

F.R.Y. Your Gourmet Fry Connection

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Introduction

Vision and Mission Statement

F.R.Y.'s vision is to satisfy every customer on every visit and be known as the South Side's premier leader in gourmet French Fries.

F.R.Y.'s mission is to provide our customers with the best tasting product and outstanding customer service from the minute they walk in our door.

Product

- F.R.Y. will sell freshly baked and crisp fried gourmet French Fries
- Customers will have a choice of either Idaho Potatoes or Sweet Potatoes
- Dipping sauces such as Cheese, Ranch and Chipotle Ranch will be available as well as Heinz Ketchup
- Bottled beverages such as Soda, Water and Fruit Juices will be available for purchase

Professional Environment

- **Business**

F.R.Y. will be sold out of a storefront on East Carson Street, South Side, PA.

This location will generate extensive foot traffic at all times of the day.

We are a general partnership. We chose this because we will share equally in the duties and we all have specific talents: Mia-HR, Charles-Store Manager, Kim-Operations. As we grow, we hope to increase our talent and profit.

The fries will be baked/fried onsite.

Our hours will be Monday-Thursday, 11:00 am to 10 pm. Friday-Saturday, 11 a.m. to 12:00 am. Sunday, 11 a.m. to 9:00 pm.

- **Competitive**

Our major competition will be other storefront restaurants, pizza places and bars including Pizza Sole, FatHeads and Mario's as they may offer a larger selection of food items.

We will have an advantage because we will offer a health conscious choice-baked French Fries.

Some customers just want a quick snack and be in and out the door quickly.

Our business is operated and managed by local Pittsburghers, not a chain.

S.W.O.T.

Strengths

- Innovative Idea
- Popular Fast Food
- Baked/Fried Option
- Local Business-Not a Chain
- Creating a Fun Twist to an Old American Favorite Food

Weaknesses

- We are a start-up with a lot of surrounding competition
- Name Recognition
- Capital/Credit history
- Vendor Relations

Opportunities

- Extensive Foot Traffic
- Hope to expand general partnership by adding new talent and funds
- Give customers a quick snack option
- Convince consumers our fries are better
- Achieved by serving high quality food and exceeding customers expectations

Threats

- Weak economy-consumers are spending less
- French fries can be perceived as unhealthy
- Start-up Costs
- Licenses/Permits

Target Market and Research

15-35 Age group with incomes between \$10,000-\$32,000 residing on the South Side and surrounding neighborhoods

Demographic Variables:

- High School / College Students
- Strip Mall Shoppers
- Hospital Employees
- Over 21 Partygoers

Market Research:

Over 50 million Americans eat fast food on a daily basis

From the mid1970's-2011, fast food intake has increased to over 500% with families eating out at least 3 times a week

Annual Fast Food Revenue as of 2011 has reached 110 billion

Product Features and Benefits and Differentiation

- Potatoes are fresh not frozen
- Regular and sweet potatoes(for the health conscious consumer)
- Copious toppings and dipping sauces
- Fast and friendly service
- Attractive pricing
- Clean establishment with special attention to décor
- Wi-Fi
- Eco-friendly establishment
- Capability of setting competitive pricing
- Located in busy shopping plaza
- Theme Nights
- Satisfaction Guaranteed
- Unique and first of it's kind
- Supporting different causes by donating a portion of sales
- Convenient hours

Pricing

Pricing Strategy:

Our company will implement penetration pricing.

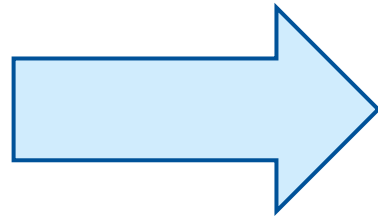
WHY?

By using this strategy of starting with low prices, we will be given the edge needed to create a buzz while gaining customer interest in our product.

Customer base will increase by 25% by the end of our first year with increased sales of 5% each month until we reach our long term goal of 75% by year three.

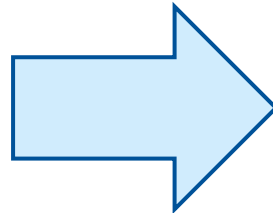
Management

Mia



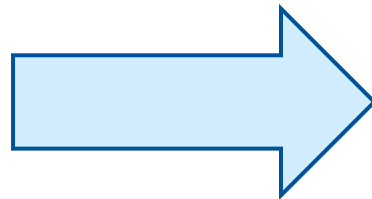
- Human Resources
- Responsible for hiring and payroll
- Promote zero tolerance for sexual harassment and maintaining tolerance for diversity in our company

Charlie



- Store Manager
- Responsible for training and supervising employees
- Ensure that employees are aware that used cooking oil is distributed to Construction Junction to be recycled
- Promote support of a local charity each month

Kim



- Operations
- Responsible for Accounts Payable and Inventory
- Purchase recyclable products and only purchase supplies from local suppliers

Expectations

Small- \$ 2.99

Medium- \$ 3.49

Large- \$ 4.29

*average price paid: $3.59 \times 10,000 =$ estimated \$35,900 in french fry profits
in first year.*

Bottles of Beverage sold (Recycling bins provided)

All bottles \$2.00

$2.00 \times 7,500 =$ \$15,000

first year goal revenue of **\$50,900**

F.R.Y.

Income Statement

For the Year Ending 31 Dec 2013

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Revenue													
French Fry Sales	11,000	12,000	20,000	25,000	30,000	27,100	27,000	33,000	31,000	27,000	29,000	38,000	310,100
Beverage Sales	8,000	8,000	14,000	15,000	13,000	14,900	15,000	17,000	20,000	13,000	15,000	16,000	168,900
Total Revenue (Sales)	19000	20000	34000	40000	43,000	42000	42000	50000	51000	40000	44000	54000	479000
Total Cost of Goods Sold	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	21,996
	\$17,167	\$18,167	\$32,167	\$38,167	\$41,167	\$40,167	\$40,167	\$48,167	\$49,167	\$38,167	\$42,167	\$52,167	\$457,004
Gross Profit													
Salaries & Wages	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$172,800
Supplies Expense	500	525	551	579	608	638	670	704	739	776	814	855	7,959
Operating Expense	475	499	524	550	577	606	637	668	702	737	774	812	7,561
Rent Expense	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
Interest from Loans	250	263	276	289	304	319	335	352	369	388	407	428	3,979
Utilities Expense	100	105	110	116	122	128	134	141	148	155	163	171	1,592
Advertising Expenses	2,000	2,000	2,000	2,000	2,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	18,000
Telephone/Internet Expense	89	89	89	89	89	89	89	89	89	89	89	89	1,068
Insurance Expense	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Total Expenses	\$22,564	\$22,630	\$22,700	\$22,773	\$22,850	\$22,930	\$22,015	\$22,103	\$22,197	\$22,295	\$22,397	\$22,505	\$269,958
Net Profit	-\$5,397	-\$4,463	\$9,467	\$15,394	\$18,317	\$17,237	\$18,152	\$26,064	\$26,970	\$15,872	\$19,770	\$29,662	\$187,046

Balance Sheet

Cash in Bank	115,068	Accts Payable	1,833
Cash Val. of Inventory	15,000	Taxes Payable	9,162
Prepaid Expenses	3,000	Notes Payable	0
Total Current Assets	133,068	Total Current Liabilities	10,995

Machinery/Equip.	19,725
Furniture/Fixtures	4,000
Real Estate/Buildings	30,000
Total Fixed Assets	43,725

Bank Loans Payable	400,000
Short Term Portion	15,000
Total LongTerm Liabilities	385,000

Total Assets	176,793
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Total Liabilities	396,995
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Owner's Equity	50,000
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Total Liabilities + Net Worth	50,000
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