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BUSIENSS PLAN

CHEERS LIQUOR

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EXECUTIVE SUMMARY

Company information

Legal Name: Singh & Son LLC
Trade Name: Cheers Liquor
Business Address: 1935 Monroe Street, Madison, WI 53711
Telephone Phone: 608-807-6073
Contact Person: Sumanjit Singh
Business Structure: Limited Liability Company

Introduction: Singh & Son, LLC ("Company") is a Wisconsin based Company with the business location in Madison, WI. The Company intends lease a location retail area with Liquor Store in Dane County.

Business Concept: Cheers Liquor recognized a need for a liquor store in the area due to dense and populated neighbourhood. There are no such stores within one mile radius. The target market will include local residents both on and off reserve.

Sumanjit Singh, Manager, has extensive retail experience in both convenience store and restaurant, and has identified four primary categories of products.

Business Operations: The store will be open 7 days a week, 10am through 9pm. The store will be located on Monroe Street. It appears from the quick survey conducted by the Company that some potential customers are excited about the idea for a liquor store. Cheers Liquor intends to lease a new business to open its operations. After 2 successful years of operations in the busy madison near west and downtown of Madison Metropolitan Area.

The store will be situated in a 950 square foot building. It will be renovated with the appropriate shelving, refrigeration and cash counters required for operation. The building will consist of 3 areas: 1) coolers & storage; 2) a restrooms and 3) the store area.

Management: Manager has extensive retail experience that is essential to the type of business. Manager experience includes managing a a retail grocery store and gas station in Milwaukee, WI and Appleton, WI since October 2002. Sumanjit Singh is currently employed by his family business, Flavor of India as a full-time restaurant manager. Sumanjit Singh is skilled in customer service, he is very organized, is able to work independently, and is reliable, dependable and hardworking.

The experience that Sumanjit Singh brings to the endeavour is invaluable. He has product knowledge, is familiar with large chain pricing and techniques, and their sales strategies. While managing the restaurant he established valuable wholesale contacts that could be used to verify his knowledge and business management skills;

Employees: The liquor store shall have two full-time employees. The store will be managed by a full-time manager. The manager supervise the employees. Store Manager shall have retail experience in retail management at a manager level.

Manager will be responsible to report all the daily sales, costs, losses and other amounts. Other employees will assist in daily operations of the store. Business Partner, Sital Singh, will handle bookkeeping and financial reporting. Sital Singh, will serve as the managing partner and the manager will discuss all the operations with the Sumanjit Singh.

All Employee will be trained by the Manager to check and verify the Identification documents patrons appear to be below 30 years of age, and other policies. Employees shall have to obtain an operator's license from the City of Madison. If an employee fails to obtain the operator's licesne shall be terminated from employment at the Company. Company shall support its employees in obtaining the Operator's License.

Marketplace: The customers that the store will target are the local residents and commuters. The area has no other such store with Class A, Alcohol license within 1 mile radius. We have also attached a product list with the business plan. We intend to bring a one of a kind, upscale, and exotic products to our customers and the community.

Community Support: Before completing the transaction, the Company will conduct a survey within 2 mile area and the results make a decision on the products and pricing based on the results of the survey.

Security Policies: Company shall install state of thew art digital video surveillance system to closely watch the activities inside the building and the out of the premises. Since the store will have 2 employees at any time, Store Manager shall be vigilant of the anyone causing distrubance and litteing the areas around the premises and take step necessary to ensure tht the area remains peaceful and notify the local police.

Company shall install a computerized ID verification system, customers who seem suspicious or appear ot be between 21-30 years of age shall be required to show a picture ID and the ID documents shall have to pass through the system.

Company shall cooperate with the local police and the community to ensure that the underage consumer of tobacco and alcohol are unable to purchase from our store.

Customer Base: The Convenience Store will have a potential target market, as follows:

Wine & Hop Shop in the immediate vicinity
1,500 local residents within the one mile radius
Local traffic going through the area (commuters)

Client demographics include local residents from all age groups and socioeconomic ranges, consisting primarily of families. A large secondary target group will be football games and other sporting activities, other parties adults.

Factors for Success: The business will succeed due to a variety of factors.

- No or fairly competition in the targeted area
- Strong management work ethics

- Diversified experience in retail sales
- Management's wholesale contacts
- Unique products
- Excellent Customer Service
- competitive prices
- Aggressive sale and marketing strategy
- Proven market
- Proven community support

DETAILED BUSINESS PLAN

Business Description

Type of Business: Upscale Liquor Store

Business Structure: Limited Liability Company

Ownership: Sital Singh – ½
Sumanjit Singh – ½

Products or Services: The liquor store will be a complete upscale exotic imported and local alcohol products operating 7 days a week, from 10 am – 9 pm. The major products are as follows:

- Wine (imported and local)
- Beer (imported and local)
- Hard Liquor
- Cigarettes and Tobacco Products
- Chips, Soda and Other Snacks

The store will offer friendly staff, convenient services, reasonably priced merchandize, and a convenient location. The store will also provide employment upto three local residents.

Mission Statement: The Company will strive to provide excellent customer service and the highest quality groceries at affordable prices, while operating for profit and growth oriented business.

Market Analysis:

a. *Industry Sector:* Retail (Liquor Store)

b. *History of the industry:* Throughout its history, the retail liquor store industry has been buffeted by changing social and political attitudes toward alcohol, and the sale of alcohol has always been highly regulated. The most severe period of regulation was the Prohibition era (1919 to 1933), during which alcohol consumption was completely outlawed by the federal government. Stores were forced to close en masse, and owners either left the business or went underground.

Liquor sales were legalized again in 1933, when it became clear that Prohibition had worsened bootlegging and facilitated the rise of organized crime. Responsibility for liquor regulation was returned to the states following Prohibition. Since then alcohol has been legally available in almost every part of the country, although a few localities remain "dry." But the nature of governmental regulation has varied markedly from state to state. Some states allow private ownership, while others restrict the sale of alcohol to state-run outlets. Some states permit grocery stores to sell wine and liquor, others do not. Some states tax liquor sales heavily, while others impose little or no taxation. In no state,

however, is the production, distribution, and sale of liquor unlicensed or unregulated.

Read more: <http://www.referenceforbusiness.com/industries/Retail-Trade/Liquor-Stores.html#ixzz10ISzpWwG>

Demand: The Company conducted a survey among 35 people, The question asked was "Would you be in favor and buy at a store located near your area?" The response was extremely favorable. This community support is essential when the primary target customers are neighborhood area.

The business's secondary target client group is local residents within an one mile radius, or approximately 1,500 households.

Target Customers: The average customer that the business will target will be from all age groups with an average household income of approximately \$66,533 (Zip Code: 53711). Many households have at least one person in the work force.

Operational Plan: Daily retail operations will consist of the following:

1. Store opening and disarming the security alarm system
2. Cash count, turn on necessary machinery, debit machine, etc.
3. Review the sales and costs numbers from the previous day
4. Check inventory, order as necessary
5. Handle sales
6. Performing closing tasks
7. Close out cash and balance
8. Close store, activate security alarm system

Action Plan: Business will commence operations based on the following work plan:

1. Secure BCR. Gut/renovate building
2. Installation and/or modification of equipment necessary for business operations:
 - a. Store shelving
 - b. Cash counter
 - c. Cash register
 - d. Debit machine
 - e. Two-Door cooler
 - f. 1-Door cooler
 - g. Freezer
 - h. Security & Surveillance System
 - i. Identification Verification System
3. Stocking merchandise for retail sales
4. Marketing/Promotion:
 - a. Hand deliver promotional flyers to prospective customers ~ flyers to local businesses

- b. Concentrate on mailing and coupon books
- c. Online Advertising
- d. Local Newspapers

Major Suppliers: Initially, the Company has their merchant accounts setup with the following wholesalers. The company will always seek better pricing and would be able to make new contacts and agreements with other vendors.

Supplier	Location	Products
General Beer	Fitchburg, WI	Alcohol Products
Frank Beer	Middleton, WI	Alcohol Products
Pepsi Cola	Madison, WI	Soft-Drinks
Coca Cola	Madison, WI	Soft-Drinks
Chambers & Over	Janesville, WI	Tobacco Products
Frito Lays	Madison, WI	Chips and Dry Fruits

Business Licenses: The business will not need to obtain the following licenses and permits from the local government agencies:

Permit / License	Agency	Processing Time
Seller's Permit	WI Dept. of Revenue	1 business day
Food License	City of Madison	5 business days
Tobacco License	City of Madison	5 business days
Liquor License	City of Madison	3 months

In addition, the company will need to obtain insurance on the property.

Pricing Strategy: Pricing will be set at 10%-40% mark-up, dependant upon the following categories:

Product	Price mark-up
Alcohol Products	25% - 35%
Soda & Chips	30% - 35%
Soft Drinks	40%
Cigarettes	16.5%
Tobacco Products	30% - 35%

The Company will not sell any items on credit. The mode of payment accepted will be either cash, check or credit card. The company also intends to process the personal checks with the real-time processing system, where the amount will be received by the company at the time of acceptance of the check.

SWOT

Strengths: The advantage that the company's store has is that there is no competition

within 1 mile radius. In addition, the management possesses strong work ethics and the ability to deal with the public in a friendly and courteous manner.

Weaknesses: The rising inventory prices will keep the customer from spending their extra money on the convenience items.

Opportunities: There is the opportunity to expand the productd that the store carries. Other services being considered are:

1. Aotumated Teller Machine; and
2. Wine Tastings and other events to attract new customers

Threats: The major threat is the possibility that another liquor store or groceires store start carrying similar products in the vicinity. The Company will establish a loyal customer base to alleviate transfer of customers to another business.