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1.0 Executive Summary

"Here age relives fond memories of the past and here youth may savor the challenge and promise of the future." This excerpt from Walt Disney’s famous description of Disneyland and the nostalgia that Walt felt when he revisited his boyhood home of Marceline will be recreated within the doors of Conversations Cafe. Not only will the environment created take customers back in time, but will also provide exquisite milkshakes and juicy burgers. The cafe will allow customers to take a step back in time and feel as Walt felt when he revisited Marceline in the 1950’s. Walt told the children, “You are lucky to live in Marceline. My best memories are the years I spent here.” Conversations Cafe provides a unique fifties diner style experience. Younger customers get a glimpse of what the past was like, and the more mature customers reminisce on old times.

1.1 Industry Analysis

Marceline is known as a tourist attraction due to their call to fame as the “boyhood home of Walt Disney.” Walt visited Marceline many times and always spoke highly of the influence that the small town left on not only him, but his creation of the Disney legacy. He was quoted in saying, “I’m not a funny guy. I’m just a farm boy from Marceline who hides behind a duck and a mouse.” The Disney museum is a stop for many tourist wanting to learn about the history behind Walt and his inspiration. One of the most popular stops includes the Dreaming Tree where Mickey Mouse came to life.

1.2 Location

Conversations will be located on Main Street USA in Marceline, Missouri in the building with the famous Coke Mural. This location was recreated both in Disneyland and in Disney World, as Coke’s Corner. Many visitors, when coming to Marceline, stop for a picture at this famous location. Not only will this draw patronage from residents of Marceline, our hope is this will be a travel destination for those already traveling to the town.

1.3 Target Market

As a Cafe that caters to all ages, the company’s main priority will be catering to young adults wishing to experience the vintage phenomenon of the 1950’s, as well as the elderly wishing to relive a small piece of their childhood in the small town of Marceline. Both of these markets will provide consistent revenue for Conversations. The third and the most important market, will be Disney tourists. This market will allow the business to obtain worldwide recognition as a Disney stop.
1.4 Marketing Plan and Sales Strategy

Ms. Bixenman and Ms. Cupp plan to utilize all marketing outlets in the Marceline area, ranging from radio advertisements to word of mouth. The company will put an emphasis on marketing for the tourism that Marceline receives every year from the numerous Disney attractions that Marceline has.

1.5 Financials

Conversations operates as a limited liability company in the boyhood home of Walt Disney, Marceline, Missouri, offering a variety of great foods and experiences to the people in the surrounding area. The owners will acquire an SBA loan of $46,000 with a 5.25% interest rate from Chase Bank. The company plans to pay off the loan within a 5-year maturity period.
2.0 Company Profile

2.1 Legal Form of Business

Conversations is a limited liability company that will be opening in Marceline, Missouri. The will consist of two equal owners, Ms. Jaylea Bixenman and Ms. Katelyn Cupp. The two owners have chosen a limited liability company because of the benefits it will offer. By operating as a LLC, the owners will move the risk that would have otherwise been assumed personally by the partners, to the LLC while also seeking other advantages provided by LLC laws. A significant advantage to having a LLC is that it will avoid the double taxation that often occurs without the LLC status. Also, in the case of any unexpected debt brought onto the company, the two owners will not be held personally responsible for them. Although both owners have assessed all threats thoroughly, they have decided on the LLC status to also protect their personal assets in the event of unforeseen circumstances.

2.2 Effective Date of Business

Conversations will begin operation on April 15, 2020. Before opening day, Conversations staff will ensure a safe and welcoming environment for all customers. We have chosen a spring opening date, due to the fact of a steady incline of tourist attracted to the famous Walt Disney Museum during the summer months.

2.3 Mission Statement

Conversations aims to provide an entertaining, fifties themed restaurant that exerts a lively environment, while providing excellent customer service and good quality food for the citizens of Marceline, the surrounding area, and for tourists visiting Walt Disney’s hometown. Conversations offers a variety of unique and tasteful meal options at their restaurant, as well as exhilarating experiences for those wishing to take a glimpse into Walt’s life in the 1950’s in small town America.

2.4 Company Governance

Ownership of Conversations will be equally divided under Katelyn Cupp and Jaylea Bixenman as a limited liability company. Fair division of all profit and expenditures will be ensured by contractual agreements. The two owners will obtain specific positions in the business according to their education and experience.
Katelyn Cupp
Ms. Cupp will obtain the position of Marketing Manager. As a 32-year-old graduate from the University of Missouri, Columbia, she obtained her Master’s degree in Marketing, as well as a minor in Communications.

For the past seven years, Ms. Cupp held the position of Marketing Research Director at Amazon. Being born and raised in Marceline, Missouri, Kate is extremely familiar with the surrounding cultures, customs, and beliefs.

Jaylea Bixenman
Ms. Bixenman will hold the Financial Manager position. As a 35-year-old graduate from the University of Missouri, Columbia, she obtained her Master’s degree in Business Administration with a bachelor’s in Finance. While attending college, she held a manager position at Olive Garden in Columbia to get a closer look at what it is like to run a business.

Being raised in Marceline, Missouri, she is familiar with the demographics of the area and knows the best location for a new business. For the past nine years, Ms. Bixenman held the position of Financial Manager at a large food production company in Columbia, Missouri.

2.5 Location and Facilities

Conversations will be located in a 2,000 square foot building with a large outdoor sitting area at Coke Corner along Main Street U.S.A. in Marceline, Missouri. Because Marceline is the boyhood home of Walt Disney, Conversations will be booming with tourists from all over the United States. The owners chose Marceline as their location for their new diner due to the fact that they will gain local support as they are alumni of Marceline as well as second generation entrepreneurs.
2.6 Immediate Development Goals

In order for Conversations to become a successful business, the owners must meet critical goals and deadlines. Within the first three months of operations, Conversations must:

- Gain support from Walt Disney Museum.
- Create a strong online and social media presence, as well as efficient advertising in multiple channels.
- Train all staff to understand the culture in the 1950’s and the mission of our business, as well as properly meeting the needs of our customer base.
- Attain 800 customers a week to meet our financial projections and build a starting customer base.

2.7 Overview of Financial Status

The two owners of Conversations will each contribute $10,000 toward the startup of the business. For the additional funds needed to launch Conversations, the co-owners will apply for a SBA loan from Chase Bank for $46,000, with a 5.25% interest rate.

Walt Disney Museum
Photo By Katelyn Cupp
3.0 Industry Analysis

3.1 Description of Industry

Walt Disney once said “To tell the truth, more things of importance happened to me in Marceline than have ever happened since, or are likely to in the future.” Marceline left an incredible impact on Walt Disney and his creations of the entire Disney dynasty. The feeling Walt felt while living in Marceline, and then coming back to visit years later is like no other. Conversations will bring back the significant feeling of nostalgia Walt felt while visiting the historic town in the 1950’s.

Size
There are currently 314,000 restaurant and food service jobs in Missouri. This number is projected to grow 9.1 percent by 2028. America’s restaurant industry accounts for 4 percent of the United States Growth Domestic Product which equals to 800 billion dollars.

History
People have traded items for food all the way back to the medieval times, but the Restaurant industry really grew in the time of the French Revolution. At that time, individual chefs opened up houses for people to come in and eat. Later Americans took the idea of the French revolution public eatery houses and modernized them. American restaurants focused much more on the exquisite and varied ingredients they were able to obtain here, such as oysters. America being known as the melting pot; it was only fitting that the restaurant industry followed this nickname. Meals from varied cultures began to sporadically rise across the country such as, Italian, Chinese, and Mexican. Today America is the leading country for industrialization of the food industry, meaning most well-known for its abundance of quick services, such as fast food.

3.2 Trends and Strategic Opportunities

Many consumers hope to see freshness and quality food served at restaurants. It is a priority to most people that food is locally sought out and produced for the dishes at the facilities. A trend coming back into the restaurant industry is simplicity and artfully crafted food, meaning simple and basic dishes are most sought after. The fastest growing trend in the restaurant industry is the fast casual style of dining. This is the idea of a quick meal, although with quality food and not just fast food premade items.
4.0 Target Market

4.1 Market Analysis

Marceline, Missouri is Walt Disney's boyhood hometown which attracts Disney fanatics from all over. This small community is home to the Walt Disney Museum, Walt Disney Dreaming Tree, Walt’s boyhood hometown and more. On top of the main tourist attraction to this small town, it is a tight knit community comprised of all ages ranging from infants to elderly. Before becoming known as Walt’s boyhood hometown, Marceline was a populous little mining town in the early to mid-1900’s, specifically booming in the 1950’s. The owners plan to accommodate and target three select groups specifically. After doing research they have concluded that their target market consists of the following:

- **Tourists**
  - Fanatics of Disney come to Marceline each year to admire historic sites such as the Coca Cola Mural on the back side of the restaurant that is inspired by the original Cokes Corner.

- **Youth**
  - The restaurant offers an enthusiastic environment for the youth of Marceline with it’s exciting atmosphere as well as the frequent dances held on the outside patio of Conversations.

- **Elderly**
  - Conversations offers people in their retirement age to have a reminiscent on the old times with the retro aspect that the restaurant brings.

4.2 Location of Conversations:

Conversations will be located on the original Main Street USA in Marceline, Missouri in the famous Zurcher building, adjacent from the well-known Ripley Park. The Zurcher building holds historic records and immense inspiration for one of the most well-known theme parks in the world, Disneyland. Walt Disney was inspired by the coke mural seen connected and right behind the Zurcher building. Coke’s Corner, located in Disneyland, serves as a refreshment stop for visitors, featuring a spin on the fifties themed Zurcher building. Using the original idea and creation of the building, it will serve as an excellent option for Conversations Cafe. Bringing Walt’s vision and inspiration for Coke’s Corner to life, on the original Main Street USA, Conversations will bring a unique and nostalgic feel to the town.
5.0 Competition

5.1 Key Competitors

**Goodcents Deli Fresh Subs**
Goodcents Deli Fresh Subs is the largest competitor of Conversations. Being the only other business open for evening meals seven days a week, Goodcents Deli Fresh Subs will be the largest competitor for the lunch and dinner crowds. Although Goodcents Deli Fresh Subs offers a smaller variety of meals, people only tend to spend less than twenty minutes there, showing the speed and convenience of choosing it for your quick lunch.

**Casey’s General Store**
Casey’s General Store is the next largest competitor for Conversations. Casey’s offers the quick option for convenient snacks and meals such as pizza, wings, donuts and sandwiches. Unlike Conversations, Casey’s is open 24 hours a day. Another strength that Casey's has over Conversations is the convenience of their food availability and affordability. For example, you can purchase a slice of pizza, a drink, and a bag of chips from Casey’s for a low price and be back in your vehicle in less than ten minutes.

**Ma Vic's Corner Café**
Ma Vic's Corner Café is the final competitor. Located on Main Street Avenue and directly across from Conversations. Being in business for over seven years, this proposes a conflict for gaining a breakfast and lunch crowd. Ma Vic’s has acquired great local support as you can see from its ratings and reviews to the left.
5.2 Potential Future Competitors

New Independent Restaurants
Any new fast food restaurant, convenient store, or sit down restaurant that opens in Marceline in the near future will serve as a threat to the success of Conversations. With a small population, it is somewhat difficult to keep small businesses up and running in Marceline.

Chain Restaurants
There is less room to fail in all aspects of opening a chain restaurant verses an independent restaurant because in a chain you learn how to run a restaurant with an established way of doing things. Some advantages of a chain restaurant that serve as threats to Conversations are:

- Getting a well-known/established Brand Name
- Customers easily recognize Brand Name/more likely to become associated.
- Chain restaurants with good policies have proper menu management, performance reporting, and inventory regulations, which help a company grow.
5.3 Barriers for Future Entry

Price:
The owners of Conversations have evaluated the existing meal prices of Marceline’s local restaurants. Using the proper pricing equation by taking raw food costs divided by 28% (the ideal food cost percentage) will in return calculate each item’s food cost. After calculating their prices for each item, they put a menu together with equal or lesser prices of similar meal options at competing restaurants. The owners understand that in the future they may have to lower their prices as competitors do.

Location:
Conversations is located on Mainstreet Marceline along with two other independent restaurants. With only two other restaurants in the nearby area, there is less competition for customers. In order to be set apart from the other restaurants, Conversations will offer a unique environment and a diverse variety of meal options.

Service Differentiation:
Conversations is the first restaurant in the Marceline area to have a target market aimed at tourism. Without being located at the historically known Zurcher Building and its Coca-Cola mural, it will be nearly impossible for other restaurants to draw in tourists in the way that Conversations will. Conversations is one of very few restaurants in the town of Marceline. Being located in a town with a smaller population than that of big cities, it will be difficult for other new restaurants to compete with the few that are already locally supported.
6.0 Marketing Strategy

6.1 Key Message

At Conversations the staff encourages an enthusiastic environment; where you are not only able to enjoy a meal, but experience the sensation of the 1950’s. Bringing Walt Disney's past back to life, the Zurcher building which features a Coca Cola mural, was once the inspiration for Disneyland's very own Coke Corner.

6.2 Strategy and Implementation

Marketing will be extremely crucial for success of the business. Because of the size of Marceline marketing strategy will be tailored to each of the three individual target markets: elderly, youth, and town tourists.

Marketing to three different target markets, the most beneficial marketing strategy that Conversations will be using is, SOLOMO. The three aspects of SOLOMO are Social, Local, and Mobile. Intersecting all three of these components will increase engagement from consumers. In return SOLOMO will bridge the gap between the faculty and online users.
Social:
In today's world, most people are very social. With face to face interactions, and the widespread use of social media and new technology, individuals are more connected than ever, meaning the transportation and receipt of information is more easily accessible than ever before. Consumers are able to quickly express receipt their satisfaction or discontent with businesses and their quality of product. Consumers no longer look to other businesses and brands for feedback of products; instead they turn to third party resources and other social network users. Peers are more connected than ever, meaning a business can experience extreme success or devastation quickly. Conversations will be active on various social media networks, ensuring to establish a strong customer relationship. Our social media will become a mainstream use for customer interaction, making sure to avoid bad publicity, while being present and relevant to consumers.

Local:
Being located in a small community, Conversations will strive to build a strong customer base, securing satisfied and returning consumers. According to Pew research, 65 million Americans use mobile or location based services. Local relevance increases consumer’s interest on receiving messages or alerts for a business. Consumers will be more apt to sign up for deals and promotional alerts, such as newsletters and weekly announcements, from a local business rather than a further one. Local and returned customers’ engagement will increase immensely with the use of promotions and committed programs.

Mobile:
Mobile devices are influencing consumers’ behavior on many issues, much more than we could have ever imagined just 10 years ago. The ability to shop, inform, sell, and learn over technology has increased drastically over the past decade. Mobile networking and accessibility is a must for businesses. Conversations will create an inviting online presence through various social media platforms and technology advances such as a mobile app. Our social platforms such as our website, will integrate and provide benefits for mobile users through apps and media platforms. Interacting with consumers is a priority for the mobile based strategy.

6.3 Media Platforms
As stated in 6.2 Conversations media platforms will consist of Instagram, Facebook, a website, and a Mobile Application. Each one of these will be important in the process of communication customer interaction, and advertisement. They will each add to an increase in consumer engagement, sales, and overall identity.

Instagram:
As one of the mainstream ways to connect to the younger generation, Instagram will become a platform where Conversations will be able to interact and attract the younger audience. Conversations will publish weekly photos of intriguing food options featured at the diner, as well as promotional deals, and contests.
Facebook:
Facebook will allow Conversations to publish more precise and detailed information about the business; such as hours of operation, menu, reviews, and even a reservations profile.

Mobile App:
Allowing consumers an opportunity to gather information about what the business is all about, a mobile app will break it down but in a more convenient way than their website. Conversations mobile application will feature items such as; the menu, specialty deals, promotional days, hours of operation and loyalty programs.

Website:
Featuring a more sophisticated environment, a website will allow Conversations to display and translate all of the details about the business as a whole. This platform will provide an opportunity for consumers to understand the back story behind the business and more specific details. A full menu will be displayed on the website as well as, an address, hours of operation, loyalty programs, links to all social media, and career opportunities. As well as the option to place reservations and orders online for special events or simply for the customers’ convenience.

6.4 Sales Procedure and Strategy

Define the Process

Understand Process Inputs and Outputs

Create a plan that implements best practices; set meaningful goals

Monitor process measurements for discrepancies between goals and results

Measure key performance indicators of the process that directly relate to goals

Identify root causes of discrepancies and make corrections to improve the process
7.0 Operation

7.1 Business Facility

Conversations will be located at 109 Main Street USA, Marceline MO. Ms. Cupp and Ms. Bixenman chose to operate out of a 2,000 square feet facility. The facility will be open to customers Monday through Thursday, from the hours of 11:00 A.M. to 9:00 P.M. and on Fridays and Saturdays, from 11:00 A.M. to 10:00 P.M. Lastly, Conversations’ facility will not be open on Sundays. As you can see from the floor plan below, the facility has both booth and bar seating. The facility has a spacious kitchen as well an additional prep and pick-up area to make the work place as efficient as possible.
### 7.2 Production Plan

Conversations will have two main types of employees: owners/managers and trained employees. Both types of employees will work as a team and concentrate on the objectives in order to ensure an efficient and successful work place. Although they will work together, each type of employee will have their own job to contribute to the company. The owners/managers are responsible for handling overall operations, financials, marketing, and many other aspects of the business. They will need to maintain the facility by ensuring the employees are doing their job. A key task of the owners/managers is to satisfy any issues a customer may have. Employees are expected to maintain a welcoming environment to ensure that customers will return. Restaurants are at the highest risk for customers choking therefore, all employees will be CPR certified before business starts to ensure safety to all customers.

### 7.3 Personnel Plan

All employees will be hand-selected by the two owners after being evaluated through interviews and background checks. All potential employees must fill out and send Conversations’ application form before being selected. Before the company opens for business, Conversations plans to hire 5 employees in order for the company to run efficiently in the opening year of business. The owners understand that as the company grows, more employees will need to be hired. Salary increases will be awarded to personnel that are loyal and support the company after year two.

**Hierarchy Pyramid**

- Financial Manager
- Split By Owners: General Manager
- Marketing Manager
- Cooks
- Assistant Cook
- Waitresses
Part Time Positions

**Cook**
**Employee Count: 2**
**Job Description:**
- Responsible for preparing meals for the restaurant
- Portion, arrange, and garnish food, and serve food to waiters or patrons
- Regulate temperature of ovens, broilers, grills, and roasters
- Inspect food preparation and serving areas to ensure observance of safe, sanitary food-handling practices.
- Observe and test foods to determine if they have been cooked sufficiently.

**Assistant Cook**
**Employee Count: 1**
**Job Description:**
- Provides support to head cooks
- Perform a variety of cooking duties
- Prep food, test new recipes, clean the kitchen, plate dishes
- Maintain supplies

**Waitress**
**Employee Count: 4**
**Job Description:**
- Provide excellent service to ensure satisfaction
- Take customer orders and deliver food and beverages
- Make menu recommendations, answer questions
- Share additional information with restaurant patrons.
- Daily cleaning duties

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7.4 Impact of Technology

By using the impact of technology, the co-owners will be able to utilize all aspects of advertisement for their business as well as create an efficient work environment. The two co-owners of Conversations will each have key roles in this process by accessing their desktop computers and any necessary software for the company. This will allow them to use technology in the following ways:

**Accounting** - Ms. Bixenman, the financial manager of Conversations, will use Fresh Books 2019 to organize the company’s accounting records in an efficient manner. The online application benefits the company by saving both money and time through its simplicity and flexibility.

**Advertisement** - Conversations’ website and social media accounts (Facebook, Instagram, Twitter) will provide the public with information about the business and its services, the menu, including the numerous unique meals that Conversations has to offer, and access to customers to schedule reservations.

**Point of Sale Machines** - Conversations’ will be using an iPad as a device to calculate and keep track of sales, essentially taking the place of a cash register. As well as taking online orders and reservations.
8.0 MANAGEMENT AND ORGANIZATION

8.1 Key Employees

Conversations will base all operations and management by their company hierarchy as shown earlier in the business plan. The two owners/managers will overlook the performances of all company personnel, including waitresses, cooks, and janitorial personnel. Both managers will be in charge of a set field in the company. As financial manager, Jaylea Bixenman will be responsible for overseeing the flow of cash and financial instruments, conducting data analysis, and preparing reports required by law, regulations, or company policies. She will also be responsible for overseeing the product flow. Many typical duties that Ms. Bixenman will have are to review financial reports, monitor accounts, prepare activity reports, and order products. As marketing manager, Katelyn Cupp will be responsible for overseeing the company’s marketing budget, developing the marketing strategy for the company in line with company objectives, and will have the overall responsibility of brand management and corporate identity. In addition, both key employees will act as the human resources worker, conducting duties such as hiring and firing. By working together efficiently, the two owners will ensure consistent day to day operations for their company.

8.2 Identifying, Recruiting, and Securing Key Participants

At Conversations both key employees, Jaylea Bixenman and Katelyn Cupp will work alongside one another to hiring and managing employees. As human resource managers they will use strategies to hire equipped and qualified personnel. Being located in the tourist attracted town, they will search for employees who share a similar passion for Disney and the building’s history. Conversations will recruit employees through various online job platforms such as Zip Recruiter, Indeed, and Glassdoor, these online sources are essentially beneficial for both the employer and considerable personnel. Through these job search engines companies can view a contender’s job resume cover letter, leading to incredible options for qualified and passionate future employees.

8.3 Compensation and Incentive Plans

With running any business, management and organization is necessary. To guarantee management is sufficient, the company executives will provide incentives and compensation plans. Employees will receive numerous incentives such as discounts on their meals as well as random monthly bonuses based off of who gets the most customer comment cards filled out, who sells the most specials, or who brings in the most people for an event.
9.0 Company Analysis

9.1 Important Assumptions

All financial and logistical projections of Conversations are based on the following key underlying assumptions:

- There will be a slow-growth economy for both Missouri and United States, without any major recession.
- There are no unforeseen changes in the expectancy in the popularity of the restaurant.
- There will be tax breaks and other incentives offered by the city of Marceline and the government to support small businesses.

9.2 Goals

**Short-Term**
Year One Goals:
- Building Renovations complete.
- Implement a staff that exceeds all expectations and standards.
- Obtain 800 customers on average a week.
- End the year with less than $38,000 in debt.
- Utilize all local advertising outlets.

Year Two Goals:
- End the year with less than $30,000 of debt to be paid off.
- Expand inventory to include more bakery items such as donuts.
- Expand advertising by purchasing another billboard.
- Increase customer base to 960 a week.

**Long-Term**
Year Three and Four Goals:
- End the year with less than $15,000 remaining of debt to be paid off.
- Increase customer base by 20% to 1150 customers a week.
- Expand total number of employees to no more than 10 employees.
- Develop matrix to track progress of the business.
- Add breakfast items to the menu.

Year Five and Six Goals:
- Increase profit continually by 20% by scaling and reducing cost due to increased production and ordering power.
- Increase customer base by 20% to 1380 customers a week.
- Begin looking at expanding a franchise to Chillicothe, Missouri.
- Pay off small business loan used to open business.
9.3 Risk and Potential Adverse Results

The owners of Conversations understand that with taking on a business, there are always some potential risks. In order to overcome their risks, they must first recognize them.

**High Costs**
The largest financial risk that Ms. Bixenman and Ms. Cupp face is the burden of paying off a large loan, when many statistics put restaurant business failure rates as high as 60% within the first year. During the first few months, Conversations will accumulate financial assets, although it is possible they will lack working capital as they grow. One of the main occupational risks of owning a restaurant is the lack of suitable funding. When starting Conversations, the several months of funding saved by the owners will cover the costs for payroll, marketing, and other bills. Starting a food service business can be extremely pricey. Expenses such as payroll, consumable goods, insurance, and many others make being an entrepreneur very daunting. Cash resources can be a serious risk of opening a restaurant if costs aren’t well calculated.

**Fluctuation in Sales**
The reality of the restaurant business is that you could still have dismal sales despite any wrongdoing. With that said, the risk of low sales adds to the possibilities of financial risks for the company. In addition, the fluctuation in sales is a large concern for conversations due to the climate changes and seasonal highs and lows in consumer numbers. Peak season for Conversations and the Walt Disney Museum historically begins near the end of April, goes through the summer months, and remains strong until early November. Non-peak season begins in early November, continues through the winter months, and continues through early April. In order to balance the fluctuation in sales, Conversations will save enough money to cover winter costs. This will happen as a precaution in case the business is unable to break even during these months.

**Bad Reputation**
With Conversations being located in a rural area, word of mouth advertisement is crucial to the businesses’ success. However, the flip side to quick advertisement is the possibility to receive bad reviews and in return a bad reputation. With a bad reputation the business would not be able to maintain a regular customer base or bring in new consumers as well. This risk would lead to a very devastating risk of low sales, and in the conclusion a failure of the business.

**Food Safety**
Food poisoning is a large concern for any restaurant. Employees will be trained in food safety, though it is always a concern that they will not fulfill these duties fully and properly. Even the cleanest and safest restaurants can face the risk of food borne illnesses due to previously contaminated foods coming from inventory trucks and farms. In addition, consumers can generate an allergic reaction to ingredients or cleaning solutions used.
9.4 Strategies For Long Term Goals
In order to reach the set long-term goals, Conversations has created many strategies to help achieve them. The first step to meeting long-term goals set forth is firstly creating those goals, which the owners of Conversations has done previously in the business plan. One of the most notable strategies starts with the managers and other employees. The owners created incentives for workers to sell more specialty items, and publicize the addition of the new store front in Chillicothe, Missouri. Secondly, the marketing coordinator has created a strong marketing and advertising plan, in order to help meet sales goals.

9.5 SWOT Analysis

**Strengths**
- Local Support
- Town Tourist
- Dining Experience
- Social Media Advertisement

**Weaknesses**
- Small Community
- Low Average Consumer Income
- Climate Changes Among Seasons

**Opportunities**
- Featured on Disney Publications, Websites, or Blogs
- National Advertisement

**Threats**
- Strong Competitors
- Potential Increase in Food Items

**Strengths**: Conversations will provide a positive dining experience and extraordinary meals that would exceed the standards for the majority of any customers. Conversations strategic location, local support, unique experiences, and their ability to use social media advertising will provide a great advantage over any competitors.

**Weaknesses**: With the location of the business being located in small town with a low average consumer income, this could pose the hazard of low sales. Additionally, with the climate changes through seasons in Missouri, we face an increase and decrease in sales seasonally.

**Opportunities**: Conversation’s unique location and history of the building could provide great opportunities to be featured on Disney publications such as Disney Websites and Blogs. With this incredible advantage of location and the business’s incorporation could land them national recognition.

**Threats**: The few nearby dining establishments will pose a threat to our business, due to their already established customer base. Furthermore, with many of our ingredients and food items being purchased from outside sources, there is always the threat of inventory price increases.
10.0 Financial Plan

10.1 Accounting System

Conversations will use FreshBooks, one of the leading computer accounting software. The software is used by more than five million users around the world to streamline time tracking and invoicing. FreshBooks offers top rate invoice-to-payment functionalities, including direct payment gateways, overdue payment reminders, delay fees, and payment claims. The system can be used to easily collect payments, automate the recurring billing process, and to accept Google Checkouts, Amex, PayPal, and credit card payments.

10.2 Capital Expenditures and Loan Request

The two owners established the requested amount of $46,000. This established amount will cover the start-up costs. The start-up costs include all materials and labor necessary to complete the renovation and installation of commercial kitchen drywall, complete installation of bathroom, construction and installation industrial strength cabinets. The start-up costs also include first year of rent of the facility as well as all other year-one expenses. Conversations will receive a loan of $46,000 with a 5.25% interest rate from Chase Bank. With this loan, Conversations will break even at the end of year two. By the end of year six, Conversations hopes to earn a profit of over $15,000 per year.

<table>
<thead>
<tr>
<th>Loan amount</th>
<th>$46,000.00</th>
<th>Scheduled payment</th>
<th>$873.36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual interest rate</td>
<td>5.25%</td>
<td>Scheduled number of payments</td>
<td>60</td>
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<tr>
<td>Loan period in years</td>
<td>5</td>
<td>Actual number of payments</td>
<td>60</td>
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<tr>
<td>Number of payments per year</td>
<td>12</td>
<td>Total early payments</td>
<td>$0.00</td>
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<td>Start date of loan</td>
<td>4/1/2019</td>
<td>Total interest</td>
<td>$6,401.32</td>
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<tr>
<td>Number of payments per year</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start date of loan</td>
<td>4/1/2019</td>
<td></td>
<td></td>
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### 10.3 Year One Monthly Cash Flow Statement

<table>
<thead>
<tr>
<th></th>
<th>Pre-Startup</th>
<th>Apr-20</th>
<th>May-20</th>
<th>Jun-20</th>
<th>Jul-20</th>
<th>Aug-20</th>
<th>Sep-20</th>
<th>Oct-20</th>
<th>Nov-20</th>
<th>Dec-20</th>
<th>Jan-21</th>
<th>Feb-21</th>
<th>Mar-21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash on Hand (beginning of month)</strong></td>
<td></td>
<td>$40,875.00</td>
<td>$37,701.64</td>
<td>$34,743.28</td>
<td>$31,801.42</td>
<td>$28,877.71</td>
<td>$25,973.98</td>
<td>$23,092.19</td>
<td>$20,234.58</td>
<td>$17,363.67</td>
<td>$14,480.15</td>
<td>$11,584.62</td>
<td>$8,677.70</td>
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<tr>
<td><strong>CASH RECEIPTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Cash Sales</td>
<td></td>
<td>$6,000.00</td>
<td>$6,600.00</td>
<td>$7,260.00</td>
<td>$7,986.00</td>
<td>$8,784.60</td>
<td>$9,663.06</td>
<td>$10,629.37</td>
<td>$10,979.90</td>
<td>$9,593.00</td>
<td>$9,113.35</td>
<td>$8,657.69</td>
<td>$9,523.45</td>
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<tr>
<td>Cash Inves Inrents by Owner</td>
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<td></td>
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</tr>
<tr>
<td>Loan/ other cash inj.</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td><strong>TOTAL CASH RECEIPTS</strong></td>
<td></td>
<td>$66,000.00</td>
<td>$6,000.00</td>
<td>$6,600.00</td>
<td>$7,260.00</td>
<td>$7,986.00</td>
<td>$8,784.60</td>
<td>$9,663.06</td>
<td>$10,629.37</td>
<td>$10,979.90</td>
<td>$9,593.00</td>
<td>$9,113.35</td>
<td>$8,657.69</td>
</tr>
<tr>
<td><strong>Total Cash Available (before cash out)</strong></td>
<td></td>
<td>$66,000.00</td>
<td>$46,875.00</td>
<td>$44,301.64</td>
<td>$42,003.28</td>
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<td>$35,637.04</td>
<td>$33,721.56</td>
<td>$30,332.47</td>
<td>$26,956.68</td>
<td>$23,593.50</td>
<td>$20,242.31</td>
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<tr>
<td><strong>CASH PAID OUT</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
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<td>$3,194.40</td>
<td>$3,513.84</td>
<td>$3,865.22</td>
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<td>$4,796.50</td>
<td>$4,556.68</td>
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<td>Payroll expenses (taxes, etc)</td>
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<td>Supplies (office &amp; oper.)</td>
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<td>$50.00</td>
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<td>$100.00</td>
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<td>$100.00</td>
<td>$100.00</td>
<td>$100.00</td>
<td>$100.00</td>
<td>$100.00</td>
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<tr>
<td>Rent</td>
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<td>$1,000.00</td>
<td>$1,000.00</td>
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<td>$1,000.00</td>
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<tr>
<td>Utilities</td>
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<td>$750.00</td>
<td>$750.00</td>
<td>$750.00</td>
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<td>$750.00</td>
<td>$750.00</td>
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<tr>
<td>Insurance</td>
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<td>$900.00</td>
<td>$300.00</td>
<td>$300.00</td>
<td>$300.00</td>
<td>$300.00</td>
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<td>$300.00</td>
<td>$300.00</td>
<td>$300.00</td>
<td>$300.00</td>
<td>$300.00</td>
</tr>
<tr>
<td>Interest</td>
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<td>$201.25</td>
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<td>$180.39</td>
<td>$177.36</td>
<td>$174.32</td>
<td>$171.26</td>
<td>$168.19</td>
</tr>
<tr>
<td>License Fee and Misc.</td>
<td></td>
<td>$100.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
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<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td></td>
<td>$5,125.00</td>
<td>$8,501.25</td>
<td>$8,883.31</td>
<td>$9,523.86</td>
<td>$10,228.74</td>
<td>$10,909.71</td>
<td>$11,688.34</td>
<td>$12,544.84</td>
<td>$13,468.98</td>
<td>$12,968.80</td>
<td>$12,476.53</td>
<td>$12,008.88</td>
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<td>Loan principal payment</td>
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<td>$675.05</td>
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<td>$680.97</td>
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<td>$686.94</td>
<td>$689.94</td>
<td>$692.96</td>
<td>$695.99</td>
<td>$699.04</td>
<td>$702.10</td>
<td>$705.17</td>
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<tr>
<td>Capital purchase (specify)</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other startup costs</td>
<td></td>
<td>$15,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CASH PAID OUT</strong></td>
<td></td>
<td>$25,125.00</td>
<td>$9,173.36</td>
<td>$9,558.36</td>
<td>$10,201.86</td>
<td>$10,909.71</td>
<td>$11,688.34</td>
<td>$12,544.84</td>
<td>$13,468.98</td>
<td>$12,968.80</td>
<td>$12,476.53</td>
<td>$12,008.88</td>
<td>$11,564.60</td>
</tr>
<tr>
<td>Cash Position (end of month)</td>
<td></td>
<td>$40,875.00</td>
<td>$37,701.64</td>
<td>$34,743.28</td>
<td>$31,801.42</td>
<td>$28,877.71</td>
<td>$25,973.98</td>
<td>$23,092.19</td>
<td>$20,234.58</td>
<td>$17,363.67</td>
<td>$14,480.15</td>
<td>$11,584.62</td>
<td>$8,677.70</td>
</tr>
</tbody>
</table>

**Note:** The table above provides a monthly cash flow statement for the first year of operation, starting from April 2020 to March 2021. The statement includes cash on hand (beginning of month), cash receipts, and cash paid out, with the resulting cash position (end of month). The data is represented in dollars ($).
## 10.4 Year 1 Monthly Income Statement

<table>
<thead>
<tr>
<th>Month</th>
<th>Sales (100%)</th>
<th>Operating Expenses (138%)</th>
<th>Profit / Loss (92%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-20</td>
<td>$6,000.00</td>
<td>$2,400.00 $450.00</td>
<td>$(2,300.00) $1,850.00</td>
</tr>
<tr>
<td>May-20</td>
<td>$6,600.00</td>
<td>$2,640.00 $495.00</td>
<td>$(2,085.00) $1,150.00</td>
</tr>
<tr>
<td>Jun-20</td>
<td>$7,060.00</td>
<td>$2,900.00 $544.50</td>
<td>$(2,050.00) $1,240.50</td>
</tr>
<tr>
<td>Jul-20</td>
<td>$7,860.00</td>
<td>$3,104.00 $598.95</td>
<td>$(2,030.00) $1,350.95</td>
</tr>
<tr>
<td>Aug-20</td>
<td>$8,784.60</td>
<td>$3,313.60 $658.85</td>
<td>$(2,008.42) $1,350.78</td>
</tr>
<tr>
<td>Sep-20</td>
<td>$9,663.06</td>
<td>$3,513.04 $724.73</td>
<td>$(1,989.60) $1,424.33</td>
</tr>
<tr>
<td>Oct-20</td>
<td>$10,663.06</td>
<td>$3,712.06 $796.85</td>
<td>$(1,970.80) $1,463.19</td>
</tr>
<tr>
<td>Nov-20</td>
<td>$11,663.06</td>
<td>$3,911.08 $870.00</td>
<td>$(1,948.08) $1,502.08</td>
</tr>
<tr>
<td>Dec-20</td>
<td>$12,663.06</td>
<td>$4,110.10 $943.12</td>
<td>$(1,929.94) $1,543.14</td>
</tr>
</tbody>
</table>

% of Sales:
- Marketing Expenses 5.0%
- Consumer Goods 40.0%
- License Fees 0.8%
- Payroll 50.0%
- Payroll Taxes and Benefits 7.5%
- Rent 16.7%
- Utilities 12.5%
- Total Operating Expenses 138.0%

Total Cash Receipts $6,000.00
Total Expenses $8,300.00
Profit / Loss $(2,300.00)
### 10.4 Year 1 Monthly Income Statement (Continued)

<table>
<thead>
<tr>
<th>Month</th>
<th>Total Cash Receipts</th>
<th>Operating Expenses</th>
<th>Profit / Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-20</td>
<td>$10,629.37</td>
<td>$12,613.63</td>
<td>($1,984.27)</td>
</tr>
<tr>
<td>Nov-20</td>
<td>$11,692.30</td>
<td>$13,650.00</td>
<td>($1,957.69)</td>
</tr>
<tr>
<td>Dec-20</td>
<td>$12,861.53</td>
<td>$14,788.99</td>
<td>($1,928.46)</td>
</tr>
<tr>
<td>Jan-21</td>
<td>$14,424.69</td>
<td>$15,562.45</td>
<td>($1,137.76)</td>
</tr>
<tr>
<td>Feb-21</td>
<td>$15,562.45</td>
<td>$17,118.70</td>
<td>($1,556.25)</td>
</tr>
<tr>
<td>Mar-21</td>
<td>$17,118.70</td>
<td>$19,044.39</td>
<td>($1,925.69)</td>
</tr>
</tbody>
</table>

#### Operating Expenses

- **Marketing Expenses**: $100.00 (0.9%)
- **Consumer Goods**: $4,251.75 (40.0%)
- **Insurance**: $300.00 (2.8%)
- **License Fees**: $50.00 (0.4%)
- **Office Expenses**: $50.00 (0.5%)
- **Payroll**: $5,314.68 (50.0%)
- **Payroll Taxes and Benefits**: $797.20 (7.5%)
- **Rent**: $1,000.00 (9.4%)
- **Utilities**: $750.00 (7.3%)

#### Total Expenses

<table>
<thead>
<tr>
<th>Month</th>
<th>Total Expenses</th>
<th>% of Sales</th>
<th>Profit / Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-20</td>
<td>$12,613.63</td>
<td>119%</td>
<td>($1,984.27)</td>
</tr>
<tr>
<td>Nov-20</td>
<td>$13,650.00</td>
<td>117%</td>
<td>($1,957.69)</td>
</tr>
<tr>
<td>Dec-20</td>
<td>$14,788.99</td>
<td>115%</td>
<td>($1,928.46)</td>
</tr>
<tr>
<td>Jan-21</td>
<td>$15,562.45</td>
<td>113%</td>
<td>($1,137.76)</td>
</tr>
<tr>
<td>Feb-21</td>
<td>$17,118.70</td>
<td>112%</td>
<td>($1,556.25)</td>
</tr>
<tr>
<td>Mar-21</td>
<td>$19,044.39</td>
<td>111%</td>
<td>($1,925.69)</td>
</tr>
</tbody>
</table>

#### % of Sales

- Oct-20: 100%
- Nov-20: 100%
- Dec-20: 100%
- Jan-21: 100%
- Feb-21: 100%
- Mar-21: 100%
10.5 Yearly Income Statements Year 1, 3, and 5

<table>
<thead>
<tr>
<th></th>
<th>Year 1 % of Sales</th>
<th>Year 3 % of Sales</th>
<th>Year 5 % of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cash Receipts</td>
<td>$128,305.70</td>
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<tr>
<td>Operating Expenses</td>
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<td></td>
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</tr>
<tr>
<td>Marketing Expenses</td>
<td>$1,900.00</td>
<td>1.5%</td>
<td>0.2%</td>
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<tr>
<td>Consumer Goods</td>
<td>$51,022.28</td>
<td>39.8%</td>
<td>35.0%</td>
</tr>
<tr>
<td>Insurance</td>
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<td>3.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td>License Fees</td>
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<td>0.5%</td>
<td>0.0%</td>
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<td>Office Expenses</td>
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<td>0.5%</td>
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<td>Payroll</td>
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<td>Payroll Taxes and Benefits</td>
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<td>7.6%</td>
<td>5.3%</td>
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<tr>
<td>Rent</td>
<td>$14,000.00</td>
<td>10.9%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>$10,000.00</td>
<td>7.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Non Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Purchases</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renovations</td>
<td>$15,000.00</td>
<td>11.7%</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>$5,000.00</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$177,123.06</td>
<td>138.0%</td>
<td>91.2%</td>
</tr>
<tr>
<td>Profit / Loss</td>
<td>$-48,817.36</td>
<td>-38.0%</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

10.6 Breakeven Analysis and Return on Investment

Conversations’ total revenue must exceed the total expenditures of the company in order to break even. The company will operate at a loss for the first year of operation. Conversations will officially break even and begin earning revenue in the end of the second year of operation. Conversations is expecting a gross profit margin of 65% and an operating margin of 11.6%. This is consistent with the average locally owned coffee shop. Conversations has used conservative financial estimates to minimize the risk of overestimating profits.
11.0 Appendix

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
FOR

A LIMITED LIABILITY COMPANY

ARTICLE I
Company Formation

1.1 FORMATION. The Members have formed a Limited Liability Company ("Company") according to the laws of the state in which the Company was formed. This operating agreement is entered into and effective as of the date it is adopted by the members.

1.2 REGISTERED AGENT. The name and location of the Company’s registered agent will be stated in the company’s formation documents.

1.3 TERM. The Company will continue perpetually unless:
(a) Members whose capital interest as defined in Article 2.2 exceed 50 percent vote for dissolution; or
(b) Any event which causes the Company’s business to become unlawful; or
(c) The death, resignation, expiration, bankruptcy, or removal of any member which terminates the continued membership of a Member of the Company; or
(d) Any other event causing dissolution of the Company under applicable state law.

1.4 CONTINUANCE OF COMPANY. In the event of an occurrence described in ARTICLE I.4(c), if there are at least two remaining Members, those Members have the right to continue the business of the Company. This right can be exercised only by a unanimous vote of the remaining Members within ninety (90) days after the occurrence of an event described in ARTICLE I.4(c). If not exercised, the right of the Members to continue the business of the Company will expire.

1.5 BUSINESS PURPOSE. The Company will conduct any lawful business deemed appropriate in carrying out the company’s objectives.

CITY LICENSE

MARCELINO, MISSOURI

Know All Men By These Presents: Dated ____________________, 20

That ___________________ having paid to the City of Marceline, Missouri, $ ___________________ DOLLARS

in conformity to Ordinance No. 19.104 of the City of Marceline, Missouri, is hereby licensed to conduct a Vocation in the City of Marceline, Missouri, designated ___________________.

To the 31st day of December 20 ____________________

Mayor ____________________________________________________________________

City Clerk ____________________________________________________________________
12.0 Work Cited


“Marceline, MO.” Data USA, datausa.io/profile/geo/marceline-mo/.

