

Ground Floor, 35x45

Kitchen

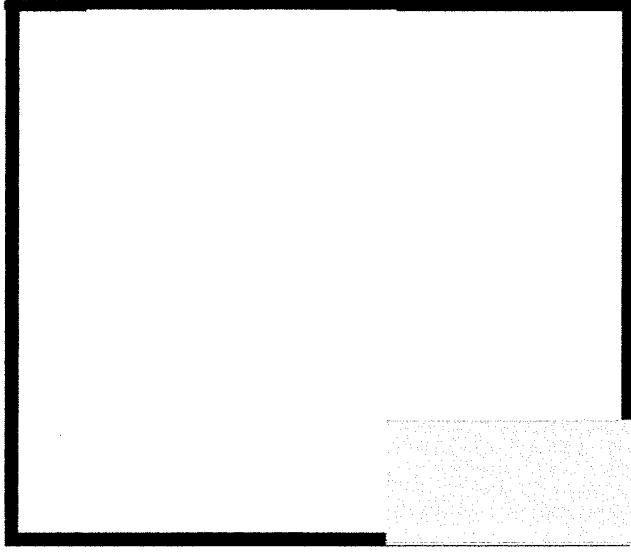
Bathroom

Hallway

Bar and Service Station

Stairs

Storage and Utilities



Basement, 30x35

Walk-in Cooler

Floor Space

Hone

Soups

Jambalaya

Chili

Budae Jigae

Appetizers

Lumpia available in 8 varieties, \$12

Chacuteries (\$8-22)

Meals

Döner Kebab, \$14

Chicken Cheese Raymun, \$16

Pork Belly Sandwich, \$12

Family Meals To-Go

Pot Pies, \$40 | Pasta Trays, \$50 | Lumpia Trays, \$35

Hone LLC Business Plan

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1.0 Executive Summary

Hone is a 40 seat upscale restaurant. Our focus will be on limited in house service featuring high-end food, service, and selection, along with an intimate dining experience on busier evenings. At slower times of the week and year, we will concentrate on private groups, and small classes/events. During all hours of operation we will also be serving to-go and take and make/bake, and will pilot a program for pay what you will soups. Eventually we would also like to extend our hours to 7 days a week, including lunch and brunch/breakfast hours.

We will be located at 708 ¼ East Johnson, on a busy thoroughfare, and walkable destination. In the Kennedy Grocery Building, formerly occupied by "Forequarter".

Hone will be on the cutting edge of new styles in the hospitality industry. We will offer Madison a trendy, yet intimate place to have great food in a social environment. Hone's in house emphasis will be on providing an elegant dining experience, with unique world dishes on a seasonal menu, additional craft cocktails, along with top shelf spirits and select wines will be available for pairing.

The menu will consist of an array of classic comfort foods from around the world, elevated to meet the expectations of the neighborhood. From the freshest ingredients provided by local farms, to the new or unique styles of cooking and service. Hone will be a place where you always know you will get the best of everything.

Hone will cater to the demographic that surrounds it; young urban professionals, as well as established neighbors, looking for a great place to bring guests. Our pricing will be competitive with other upscale restaurants in the downtown Madison area. We plan to provide added value through flourishes, an attentive professional service and a relaxed atmosphere.

We will also be concentrating, on service for diners who would like to sustain distance in public. We plan on providing food that travels well and is great for lunch through late night. The focus for the To-go menu will be comfort food from around the world with a focus on value. The pay what you will soups will include Budae Jigae, and other rotating hearty staples. We also plan to have larger to-go items meant to feed multiple home diners, or to be reheated for multiple meals in a week. These items will be sold as frozen, defrosted, or pre-cooked, accommodating the needs of our to-go guests. Items like pot-pies, "hot-dish", and lumpia trays are planned.

Hone will be open 5 days a week, offering to-go and dinner service, as well as occasional classes on cocktail and spirit knowledge, as well as culinary skills and history. We hope to expand to brunch service, lunch and 7 days a week service; as we expand.

1.1 Mission

Hone is a great place to experience an elevated dining experience, host an intimate event, or grab a great meal for movie night at home. Beyond that we will offer efficient friendly service, where the guest experience is paramount. We want to be the restaurant of choice for foodies and novice diners alike.

Employees are highly important to our success. Everyone will be treated fairly and with the utmost respect. We want our employees to feel part of the success of Hone. Happy employees create happy guests.

1.2 Background

Michael Parks spent the last 10 years in IT and Business management positions after leaving the military with 2 degrees; as a 5 tour veteran and Staff Sergeant. He has been managing Boar and Barrel through obtaining PPP, and managing through the ongoing service industry turmoil. While managing Boar and Barrel, he received introductions and built relationships with area distributors and city management. Mike also was able to work with excellent trainers in food, beverage and service positions to learn key strategies to optimize the business on a minimal budget.

1.3 Objectives

- Keep food and spirit costs under 25%
- Keep labor costs under 30% of revenue
- Keep excellent food and service quality
- Average sales [REDACTED] per month

1.4 Start-Up Funding

- Cash on hand
[REDACTED]
[REDACTED]
[REDACTED]
- Start-up expenses
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

2.0 Company Description

The contemporary restaurant will be located at 708 ¼ East Johnson Street, in the Tenney Lapham Neighborhood. Hone will be owned and operated by Michael Parks. The restaurant will serve a variety of comfort foods and to-go items from around the world, elevated to meet the level of service expected in this neighborhood.

2.1 Ownership will be held by Michael Parks.

2.2 Legal Form of Hone LLC will be an LLC, owned as organized by Michael Parks

2.3 Start-up Summary; [REDACTED] will be required to open the restaurant

2.4 Location and Facilities, The 1,600 square foot Kennedy Grocery located at 708 ¼ East Johnson Street. The immediate area is comprised of young business professionals, empty nesters, grad students, tourists, and dual income households. The median Household income is \$63,958. Major employers include Epic Systems, The University of Wisconsin, The State of Wisconsin, Exact Sciences, and other tech and university derived businesses.

3.0 Daily Operations and Production

Hone will be open 5 days a week from 4pm to 2am. We will begin with a menu of small portions that can be combined for full meals, or served as appetizers. All items on opening menu will be created to support to-go and accommodate line cooks, who will be responsible for fulfilling orders. This will allow for expansion into lunch or late night snacks while keeping labor costs low.

Proper labeling and rotation techniques, accompanied by ample storage facilities will ensure that high quality prepared product will be sufficiently available to meet the demands during peak business hours. Replenishment and ongoing preparation will continue during off peak business hours.

Michael Parks will be responsible for ordering, receiving and maintaining sufficient inventory to meet production demands. Ordering schedules will be staggered with perishable products being ordered multiple times a week to preserve freshness. Standard grocery and supply orders will be ordered less often, according to needs and storage availability. Locally grown products will be ordered and used as they are available.

We will rely on operational checklists to verify that each work shift has been properly prepared for, and closed out. Operational standards will be maintained for opening, operation, and closing.

The restaurant layout includes a dining room kitchen and line, designed for efficiency and flexibility during peak hours, and for preparation during slower hours.

Upon arrival guests will be greeted immediately by a host or management. Once the guest's order is taken it is entered into our Point of Sale, and delivered to the kitchen. The line will take orders, and deliver them to the pass. The kitchen will be built accommodate, 1 to 4 staff. The design allows for staffing adjusted to the needs of the shift. All shift changes will require clean up, restocking and shift prep for the next shift. Monies will be settled at the end of each shift. The closing shift will involve designated closing duties that will leave the restaurant clean and fully prepared for the next day.

3.1 Competitive Comparison

Locational competitors are as follows:

- Robin Room – A local staple of the cocktail scene. Known for their high quality service and drinks; the Robin Room is a great place to go for drinks. Space is limited, especially when they incorporate their pop-up dinners and special events.
- Little Tibet – A Himalayan restaurant. Serving food with a particular style does well in the neighborhood, the service is niche, and can be hard to convince first timers without a great description of their wonderful selection of momo.
- The Caribou – A great staple of the neighborhood, serving typical Wisconsin bar food, and shot and beer service. The service is spectacular and space is limited.
- Salvatore's – Local ingredients on classic crust, with intriguing sides and wonderful staff. The service has moved to pick-up only, but the dining room is very well appointed when available.

3.2 Suppliers

Mike has established business relationships with local and regional suppliers through his prior work at Boar and Barrel. Much of the product is similar to Boar and Barrel with adjustments to increase revenue.

3.3 Management Controls

Mike will practice sound management procedures to control costs, quality of product and provide friendly customer service. The following systems will be used by management:

- Order Guide: The restaurant will use an item specific order guide to track order history and maintain designated levels of product inventory.
- Weekly Inventory: Management will conduct a weekly inventory to determine valuation for use in the preparation of weekly profit and loss.
- Daily Inventory Tracking: Daily inventory will be taken on specific items. Movement will be compared to sales data to ensure designated products have been properly accounted for.

3.4 Administrative Systems

With limited staff, it is crucial to remain current with daily cash outlay. The purchase of a POS system will immensely help with daily these administrative reports:

- Daily Cash Control: Sales and receipts recorded by the POS will be compared to actual cash and credit deposits on a daily basis. Discrepancies of greater than \$5 will require a management audit. Monthly totals will be compared to actual P+L statements for accuracy. Cash, debit and credit card sales will be deposited at US Bank.
- Weekly Prime cost report: This report shows the gross profit margin after costs of goods sold and labor cost have been deducted from the sales revenue. The prime cost for this type of restaurant is expected to range from 60% to 65%. Proper control of the prime cost is the single most effective measure of management ability to operate the restaurant.
- Purchasing Records/Payables: Management will process and record invoices and credits daily. Reports detailing cash and expenditures, payments by check, and accounts payable transactions will be readily available. Check disbursements will be prepared by the management. Check signing authority for the general operating account will be controlled by the managing partner.
- Payroll processing: Payroll checks will be issued bi-weekly. We will use the POS to record and streamline this process.

4.0 Market Analysis

The restaurant industry is a large and diverse business. Restaurant industry sales are down significantly due to the coronavirus. There has been a strong pivot to takeout and experience based dining. The location involved was a popular spot that the neighborhood would love to see utilized again for similar purposes.

4.1 Industry Analysis

Full service restaurants (FSR) consist of establishments primarily serving food to seated patrons offering beverage service and paying after eating. These establishments also serve carryout and sometimes provide entertainment. FSR rely on return guests and high margin items to succeed. Larger companies can secure better terms on recurring costs, while smaller restaurants tend to compete on service quality.

4.2 Market Segments

Hone will appeal to a broad base of consumers in both the residential and business community. The location selected for Hone appeals to the growing number of young professionals, established families and retirees that reside in the area.

4.3 Market Needs

The quickly growing Tenney-Lapham Neighborhood is in great need of an enhanced dining experience that is within walking distance of most Isthmus residential complexes. With the new surge in luxury apartments we are hoping to create an atmosphere that is appealing to residents of all age groups. The neighborhood is in need of more dining options and East Johnson currently has no options for special occasion dinners. Hone will offer superb service with fascinating libations with unique comfort laden dishes.

4.4 Market Trends

According to the National Restaurant Association, the top 10 trends in the industry are:

1. Locally sourced proteins
2. Locally grown produce
3. Sustainability
4. Nutritious food for kids
5. Hyper local items
6. Children's nutrition as a culinary theme
7. Sustainable seafood
8. Gluten free, allergy conscious
9. Back to basics cuisine
10. Farm brand ingredients

5.0 Marketing Strategy and Implementation

Hone will position itself as a prime destination great meals and experiences. We will do this by creating an atmosphere that invites our neighbors to return time and again. We will create unique dishes, cocktails and desserts on a rotating menu that prompts guests to return regularly to try something new, yet comfortable. Guests will enjoy a clean and open atmosphere as well as fresh ingredients at a reasonable price.

At Hone we will be the premier location to work as well. We believe the service industry is a great place to learn valuable career skills for young staff, and wonderful career for those who are passionate about service. We will provide generous pay and benefits to maintain the best employees available and continue to increase the quality of service, and margins.

Hone will stay current with marketing trends such as social media and local advertising. We also plan to use our great storefront location to attract new guests and our easily walkable neighborhood to retain returning guests, and gain word of mouth.

5.1 Strengths

- Prime Location on Isthmus
- Exceptional staff
- Leadership experience with similar venues
- Our small size will allow us to be agile and adjust to the highest use case
- Our small size will also allow us to be selective with hires and deliver the best possible service

5.2 Strategy

- Be Madison's premier location for excellent service and friendly atmosphere
- Training Programs
 - Service and retention
 - Industry trends
 - Food safety
 - Drink service
 - Food preparation and delivery

5.3 Unique Selling Proposition

[REDACTED]

5.4 Competitive Edge

Hone's competitive edge is in its people. We believe that our business flows from the creators of the dishes, drinks and service experience. Our goal is to select staff that intend to deliver excellence and are inspired to work with others who put guests first during service.

5.5 Pricing Strategy

[REDACTED]

5.6 Promotions and Advertising

We will use our location and word of mouth as well as a digital presence to handle most of our advertising needs [REDACTED]

5.7 Sales Strategy

[REDACTED]

5.8 Sales Forecast

[REDACTED]

5.9 Sales Programs

[REDACTED]

5.10 Timeline

[REDACTED]

- March 1-15th 2021, Grand Opening

6 Organization and Management

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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