



**University of Applied Sciences Cologne**

**Institute for Technology in the Tropics**

Business Plan

# **THE BUSINESS PLAN OF YOVIMAR'S BAR**

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## **EXECUTIVE SUMMARY**



Our business plan consists of four main chapters, which will give an explanation of the business what we want to establish and how we want to reach this goal.

The legal plan, which is chapter 3, consists of the registration in the chamber of commerce, licenses and contracts, employment procedures, the nature of the business, insurance policies, trading and the EU competition rule.

In chapter 4, which describe a marketing plan, we will introduce a PEST-analysis, discuss the market, segment the market and explain our strategies. Further more, we will describe the industry in which we are planning to operate. We will give also a SWOT- analysis and analyze our competitors. We will discuss the 4 P's that are product, price, place and promotion in the marketing mix.

Chapter 5 will be our management plan. In this chapter we will start by giving a description of our bar and its objectives. The investors of YOVIMAR will be described as well as the management of the bar. The hours of operation will be stated and we will give an overview of the internal communication and internal organization by giving an organizational flow chart.

In chapter 6 we extend financial and economics analysis which are done both on the costs and profits of our business. A start up costs, depreciation cost, labor cost, SALES Budget, Cash Budget, Income Statement, Balance Sheet will be carried out which will show how our running bar will be a profitable business. For the first three year, monthly financial break downs will be given for the whole year and from that we will show these annually in ten years.

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## **1. Introduction**

A business as opening a bar is really a reliable and profitable, provided that it is famous, has a good reputation and history. The very being of a bar, beginning from its name, location, its ambience, music etc...can be a reminiscence for customers. Customers will regularly pay a visit to have a sip of a drink, feel the hit and meet other people. This is the special qualities of a bar that can assure the continuity of demand from business point of view. Once the demand is set, an investor needs to take care of the continuity of the ways of the bar inline with the preference of its customers.

We are planning to open a new bar in Bonn City. Opening up a business is hard, but to open a business that actually will be profitable for the long term is even harder. This takes a lot of work hard and enthusiasm. One can only be motivated and willing to work hard for their business if one likes what he or she is doing. That is the way we decide to open a bar with a concept of its own. Our bar is called YOVI**MAR**, taking the first two letters of our names with **YO** in Yonas, **VI** in Viet and **MAR** in Marcel. We have investigated and analyzed the bar business around the Bonn University. And finally we came up the resolution to open a bar of our own in a suitable corner in that surrounding.

We came to the conclusion that a bar with an original idea like ours has excellent prospects of succeeding. It is therefore that the authors would like to respect the experts who will be examining the Business Plan, not to hand it out to other people and treat it confidentially.

Opening up a bar is not very different from the set up of any other business in terms of the various different processes. There are a number of different kinds of criteria to be taken into consideration. There are also a number of formalities, which are put in place for a bar to be able to open its doors to our customers. Once all of the formalities have been put into place and the bar has been registered at the “Chamber of Commerce”, were all businesses are registered we will also receive protection from these formalities when the time comes. However not all the texts of the commercial code will concern our bar. Therefore, the most important will be looked into with kindness and it takes the form of a procedure. Map of our place, TV Soccer, Music

In order to achieve the smooth running of our business we must have a management plan that is set in place. In our management plan we describe our company and its objectives. We will give a description and information about YOVI**MAR**'S individual investors. Our management will also show the hours which we are open and details of what we need of our employees.

## 2. Project Description

### 2.1. Type of Company

The type of company we have chosen for our business is under the legal business form “Limited Company” (Ltd). Our company will be established by the three of us namely:-

- TRINH QUOC VIET
- YONAS WOLDEMICHAEL WOLDEAB
- DINKA MARCEL

Each of us comes from different parts of the world; Asia, West & East Africa respectively. Mr. Dinka has lived here in Germany for long time and he has a good experience of the taste of people here. Our international backgrounds can help us for tuning our business to intercultural communities which are the very nature of a University environment. Each person will bring in a start capital of 33,330 Euro. The shares will be divided along these three persons. The limited company will also make sure that future investments are easier.

### 2.2. Location

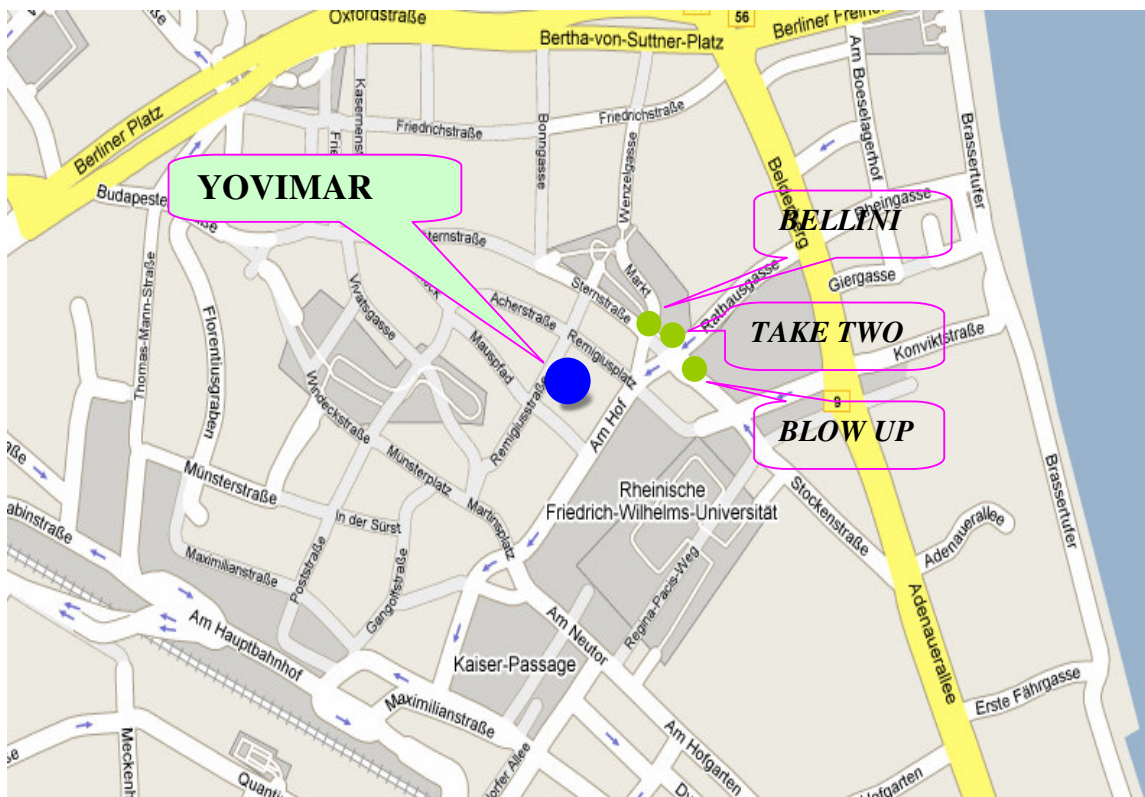


Figure 2-1. The location of YOVIMAR BAR

### 3. Legal plan

#### 3.1. Registration at the Registrar of Companies “Handelsregister”

Before the bar is opened its doors to its customers it will be registered at the Registrar of Companies “Handelsregister”. All businesses aiming for a profit are registered in special registers for bars, shops and building corporations. They are considered to be operating for the general interest of the society. Since our bar is in the form of a partnership, we are liable to register at the Registrations at Registrar of Companies.

This will provide us with a number of advantages which will help us have a smooth take off for the running of our bar. Consultancy and advice on how to run a bar as a beginner can be obtained from the office of Registrar. Documents which inform us with the various taxes we are supposed to pay are also provided. Furthermore, as a registered member at the Registrar of Companies, orientation courses and education and retraining programs will be offered by their experts to our employees. Since the Chamber of Commerce does the registration of businesses, it has got a full list of names of all the businesses within its area of jurisdiction.

Therefore as a registered member, we will be provided with a copy to verify if another company is already using the name of our company. And if that is the case there is the option of changing our name. Before we receive the above mentioned legislation from the Registrar of Companies we have to provide them with the following information:

1. A filled out registration form;
2. A permit or business license obtainable from Registrar of Commerce;
3. The name of our bar will be YOVIMAR
4. A brief description of our business. Also included here will be the form of business we are going to be operating, partnership;
5. A full address of the location of our bar **Fürsten Straße 7 53111 Bonn**
6. The name and address of its owners:

#### **DINKA MARCEL**

Nationality: Cameroonian  
Passport number: 770640  
Add: Am Schwanenmorgen 1A, 53121 Bonn Germany  
Tel: 01724937479

#### **YONAS WOLDEMICHAEL WOLDEAB**

Nationality: Eritrean  
Passport number: 0287277  
Add: Deutzer Ring 5, 50679 Köln  
Tel: 022120420589

#### **TRINH QUOC VIET**

Nationality: Vietnamese  
Passport number: B0948733  
Add: Carl Diem Weg 1, 50933, Koln  
Tel: 0174.5418266

7. The amount of money contributed by each member in the business

DINKA MARCEL:	33.330 Euro
YONAS WOLDEMICHAEL:	33.330 Euro
TRINH QUOC VIET:	33.330 Euro

8. The method of sharing the profits:

✚ See the financial plan

9. The number of employees needed

✚ See the management section

10. The name of the general manager

The completion of the procedures mentioned will provide us with a receipt that will enable us to start our business.

### **3.2. Licenses and contracts**

A License of Exploitation is essential in order to carry out the selling of alcoholic drinks. This is issued out after registration at the Registrar of Companies. Since our bar will also be dealing with the sale of non-alcoholic soft drinks like coca-cola, we also need an exploitation license for these drinks. The following requirements are essential for the issuing out of the license:-

- ✚ The entrepreneurs must have the necessary educational certificates in order to enable them control of their business and be above the age of 21 years
- ✚ The entrepreneurs must not have any criminal records.
- ✚ The acquired location for the operation of the business should meet required standards. The inner section should be well designed to make room for ventilation.
- ✚ The bank account must be sufficient and be at least 3 months old the issuing of the license

With the completion of the above requirements we will receive the license from the special laws section of the police. With the acquisition of the licenses for the exploitation of alcohol and non-alcohol drinks our bar will be able to start operations.



### **3.3. Employment procedures**

Germany belongs to the administrative law countries, i.e., all administrative actions having an effect on the rights of individuals have to be based on a legal regulation of a legislative act. Although we will be a part of the employment team, we will need those to take care of the general clean up of the bar and those to take care of security of the bar. In order to have these services we have to stick to the employment law of the 'Basic Law'. The contract of employment for the three of us will be 'limited-period' contract inline with the life span of our company.

For the cleaning of the bar we will need students of under the ages of 21. We will need physically strong men above the age of 21 years for the security of the bar. For both of the above stated employees the type of contract will be also 'full time' contract.

### **3.4. Nature of the business**

We will be operating under the Act Concerning Limited Liability Companies [Gesetz über Gesellschaften mit beschränkter Haftung - GmbH-Gesetz] in the German Commercial Law. Our form of partnership will be known as "Limited Company". Gesellschaft mit beschränkter Haftung (GmbH). We will be operating business with the aim of the realizing profits. With this in mind, all financial transactions are supposed to be preserved thus also sticking to articles of the German commercial Law.

We shall be putting in place, a managing partner who will be liable only to a third party due to the judicial acts he performs and the rights we placed on him. With this therefore, he will be responsible to the common property of the partnership for the collective obligation of the partners. The other partners will perform various functions as provided by the organizational chart. As bartenders we will also be performing other small functions in rotation of a work schedule.

As to the dissolution, the liquidation and the sharing of the profits all of this will be well stated in the deed of partnership to avoid any misunderstandings. Dissolution and liquidation of the partnership cannot occur in this but with the death of one of the partner, provisions can be made for his heir to take the place of the deceased partner. For the sharing of profits and as stated in the deed of partnership, it will be the form depending on what each partner puts into the business.

### **3.5. Insurance policies**

It is the obligation of our business to have an insurance policy. Firstly, every employee of the bar including the management team is supposed to have an individual health insurance policy to take care of his or her health problems. It is not our intention to spend on insurance for any employee or partner.

It should be mentioned that there could be incidents which are likely to occur when people are drinking and enjoying themselves. Fighting which may lead to broken bottles can cause people to be hurt. If there are such incidents that occur because of the total negligence of the injured, our management will not take care of such matters. These troublemakers will be sent away by our security agents. We will only look after the issues that are of our own cause. This like would involve somebody being affected after having a drink from a dirty glass, a structure inside the building and somebody getting hurt. These things and others will be taken care of by our insurance.

An insurance contract has to be signed with an insurance institution to cater for any loss or damage to be suffered by the business. This will be included in the deed of contract and will only be proved when the need arises. If this insurance contract is not proven, the insurance will not be exposed by law if only oral testimony is available. No financial compensation or rebuilding will take place without a proper disclosure of the insurances except for the following:

1. If the facts are not disclosed and are of no importance for the evaluation of the risk as it actually occurred;
2. If the insurer, had he known the non disclosed facts would have stipulated some conditions but a higher premium in which case compensation will be proportionally covered. So the insurer can not invoke these consequences if he did not notify the insured within two months after the discovery of the non disclosure. Within two months after notification, the insured can terminate the contract. Under the commercial code, non disclosure makes the insurance void.

Our bar will therefore be taking up an indemnity insurance policy which will entitle the insurer to make compensation for damages we may incur or suffer during business to any of our property of some sort. There are damages and accidents which are often cause by a third party. As mentioned above, if the damage caused by the negligent party is compensated the insurer may take up rights from the insured and reclaim the compensation for the insured.

### **3.6. The EU competition rule**

The most important aim of the European Union is the setting up of a common market. Meaning there will be free movement of people, employment and goods within the member countries. This also implies that members of EU will place countries outside this block under a common competition rule.

There are rules drawn up by the EU commission to guide the smooth operation of the common market regarding competition. Some of these rules are contained in articles 85-94. There are also laws which will apply to countries or markets with anti-competition policies.

Article 85 applies to those practices carried out by trade between two or more countries while art 86 applies to abusive behaviors of some monopolies or firms with large market shares.

There are a number of mal practices in competition carried out by member countries. An example is when a national government grants a loan to a particular firm or industry with special tax advantages. When the commission notices this, art 92/93 is applied. Sanctions are therefore applied to the country or the firm carrying out this policy rather than the firm or country receiving the loan. The loan or grant is forced by the commission to be repaid.

According to EU law our bar has the right to operate because every process mentioned by the law was undertaken for its set up. Also, competition rules as mentioned in article 85 will be followed strictly as laid down by law.

### **3.7. Income taxes**

Income taxes are a form of compulsory payment made by everybody to the state. This refers to those who earn money (wages and salaries) from working. It does not matter what type of work you do. This is known in Deutsch as '*Einkommensteuer*'. The Deutsch income tax law '*Einkommensteuergesetz*' allows everybody in Germany who earns a salary or wage to be taxed.

We shall be employing five employees including ourselves to take care of the activities of the bar. These employees will be earning wages thus they are liable to pay income tax. Although this tax law seems very tuff, it has gone a long way for labor credits to be made. Although we shall be part of the income tax group as part of employees we shall also be paying taxes for investing in a business as a partnership. This is the value added tax or "Mehrwertsteuer" as in Deutsch. Sole proprietors, shareholders in limited and unlimited liability companies also pay this tax.

## 4. Marketing plan

### 4.1. Abstract

We assume YOVI-MAR appealing largely to students; however in this market segment we have broken it down into several segments. We have segmented our market and analyzed our strengths and weakness in our internal environment and we have looked at opportunities and threats in our external environment.

### 4.2. Pest analysis

The PEST analysis is made to give us a clear idea of the options we have concern strategic decisions and the positions we hold within each of the factors involved with PEST. PEST is the political, economical, social and technical aspects of the environment.

#### 4.2.1. Political

**Opportunities** - we have a desire to have the HCCP (Hygienic Critical Control Points) certificate. This will ensure proper hygiene in our working environment and allows us to be recognized as being professional. The HCCP will help us to minimize the risk of YOVI-MAR being fined by the health and safety department when they make their regular visits to our bar.

**Threats** - the rigid legislation in opening a new bar

#### 4.2.2. Economical

**Opportunities** - Students have more money to spend than previous generations. A large amount of this is being spent on entertainment.

**Threats** - We will see a decline in income and sales in the summer months and during exam periods.

#### 4.2.3. Social

The strong Deutsch culture of students going out and drinking, which has a significant impact on the foreign students studying here too.

**Threats** - At the moment we see no foreseeable social threats

#### 4.2.4. Technical

**Opportunities** - The drinks we provide are well known and do not require heavy promotion of the product itself.

**Threats** - The product portfolios basically stay the same which are beer and liquor.

### 4.3. Markets Segmentation

Segmentation gives us the opportunity to define, describe and understand how to reach our student market by looking at the different kinds of criteria. The criteria we use to divide our market segments are based on three things:

- ✚ Age
- ✚ Level of studies
- ✚ Occasional interest

Upon analysis we have selected three market segments which we find most suitable for our bar. We will give a description in the following:

#### **Segment 1:** University students

In this segment we are interested at University students who are in the age range of 18 up to 26. These types of students tend to be having more money at the disposal of drinks. Since these types of students are mostly unmarried with out children, they have the propensity of spending their money more for their self interests. They tend to be more aware of their external environment around them and look forward to making friends. Because of the fact that university students are able to schedule their own time they are more likely to spend more hours in bars since their obligations are fewer.

#### **Segment 2:** Foreign students

This type of students has the same conditions as previous group but with varying age ranges. These types of student put more effort in to take a look and fit in to the culture and social ways of their surrounding. The tendency to figure out the taste that suits them, is very encouraging from the business point of view. Our intercultural experience with students tells that, Latino students have more tendencies to hang out in bars and our bar will lay the music and environment that can be attractive to them. Although these kinds of students have generally lower purchasing power as compared to the others, but their 'willingness to pay' is high if they tend to have money in their pockets.

#### **Segment 3:** Sport Fans

These types of customers are from varying age range and social group. Our bar can provide the environment of a 'mini stadium' with the TV screen for the scene and spectators. We will provide our customers with the best games from national to international arenas. The demand from such kinds of consumers is certain due to the fact that, if their team wins they will drink for 'celebration' and they will drink for 'mourning' if their team loses too. Such kinds of customers have higher purchasing power and 'tuning TV channels' is going to be given more attention in order to motivate expenditure.

## 4.4. Industry analysis

### 4.4.1. Industry description

YOVIMAR will be a part of the restaurant and bar industry, which includes several kinds of businesses. Discotheques and nightclubs involve huge dance floors and are primarily structured for dancing. The average price of drinks tends to be very high. But in our bar drinks are far cheaper and the tight environment of our rooms is attractive for social ties and chatting while drinking.

Locally operated bars will most likely compete with. They are typically placed in high traffic locations, and are normally treated as destination entertainment.

### 4.4.2. Competition analysis

YOVIMAR competitive advantage lies in the understanding of quality and service which is several levels higher than the competition and our unique selling proposition. We need to effectively compete with the widely held idea that we can serve alcoholic drinks better than the competition. Our review of the market concludes that there are five major venues that can be considered as direct competition to our proposed new venue. We do realize that our proposed venue will also compete indirectly for every entertainment guider spent in YOVIMAR. In general it can be concluded there are also many, many more competitors but we have narrowed it down to the top five since we are planning to compete with these top five venues.

These top three venues will be briefly discussed in the following:

- ✚ **BELLINI**
- ✚ **BLOW UP**
- ✚ **TAKE TWO**

<b>BELLINI</b>
<i>Adresse:</i> Rathausgasse 38, 53111 Bonn <i>Open:</i> 18:00-5:00 <i>This is a student oriented bar</i>
<b>BLOW UP</b>
<i>Address:</i> Rathausgasse 18, Bonn <i>Open:</i> 18:00-5:00 <i>This is also a student bar</i>
<b>TAKE TWO</b>
<i>Address:</i> Fürstenstr. 6, 53111 Bonn, Germany <i>Tel:</i> 0228 6296660 <i>This is also a student bar</i>

### **4.4.3. SWOT analysis**

The SWOT analysis gives us a clear overview of our company's internal strengths and weaknesses and opportunities and threats to be expected:

#### ***4.4.3.1. Strengths***

- ✚ Original concept which is new in the city of Bonn
- ✚ High quality A products
- ✚ Strong motivation of entrepreneur's
- ✚ Excellent service offered
- ✚ Strong door policy

#### ***4.4.3.2. Weaknesses***

- ✚ We will only be serving drinks and no food
- ✚ Low management experience

#### ***4.4.3.3. Opportunities***

- ✚ Close to the centre
- ✚ Always abundant number of students
- ✚ Good economical prospects in running a bar
- ✚ Abundant supply of employee options

#### ***4.4.3.4. Threats***

- ✚ Strong competition
- ✚ Rigid legislation

### **4.4.4. Conclusion**

Based on the industry and SWOT analysis we came to the conclusion that a very rewarding business can be carried out by our plan. As we are providing our customers with international music and services we will get rid of the monotony of the "regular and repetitive" services which are typical of our competitors. Though at first it might be a bit difficult till our customers give a taste of our service, we are confident that it will act like a magnet and have them around for future services once they visit our place. Our weakness of serving similar drinks can not be considered a genuine weakness as customers have a habit of drinking common drinks. Bearing in mind that the difference comes about from the service and environment of the bar, we will incorporate our international experience for our benefit. We will advertise and carry out promotion activities for our services and this will help our bar gain popularity.

## **4.5. Marketing strategy**

### **4.5.1. Mission Statement**

The mission statement of Yovimar can be defined as the following:-

Yovimar will set out to establish a bar in Bonn that will offer a unique selling proposition based on having our alcohol price fluctuate like a stock market, where the number of people buying each type of drink will affect the price of that drink. We will offer excellent service that is superior to the competition, and we will offer only quality brand name products.

### **4.5.2. Objectives**

- ✚ Our objectives are to have a profitable running company in three years
- ✚ We will have to continuously offer superior service
- ✚ To accomplish customer recognition in the city of Bonn of:
  - First year students 40%
  - Second year students 60%
  - Third-fifth year students 80%

### **4.5.3. Marketing Strategy**

We will try to fulfil the needs of our customer base based on offering superior service, and a unique drinking environment. In using the Ansoff matrix to analyse our marketing strategic options we have come to the following decision that we will use the following methods:

- ✚ Existing products in existing markets: This will basically consist of selling the same types of alcoholic drinks that every other bar serves and at equivalent or lower prices than the competition when it comes to the mixed alcoholic drinks.
- ✚ New products in existing markets: This will consist of our product being beer and alcoholic drinks, which is not considered a new product; however the form in which we offer it will be different. This consists of the price of the beer and alcohol fluctuating based on demand. This is a new way to offer an already existing product.

## **4.6. Marketing Mix**

### **4.6.1. Product/Service**

Our product/ service consist of serving several alcoholic drinks in a relaxed atmosphere, where people are attracted by the ways of good prices. We will install big Plasma Television and high tech sound systems to ensure that our potential customers will have good time during their stay in our bar. More over we will provide music from all over the world in an intention to meet the choices of our customers.

### **4.6.2. Price**

#### ***4.6.2.1. Determination of price***

Based on investigation on prices of other bars we determine our bar will sale products equal prices of the-lowest-prices bar. We have created a list, which will show the price structure of our most ordered drinks.



Table 4-1. Selling products of YOVIMAR bar

<b>Erlesene Weine 0,2L</b>	<b>Prices</b>
Riesling	3.7 €
Chardonnay	3.7 €
Bordeaux	3.7 €
Pinot Grigio	3.7 €
Côte de Provence	3.7 €
Cabernet Sauvignon	3.7 €
Montepulciano	3.7 €
Rioja	3.7 €
<b>Brandy/Cognac</b>	
Osborne Veterano 2cl	3.2 €
Remy Martin VSOP 2cl	3.8 €
Asbach Uralt 2cl	2.8 €
Carlos 1 2cl	3.8 €
<b>Wodka</b>	
Smirnoff 4cl	3.9 €
Moskovskaya 4cl	3.9 €
Absolut Vodka 4cl	3.9 €
<b>Whisky</b>	
Johnnie Walker red 4cl	4.5 €
Irish Whisky 4cl	4.5 €
Jack Daniel's 4cl	4.5 €
<b>Beer</b>	
Krombacher Pils 0,3L	2.5 €
Golden Koeln 0,3L	2.5 €
Schuss 0,3L	2.5 €
Koelsch-Cola 0,3L	2.5 €
Guinness 0,3L	2.5 €
Schneider Weise 0,5L	2.5 €
Malzbier (alkoholfrei) 0,33L	2.5 €
Budweiser Budvar 0,33L	2.5 €

<b>Soft Drinks</b>	<b>Prices</b>
CocaCola	2.2 €
CocaColalight	2.2 €
Fanta	2.2 €
Sprite	2.2 €
Evian	2.4 €
Apfelsaft	2.9 €
Tomatensaft	2.9 €

<b>Longdrinks</b>	<b>Prices</b>
Cuba Libre	5.9 €
Gin Tonic	5.9 €
Screwdriver	5.9 €
Bloody Mary	5.9 €
Wodka Lemon	5.9 €
Badita	5.9 €
Campari	5.9 €
Whisky Cola	5.9 €
Energy drink	5.9 €

<b>Spirituosen</b>	<b>Prices</b>
Doppelkorn 2cl	3.9 €
Gordons Dry Gin 4cl	3.9 €
Myer's Rum 4cl	3.9 €
Havana Club 4cl	3.9 €
Bacardi Rum 4cl	3.9 €

<b>Other drinks</b>	<b>Prices</b>
Ramazotti 4cl	3.5 €
Underberg 2cl	2.5 €
Grappa 2cl	2.8 €
Fernet Branca 2cl	2.5 €

### **4.6.3. Place**

#### ***4.6.3.1. Distribution Channels***

We will reach our target group by spreading flyers out around the city, and by using word of mouth advertising and by heavily promoting our bar during Key week.

#### ***4.6.3.2. Location***

Our bar is located in the centre of the city this will allow us to have a good flow of people because it's in the vicinity of the other bars, which we will be competing with. The address of Yovimar will be **Fürsten strasse 7 53111 Bonn**.

### **4.6.4. Promotion**

#### ***4.6.4.1. Objectives***

In creating our objectives for our promotions we have looked to our target group. We have realized that every customer will be ours for only 4 or 5 years due to graduation and the fact that school is usually only at 4-year program. For first year students we expect that by the end of the first school year 40% will know of Yovimar, by the end of the second year 60% will know us, and within the third to fifth year 80%-100% will know of our bar.

#### ***4.6.4.2. Promotion Strategy***

We will be using the Key week every year to heavily promote our bar using flyers and the coupon booklets which every student receives during this week. This will involve items like 2 for 1 drinks and guilder beers and other various offers, which at the time of printing have not yet been decided. We have however reserved € 10,000 guilders for this, which will show, in our start up costs. During this week we expect our target of 40% of first year students to know about us.

We will also create flyers, which we will distribute around the city in the trendy clothing shops. We will also distribute flyers in and around the city, primarily in the Bonn Hauptbahnhof and in front of the Universität Bonn. We will hire 2 students every Thursday for 3 hours to hand out these flyers and we will pay them € 8 per hour to do this.

Last but not least important by satisfying the needs of our target group we will create word of mouth advertising which is a commonly overlooked type of advertising.

#### ***4.6.4.3. Promotion Budget***

We have looked onto our primary forms of advertising and come up with some cost analysis. We have found advertising company which will make flyers and the cost for flyers as follows:

<p><b>Haribo GmbH &amp; Co. KG</b> Hans-Riegel-Str. 1 53129 Bonn, Germany Phone: +49 228 537-0 Fax: +49 228 537-289</p>
---

Quantities of flyers:	40,000 flyers
Size:	10 x 15cm
Colour:	4 colours both sides
Cost:	1,432 €
Cost of students handing out flyers:	2 p x 3 hr x 35d x 8 € = 1680 €
Total cost for advertising are:	3112€

## 5. MANAGEMENT PLAN

### 5.1. Company description and objectives

**YOVIMAR** is a new bar organized as an equal partnership between Marcel, Quoc Viet and Yonas. The prices of our products will be lower than those of surrounding competitors. Our bar will be located in a building on Fürsten Straße 7 53111 Bonn. Bonn is the large city in the Nordrhein Westfalen of Germany with large student communities.

### 5.2. Objectives

- ✚ To provide the local people and students an environment for entertainment
- ✚ To provide the target group with a place to enhance social cohesion
- ✚ To provide target group with a variety of drinks in optimal prices
- ✚ To familiarize target group with music, fashion, taste, sport activates from the international arena
- ✚ To generate income and invest in more advanced entertainment ventures
- ✚ To create more opportunities for employment

### 5.3. Description of YOVIMAR's investors

YOVIMAR will be composed of four investors and a loan. We will also have consultants from time to time helping out with their expertise. Our investors will be Trinh Quoc Viet, Yonas W/Michael and Marcel Dinka. The one thing we all have in common; we all are the students of ITT, Cologne University of Applied Sciences.

Here will follow a description of each investor individually:

- ✚ Dinka Marcel; he will invest 33,330 € in the business and will be the General Manager of the business. He is 28 years of age and Cameroonian. He has a lot of experience in management due to the fact that in previous jobs he worked as a manger of operations. He has lived, studied and worked in Germany for long period and has a good exposure of handling business here.
- ✚ Yonas; he will invest 33,330 € in the business and he will be the assistant in the operations of the bar. He is 33 years of age and Eritrean. He has a lot of experiences in sound system and sport entertainment programs.
- ✚ Trinh Quoc Viet; he will invest 33,330 € in the business and will become an assistant in the operations. He is 27 years of age and from Vietnam. He possesses a degree in environment and economics experience.

### 5.4. Management

The manager will consist of one of the three investors. All three investors will be involved with the running of bar. Two of them will act as investors/employees. The manager will also be a bartender when necessary.

Our general manager will be Dinka. We have chosen him because of his management experience in bars. We also have chosen him because of his ability to get along with people and because he lived long time in Bonn and have good relationship with local authority. The general manger will run the daily operations of the company.

Since all the investors will be working with each other on daily basis there will be constant input when it comes to important decisions.

### 5.5. Hours of operation

YOVIMAR will be open five days a week.

Tuesday	15:00 – 4:00
Wednesday	15:00 – 4:00
Thursday	15:00 – 5:00
Friday	15:00 – 5:00
Saturday	15:00 – 5:00

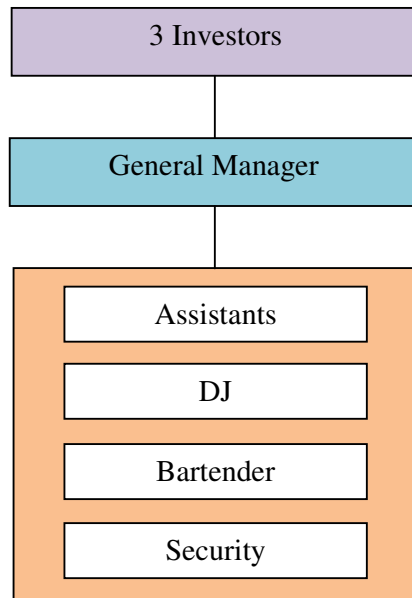
This will create a total of 72 hours of being opened. Everyday will be divided into 2 shifts. These will be dayshifts from 14:00 – 21:00, and night shifts from 21:00 to close.

- 🚦 Tuesday's we will have one bartender during the day in the lower level, and two bartenders during the night on the lower level.
- 🚦 Wednesday we will have the same setup as Tuesday's.
- 🚦 Thursday we will have one bartender during the day on the lower level and three on the lower level during the night and three on the upper level during the night.
- 🚦 Friday we will have two bartenders during the day on the lower level and three on the lower level during the night and three on the upper level during the night.
- 🚦 Saturday will be the same as Friday.

### 5.6. Employee conditions

When we hire employees we will offer a zero hour contract. This will allow us to have fewer obligations to our personnel. We will offer benefits for employee according to labour law of Germany. We will hire our security from a security company.

### 5.7. Organizational flow chart



## 6. FINANCIAL PLAN

### 6.1. Finance introduction

In our financial plan we will be giving the financial aspects concerning the performance of YOVI-MAR. We will be giving a monthly budget for the first three years of operations, and a yearly budget for the ten years of operations. Our financial information will include:

- ✚ Start up capital required
- ✚ Financial cost
- ✚ Depreciation costs
- ✚ Labour costs
- ✚ Sale budget in first year
- ✚ Sale budget in second year
- ✚ Sale budget in third year
- ✚ Cash flow
- ✚ Sale analysis

### 6.2. Start up costs

In looking to start up YOVI-MAR we have calculated our costs that we will incur. These can be shown as follows:

Table 6-1. Investment calculation

	<b>Expenditures</b>	<b>Units</b>	<b>Quantity</b>	<b>Unit Costs</b>	<b>Total costs</b>
<b>Building Renovation</b>	Building renovation			213,445.00	213,445.00
	Interior decoration			27,226.80	27,226.80
	Decorative wall paper	roll	1	400.00	400.00
	Sound absorber form	roll	10	500.00	5,000.00
	Interior carpet	roll	2	2,700.00	5,400.00
	Point of sale systems		1	6,000.00	6,000.00
					<b>257,471.80</b>
<b>Office refit</b>	PC (included basis software)	No	1	3,500.00	3,500.00
	Printer	No	1	118.00	118.00
	Cash Machine	No	1	250.00	250.00
	Cabling and Installation	No		160.00	160.00
	Telephone and Internet connection	No	1	110.00	110.00
				<b>4,138.00</b>	
<b>Visual system</b>	Music Sound system	set	2	7,089.00	14,178.00
	Loud speakers	No	4	500.00	2,000.00
	Microphones, headphones	No	3	100.00	300.00
	Specific bar equipments	No	1	10,000.00	10,000.00
	Lighting bulb system	set	4	1,700.00	6,800.00
	Colored lightening system	set	5	2,800.00	14,000.00
				<b>47,278.00</b>	
<b>Bar equipment</b>	Refrigerators	No	2	1,157.00	2,314.00
	Microware	No	1	90.00	90.00
	Coffee Machine	No	1	1,136.00	1,136.00
	Glasses, plates	No		4,500.00	4,500.00
	Dishwasher	No	1	300.00	300.00
	Cooker	No	1	500.00	500.00
	Air conditioning system	No	7	500.00	3,500.00
	Standby Generator	No	1	2,500.00	2,500.00
	Fire extinguisher	No	2	70.00	140.00
	Television	No	4	487.00	1,948.00
	Table and settees	set	20	500.00	10,000.00
	Bar cupboards	set	2	145.00	290.00
	Miscellaneous			30,000.00	30,000.00
				<b>57,218.00</b>	
<b>Initial Financial Requirements</b>	Cash reserves			40,000.00	40,000.00
	Pre-paid rent house in first year			38,117.52	38,117.52
	Opening salaries			10,000.00	10,000.00
	Initial Cash flow			30,000.00	30,000.00
	Initial marketing			4,537.80	4,537.80
	Pre-paid insurance one year			3,630.24	3,630.24
	Licenses			1,000.00	1,000.00
	Unforeseen activities			2,000.00	2,000.00
				<b>129,285.56</b>	
<b>Total start up capital required</b>				<b>237,919.56</b>	

### 6.3. Financial cost

We will have three investors with a sum investment of 100,000 €. We will also have a loan from a bank of 395,400 €. This will give us a sum investment of 495,392 €.

Table 6-2. Financial cost,

<b>Year</b>	<b>Balance of debt</b>	<b>Interest rate (%)</b>	<b>Interest costs paid p.a</b>	<b>Repayment</b>
1	395,391.36	7.00	27,677.40	39,539.14
2	355,852.22	7.00	24,909.66	39,539.14
3	316,313.09	7.00	22,141.92	39,539.14
4	276,773.95	7.00	19,374.18	39,539.14
5	237,234.82	7.00	16,606.44	39,539.14
6	197,695.68	7.00	13,838.70	39,539.14
7	158,156.54	7.00	11,070.96	39,539.14
8	118,617.41	7.00	8,303.22	39,539.14
9	79,078.27	7.00	5,535.48	39,539.14
10	39,539.14	7.00	2,767.74	39,539.14
<b>Total Interest paid</b>			<b>152,225.67</b>	
<b>Total repayment</b>				<b>395,391.36</b>

**6.4. Depreciation cost**

Table 6-3. Depreciation cost

	<b>Assets</b>	<b>Expenditures</b>	<b>Depreciation year</b>	<b>Depreciation cost p.a</b>
<b>Office refit</b>	PC (included basis software)	3,500.00	4	875.00
	Printer	118.00	4	29.50
	Cash Machine	250.00	4	62.50
	Cabling and Installation	160.00	4	40.00
	Telephone and Internet connection	110.00	4	27.50
<b>Visual system</b>	Music Sound system	14,178.00	5	2,835.60
	Loud speakers	2,000.00	2	1,000.00
	Microphones, headphones	300.00	2	150.00
	Specific bar equipments	10,000.00	4	2,500.00
	Lighting bulb system	6,800.00	2	3,400.00
	Colored lightening system	14,000.00	2	7,000.00
<b>Bar equipment</b>	Refrigerators	2,314.00	5	462.80
	Microware	90.00	5	18.00
	Coffee Machine	1,136.00	5	227.20
	Glasses, plates	4,500.00	5	900.00
	Dishwasher	300.00	5	60.00
	Cooker	500.00	5	100.00
	Air conditioning system	3,500.00	5	700.00
	Standby Generator	2,500.00	5	500.00
	Fire extinguisher	140.00	5	28.00
	Television	1,948.00	5	389.60
	Table and settees	10,000.00	10	1,000.00
	Bar cupboards	290.00	10	29.00
	Miscellaneous	30,000.00	10	3,000.00
<b>Total Depreciation costs</b>				<b>25,334.70</b>



**6.5. Labour cost**

Table 6-4. Labor cost

<i>Personal</i>	<i>Quantities</i>	<i>Cost/Year</i>
Manager	1	
<b>Brut Salary</b>		<b>60,000</b>
<i>Retirement pay</i>		5,850
<i>Unemployment Insurance</i>		1,500
<i>Health Insurance</i>		4,200
<i>Net salary</i>		48,450
Service personnel	6	
<b>Brut Salary</b>		<b>324,000</b>
<i>Retirement pay</i>		31,590
<i>Unemployment Insurance</i>		8,100
<i>Health Insurance</i>		22,680
<i>Net salary</i>		261,630
Bartender	2	
<b>Brut Salary</b>		<b>108,000</b>
<i>Retirement pay</i>		10,530
<i>Unemployment Insurance</i>		2,700
<i>Health Insurance</i>		7,560
<i>Net salary</i>		87,210
DJ	1	
<b>Brut Salary</b>		<b>54,000</b>
<i>Retirement pay</i>		5,265
<i>Unemployment Insurance</i>		1,350
<i>Health Insurance</i>		3,780
<i>Net salary</i>		43,605
<b>Security</b>	<b>1</b>	<b>30,000</b>
<b>Total labor costs</b>		<b>576,000 €</b>

## **6.6. SALES Budget**

We have estimated our sales figures for the first three years, on a monthly basis, based on the investigation sale figures of the surrounding bars. We assume that in the first year we will sell with 70% potential capacity. By the second year our bar will gain popularity and our sale figures will be higher by 20% than first. From third year onwards we will be selling at full capacity as we will be having, regular customers and our service experience will be optimized to the needs and expectation of our customers.

Table 6-5. Sale budget in first year

	Budgeted Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Beers	Number of sales	8,840	9,880	9,880	9,880	9,880	8,840	8,840	8,840	8,840	9,880	8,840	9,880	112,320.0
	Costs/glass	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
	Prices/glass	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
	Selling Dividend	14,144.0	15,808.0	15,808.0	15,808.0	15,808.0	14,144.0	14,144.0	14,144.0	14,144.0	15,808.0	14,144.0	15,808.0	179,712.0
Brandy/ Cognacs	Number of sales	3,240	4,360	4,360	4,360	4,360	3,240	3,240	3,240	3,240	4,360	3,240	4,360	45,600
	Costs/glass	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
	Prices/glass	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45
	Selling Dividend	4,698.0	6,322.0	6,322.0	6,322.0	6,322.0	4,698.0	4,698.0	4,698.0	4,698.0	6,322.0	4,698.0	6,322.0	66,120.0
Vodkas	Number of sales	2,800	3,200	3,200	3,200	3,200	2,800	2,800	2,800	2,800	3,200	2,800	3,200	36,000
	Costs/bottle	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17
	Prices/bottle	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
	Selling Dividend	4,844.0	5,536.0	5,536.0	5,536.0	5,536.0	4,844.0	4,844.0	4,844.0	4,844.0	5,536.0	4,844.0	5,536.0	62,280.0
Soft Drinks	Number of sales	3,716	4,520	4,520	4,520	4,520	3,716	3,716	3,716	3,716	4,520	3,716	4,520	49,416
	Costs/glass	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	Prices/glass	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
	Selling Dividend	5,759.8	7,006.0	7,006.0	7,006.0	7,006.0	5,759.8	5,759.8	5,759.8	5,759.8	7,006.0	5,759.8	7,006.0	76,594.8
Longdrinks	Number of sales	4,212	4,515	4,515	4,515	4,515	4,212	4,212	4,212	4,212	4,515	4,212	4,515	52,362
	Costs/glass	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	Prices/glass	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90
	Selling Dividend	17,479.8	18,737.3	18,737.3	18,737.3	18,737.3	17,479.8	17,479.8	17,479.8	17,479.8	18,737.3	17,479.8	18,737.3	217,302.3
Spirituosen	Number of sales	960	1,200	1,200	1,200	1,200	960	960	960	960	1,200	960	1,200	12,960
	Costs/glass	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	Prices/glass	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
	Selling Dividend	3,024.0	3,780.0	3,780.0	3,780.0	3,780.0	3,024.0	3,024.0	3,024.0	3,024.0	3,780.0	3,024.0	3,780.0	40,824.0
Other drinks	Number of sales	2,480	2,720	2,720	2,720	2,720	2,480	2,480	2,480	2,480	2,720	2,480	2,720	31,200
	Costs/glass	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
	Prices/glass	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
	Selling Dividend	3,968.0	4,352.0	4,352.0	4,352.0	4,352.0	3,968.0	3,968.0	3,968.0	3,968.0	4,352.0	3,968.0	4,352.0	49,920.0
<b>Total Selling Dividend</b>		<b>53,917.6</b>	<b>61,541.3</b>	<b>61,541.3</b>	<b>61,541.3</b>	<b>61,541.3</b>	<b>53,917.6</b>	<b>53,917.6</b>	<b>53,917.6</b>	<b>53,917.6</b>	<b>61,541.3</b>	<b>53,917.6</b>	<b>61,541.3</b>	<b>692,753.1</b>

Table 6-6. Sale budget in the second year

	Budgeted Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Beers</b>	Number of sales	10,608	11,856	11,856	11,856	11,856	10,608	10,608	10,608	10,608	11,856	10,608	11,856	134,784.0
	Costs/glass	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
	Prices/glass	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
	Selling Dividend	16,972.8	18,969.6	18,969.6	18,969.6	18,969.6	16,972.8	16,972.8	16,972.8	16,972.8	18,969.6	16,972.8	18,969.6	215,654.4
<b>Brandy/ Cognacs</b>	Number of sales	3,888	5,232	5,232	5,232	5,232	3,888	3,888	3,888	3,888	5,232	3,888	5,232	54,720
	Costs/glass	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
	Prices/glass	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45
	Selling Dividend	5,637.6	7,586.4	7,586.4	7,586.4	7,586.4	5,637.6	5,637.6	5,637.6	5,637.6	7,586.4	5,637.6	7,586.4	79,344.0
<b>Vodkas</b>	Number of sales	3,360	3,840	3,840	3,840	3,840	3,360	3,360	3,360	3,360	3,840	3,360	3,840	43,200
	Costs/bottle	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
	Prices/bottle	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
	Selling Dividend	3,696.0	4,224.0	4,224.0	4,224.0	4,224.0	3,696.0	3,696.0	3,696.0	3,696.0	4,224.0	3,696.0	4,224.0	47,520.0
<b>Soft Drinks</b>	Number of sales	4,459	5,424	5,424	5,424	5,424	4,459	4,459	4,459	4,459	5,424	4,459	5,424	59,299
	Costs/glass	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	Prices/glass	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
	Selling Dividend	6,911.8	8,407.2	8,407.2	8,407.2	8,407.2	6,911.8	6,911.8	6,911.8	6,911.8	8,407.2	6,911.8	8,407.2	91,913.8
<b>Longdrinks</b>	Number of sales	4,558	5,423	5,423	5,423	5,423	4,558	4,558	4,558	4,558	5,423	4,558	5,423	59,888
	Costs/glass	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	Prices/glass	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90
	Selling Dividend	18,917.4	22,505.5	22,505.5	22,505.5	22,505.5	18,917.4	18,917.4	18,917.4	18,917.4	22,505.5	18,917.4	22,505.5	248,536.9
<b>Spirituosen</b>	Number of sales	1,171	1,464	1,464	1,464	1,464	1,171	1,171	1,171	1,171	1,464	1,171	1,464	15,811
	Costs/glass	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	Prices/glass	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
	Selling Dividend	3,689.3	4,611.6	4,611.6	4,611.6	4,611.6	3,689.3	3,689.3	3,689.3	3,689.3	4,611.6	3,689.3	4,611.6	49,805.3
<b>Other drinks</b>	Number of sales	2,976	3,264	3,264	3,264	3,264	2,976	2,976	2,976	2,976	3,264	2,976	3,264	37,440
	Costs/glass	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
	Prices/glass	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
	Selling Dividend	4,761.6	5,222.4	5,222.4	5,222.4	5,222.4	4,761.6	4,761.6	4,761.6	4,761.6	5,222.4	4,761.6	5,222.4	59,904.0
<b>Total Selling Dividend</b>	<b>60,586.4</b>	<b>71,526.7</b>	<b>71,526.7</b>	<b>71,526.7</b>	<b>71,526.7</b>	<b>71,526.7</b>	<b>60,586.4</b>	<b>60,586.4</b>	<b>60,586.4</b>	<b>60,586.4</b>	<b>71,526.7</b>	<b>60,586.4</b>	<b>71,526.7</b>	<b>792,678.3</b>

Table 6-7. Sale budget in the third year

	Budgeted Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Beers</b>	Number of sales	11,669	13,042	13,042	13,042	13,042	11,669	11,669	11,669	11,669	13,042	11,669	13,042	148,262.4
	Costs/glass	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
	Prices/glass	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
	Selling Dividend	18,670.1	20,866.6	20,866.6	20,866.6	20,866.6	18,670.1	18,670.1	18,670.1	18,670.1	20,866.6	18,670.1	20,866.6	237,219.8
<b>Brandy/ Cognacs</b>	Number of sales	4,277	5,755	5,755	5,755	5,755	4,277	4,277	4,277	4,277	5,755	4,277	5,755	60,192
	Costs/glass	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
	Prices/glass	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45
	Selling Dividend	6,201.4	8,345.0	8,345.0	8,345.0	8,345.0	6,201.4	6,201.4	6,201.4	6,201.4	8,345.0	6,201.4	8,345.0	87,278.4
<b>Vodkas</b>	Number of sales	3,696	4,224	4,224	4,224	4,224	3,696	3,696	3,696	3,696	4,224	3,696	4,224	47,520
	Costs/bottle	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
	Prices/bottle	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
	Selling Dividend	4,065.6	4,646.4	4,646.4	4,646.4	4,646.4	4,065.6	4,065.6	4,065.6	4,065.6	4,646.4	4,065.6	4,646.4	52,272.0
<b>Soft Drinks</b>	Number of sales	4,905	5,966	5,966	5,966	5,966	4,905	4,905	4,905	4,905	5,966	4,905	5,966	65,229
	Costs/glass	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	Prices/glass	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
	Selling Dividend	7,602.9	9,247.9	9,247.9	9,247.9	9,247.9	7,602.9	7,602.9	7,602.9	7,602.9	9,247.9	7,602.9	9,247.9	101,105.1
<b>Longdrinks</b>	Number of sales	5,014	5,965	5,965	5,965	5,965	5,014	5,014	5,014	5,014	5,965	5,014	5,965	65,877
	Costs/glass	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	Prices/glass	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90
	Selling Dividend	20,809.1	24,756.0	24,756.0	24,756.0	24,756.0	20,809.1	20,809.1	20,809.1	20,809.1	24,756.0	20,809.1	24,756.0	273,390.5
<b>Spiritosen</b>	Number of sales	1,288	1,610	1,610	1,610	1,610	1,288	1,288	1,288	1,288	1,610	1,288	1,610	17,392
	Costs/glass	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	Prices/glass	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
	Selling Dividend	4,058.2	5,072.8	5,072.8	5,072.8	5,072.8	4,058.2	4,058.2	4,058.2	4,058.2	5,072.8	4,058.2	5,072.8	54,785.8
<b>Other drinks</b>	Number of sales	3,274	3,590	3,590	3,590	3,590	3,274	3,274	3,274	3,274	3,590	3,274	3,590	41,184
	Costs/glass	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
	Prices/glass	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
	Selling Dividend	5,237.8	5,744.6	5,744.6	5,744.6	5,744.6	5,237.8	5,237.8	5,237.8	5,237.8	5,744.6	5,237.8	5,744.6	65,894.4
<b>Total Selling Dividend</b>	<b>66,645.0</b>	<b>78,679.3</b>	<b>78,679.3</b>	<b>78,679.3</b>	<b>78,679.3</b>	<b>66,645.0</b>	<b>66,645.0</b>	<b>66,645.0</b>	<b>66,645.0</b>	<b>78,679.3</b>	<b>66,645.0</b>	<b>78,679.3</b>	<b>871,946.1</b>	

Table 6-8. Cash flow in ten years

Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Selling Dividends	692,753	792,678	871,946	871,946	871,946	871,946	871,946	871,946	871,946	871,946
Depreciation costs	25,335	25,335	25,335	25,335	25,335	25,335	25,335	25,335	25,335	25,335
Building Renovation	25,747	25,747	25,747	25,747	25,747	25,747	25,747	25,747	25,747	25,747
Labor cost	576,000	576,000	576,000	576,000	576,000	576,000	576,000	576,000	576,000	576,000
Financial costs	27,677	24,910	22,142	19,374	16,606	13,839	11,071	8,303	5,535	2,768
Operation costs	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Damage costs	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Rent building costs	38,118	38,118	38,118	38,118	38,118	38,118	38,118	38,118	38,118	38,118
Loss carried forward		-36,124	0	0	0	0	0	0	0	0
Profit before tax	-36,124	30,446	148,605	151,373	154,140	156,908	159,676	162,444	165,211	167,979
Taxes (40%)	0	12,178	59,442	60,549	61,656	62,763	63,870	64,977	66,085	67,192
Profit after tax	-36,124	18,267	89,163	90,824	92,484	94,145	95,805	97,466	99,127	100,787
Cash flow	-10,789	43,602	114,498	116,158	117,819	119,480	121,140	122,801	124,461	126,122
Repayment credit	39,539	39,539	39,539	39,539	39,539	39,539	39,539	39,539	39,539	39,539
<b>Divident</b>	<b>-50,328</b>	<b>4,063</b>	<b>74,958</b>	<b>76,619</b>	<b>78,280</b>	<b>79,940</b>	<b>81,601</b>	<b>83,262</b>	<b>84,922</b>	<b>86,583</b>

**Total Dividends cumulated in 10 years**

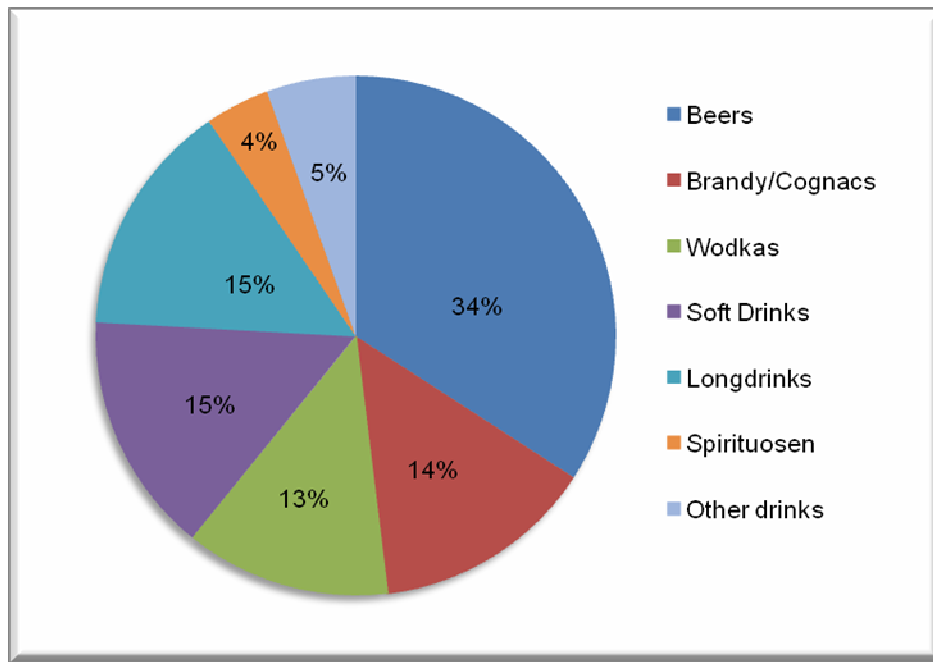
**599,900 €**

### 6.7. Sale analysis

From third year onwards, the bar will operate sustain ably. The main products are beer, soft drink and drink and we determine that those would be our target products. In the long run, we will continue investigating market to change products to fit with the trends of market.

To determine the plan for next years we will calculate the percentage of our selling products. According to assumption of business result of third year we have following figures:

✚ Beer:	34.18%
✚ Brandy/ Cognacs:	13.88%
✚ Vodka:	12.78%
✚ Soft drinks:	15.04%
✚ Long drinks:	14.58%
✚ Spirituosen:	4.01%
✚ Other drinks:	5.54%



**Figure 6-1. Diagram of selling products after three year**

This percentage factor is constant throughout the year even when our sales change this figure is still there. So based on our estimated sales we can run smoothly our bar.

## **7. CONCLUSION**

We have come to the conclusion that this business venture will be feasible to generate the intended return for our investment. All the intensive management, marketing, industry and administrative analysis that we have carried out, have reinforced our resolution to come to this final decision. Although the competition in the surrounding of our business plot seems to be a bit strong, we lay more trust to the international experience of our members. Like any other investment venture we will have a let down in returns in the initial period of our work, but we are confident that it will be compensating and rewarding in the future. Our experience will be more enhanced after our exposure to the work world of this type of business and we will put more effort to tune our services to suite the choices of our customers.



## **APPENDIX**

### **Appendix 1. The partners of the project**

Those following persons have pledged to put in 33.330 Euro as shares to start up partnership business:

#### **1. MARCEL DINKA**

Signature:

#### **2. YONAS W.**

Signature:

#### **3. TRINH QUOC VIET**

Signature: