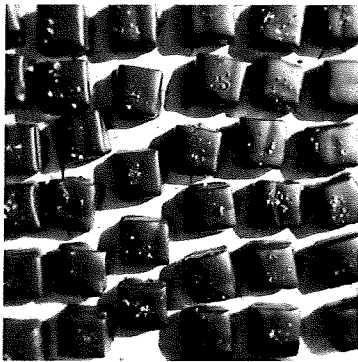




Business Plan - The Glen

About Madison Chocolate Company: Madison Chocolate Company was started in the fall of 2012. We were born out of a realization that food prepared well, with high quality ingredients and a thoughtful process can heal the spirit and easily put a smile on one's face. We are a woman run microbusiness with a focus on training others to make an incredible product. Megan Hile, owner, is a former educator turned chocolatier who has a passion for creativity, keeping things fresh and sharing her knowledge about chocolate with local area schools, libraries and her clients. MCCo began by following the business principals of Community Supported Agriculture. We began selling seasonal chocolate shares in the Madison area to local area subscribers and now one third of our shares ship across the United States. We have been growing steadily since 2012 and are in the process of opening our own retail and production facility come fall of 2016.



Our chocolates are unique and high end. We make no sacrifices to get our product made. We use local Wisconsin organic dairy, source our chocolate from around the world, utilize local Wisconsin food businesses and ingredients in our sweets, and produce absolutely delicious chocolates. We want everyone who eats our chocolates to enjoy them and take the opportunity to share them with others. Our chocolates are always fresh and wrapped up in love. Madison Chocolate Company has a loyal following of clients who are eager for a retail space to go and enjoy chocolates and have the ability to pick up chocolates to go.

Madison Chocolate Company is in its 7th season as a chocolatier and chocolate maker here in Madison. I have been fortunate enough to be one of the first tenants at the FEED kitchen and am proud to have established my specialty food business on the Northside of Madison. I am looking forward to bringing not only a retail and production space to the corner of Monroe and Glenway, but also a space for education. I am a former Spanish teacher (Wingra School) and bilingual educator (VASD) and like to share my passion for continual learning with others. As both an educator and entrepreneur combined, I would like to continue to bring my knowledge about chocolate to the community. In this space I would like to host community classes for not only adults, but children as well. I feel that this corner location is a fantastic place for me to produce my chocolates and sweets. The location will draw in many from the neighborhood. This area houses many single-family homes and is an area where several neighborhoods conjoin. The Monroe Street Corridor draws from Dudgeon, Monroe, Westmoreland, Vilas and Nakoma. The area is diverse, drawing from central Madison, near west side of Madison and also is a quick jaunt from Fitchburg. Madison Chocolate Company is thrilled to be considered for this space. We would be an exciting and solid anchor to the neighborhood.

Chocolate Industry

The fine chocolate industry is an expanding market and also falls into the category of self-gifting. Chocolate is an inexpensive way to spoil oneself at home, an affordable luxury. Consumers continue to love chocolate and rising disposable incomes continue to fuel sales across the globe.

A few chocolate facts:

- US chocolate confectionery sales grew 24% from 2009-2014 to reach \$21 billion.
- The United States is also the global leader in chocolate consumption.
- Chocolate industry weathers economic recession well and is growing despite increased health-consciousness and calorie counting.
- 91% of females and 87% of males consume chocolate products
- Chocolate innovation has increased, with new product launches growing 18% between 2013 and 2014.
- Europe accounted for 51% of all products launched, followed by Asia Pacific 21%, North America 12%, Latin America 9%, and Middle East/Africa 6%.
- Some 85% of US consumers buy chocolate.

Coffee Industry

- Specialty coffee sales are increasing by 20% per year and account for nearly **8% of the 18 billion dollar U.S. coffee market**.
- **Coffee Consumption:** Over 50% of Americans over 18 years of age drink coffee every day. This represents over **150 million daily drinkers**. 30 million American adults drink specialty coffee beverages daily; which include a mocha, latte, espresso, café mocha, cappuccino, frozen/iced coffee beverages, etc.
- The average price for an espresso based drink is \$3.45
- The average price for brewed coffee is \$2.38
- Independent coffee shops manage to sell 31% of espresso-based drinks, while the rest is brewed coffee.
- 66 percent of Americans buy their coffee outside of their homes.

References as to those who have worked with me in the past and can attest to my knowledge about the chocolate industry - please feel free to contact any of the following:

Barbara Wilson: Mindo Chocolate Mindo Ecuador and Ann Arbor, Michigan
barbarawilson1957@gmail.com

Sam Videri - Videri Chocolate - Raleigh, North Carolina -
sam@viderichocolatefactory.com

Greg D'Alesandre - Dandelion Chocolate San Francisco, Ca
gregd@dandelionchocolate.com

Brian Cisneros - Northwest Chocolate Festival - Seattle, WA
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Peter Robertson - RP's Pasta Madison, Wisconsin
peter@rpspasta.com

Gail Ambrosius - Madison, Wisconsin
gail@gailambrosius.com

Dudgeon Monroe Neighborhood: One of Madison's most desirable, trendy, and hip places to live. The Monroe Street corridor is scaled to pedestrians with neighborhood shops (coffee, ice cream, ethnic dining) in historic storefronts. A fine art center, galleries, and neighborhood jazz fest (Jazz in the Park) are venues for the artsy folks. Cozy, two-story homes with front porches line the quiet residential streets. Downtown Madison, University of Wisconsin, and the hospitals are within a 1-2 mile radius of the neighborhood making it an ideal location to live for academic staff and students to families with young families to young professionals. An afternoon boating on Lake Wingra, walking along the paths in the University of Wisconsin-Arboretum, rollerblading on the Southwest Bike Path are only a few features that make this older neighborhood a fun place to live.

Neighborhood	Median Income	College Educated
Nakoma	\$94,375	81%
Dudgeon-Monroe	\$85,973	86%
Regent	\$73,063	87%
Midvale Heights	\$79,875	71%
Westmorland	\$80,667	67%

Vilas	\$64,083	90%
Greentree	\$74,174	61%

About The Glen - 723 Glenway

Madison Chocolate Company Use of property: We plan on using $\frac{1}{3}$ - $\frac{1}{2}$ of the 1000 sq foot space for retail, small cafe and education use. The other 1/3rd will be for production and storage. Besides expanding the chocolate share line and retail line, we are currently branching into wholesale. Madison Chocolate Co will offer an intimate boutique space for those interested in high end chocolate and specialty sweets. We will produce onsite, giving customers a smell and taste of a real chocolate factory as well as provide a premium, ethically produced product.

- **Parking:** Ample on-site parking
- **Traffic Counts (Average Weekday)**
 - On Monroe = 20,300 – 1% of traffic =
 - On Glenway = 7,100 – 1% of traffic =
 - On Nakoma and Monroe = 7,650
 - On Odana and Monroe = 11, 750
- **Great Visibility:** High demand, low supply for quality retail in this area
- **Easy access from Monroe, Glenway and Odana.**
- **Prominent retail location**
- **Attractive design; nice windows**
- **Patio seating**

Clientele Demographics:

- Population Near Westside Madison: 38,0000

Near West Madison Demographics- Click here to see more statistics for the Northside of Madison

Projected Sales:

- **Walk In Traffic:** 25% Gift Boxes, Bars and other In-store Merch, 40% Seasonal - **%65 sales**
 - Chocolate Bar: Build your own box
 - 2 piece - \$4.00
 - 4 piece - \$8.00
 - 9 piece - \$18.00
 - Individual pieces - 2.00-2.50 per piece
 - Single Origin Bars: \$5.00-10.00/each
 - Stax of Bark: \$5.00 2 oz
 - Twix Bars: \$6.00/two piece
 - Caramel Bars: \$6.00

- **Cafe Items:** 15% of Sales Partnership with local coffeeshop (to be determined)
 - Espresso Bar - coffee drinks, chocolate drinks, cold and warm, single origin hot chocolate \$2.00-\$5.00
 - Sweets (desserts) pie and cake and pot de creme -\$5.00 minimum
 - Other retail items on chocolate (merchandise)
 - Books on Chocolate
 - Bars and candy from other confectioners - \$5.00-\$25

- **Add ons:** 10%
 - **Floral:** Carry Bouquets (local florist) on weekends - (pop up events)
 - **Tastings:** Private tasting events
 - **Events with Gates and Brovi:** Pairings, and tastings
 - **Chocolate Making Classes:** Classes for adults and children
 - **Classes:** Parties and Classes- Offer truffle and chocolate making classes for children, teens and adults. 6 person minimum and maximum for teen and adult. \$35/head - Chocolate Bar Making class for kids - party up to 10. \$25.00/head (cake and drinks extra)

- **Wholesale:** 10% Wholesale - Wholesale accounts with local bars, coffee shops, gourmet food stores & grocery stores.

Best Contact: Megan Hile, owner. Prefers email and phone communication.

608 217-5781

Email: megan@madisonchocolate.com

Monre St

TABLE

TABLE

TABLE

wine +
beer
STATION
HERE

BARTISTA

FRONT counter

register

Entrance

TABLE

PATIO

TABLE

TABLE

TABLE

Kitchen

Refridgl -
wine / Beer
HERE

Back office

Storage
of liquor/
beer wine

cleverly

TABLE

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TABLE

Sample Menu:

Dessert Wine by the glass:

Italian: 5.00/glass

French: 5.00/glass

German: 5.00/glass

Gluten Free Beer:

5.00/bottle