
A Business Plan for Sports Bar & Restaurant, Proposed Name : Central Style Sports Bar & Restaurant *

Mohit Kumar Rahul, Manish Pandey***

Received following accolades

- *2nd prize (All India Business Plan Competition of Optima 2012 held at IIT Kharagpur)*
- *3rd prize (All India Business Plan Competition of Channel V Nokia India Fest 2012 held at Goa)*

Introduction: Uniqueness of the idea

Central Style Sports Bar and Restaurant is proposed be a Specialty Restaurant to serve food and alcohol to all types of people along with televised sporting event in the segment of sports bar and pubs. Indore in Madhya Pradesh is chosen as the location of the company.

The Company will provide a fun cum enjoyable atmosphere. It will offer a menu of fried and baked food, interactive vending for billiards, darts, music, arcade etc. and will also provide all televised sporting events i.e. cricket finals, football finals, etc. The proposed Restaurant will also include pay per view events such as the Ultimate Fighting Championship and Boxing etc. in its product list.

The company has a unique floor plan that offers a private "at home" experience with a gas burning fire place in the billiards room and a loft area equipped with sofa sectional seating provision and two plasma television of fifty inches in entertainment centers. The focus will be on providing direct personal service to patrons for comforts and enjoyment all actions of the game without interruption.

In addition, the bar will be equipped with five flat panel plasma televisions of forty seven inches that will display all current televised sporting events. The current bar will be redesigned to add more seating area time and again. The flooring will be done with decorative non-slip concrete.

Central Style Sports Bar and Restaurant will coordinate various competitive leagues and tournaments such as billiards, electronic darts, beer pong and keno. Televised sporting events will include pay per view and televised game.

Product details and Capacity

Central Style Sports Bar & Restaurant will make provision for a wide range of drinks, food and entertainment for its customers such as:

****Mr. Mohit Kumar Rahul***

*****Mr. Manish Pandey***

Final year PGDM Student (2011-13)

New Delhi Institute of Management,

New Delhi

- Soft drinks
- Fried and baked food
- Alcohol-Liquor, bottled beer, keg beer, wine
- Entertainment-Pool tables, dart boards, juke box, electronic video games,

Advantage of the Location chosen for the Specialty Restaurant :

We have selected a location in Indore which is an educational hub having many graduate and post graduate colleges. Students of institutes in the neighborhood would get home environment away from home at the weekends and when national sports events take place. Thus, the complex will provide a platform for the social gathering as well as homely environment.

Technology and know-how

A modern technology of communication between the desk and the kitchen to serve in accordance to preferences of the customer will be used. Modern technological connections will be established with the sporting broadcasting agent. Also interactive technology will provide ambiance to feel the excitement of the field, warmth of the food, of the field and the social environment.

1. Present scenario of the business

Indore geographic area is large enough to support the Company's business objectives as can be seen from the table below.

Table 1

Household Income	Households(%)	Households (57276)
less than 500,000 Rs	9.76	5590
100,00,000Rs or more	1.2	687

Source : Indore Economic Census Report, 2008, GOI

Restaurant Trends : Market survey

- Restaurant sales continue to grow over decades. Sales will reach INR29,580 billion by 2016. A whopping 59% of adults say there are more restaurants they enjoy going to now than there were two years ago.
- Presently, 7-out-of-10 eating and drinking establishments are independently owned and operated; local restaurants remain as popular as ever and are growing at a substantial rate. The majority of eating and drinking places are small businesses with fewer than 20 employees.
- Restaurants also provide job opportunities for managers. The number of foodservice managers from 2006 to 2016 is expected to

increase by 12% and 9-out-of-10 of these managers will start as an hourly employee.

Restaurant Facts and Figures

- 40% of adults agree that purchasing meals from restaurants, take-out and delivery places makes them more productive in their day-to-day life
- 73% of adults say they try to eat healthier food now at restaurants than they did two years ago
- 57% of adults say they are likely to make a choice of restaurant based on how much a restaurant supports charitable activities and the local community

- 78% of adults say they would like to receive restaurant gift cards or certificates on gift occasions
- 52% of adults say they would be more likely to patronize a restaurant if it offers loyalty and reward programs to the customer
- 57% of adults say they are likely to make the choice of a restaurant based on how much it supports charitable activities and the local community
- 56% of adults say they are more likely to visit a restaurant that offers food grown in an organic or environmentally friendly way
- 78% of adults agree that going out to a restaurant with family or friends gives them an opportunity to socialize and is a better way to make use of their leisure time than cooking and cleaning up.

Growth of Bar and Nightclub Industry

Research reflects following sales growth in the following products categories:

- Beer (40%)
- Distilled spirits or hard liquor (30%)
- Food and non-alcoholic beverages (10%)
- Wine (7%)

A typical bar or nightclub often includes:

- Specialized beverages
 - Craft beers
 - Martinis
 - Mixed drinks
- Entertainment
 - Dancing
 - Adult entertainment
 - DJs
 - Live music

Market Competitors

Central Style Sports Bar & Restaurant has identified several competitors such as:

1. Inox Sports Bar
Sapna Sangeeta Mall, Snehnagar, Indore-452001

2. Sports Bar Express
3. Anchor Tenant, 3rd floor, Treasure Island, 11 Tukoganj, 39 MG Road, Indore-452001

The Company believes that it can compete effectively in this market. Several factors driving its competitive advantage include:

- Weekly interactive drink specials related to sporting events
- Unique floor layout that provides an "at home" atmosphere
- Updated and remodeled bar and interior
- Friendliest staff & Competitive Pricing

Operations of the Business

Central Style Sports Bar and Restaurant will target prospective clients within a close radius of its location. The company will generate revenues from sales of drinks, food and various games. The company will offer convenient hours, opening Sunday-Wednesday 4.00 PM to 2.30 AM and 11:00 AM to 2:30 AM on Thursday-Saturday.

Opportunity

Central Style Sports Bar and Restaurant will take advantage of numerous factors to drive its growth. Customers will frequent Restaurant for its fun atmosphere and pleasant, personal services. The Restaurant will train its staff to provide genuine hospitality and attentive service seldom used in today's bar/pub industry. The Restaurant will also be providing a food menu that is also not available at other locations.

The Company will also focus on developing a good rapport with patrons and purveyors that fosters a genuine, loyal relationship in various areas but focusing on these core elements:

- Outstanding service
- Quality product
- Fun and comfortable atmosphere

Central Style Sports Bar and Restaurant will also take advantage of the fact that the city of Indore is in the process of redeveloping the exact area where Restaurant is proposed to be located. This will draw customers that live outside the immediate area and it will give Central Style Sports Bar and Restaurant a great opportunity to create a growing, loyal, and diverse clientele. The quality of service, products and entertainment that Central Style Sports Bar and Restaurant provides will support and enhance the city's efforts of development.

Central Style Sports Bar & Restaurant has identified a clear and substantial target market. The Company will target customers Targeted customers within the city will include:

1. Ages 21 years and older
2. Men and women
3. Single or married

4. Visitors to local sports events or entertainment complexes
5. College students staying away from in the hostels of Institutions.

1. Marketing strategy

Central Style Sports Bar & Restaurant will implement various marketing efforts to attract customers including:

1. Build and optimize its web site to describe and promote the business
2. Print advertising
3. Signage and posters
4. Search engine optimization (SEO)
5. Customer loyalty programs

Referrals such as social networking sites like Facebook, Orkut, Twitter.

Financial strategy and Break even analysis

The total investment= loan capital (bank); Rs.23,97,000 + line of credit for working capital;Rs. 12,75,00 (Bank)

Table 2

Sources and uses of Proceeds			Expenses				
1	Sources		1				
2			2				
3	First Loan	Rs. 23,87,000	3		12 Months		
4	Credit Loan	Rs. 12,75,000	4	Payroll Expenses	Rs. 11,22,000		
5			5	Payroll Taxes & Benefits	Rs. 1,68,300		
6			6	Rent	Rs. 12,24,000		
7	Total Sources	Rs. 36,72,000	7	Utilities	Rs. 4,48,800		
8			8	Phone	Rs. 39,780		
9	Uses		9	Professional Fees	Rs. 91,800		
10	Inventory	Rs. 25,500	10	Supplies	Rs. 10,200		
11	Equipment	Rs. 3,31,500	11	Marketing Expenses	Rs. 25,500		
12	Computers/ printers	Rs. 1,02,000	12	Insurance	Rs. 1,07,100		
13	Furniture/ equipment	Rs. 2,55,500	13				
14	Liquor License Renewal	Rs. 1,59,528	14	Total Expenses	Rs. 32,37,480		
15	Legal Startup	Rs. 1,02,000					
16	Marketing Material	Rs. 76,500	1	Revenue Assumptions for 30 Months			
17	Signage	Rs. 76,500	2				
18	Business	Rs. 25,500	3	First 12	Next 12	Next 6	
19	Working Capital	Rs. 23,97,000		Months	Months	Months	
20			4	Sales	Rs. 61,20,000	Rs. 63,64,800	Rs. 33,09,696
21	Total Uses	Rs. 36,72,000					

COGS	Cash Flow
Cost of goods is estimated at 25%	Receivables average 15 days Payables average 30 days

Break Even Analysis

Central Style Sports Bar & Restaurant will achieve break even with about Rs 4,33,500.00 in monthly revenue.

Profitable Growth

Projections call for the Restaurant to generate revenues of INR61, 20,000 in its first twelve months. Central Style Sports Bar and Restaurant will achieve strong growth over the next several years reaching INR71,40,000 in revenue and more than INR 66,30,000 of net income by the fifth year.

Future plans

Central Style Sports Bar & Restaurant intends to take advantage of following factors to drive its growth.

- a) Creating fun environment for the young people according to their preferences.
- b) It will be in touch with the main sporting events of the nation and the world.
- c) The Restaurant aims to hire human resources for delivering the best services to the customers.
- d) The Restaurant intends to serve best quality food within short time through the use of technology.
- e) The Restaurant will constantly do market survey to update the service and skills of serving.

Exit strategy

Central Style Sports Bar & Restaurant is requesting a Rs 23,97,000 loan to execute this business plan. In addition, the Company is also seeking Rs . 12,75,000 credit line. These funds are sufficient to allow the Company to achieve its business goals and they provide a satisfactory cash safety cushion for the Restaurant.

The Restaurant will make monthly payments both interests and principle to the lender. Projections in this plan assume 7% interest rate on the loan with an 7 year amortization period. Cash flow projections support the Company's ability to meet monthly payments.

Management believes the business plan and projections presented in this plan show that the lender has minimal risk with this loan.

References

Chawla Deepak & Sondhi Neena (2011). *Research Methodology* : Concepts and Cases, Vikash Publishing House, New Delhi

Crouch Sunny & Housden.Matthew (2003). *Marketing Research for Managers* Butterworth-Heinemann

Websites

www.nrai.org
censusmp.gov.in
censusindia.gov.in