

Business Formation and Planning

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A Business Plan Example

(This plan was developed to support a proposal to lease space for the business. The plan shows the concept, operations, and marketing, but was not fully completed.)

The business is a multi-functional event space. The space is intended for short-term uses such as celebrations, group meetings, club activities, and commercial events sponsored by the business. The space accommodates tables for sale of jewelry and crafted products and has a small dance floor. An industrial kitchen serves as a catering preparation base and facility for heating, cooling, and preparing food brought to an event. The projected activities cover day, evening, and late night events, allowing the business to generate revenue over a 12 to 18 hour timeframe 7 days a week and provides attractive potential for generating revenue.

INSPIRATION GALLERY

An event space for commerce, gatherings, celebrations, and inspiration



INSPIRE TRADE CENTER, LLC

Oakland, California

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BUSINESS PLAN

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INSPIRATION GALLERY

A Multi-Purpose Center for Social Gatherings and Commerce



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CONCEPT

PURPOSE

The business is both a producer of its sponsored events and a provider of space which it rents to other event producers on an hourly basis with accompanying amenity enhancements.

The business is owned by Inspiration Trade Center, LLC, Oakland, California. It will operate as one or more identities (brands) for marketing purposes. "Inspiration Gallery," the primary brand at business launch has the potential to generate revenue for day and evening use.

Inspiration Gallery will be marketed as a venue that may be used by private individuals, social groups, nonprofit organizations, and companies.

Revenue will be generated by three activity types:

- 1) Inspiration Gallery-sponsored events that occur one time only or irregularly and events that recur on a scheduled basis. Clients/Companies pay to participate. Example: A micro-trade show for dealers in gems and high-end jewelry.
- 2) Community organized events that generate revenue by renting the space and contracting for add-on amenities including food, custom décor, and music.
- 3) A Social Club with paid memberships. The club will attract night owls who wish to extend their evenings on Friday and Saturday nights on one weekend monthly. Membership will be open to individuals over 21.

The social club will be secured by obtaining 501(c)7 status. As such, Inspiration Gallery and all activities and events held in the space may legally serve alcoholic beverages.

AUDIENCE

Individuals, groups and companies using our facility will be drawn primarily from the community within a 5 to 7 mile radius of the Foothill Square shopping mall. Sponsored events for audiences with specific interests, for example, a chess tournament, will draw attendance from the entire San Francisco Bay region.

■ COMPETITION

Local Appeal. Rather taking business from other event spaces, the upgraded Foothill Square mall itself will appeal to residents in the area who have previously needed to travel to other parts of Oakland, Hayward, Castro Valley, and San Leandro to conduct business and do their shopping. Having an event destination in their immediate community will be a welcome alternative.

Pricing Strategy. The rental space for events will face price competition. We will charge the prevailing rate for basic services and standard amenities. Adding to the basic charge will be an assortment of amenity choices that will enhance our clients' events. The add-on options will include a percentage over the cost of products or vendor services (caterers, DJs, and entertainers), including special theme decors, furnishings, and use of limousines.

■ OUR ADVANTAGES

Our uniqueness will be significantly tied to the burgeoning interest in the upgraded Foothill Square Mall. Our value is a combination of convenience, price, value, and the versatility of our space which will appeal to clients with requirements as diverse as companies to conduct training, families for celebrations, the late-night/week morning hours crowd, and discretionary spenders for luxury items including gems, jewelry and art who will be attracted to micro trade shows, special sales, and investment opportunities.

Our name, logo, branding and promotional programs will establish our identity and convey value.

PRE-LAUNCH

■ FACILITY

Multi-purpose uses. The facility will be prepared to accommodate widely different needs depending on purposes and audience expectations. Example: Rectangular tables will be used for training events; round tables of 8 will be used for late-night social events; small tables seating 2 or 4 will be used for games and dances.

Our plan is to be highly versatility including the ability to change the ambiance and space layout quickly to fit the tone and style of a business crowd, a game afternoon, and a disco scene.

■ FURNITURE AND EQUIPMENT

In addition to the tenant buildout negotiated in the leasing contract, furnishings will include:

Food equipment: Refrigeration, ice-making, oven, dishwashing, heating electronics, coffee making

Food preparing and serving: Counters, utensils, trays, waste receptacles

Office, Reception Furniture

Audio equipment

Projection equipment and white board

Speaker lectern, check-in kiosk (wheel-able)

Computer for projection equipment; computer/printer for office

WiFi, large screen television

Vacuum cleaner

Portable room dividers

Signage

WiFi

Waste disposing instructions

Supplies

Kitchen, serving, cleaning, decorating, installation tools

Safety/security

Fire extinguisher, CCTV, security, first aid, CPR (defibrillator) and drug overdose pharmaceuticals

OPERATIONS

MANAGEMENT

Kim Hyde Partner, Inspiration Gallery	Offers experience managing a nonprofit organization, expertise in gemology, and business understanding with completion of her MBA and DBA (doctorate in business administration). She is effective in working with business and community organizations and leverages an extensive network of talent and resources.
Anonymous Partner Escape Den	Brings experience in promoting and staging music performance and social events with experience that extends over a span of years. His thorough understanding of the business of late night entertainment reduces time to profitable revenue.

SUPPORT NETWORK

Both partners are well established in their communities of interest. They have readily available qualified resources to draw on to execute the startup phase and assure predictable high quality ongoing operations. Their networks include:

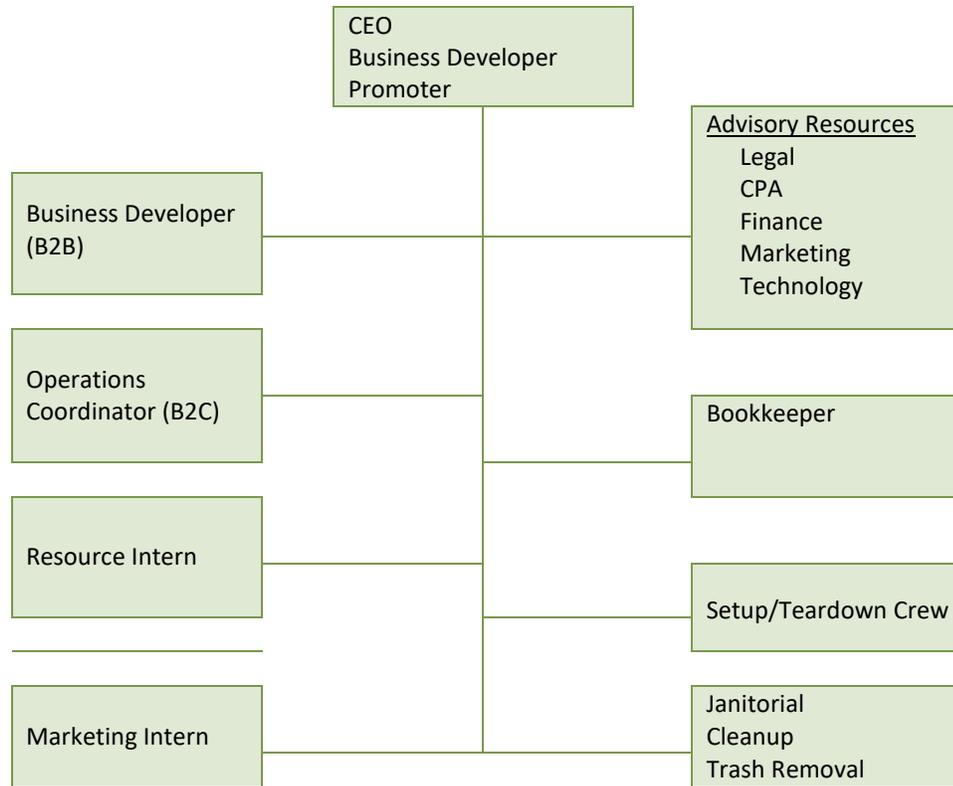
Pre-Launch contractors include	Electrical including lighting, plumbing, and audio/visual
Professional expertise includes	Legal, Business Strategy/Planning, Insurance, Tax and Financial, Safety and Regulations
Marketing	Graphics, social media, promotional campaigns
Performance	Entertainers for music, dance, magicians, clowns, etc.

ON-GOING OPERATIONS

Roles of Partners, Kim Hyde and Partner

Kim Hyde and Partner will jointly operate the space. Kim will be the ongoing managing partner with administrative, operating, staffing, marketing, facility and related responsibilities.

Organization and Management



MARKETING

EVENT TYPES

Three distinct event types will be marketed, each targeting a different market and user:

- | | |
|---------------------|--|
| Inspiration Gallery | (1) Sponsored and staged gatherings Example: A micro-trade show for dealers in gems and high-end jewelry. |
| | (2) Space rental for events organized by clients, including community organizations and individuals. |
| The Escape Den | (3) A social club open from midnight to 4:00 a.m. with membership open to individuals over 21 who pay a fee to join. |

■ MARKET TARGETING**Inspiration Gallery**

Sponsored and staged gatherings

Businesses Luxury goods dealers, including jewelry, imported brands, lending clubs, investment (crowd funding), and trade shows (travel, touring) and similar. A participation fee will generate revenue from businesses.

Customers Discretionary spenders such as users of spas, cosmetic procedures, high end sports (golf, skiing), luxury travelers and similar will be drawn to the event through promotion by the participating businesses. A portion of the participation fee will be used to increase attendance by placing announcements in local print and online media.

Community Events Space Rental

Organization Social clubs, civic organizations, political advocacy groups, senior centers, and nonprofits many types will use the facility on a rental basis. Individuals and families will contract with the business for events such as wedding receptions, graduation parties, birthdays, reunions, and many other celebrations

Escape Den

Alliances The audience for the late night social club will be associated with late night entertainment. Participants will be socially minded people who enjoy music, entertainment, and a place to escape.

■ MARKETING STRATEGIES

Escape Den

Attendance will be promoted through nightclubs, bars, restaurants and hotels and other businesses associated with the nightlife community.

Website

Print Radio

Television

Email

Local Cable TV

Promotion

■ PRICING

BASIC TERMS

4 hour minimum

10-24 attendees

25 and over (to limit of 55)

Paid in advance

Cancellation Fee

Note: standard contracts for event space rental are available by Googling

STANDARD AMENITIES

WiFi

Audio system

Kitchen area

Projection equipment

Whiteboard

Chairs and tables

ENHANCED AMENITIES (ADD-ON AT COST + MARGIN)

Catered food: From break food and beverages to full evening meal service

Drink station and servers

Table servers

Security

Extra janitorial needed if food

Live music (harp, guitar, combo, or DJ

Event theme "package"

Colors

Banners, balloons, party favors

Special table setups (linens, centerpieces

Special furniture (requires renting)

Research on Hourly Rates Rental for Spaces in Oakland

Anonymous Space A, 17th and Broadway area, Oakland, \$100+/Hr.

URL provided

Anonymous Space B, Uptown 20th and Broadway area, Oakland, \$115/Hr.

URL provided

Anonymous Space C, Lake Merritt area, Oakland, \$125/Hr.

URL Provided

Anonymous Space D, Union Square area, San Francisco, \$200/Hr.

URL Provided

FINANCIAL**■ FACILITY****The proposed lease terms:**

1,835 square feet consisting of the large space of 1,454 s.f. 2 small spaces of 113 s.f. (230 s.f.) and an additional space of 155 to equal a total of 1,835 s.f.

Cost per square foot is negotiable within the range of \$.80 to \$1.25.

We propose a 3-year contract with an 18-month option to renegotiate terms.

The abatement request consists of (a) 4 consecutive months and (b) 2 consecutive months after the first 18 months of tenancy. Buildout of the space will be planned as follows:

Permanent/Structural Changes – Owner-provided

Plumbing to provide water in a kitchen and an internal half-bathroom

Sink with garbage disposer built into counter unit

220 volt electrical wiring

Floor covering

Painted walls

Recessed lighting with wall controls

Structural Changes – Tenant Responsibility

Built-in (ceiling mounted) projection equipment

Built-in speakers for audio

Compensation, Legal, Insurance

Partner's Compensation

Investor's Return

Legal

Agreements

Liability

Renter's Contracts

Insurance

■ **NON-RECURRING START-UP COSTS**

■ **SOURCES OF FUNDS**

■ **PROJECTED FINANCIALS**

Revenue and Expenses

Revenue Projection

First 3 Months

Second 3 Months

Next 6 Months

Cost projection

Breakeven

Profit Projection

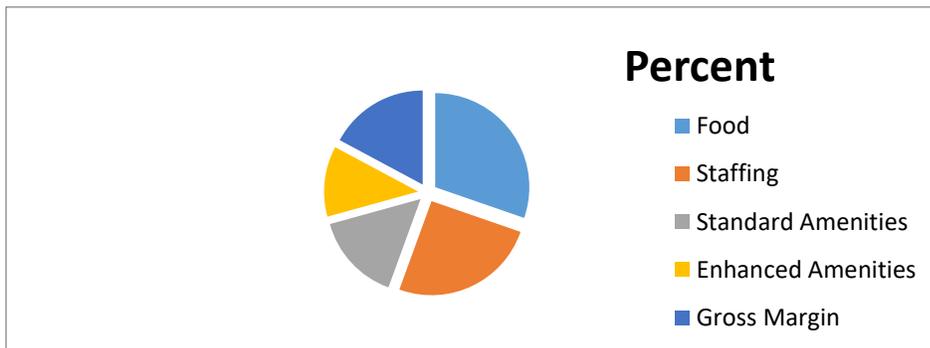
Assumptions

Assets and Liabilities

COST PROFILE (Single event)

Item	Inspiration Gallery		Escape Den
	Sponsored Events	Space Rental (Groups)	
Typical attendance	55	35	45
Revenue -Standard			
Revenue-Markup Enhanced Services			
Expenses			
Fixed Expenses			
Variable Expenses			
Food			
Beverages			
Crew			
Setup/Breakdown			
Servers/Coordinator			
Cleanup			

Item	Percent
Food	30
Staffing	25
Standard Amenities	15
Enhanced Amenities	12
Gross Margin	17



TIMELINE

Objectives (Responsibility)	April		May		June		July	
	1 st Half	2 nd Half						
Lease finalized								
Space buildout								
Furnishings installed								
Administrative/Financial								
Marketing launched								
Client company commitments								
Community group reservations								