

HOME COOKING:

A Question Of Start-Up Financing

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It was time to make a decision.

For the past year, Chef John Galt had meticulously crafted the business plan for his entrepreneurial venture and dream, Home Cooking (HC) (see Exhibit 1). Along with his wife, architect Dagny Taggart, they conceived the business strategy, debated the open issues, researched the market, sought real estate and analyzed the company's future needs. The initial feedback received from other chefs in the industry, as well as independent reviews of the business plan, were extremely encouraging. The market appeared ripe for Home Cooking's services. The timing and the opportunity were almost effortlessly falling into line. The largest obstacle John and Dagny had yet to tackle was how to mitigate the risk created by John's minimal teaching experience.

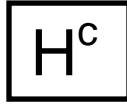
John, with the help of several business-knowledgeable friends, was able to approximate the initial cost of starting HC to about \$1.2 million. John and Dagny looked to their personal savings and the local banks as the sources of funding for their venture. The couple had \$75,000 of personal savings to contribute to HC's financing; they would need to borrow the rest from the bank, ideally through a revolving line of credit. Concerns about the profitability of HC deterred them from equity financing through venture capitalists because they did not know how much would be left of the profit after the VCs took their share. Also, John did not want to relinquish too much control of his dream. However, with one phone call, John's decision to push forward with Home Cooking became exponentially more perplexing.

In early November, John received a phone call from the recruiter whom he had used to fill several positions, as well as to find himself two new positions over the past years. The recruiter was questioning John as to whether he knew "anyone" who would be interested in a six-week-minimum-to-permanent position in the private, St. Barts home of a multi-billionaire financier. If the chef were hired permanently, the pay would be \$135,000 per year - three times industry standard - and would guaranty exposure to the wealthiest and most influential members of international society.

Chef John was left at a crossroads with this offer. On the one hand, his ideal venture was seemingly on the brink of becoming a reality. He and Dagny had only to find a suitable location, incorporate the tax burdens into the financial projections, address the risks and head out to the local banks. This avenue would, of course, be feasible, but would also put a significant financial burden on them despite the fact that John could continue to work at his current position until HC's opening and Dagny was well established and compensated at her firm. On the other hand, accepting the job in St. Barts would delay the opening of HC by years, potentially, but could reasonably lead to a situation where John could borrow the financing from one, or several, of the multi-billionaires to whom he would be exposed. This avenue would result in outside, equity ownership of HC, but would relieve the debt burden. His initial concerns about losing control and profits through equity financing still held, but having a position where he would be in regular contact with many of these potential investors made it a more tempting option. Contrarily, delaying the start-up of HC created the risk of someone else jumping in to fill the market need before him, taking away his first-mover advantage.

John was now faced with one of the hardest, and most life changing, decisions of his life. He needed to let his recruiter know if he would accept the position as soon as possible.

Exhibit 1 – Business Plan For Home Cooking



The Cooking You Crave

BUSINESS PLAN FOR
HOME COOKING

**Chef John Galt
Leesburg, Virginia**

CONFIDENTIALITY AGREEMENT

The undersigned reader acknowledges that the information provided by Chef John Galt in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Chef John Galt.

It is acknowledged by reader that information to be furnished in the business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure of use of same by reader, may cause serious harm or damages to Home Cooking.

Upon request, this document is to be immediately returned to Chef John Galt.

Signature

Name (typed or printed)

Date

This is a business plan. It does not imply an offering of security.

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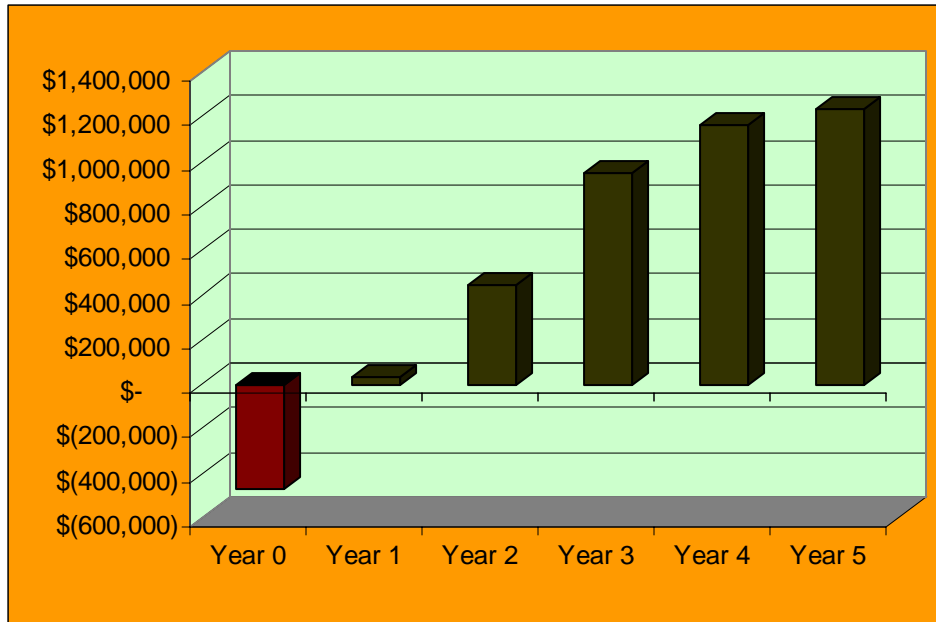
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EXECUTIVE SUMMARY

Objectives

The objectives of Home Cooking, hereby referred to as HC, are two fold. First, to be a profitable, stable and long term business enterprise. Second, to educate the general public to the simple pleasures of cooking at home. Both objectives will be accomplished by utilizing the enthusiasm, resources and knowledge of the owner and the staff.

Deal



HC is seeking funding in the amount of \$1,179,589.00, broken out as follows:

Capital Requirement

Start-Up/Year-1

Land And Building	\$500,000
Construction And Improvements	\$300,000
Equipment ⁽¹⁾	\$117,999
Management, Employee and Personnel	\$244,900
Advertising	\$16,690
TOTAL	\$1,179,589

(1) Equipment includes catering start-up, storefront/kitchen small equipment and food supplies, large kitchen equipment and miscellaneous items.

\$500,000 mortgage for the purchase of land and building.

\$679,589 loan to fund start-up/year-one expenses.

Ownership

Home Cooking will be created as a Virginia Limited Liability Company (LLC) based in Loudoun County, Virginia, privately owned by its principal operator, John Galt. (See Appendix 1 for résumé.)

Overview

Home Cooking will be located in Loudoun County, Virginia, one of the fastest growing counties in the United States. HC will draw the majority of its clientele from this county's growing population of middle- to upper-income individuals and families.

HC's long-term strategy begins by concentrating its efforts on the promotion and development of one-session, recreational cooking classes to capitalize on the cultural trend of cooking enthusiasm. As the business matures, its primary focus will slowly shift from one-session classes to series classes for the more experienced cooking enthusiasts and catering small- to mid-sized affairs on-premise. From opening day forward, HC will promote its professional grade foodstuffs and kitchenware boutique as a tertiary business line, thereby completing its high-class image.

HC will be a gathering place for individuals and families interested in food, increasing their culinary knowledge and skill and developing an understanding of wine. HC will accomplish this by offering educational classes in four forms: 1) demonstration classes; 2) hands-on classes; 3) advanced seminars and skills workshops; and 4) kids and teens cooking classes. HC will enhance the classes by creating alliances with local farmers and vineyards.

Secondary to the classes, HC will be available for small- to mid-sized catered functions on-premise providing an unmatched level of service to accompany a customized menu.

Thirdly, HC will offer a selection of high-end foodstuffs and professional-grade cookware from our sleek, retail storefront.

To accomplish HC's objectives, five in-house staff will be needed, including the owner, a sales manager/marketer, a chef-instructor, a sales clerk and a prep-cook/dishwasher. HC's owner will outsource HR administration, accounting, legal, guest chef-instructors and wait staff so as to spend his time concentrating on revenue-generating activities.

At this time, HC stands to take advantage of a glut in the recreational cooking class, catering and high-end foodstuffs and cooking equipment markets within Loudoun County. Research has revealed that there is only one potential competitor for cooking classes and catering each. However, beneficially, the former concentrates on professional/accredited classes; the latter on catering banquets for large affairs. HC has discovered no direct competitors for the storefront.

Since enthusiasm for cooking is not bound by age, HC will not segment its primary target market – middle- to high-income individuals and families – into typical age buckets. Rather, specific culinary interests, such as “fall stews,” will be the focus of the marketing

campaigns' messages. To propagate the campaigns throughout the immediate and neighboring communities, HC will use a wide variety of mediums, including: a web site; Google AdWords, sponsoring of community events and radio spots.

From start-up through the first five years of business, HC expects to be able to meet its financial obligations recognizing, however, that noteworthy profitability will not occur until year three. Positive cash flows after the first year of operation and no stockholder equity or debt obligations will decrease HC's overall financial burden assisting the efforts to achieve profitability.

HC will pursue growth along two paths: 1) expansion of the product lines incorporating more advanced and series classes and larger catering capabilities; and 2) strategic alliances with local businesses to pursue cooperative product promotion

Full cognizant of the challenges to creating a profitable business, HC, its owner and the staff will highly prioritize flexibility and adaptability among their core competencies enabling them to appropriately and quickly respond to the obstacles and opportunities which present themselves. HC will also have significant assets as collateral in the event of a business closure.

STRATEGY

General Strategy

The founder of HC sees a unique opportunity for a recreational culinary institution in Loudoun County, Virginia. According to the U.S. Bureau of Labor Statistics, the culinary field is expected to reach 12 million employees by 2006 with \$476 billion in revenue for 2005. More and more people are interested in food shows, specialty food products and healthy food choices. They are not only interested in eating out, but there is a new trend to create these gourmet meals at home. From the popularity of the cooking shows, books and magazines, this trend will continue for some time. HC will position itself to meet these growing demands in the food industry.

The owner/chef-instructor, John Galt, is an accomplished chef with wide ranging experience in the culinary field. John has worked in various capacities for a host of different institutes and his work has been acclaimed with many prestigious awards and titles (see Appendix 1 for résumé). John's exceptional background, versatile experience, exceptional training and superb education (national and international), give him the necessary tools to own, manage and lead an organization like HC to success.

HC will be located in Loudoun County, Virginia, one of the fastest growing counties in the United States. It is located 25 miles away from the nation's capital, Washington D.C. By the same token, it is surrounded by scenic farmland and wineries. HC will offer products and services to capitalize on this unique blend of urban and rural demographics, building its facility to meet the operational demand in a prime location in Loudoun County.

Central Business Concept

HC will be a gathering place for individuals interested in food, increasing their culinary knowledge and skill, and developing their understanding of wine.

HC will support three business segments: cooking classes; on-premise catering; and store products. The owner/chef-instructor will focus on integrating superior cooking techniques and processes with gourmet, fresh, locally available ingredients to create delicious food. Along with great food, HC will offer exceptional service and ambience to evoke unforgettable experiences for all its guests. This central philosophy will be reflected in all the products and services, be it a cooking session, a seminar, a field trip to local farm or business or a catered event.

HC plans a staggered growth strategy that is constituted by three different phases. In the first phase, the cooking classes will be developed to educate people about the simple pleasures of cooking at home. In the second phase, HC plans to expand the product lines in terms of the classes offered, as well as the types of catering events which HC will host. As a long term and sustainable growth strategy, HC will focus more on the catering segment of the business in phase three. The storefront will be the supportive segment to the other two and will grow moderately with the business. HC will form strategic alliances with local farm owners, cheese makers, wineries, etc. to promote HC's products

and services. The fact that the owner/chef-instructor, John, has worked with these business owners in the past will greatly facilitate this effort.

Differentiation

HC will offer only recreational cooking workshops, unlike its main competitor *L'Academie de Cuisine* that offers both recreational and accredited cooking programs. HC's strategy is to capitalize on the new trend among people to learn about food related subjects, such as preparing gourmet meals, desserts, entertaining guests, wine pairing, etc. HC will offer sessions on varied subjects related to food in a very informal, friendly and fun environment. The chef-instructors will conduct classes with enthusiasm to evoke students' interest in the subject. The classes will be packed with interesting and meaningful demonstrations and high-energy activities with students involved in interactive learning every minute spent at HC. By offering the recreational cooking workshops and seminars, HC aims at becoming a gathering place for people who are genuinely interested in great, gourmet, high-end food.

The second product that differentiates HC from its competitors is the on-premise catering service. HC will offer this service for small- to mid-sized occasions along with the recreational cooking workshops. HC's staff will focus on creating an ambience suitable for corporate, as well as private, events. With the unique location and property, plus a very talented staff, HC is confident that it will become the place of choice for catered events.

The third product that sets HC apart is the high-end food and appliances store. The store will offer gourmet and exotic foodstuffs that will not be available elsewhere in the local markets. The selection of kitchen appliances offered will also be unique to HC and will target the market segment that is interested in experiencing the best performing kitchenware that is available.

Milestones

Creation of HC: The first step will be to register HC as a Virginia Limited Liability Company (LLC) based in Loudoun County, Virginia, privately owned by its principal operator, Chef John Galt.

Procure Financing: HC's business plan will be presented to local banks to procure a mortgage and loan. Owner John Galt will use his own savings as a down payment for the purchase of the building. The entire project will be financed by a bank loan using the firm's property as collateral.

Location and Design: HC will buy land in prime location in Loudoun County and build the property through contracts and subcontracts. The facility will be designed to suit the needs of HC.

Start Construction: The facility will be designed by architect Dagny Taggart. Local contractors and subcontractors will be employed to build the facility.

Order Supplies and Confirm Delivery: Once the construction is under way, orders will be placed for necessary supplies and delivery arrangements will be confirmed with the businesses.

Marketing: HC will launch a marketing campaign prior to the actual opening of the company to create awareness among potential clients and to start building alliances with interested groups.

PRODUCTS AND SERVICES

Classes

Home Cooking will offer classes in an intimate and comfortable kitchen-classroom setting. Whether our guests are accomplished cooks looking to hone their skills, or beginners, HC will offer classes for all ages and all levels of experience, encompassing hands-on and demonstration classes and seminars on a variety of topics, including entertaining and dinner classes, food and wine pairing, Italian and French cuisine, pastry, bread making and more. Along with our staff chef-instructors, HC will bring in local chefs as guest-instructors to share their talents. HC will host groups for private cooking classes and corporate evenings for team building. Whatever the reason, HC will guarantee a fun time and great food.

Classes and workshops will be divided into four categories: 1) demonstration classes; 2) hands-on classes; 3) advanced seminars and skills workshops; and 4) kids and teens cooking classes.

Demonstration classes, with an average class size of 30, will focus on an instructor demonstrating specific cooking techniques using regional and seasonal foods. Guests will be encouraged to ask questions and participate in discussions. The class will end with a tasting of the food prepared. Examples of class subjects will be “French Regional Cooking,” “Classic Tarts,” “Summer-Time Grilling,” “Fundamental Knife Skills” and “All About Braising.” In the future, specialty classes will be added, such as “Low-Carb Cooking,” “Simple Holiday Planning,” and “Cooking For One.”

Hands-on classes, with an average class size of 16, will allow participants to work side by side with the chef-instructor. Each student will prepare, cook and then enjoy a full meal. In a hands-on class, the guest becomes the chef. During class, the chef-instructor will assist guests through understanding the recipes, preparing the menu and pointing out important techniques. The guests will lead the way by preparing the entire meal themselves under the watchful eye of the chef-instructor. A short debrief will be conducted at the end of class highlighting the important lessons from the session. Hands-on classes will be “on-your-feet” and active with a dose of fun! Examples of such classes will be “Fall Stews,” “Knife Basics,” “Butchery” and “Seafood For Beginners.”

Advanced seminar classes, with an average class size of 12, will focus on one specific culinary subject. Classes will be a mix of hands-on and demonstration, as described

above. Examples of these classes will be “Pickling,” “Braising,” “Tasting Of Grand Crus From Burgundy” and “Candy Making.” Wine classes will fall in this category and will be tastings focusing on particular regions of wine or specific grape varieties.

HC will also offer cooking classes for kids and teens. The five to eighteen year old age segment, at 20.9%, is Loudoun County’s second largest population by percentage. This growing segment offers tremendous capitalization potential. The classes will have an age-appropriate level of cooking allowing the children to explore the culinary world and to be “the chef!” Class examples will be “Vegetables Are Good For You,” “Cupcake Decorating,” “Holiday Cookies” and “Learn To Cook Pasta.”

Shared interest programs and partnerships with local inns, boutique wineries and local farmers will allow HC to expand its culinary experiences outside of the kitchen-classroom. Field trips to the farms, cheese makers and vineyards of Loudoun county will allow guests to capture a true sense of where their food and wine originates and to increase their appreciation of local goods.

Catering

Home Cooking will capitalize on its unique kitchen-classroom to enter the small- to mid-sized affair catering market. With its space specifically designed to be modified to fit the occasion, vogue interior decoration and intimate feel, HC will be the ideal place to host a variety of events, including: informal cocktail parties where the guests create their own canapés; corporate client dinners to celebrate closing a successful deal; and business roundtable discussions and lectures with un-compromised privacy. All events will have a menu specifically tailored to the guests’ requests and preferences.

In addition to the above catered events, HC will seek businesses looking to host a team-building evening. Working with the firm’s HR resource, HC will transform its kitchen-classroom into the ideal setting for fostering camaraderie through the achievement of one delicious goal.

HC will incur the following costs in year one to establish its catering. Thereafter, only marginal expenses will accrue to replace and maintain the catering equipment. The equipment, furniture and service items purchased for catering will also be used for classes.

Catering Costs

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Tables	\$500	\$0	\$100	\$1,000	\$100	\$100
Chairs	\$750	\$0	\$250	\$1,500	\$300	\$300
Linens	\$1,000	\$100	\$100	\$2,000	\$100	\$100
Utensils	\$1,500	\$100	\$100	\$2,000	\$200	\$200
Service Pieces	\$2,500	\$200	\$200	\$4,000	\$200	\$200
Stemware	\$3,000	\$100	\$100	\$5,000	\$500	\$500
Serving Platters	\$250	\$100	\$100	\$1,500	\$100	\$100
Decorative Pieces	\$500	\$100	\$100	\$2,000	\$100	\$100
TOTAL	\$10,000	\$700	\$1,050	\$19,000	\$1,600	\$1,600

Assumptions

- Years' 1, 2, 4 and 5 totals represent expenses needed to replace broken and missing items
- Year 3 total anticipates the cost associated with expanding the catering line

Storefront Equipment And Foodstuffs

An integral part of Home Cooking is the store that will be located at the entrance of the building. It will be a small, upscale, retail market focusing on the foodstuffs and the cookware used in the classes. The main idea is that the guests get to use a piece of cookware or an ingredient during the class and HC gives them a chance to purchase it for home use. Items for sale will include more staples than perishable food, such as aged vinegars, olive oils, pasta, etc. Restaurant quality, high-end cookware will also be for sale, such as blenders and mixers.

The storefront will be targeted towards the same market segment that the classes are targeting - the young, middle- to upper-income household which is a predominant sector in the Loudoun County area. With household income increasing steadily, this group has the extra money to spend on higher quality products.

The strategic purpose of the storefront is multifaceted. First, it is simply a revenue generator on the side. But, while the catering business and the classes are the main sources of revenue, the store is only expected to bring in a modest return. The second purpose of the store is that completes the image of HC as being a high-class institution.

The main business purpose of the store is to create a connection between HC and the guests that will draw in repeat customers, as well as new customers. By bringing home a unique and special product that can only be bought at Home Cooking, the customer is essentially taking with them free advertising for the business. Because of the uniqueness of these products, praise for the product will potentially bring in new clientele through word of mouth.

The brands and items were selected on the basis of their quality and price. The appliances chosen needed to be of professional quality to endure heavy usage during class activities and catering events. At the same time, the appliances must be versatile, practical and affordable enough to be useable at home. The cookware and cutlery chosen also met the criteria for professional and home use.

All the foodstuffs chosen are gourmet ingredients that are usually only found in a professional kitchen and are not well known to most people outside of the restaurant industry. Home Cooking store will also sell gourmet foodstuff such as chocolate and coffee beans.

HC will not have the purchasing power of big retailers such as Bed, Bath and Beyond or Harris Teeter Giant and will not be able to take advantage of economies of scale. To offset this disadvantage and to minimize the operations costs and time associated with dealing with too many dealers, only a handful of brands will be selected for both use in the classroom and catered events and for sale in the store. Consequently, HC is creating a high-end, niche market and attracting the same middle- to high-income customers who will be taking the classes. The price of the items sold at the store will be higher than the more common brand names that can be purchased through big retailers, however, the quality of the items will, similarly, be much higher than their ubiquitous counterparts.

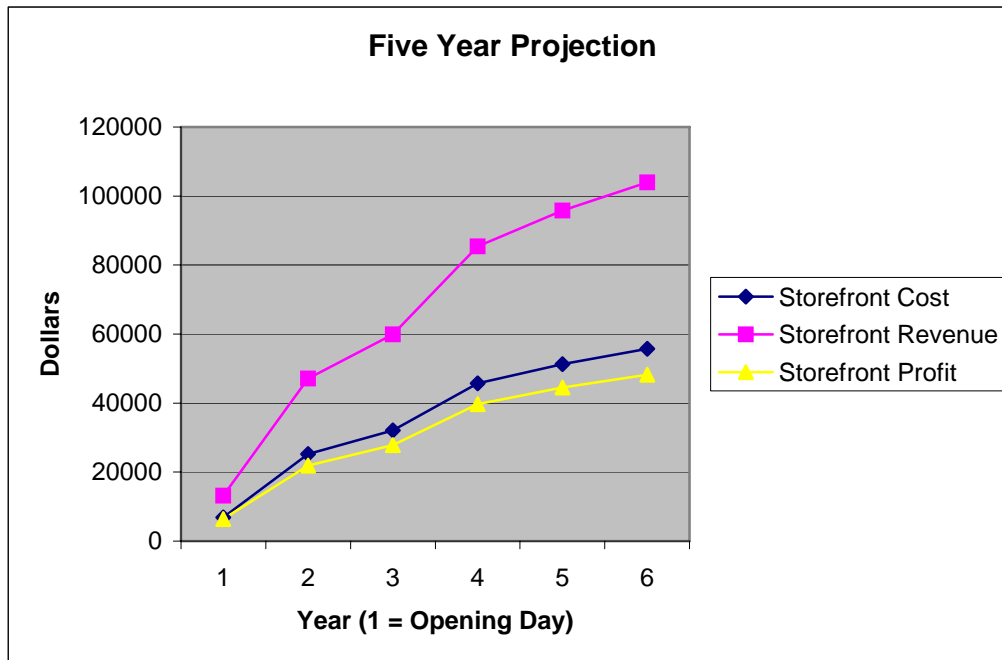
The anticipated costs and income from store sales is shown in more detail below. Because the brands used in the classroom and for catered events are the same items to be sold in the store, the number of units purchased from a manufacture is not equal to the number of units allotted for sale; the difference is those units used in the classroom or for catered events. Depending on an item's usage, that item will hit the income statement as either a classroom/catering expense or as part of store revenue.

Five Year Projection - Storefront Financial - Small Equipment and Food

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Cost					
Appliance	\$14,228	\$18,293	\$26,423	\$29,268	\$30,894
Foodstuff	\$11,028	\$13,785	\$19,299	\$22,056	\$24,813
Total	\$25,256	\$32,078	\$45,722	\$51,324	\$55,707

Revenue					
Appliance	\$27,332	\$35,141	\$50,759	\$56,225	\$59,348
Foodstuff	\$19,808	\$24,760	\$34,664	\$39,616	\$44,568
Total	\$47,140	\$59,901	\$85,423	\$95,841	\$103,917

Profit					
Appliance	\$13,104	\$16,848	\$24,336	\$26,957	\$28,454
Foodstuff	\$8,780	\$10,975	\$15,365	\$17,560	\$19,755
Total	\$21,884	\$27,823	\$39,701	\$44,517	\$48,210

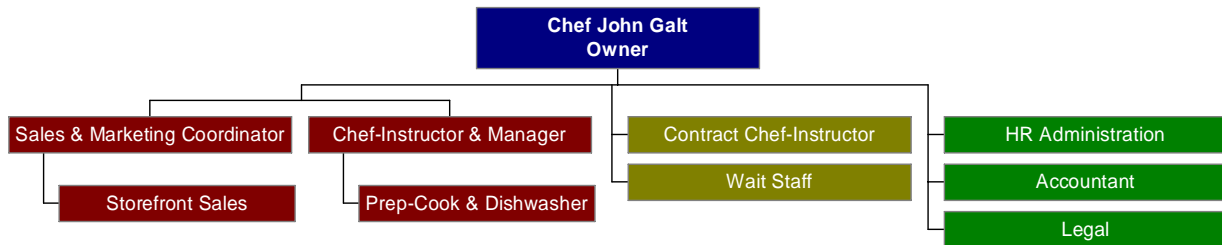


Assumptions

- Projections are based off of the assumption that the items purchased for opening day will be the items purchased when stock runs out
- Revenue for food items assumes that 5% of the purchased items will not be sold due to spoilage of food or other reasons
- Revenue from appliances assumes that 2% of the purchased items will not be sold due to damage to good or other reasons
- Assumes an expansion in year three (3) with a corresponding increase in inventory

MANAGEMENT, EMPLOYEE AND PERSONNEL

To sufficiently staff HC for each of the products and services described above, HC will require five in-house staff members and five outsourced resources.



In-House

Owner: Chef John Galt

Primary responsibilities will include: designing corporate strategy; developing business alliances; day-to-day administration; chef-instructor for catered events and classes.

Approximate year-1 salary: \$63,000 + performance based bonus

Sales Manager / Marketer: T.B.D. (reports to Owner)

Primary responsibilities will include: managing and coordinating marketing efforts across all mediums; managing sales for catering, classes and storefront items.

Approximate year-1 salary: \$52,000 + performance based bonus

Chef-Instructor / Manager: T.B.D. (reports to Owner)

Primary responsibilities will include: principal chef for catered events; instructor for classes; managing the food and equipment ordering for events, classes and storefront.

Approximate year-1 salary: \$52,000 + performance based bonus

Sales Clerk: T.B.D. (reports to Sales Manager / Marketer)

Primary responsibilities will include: day-to-day foodstuffs and equipment sales; maintaining storefront inventory.

Approximate year-1 salary: \$24,000 + performance based bonus

Prep-Cook / Dishwasher: T.B.D. (reports to Chef-Instructor / Manager)

Primary responsibilities will include: preparation cooking for catered events and classes; site set-up and breakdown for catered events and classes; dishwashing during catered events.

Approximate year-1 salary: \$24,000 + performance based bonus

NOTE: Performance based bonuses will be at the sole discretion of the owner.

Outsourced Resources

Human Resources Administration: T.B.D. (liaise with Owner)

Services used will include: payroll administration; health benefits; compliance; retirement plans; insurance; etc.

Approximate year-1 cost: \$12,500 (5% of monthly salary per employee + one-time set-up fee)

Legal: T.B.D. (liaise with Owner)

Services used will include: navigation through the incorporation process; resale contract negotiation (if any); lease negotiation; handling of liability issues; etc.

Approximate year-1 cost: \$3000 (~\$300/hr for 10+ hours)

Accounting: T.B.D. (liaise with Owner)

Services used will include: audit of regular ledger entries; audit of payroll and benefit payout; tax preparation; etc.

Approximate year-1 cost: \$2000 (~\$75/hr for 25+ hours)

Contract Chef-Instructor: Will vary per the class being offered (liaise with Owner)

Services used will include: “guest” instruction for specialty classes.

Approximate year-1 cost: \$2400

Wait Staff: T.B.D. (reports to Chef-Instructor / Manager)

Services used will include: event-based hiring of butlers and servers for catered affairs.

Approximate year-1 cost: \$4250

HR Administration can consume as much as 20% of the workday of the individual responsible for such issues. At HC, the owner will be responsible for HR issues, hence the time spent administering payroll and benefits directly correlates to time lost generating revenue. Hiring an experienced, full-time HR professional would cost approximately \$55,000, increasing HC’s year one payroll by about 17%. Contrarily, outsourcing HR needs enables HC to take advantage of the economies of scale offered by the outsourced firm for administration services and benefits, to fully and immediately utilize the firm’s well-established technology to ease the process and to retain an experienced HR professional who can manage HC’s unique situation at only (approximately) a 5% payroll increase. Despite being an expense on HC’s books, HR outsourcing actually represents (approximately) a 12% cost savings in year one alone over an in-house alternative (Appendix 2).

Outsourcing HC’s legal needs is unquestionable. After the initial incorporation process and negotiation (if any) of the resale contracts, HC’s legal needs will be sparse and minimal.

The majority of HC’s day-to-day accounting needs can be satisfied by any number of competent, over-the-counter bookkeeping software applications for a negligible cost. Quarterly and yearly tax preparation, as well as auditing and financial planning,

contrarily, will require an experienced professional. However, as these skills will only be needed four to six times a year, outsourcing also represents (approximately) a 24% cost savings over a full-time, in-house solution (Appendix 2).

From the above, HC expects that year one through five management, employee and personnel costs will be as follows:

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Mgt & Empl Salaries ⁽¹⁾						
Owner	0	63,000	63,000	66,150	68,135	70,179
Sales/Mktr ⁽⁵⁾	2000	52,000	52,000	54,600	56,238	57,925
Chef-Inst ⁽⁵⁾	2000	52,000	52,000	54,600	56,238	57,925
Chef-Inst	0	0	0	54,600	56,238	57,925
Clerk	0	24,000	24,000	25,200	25,956	26,735
Prep-Cook	0	24,000	24,000	25,200	25,956	26,735
Prep-Cook	0	0	0	25,200	25,956	26,735
Total	4,000	215,000	215,000	305,550	314,717	324,158
Personnel						
HR Admin ⁽²⁾	0	12,750	10,750	15,278	15,736	16,208
Legal	500	3,000	1,000	1,000	1,000	1,000
Accounting	1000	2,000	2,000	2,200	2,200	2,400
Chef-Inst (Guest) ⁽³⁾	0	2,400	2,400	3,600	3,600	3,600
Wait Staff ⁽⁴⁾	0	4,250	8,250	14,125	22,250	27,750
Total	1,500	24,400	24,400	36,203	44,786	50,958
GRAND TOTAL	5,500	239,400	239,400	341,753	359,502	375,116

Assumptions

(1) Mgt & Empl salaries are not yet inclusive of employer payroll tax expenses.

Year 3 includes a 5% salary increase; Years 4 and 5 include a 3% salary increase.

(2) Year 1 includes a one-time set-up fee of approximately \$2000.

Each year's fee is calculated as the sum of 5% of each employee's gross monthly salary.

(3) Years 1 and 2 Calculated as two engagements per month at \$100 each; Year 3, 4 and 5 as three engagements per month at \$100 each.

(4) Costs calculated as \$25/hr per wait staff hired assuming: a) a wait staff to patron ratio of 1 to 10; b) number of patrons per event ranging from 6 to 25; and c) average of 5 hours per event. (See Appendix 3)

(5) The Sales/Mktr and Chef-Inst will be hired two months prior to opening to begin the marketing campaign and class preparation respectively at \$1000/month paid as a consultancy fee

COMPETITION

HC operates in three distinct lines of business, and therefore has three corresponding areas of competition. The first area is that of recreational cooking classes. The second area of competition is from caterers. The third area is from high-end foodstuffs and kitchen equipment retailers.

Recreational Cooking Classes

HC faces competition primarily from *L'Academie de Cuisine*, which has locations in Bethesda and Gaithersburg, Maryland. *L'Academie* offers both recreational classes and

an accredited professional program. The recreational side of the school offers two main types of classes: single session, which meets one time for two to three hours; and series classes which meet once a week, for three to twelve weeks. There are two main class formats: demonstration classes are where the chef does all the cooking and the students observe, learn, and eat the final meal; the other format is participation classes, in which students partake in the cooking process led by the chef instructor. Since *L'Academie* only offers classes on a trimester basis, HC will need to review the class bulletin three times a year to ensure they are staying competitive.

Single session classes range in price from \$50 to \$125, with some more elaborate classes such as *Practical Skills of Fish & Shellfish Workshop*, costing \$175 for one all day session. The series sessions range in price from \$120 to \$675 for a twelve week *Introduction to Ethnic Cooking* class.

Considering that cooking classes are not a service for which customers shop around for the lowest prices, and that people tend to associate price with quality when it comes to food, HC will price its classes in the same price range as the competition. (If HC prices below the competition it risks branding itself as a budget cooking school - budget cooking is not the image HC wants to create for itself.) Hence, HC can position itself as a high-end alternative to *L'Academie* to attract its target audience and become profitable.

Catering

There are three area caterers that have been identified as operating in the same high-end category as HC. They are: 1) *Touch of Class Catering* of Purcellville; 2) *Seasoned to Taste* of Middleburg; and 3) *The Kitchen Caterers* of Leesburg. All three are located in the same northern Virginia suburban area as HC.

Research into these potential competitors has resulted in encouraging conclusions. *Touch Of Class Catering* and *The Kitchen Caterers* no longer appear to be in business, and *Seasoned to Taste* is an indirect competitor not vying for the same catering space as HC. *Seasoned to Taste* is a successful caterer that focuses on large events, such as weddings, only catering about eighteen to twenty events a year. Contrarily, HC aims to cater to a much broader clientele for small- to mid-sized events.

High End Retailers

There currently are no storefront retailers of high-end foodstuffs and appliances in Loudoun County, Virginia.

In conclusion, HC stands to capitalize on a grossly underserved market in Loudoun County by offering a mix of products and services that meet the needs of the surrounding community.

MARKET SEGMENTATION

Home Cooking market segmentation is straightforward and focuses on the population of Loudoun County and neighboring Northern Virginia and Southern Maryland counties.

Loudoun County has been in the top three fastest growing counties in the United States since 2001.¹ The population of the county has grown 46% between the years 2000 and 2005 reaching 247,000. It is projected to exceed 300,000 by 2010.² The median per capita income of individuals in 2004 was \$37,600 and is projected to reach \$44,973 by 2010,³ a 20% increase. Household income for the same period has also grown respectively. This steady growth makes Loudoun County the ideal base for Home Cooking.

HC will segment the market into two target customer groups:

- Individuals and families
- Businesses

As enthusiasm for food and cooking is not limited by age, HC will not further divide its prospective customer groups into traditional age groups. Rather, products and services will be marketed to specific interests, such as learning how to cook the perfect Thanksgiving Day turkey. However, for organizational and class design purposes, classes specifically designed for children will be recognized as a sub-segment.

Individuals And Families

The recent taste for gourmet cooking is spreading from restaurants to family kitchens and market trends are positive for this concept to continue. Patrons frequenting restaurants and high-end foodstuff stores desire to occasionally recreate the experience during their in-home dining. This trend is widely popular among the middle- to high-income level individuals and families who dominate the population of Loudoun County and who constitute the largest potential market for all three lines of business conducted by HC.

After analysis of currently available marketing data, where demographics and behavior played dominant roles, the profile of HC's primary customer segment, individuals and families, emerged as follows:

Demographics:

- Families who live in or near Loudoun County
- Professionals who live or work close to HC's location, or commute by it
- Household income over \$100,000

Behavior:

- Sophisticated shoppers who patronize the high-end stores
- Looking for new activities and entertainment
- Spend 10% to 15% of income on leisure and entertainment

¹ 2000 U.S. Census and the 2004 Loudoun Country Department of Economic Development.

² Ibid

³ Ibid

Note on Cooking Classes for Children

Children and teenagers up to 18 years old comprise 31% of the Northern Virginia population. By marketing to kids and teens now, HC will be creating a future base of clients.

Classes intended for kids and teens need to consider youngsters' abilities to use utensils and appliances, therefore an appropriate age range will be indicated in marketing materials for each class. Classes in this segment will address beginners and those with some experience who would like to expand their knowledge of different cooking styles.

By offering classes profiled for children, HC sees this as an opportunity to combine child's recreational interest and hobbies with learning practical knowledge and skills, like making a simple school lunch or after-school snack.

In general, all classes intended for children will require parental (or other adult) supervision (maximum two children per adult). HC will schedule classes to group youngsters close in age.

Businesses

HC's secondary customer segment's profile is as follows:

- Small- to mid-sized firms
- Located in Loudoun County
- Develop long-term relationships with their clients
- Have a substantial budget for entertaining clients and employees

This profile suggests a market segment highly likely to utilize the team-building corporate evenings and catering which HC will be offering.

MARKETING STRATEGY

The marketing strategy will first seek to create customer awareness regarding the products and services offered by Home Cooking, develop a customer base and work toward building customer loyalty and referrals. Effective execution of this strategy will establish name recognition and increase the repeat traffic of new customers turning them into long-term customers thereby generating and maintaining positive and steady growth each year.

HC will schedule its marketing activities and budget to fit its business lifecycle. A strong advertising and promotional campaign will be implemented prior to HC's opening day and continued thereafter using various marketing methods, including:

- Internet Website – An essential tool of any business in this age of information and modern marketing venues. The site will launch prior to HC's open and, in this first stage, will concentrate on creating awareness and generating interest within the community for the products and services. Customers will be able to preview

what is to come. This will be particularly useful for the cooking class schedules and descriptions.

- Radio Announcements – HC will run a variety of radio commercials shortly before business launch. The mix of commercials will focus on the highlights of the products and services, ending with reference to the website. Once HC opens, customers will be invited to visit our premises. The 40 to 60 radio spots will run in a daily rotation covering different time blocks within the week, optimally reaching the target customers multiple times.
- Print Advertisement In Local Newspapers – For newspaper advertising, the Loudoun Times Mirror will be used. This paper is published weekly and the total circulations of this periodical, together with the other twelve associated titles, reaches 250,000. It is a popular, local paper that is consulted when people are looking for things to do in Leesburg and nearby towns. HC will display color ads in the inside section every other week; black-and-white, 4-column by 5-column ads will be run in alternate editions of the paper. Additional advertisements will be created to coincide with special events or holidays for which HC will be conducting events.

Once the catering services enter their growth phase, the print ad campaign will extend to regional issues of national magazines devoted to cooking and regional interests.

- Direct Marketing - Based on market research data, HC will carefully select a group of customers which will potentially yield the highest response to specific, interest-based products and services materials.
- Sponsorship Programs - To create awareness and visibility, HC will sponsor several events during the year. Those events will mark HC's presence in the community and provide additional recognition. Food tables with tasting menus will be available during the events and free cooking classes will be offered as prizes.
- Business-To-Business And Personal Contact – HC will develop relationships with local farmers and produce providers to establish a bond within the community and co-promote each other's products.

Marketing strategy is a dynamic process that will be enhanced by evaluation of the feedback received from customers. The feedback will allow HC to identify its strengths and weaknesses and respond with an improved marketing mix.

Advertising Budget

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Website ⁽¹⁾	\$8,015	\$380	\$380	\$380	\$380	\$380
Google Sponsored Links ⁽²⁾	\$310	\$3,294	\$2,920	\$1,460	\$1,460	\$1,460
Radio Announcements ⁽³⁾	\$3,600	\$5,720	\$4,160	\$3,120	\$3,120	\$3,120
Print Ads						
Local Newspapers ⁽⁴⁾	\$1,940	\$20,605	\$12,660	\$9,480	\$7,560	\$7,560
Interest Magazine - National ⁽⁵⁾				\$15,549	\$15,549	\$15,549
Tasting Menus		\$5,000	\$5,000	\$2,000	\$2,000	\$2,000
Direct Marketing ⁽⁶⁾	\$11,150	\$3,450	\$4,600			
Total	\$16,690	\$34,775	\$26,420	\$30,149	\$28,229	\$28,229

Assumptions

(1) Year 0 includes site development and internet access

Year 1 - 5 calculated as \$15/month internet access plus 5hr/month @ \$20/hr maintenance

(2) Year 0 calculated as 30 days @ \$10/day (approx 7 clicks)

Year 1 calculated as 6 months @ \$10/day; 6 months @ \$8/day

Year 2 calculated as 12 months @ \$8/day

Years 3-5 calculated as 12 months @ \$4/day

(3) Local radio station rates: \$4-\$20 for 30 sec, \$5-25 for 60sec, dep on time of day; min \$80-100 per week
Not inclusive of special event advertisements

Year 0 calculated as 4 prime time spots @ \$20/spot/day 30 days prior to opening

Year 1 calculated as 26 wks @ \$120/wk; 26 wks @ \$100/wk

Year 2 calculated as 52 wks @ \$80/wk

Years 3-5 calculated as 52 wks @ \$60/wk

(4) Year 0 calculated as 2 insert ads @ \$630ea; 2 ads 5"x4" @ \$340ea

Year 1 calculated as 26 insert ads @ \$630ea; 13 ads 5"x4" @ \$250; 13ads 3x2 @ \$75

Year 2 calculated as 12 insert ads @ \$630; 12 ads 5"x4" @ \$250; 28ads 3x2 @ \$75

Year 3 calculated as 6 insert ads @ \$630.; 12 ads 5"x4" @ \$250; 36ads 3x2 @ \$75

Years 4-5 calculated as 12 insert ads @ \$630

(5) Years 3-5 calculated as 3 ads, 2 25"x1.5" b/w @ \$5,583

(6) Years 0 calculated as targeting 5000 households @ 23c postage for a mailing list of 10,000

Year 1 estimates are for 3 mailings plus postage to the target households resulting from TCW's research

Year 2 estimates are for 4 mailings plus postage to the target households resulting from TCW's research

FINANCIALS

Please reference the following three pages for the **Pro Forma Profit & Loss Statement**, the **Cash Flow** and the **Balance Sheet**.

Pro Forma Profit & Loss Statement

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue						
Classes						
Demonstration	\$ 75,000	\$ 150,000	\$ 300,000	\$ 247,500	\$ 247,500	\$ 247,500
Hands-On	\$ 150,000	\$ 300,000	\$ 500,000	\$ 446,400	\$ 334,800	\$ 334,800
Seminar	\$ 60,000	\$ 150,000	\$ 375,000	\$ 275,000	\$ 137,500	\$ 137,500
Kids/Teens	\$ 9,000	\$ 12,000	\$ 45,000	\$ 26,250	\$ 26,250	\$ 26,250
	\$ -	\$ 294,000	\$ 612,000	\$ 1,220,000	\$ 995,150	\$ 746,050
Catering	\$ -	\$ 102,500	\$ 184,625	\$ 386,700	\$ 692,100	\$ 1,036,875
	\$ -	\$ 102,500	\$ 184,625	\$ 386,700	\$ 692,100	\$ 1,036,875
Storefront						
Foodstuffs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	\$ 7,968	\$ 27,332	\$ 35,141	\$ 50,759	\$ 56,225	\$ 59,348
	\$ 7,968	\$ 27,332	\$ 35,141	\$ 50,759	\$ 56,225	\$ 59,348
Total Revenue	\$ 7,968	\$ 423,832	\$ 831,766	\$ 1,657,459	\$ 1,743,475	\$ 1,842,273
Expenses						
Storefront						
Foodstuffs	\$ 4,065	\$ 14,228	\$ 18,293	\$ 26,423	\$ 29,268	\$ 30,894
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hardware	\$ 5,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -
	\$ 9,065	\$ 14,228	\$ 18,293	\$ 27,423	\$ 29,268	\$ 30,894
Kitchen ⁽²⁾						
Small Equipment	\$ 46,842	\$ 1,000	\$ 1,000	\$ 10,000	\$ 1,500	\$ 1,500
Large Equipment	\$ 43,400			\$ 45,000		
	\$ 90,242	\$ 1,000	\$ 1,000	\$ 55,000	\$ 1,500	\$ 1,500
Catering ⁽²⁾						
Service Items	\$ 7,750	\$ 600	\$ 600	\$ 14,500	\$ 1,100	\$ 1,100
Furniture	\$ 1,250	\$ -	\$ 350	\$ 2,500	\$ 400	\$ 400
Linens	\$ 1,000	\$ 100	\$ 100	\$ 2,000	\$ 100	\$ 100
	\$ 10,000	\$ 700	\$ 1,050	\$ 19,000	\$ 1,600	\$ 1,600
Mgt, Empl, Pers						
In-House	\$ 4,000	\$ 215,000	\$ 215,000	\$ 305,550	\$ 314,717	\$ 324,158
Outsourced	\$ 1,500	\$ 24,400	\$ 24,400	\$ 36,203	\$ 44,786	\$ 50,958
	\$ 5,500	\$ 239,400	\$ 239,400	\$ 341,753	\$ 359,502	\$ 375,116
Marketing						
Advertising	\$ 16,690	\$ 34,775	\$ 26,420	\$ 30,149	\$ 28,229	\$ 28,229
	\$ 16,690	\$ 34,775	\$ 26,420	\$ 30,149	\$ 28,229	\$ 28,229
Fixed Costs						
Construction ⁽²⁾	\$ 300,000	\$ -	\$ -	\$ 75,000	\$ -	\$ -
Mortgage	\$ 31,500	\$ 42,000	\$ 42,000	\$ 66,000	\$ 66,000	\$ 66,000
Insurance ⁽⁴⁾	\$ -	\$ 43,200	\$ 45,360	\$ 56,700	\$ 59,535	\$ 62,512
Utilities ⁽³⁾	\$ 11,790	\$ 15,720	\$ 16,506	\$ 34,663	\$ 36,396	\$ 38,216
	\$ 343,290	\$ 100,920	\$ 103,866	\$ 232,363	\$ 161,931	\$ 166,727
Total Expenses	\$ 474,787	\$ 391,023	\$ 390,029	\$ 705,687	\$ 582,030	\$ 604,066
Profit	\$ (466,819)	\$ 32,809	\$ 441,737	\$ 951,772	\$ 1,161,445	\$ 1,238,207

Assumptions

- (1) This pro forma P&L does not take into account interest, taxes, depreciation or amortization
- (2) Year 3 HC will expand its catering capabilities and acquire an additional 2000 sqft facility at a mortgage of \$2,000 per month
- (3) Utilities are projected to increase 5% per year, this includes standard rate increases and additional usage by HC
- (4) Insurance premiums will be \$3,600 per month in year 1, rising 5% in year 2, 4 and 5, and 25% in year 3

Cash Flow

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Beginning Cash Balance	0	(\$216,647)	(\$185,638)	\$258,106	\$716,002	\$1,882,658	
Cash Inflows (Income):							
Cooking Classes		294,000	612,000	1,220,000	995,150	746,050	3,867,200
Catering		102,500	184,625	386,700	692,100	1,036,875	2,402,800
Storefront		27,332	35,141	50,759	56,225	59,348	228,804
Loan Proceeds	679,589						679,589
Private Investors	100,000						100,000
Total Cash Inflows	\$779,589	\$423,832	\$831,766	\$1,657,459	\$1,743,475	\$1,842,273	\$7,278,393
Available Cash Balance	\$779,589	\$207,185	\$646,127	\$1,915,565	\$2,459,476	\$3,724,932	
Cash Outflows (Expenses):							
Advertising	16,690	34,775	26,420	30,149	28,229	28,229	164,492
Insurance	0	43,200	45,360	56,700	59,535	62,512	267,307
Inventory Purchases (Storefront)	2,757	11,028	13,785	19,299	22,056	24,813	93,738
Miscellaneous	10,000	5,000	2,500	2,000	2,000	2,000	23,500
Payroll	0	215,000	215,000	305,550	314,717	324,158	1,374,424
Professional Fees	5500	24,400	24,400	36,203	44,786	50,958	180,746
Rent or Lease	31,500	42,000	42,000	66,000	66,000	66,000	313,500
Supplies	117,999	1,700	2,050	74,000	3,100	3,100	201,949
Utilities	11,790	15,720	16,506	34,663	36,396	38,216	153,290
Subtotal	\$196,236	\$392,823	\$388,021	\$624,563	\$576,818	\$599,985	\$2,772,946
Other Cash Out Flows:							
Land & Building	500,000	0	0	500,000	0	0	1,000,000
Const & Improvements	300,000	0	0	75,000	0	0	375,000
Subtotal	\$800,000	\$0	\$0	\$575,000	\$0	\$0	\$1,375,000
Total Cash Outflows	\$996,236	\$392,823	\$388,021	\$1,199,563	\$576,818	\$599,985	\$4,147,946
Ending Cash Balance	(\$216,647)	(\$185,638)	\$258,106	\$716,002	\$1,882,658	\$3,124,947	

Notes

(1) Cash flow is not yet inclusive of interest payments on the loan, taxation, appreciation, amortization, etc.

Balance Sheet

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Assets						
<i>Current Assets</i>						
Cash	-\$216,647	-\$185,638	\$258,106	\$716,002	\$1,882,658	\$3,124,947
Inventory (Storefront)	\$2,757	\$11,028	\$13,785	\$19,299	\$22,056	\$24,813
<i>Fixed Assets</i>						
Building	\$500,000					
Improvements	\$300,000					
Furniture, etc.	\$15,000					
Small Equipment	\$46,842					
Large Equipment	\$43,400					
Total Assets	\$691,352	-\$174,610	\$271,891	\$735,301	\$1,904,714	\$3,149,760
Liabilities						
<i>Current Liabilities</i>						
Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0
Accrued Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payable (Loan)	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0
Sales Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
Equity						
Retained Earnings	\$691,352	\$174,610	\$271,891	\$735,301	\$1,904,714	\$3,149,760
Total Liabilities And Equity	\$691,352	\$174,610	\$271,891	\$735,301	\$1,904,714	\$3,149,760

Notes

(1) As of this writing, no data is available yet for interest payment on the loan, depreciation and/or amortization of assets, taxes payable, etc.

GROWTH STRATEGY

HC will approach its growth along two paths – expansion of class and catering product lines and strategic alliances. The specific steps taken will be dictated by the market research collected during phase 1 from HC guests and members of the broader Loudoun County community.

Phase 1 (Marketing): Focus will be on the cooking workshops. Promoting the one-session workshops will be the business' concentration, with the catering services and the store products secondary. Extensive marketing will be in place to create awareness for all three segments of the business, however, marketing will prioritize the classes with the intention of creating demand. Market information will be collected during this phase via in-class and in-store questionnaires and discussions.

Phase 2 (Product Line Expansion): Focus will be on more advanced workshops and the catering segment of the business, ultimately bringing the two segments' revenue generation to the same relative level. During this phase, HC will introduce classes tailored to the more experienced cooking enthusiasts and more one-on-one marketing to secure larger catering contracts.

Phase 3 (Strategic Alliances): Focus will be primarily on catered events. HC will continue to offer cooking workshops, but the catered events will take precedence as HC expects this segment to be more profitable and sustainable in the long-term than the other two segments. During this phase, the business will align its operations with other local businesses, such as farmers, wine makers, inns and tourism operators to pursue cooperative product promotion.

Continual: The storefront will remain the minor business segment through all three phases. It will be, however, promoted through regular marketing channels during the three phases and receive additional promotion through word-of-mouth by the cooking workshop and catering guests. As the revenue generated from each item sold is marginal, HC does not anticipate a note-worthy storefront expansion.

CONTINGENCY PLANS

HC is thoroughly aware that any business segment can emerge as strong and popular, while another fails. Hence, flexibility and adaptability of the management to evaluate current obstacles and opportunities and respond to them efficiently will be a stronghold of HC's contingency model. HC will also consistently evaluate the actual performance of each business segment against its expected performance. Marketing efforts will be aligned to make sure that the projected financial goals are met; Corrective measures will be taken to improve poor performances. The small and closely held nature of HC will be helpful in implementing necessary changes.

Finally, in the event of a business closure, HC will have substantial assets. The firm's intention is to buy land in a prime location and build the facility with the flexibility to meet each of its stated goals. As a result, the facility will be a good fit for any start-up

restaurant or catering business. Additionally, current real estate indicators predict that the value of such a property will appreciate over the next five years considering the fact that Loudoun County is growing rapidly. The store products, kitchen equipment, dining furniture and fixtures will also have good resale value. Thus, if the planned revenues fail to materialize, the company will be able to sell its assets to meet its financial obligations.

APPENDICES

APPENDIX 1 – Résumé: Chef John Galt

Assistant General Manager and Director of Food and Beverage May 2005 to Present
The Quick Creek Inn and Estate, Middleburg, Virginia

- Under my supervision, the Inn was:
 - Nominated to and awarded membership in “Small Luxury Hotels of the World” July, 2005
- Generate revenue through events planning, such as weddings, corporate evenings and business dinners
- Plan daily menus and control resulting inventory needs

Executive Chef January 2003 to May 2005
The Quartier Inn, Paris, Virginia

- Under my supervision, the Inn was:
 - Featured on Food Network’s Episode “Country Inns of Virginia” with Bobby Flay October, 2004
 - Awarded “Best Chefs of Washington” by Fretz Kitchen July, 2003
 - Awarded “2 Stars” by the Washington Post (first rating for the Inn) Q2, 2003
- Coordinated assignments across all kitchen staff to ensure economical and timely food production
- Sourced and promoted use of local, organic food
- Managed four kitchen personnel

Executive Chef April 2000 to January 2003
The Country Inn at Charlottesville, Charlottesville, Virginia

- Under my supervision, the Inn:
 - Awarded “Best Chefs of Charlottesville” (TV series for Virginia Public Television) May, 2001
 - Achieved AAA’s Four Diamonds (2 diamonds over the previous rating) Q2, 2000
 - Achieved Mobile’s Four Stars (2 stars over the previous rating) Q2, 2000
 - Achieved DiRoNa’s Award for three consecutive years
- Planned and executed daily menu changes
- Integrated French cooking techniques into the existing processes to increase the culinary standards of the inn
- Managed five kitchen personnel

Executive Chef October 1998 to April 2000
Le Metro Bistro Francaise, New York, New York

- Analyzed recipes, determined food, labor and overhead costs and assigned prices to menu items accordingly
- Coordinated assignments across all kitchen staff to ensure economical and timely food production

- Managed food preparation, cooking and portion control to ensure food was prepared in the prescribed manner
- Supervised cooking and other kitchen personnel

Executive Sous Chef May 1998 to October 1998

The Fisherman's Inn, Camden, Maine (AAA four diamond restaurant and inn)

- Worked under the guidance of the chef/owner
- Assisted in the menu planning, preparation, and execution of menu items

Chef / Owner September 1997 to May 1998

Simply Wonderful, Glen Cove, New York

- Planned and prepared menus for private clientele's catered affairs and daily meals
- Organized food and wine pairings

Apprentice September 1996 to August 1997

Tante Marie Patisserie and Bistro, Paris, France

- Prepared daily menu items

Assistant Catering Chef September 1995 to August 1996

Gold Coast Country Club, Locust Valley, New York

- Planned and executed catered events

Chef de Partie August 1994 to September 1995

Café Metro, New York, New York

- Planned, prepared and executed daily menu items for various stations

Stages

- *Le Café*, New York, New York September 1993 to August 1994
- *Quai Huit*, New York, New York August 1994 to January 1995

Education

Le Cordon Blue, Paris, France Grand Diplome, 1997

French Culinary Institute, New York, New York Grand Diploma, 1994

Boston College, Boston, Massachusetts B.A. Economics, 1993

APPENDIX 2 – Year One In-House Alternative Comparisons

HR Administrator

Salary	55,000
Total Salaries	270,000
Total Personnel	11,650
Grand Total In-House	281,650
\$ Increase Over Outsourced	42,250
% Payroll Increase	17.65%

Accountant/Bookkeeper

Salary	60,000
Total Salaries	275,000
Total Personnel	22,400
Grand Total In-House	297,400
\$ Increase Over Outsourced	58,000
% Payroll Increase	24.23%

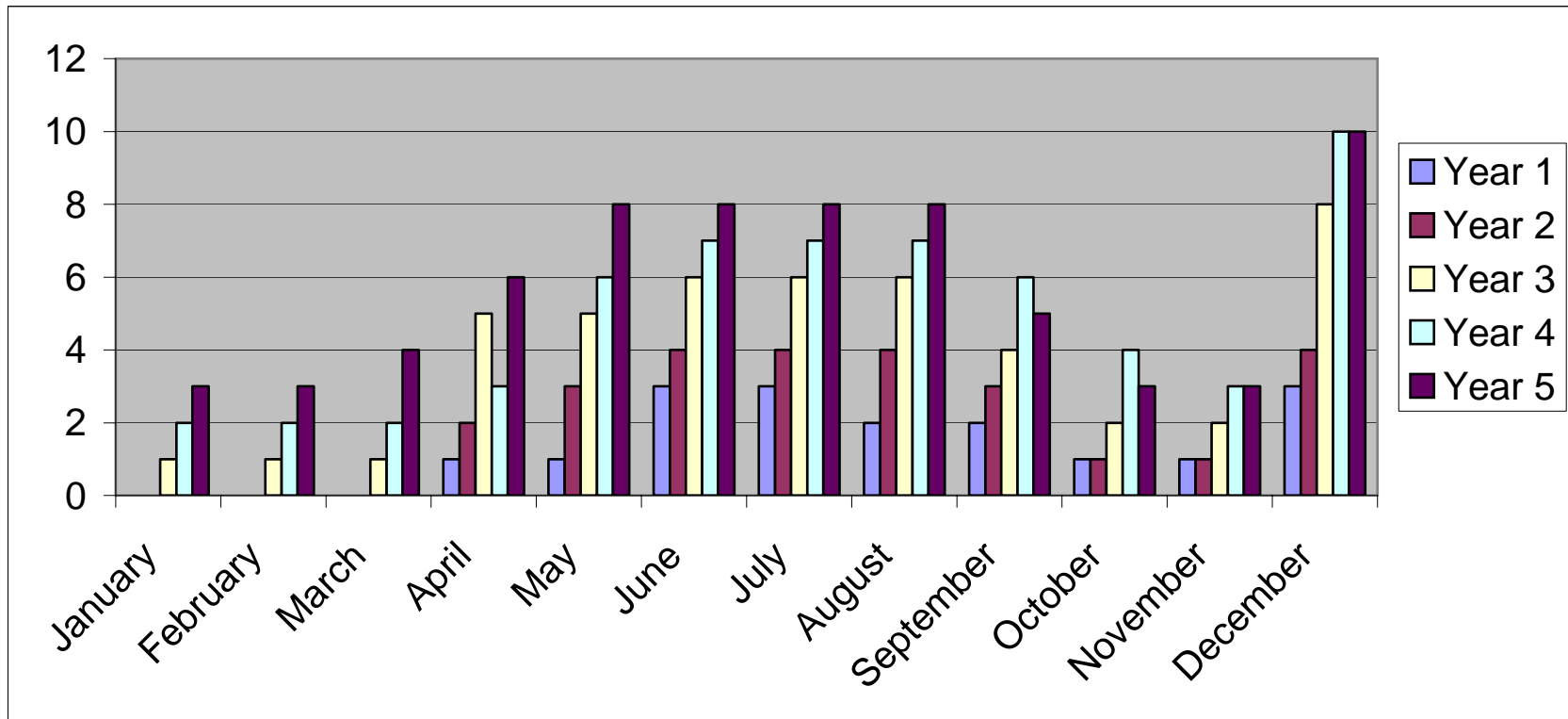
HR Outsourcing Cost Savings

HR Admin As A % Of Grand Total	5.33%
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APPENDIX 3 – Catered Event Wait Staff Calculations

Catered Events Per Month

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Year 1	0	0	0	1	1	3	3	2	2	1	1	3	17
Year 2	0	0	0	2	3	4	4	4	3	1	1	4	26
Year 3	1	1	1	5	5	6	6	6	4	2	2	8	47
Year 4	2	2	2	3	6	7	7	7	6	4	3	10	59
Year 5	3	3	4	6	8	8	8	8	5	3	3	10	69



APPENDIX 3 - Continued

Approximate # Patrons Per Event

	January	February	March	April	May	June	July	August	September	October	November	December
Year 1	0	0	0	10	20	20	20	20	15	6	6	25
Year 2	0	0	0	15	20	25	25	25	15	6	6	25
Year 3	6	6	6	20	20	25	25	25	15	6	6	25
Year 4	8	8	8	30	30	35	35	35	35	10	10	30
Year 5	8	8	8	30	35	40	40	40	35	10	10	40

Corresponding Wait Staff Needed Per Event

	January	February	March	April	May	June	July	August	September	October	November	December
Year 1	0	0	0	1	2	2	2	2	2	1	1	3
Year 2	0	0	0	2	2	3	3	3	2	1	1	3
Year 3	1	1	1	2	2	3	3	3	2	1	1	3
Year 4	1	1	1	3	3	4	4	4	4	1	1	3
Year 5	1	1	1	3	4	4	4	4	4	1	1	4

Corresponding Wait Staff Cost (= # Servers X \$25 X 5 hrs X # Events)

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Year 1	\$0.00	\$0.00	\$0.00	\$125.00	\$250.00	\$750.00	\$750.00	\$500.00	\$500.00	\$125.00	\$125.00	\$1,125.00	\$4,250
Year 2	\$0.00	\$0.00	\$0.00	\$500.00	\$750.00	\$1,500.00	\$1,500.00	\$1,500.00	\$750.00	\$125.00	\$125.00	\$1,500.00	\$8,250
Year 3	\$125.00	\$125.00	\$125.00	\$1,250.00	\$1,250.00	\$2,250.00	\$2,250.00	\$2,250.00	\$1,000.00	\$250.00	\$250.00	\$3,000.00	\$14,125
Year 4	\$250.00	\$250.00	\$250.00	\$1,125.00	\$2,250.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,000.00	\$500.00	\$375.00	\$3,750.00	\$22,250
Year 5	\$375.00	\$375.00	\$500.00	\$2,250.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$2,500.00	\$375.00	\$375.00	\$5,000.00	\$27,750

Per hour wage \$25.00
 # hours per event 5
 # servers needed 1 per 10