

Summary

Business Summary

Our business model would be a casual restaurant that focuses on the use of local, seasonal ingredients. We will be open for lunch and dinner services, including dinner specials during the week, with an intent to open for brunch service on weekends. We developed a design with low overhead so that we can directly control products as proprietors and main operators of the restaurant on a daily basis.

We are primarily targeting customers who reside in the area looking for a meal, whether with their families or a quick lunch. However, we will also market to those looking for happy hours and snacks in an effort to be as inclusive and wide reaching as possible. All of the food will be prepared fresh in house using local ingredients.

We think the area could utilize another restaurant to give residents more options for dining out, without having to drive elsewhere.

Itaru Nagano, Andrew Kroeger, & Patrick Sierra

We are the proprietors of Drop in Foods, LLC and aforementioned restaurant (name to be determined.) Andrew Kroeger and Itaru Nagano will be managing operators of the business. While Andrew and Itaru are both chefs, Andrew will focus on the business and financial side, while Itaru will focus more on the day to day operations and the back of the house. Patrick also has restaurant experience and is more well-versed in front of house operations, specifically handling beverage inventory.

Financial Plan and Key Operating Goals

Our first step toward creating a successful business will be providing services for the 1500 homes in the Dudgeon Monroe and surrounding neighborhoods. We want to create an inviting environment with an approachable menu for families and singles alike so they would keep coming back once or twice a week. Furthermore, we will develop advertising to attract more customers, that are interested in local and sustainable food from all around the Madison area.

Between the three of us, we have strong enough assets to cover expenses, however, a relationship with a bank or loan through Madison Development Corporation would reduce

enormous financial stress so that we prioritize having our business ready from day 1 and putting the best product out from the gate. With over one-hundred thousand dollars in our personal savings, we are looking to secure another 110 thousand dollars in financing while providing 20-30% down. We may decide to assume 70% in liabilities of the initial business cost, in order to hold a reserve of cash that may be used to help the business expand. Finally, we wanted to note that we were purposefully conservative in our estimates in costs of operation and initial start-up costs to somewhat safeguard against unforeseeable costs or costs that turn out to be higher than initially anticipated.

Business Concept

General Business Outline and Goals

- Casual restaurant with a focus on local and sustainable produce
- Lunch, brunch and dinner service
- Low overhead, smaller scale that allows us to have tighter control on product and service
- 37 - 50 seats (including the bar) hoping to get 1 turn on weekdays and 1.5 to 2 turns on the weekends
- Everything will be made fresh daily
- Offering happy hour drinks and food at the bar
- We want to have an inviting environment that families and singles feel welcomed all of the time

Industry information

- The Edgewood farmer's market (amongst other markets) provides access to growers and producers
- There is a history of successful restaurants and chefs using local, sustainable products
- Madison is a city that places emphasis on food products and supporting local businesses/ producers
- Easy access for farms and producers to bring goods to the restaurant
- Madison is considered a more progressive city that places a higher emphasis on quality of life
- Several James Beard award winning or nominated chefs and restaurants

Current and Future Trends

- Eating local, emphasis on fresh, healthy foods
- Casual dining experiences, familiarity in dishes
- Quality of life, going out to eat more
- Less chain restaurants, people want more locally owned businesses
- Good, affordable, unique, small-grower wines

Industry Niche

- The abundance of homes in the Dudgeon Monroe neighborhood to the amount of restaurants open
- Few restaurants are capable of making everything fresh- due to their size. With only a limited amount of seats, we will be able to focus more on execution
- Accessible parking

Marketing Plan

Market Analysis

Industry Description and Outlook

The service industry in Madison is already highly regarded with several James Beard nominated and winning restaurants and chefs. There are many people in Madison that are willing to spend income on quality food and show considerable interest in new food trends.

Distinguishing Characteristics

Within our business model, we will be providing for several types of customers that are just having snacks and a cocktail, a couple on a date night, to a family enjoying their dinner. We want to have competitive pricing with a variety of specials to encourage customers to return multiple times a week. In the long term, we want to establish ourselves as a staple within the neighborhood where we launch our business. While there are some great restaurants in the

area, we think that we can create a more unique, personalized dining experience that will set us apart.

Target Market

We have narrowed down our target market to the Dudgeon Monroe neighborhood. We feel that this area is best suited to fit our business concept. It has good visibility and is easily accessible, and is near many homes in that area. Our immediate target market are the people who live in that neighborhood. The people who live in the vicinity of 2611 Monroe Street had relied on and frequented the previous tenant, *Jacs*, for lunch, brunch and dinner.

Information and Size about Target Market

Our target market includes the densely populated neighborhood of Dudgeon Monroe. We feel that this area, with highly educated professionals, will be drawn to our concept of family-friendly, local and sustainable restaurant. This neighborhood resides 5.23K people per square mile, with the average in Madison being 3.72K per square mile. The neighborhood has grown by 6.3% since 2010, with the median age being 32. Our target demographic will be professionals living in the area in the age range of 30 -80.

Dudgeon Monroe Neighborhood

We have set our parameters for Dudgeon Monroe neighborhood that stretches from Odana Road to Regent Street. We would like to attract from surrounding neighborhoods of Nakoma, Westmorland, Radio Park, Sunset Hills, and Vilas. These areas have many residential homes with a limited amount of restaurants within walking distance or a short drive.. This part of the city is continuously growing, attracting young professionals with disposable income. Of the 826 households, 494 are married without children and overall boast a median household income of 99,790 USD, compared to Madison's median of 59,387 USD. This will allow for the opportunity to build a strong customer base of "regulars" with a number of homes with healthy disposable income in close proximity.

Competitive Analysis

Gates and Brovi

Competitive Advantage:

We will be open Monday (7 nights a week, lunch monday-friday)

More variation between lunch and dinner menu.

We will be focusing on pasta and local produce using a variety of cooking techniques

The Tin Fox

Competitive Advantage:

We will offer a more diverse menu as far as cooking techniques and apply them to traditional flavors and classic dishes/ cuisine that are familiar to many people.

We will be open Sunday and Monday, both days in which they are closed.

Our happy hour (3-6pm Monday-Friday) will be available to entire restaurant, not just bar seating.

The Laurel Tavern

Competitive Advantage:

We will offer a more diverse menu in regards to the dishes and techniques used.

Colectivo

Competitive Advantage

We will offer a full service dining room and bar with full liquor license, beer and wine.

More options for dining.

Brasserie V

Competitive Advantage

We will have a full bar with a large focus on wines from all over the world.

We will be open on Monday.

Our menu will focus more on pastas and local produce and will change seasonally while maintaining a few classics.

We are a Chef/market driven restaurant.

Pizza Brutta/ The Roman Candle

Competitive Advantage

We offer a more comprehensive menu. We will have a focus on local produce, pastas and wine. We will keep our bar open until 12am nightly.

Organization and Management

Organizational Structure

The three of us are the sole members of Drop in Foods, LLC. Andrew Kroeger and Itaru Nagano will hold 40% equity each and Patrick Sierra the remaining 20% equity, the latter being less involved in day to day activities. Andrew Kroeger and Itaru Nagano will be managing partners of the restaurant, and will be the two partners that will be running the day to day operation full-time; thus have the direct control of quality and cost of our product. Patrick will focus on procurement, implementation, and management of the beverage program and front of house staffing. (wine, beer, liquor)

Itaru will oversee daily back of the house operations including, but not limited to: creative control of the menu, buying food and ensuring that all kitchen and bar operations adhere to food and safety regulations. Andrew will oversee all operational costs (including food, labor and all other variable costs,) work in the kitchen and assist Patrick in FOH operations. and will also work in the kitchen. All of us will be points of contact to our customers, if there are any issues that arise during service, meaning the most vested parties are facing operations, both good and bad, face to face.

Andrew Kroeger and Itaru Nagano will each supervise human resources. It is important to us that our employees are treated well, fairly compensated, and well trained. However, it is also important that our company is protected against any individual negligence or action of an employee that may create a liability for the company. Patrick will be involved in any and all necessary decisions pertaining to our staff, but Itaru and Andrew will handle day to day workings. As partners we will work together and possibly with outside resources to advertise the company and generate a following of clientele.

Ownership Information

We all met at L'etoile restaurant six and a half years ago, with Itaru and Andrew running the L'Etoile kitchen together for one year and nine months. Patrick, on the other hand was procuring and managing the wine inventory while also working full time as a server and certified sommelier. During that time we were planning on opening a restaurant together near Dudgeon Monroe neighborhood, but were unable to find a fitting space. Andrew then ended up taking a Chef de Cuisine position in Austin, TX. Itaru remained at L'etoile for the next five years as the Chef de Cuisine. The three of us remained close friends and would discuss opening a place of our own often since then. We all have a strong passion for the hospitality industry and it has been a longtime goal for us to open a restaurant together.

Itaru Nagano

- Have 24 years of restaurant cooking experience and have held other positions in restaurants since 1993
- Graduated with honors with an Associates Degree in Culinary Arts from the world renowned The Culinary Institute of America in Hyde Park, NY
- Worked for Jaleo for James Beard Award winning Chef Jose Andres
- Worked for Craft for James Beard Award winning Chef Tom Colicchio as a sous chef
- Worked for L'Etoile for James Beard Award winning Chef Tory Miller as the Chef de Cuisine
- While employed at L'Etoile, the restaurant was nominated for a James Beard Award for Outstanding Restaurant 2017, 2018 (one of twenty restaurants nominated in the country)

Andrew Kroeger

- Have 17 years of cooking experience including 12 years of kitchen management
- Graduate of Le Cordon Bleu culinary arts school in Mendota Heights MN
- Sous chef for Thomas Keller at Bouchon Bistro Yountville, CA. One Michelin star
- Sous chef for Brandon Sharp at Solbar Calistoga, CA. One Michelin star
- Sous chef for Tory Miller at L'Etoile Madison, WI
- Internship for Chef Tim McKee at Solera Minneapolis, MN

Patrick L Sierra

- Have 15 years of restaurant experience in front and back of house
- Studied Business and Sociology at UW-Milwaukee
- Worked for James Beard Award Winning Restaurant, L'Etoile
- Managed Wine Program during Outstanding Beverage Nomination, James Beard
- Wine Enthusiast Top 100 Wine Restaurant 2012-2017

Services and Products

Service and Product Line

We will be serving our customers seven days a week - a rarity not only in our local industry but more importantly, within this neighborhood. Our product will be ingredient focused on locality, seasonality and sustainability. We will have vegetable focused dishes, some larger shareable items, salads, soups, pastas and proteins. We will accommodate all dietary restrictions, including but not limited to: gluten free, vegan, vegetarian, lactose free, pescatarian. We want to go above and beyond what our customers expect of us. Our goal is to make them feel at home when they are at the restaurant. Our plan for service is to create a non-traditional style of service, where the cooks are able to deliver food to our guests. We do plan on having servers, but we think that it is important for the guests to meet everyone on the team. We feel that this style of service works best for our concept for multiple reasons.

One, it maximizes our guest interaction. Guest interaction and service is very important to us. We want to create a reputation for having good service, and there are never anytime when a customer feels neglected. It is of equal importance that the customers receive their meals in a timely manner.

Two, this style of service is efficient. The fact that everyone is expected to run food will minimize added labor during slow hours, whether it be a specific time of day or year.

Three, we expect all of our workers to be extremely clean. It assures our customers that we are all working in a clean and professional manner.

Four, our chefs, who will be working full time, our principals in the business, and thus the most vested people in the business will be making face-to-face contact with the guests on a daily basis.

Finally, the cooks know their food the best. The cooks are the ones that are preparing the food, they know exactly what ingredients went into it, and they should be proud of what they have made for our customers.

Products

Appetizers and Salads

Beet salad, tahini, coriander & shiso
Mixed greens, preserved lemon, pine nuts & Sarvecchio
Heirloom Tomato, basil, walnuts, goat cheese

Entrees

Roasted Chicken, pearl onions, oyster mushrooms, corn croquette
Braised beef short rib, carrots, turnips, potato puree
Halibut, cauliflower, lemon, capers

Pastas

Eggplant Agnolotti, smoked tomato, balsamic, basil
Pappardelle, braised lamb, thyme, arugula
Pork ravioli, hen of the woods, sherry jus

Desserts

Chocolate cremeux, coffee ice cream, raspberries
Goat cheese panna cotta, squash, wild rice
Pumpkin tart, vanilla ice cream, rosemary

Lunch Sandwiches

Chicken cutlet sandwich
Roast beef sandwich
*we will also be serving pastas at lunch

Lunch Soups and Salads

Soup of the day x 2
Potato leek soup
Tomato soup
Mixed greens
Beet salad

Snacks at the Bar

Popcorn, nutritional yeast, coconut oil

Country pate and bread
Hook's 10 year cheese, bread and jam

Marketing and Sales

Our initial market strategy will be to use a website, social media and word of mouth. In this generation, social media is the best way to allow people to see what product our business is selling. By having a Facebook, Twitter, and Instagram, we will be able to post menus, specials, and pictures of our product for everyone to see. Very few small restaurants in Madison have a social media presence that is appealing to people, and we feel that we can take control of this market. We also feel that we can maximize exposure in traditional media outlets, ie newspapers and local magazines. We feel that with our past experiences at some of the best restaurants in the United States, people would mention us in their food sections. We will also use word of mouth, as we feel confident that once we are able to become a part of this community, people will talk about our quality of product and service. Studies have shown in this industry, word of mouth is still a very valuable way to find new customers and convert skeptics. These people will then tell others and the process will continue to grow through a ripple effect. Finally, we plan on doing "pop up" restaurants around town to create a survey of what customers want to see.

Financial Projections

Explanation of Profit and Loss

Our numbers for the first year of business are based off of what we feel that we can sell. They are conservative and we hope to do better than what the numbers show. We have calculated average price for lunch, brunch and dinner, We then calculated the number of guests that will come in and dine in the dining room per day, followed by per week, followed by per year. The 12 bar seats were calculated at a lower rate per guest and then we calculated how many guests will come in per day, per week, and per year.

In conclusion, we feel confident in our ability to present a service and product that people will enjoy. By continually offering a variety of fresh, made to order dishes in a casual setting, we hope to not only attract repeat customers, but to continually draw new customers. Our initial focus is to provide for the neighborhood of Dudgeon Monroe and to ensure what we are offering meets the demands of that group of customers. Our marketing focus will then be to draw upon other residents in the immediate vicinity with further expansion outward to include downtown and westside of Madison.

We strive to be realistic about our business outlook. It was our intent to be conservative in our estimates of cost and revenue so that our revenue goals are more attainable, and in order to provide ourselves excess funds as a contingency against unforeseeable costs. Our financial projections will continue to evolve as we gather more accurate data on the cost of build-out, equipment, and inventory.

Finally, our business model was designed and will be implemented with the goal of keeping low operating costs and serving large volumes of customers while maintaining the integrity of our product. However, when we first conceived the idea of creating this business our first thought wasn't to make money. It was about creating a sustainable business that would allow us to create something that people can enjoy and enable us to continue doing something we love to do.

Snacks

Popcorn

Coconut oil, nutritional yeast 4

Croquettes

Fermented potato, goat cheese,
Tapenade 6

Crudite

Bagna Cauda 5

Panisse

Rouille 5

Starters

Country Pate

Cranberry mostarda 12

Mixed Greens

Preserved lemon, pine nuts,
Sheep's milk cheese 9

Potato & Parsnip Soup

Crab, trout roe, fine herbs 10

Beets

Tahini, shiso, creme fraiche 10

Foie Gras

Blood orange, hickory nut,
pain d'epices 17

Pastas

Butternut squash agnolotti

Walnuts, brown butter, sage 17

Farfalle

Castelvetrano olives, rabbit ragout,
SarVecchio 18

Cheese Ravioli

San Marzano tomatoes, gremolata,
oregano 18

Chittara

Mussels, clams, saffron 18

Mains

Cassoulet

Duck confit, toulouse, white beans 20

Short rib

Onions, carrots, potato puree 25

Chicken

Sweet potato, kale, bacon 20

Salmon

Mushroom risotto, swiss chard 26

Sides

Bacon & Jalapeno Corn Bread 7

Carrots Moody blue, honey 7

Potato gratin 7

Starters

Crudite

Bagna Cauda 5

Panisse

Rouille 5

Country Pate

Cranberry mostarda 12

Mixed Greens

Preserved lemon, pine nuts,
Sheep's milk cheese 9

Potato & Parsnip Soup

Crab, trout roe, fine herbs 10

Beets

Tahini, shiso, creme fraiche 10

Chicken noodle soup

Egg noodles, thyme 10

Pastas

Butternut squash agnolotti

Walnuts, brown butter, sage 17

Farfalle

Castelvetrano olives, rabbit ragout,
SarVecchio
18

Cheese Ravioli

San Marzano tomatoes, gremolata,
oregano
18

Chittara

Mussels, clams, saffron
18

Sandwiches

Chicken cutlet

Cabbage, mayonnaise, pickles
13

Meatloaf

Grilled onions, 5 year cheddar
13

Portabella mushroom

Peperonata, provolone, lettuce
12

***1/2 sandwich or 1/2 pasta, soup or
salad and a n/a drink for \$ 17***

Desserts

Chocolate budino

Hazelnuts, coffee 9

Meyer lemon tart

Creme fraiche, lavender 9

Pumpkin beignet

Rosemary, vanilla 9

Ice Creams and Sorbets

Coffee, vanilla, passion fruit 3/9

Cocktails

Manhattan	9
Old Fashioned	8
Sazerac	9
Negroni	9
Margarita	8
Pimm's cup	8
Daiquiri	10
Smash	10

Beers

Pilsner	6
Porter	6
Stout	6
Lager	6
IPA	6
Cider	6
Seasonal beer	6
Coors light	3

Bourbon and Whiskey

Knob Creek
Basil Hayden's
Maker's Mark
Four Roses
EH Taylor
Willett
Buffalo Trace
Elijah Craig
Yamazaki

Rye

Templeton
Overholt
Michter's

Scotch

Macallan
Oban
Glenlivet
Lagavulin
Johnny Walker
Talisker

Gin

Tanqueray
Death's door
Martin Miller
Hendrix

Vodka

Tito's
Absolute
Grey Goose

Tequila

Espolon Blanco/ Reposado
Fortaleza Blanco/ Reposado
Anejo Blanco/ Reposado
Don Julio Blanco

Rum

Plantation OFTD
Plantation Pineapple
Clement
Rhum JM
Appleton Estate
El Dorado

Brandy and Cognac

Bertoux
Pierre Ferrand
Germain Robin

Wines by the glass

Sparkling

Adami prosecco 8

Bruno paillard 15

Vietti Moscato di asti 8

Rose

Il poggione 9

White

Honig Sav blanc 9

Trimbach pinot blanc 10

Donhoff riesling 12

Vietti roero arneis 11

Alois Lagaeder chardonnay 12

Red Wine

Vietti barbera 10

M. Chapoutier grenache syrah mouvedre 10

Joseph Swan pinot noir 15

G.d. Vajra nebbiolo 14

Round Pond Cabernet Sauvignon 14

Wine by the bottle

Sparkling

Schramsberg blanc de blanc 80
Cleto Chiarli lambrusco 40
Pierre Peters blanc de blanc 140
Henriot brut rose 155

White wine

Alois Lageder pinot grigio 55
Sinsky pinot gris 70
Berger gruner vetliner 45
Hugel gewurztraminer 55
Trimbach riesling 60
Donhoff riesling 70
Selbach oster riesling 75
Meroi chardonnay 100
Louis Jadot chardonnay 100

Red wine

Masciarelli montepulciano 40
Meroi Nestri 60
Elio Altare Dolcetto 50
Vietti barolo 120
Selvapianna dolcetto 55
Badia a Coltibuono chianti 45
Il poggione rosso di montalcino 50
Le macchiole cabernet merlot 85
Passopisciaro nerello mascalese 85
Benanti nerello mascalese 120
Heitz cabernet sauvignon 120

Pierre gonon syrah 110

Corison Cabernet sauvignon 150

Ar Pe Pe nebbiolo 160

A hand-drawn floor plan of a house. The layout is roughly rectangular. At the top is a large room labeled "Kitchen". To the left of the kitchen, there are two smaller rooms stacked vertically, both labeled "Bathroom". Below the kitchen and bathrooms is a large area labeled "Dining Room". To the right of the dining room is a long, narrow vertical shape labeled "BAR". At the bottom center, there is a small rectangular area labeled "entry". The lines are simple and hand-drawn.

Kitchen

Bathroom

Bathroom

Dining Room

BAR

entry