The Pitt of Fox's Pizza Business Plan





BUSINESS PLAN

Team 8 Members:

Arianna Boccardi Luke Bowen Dzeneta Kajan Kristin Lucas Grayce Marquis Allison Rundquist

https://ariannaboccardi3.wixsite.com/mysite

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SECTION ONE: THE BUSINESS

Executive Summary

1. Brief Description of the Company

a. Fox's Pizza is a franchise founded in 1971, which has since been providing customers with exceptional food and attentive service. We are devoted to using quality ingredients, such as Italian Pecorino Romano cheese and fine Italian olive oil. We are dedicated to offering an individualized experience for each of our customers, offering a variety of menu items, sizes, and delivery options. We believe the South Side branch of the Fox's Pizza franchise will be an excellent location to add to the rich collection of restaurants and bars along East Carson Street. Additionally, our location's hours have been structured to match the culture of "night life" in South Side. The quality of our food and service, as well as our location and hours, will allow us to serve the people of Pittsburgh in a convenient, effective way.

2. Mission Statement

a. We want our customers to feel at home with our welcoming staff and our delicious, freshly-made Italian cuisine. Our mission is to offer quality food and excellent service to our valued customers.

3. The Product

Our menu features gourmet pizzas, hoagies, wedgies, and sides consistent with the Fox's Pizza franchise. However, we will also offer products unique to the city of Pittsburgh in order to appeal to the local clientele, such as a "Pierogi Pizza". We also offer a variety of dining options in order to accommodate whatever is most convenient for the customer. This includes a dine-in option, take-out, and a delivery service.

4. Competitive Advantages

a. Fox's Pizza is a franchise that spans across the United States, hence, name recognition should attract loyal customers. However, our location on East Carson Street, coupled with our late-night hours, allow us to attract a different type of clientele. Our plan is to stay open until 3AM on weekends to become an attractive late-night food spot after most of East Carson Street's bars have closed. Furthermore, we offer unique items that have been specially made to reflect the unique cuisine of Pittsburgh, attracting locals and tourists alike.

5. Management Team

a. Arianna Boccardi: President and CEO

b. Grayce Marquis: Public Relations

c. Luke Bowen: Financial Analyst

d. Dzeneta Kajan: Human Resources Manager

e. Allison Rundquist: Food Service Director (Healthcare)

f. Kristin Lucas: Risk Management Director

6. Financing Requirements

a. The business currently has \$50,000 in cash assets. We will need a loan of \$600,000.00 initially, in order to purchase the building and finance equipment and staff before the branch starts acquiring revenue.

History and Position Of the Business

A. The Company's Mission:

The goal of this business is to make customers feel right at home with our welcoming staff and our delicious, freshly-made Italian cuisine.

B. The History of the Company:

Fox's Pizza Den inception was founded in 1971 by Jim Fox in Murrysville, Pennsylvania. This pizzeria soon grew and now has more than 250 locations in 28 U.S. states, all franchise-owned. Fox's Pizza Den has consistently ranked among the Top 25 pizza chains in the world. Our founder, Jim Fox, was also named one of the country's top entrepreneurs by The Small Business Administration during National Small Business Week, May 5–11, 2002. Following this success, Fox's Pizza was ranked "Best Pizza Franchise" in 2007. Now, Fox's Pizza is looking to share its savory recipes and friendly smiles with the beautiful city of Pittsburgh.

C. Management Team and Key Personnel:

The Pitt of Fox's Pizza's Management Team consists of:

- Shareholders-Each individual will hold 16.6% of this business:
 Arianna Boccardi, Grayce Marquis, Luke Bowen, Allison Rundquist,
 Kristin Lucas, and Dzeneta Kajan
- Directors- Each individual listed are participating directors of this business:
 Arianna Boccardi, Grayce Marquis, Luke Bowen, Allison Rundquist,
 Kristin Lucas, and Dzeneta Kajan

3. Officers- Each individual holds a key Officer position in this business as listed below:

President and CEO- Arianna Boccardi

Responsible for managing the entire restaurant operation; responsible for running a profitable and successful business.

Public Relations- Grayce Marquis

Responsible for helping the restaurant create and maintain a positive image. Such tasks include publicizing fundraisers, parties, special discounts, and other newsworthy events.

Financial Analyst- Luke Bowen

Responsible for researching macroeconomic and microeconomic conditions and gathering financial information. Also gathers financial information with company fundamentals in order to make business, sector and industry recommendations to the company.

Human Resources Manager- Dzeneta Kajan:

Responsible for recruiting and hiring qualified employees, creating in-house job-training programs, and assisting employees with their career needs.

Foodservice Director (Healthcare)- Allison Rundquist:

Responsible for directing the delivery of professional food services that will be a material factor in producing cost effectiveness, positive financial results, customer satisfaction, and a positive public image.

Food and Beverage Director- Kristin Lucas:

Oversees management, budget, and operation of the foodservice outlet and kitchen, and maintains liaison with sales department to ensure maximum profitability.

For the key personnel and staff of this business, the Management Team will be interviewing and hiring qualified applicants for the following positions:

General Manager- Responsible for coordinating foodservice activities of restaurant, including estimating food and beverage costs and purchasing supplies, equipment, food, and

beverages. Confers with food preparation and oversees the cleaning and maintenance of equipment and facilities and ensures that all health and safety regulations are adhered to. Directs hiring, assignment, training, motivation, and termination of personnel.

Kitchen Manager- Responsible for supervising and coordinating activities concerning all back-of-the-house operations and personnel, including food preparation, kitchen and storeroom areas.

Executive Chef- Responsible for ensuring kitchen provides nutritious, safe, eye-appealing, properly flavored food.

Server- Responsible for describing menu and daily specials, taking orders, serving orders, and making sure customers have everything they need to enjoy their meals.

D. Business Structure:

The structure of this business is that of a S-Corporation. A Subchapter S (S Corporation) is a form of corporation that meets specific Internal Revenue Code requirements. The requirements gives a corporation with 100 shareholders or fewer the benefit of incorporation while being taxed as a partnership.

E. Business Strategy:

Mission of the Small Business:

The goal of this business is to make customers feel right at home with our welcoming staff and our delicious, freshly-made Italian cuisine.

Strategy:

We will be using both of the Generic Business Strategies:

-Product Differentiation- In our business, The Pitt of Fox's Pizza, we are going to create our own special type of pizza that will only be able to be bought at our store. To add onto our Italian cuisine, we will be making our specialty pizza, "The Pitt's Pierogi Pizza". This pizza will follow the same creation of all our other pizzas, except it will be covered with mini potato filled pierogies.

-Process Enhancement- As our business will be right next to the University of Pittsburgh's campus, we expect a majority of our customers to be these students. To utilize this fact, we will be having promotional deals directed toward this audience, so they choose our pizza over the competitions in the area. On the weekends at the university, the dining halls close very early and are not available to those night owls looking for a midnight snack. Since students usually go out on the weekends and need a second dinner in the early morning, we will offer a 30% off discount on purchases \$10 and up on Friday's and Saturday's between 11pm-3am, to any student who can show their student ID at the checkout.

Operations of the Business

A. Location of the Business:

The location of our business is 2341 E. Carson Street, Pittsburgh, PA 15203. The South Side (or "Southside") is an area in Pittsburgh, Pennsylvania, United States, located along the Monongahela River across from Downtown Pittsburgh. The South Side is well-connected with public transit. Its proximity and public transit connections also have attracted professionals who work downtown, which helps us connect all potential customers to our business.

The location of our business is only 9 minutes from the University by driving and 15 minutes by transit. As free public transportation is included in Pitt's tuition, there will be no cost to get to our restaurant. The bus system in our area does not stop until the early morning, so it correlates well with our hours of operation as well. The student just needs to take the 54 bus to our location.

B. Property Listing:

2341 E Carson St

Pittsburgh, PA 15203 · Retail For Sale

\$540,000

Retail Property For Sale

Price	\$540,000	No. Stories	3
Property Type	Retail	Year Built	1990
Property Sub-type	Storefront Retail/Residential	Parking Ratio	0.47/1,000 SF
Building Class	С	Zoning Description	LNC
Sale Type	Investment	APN / Parcel ID	0012-G-00005-000

		0 0 0 0	0-00
Lot Size	0.06 AC	Walk Score ®	95 (Walker's Paradise)
Gross Leasable Area	4,216 SF	Transit Score ®	65 (Good Transit)

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Description

This three-story free standing building is home to the Green Front Inn Restaurant/Bar on the first floor and two living spaces on the second and third floors. Two off street parking spaces in rear of building. Listing includes building, liquor license, equipment and business.

Located on Pittsburgh's South Side, this property sits in close proximity to many shopping/restaurant options, along with numerous housing and office users. 18,585 Daily Vehicle Count.

Highlights

- Listing includes building, liquor license, equipment and business
- · Three-story free standing building
- Kitchen and hood system in place
- · 18,585 Daily Vehicle Count
- Located on Pittsburgh's South Side





B. Hours of Operation:

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
11pm-10pm	11pm-10pm	11pm-10pm	11pm-10pm	11pm-3am	11pm-3am	11pm-7pm

C. Equipment:

The building we bought for our business includes all of the equipment we need for our business: a kitchen, equipment in the kitchen, tables, booths, chairs, bar area, and a liquor license. We do need to buy kitchen utensils, disposables, etc., so we are purchasing these items from the restaurant supply company named Katom Restaurant Supply Incorporated.

Kitchen Utensils:

Focus 6090 Swing-A-Way Easy Crank Can Opener, Extra Long Handles	\$7.75
Update ST-9LR 9"L Stainless Utility Tongs	\$.62
Dexter Russell S2896PCP 5.5" Carver Fork w/ Rosewood Handle, Carbon Steel	\$15.12
Update SPSD-4 4 oz Solid Portion Controller - Green Handle	\$1.32
Browne 746108 Stainless Measuring Spoon Set: 1/4, 1/2, 1 teaspoon & 1 Tablespoon	\$.60
Update CO-35 4 1/8" Can Punch/Bottle Opener - Stainless	\$.30

Winco TN166 Pie Server w/ 5.5" Blade & Wooden Handle	\$1.05
Carlisle 4413102 10.4375" Spatula - Silicone, Red	\$5.95
Browne 575769 Garlic Press, 8 in, Die-Cast Aluminum, Poly Teeth	\$6.63
Tablecraft 7324 24" Chrome Plated Potato Masher w/ Black Texture Handle	\$10.51

Kitchen Knives:

Dexter Russell P94805 12" Slicer w/ Polypropylene White Handle, Carbon Steel (Carving Knife for Deli Meats)	\$8.89
Dexter Russell P94804 10" Bread Knife w/ Polypropylene White Handle, Carbon Steel (Bread Knife)	\$7.95
Dexter Russell SGL155NSC-PCP 5.5" Utility Knife w/ Polypropylene White Handle, Carbon Steel (Vegetable, fruit, etc. Knife)	\$10.96
Dexter Russell EDGE-1 Hand-Held Sani-Safe® Sharpener, White (Knife Sharpener)	\$6.35

American Metalcraft PCW5 5" Pizza Cutter Blade, Stainless (Pizza Cutter)	\$3.32
Update WDS-36 Dough Scraper - 3x6" Wood Handle, Stainless (Dough cutter)	\$1.30
Winco VP303 7 1/2" Vegetable Peeler w/ Soft Grip Handle	\$2.25
Tablecraft GLOVE5 The ProTector Cut Resistant Glove, X-Large, Black Cuff	\$12.31
Winco KS-01 Kitchen Shears, Individually Carded	\$1.47
Dexter Russell S118-14DH 14" Sani-Safe® Cheese Knife w/ Polypropylene White Handle, Carbon Steel	\$54.06
Browne HKP321 Knife Rack w/ 5 Knife Capacity & Wall Counter Table Mount, Stainless	\$13.57
Dexter Russell 91502 Mezzaluna Chopper w/ Dual Wood Handles	\$5.19
Notrax T45S2008BF Cutting Board, Antimicrobial Rubber Compound, 8 x 8 x 1/2"	\$12.01
Winco AFP-8XC-H 8" Aluminum Frying Pan w/ Solid Silicone Handle	\$9.94
Vollrath 7373 14 qt Aluminum Sauce Pot - 11.875" x 7.625"	\$39.12

Gloves, Aprons, Towels:

\$2.26
\$2.38
\$6.40
\$3.01
\$13.86
\$18.09
\$4.20
\$17.97

Ingredients will be purchased from the food supplier Food Service Direct:

Follow Your Heart Mozzarella Style Block Cheese Alternative, 5.5 Pound 5 per case	\$194.95
Camdolly Pizza Dough Box, Dark Brown, 300 Pound 1 each.	\$255.95
Rstd Garlic Pasta Sauce - 25 ounce 6 per case	\$47.95

Applegate Pepperoni Stick, 16 Pound 1 each Rotellas Breadsticks, 7 inch 192 per case Drogheria Garlic, 1.76 Ounce 72 per case Select Recipe 1/4 inch Straight Cut French Fries, 4.5 Pound 6 per case Tyson Pride Uncooked, Ice Glazed Jumbo Whole Chicken Wings, 40 Pound 1 each Cooks Ham Hickory Smoked Spiral Sliced Ham with Natural Juices, 41.4 Pound 1 each Farmland Single Sliced Bacon 1 each Kraft Ranch Dressing, 24 Ounce 6 Case Hellmans Chunky Bleu Cheese Dressing 1 Gallon 4 Case American Italian Pasta - 20 inch Fettuccine, 20 Pound 1 each Just Mayo Premium Light Mayonnaise, 1 Gallon 4 per case Ketchup Vol Pak 3 Gallon Mustard Vol Pak 3 Gallon S194.95 \$66.95 \$78.95 \$78.95 \$78.95 \$146.95 \$146.95 \$146.95 \$146.95 \$39.95 \$39.95 \$39.95 \$76.95 \$76.95 \$76.95 \$77.95 \$77.95 \$77.95 \$77.95		
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Case Select Recipe 1/4 inch Straight Cut French Fries, 4.5 Pound 6 per case Tyson Pride Uncooked, Ice Glazed Jumbo Whole Chicken Wings, 40 Pound 1 each Cooks Ham Hickory Smoked Spiral Sliced Ham with Natural Juices, 41.4 Pound 1 each Farmland Single Sliced Bacon 1 each Kraft Ranch Dressing, 24 Ounce 6 Case Hellmans Chunky Bleu Cheese Dressing 1 Gallon 4 Case American Italian Pasta - 20 inch Fettuccine, 20 Pound 1 each American Italian Pasta - 20 inch Fettuccine, 20 Pound 1 each Just Mayo Premium Light Mayonnaise, 1 Gallon 4 per case Ketchup Vol Pak 3 Gallon \$78.95 \$185.95	· •	\$66.95
French Fries, 4.5 Pound 6 per case Tyson Pride Uncooked, Ice Glazed Jumbo Whole Chicken Wings, 40 Pound 1 each Cooks Ham Hickory Smoked Spiral Sliced Ham with Natural Juices, 41.4 Pound 1 each Farmland Single Sliced Bacon 1 each Kraft Ranch Dressing, 24 Ounce 6 Case Hellmans Chunky Bleu Cheese Dressing 1 Gallon 4 Case American Italian Pasta - 20 inch Fettuccine, 20 Pound 1 each American Italian Pasta - 20 inch Fettuccine, 20 Pound 1 each Just Mayo Premium Light Mayonnaise, 1 Gallon 4 per case Ketchup Vol Pak 3 Gallon \$28.95		\$194.95
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Fettuccine, 20 Pound 1 each American Italian Pasta - 20 inch Fettuccine, 20 Pound 1 each Just Mayo Premium Light Mayonnaise, 1 Gallon 4 per case Ketchup Vol Pak 3 Gallon \$28.95	<u> </u>	\$76.95
Fettuccine, 20 Pound 1 each Just Mayo Premium Light Mayonnaise, 1 Gallon 4 per case Ketchup Vol Pak 3 Gallon \$28.95		\$42.95
1 Gallon 4 per case Ketchup Vol Pak 3 Gallon \$28.95		\$130.95
·	1	\$71.95
Mustard Vol Pak 3 Gallon \$33.95	Ketchup Vol Pak 3 Gallon	\$28.95
	Mustard Vol Pak 3 Gallon	\$33.95

Wishbone Italian Dressing 4 Case 1 Gallon	\$50.95
Cains Buffalo Bleu Cheese Dressing, 1 Gallon 4 per case.	\$93.95
Meatball W/ Sauce 6 no.10 Can	\$136.95
Arcobasso Buffalo Sauce, 12 Ounce 6 per case	\$22.95

D. Staffing Schedule:

For every shift, a General Manager, Kitchen Manager, Executive Chef, and Server will be on. The shifts will be divided as follows:

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
11a.m4p.m.	11a.m4p.m.	11a.m4p.m.	11a.m4p.m.	11a.m4p.m.	11a.m4p.m.	11 a.m3p.m
4p.m10p.m.	4p.m10p.m.	4p.m10p.m.	4p.m10p.m:	4pm-9p.m.	4p.m9p.m:	3p.m7p.m.
				9p.m3a.m.	9p.m3a.m.	

SECTION TWO: MARKETING RESEARCH AND ANALYSIS

A. Market Research

1. Target Markets

i. A target market is a group of consumers within the business's serviceable available market at which the business aims its marketing efforts and resources. The Pitt of Fox's Pizza is located in Southside Works, an area with a high capacity of bars and clubs in short distance from several college campuses. The target market will mainly be college students and adults age 21 and up.

2. Competitor Analysis

Strengths	Weaknesses
 Strong Brand Equity Quick Service Large Menu Selection Several owners, No employee hire 	 Serves high calorie, high fat foods Franchise Management No career path for hired employees
Opportunities	Threats
 Improve efficiency Add delivery Add on a parking lot Outdoor seating area Pursue a system for online and mobile orders 	 Changing trend towards healthier lifestyle Competition from other pizza shops in the area Increase in labor and food prices Seasonal weather College students going home for summer break

3. Market Description

- i. As a universal favorite, Pizza has no age group and no gender. The Pitt of Fox's Pizza's Menu can appeal to any taste living amongst Pittsburgh's rich culture. The population mostly residing in South Side Works includes adults 21 and over. As a popular bar location, college students and younger adults frequent in this area the most.
- ii. The Pitt of Fox's Pizza is located on 2341 E. Carson Street, Pittsburgh, PA 15203. East Carson Street runs the whole gamut of the South Side, from Station Square to SouthSide Works. In

- between these two lively city destinations resides hundreds of entertainment, shopping, and food locations. According to Brittany Mesing, the director of marketing of South Side, approximately 4-5 million people visit Southside per year. The popular leisure location promises visitors of all ages.
- iii. Our business will offer service in-store or by phone call orders.

 Customers can order for pick-up or come in, grab a seat and enjoy a delicious meal with friends, family, or hang solo and buy pizza by the slice.
- iv. Offering the familiar taste of pizza customers have always known and loved, The Pitt of Fox's Pizza takes the classic Fox's Pizza and adds a unique city spin. Our Speciality pizza, The Pitt's Pierogi Pizza, will combine a delicious handcrafted pizza with Pittsburgh's love for pierogies. A Pizza for Champions, for the City of Champions.

4. The Desired Customers

i. South Side is a location best known for the bars, clubs, and restaurants in the area, so it is most active in the evenings. There are several college campuses in close distance including the University of Pittsburgh, Duquesne, Point Park, Carlow, Carnegie Mellon University and Chatham University. The desired customer for the Pitt of Fox's Pizza will be college students and adults 21 and over. It is a family restaurant, however since South Side is most most populated on the weekends for nights out, our desired customers will be of a young adult age.

5. Market Growth Opportunities

i. The Pitt of Fox's Pizza possess endless opportunities of growth. As a restaurant in a growing city, the efforts to improve our business services and products have no end. Growth opportunities include: introducing online ordering through The Pitt of Fox's Pizza's website, develop a app for smartphones for ordering and discounts, offer an outdoor seating area, provide a parking lot, and open a bar. A large step in market growth would be further expanding The Pitt of Fox's Pizza to other locations in Pittsburgh. These locations can include, but not limited to, Downtown Pittsburgh, the University of Pittsburgh's campus, and Shadyside.

B. Marketing Plan

1. Target Customer

i. The Pitt of Fox's Pizza will target our marketing efforts towards college students and South Side nightlife visitors. Most of our marketing will be online through social media, nowadays almost everyone is online but we will aim mostly to connect with students and young adults in the area.

2. Sales Forecast

The Pitt of Fox's Pizza will open on January 1, 2019 at 11:00 AM. i. The store will offer a 10% discount on all orders for the first week of business, after that everything will be listed price. On Friday and Saturday nights between 11-3:00 AM, the restaurant will offer a 30% discount on purchases \$10.00 and up to any student who can show their college ID at checkout. The Pitt of Fox's Pizza offers only in-store and call-in orders. The customer can order online off our website's menu, or come in and read the menu on display. The order will then be processed, payment will be made, and the product will served in our time goal of 20 minutes or less. The first few weeks business will be slow, although after several marketing efforts the word will spread and flyers and advertisements will be passed around. The beginning of the week will be The Pitt of Fox's Pizza's slowest business days. On Thursdays orders will pick up for early weekend prowlers, then continue to spur throughout the weekend. Sundays business will begin to slow down again, but not by much in hopes for easy dinners and football watch parties. By the end of the year, The Pitt of Fox's Pizza will hope to have at least 50 orders every day Monday - Wednesday, at least 100 orders every Thursday, 200 orders every Friday and Saturday, and 150 every Sunday.

3. Pricing

i. The Pitt of Fox's Pizza offers the freshest ingredients and highly experienced cooks for high quality products. The prices of our products reflect the ingredients, time, and effort utilized to create each dish. Our prices are processed through the Fox's Pizza Headquarters, where each price is examined, researched, and approved for fairness for both the customer and the company. The cost for our products are similar to the competing prices of pizza shops in the area, although they are not The Pitt of Fox's Pizza, pizza.

4. Methods of Promotion

- i. The Pitt of Fox's Pizza main method of promotion will mainly be through social media and flyers. A week before opening day, flyers will be passed around the college campuses near the location of the restaurant. These include the University of Pittsburgh, Duquesne, Point Park, Carnegie Mellon University, etc. The flyers will be hung around South Side as well as largely populated areas throughout Pittsburgh such as malls and tourist destinations. The flyers cost for printing will be approximately \$20.00. The website will cost \$10.00 a year to withhold a personalized domain for The Pitt of Fox's Pizza. The banner to be hung out front the store will cost approximately \$150.00. The social media accounts will include a Facebook Page and an Instagram account. Both pages will advertise the grand opening deal, future discounts and offers, and market menu products (Images on following pages). The promotional deals The Pitt of Fox's Pizza will offer are as follows:
 - Grand Opening Deal: 10% off all orders during the first week of business
 - 30% off Student Discount when you show the cashier a student ID on Friday and Saturday nights from 11-3:00 am.
 - Email Subscription List: Customers have the option to sign up for the email subscription list at the time of their order. The subscription will frequently send discount codes and special offers to members signed up. In order to use the first five deals sent through an email, members must recommend a friend by attaching their email. This tactic will quickly bring The Pitt of Fox's Pizza's name into the emails of hundreds of new customers.
 - Rewards program, type in a phone number to collect points and earn rewards on future visits.







ABOUT US SUPPORT PRESS API JOBS PRIVACY TERMS DIRECTORY PROFILES HASHTAGS LANGUAGE



SECTION THREE: FINANCIALS OF THE BUSINESS

Financial Analysis

The Pitt of Fox's Pizza

Income Statemen

Sales	Start Up Cost for 1st Month	1st Q	2nd Q	Year 1	Year 2	Year 3
Sales revenue	-	\$ 144,000.0 0	\$ 147,600.0 0	\$ 597,962. 25	\$ 612,911. 31	\$ 615,975. 86
Cost of Goods Sold	-	\$ 28,800.00	\$ 29,520.00	\$ 119,592. 45	\$ 122,582. 26	\$ 123,195. 17
Gross Margin	-	\$ 115,200.0 0	\$ 118,080.0 0	\$ 478,369. 80	\$ 490,329. 05	\$ 492,780. 69
Gross margin %	-	80%	80%	80%	80%	80%

Expenses						
Payroll	\$ -	\$ (61,799.3 0)	\$ (61,799.3 0)	\$ (247,197 .21)	\$ (247,197 .21)	\$ (247,197 .21)
Sales and Marketing	\$ (150.00)	\$ (27.50)	\$ (27.50)	\$ (110.00)	\$ (110.00)	\$ (110.00)
Depreciatio n	\$ -	\$ (232.14)	\$ (232.14)	\$ (928.56)	\$ (928.56)	\$ (928.56)
Utilities	\$ (500.00)	\$ (1,500.00)	\$ (1,500.00)	\$ (6,000.0 0)	\$ (6,000.0 0)	\$ (6,000.0 0)

Insurance	\$ (416.67)		\$ (1,250.00)	\$ (1,250.00)	\$ (5,000.0 0)	\$ (5,000.0 0)	\$ (5,000.0 0)
other	\$ (10,000.00)		\$ (10,900.0 0)	\$ (900.00)	\$ (13,600. 00)	\$ (3,600.0 0)	\$ (3,600.0 0)
Payroll	\$		\$	\$	\$	\$	\$
Taxes	-		(6,624.89)	(6,624.89)	(26,499. 54)	(26,499. 54)	(26,499. 54)
Interest	\$		\$	\$	\$	\$	\$
Expense	(5,992.40)		(17,977.2 0)	(17,977.2 0)	(71,908. 80)	(71,908. 80)	(71,908. 80)
Total Operating			\$	\$	\$	•	
Expenses	\$ (17,059.07)		(100,311. 03)	(90,311.0 3)	(371,244 .11)	\$(361,24 4.11)	\$(361,24 4.11)
Net Income			<u> </u>	\$	\$	\$	\$
	\$		14,888.97	27,768.97	107,125.	129,084.	131,536.
	(17,059.07)				69	94	58
Net Income/Sales		0%	10%	19%	18%	21%	21%

Start Up – In this case, the store isn't open yet so there is no revenue coming in. However, we do see the store take on initial expenses in order to prepare for opening resulting in a negative Net Income.

1st Quarter – For the first quarter, I calculated that the average order made by a customer is \$15. With this in mind, the team and I calculated that on average we would like to have 50 orders Monday through Wednesday, 100 orders Thursday, 200 orders on Friday and Saturday, and 150 orders on Sunday. Therefore, by multiplying the average price with the average customers per day, we were able to calculate the average Sales Revenue per week. From here knowing that there are 12 weeks within a quarter, we were able to see that on average, the store would make \$144000 in Sales Revenue for the 1st Quarter.

2nd Quarter – This quarter, we utilized the same mindset except, due to the fact that word has now traveled around about a new pizza shop in the area we expected an increase in clientele. We predicted that we'd gain a minimum on 20 more customers from the first quarter. Using the same mathematical procedures stated above with the new customer numbers in mind, we were able to calculate the average Sales Revenue for the second quarter would be \$147600.

1st Year- In order to get to the Sales Revenue of the first year, we predicted we would slowly begin to gain clientele. With each quarter that passed, 20 new customers would shop at our store. So, from the second quarter we added twenty new customers for the third quarter and twenty for the fourth quarter. Once again, using the same math principles stated above now counting the new clients. We were able to calculate that the Sales Revenue for the 1st year would be \$597962.25.

2nd Year – At this point, the staff has become situated and the public is a lot more aware of our restaurant and they enjoy our product. Now in order to calculate the second year, we calculated an additional 240 people would shop at our store for each quarter. Using this information and the same math ideas used above calculating each quarters revenue individuality and adding it up, the Sales Revenue for year 2 would be \$612911.31.

3rd Year – For the third and final year we felt that our business has finally begun to reach the potential of the average Fox's Pizza Den. We are continuing to grow but at this point we still have a steady flow of customers. In order to be on par with the other Fox's Pizza's on average our store would gain only 50 customers per quarter in the third year. Once again, the same math principles from above apply here. We calculate the Sales revenue for year 3 would be \$615975.96.

Operations	Start up Cost for 1st Month	1st Quarter	2nd Quarter	Year 1	Year 2	Year 3
Cas h received from Operations :						
Cash Sales	\$ -	\$ 144,000.00	•,	,	,	\$ 615,975
Cash from Recievables	-	0	0	0	0	
Subtotal Cas h from Operations	\$ -	144000.00	147600.00	597962.25	612911.31	61597
Additional Cash Received						
Sales Tax, VAT, HST/GST Received	s -	s -	\$ -	\$ -	s -	\$
New Current Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$
New Other Liabilities	s -	\$ -	\$ -	\$ -	s -	\$
New Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$
Sales of Other Current Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$
Sales of Long-Term assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$
New Investment Received	\$ -	\$ -	\$ -	\$ -	\$ -	\$
Subtotal Cash Received	\$ -	144000.00	147600.00	59796225	612911.31	61597
xpenditures				0.0022		
·						
	\$ {1,762.15}	\$ (5,286,45)	\$ (5,418.61)		\$ (21,674,45)	
Expenditures from Operations	1-7	\$ {5,286.45} \$ {13,909.64}		\$ (21,145.80)		\$ (21,78
expenditures from Operations Inventory purchases	1-7	. ,-,,	\$ (3,909.64)	\$ [21,145.80] \$ [25,638.56]	\$ (15,638.56)	\$ (21,78 \$ (15,63
Expenditures from Operations Inventory purchases General operating and administrative expenses	\$ -	\$ (13,909.64)	\$ (3,909.64)	\$ [21,145.80] \$ [25,638.56]	\$ (15,638.56)	\$ (21,78 \$ (15,63
Expenditures from Operations Inventory purchases General operating and administrative expenses Wage expenses Income taxes	s - s -	\$ (13,909.64) \$ (61,799.30) \$ -	\$ (3,909.64) \$ (61,799.30) \$ -	\$ [21,145.80] \$ [25,638.56] \$ [247,197.21] \$	\$ (15,638.56) \$ (247,197.21) \$ -	\$ {21,78 \$ {15,63 \$ {247,19 \$
Expenditures from Operations Inventory purchases General operating and administrative expenses Wage expenses Income taxes Subbatal Spent on Operations	\$ - \$ - \$	\$ (13,909.64) \$ (61,799.30) \$ -	\$ (3,909.64) \$ (61,799.30) \$ -	\$ [21,145.80] \$ [25,638.56] \$ [247,197.21] \$	\$ (15,638.56) \$ (247,197.21) \$ -	\$ {21,78 \$ {15,63 \$ {247,19 \$
Expenditures from Operations Inventory pur chases General operating and administrative expenses Wage expenses Income taxes Subtotal Spent on Operations	\$ - \$ - \$	\$ (13,909.64) \$ (61,799.30) \$ -	\$ (3,909.64) \$ (61,799.30) \$ -	\$ [21,145.80] \$ [25,638.56] \$ [247,197.21] \$	\$ (15,638.56) \$ (247,197.21) \$ -	\$ {21,78 \$ {15,63 \$ {247,19 \$
Expenditures from Operations Inventory purchases General operating and administrative expenses Wage expenses Income taxes Subtotal Spent on Operations Additional Cas h Spent	\$ - \$ - \$ - \$ (1,762.15)	\$ (13,909.64) \$ (61,799.30) \$ - \$ (80,995.39)	\$ (3,909.64) \$ (61,799.30) \$ - \$ (71,127.55)	\$ [21,145.80] \$ [25,638.56] \$ [247,197.21] \$ - \$ (293,981.57)	\$ (15,638.56) \$ (247,197.21) \$ - \$ (284,510.22)	\$ {21,78 \$ {15,63 \$ {2,47,19 \$ \$
Expenditures from Operations Inventory purchases General operating and administrative expenses Wage expenses Income taxes Subtotal Spent on Operations Additional Cas h Spent Sales Tax, VAT, HSTPGSTPaid Out	\$ - \$ - \$ - \$ (1,762.15)	\$ (13,909.64) \$ (61,799.30) \$ - \$ (80,995.39)	\$ (3,909.64) \$ (61,799.30) \$ - \$ (71,127.55)	\$ (21,145.80) \$ (25,638.56) \$ (247,197.21) \$ - \$ (293,981.57)	\$ (15,638.56) \$ (247,197.21) \$ - \$ (284,510.22)	\$ (21,78 \$ (15,63 \$ (247,19 \$ (284,61)
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Funds and Their Use

Funding Request

Summary of the business:

Requested Loan: \$540,000.00 Cash Invested: \$50,000.00

Business Type: The Pitt Fox's Pizza

Location: 2341 E. Carson Street, Pittsburgh, PA 15203

Loan Collateral Available:

Equipment value

Equity in business

Opening inventory

Current financial situation:

The business' current financial situation is at \$50,000 in cash assets. This amount has been gifted to the business from the six co-owners. Other than the \$50,000 in current assets the company does not have any further financials.

How much money we need now/in the future:

To open the business we will be asking to borrow up to \$600,000.00. This will be used to cover the cost of the building (\$540,000.00) and the remaining \$60,000.00 will be used to buy and pay for other necessities before the business begins earning a profit. We would like to get a business term loan for the building itself (\$540,000.00) and a business line of credit for (\$60,000.00) to fund other obligations. We would like to request a line of credit for this amount because we would like to have the flexibility to borrow what we need, when we need it to help our cash flow.

How funds will be used?:

These funds we are requesting will be used for business operations while the business is growing. The term loan for the building itself due to its large cost and a business line of credit for other necessities that do not cost as much. In the first few years we will need these funds to cover costs like, utensils, ingredients needed to make all of our restaurant items and the utility bills such as electricity, heating/air, and water. Once the business is up and running and making a profit we will pay down our line of credit and only be obligated to pay the term loan based on its time frame.

Current and future financial plans such as loan repayment schedule or plans to sell the business.:

We are requesting the business term loan of \$540,000.00 to be 10-year at a 5.99% fixed interest rate. This will mean paying \$5,992.40 a month for the next 10 years. The \$60,000.00 business line of credit is for 7 years with the opportunity to extend once the 7-year period is over. Lines of credit allow us to make payments back on the amount we've actually used. If extenuating circumstances do not permit us to pay on our loans first option would be to sell the business for the amount we owe to another party, last resort the bank has full stake in the collateral used against the loans.

Funds will be repaid on a monthly basis through regular payments. In the event our business finds future opportunities additional funding may be sought out.

C. Risk Analysis

In order to be a successful Fox's Pizza Franchise, effective risk management policies need to be developed and implemented. Potential risks must be identified along with effective strategies to mitigate these risks.

1. Risks and Mitigation Strategies

- a. Worker safety pertaining to injuries such as burns, cuts, slip and falls, equipment and other kitchen hazards are large risks.
 - To avoid such risks, proper training for employees with equipment and business policies and protocols is mandatory.
- b. There are risks concerning equipment damage and premise safety such as fire, security, clean facilities, and accessibility.
 - i. To avoid these risks, routine equipment and premise inspections and maintenance will be carried out. Other steps to avoid these risks are: installation of a security system; installation fire and smoke alarms; accessibility of fire safety equipment; installation of handrails for stairs; and proper cleaning of equipment, facility surfaces, walkways, and floors.
- c. Risks with food safety and storage such as allergies, food borne illness, and contamination are important to prevent.
 - Disclosing allergens and ingredients to customers will help reduce risks.
 - ii. Employee hygiene such as washing hands, wearing a hairnet and closed-toed shoes, as well as following health code requirements will help reduce risks.
 - 1. Proper storage of food and equipment will also help to avoid possible issues.
- d. Risks pertaining to privacy/data breaches should be addressed.
 - Having proper software and electronic security protocol to protect both restaurant's information, as well as its customers and vendors against such breaches is essential
- e. Risks of noncompliance with law and potential penalties for hiring undocumented workers should be addressed.
 - To avoid such risks, business needs to have a process in place to check that all employees have proper paperwork- proof of citizenship or work permit/green card.
- f. Failure to properly complete, file, and maintain correct documentation is a legal risk that needs to be addressed.

- Make sure proper legal documentation pertaining to finances, property, insurance, licenses, and registrations are correctly filed and processed to avoid business interruption and potential fines.
- g. Rising food, labor, and equipment costs are risks that could significantly impact the business.
 - i. Business needs to anticipate rising costs in its budget or find less expensive alternatives to help avoid these risks.
- h. Competition can significantly impact success of business.
 - Business should continually monitor potential sources of competition and determine appropriate actions to counteract competition.
 - Offering student and other discount deals and keeping a strong social media presence will help to counteract competition efforts.

2. Insurance

- a. Business owner's policy different types of coverage are available as part of a business owner's policy. The yearly cost to the business will depend on what coverage options the business will select. It is anticipated that the yearly premium for the Business Owner's Insurance for the Fox Pizza Franchise will be approximately \$1,500.00 to \$2,000.00 for the following coverages:
 - i. General liability insurance covers bodily injury/harm and property damage to others in course of doing business. For example, this coverage would provide insurance coverage if a customer were to slip and fall on business premises, or if a customer becomes ill due to food contamination.
 - ii. Property and casualty insurance- covers damages to the equipment and other contents, building and land owned/rented by the business. For example, if there were a fire on the business premises, this insurance would provide coverage for the property damage to the business.
 - iii. Business interruption insurance -covers the loss of income resulting from a fire or other catastrophe that disrupts the operation of the business. It can also include the extra expense of operating at a temporary location.
 - iv. An approximate additional amount of \$1,000.00 will be added to the premium for the following coverage:
 - 1. Cyber Liability Insurance- covers claims related to data breaches and other cyber-attacks on the business,

customers, and vendors. First-party cyber insurance will provide coverage for damages incurred by the business from data breaches and cyber-attacks on the business. Third-party cyber insurance covers risks to the customers if the business's system is hacked and private information like customer credit card data is stolen.

- b. It would be prudent for the business to also carry Umbrella or Excess Liability Insurance. This is expected to cost approximately and additional \$750.00 annually.
 - i. Umbrella or Excess Liability Insurance- umbrella liability policy provides extra liability protection if there are claims exceeding general liability coverage for the business. For example, if numerous customers contracted food-carrying disease and became seriously ill and/or died, the liability could be catastrophic. An umbrella policy provides additional amounts of insurance and also broadens what is covered under the policy. Excess liability insurance only increases the amount of insurance.
- c. Additionally, Pennsylvania requires employers to carry Workers' Compensation Coverage:
 - i. Worker's compensation insurance- employers in Pennsylvania are required to maintain workers compensation insurance to pay for medical expenses and lost wages for work-related disability or death. It is anticipated that the yearly expense for this insurance for the Fox Pizza franchise will be approximately \$1,500.00. (The cost of this insurance for Fox Pizza will depend on the insurance company selected, the classification of the business under PA workers' compensation law, the rate derived from the insurer's multiplier for the classification, and an estimate of our annual payroll.)

SECTION FOUR: SUPPORTING DOCUMENTS