss, cash flow, general assumptions, the balance sheet, and the business ratios.

7.1 Important Assumptions

The following table summarizes important assumptions necessary for good financial planning.

Table: General Assumptions

<i>General Assumptions</i>	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	25.42%	25.00%	25.42%
Other	0	0	0

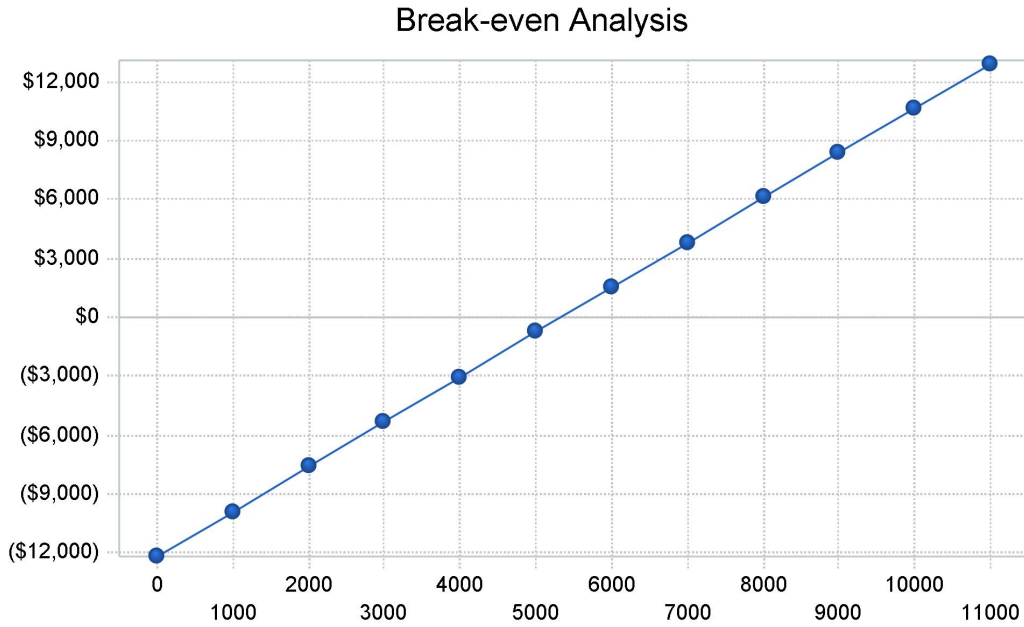
7.2 Break-even Analysis

The following table and chart summarize our break-even analysis. To break even we must sell at least 5,300 beers based upon the per unit cost. Therefore, customer traffic will become a big factor when it comes to the success of The Basement.

Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Units Break-even	5,335
Monthly Revenue Break-even	\$15,713
Assumptions:	
Average Per-Unit Revenue	\$2.94
Average Per-Unit Variable Cost	\$0.66
Estimated Monthly Fixed Cost	\$12,192

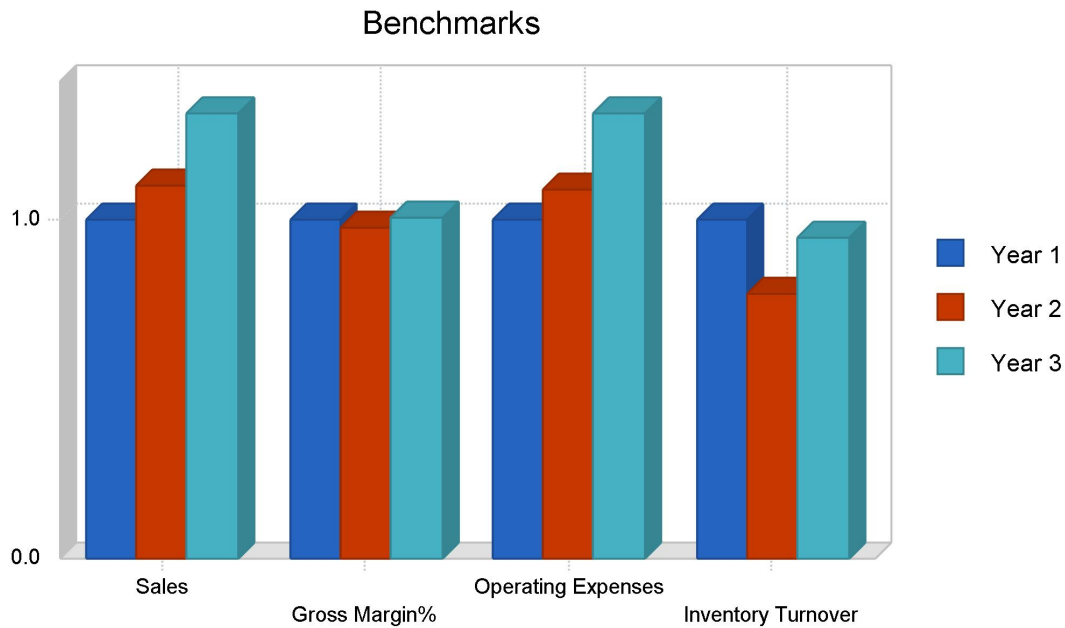
Chart: Break-even Analysis



7.3 Key Financial Indicators

The following chart compares five key indicators in regards to how much they change over the course of the first three years of plan implementation.

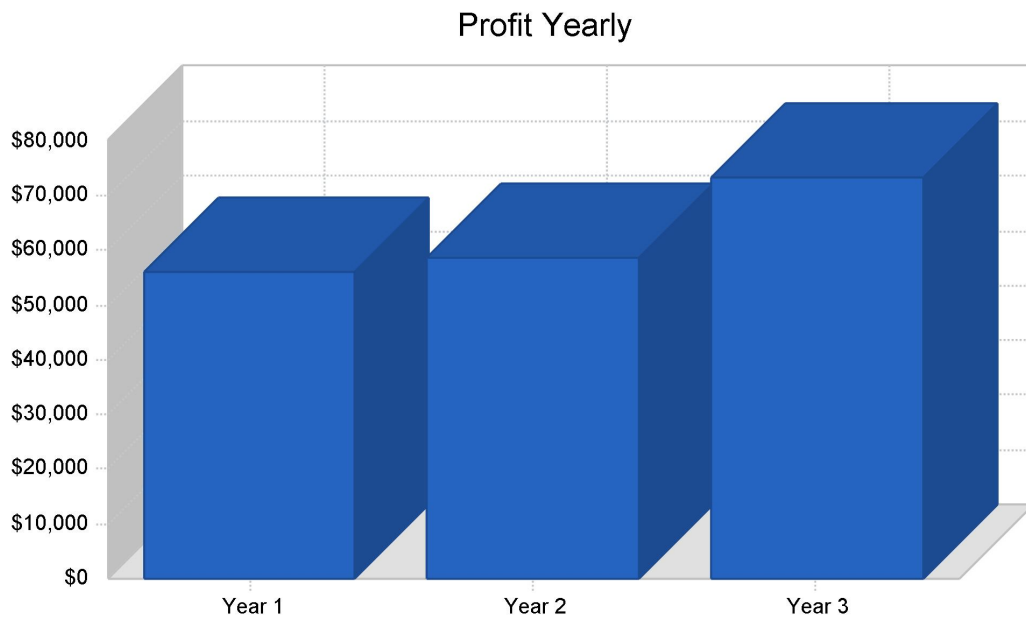
Chart: Benchmarks



7.4 Projected Profit and Loss

One of the keys to success with a beer tavern such as The Basement is the gross margin because of the low cost of buying beer in bulk. The profit-per-unit becomes very important because of the relatively high costs associated with running such an establishment.

Chart: Profit Yearly



The Basement

Chart: Gross Margin Monthly

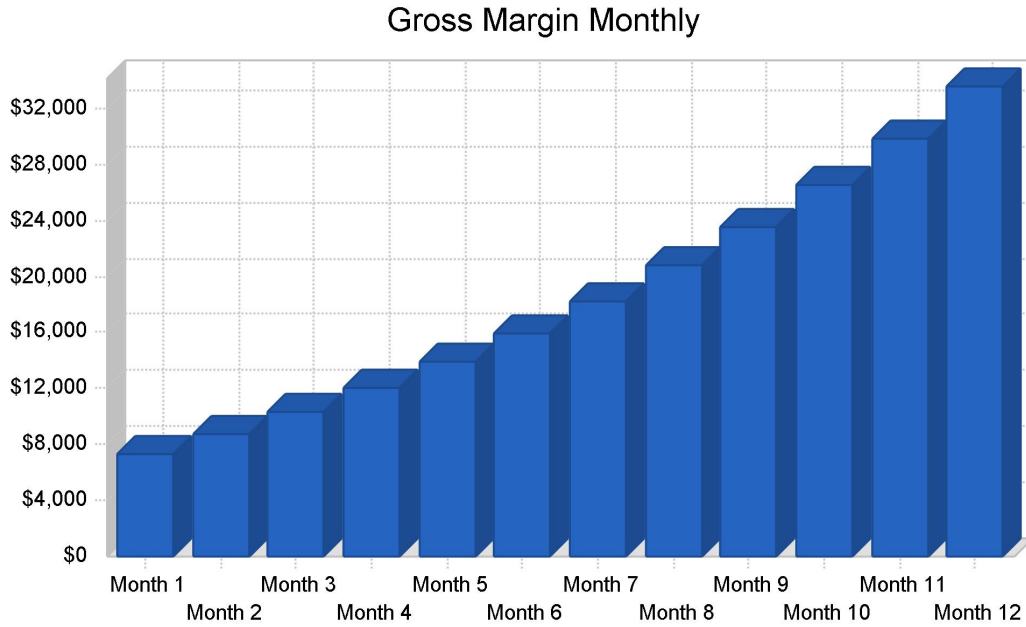
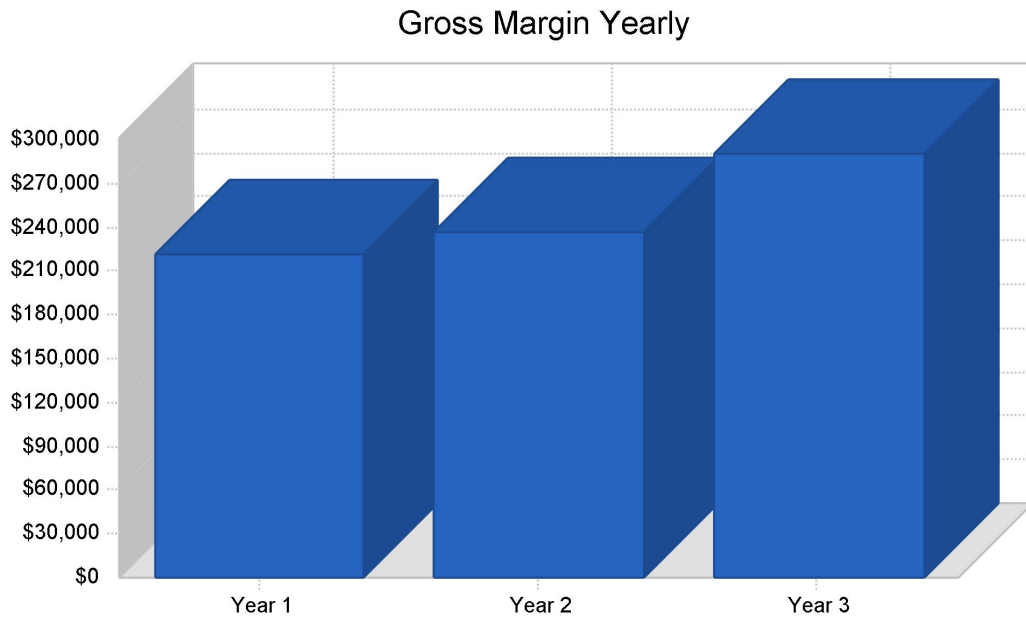


Chart: Gross Margin Yearly

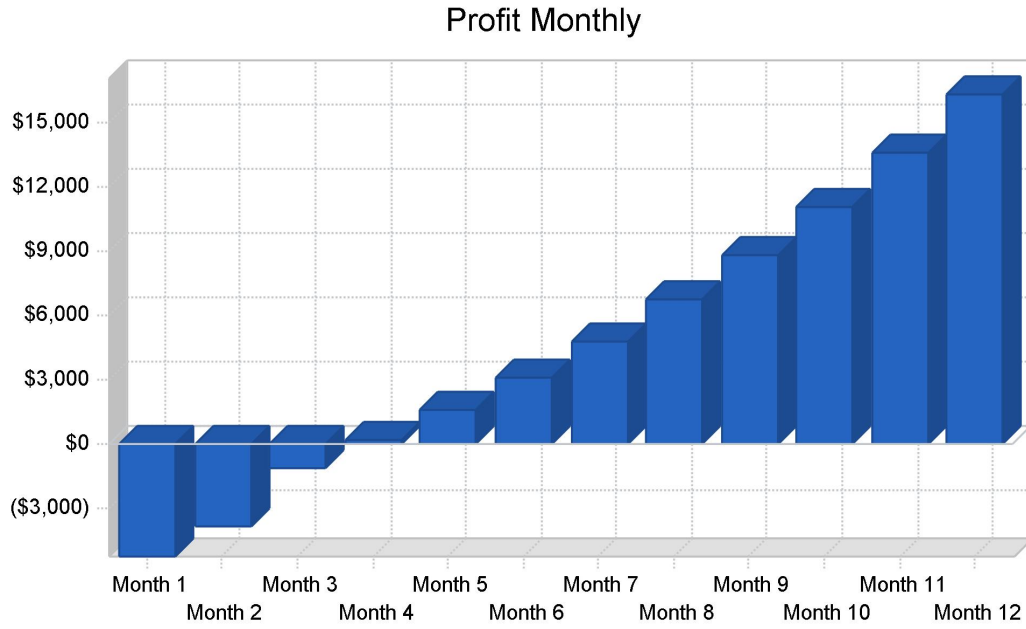


The Basement

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	Year 1	Year 2	Year 3
Sales	\$390,456	\$429,496	\$512,552
Direct Cost of Sales	\$87,478	\$96,225	\$113,868
Production Payroll	\$58,056	\$66,152	\$68,236
Other	\$24,000	\$30,000	\$40,000
Total Cost of Sales	\$169,534	\$192,377	\$222,104
Gross Margin	\$220,922	\$237,119	\$290,447
Gross Margin %	56.58%	55.21%	56.67%
Operating Expenses			
Sales and Marketing Expenses			
Sales and Marketing Payroll	\$0	\$0	\$0
Advertising/Promotion	\$39,000	\$50,000	\$75,000
Miscellaneous	\$6,000	\$9,000	\$12,000
Total Sales and Marketing Expenses	\$45,000	\$59,000	\$87,000
Sales and Marketing %	11.52%	13.74%	16.97%
General and Administrative Expenses			
General and Administrative Payroll	\$48,000	\$50,000	\$52,000
Sales and Marketing and Other Expenses	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0
Utilities	\$9,000	\$11,000	\$12,000
Insurance	\$8,400	\$9,500	\$11,000
Rent	\$18,000	\$12,000	\$12,000
Payroll Taxes	\$15,908	\$17,423	\$18,035
Other General and Administrative Expenses	\$0	\$0	\$0
Total General and Administrative Expenses	\$99,308	\$99,923	\$105,035
General and Administrative %	25.43%	23.27%	20.49%
Other Expenses:			
Other Payroll	\$0	\$0	\$0
Consultants	\$0	\$0	\$0
Contract/Consultants	\$2,000	\$0	\$0
Total Other Expenses	\$2,000	\$0	\$0
Other %	0.51%	0.00%	0.00%
Total Operating Expenses	\$146,308	\$158,923	\$192,035
Profit Before Interest and Taxes	\$74,613	\$78,196	\$98,412
EBITDA	\$74,613	\$78,196	\$98,412
Interest Expense	\$75	\$0	\$0
Taxes Incurred	\$18,262	\$19,549	\$25,013
Net Profit	\$56,276	\$58,647	\$73,399
Net Profit/Sales	14.41%	13.65%	14.32%

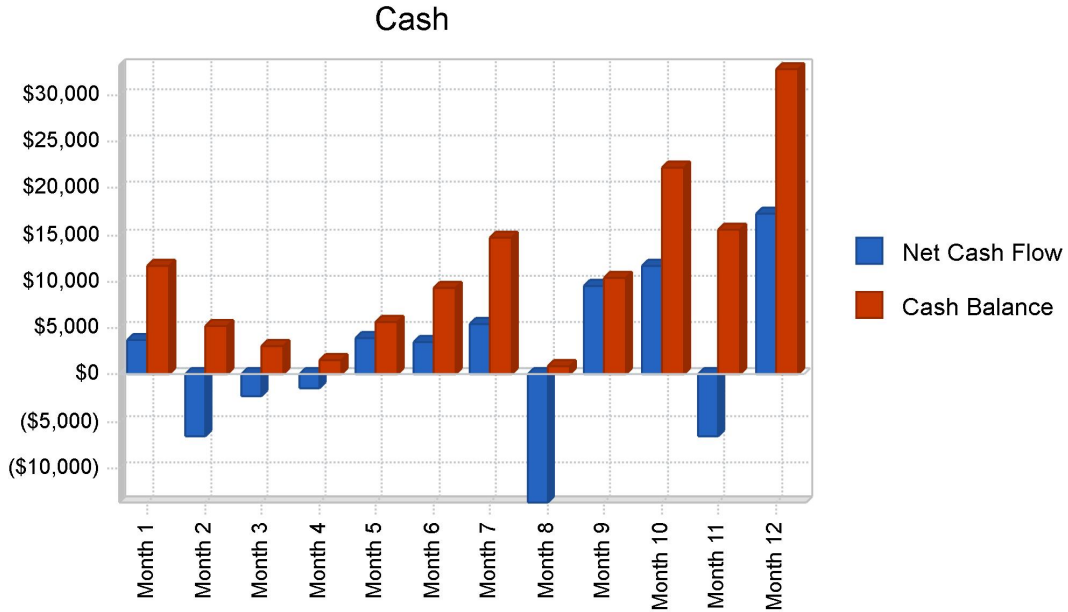
Chart: Profit Monthly



7.5 Projected Cash Flow

The following chart and table explain the key elements of the pro forma cash flow.

Chart: Cash



The Basement

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$390,456	\$429,496	\$512,552
Subtotal Cash from Operations	\$390,456	\$429,496	\$512,552
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$2,000	\$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	\$3,000	\$0	\$0
Subtotal Cash Received	\$395,456	\$429,496	\$512,552
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$106,056	\$116,152	\$120,236
Bill Payments	\$212,551	\$258,015	\$315,812
Subtotal Spent on Operations	\$318,607	\$374,167	\$436,048
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$2,000	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$50,000	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$370,607	\$374,167	\$436,048
Net Cash Flow	\$24,849	\$55,328	\$76,503
Cash Balance	\$32,769	\$88,097	\$164,600

7.6 Projected Balance Sheet

The table below is the complete balance sheet which includes all assets, liabilities, and capital.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$32,769	\$88,097	\$164,600
Inventory	\$12,839	\$9,703	\$12,352
Other Current Assets	\$50,000	\$50,000	\$50,000
Total Current Assets	\$95,607	\$147,799	\$226,952
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0
Total Assets	\$95,607	\$147,799	\$226,952
Liabilities and Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$27,131	\$20,676	\$26,430
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$27,131	\$20,676	\$26,430
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$27,131	\$20,676	\$26,430
Paid-in Capital	\$78,000	\$78,000	\$78,000
Retained Earnings	(\$65,800)	(\$9,524)	\$49,123
Earnings	\$56,276	\$58,647	\$73,399
Total Capital	\$68,476	\$127,123	\$200,522
Total Liabilities and Capital	\$95,607	\$147,799	\$226,952
Net Worth	\$68,476	\$127,123	\$200,522

7.7 Business Ratios

The Ratios table shows important ratios for The Basement. These ratios are derived from the Standard Industry Classification (SIC) Index, code 5813.

Table: Ratios

<i>Ratio Analysis</i>	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	n.a.	10.00%	19.34%	1.90%
Percent of Total Assets				
Inventory	13.43%	6.56%	5.44%	3.10%
Other Current Assets	52.30%	33.83%	22.03%	44.60%
Total Current Assets	100.00%	100.00%	100.00%	52.30%
Long-term Assets	0.00%	0.00%	0.00%	47.70%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities				
Current Liabilities	28.38%	13.99%	11.65%	28.20%
Long-term Liabilities	0.00%	0.00%	0.00%	23.10%
Total Liabilities	28.38%	13.99%	11.65%	51.30%
Net Worth	71.62%	86.01%	88.35%	48.70%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	56.58%	55.21%	56.67%	42.30%
Selling, General & Administrative Expenses	42.26%	41.55%	42.27%	23.40%
Advertising Expenses	9.99%	11.64%	14.63%	2.40%
Profit Before Interest and Taxes	19.11%	18.21%	19.20%	2.80%
Main Ratios				
Current	3.52	7.15	8.59	1.14
Quick	3.05	6.68	8.12	0.74
Total Debt to Total Assets	28.38%	13.99%	11.65%	51.30%
Pre-tax Return on Net Worth	108.85%	61.51%	49.08%	5.20%
Pre-tax Return on Assets	77.96%	52.91%	43.36%	10.60%
Additional Ratios				
	Year 1	Year 2	Year 3	
Net Profit Margin	14.41%	13.65%	14.32%	n.a.
Return on Equity	82.18%	46.13%	36.60%	n.a.
Activity Ratios				
Inventory Turnover	10.91	8.54	10.33	n.a.
Accounts Payable Turnover	8.83	12.17	12.17	n.a.
Payment Days	27	35	27	n.a.
Total Asset Turnover	4.08	2.91	2.26	n.a.
Debt Ratios				
Debt to Net Worth	0.40	0.16	0.13	n.a.
Current Liab. to Liab.	1.00	1.00	1.00	n.a.
Liquidity Ratios				
Net Working Capital	\$68,476	\$127,123	\$200,522	n.a.
Interest Coverage	994.84	0.00	0.00	n.a.
Additional Ratios				
Assets to Sales	0.24	0.34	0.44	n.a.
Current Debt/Total Assets	28%	14%	12%	n.a.
Acid Test	3.05	6.68	8.12	n.a.
Sales/Net Worth	5.70	3.38	2.56	n.a.
Dividend Payout	0.00	0.00	0.00	n.a.

Appendix

Table: Sales Forecast

<i>Sales Forecast</i>													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Unit Sales													
Specialty Microbrewed Beer	0%	2,356	2,592	2,851	3,136	3,449	3,794	4,174	4,591	5,050	5,555	6,111	6,722
Normal Microbrewed Beer	0%	1,984	2,182	2,401	2,641	2,905	3,195	3,515	3,866	4,253	4,678	5,146	5,661
Domestic Beer	0%	1,860	2,046	2,251	2,476	2,723	2,996	3,295	3,625	3,987	4,386	4,824	5,307
Other	0%	0	0	0	0	0	0	0	0	0	0	0	0
Total Unit Sales		6,200	6,820	7,502	8,252	9,077	9,985	10,984	12,082	13,290	14,619	16,081	17,689
Unit Prices													
Specialty Microbrewed Beer		\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25
Normal Microbrewed Beer		\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Domestic Beer		\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sales													
Specialty Microbrewed Beer		\$7,657	\$8,423	\$9,265	\$10,191	\$11,211	\$12,332	\$13,565	\$14,921	\$16,413	\$18,055	\$19,860	\$21,846
Normal Microbrewed Beer		\$5,952	\$6,547	\$7,202	\$7,922	\$8,714	\$9,586	\$10,544	\$11,599	\$12,759	\$14,035	\$15,438	\$16,982
Domestic Beer		\$4,650	\$5,115	\$5,627	\$6,189	\$6,808	\$7,489	\$8,238	\$9,062	\$9,968	\$10,964	\$12,061	\$13,267
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales		\$18,259	\$20,085	\$22,093	\$24,303	\$26,733	\$29,406	\$32,347	\$35,582	\$39,140	\$43,054	\$47,359	\$52,095
Direct Unit Costs													
Specialty Microbrewed Beer	0.00%	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81
Normal Microbrewed Beer	0.00%	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65
Domestic Beer	0.00%	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48
Other	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Direct Cost of Sales													
Specialty Microbrewed Beer		\$1,908	\$2,099	\$2,309	\$2,540	\$2,794	\$3,073	\$3,381	\$3,719	\$4,091	\$4,500	\$4,950	\$5,445
Normal Microbrewed Beer		\$1,290	\$1,419	\$1,560	\$1,716	\$1,888	\$2,077	\$2,285	\$2,513	\$2,764	\$3,041	\$3,345	\$3,679
Domestic Beer		\$893	\$982	\$1,080	\$1,188	\$1,307	\$1,438	\$1,582	\$1,740	\$1,914	\$2,105	\$2,316	\$2,547
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales		\$4,091	\$4,500	\$4,950	\$5,445	\$5,989	\$6,588	\$7,247	\$7,972	\$8,769	\$9,646	\$10,610	\$11,671

Appendix

Table: Personnel

<i>Personnel Plan</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Production Personnel												
Manager	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640	\$1,640
Part-Time Employee 1	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533
Part-Time Employee 2	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533
Part-Time Employee 3	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533
Part-Time Employee 4	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533
Part-Time Employee 5	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533
Part-Time Employee 6	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838
Sales and Marketing Personnel												
Name or title	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General and Administrative Personnel												
Dashiell Lavine (Part-Owner)	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Tyler Vogel (Part-Owner)	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Other Personnel												
Name or title	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total People	0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838

Appendix

Table: General Assumptions

<i>General Assumptions</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Plan Month	1	2	3	4	5	6	7	8	9	10	11	12
Current Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	30.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Other	0	0	0	0	0	0	0	0	0	0	0	0

Appendix

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	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	\$18,259	\$20,085	\$22,093	\$24,303	\$26,733	\$29,406	\$32,347	\$35,582	\$39,140	\$43,054	\$47,359	\$52,095
Direct Cost of Sales	\$4,091	\$4,500	\$4,950	\$5,445	\$5,989	\$6,588	\$7,247	\$7,972	\$8,769	\$9,646	\$10,610	\$11,671
Production Payroll	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838	\$4,838
Other	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Total Cost of Sales	\$10,929	\$11,338	\$11,788	\$12,283	\$12,827	\$13,426	\$14,085	\$14,810	\$15,607	\$16,484	\$17,448	\$18,509
Gross Margin	\$7,330	\$8,747	\$10,306	\$12,020	\$13,906	\$15,980	\$18,262	\$20,772	\$23,533	\$26,570	\$29,911	\$33,586
Gross Margin %	40.15%	43.55%	46.65%	49.46%	52.02%	54.34%	56.46%	58.38%	60.13%	61.71%	63.16%	64.47%
Operating Expenses												
Sales and Marketing Expenses												
Sales and Marketing Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advertising/Promotion	\$5,000	\$4,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Miscellaneous	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Total Sales and Marketing Expenses	\$5,500	\$4,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Sales and Marketing %	30.12%	22.40%	15.84%	14.40%	13.09%	11.90%	10.82%	9.84%	8.94%	8.13%	7.39%	6.72%
General and Administrative Expenses												
General and Administrative Payroll	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Sales and Marketing and Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Insurance	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Rent	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Payroll Taxes	15%	\$1,326	\$1,326	\$1,326	\$1,326	\$1,326	\$1,326	\$1,326	\$1,326	\$1,326	\$1,326	\$1,326
Other General and Administrative Expenses		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total General and Administrative Expenses		\$8,276	\$8,276	\$8,276	\$8,276	\$8,276	\$8,276	\$8,276	\$8,276	\$8,276	\$8,276	\$8,276
General and Administrative %		45.32%	41.20%	37.46%	34.05%	30.96%	28.14%	25.58%	23.26%	21.14%	19.22%	17.47%
Other Expenses:												
Other Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consultants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contract/Consultants	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Appendix

Total Other Expenses	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other %	5.48%	4.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Operating Expenses	\$14,776	\$13,776	\$11,776	\$11,776	\$11,776	\$11,776	\$11,776	\$11,776	\$11,776	\$11,776	\$11,776	\$11,776
Profit Before Interest and Taxes	(\$7,445)	(\$5,029)	(\$1,470)	\$244	\$2,130	\$4,204	\$6,486	\$8,996	\$11,757	\$14,794	\$18,135	\$21,810
EBITDA	(\$7,445)	(\$5,029)	(\$1,470)	\$244	\$2,130	\$4,204	\$6,486	\$8,996	\$11,757	\$14,794	\$18,135	\$21,810
Interest Expense	\$0	\$0	\$0	\$0	\$17	\$17	\$17	\$8	\$8	\$8	\$0	\$0
Taxes Incurred	(\$2,234)	(\$1,257)	(\$368)	\$61	\$528	\$1,047	\$1,617	\$2,247	\$2,937	\$3,696	\$4,534	\$5,452
Net Profit	(\$5,212)	(\$3,771)	(\$1,103)	\$183	\$1,585	\$3,141	\$4,852	\$6,741	\$8,812	\$11,089	\$13,601	\$16,357
Net Profit/Sales	-28.54%	-18.78%	-4.99%	0.75%	5.93%	10.68%	15.00%	18.94%	22.51%	25.76%	28.72%	31.40%

Appendix

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	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												
Cash from Operations												
Cash Sales	\$18,259	\$20,085	\$22,093	\$24,303	\$26,733	\$29,406	\$32,347	\$35,582	\$39,140	\$43,054	\$47,359	\$52,095
Subtotal Cash from Operations	\$18,259	\$20,085	\$22,093	\$24,303	\$26,733	\$29,406	\$32,347	\$35,582	\$39,140	\$43,054	\$47,359	\$52,095
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing		\$0	\$0	\$0	\$0	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received		\$0	\$0	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$18,259	\$20,085	\$22,093	\$27,303	\$28,733	\$29,406	\$32,347	\$35,582	\$39,140	\$43,054	\$47,359	\$52,095
Expenditures	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations												
Cash Spending	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838	\$8,838
Bill Payments	\$595	\$17,773	\$15,448	\$14,885	\$15,862	\$16,948	\$18,130	\$19,429	\$20,852	\$22,425	\$24,154	\$26,050
Subtotal Spent on Operations	\$9,433	\$26,611	\$24,286	\$23,723	\$24,700	\$25,786	\$26,968	\$28,267	\$29,690	\$31,263	\$32,992	\$34,888
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$1,000	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$5,000	\$0	\$0	\$5,000	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$14,433	\$26,611	\$24,286	\$28,723	\$24,700	\$25,786	\$26,968	\$49,267	\$29,690	\$31,263	\$53,992	\$34,888
Net Cash Flow	\$3,826	(\$6,526)	(\$2,192)	(\$1,421)	\$4,033	\$3,620	\$5,379	(\$13,685)	\$9,450	\$11,791	(\$6,633)	\$17,207
Cash Balance	\$11,746	\$5,220	\$3,027	\$1,606	\$5,639	\$9,260	\$14,639	\$954	\$10,403	\$22,195	\$15,562	\$32,769

Appendix

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>													
	Starting Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets													
Current Assets													
Cash	\$7,920	\$11,746	\$5,220	\$3,027	\$1,606	\$5,639	\$9,260	\$14,639	\$954	\$10,403	\$22,195	\$15,562	\$32,769
Inventory	\$1,280	\$4,500	\$4,950	\$5,445	\$5,989	\$6,588	\$7,247	\$7,972	\$8,769	\$9,646	\$10,610	\$11,671	\$12,839
Other Current Assets	\$0	\$5,000	\$5,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$30,000	\$30,000	\$30,000	\$50,000	\$50,000
Total Current Assets	\$9,200	\$21,246	\$15,169	\$13,472	\$17,596	\$22,228	\$26,507	\$32,611	\$39,723	\$50,049	\$62,805	\$77,233	\$95,607
Long-term Assets													
Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Assets	\$9,200	\$21,246	\$15,169	\$13,472	\$17,596	\$22,228	\$26,507	\$32,611	\$39,723	\$50,049	\$62,805	\$77,233	\$95,607
Liabilities and Capital													
Current Liabilities													
Accounts Payable	\$0	\$17,258	\$14,953	\$14,358	\$15,299	\$16,345	\$17,483	\$18,735	\$20,107	\$21,621	\$23,288	\$25,115	\$27,131
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$2,000	\$2,000	\$2,000	\$1,000	\$1,000	\$1,000	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$17,258	\$14,953	\$14,358	\$15,299	\$18,345	\$19,483	\$20,735	\$21,107	\$22,621	\$24,288	\$25,115	\$27,131
Long-term Liabilities													
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$17,258	\$14,953	\$14,358	\$15,299	\$18,345	\$19,483	\$20,735	\$21,107	\$22,621	\$24,288	\$25,115	\$27,131
Equity													
Paid-in Capital	\$75,000	\$75,000	\$75,000	\$75,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000
Retained Earnings	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)	(\$65,800)
Earnings	\$0	(\$5,212)	(\$8,983)	(\$10,086)	(\$9,903)	(\$8,318)	(\$5,177)	(\$325)	\$6,416	\$15,228	\$26,317	\$39,919	\$56,276
Total Capital	\$9,200	\$3,988	\$217	(\$886)	\$2,297	\$3,882	\$7,023	\$11,875	\$18,616	\$27,428	\$38,517	\$52,119	\$68,476
Total Liabilities and Capital	\$9,200	\$21,246	\$15,169	\$13,472	\$17,596	\$22,228	\$26,507	\$32,611	\$39,723	\$50,049	\$62,805	\$77,233	\$95,607
Net Worth	\$9,200	\$3,988	\$217	(\$886)	\$2,297	\$3,882	\$7,023	\$11,875	\$18,616	\$27,428	\$38,517	\$52,119	\$68,476

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