

Business Plan

Red Rooster Madison LLC

**2513 Seiferth Road
Madison, Wisconsin**

April 2021

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1.0 Executive Summary

The Red Rooster (henceforth “RR”) will be a gathering place on the east side of Madison centered on live music and a simple menu of well-crafted food and drinks. By providing exemplary service and a focus on stellar entertainment, the RR will be one of the premier small clubs for local and regional music in Dane County.

The RR will focus on Blues and other traditional American musical genres, but the aim is to have an inclusive array of events, including music from other genres, comedy, community gatherings, etc. Our commitment to traditional American music is unique in the area and the RR will likely be one of the few establishments in Wisconsin to host the principal regional artists within these genres. There is substantial demand for this sort of music. The Knuckle Down Saloon was a cornerstone for Blues in Madison for a decade. But it unfortunately closed in March of 2020, leaving a tremendous hole in our community. The RR will fill this void.

1.1 Business Objectives

The RR will be a newly established bar and music venue located in east Madison in the same building which was occupied by the famed Knuckle Down Saloon. The RR will cater to local commercial/industrial workers during the day for lunch. In the evening, guests will come for dinner/drinks. The restaurant will also cater to local and regional patrons attending music and other events. The RR will provide a simple menu featuring traditional bar fare, with a focus on local, mindfully-sourced ingredients.

The RR’s primary goals include (a) providing excellent service, food, and drinks and (b) showcasing traditional American music, especially Blues. The RR will accomplish these goals by holding itself apart from the competition as a true neighborhood establishment, offering reasonably-priced, locally-sourced, and well-crafted food and drinks; by developing relationships with our patrons and with community organizations (e.g., the Madison Blues Society); by having a clean, relaxing, and welcoming environment designed to make patrons feel

appreciated and which brings them joy; by consistently booking premier local and regional entertainment; and by providing excellent sound and lighting designed specifically for our facility.

The RR also obviously has financial objectives. We plan to generate a net profit within the first year of operation. A generous lease agreement at 2513 Seiferth Road will help accomplish our financial goals and assure a smooth start for the RR. We expect sales to exceed our typical operating costs within six to nine months of opening and we should see a consistent net profit at some point between nine and twelve months of operation.

1.2 Mission Statement

The RR will provide a comfortable and inclusive space to enjoy fantastic music and well-crafted food & drinks. With a focus on exceptional service and traditional, American music, we strive to be the small music club of choice for our community.

2.0 Company Description

The RR will be a neighborhood bar owned and operated by Jesse Steinberg, Tim Payne, and Paul Schwoerer. RR is an LLC and will occupy a 2,400 square foot facility located in a commercial/light industrial district in east Madison. The property address is 2513 Seiferth Road.

The RR will provide a comfortable and welcoming environment for its patrons. Seating inside will include bar stools at the bar and small cocktail tables. Indoor capacity will be around 100. Outdoor seating will be available on a deck adjacent to the building. Eventually, we may add patio seating adjacent to the deck as well. Food and drink service is expected to be from inside the bar, though we may eventually expand and occasionally serve drinks from a small, outdoor bar (e.g., during special events). Hours of operation will likely be from 11 am to 9 pm on Sunday-Wednesdays and 11 am to midnight or 1 am on Thursdays-Saturdays. We plan to have outdoor music and other entertainment for part of the week during warmer months. This will

typically come in the form of solo musicians or small ensembles on Thursdays-Saturdays in the afternoon/early evening (e.g., 4-6 pm). Indoor entertainment will typically be full bands playing later in the evening on Thursdays-Saturdays (e.g., 9-midnight). On rare occasions, we may host larger outdoor music events, which could include 2-3 bands playing during the day on a Saturday or Sunday. We expect such events to occur only a few times during the summer months. Although our primary focus will be on music, we will have other forms of entertainment, including comedy, trivia nights, dart league competitions, etc. As for the menu, we will have typical bar fare, but we will use as much locally-sourced, handcrafted products as possible.

2.1 Ownership

RR is an LLC, owned by Jesse Steinberg, Tim Payne, and Paul Schwoerer.

Jesse Steinberg oversees a department at the University of Wisconsin, supervising over 60 employees. He is responsible for handling human resource issues, training, financial management, etc. He has five years of experience working in restaurants and bars, and extensive involvement in the music industry over the last two decades. He has considerable connections to local, regional, and national musicians/agents, and so is in an ideal position to negotiate booking contracts and secure talent for the RR.

Tim Payne is a mechanical engineer and has extensive experience with PA and lighting equipment, computer hardware, software, etc. Tim has performed with various bands in the Madison area for over two decades and has strong relationships with the music community in the region.

Paul Schwoerer owns two coffee shops and a restaurant in the Madison area, all of which are highly successful. In addition to his extensive experience in the food and beverage industry, Paul has performed in various bands over the last few decades and is similarly well-connected to the music community in our region.

2.2 Organizational Structure

The RR will be owned by Jesse Steinberg, Tim Payne, and Paul Schwoerer. Ownership will be split as follows:

Jesse Steinberg = 33%

Tim Payne = 33%

Paul Schwoerer = 33%

Jesse Steinberg will serve as *Director of Operations* and will oversee various administrative and financial aspects of the business, including payroll, staff scheduling, band booking, marketing/social media, website maintenance, and developing and maintaining key relationships with vendors, musicians, other businesses & community organizations. Jesse will assist in overseeing the “front of house” and staff training.

Tim Payne will serve as *Director of Technology & Beverage Guru*. Tim will be in charge of all of the business’s technology. He will manage the sound and lighting equipment. Tim will also oversee other business technology, including the office computer, point of sale (POS) system, software integration, and the security system. He will train staff to use this equipment and be sure it is well-maintained. In addition, Tim will oversee the selection of the beer and wine we carry and he will be responsible for the maintenance of related equipment such as the beer taps.

Paul Schwoerer will be the *Food Director*. With the help of an assistant manager, Paul will oversee the kitchen operations, develop/update the food menu, oversee quality control, supervise kitchen staff, manage inventory, and various other duties related to the kitchen. Paul will serve as the “back of house” manager.

The assistant manager will oversee much of the day-to-day operations of the RR, working closely with Paul Schwoerer on back of house duties and Jesse Steinberg on front of house duties. A small staff of bartenders, cooks, and hosts/security will be hired as well. We expect most shifts to be comprised of a bartender and cook/server. Many shifts will require another

staff member or two, who will work the door collecting cover charges, checking IDs, tending the bar, etc. Larger outdoor events will require more by way of security/door staff and servers/bartenders.

2.3 Financial Summary

The owners of the property at 2513 Seiferth Road are currently remodeling and retrofitting the space to fit with RR's design plans—including renovations to the bathrooms, electrical system, roof repairs, extending an outside deck, cosmetic enhancements, lighting, etc. A generous lease agreement has been negotiated. This arrangement allows RR to be in a tremendous position for success, especially during the initial phase after opening.

The owners of the RR will cover costs for outfitting the kitchen, bar, and "front of house" (tables, chairs, etc.). They will also cover the costs for inventory, staff payroll, and all the other business-related expenses before opening. Funds will be set aside to cover expenses for the first few months of operations. It's estimated that this will total about \$180K.

As for continued costs, we anticipate the average monthly expenses (both fixed and variable) to be roughly \$30-40K. A detailed estimate of costs and a conservative breakeven scenario are described below.

2.4 Location and Facilities

We specifically sought this location because of the history of the building and its proximity to major roads. The building was previously occupied by the Knuckle Down Saloon, which had a successful run of about ten years and closed in 2020 due to the impact of the Covid-19 pandemic. The Knuckle Down Saloon served as one of the few bars in southern Wisconsin highlighting Blues and other traditional American musical genres. The location is desirable due to its proximity to highways 18, 51, and 39/90. The bar is located in a commercial/light industrial district, which is much more tolerant of live music than most communities. Yet

another attractive feature of this property is the fact that there is sufficient space to host outdoor events. The property has more than ample parking on-site and there's plenty of additional parking on the adjacent streets. It's worth noting that events which may require street parking will be during "off hours" and so will not impact surrounding businesses in any way. The square-footage of the building is ideal for the kind of entertainment and crowd size we anticipate. And, finally, the construction and shape of the building makes for good acoustics/sound quality.

2.5 Product/Service Descriptions

RR will offer a range of beer, wine, and cocktails at an affordable price. As for food, RR will focus on hand-cut fries and burgers made from locally-sourced meat. The RR will feature hand-crafted ingredients (sauces, pickles, locally-sourced buns, etc.). We also plan to serve soups, sandwiches, pizzas, and other fare. While we will carry a fairly standard array of beer, wine, and cocktails (both alcoholic and non-alcoholic), we aim to locally-source our beverage ingredients as much as possible.

Our primary "service" will be entertainment. On Thursday-Saturday, the RR will usually provide live music performed by local and regional musicians. Other entertainment events might include comedy nights, trivia, etc. Music may begin as early as 3 or 4 in the afternoon and may continue until roughly 12 am. Most music events will begin later in the evening, typically around 8. Events during the afternoon/early evening will be open to the general public and will be fairly "low key" in the sense that the volume will be subdued, we'll be focused on food service, and patrons will primarily be conversing inside or on our deck/patio. Events later in the evening will almost always be restricted to patrons who are at least 21-years-old. A cover charge for evening entertainment will be applied in many cases. Additional staff will be on hand to enforce age restrictions and assist with any issues that might arise in terms of safety or security. Strict volume protocols for all entertainment events will be enforced.

STARTERS & SIDES

Rooster Wings	\$8
Fries	\$5
Onion Rings	\$6
Cheese Curds	\$6
Slaw	\$3
Bean Salad	\$3
Pickles	\$2
Cheese Board	\$10

BURGER, SANDWICHES, & WRAPS

Hamburger	\$7
Veggie Burger	\$7
Cheeseburger	\$8
Double Cheeseburger	\$10
Hot Dog	\$4
Cheesesteak Sandwich	\$9
Reuben Sandwich	\$9
Turkey Wrap	\$8
Veggie Wrap	\$8

add bacon for \$1

DUMPLINGS

Paul's Pel'meni	
Full Order	\$8
Half Order	\$6

SOUPS

Chili	\$5
Soup of the Day	\$5



Red Rooster

2513 Seiferth Road

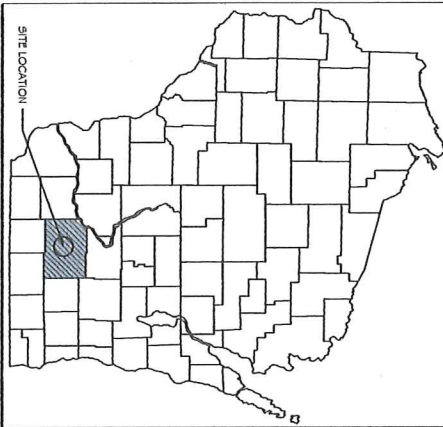
VICINITY MAP



AERIAL VIEW OF SITE

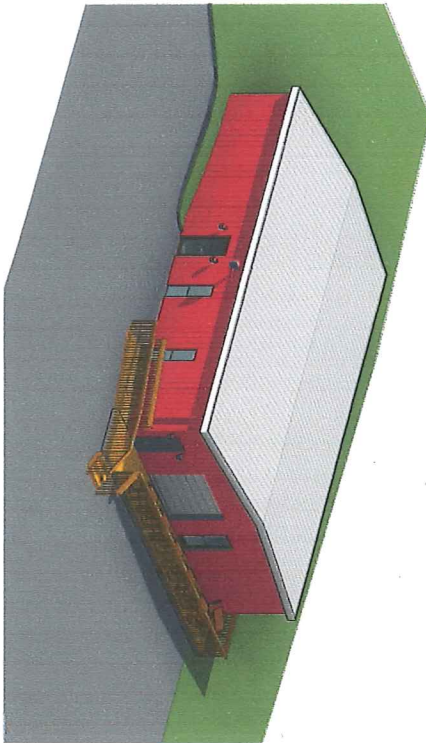


GENERAL LOCATION



RED ROOSTER

2513 SEIFERTH ROAD
 MADISON
 DANE COUNTY, WI



SHEET INDEX

GENERAL

0001 COVER SHEET
 0002 GENERAL DATA
 0003 ADO DATA - DC
 0004 ADO DATA - SC
 0005 ADO DATA - BC

ARCHITECTURAL

A101 FIRST FLOOR PLAN
 A201 EXTERIOR FINISH ELEVATIONS
 A301 DOOR SCHEDULE

PROJECT INFORMATION

DEVELOPER

FORBAIR GROUP, INC.
 2513 SEIFERTH ROAD
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 FAX: 608.261.1101
 EMAIL: INFO@FORBAIR.COM

ARCHITECT

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 FAX: 608.261.1101
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STRUCTURAL ENGINEER

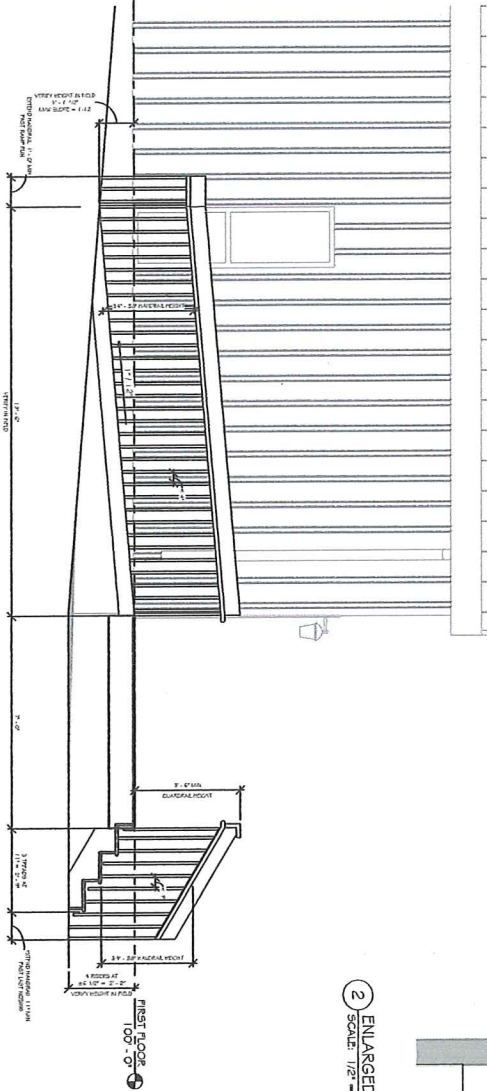
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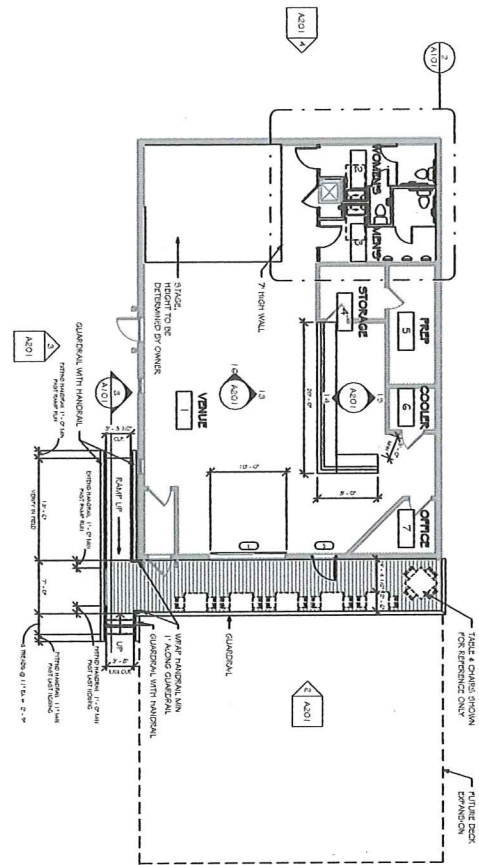
PRELIMINARY
 FOR REVIEW
 PURPOSES ONLY

PROJECT NAME	RED ROOSTER BAR REMODEL
PROJECT LOCATION	MADISON WI
SHEET TITLE	COVER SHEET
PROJECT NUMBER	51466
SHEET NUMBER	0001

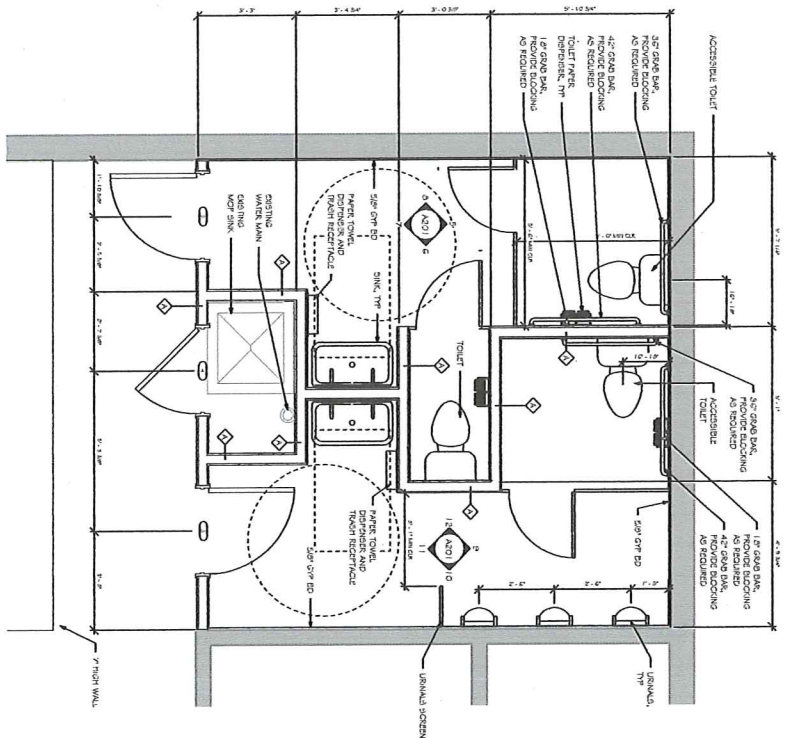
3 SECTION @ RAMP AND STAIRS
 SCALE: 1/2" = 1'-0"



1 FIRST FLOOR
 SCALE: 1/8" = 1'-0"



2 ENLARGED PLAN - PUBLIC SPACE
 SCALE: 1/2" = 1'-0"



NOTES:
 - WALL, FLOOR, & ROOF ASSEMBLIES ARE INDICATED WITH SEE VERTICAL & HORIZONTAL ASSEMBLY SHEETS FOR MORE INFO.

		PRELIMINARY FOR REVIEW PURPOSES ONLY	
PROJECT OWNER	FORBAR GROUP	PROJECT TITLE	RED ROOSTER BAR REMODEL
PROJECT LOCATION	MADISON WI	SHEET TITLE	FIRST FLOOR PLAN
PROJECT NUMBER	51486	PROJECT NUMBER	51486
SHEET NUMBER	A101	SHEET NUMBER	A101

