

PRELIMINARY BUSINESS TRANSITION PLAN PROJECTIONS

for

FIREHOUSE RESTAURANT, GIBSON, N.C.



I. Space and Atmosphere

In order to improve the space and atmosphere of the Firehouse Restaurant we propose the following changes:

- a. hang a perpendicular sign on the outside front of the restaurant.
- b. on the interior, elevate the floor 7" high and 8' wide along the wall nearest the railroad tracks, with a rail 4' high on the outside edge of the raised floor with three entrances between the rails. For the rail we propose black wrought iron or wood.
- c. the divider between the ice maker and the dining room will be moved forward 5' approximately 5' high. At the top there will be a row of wooden spindles.
- d. at the front, the big overhead door will be bricked in from the floor about 4' up and another row of glass will be installed.

The cost for materials will be approximately \$1200.00.

II. Advertising and Marketing

It was felt that the target area identified (Laurinburg, Rockingham, and Bennettsville) was not sufficiently aware of the restaurant. This was due mainly to limited advertising (Laurinburg and Bennettsville newspapers only) and failure to be aggressive in the advertising plan. Also, though the target group was families, the restaurant's advertising did not place proper emphasis on this or mention things which would draw families.

The vision of our group is to establish a dynamic, effective, low budget advertising campaign. This campaign would stress the family nature of the restaurant and the excellent food. It would de-emphasize the economic development aspect. The campaign needs to continue on a long term basis to be effective.

The following recommendations are made to achieve the type of advertising envisioned:

- a. twice weekly newspaper ads in the Laurinburg Exchange, Richmond County Journal and Marlboro Advocate.
- b. moving the restaurant ad in the Laurinburg Exchange to the entertainment section to attract more attention.
- c. redo the ad to stress the food specialty, entertainment and special prices for children.
- d. make matchcovers and distribute flyers to increase advertising.
- e. conduct market research, to be done through a drawing at the restaurant over one month's time.
- f. create and begin prime time radio ads.
- g. contact area groups, particularly church groups, to make them aware of our private party facilities.
- h. explore possibilities of establishing food contracts.
- i. offer special rates to firemen and their families.
- j. distribute leaflets to area stores.

MARKETING TASK FORCE

III. Food and Menus

We understand that starting the Firehouse Restaurant could take two to three years to stabilize. At this time, we have discerned that several factors are impeding the firehouse's progress toward being profitable. First, portions are not always the same size, yet the cost is. In some cases, the arrangement of food on the plate has not had the eye appeal that is so important to the finessing of the meal. Also, there is some inconsistency in the food and the food preparation quality. More serious is the fact that the restaurant does not now have a specialty food emphasis.

The following is a list of recommendations to improve the quality, service and appeal of the Firehouse Restaurant therefore increasing the regular profit-making clientele.

- a. That the Friday and Saturday menu include Barbeque Chicken and Ribs, a vegetable, salad, starch dessert and beverages, in addition to fish, steak and chicken meals now being served.
- b. That there be a common understanding of the standardized portion of the food and a careful adherence to these standards.
- c. That Barbeque Spareribs and chicken become the specialty.
- d. That ice cream and shortcake be added to the menu.
- e. That a professional cook be employed to take full charge of the quality and preparation of foods.
- f. That children's plates be placed on the menu and served.

We were working on the arena of finding a manager for the restaurant. In doing so we checked with Fort Bragg about the possibility of acquiring a manager through the job fair. We were told that a blind advertisement could be placed in Fayetteville by contacting Mr. Skip Dixon. They also will call back after checking with Food Services personnell and retired servicemen. We should hear from this within a day.

Also we contactd American Motel Management Association and found that we were equipped with very inadequate information to discuss the subject at this time. Some of the information that we required and did not have was?

What is the seating capability of the restaurent?

What are the daily sales?

What salary would be offered?

What would be the availibility of personell?

These questions were asked by Snelling and Snelling Employment Agency as well as the American Motel Management Association.

The American Motel Management Association also informed us that they could not handle this situation because the Firehous is too small of an operation.

Snelling and Snelling informed us that it would cost the applicant 10% of their first year's salary if they placed someone in the position.

We also explored the possibility of sending someone to school to learn how to be a restaurant manager. The closest institution that offers such a course is Central Piedmont Community College in Charlotte. The cost of the course is \$40.00 per quarter and it is a six quarter course. The college does have a placement service which could offer an opportunity to us.

Phone numbers:

American Motel Management Association: x781x	919-781-6210
Snelling and Snelling Personnel Service	919-483-3671
Central Piedmont Community College	704-373-6633
Mr. Skip Dixon	919-483-8153

Mr. Tom Goodwin with the school of business of St. Andrews suggested that the restaurant make use of the intern program from the college for getting a student to do the financial management for a quarter and to be the host/hostess for the sake of doing surveys for the restaurant. These would be free services.

"Space + Atmosphere"

Kitchen

Restroom Area

EXIT

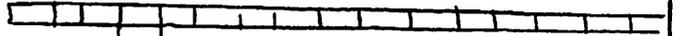
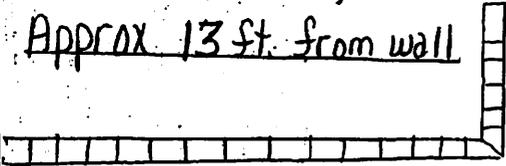


Enlarged
Waitress Area

EXIT

Silverware, Drinks, Etc.

Approx. 13 ft. from wall



Elevated Area
approx. 1 step

Table Area

Table Area



approximately 8 ft. width

Entrance

Register

change window design

THE FIREHOUSE RESTAURANT

100 GIBSON

FAMILY STYLE - PORTIONS FOR CHILDREN UNDER 5 FREE
 GUEST ENTERTAINMENT - FRI + SAT NITES

SPECIAL 8 02.

FIREMAN'S FAVORITE STEAK 5.50

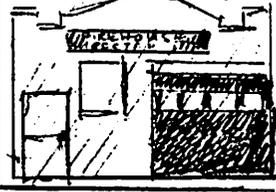
FOR FIREMEN + FAMILIES SAT NITE
 DAILY FOR LUNCH - 11:00AM - 2:30PM PRIVATE PARTIES
 FRI + SAT FOR DINNER 5:30PM ARRANGED 268-4501



132-281 / RT 281
 LEBANON N.C.
 GIBSON
 RT 29

FAMILY STYLE

THE FIREHOUSE RESTAURANT



CLOSE COVER 30000 STRIPES

MATCHBOOK COVER

POSSIBLE NEWSPAPER AD (1/2 PREVIOUS SIZE)

BARBEQUED RIBS 4.00

ADVERTISING BUDGET

NEWSPAPER	FREQUENCY	COST/AD	COST/MONTH
Laurinburg Exchange	1/week	25.31 (on movie page)	101.24
Richmond Co. Journal	1/week	24.30	97.20
Marlboro Herald Advocate	1/week	17.55	70.20
			268.64
<u>RADIO</u>			
WINC Laurinburg	1/day every other week	3.50 for 30 sec	52.50
WKDX Hamlet	1/day every other week	2.40 for 30 sec	36.00
			88.50
			357.10 per month
<u>ONE TIME COSTS</u>			
Match book covers 2500/case		44.95	
distribute flyers in Laurinburg Exchange (we supply 8000 copies all printed)		325.00	
			369.95

Firehouse Restaurant
Business Plan

Marketing Task Forces

Gibson HDTs
April, 1980

Implementation Steps for
Food and Menu

APRIL

- create a list showing the proper measurement of each item served and post on wall.
- hold a demonstration for employees of the attractive arrangement for each menu/dinner/meal
- Secure a full time professional cook, with salary + benefits
- Add 2-3 kinds of ice cream to menu.

MAY

- Research a source of spare ribs.
- Obtain and test recipes, for B.B.Q chicken, spare-ribs, + shortcake.
- Buy pies for resale

JUNE

- Secure local-grown vegetables
- Get a small ice cream freezer.
- Celebrate the Firehouses 'New Launching'.

INVENTORY COMPARRISON					
ITEM	BICKETT	A&P	AMERICAN BAKERIES	HARRIS TEETER	FOOD TOWN
lettuce 2 doz.	10.08	18.96			
radishes 6 bags	1.20	1.74			
cabbages 10 lbs.	.90	2.50			
carrots 10 lbs.	1.05	5.90			
celery 8 stalks	2.40	6.32			
tomatoes. 30 lbs.	12.35	14.70			
oil 1 gal.	5.46	6.49			
shortening 50 lbs.	21.40	29.85			
hamburger buns 1 doz.		.65	.69		
hotdog buns 2 doz.		.98	1.38		
sandwich bread		.95	1.71		
sour cream 8 lbs.	3.23	10.72			
whipped margarine 20 lbs	9.99	17.80			
cascade 12/50 cz.	26.95	24.98			
flour 25 lbs.	4.30	3.99			
sugar 25 lbs.	10.65	9.37			

The above chart shows price comparisons on sixteen food items used by the Firehouse Restaurant. Prices were taken from Bickett Wholesale, A&P Retail Chain Store and American Bakeries. Prices from Harris Teeter and Food Town should be obtained on the above mentioned items to receive a more complete evaluation of price differences

A&P Product Research on meat revealed that the manager would deal with the restaurant on a retail price basis. The store would hold items needed on a pick-up basis. With special sales, the store would notify the restaurant and hold the amount ordered. The manager stated he would be glad to accommodate the Firehouse

FIREHOUSE RESTAURANT
BUSINESS PLAN
Options for Transition

Type of Transition	Option I Sell	Option II Lease	Option III Management Contract	Option IV Run by CDA Board	Option V Close
ADVANTAGES	<ol style="list-style-type: none"> 1. CDA receives partial for re-investment 2. Probably a new family will move into community 3. Owner will have high motivation to succeed 4. If a failure does occur, most of it will reflect on the owner, not the CDA or the community 	<ol style="list-style-type: none"> 1. Lessee has basic control of operation and thus freedom to make business decisions 2. Lessee has the motivation to make the operation go. 3. Lessee does not have to have much up-front money 4. CDA can write stipulations on how the business will operate 	<ol style="list-style-type: none"> 1. CDA has important control on style of restaurant 2. CDA board can act as advisors and as arbitor to the manager 3. This maintains the image of the community owning the business 	<ol style="list-style-type: none"> 1. CDA has direct control of the running of the restaurant 2. The community gets to participate in making the business go 3. The community can better identify with the restaurant as a community operation. 4. 	<ol style="list-style-type: none"> 1. Frees CDA from management. 2. Cuts immediate losses 3. Avoids the risk of a long term drain 4. CDA maintains control of building
DISADVANTAGES	<ol style="list-style-type: none"> 1. High interest rates make it unlikely that a buyer can be found 2. CDA and the community will have no legal control over the premises 	<ol style="list-style-type: none"> 1. CDA still has money tied up in restaurant 2. Periodic re-decisions must be made on continued operations -- This is unsettling if there is a short term lease. 	<ol style="list-style-type: none"> 1. Differences of opinion on how to operate the business could develop that could hurt the business development 2. Money remains tied up in business 3. CDA might have difficulty in choosing a good manager 4. 	<ol style="list-style-type: none"> 1. CDA is not set up to run a business 2. Money remains tied up in business 3. Group decisions make management difficult 4. CDA is not as motivated to make a go of the business as an owner or lessee would be 	<ol style="list-style-type: none"> 1. Gives no way to re-coon the present investment 2. Leaves vacant building in the community 3. Creates the story that CDA has had a failure 4. Creates the image that the town of Gibson is a failure 5. Causes unemployment