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I. Executive Summary

A. Company and Background

Overview

Bierock is a craft beer bar, serving a limited menu revolving around the “bierock,” a regional/ethnic food. The tavern will be located at 2993 N. Sherman Ave. in Madison, Wisconsin, part of the Northside TownCenter.

The bierock comes from a family recipe of owner Amanda Carriveau, one of Volga-German heritage. It is a savory pastry traditionally filled with beef, sauerkraut, onion, cheese and seasoning, similar to a pasty.

Amanda and Brian Carriveau intend for Bierock to not only become synonymous with the signature item on their menu, they also aim to become a Madison institution as a craft beer bar. Amanda’s quantitative background working for the American Red Cross and Brian’s qualitative background working for various media outlets—as well as a bartender—make for the perfect marriage for managerial and marketing duties respectively.

Competitive advantage

Nowhere in Madison, perhaps Wisconsin, serves bierocks. Our philosophy is to do one thing and do it better than anywhere else. When the customer comes to Bierock, they will be finding a one-of-a-kind experience that leaves them with a positive lasting impression.

Furthermore, Bierock has an advantage over certain individual bars that don’t offer any food or breweries that only offer their own beers on tap. More on specific competitors on Madison’s eastside and their comparative advantages and disadvantages come in the “Competitor Description” of the Market Analysis (p. 14).

Funding

Bierock is seeking a small business loan in the amount of \$193,500 to lease and outfit the property and cover operating expenses for the initial weeks following its opening. More below.

B. Market Opportunity

In a market like Madison that has among the highest number of restaurants per capita of anywhere in the United States¹, the city has become an epicurean and gastronomic destination. Local bistros like Paul’s Pelmeni and OSS Sausages are a testament to restaurateurs having success while focusing on a singular entrée. Bierock will lead that charge on the city’s north side while also capitalizing on the nation’s the craft beer trend.

An article published in January of 2017 by Madison’s own *Isthmus*² looked into the local restaurant boom as if it had Bierock specifically in mind. Commentary from restaurateur Daniel Bonanno, owner of A Pig in a Fur Coat on Williamson Street, “agrees that downtown might be at capacity for new restaurants, but sees opportunity on the near east side. He says

healthy competition forces chefs to get creative.”

Bonanno goes onto say, “You can’t try to do everything; you have to home in on one thing. If you’re going to do tacos, you only do tacos and you do it well. And if you only do pizza, you only make really good pizza. That’s what the big cities do.” And this is exactly what Bierock will do as well.

Located in a city that revolves around one of the largest public universities in the nation, Bierock will take advantage of that population with a target customer aged 25-45, college educated and possessing the income commensurate with said education.

C. Management Team

Amanda Carriveau, co-owner, back of house, management—A principal associate and data analyst for the American Red Cross for more than a decade, Amanda will utilize her background in a managerial role, handling financial aspects of the business as well as overseeing the back of house operations.

Brian Carriveau, co-owner, front of house, marketing—Previously a writer and editor for CBS Interactive among other outlets, Brian reached an audience of over 2 million views per month and managed a social media presence numbering over a half million. Drawing on that experience, he will be in charge of Bierock’s marketing and public relations while working the front of house. More information on the owners appears in our management section.

Additionally, the first, most important and highest-paid hire for Bierock will be that of Kitchen Manager, who will be in charge of back of house operations, specifically food preparation.

Any other shortcomings from lack of management experience in the short-term will be supplemented by the contracting of consulting firm Sustainable Kitchens. More on Sustainable Kitchens appears in the “Other Operational Issues” section (p. 20) and their appendix.

D. Financing Required

Bierock's initial investment will total \$215,000. Of that figure, we are seeking a small business loan to cover 90 percent or \$193,500. The owners will cover 10 percent with their own personal injection of \$21,500 (see Financial Projection appendix):

USES OF FUNDS (PROJECTED INITIAL INVESTMENT)

Initial Inventory Purchase	10,000
Branded Awning	2,000
Computer Equipment, POS	8,000
Restaurant & Bar Equipment	100,000
Audio/Visual	5,000
Décor & Miscellaneous Equipment	10,000
Liquor License, Consultant	29,000
Future Working Capital Needs (Cash)	51,000

TOTAL USES OF FUNDS

215,000

Brian and Amanda do not intend to take an owner's draw for the first year of operation with any profit being re-invested into the company. Amanda will continue to work for the American Red Cross, maintaining her salary and benefits, while working at Bierock on her nights and weekends. Brian will manage Bierock on a full-time basis.

II. Company Description

A. Ownership Information

Bierock, LLC will be owned jointly by Amanda and Brian Carriveau.

B. Mission Statement

Bierock will serve the public with the expectation of becoming a local institution and a responsible member of the community, earning the reputation that comes with it. That reputation will come from offering a superior product with excellent service in a comfortable environment and augmented by supporting local charities.

C. The Vision

Perhaps the word that best describes Bierock would be “eclectic.” Wanting to avoid pigeonholed characterization and stereotyping, Bierock simply wants to create a comfortable and inviting environment with a décor that incorporates a little of any and every style that seems appropriate.

Visually, the interior will feature a dark aesthetic accompanied by mood lighting. In addition to the requisite bar stools and table-top seating, furniture—such as couches—will make for a cozy and relaxed ambiance where people can gather in a communal setting.

Bierock will be “high-tech” outside the premises and “vintage” within the confines of the building. In other words, it will feature an up-to-date website and social media presence that will make it easy for customers to find and interact. But once that person walks through the doors, they’ll enter an environment where digital screens are replaced by chalkboards and face-to-face conversation is encouraged.

Last but not least, a charitable aspect will be a key part of Bierock’s identity. A portion of our profits will be donated to select local charities. But more importantly, we’ll put the power in our customer’s hands, allowing them to choose to whom we’ll donate.

D. Products and Services

The Bierock

Many cultures have a savory pastry. In Latin America, they have the empanada. In Italy, they have the calzone or stromboli. In Wisconsin and the Upper Peninsula, they have the pasty.

Meanwhile, in the Plain States such as Kansas and Oklahoma, they have the bierock. In Nebraska, they’re known runzas. Whatever they’re called, they’re a savory pastry traditionally filled with beef, sauerkraut, onion and seasoning. Bierocks were brought to America from Volga German immigrants, which Amanda—our owner—can claim as her heritage.

Craft Beer

Despite the German word for beer or “bier” being part of “Bierock,” its inclusion is mere coincidence. We, however, are not exactly disappointed that potential customers might see the name and immediately think “beer.” Our tavern will first and foremost be a craft beer bar with a limited food menu.

Bierock intends to have as many if not more taps than any other tavern in the immediate vicinity, including a variety of local, state, regional, national and even international beers on tap. We also plan to offer different size beers, sampling trays and potentially growler fills to consume off premise.

Cider, Liquor and Wine

The focus of the tavern might focus on craft beer, but we also plan on offering other types of alcohol. In a market like Madison, it’s important to offer gluten-free alternatives like cider and wine. And many consumers of craft beer have the same affinity for craft liquor as well.

E. Menu

See next page.



bites.

Pretzels & Mustard - 7.

Housemade Soft Pretzels w/ Bavarian, Cranberry & Wisco Honey Mustard

Spiced Popcorn - 5.

Juniper & Thyme Spiced Popcorn w/ Melted Caraway Butter

Deviled Eggs - 6.

House Sausage, Roasted Poblano Pepper and Sharp Cheddar

Bacon Dates - 6.

Almond-Stuffed Dates Wrapped in Bacon

bierocks.

Classic - 11.

Ground Beef, Onions & Cabbage

Rosemary Lamb - 12.

Quinoa, Lemon, Dill, Avocado & Yogurt Sauce

Tofu Peanut & Kimchi - 10.

Cauliflower, Fried Rice, Scallion

Mushroom Masala - 10.

Tomato Cream Sauce, Potatoes & Eggplant

savory sides.

Potato Salad - 7.

Egg, Bacon, Scallion, Mustard Shallot Vinaigrette

Mushroom Stroganoff - 9.

Housemade Spaetzle, Chives, & Sourdough Croutons

Coleslaw - 5.

Red & Green Cabbage, Apples, & Scallions

F. Milestones

With credit to FobeSoft restaurant management software³, Bierock will follow the suggested timeline for opening a restaurant:

75+ Days Out

- Obtain licenses and permits
- Open corporate bank account
- Create employee handbook and HR info

60 Days Out

- Finalize job descriptions
- Order shirts
- Deadline to finalize suppliers
- Order custom items
- Settle on point of service system

45 Days Out

- Schedule space for interviews
- Create master delivery list
- Create inventory sheets/binders
- Finalize delivery dates
- Finalize insurance

30 Days Out

- Begin receiving bulk furniture/equipment
- Schedule training
- Hire front of house staff
- Create cocktail list

14 Days Out

- Finalize Front of House paperwork
- Complete all general installations, repairs & maintenance (windows, doors, electric, plumbing, etc.)
- Setup and organize cooler, freezer, dry storage, liquor and supply rooms with racks/shelves
- Install communication devices (Point of Service, Internet, Cable)
- Create seating chart
- Schedule soft opening

7 Days and Fewer

- Create restaurant-wide contact list
- Setup office and employee files
- Hang necessary signage, bulletin boards
- Post important/emergency and repair info
- Mock service

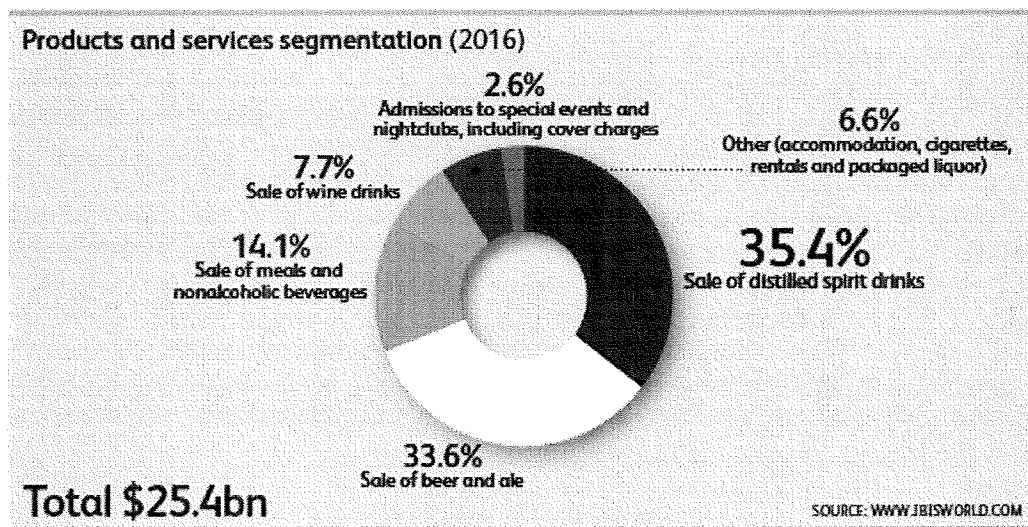
III. Bars and Nightclubs Industry (NAICS 72241)

A. Present Industry Status

Bierock is set to capitalize on a Bar and Nightclubs Industry that has experienced steady growth at an annualized rate of 1.2 percent to \$25.4 billion over the past five-year period and continued projected growth of 1.0 percent to \$26.7 billion by 2021. Growth in the industry is due to upward trends in disposable income and per capita alcohol consumption that have allowed households to spend more money at bars and nightclubs.⁴

Even though the number of drinking place establishments declined in the last five years both nationwide (-11.0 percent) and statewide (-14.5 percent), Wisconsin has among the highest concentration of establishments (2,782), surpassed only by New York (3,367), California (3,197) and Pennsylvania (2,812), all states with populations more than double the size of Wisconsin. In Wisconsin in particular, only Dane County (151) is surpassed by Milwaukee County (332) in the number of drinking place establishments.⁵

More than three-quarters of the industry's sales (76.7 percent) come from alcohol (spirits, beer and wine), while only 14.1 percent come from meals and non-alcoholic beverages.⁶



B. Important Industry Trends

1. Premiumization

According to Milly Stilinovic of Forbes, the term "premiumization" was coined in the alcohol and beverage market to "redefine top shelf offering, and provide a taste of the higher life for consumers." She would go on to write, "We are opting for a single glass or two of a good drop, over a procession of the subpar."⁷

All categorizations of alcohol are feeling and filling the demand for premiumization with IBISWorld noting the following⁸:

- **Beer:** “Microbrewers have experienced double-digit growth over the past five years, as younger demographics are increasingly taking to beers with more complex and varied flavor profiles.”
- **Liquor:** “Demand for liquor and spirits is also expected to grow over the next five years, largely due to continued premiumization and a resilient cocktail culture.”
- **Wine:** “Interest in local and imported wines is forecast to grow over the next five years.”
- **Cider:** “The market for hard cider, once considered a niche alcoholic beverage industry relegated to local cider houses across New England, has grown into a major competitive force in the market for alcoholic beverages.”

Despite the largest market comprising customers aged 45 to 54 years, it’s the market 34 years and younger that are the biggest spenders per capita.⁹

In regards to Millennials specifically, a survey by Next Level Marketing of 1,000 on-premise national chain beverage alcohol customers in 2014 found that Millennials order less frequently than older consumers but noted how they influence the statistics¹⁰:

- 15 percent are going to more expensive places – Millennials are the group skewing to better places
- 79 percent try a new drink every 90 days with new drink trial highest among Millennials

Furthermore, as regards to the population as a whole, Next Level Marketing found that a remarkably high number of consumers are trending toward premiumization:

- 73 percent have ordered a beer at a restaurant or bar in the past 30 days and 62 percent order the highest quality beer at the best price
- 65 percent have ordered wine at a restaurant or bar in the past 30 days with 64 percent ordering the highest quality wine at the best price

2. Going Out vs. Staying Home

Both per capita disposable income and consumer spending has increased over the past five-year period, but at the same time, consumers have become more selective about how they part with their money. This would be, at least partially, a reflection of the price paid for alcoholic beverages at different locations. For example, in more than 10 years from 2004 to 2015, “the price of alcohol purchased at retail stores increased 18.5%, compared with a 44.6% rise on the price of alcohol purchased at bars, according to the Department of Labor Statistics.”¹¹ Thus, customers are increasingly likely to drink alcoholic beverages for consumption at home as opposed to visiting a bar.

In response to more customers drinking at home, this has also led to the rise of growing popularity in the growler, a 64-ounce reusable jug that can be taken off-premise. This has created an opportunity to capitalize on an emerging sector of the market for bars, breweries, liquor and even grocery stores.

As Angela Chen of the Wall Street Journal also notes, there are added benefits to the consumer, “Often it is beer that is not available in bottles or cans. And you get it in a local,

environmentally friendly way.”¹²

3. Healthy Eating Index

Demand for products in the bar and nightclub industry is inversely correlated with the healthy eating index for a couple reasons. For one, alcohol is listed as one of the highest-calorie beverage consumed by adults by the USDA. Furthermore, the USDA recommends that women do not drink more than one alcoholic drink per day and two for men.¹³

While wine and cider make up a smaller percentage of the products sold compared to beer and alcohol, they are expected to grow in deference to health concerns such as being lower calorie, according to IBISWorld. “This segment is expected to increase over the next five years, as wine and cider continue to increase in popularity among health-conscious consumers, as well as individuals looking to find unique alcoholic offerings outside of the norm.”¹⁴

Likewise, even though food and non-alcoholic beverages make up a small percentage of the products sold, they too can cater to the health-conscious customer, per IBISWorld. “In response to flat revenue growth, some segments of the industry are transforming to focus on higher quality drink and food offerings with higher margins, as well as trying to appeal to families and younger patrons. Gluten free and organic food is now commonly found on bar menus.”¹⁵

IV. Market Analysis

A. Strongest Customer Perceived Benefit

While providing a fun and comfortable atmosphere, Bierock, above all else, will appeal to the customer's "sense of adventure." Our primary research shows that customers find a large beer selection to be the second-most important factor when visiting a neighborhood tavern. Between our large, rotating, curated list of craft beers and our regional/ethnic food, craft beer aficionados and foodies alike will find no shortage of options on our menu with which to experiment. Whether they like stouts, porters, IPAs, sours or Belgian beer—all of which appeared on our survey—there will be something available to every patron with more discriminating and adventurous taste to embrace the unknown.

B. Geographic Territory

Located at 2933 N. Sherman Ave. on city's north side, the immediate surrounding neighborhood should be considered as an up-and-coming area of Madison. For evidence, look no further than the newest tenants of the shopping center, including the Willy Street Co-op in 2016 and recently-opened Goodwill in September of 2017, which have brought a new vibrancy and revitalization to Sherman Plaza. New apartment complexes and shopping centers along Sherman Ave. are further proof of the urban sprawl while many existing apartments and homes line Northport Ave. both east and west of Bierock.

Adjacent to Bierock is beautiful Warner Park, where the Madison Mallards baseball team plays from June through August, a rare boon to a tavern that would otherwise be affected by the loss of the student population over the summer. The City of Madison tabulates the Average Weekday Traffic (AWT) count as being 33,050 along Northport Drive where it intersects with Sherman Ave. and includes a driveway to Northside TownCenter. The AWT count along Sherman Ave. proper is 11,050.¹⁶

C. Target Customer

The target customer for Bierock falls in the 25-45 age range that is college educated. The college educated demographic, which goes hand in hand with disposable income, is a defining characteristic in a market like Madison, home to the University of Wisconsin. Meanwhile, the 25-45 age range encompasses the Millennial generation that our previously cited secondary research has shown:

1. Are the highest spenders per capita
2. Are very likely to try a new drink every 90 days (which fits with our strongest customer perceived benefit)
3. Are going to more expensive locales

With the largest market segment comprising customers aged 45 to 54 years, Bierock intends to become the neighborhood tavern of choice by hooking the 25-45 age range into becoming loyal and repeat customers.

D. Market Size

Primary Market (70%)

According to the *Wisconsin State Journal 2016 Book of Business*,¹⁸ there are 44,621 potential customers in the 53704 zip code of Madison, and with 32.7% of residents age 25-44, our theoretical target customer population is 14,591.

Secondary Market (20%)

There are three zip codes located adjacent to the 53704 zip code we believe Bierock can draw from:

- **53703:** 9,309 citizens age 25-44
- **53714:** 4,821 citizens age 25-44
- **53716:** 4,803 citizens age 25-44
- **Total:** 18,933 citizens age 25-44 in three surrounding zip codes

Tourist Market (10%)

Located along the busy Northport Dr. corridor and across the street from Warner Park and its baseball field, we think 10 percent is a reasonable estimate.

E. Competitor Description

Direct Competition

Villa Tap 2302 Packers Ave.

Strengths: A northside staple, the Villa Tap is one of the few taverns that cater to the local neighborhood. Known for their Friday fish fry, a dedicated customer base knows and returns to the Tap on a regular basis.

Weaknesses: For better or worse, the Villa Tap owns the dive bar vibe it has cultivated, but it may not be for everyone. They also have a relatively small tap list that may not appeal to the craft beer drinker.

Busse's Markway Tavern 2005 N. Sherman Ave.

Strengths: With the building being established roughly a century ago, Busse's has a long history and a loyal if small group of patrons. Its recent purchase by the Tip Top Tavern group, according to the *Isthmus*, is only going to help a building that badly needs a remodel.

Weaknesses: There are a few things even the new ownership probably can't address, the lack of parking being first and foremost. An extremely small space also likely prevents any significant food preparation, leaving Busse's to be viewed as a drinks-only type of place.

Murphy's Bar & Restaurant 5344 Hwy 113

Strengths: With a scenic location next to the Cherokee Marsh, Murphy's is highly visible.

Passing motorists can't miss it or its enticing outdoor volleyball courts.

Weaknesses: Located on the furthest edges of town, Murphy's can easily be viewed as out-of-the-way by those in the more heavily populated areas of Madison. Its large square footage can also give the impression of lifeless empty space.

Indirect Competition

Ale Asylum 2002 Pankratz St.

Strengths: Since opening in its new brewing location and tap house in 2012, Ale Asylum has established itself as perhaps Madison's best-known brewery. The tap house has an inviting atmosphere with outdoor seating.

Weaknesses: Being a brewery, Ale Asylum only offers their own beers, a drawback to the craft beer drinker that wants to experiment with different brews. And while they have liquor, that's not why people are coming there.

Benvenuto's 1849 Northport Dr.

Strengths: An Italian restaurant, Benvenuto's will appeal to those looking for a sit-down dinner with probably more extensive wine options than other restaurants in the immediate vicinity.

Weaknesses: Benvenuto's is a chain restaurant with limited beer options that probably won't appeal to the customer that is looking for something locally owned and desiring less of a corporate feel.

F. Competitive Advantages

1. *Own the "Bierock"*: The philosophy is to do one thing and do it better than anyone else. The Bierock is a regional dish not on the menu anywhere else in Madison, perhaps even Wisconsin. It's also the ideal "drunk food," perfect for accompanying a beer.
2. *The Growler Fill*: As our market research shows, an increasing number of consumers are deciding to drink at home as opposed to going out. By offering growler fills, Bierock will meet the demand of those looking to take alcohol home, frequently with the types of beer not available in bottles or cans, and done in an environmentally-friendly way. Other than breweries, few locations in Madison offer this option.
3. *Quality & Choice*: Where customers will have choice is in an extensive craft beer and drink menu, more than anywhere else in the Atwood/Willy Street neighborhood. Whether they want a particular style of beer, a cocktail, wine or cider, they'll have that option. And if it's healthy eating they want, gluten-free, organic, locally-sourced versions of the bierock will be available to them.

G. Market Communications Plan

The marketing plan starts with signage, including a prominent logo on the building’s front awning, capitalizing on the 11,000-plus vehicles that drive down Atwood Ave. on a daily basis.

As Opening Day nears, there will be an emphasis on public relations with press releases sent to local media, telling the story behind Bierock and later when warranted, taking advantage of Brian’s background in strategic communications.

From there, the daily marketing plan will heavily rely on social media—Facebook, Twitter, Instagram—including custom-made graphics promoting events such as watch parties, live music, trivia, tap takeovers, food and drink specials, etc. Special emphasis will be placed on paid Facebook advertising to specifically reach our target customer demographics: age, education, gender, income, etc.

In the first year, we will take part in one signature sponsorship, Madison Craft Beer Week, organized by Isthmus, which includes promotion in their print publication, website and mobile app, which—in turn—results in an audience showing up to our events.

Money will also be set aside for sponsorship of local, adult sports teams that are looking for a social environment after their games.

Promotional Component	Assumed Launch Date	Estimated Cost
Front Awning	After lease signing	\$2000
Press Release	One week before opening	n/a
Social Media	Ongoing	\$600 (\$50 per month)
Craft Beer Week	April 2018	\$500
Sponsorship	As needed	\$600
		\$3800 (total)

H. Pricing

Bierock intends to be competitive with other restaurants and bars in the immediate and surrounding area. Perhaps the best comparison to the Bierock would be Teddy Wedgers on State Street, which serves pasties. A full-size pasty costs \$9.75, while a half serving (suitable for one person) costs \$5.50. Alcohol will be determined by wholesale price purchased through the distributor, although it can safely be assumed prices will be on par with most establishments in the city.

Purchases are estimated to cover 40 percent of projected sales, slightly smaller than industry standard, due to a couple of factors. First and foremost, Bierock’s limited menu will cut food costs significantly compared to the typical full-service restaurant. Furthermore, the focus on tap beer will result in a smaller liquor inventory than the typical tavern.

I. Market Capture Rate

Primary Market

	Calculations and Probabilities	Source of Information
Theoretical Market in Primary Target Zip Code (53704)	14591	WSJ's Book of Business
Awareness	80%	Estimate
	11673	
Affordability	85%	Estimate
	9922	
Perceived Need	75%	Estimate
	7441	
Subtract Loss to Direct Competition	80% (5953)	Estimate
	1488	
Subtract Loss to Indirect Competition	10% (744)	Estimate
Assumed Market Capture	744	
Assumed Frequency of Purchase	12 X Per Year	Primary Research
Assumed Average Purchase	\$40	Estimate
	480x744	
Annual Wholesale Forecast	\$357,120	

Secondary Market

	Calculations and Probabilities	Source of Information
Theoretical Market in Secondary Target Zip Codes	18933	WSJ's Book of Business
Awareness	20%	Estimate
	3787	
Affordability	85%	Estimate
	3219	
Perceived Need	75%	Estimate
	2414	
Subtract Loss to Direct Competition	80% (1931)	Estimate
	483	
Subtract Loss to Indirect Competition	10% (241)	Estimate
Assumed Market Capture	242	
Assumed Frequency of Purchase	12 X Per Year	Primary Research
Assumed Average Purchase	\$40	Estimate
	480 X 242	
Annual Wholesale Forecast	\$116,160	

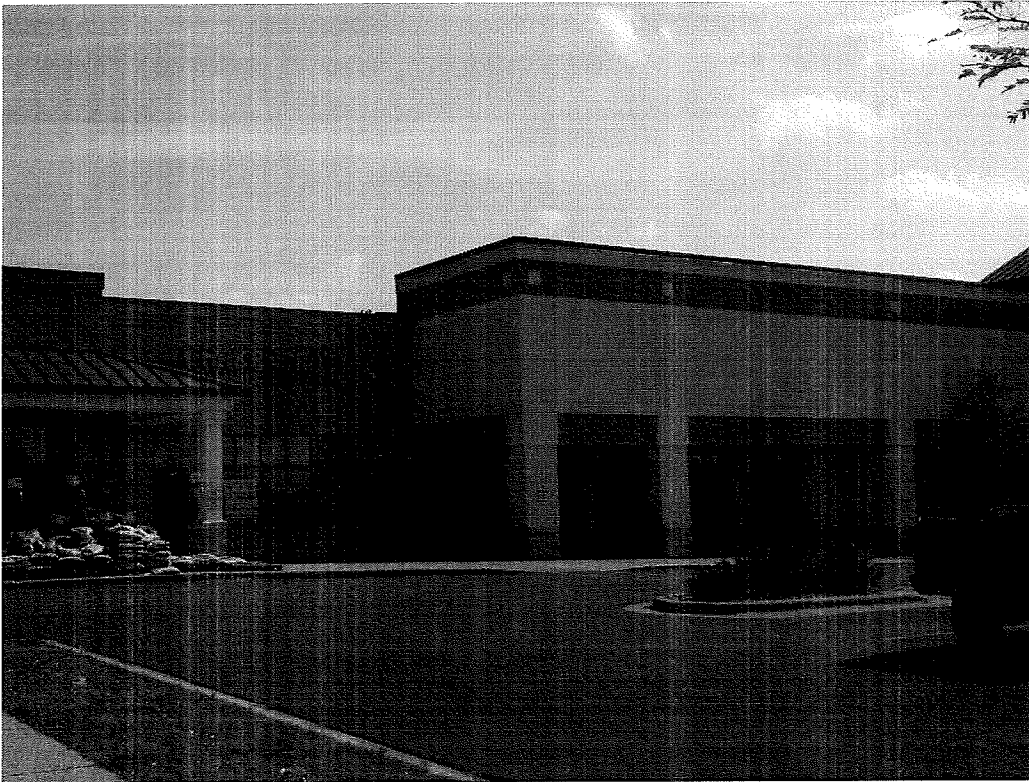
Tourist Market & Total Wholesale Forecast

Primary Market	\$357,120
Secondary Market	\$116,160
	\$473,280
Primary & Secondary Market	
\$473,280 X .90	\$425,952
\$473,280 - \$425,952 Tourist Market	\$47,328
\$473,280+ \$47,328 Total Wholesale Forecast	\$520,608

With an assumed 951 purchases per month, and the tavern open an average of 26 days per month (Mondays will be closed), that comes to an average of a little more than 36 purchases per day. Broken down, that comes to 12 settings for two turned over twice per day or 18 settings for two turned over once per day.

Assuming the most frequent purchase will be for two people equaling roughly \$40, we consider these estimates to be quite attainable considering the tavern to have a presumptive 2,000 square feet and weekends will be open longer hours than weekdays.

V. Location



A. Site Location Considerations

With 2,125 square feet of space available at a cost of \$10 per square foot, triple net, plus approximately \$2.50 for common area maintenance, Bierock is looking at a total an annual rent of \$40,700, breaking down to \$3,391.66 per month.

Included in the negotiated letter of intent are a covered outdoor seating area and multiple pieces of otherwise costly equipment, including a cooler, refrigerator and icemaker.

Bierock is working with Bunbury and Associates Realtors and agent Jason Needham to secure the space listed by Rockwood Realty Group. Contractors will need to be arranged to complete the build out.

The raw floor plan is included among the appendices.

B. Linkages

One of the more attractive aspects of the property is the ample parking available at the Northside TownCenter for both customers and employees where space will never be an issue. Additionally, there is a rear entrance and corridor suitable for garbage, recycling and deliveries.

C. Commercial Real Estate Listing¹⁷

Building For Lease: The Northside TownCenter

The Northside TownCenter Greater Madison East
2933 N Sherman Ave Property ID: 58941
Madison WI 53704 Date Printed: 9/16/2017
Dane County Listed By: Real Estate Professional

Property Mapping - [Show](#)

Size and Financial Information

Available sf (?): **1,050-5,000**
 Max Contig sf (?): **5,000**
 Rent PSF (Annual) (?): **\$10.00-\$15.00**
 Lease Type (?): **NNN**



Operating Expenses

Electric: **Not Included**
 Gas:
 Water/Sewer: **Not Included**
 CAMs (?): **Not Included**
 Real Estate Tax: **Not Included**
 Insurance: **Not Included**
 Estimate of Costs: **\$2.50**
 Expense Stop:
 Janitorial: **Not Included**
 TI Allowance (?):
 Load Factor:
 Property Type: **Retail**

General Information

Date Available:	Now	Outside Parking:	Municipal Water:	Yes
Term (Years):	1-10	per 1,000 s.f.:	Municipal Sewer:	Yes
Sublease:		Monthly Cost:	Urban Svc. Area:	
Building Type:	Strip Center	Inside Parking:	Docks:	
Building Status:		per 1,000 s.f.:	Drive-in Doors:	
Year Built:		Monthly Cost:	Cable:	
Number of Floors:		Ceiling at Eaves:	DSL:	
Zoning:		Ceiling at Center:	T1:	
Potential Zoning:		Hwy Exposure:	Handicap Access:	

Shared Building Amenities

Break Room:	Conference Room:	Elevator:
Cafeteria:	Auditorium:	Exercise Room:
Lounge:	Other:	Shower:

Comments

Madison's oldest family run shopping center The Northside TownCenter currently has space available. 1) 1,518 sqft stand alone office/retail with drive through 3) 2,200 sqft restaurant space that was previously used as a coffee shop 4) 1,050 sqft of prime retail on N. Sherman next to Subway. Call for details

VI. Technological Considerations

A. Process/Technology

Bierock will purchase a combination of new and used kitchen and bar equipment from Kessenich's Ltd. and Kavanaugh Restaurant Supply, both located in Madison. Among the kitchen equipment will be a range, oven, refrigerator, freezer, mixer and dishwasher plus other smaller items. Bar equipment will include the bar itself, seating, cooler, icemaker and bin, glass washer and bar back.

Kitchen and bar equipment will be, by far, the largest investment made into the business at an estimate of approximately \$100,000 for entirely brand new equipment and installation and less based upon available inventory of used equipment.

B. Raw Materials/Inventory

Bierock will become a REAP Food Group restaurant partner to provide locally-sourced meat and produce whenever possible. In addition to providing fresh food options, we will be supporting local business, which will help us become a responsible member of the community.

As for alcohol, Bierock will use both General Beverage and Frank Beverage distributors, which most importantly, will supply us with locally crafted beers such as Ale Asylum, Karben4, Next Door Brewing, One Barrel Brewing and Capital Brewing. Liquor, wine and cider will be purchased from them as well.

C. Technology Requirements

Bierock will use the subscription-based Brigade Society Point of Service system to manage our service and inventory and accept credit card purchases. A monthly subscription will cost \$99 per month plus an initial investment of roughly \$5,000 to purchase iPads, a router, cash drawer, printer and credit card swiper.

D. Other Operational Issues

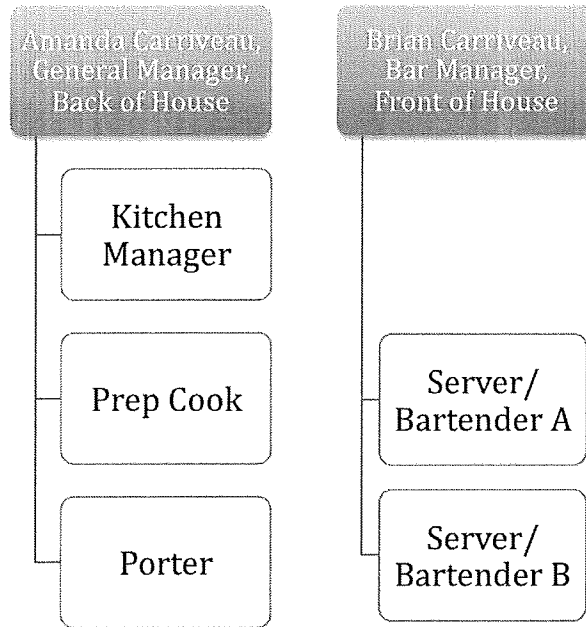
Bierock will utilize the services of the consulting firm Sustainable Kitchens and owner/president Justin Johnson, based in Milwaukee, Wis. at a cost of \$19,000 payable on a bi-monthly basis over the course of one calendar year (\$791.66 every other week).

Relying on the expertise of Sustainable Kitchens, consultation and training will be provided in the following critical areas to make Bierock a success:

- Menu Development (5 weeks)
- Recipe Research & Development (8 weeks)
- Recipe Creation & Vetting (8 weeks)
- Operational Systems & Communications (4 weeks)

VII. Management/Personnel

A. Organizational Chart



B. Personnel Plan

Bierock plans to spend just over 30 percent (30.78%) of its projected sales on wages with this estimate based on two factors. One, it is slightly higher than the typical tavern due to a more aggressive menu than the typical bar that doesn't prepare food at all or serves prepackaged food. And two, the managing partners don't intend to pull a salary for the first year of operation. After Year 1, the payroll percentage will increase as Brian and Amanda begin pulling a salary.

In total, Bierock will hire five full-time equivalent (FTE) employees, three in the back of the house and two in the front of the house. After the managing partners, the next employee in the organizational hierarchy—and the highest-paid employee—will be a kitchen manager, receiving an annual salary of \$35,000 at a rate of over \$16.00 per hour. The kitchen manager will report to the general manager but will also run the kitchen in her absence, particularly during the typical weekday. Reporting to the kitchen manager will be one prep cook and one porter.

Meanwhile, in the front of the house, two bartender/servers—earning an equal salary—will report to the bar manager.

In the short term, all employees will train and learn under the leadership of consulting firm *Sustainable Kitchens*.

C. Qualifications of Owners

Brian and Amanda Carriveau have the right mix of arts and science, qualitative and quantitative, creative and logical backgrounds to lead the front of house and back of house respectively.

Brian will put to use his experience as a bartender for Maple Bluff Country Club to become the bar manager for Bierock, in charge of beverage inventory. As for education, he earned a double major in both Journalism & Communication Arts at the University of Wisconsin before going onto pursue a Master's degree in Education. Brian spent seven years as a secondary teacher followed by six years as an editor and writer, each providing its own set of lessons. As a teacher, it was learning the virtues of planning, organization and leadership. While as a writer, it was the experience of managing social media that will pay dividends with Bierock. In Brian's previous position with CBS Interactive, he managed a Facebook page with more than half a million likes and reached a readership that climbed up to 2.4 million page views per month.

Amanda, meanwhile, after earning her Bachelor's degree from the University of Wisconsin-Madison, has worked for the American Red Cross for more than a decade. She's been promoted multiple times until reaching her current position as Principal Associate, in which she performs data analysis to identify and solve problems, presenting data to upper management. Amanda has also been an instructor for multiple courses and a leader of the Green Team to promote sustainability. This experience, including extensive use of spreadsheets, has prepared her well for a managerial role with Bierock.

VIII. Potential Risks, Opportunities and Contingency Strategies

Critical Risk	Contingency Strategy
1. Small Food Menu	Take advantage of communication plan to make sure the customer knows the bierock is something they can't find anywhere else. Supplement the limited entrée menu with a larger choice of appetizers. And make up for a small food menu with a huge drink menu.
2. Higher Cost	Again, use the communications plan to emphasize that with a higher cost comes higher quality, especially when it comes to craft beer coming in different styles and flavor profiles. Embrace the customer with more discriminating taste and fill their need to try something new. Finally, offer regular and happy hour specials to draw an audience.
3. New Kid on the Block	Because of a high amount of competition, customers need to be attracted to Bierock with events ranging from live music, watch parties, trivia and food and drink specials, such as tap takeovers.
4. Lesser Entertainment	Bierock won't be able to compete with larger music venues, but we can be judicious with the type of entertainment we offer, focusing on those that might have a small but strong cult following.
Potential Opportunities	Contingency Strategy
1. Own the Bierock	Using our communications plan, let the customer know that the bierock is something they won't find anywhere else in Madison, maybe even Wisconsin. When they come to our establishment, they are in for a unique, one-of-a-kind experience.
2. Offer Growler Fills	Outside of the breweries, there are remarkably few places to get a growler filled in Madison. With a growing segment of the population drinking at home, we will fill that need with a large selection, done in an environmentally friendly way.
3. Specials, Happy Hour	While Bierock embraces the high-quality beverage, we won't be a turnoff to the blue-collar worker that can't afford pricey drinks. We will offer regular, daily and happy hour specials as well as carry cheaper domestic beer.
4. Cult-Following Entertainment	Bierock acknowledges it won't book national touring acts, but it can be a venue for popular local bands, radio shows and perhaps even watch parties with small but dedicated followings like Bundesliga soccer.

End Notes

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