



## TABLE OF CONTENTS

Your business plan is divided into the following sections:

### 1 Business Overview

Description of the business	3	Products & services	5
Major demographic, economic, social and cultural factors	3	Pricing and distribution	5
Major players (suppliers, distributors, clients)	3	Market trends	5
Nature of the industry	3	Implications or risk factors	6
Trends in the industry:	4	Competitors and type of competition	6
Government regulations	4	Competitors' strengths and weaknesses	6
Market segment	5	Competitive advantage	6

### 2 Sales & Marketing Plan

Customers	7	Pricing & distribution	8
Suppliers	7	Customer service policy	8
Advertising & promotion	7		

### 3 Operating Plan

Business location & requirements / advantages / lease details	9
Equipment / technology / R&D / environmental aspects	9

### 4 Human Resources Plan

Key employees	10	Policies & procedures	10
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### 5 Action Plan

Action plan & timetable	11
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### 6 Executive Summary

A brief description of the project, the financing required, and additional information that help explain the business plan	12
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### 7 APPENDIX: Financial Plan

The company's financial performance, both historical and projected. Includes sales, cost of goods sold, expenses, income statement, balance sheet, cash flow budget, financial requirements, performance indicators, and personal status.



LEGAL NAME ▶	<input type="text" value="Client Name"/>	
TRADING NAME ▶	<input type="text" value="Client Cafe"/>	
BUSINESS ADDRESS ▶	<input type="text" value="P. O. Box 111"/> <input type="text" value="Fort Frances, Ontario P9A 3M8"/>	
PHONE ▶	<input type="text" value="(807) 555-1234"/>	FAX ▶ <input type="text"/>
E-MAIL ▶	<input type="text"/>	

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DESCRIPTION OF THE BUSINESS ▶

Client Name is a 55 year old member of the RLTA First Nation. She wishes to establish a café and arcade trading under the name Client Café. The business venture will be operated as a sole proprietorship.

Client Café will offer prompt and effective service and result in a high level of customer satisfaction.

First Nation customer will comprise the majority of the customer base which will be complemented by various native service organizations, events, and tourism traffic to the First Nation.

The proposed venture will be located in the commercial mall in the community. The site was previously used as a restaurant. The equipment already has an established layout. The business will operate 7 days a week from 7 am to 7 pm.

Mrs. Client was previously self employed operating a convenience store. She possesses the relevant business management experience and customer relations skills which will be vital to the success of the business. Details of Mrs. Client's experience are included in Appendix 4.

Mrs. Client is requesting a loan from Rainy Lake Tribal Area Business and Financial Services Corporation toward the capital, inventory, operating, and marketing costs which are required to establish the new business.

MAJOR DEMOGRAPHIC, ECONOMIC, SOCIAL AND CULTURAL FACTORS ▶

The First Nation population will remain relatively stable and may experience an insignificant increase annually. The population will remain approximately 300 on reserve or within the market area. The amount of leisure time is a premium for most people and cooking and cleaning are considered burdens on their leisure time.

The First Nation is experiencing some cash flow difficulties resulting in layoffs and cut backs.

The First Nation has been active in establishing its own programs and services resulting in increased economic benefits.

MAJOR PLAYERS (suppliers, distributors, clients) ▶

The Chief and Council must endorse the plan for it to proceed. They must be able to provide the facility.

Edward Client will provide a bill of sale for all restaurant equipment and supplies. She will buy him out for \$5,000.00.

NATURE OF THE INDUSTRY ▶

Dining out is as common as dining at home. Restaurants are expecting more from restaurants. The diners place a high premium on convenience and value. The diners want a culinary experience of delicious foods available from many cultures. Most restaurants serve local foods that match the tastes of First Nation customers. Convenience is the key when it comes to dining choice. The consumers want to enjoy their restaurant prepared meals at home, in the office, or at their special events.



TRENDS IN  
THE INDUSTRY ▶

The customers want more takeout, technological payment options, quick service, delivery, and catering options. The customers want to preserve their leisure time to more enjoyable activities rather than cleaning and cooking. The trend is toward more healthy choices but delicious, and nutritious.

GOVERNMENT  
REGULATIONS ▶

The Café will meet health standards identified by the Health Officer of the Ministry of Health. The fire and safety standard identified by the Fire Prevention Officer of the Pwi-di-goo-zing Ne-yaa-zhing Advisory Services Inc. will be met.

The GST and PST will be charged to customers without a Status Card.



## THE MARKET

### MARKET SEGMENT

The RLTA First Nation is situated approximately 5 kilometers east of Fort Frances, Ontario. The community comprise of approximately 400 registered members. The First Nation has an on reserve population of 283 in approximately 80 households.

### PRODUCTS & SERVICES

The Café will focus on providing food, confectionary items, errand services and arcade games.

The food service will include the following:

- Dine in
- Take out
- Delivery
- Curbside
- Deck dining
- Advance Order

The confectionary items will be:

Pop, chips, chocolate bars, gum, ice cream, and cigarettes.

The errand services will include pickup and delivery to and from the First Nation. The errand service will also allow pickup of supplies and inventory for the Café. The errand service could also include gasoline pickup.

The arcade will feature:

- Video games
- Pool table
- Internet Access

Special events rental and catering:

- Christmas party
- Card tournaments
- Staff gatherings

The products will also generally feature a First Nation flavour such as bannock burgers, wild rice, fish, etc. along with Canadian dishes.

### PRICING AND DISTRIBUTION

The general costing of basic meal will be as follows:

Breakfast	\$10.00
Lunch	\$12.00
Dinner	\$15.00

### MARKET TRENDS

Restaurant industry forecasts are expected to increase by 5% in 2007. Average household expenditure for food away from home in 2005 was \$2,634 or \$1,054 per person.



IMPLICATIONS  
OR  
RISK FACTORS

▶ One of the risk factors for the café is the high cost of electric power. The entire range of appliances is electric.

PLANNED  
RESPONSE

▶ Determine energy efficient ways to perform the service such as precook many of the items at one time. The precooking will also lead to faster service.

The Café can also install a wood stove to handle some of the cooking a heat requirements.

Many of the items purchased will be precooked to reduce electrical consumption.

## COMPETITION

COMPETITORS  
AND TYPE OF  
COMPETITION

▶ The First Nation has limited competition. Several band members provide catering for gatherings, large meetings, and pow wows but not on a sustained basis.

COMPETITORS'  
STRENGTHS AND  
WEAKNESSES

▶ The competition has no marketing effort other than if staff seeks them for catering opportunity.

COMPETITIVE  
ADVANTAGE

▶ The competitive advantage is the Café will have a consistent facility from which to operate. They will provide a wider range of services not available from any competitor.



CUSTOMERS ▶	NAME/ADDRESS	TERMS	PRODUCT/SERVICE
<b>1</b>	Residents	Cash	Take out, delivery, dine in, preorder
<b>2</b>	First Nation	P. O.	Catering
<b>3</b>	Construction	P. O.	Catering, dining, takeout, preorder
<b>4</b>	Tourism	Cash	Take out, delivery, dine in

▼ ADDITIONAL INFORMATION

The customers on the First Nation are staff meetings, lunch of staff, also school staff, and various project staff. The First Nation also includes the residents both young and old.

SUPPLIERS ▶	NAME/ADDRESS	TERMS	PRODUCT/SERVICE
<b>1</b>	Client	Free	Fish
<b>2</b>	M & M Meats		
<b>3</b>	Safeway		
<b>4</b>	Walmart		
<b>5</b>	Thompson's		

▼ ADDITIONAL INFORMATION

The suppliers for items such as fish and wild rice will be provided through traditional means primarily from the owner's family.

ADVERTISING & PROMOTION ▶ Advertising and promotion will be done locally initially. A flyer will be distributed to the community and inserted into the local community newsletter. The purpose of the flyer is to provide contact information and identify the range of services. A copy of the menu will also be distributed the next edition of the newsletter.

A flyer will be sent to various native service organizations which frequent the community for meetings they will be targeted for both meals for dine in and catering, and for pickup and delivery of documents, papers, proposals, contracts, etc. which will reduce the travel costs of the Native Service Organization that pays \$240.00 to travel to the community.

Direct meetings with First Nation staff and school officials will be made to identify catering opportunities.



PRICING  
& DISTRIBUTION

The Café will charge for all items such as refills, paper plates, plastic utensils, etc.

The use of credit will not be available to any band member. Only purchase orders from the First Nation manager will be accepted and provided as detailed on the quote for services.

The Café will quote for all event activities of its catering services.

The Café will also install five video machines on which a 50/50 split will be agreed to with Little D's Vending.

The Café will accept cash, interact, visa, and mastercard.

Cash backs will be provided up to \$60.00 with a \$5.00 charge as long as cash flow permits.

The Café will provide a pickup service in Fort Frances. The will charge a minimum of \$20.00 for each pickup location. The customer will have a debit card and the charge will be made automatically or by cash, visa or mastercard.

The pickup will always be at the Café before closing at 7 pm. The service will be provided twice a week and must be made prior to 9 am on the day of service. The pickup days will be Monday and Friday of each week.

CUSTOMER  
SERVICE POLICY

The customer service policy is to provide them with fast and friendly service. The employees will greet the immediately and provide drinks as desired. The customer will be checked on periodically to ensure satisfaction and other needs. The service area will be kept clean immediately after each client has left and ready for the next customer.





LOCATION	<p>▶ The location is on the RLTA First Nation. The facility is the commercial mall. The space within the mall was previously used as a restaurant.</p>
	<p>▼ SIZE AND CAPACITY</p> <p>The space is a 1600 square foot area. The dining area is 1,000 square feet and the kitchen area is 600 square feet.</p>
	<p>▼ ADVANTAGES OR DISADVANTAGES</p> <p>The costs of hydro are extensive in this remote community.</p> <p>The advantage is that no other competition of this service exists in a community of 300.</p>
	<p>▼ LEASE OR OWNERSHIP DETAILS</p> <p>During the first year of operations, the First Nation will provide the facility free of charge.</p> <p>The building will be leased based on a percentage of revenue generated not to exceed 5% nor allow less than \$36,000 per annum in drawings.</p>
EQUIPMENT, FURNITURE & FIXTURES	<p>▶ The restaurant is already equipped with stove, grill, deep fryer, freezer, and refrigerator, coolers, tables and chairs.</p> <p>The video games will be supplied by Little D's Vending on a 50/50 split of the revenues.</p>
FUTURE EXPENDITURES / TECHNOLOGY REQUIREMENTS	<p>▶ The restaurant will require internet access, Interac and visa payment options, and telephone ordering services.</p> <p>The Café will have two computer stations for internet access which will be billed at \$10.00 per hour including coffee.</p>
RESEARCH AND DEVELOPMENT	<p>▶ The Café will seek other revenue generating activities as opportunities present themselves.</p> <p>The potential for various types of foreign dishes such as pizza, Chinese, etc may be considered.</p> <p>The Café may consider a mobile canteen of its best dishes during summer months.</p> <p>The Café will also look at the potential for solar power generation for some of its appliances.</p>
ENVIRONMENTAL COMPLIANCE	<p>▶ The Café will be environmentally and health conscious using non trans fat for cooking, and provide salads and other healthy choices.</p> <p>The waste from the restaurant will be disposed of at the First Nation commissioned solid waste dump.</p>
ADDITIONAL INFORMATION	<p>▶ The café will meet all federal fire, safety, and health regulations.</p>



KEY EMPLOYEES	NAME OR TITLE (N° OF POSITIONS)	KEY RESPONSIBILITIES	QUALIFICATIONS
1	Client Name	Cook/waitress	
2	Waitress Client	Waitress	
3	Waiter Client	Driver	
4			

▼ ADDITIONAL INFORMATION

The family is supportive of the venture and willing to do their share of the work on a volunteer basis.

### POLICIES & PROCEDURES

HOURS OF OPERATIONS	▶ The Café will be open from 7 am to 7 pm Monday to Friday. The weekend hours will be 7 am to 5 pm
NUMBER OF EMPLOYEES	▶ 3
VACATION PROGRAM	▶ 4% vacation pay on each cheque
PERFORMANCE ASSESSMENT	▶ If the employee can manage the job they will remain.  If the position requires for part time help at peak hours, a part time employee will be hired.
TRAINING & DEVELOPMENT	▶ Client Café will utilize targeted wage subsidies for new and part time employees. The business will also apply for summer student programs either directly or through First Nation sources. Client will also look at various Social Service program for after school employment for dependents of social assistance recipients.
REMUNERATION AND BENEFITS	▶ Minimum wage plus tips.



ACTION PLAN	ACTION	BY WHEN
	<b>1</b> Get a conditional bill of sale from Ed Client for sale of equipment and supplies.	
	<b>2</b> Get a lease from Chief and Council for the operation of a restaurant in the mall.	
	<b>3</b> Get a letter from Chief and Council for the sale of cigarettes	
	<b>4</b> Get an agreement with a Vending for the supply of video arcade games.	
	<b>5</b> Clean the facility and get it ready for opening	
	<b>6</b> Obtain financing for the purchase of equipment, inventory, and start up activities.	
	<b>7</b> Conduct an advertising and promotion campaign to ensure customers are aware	

▼ ADDITIONAL INFORMATION

The start up activities will include telephone, hydro, interact and credit card hookup, vendor's permit, business registration, insurance, internet setup, supplies, business support for bookkeeping, taxation, etc.



OBJECTIVES / DESCRIPTION OF THE PROJECT	<p>▶ Client Name is seeking a \$20,000 Micro Loan for the start up of a new restaurant on the RLTA First Nation. The restaurant will be known as “Joan’s Café.”</p>
BUSINESS HISTORY / NATURE OF OPERATIONS	<p>▶ The café will be located in the commercial mall of the First Nation. The facility operated as a restaurant in the past. The equipment and supplies are available and will be purchased from the previous owner, Previous Owner.</p> <p>The business will operate from 7 am to 7 pm. The owner will precook some of the items at night and reheat for meals the following day.</p> <p>The business will operate primarily on a cash basis. The First Nation will be able to have one outstanding purchase order which will be based on quoted work. All pre order meals and catering will be prepaid.</p>
PRODUCTS AND SERVICES	<p>▶ The café will provide a range of services for food, arcade, internet, confectionary, errand, and cash services.</p> <p>The business will provide a range of food services such as dine in, take out, delivery, ordered meals, and catering.</p> <p>The arcade will feature internet time and video games.</p> <p>The confectionary will provide pop, chips, chocolate bars, gum, cigarettes, etc.</p> <p>The errand service will include pickup and delivery in the Town of Fort Frances and Couchiching.</p>
PROJECT FINANCING	<p>▶ The project financing will be 100% loan from the Rainy Lake Tribal Area Business and Financial Services Corporation. The training under “The BDC Way” will serve as the equity.</p>
MANAGEMENT / ADVISORS	<p>▶ <b>Advisor 1</b> Harry Morrisseau, General Manager of the Rainy Lake Tribal Area Business and Financial Services Corporation will provide mentoring services. These services will include business plan implementation, discussion of problems and alternatives leading to solutions, and assisting with outside business support.</p> <p><b>Advisor 2</b> Romeo Duguay, Owner Tri-tek Consulting will provide mentoring services. Romeo has years experience in the restaurant business and will provide exceptional advice.</p>



RISK  
ASSESSMENT &  
CONTINGENCY  
PLAN

▶ The risk is relatively high given the failure of previous operators in this location. However, the previous owners did not have a wide range of revenue generating activities. The owner has not operated a restaurant but did operate a grocery and convenience store in the past. The management of the business is adequate with the aid of business advisors the operations has the potential for success. The owner is a responsible member of the RLTA First Nation with a limited credit history.



FINANCIAL  
INSTITUTION

▶ Rainy Lake Tribal Area Business and Financial Services Corporation  
ABDP Micro Loan Program

SUPPORTING  
DOCUMENTS

▶ The list of supporting documents are attached  
  
Conditional Bill of Sale  
Lease from Chief and council for the use of restaurant space  
Letter from Chief and Council for the sale of tax free cigarettes.  
Certificate of completion of "The BDC Way"



## APPENDIX

### FINANCIAL PLAN

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