

CONFIDENTIAL

# A Touch of Class Catering

## Test Plan

Prepared on 12th November 2014

**A Touch of Class Catering  
50 Rutland Road**

**Box Hill VIC**

**3128**

# Executive Summary

## Who we are

A Touch of Class Catering is a high-end catering company serving private clients and businesses within a 40 kilometre radius of Box Hill. The company has recently leased a large space, from which it will base its operations and which will be available for hire by clients.

The space is to be known as The Ballroom and provides sumptuous, high-class surroundings for upmarket events.

A Touch of Class Catering was set up by Daniel Ford and Martina Woo. Ford owns 49% of the business and Woo owns 51%. The business is a limited liability company.

## What we sell

A Touch of Class Catering currently runs a catering kitchen specialising in a range of services, as well as event planning for up-market events, both at event and client sites.

The company has recently leased a large space, from which it will base its operations and which will be available for hire by clients. The space is to be known as The Ballroom and provides sumptuous, high-class surroundings for upmarket events.

Some key services include:

- Event planning and management
- A variety of themed menus for breakfast, lunches, dinner and appetisers
- A beverage services of alcoholic and non-alcoholic drinks
- Waiting staff

## Who we sell to

We have three well-defined target market segments.

### Corporate clients

The corporate market consists of businesses within a 40 kilometre radius of Box Hill that hold at least one corporate event a year.

### Private clients

Our private client base consists of households with a combined annual income of \$120,000 – those that are most likely to throw an upmarket party in a rented venue.

### Charities

The non-profit market consists of charitable organisations that hold at least one event a year.

## Financial Summary

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## A Touch of Class Catering

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The company owners are seeking an investment of \$450,000 to help fund the marketing activities of the business over the next 3 years, pay additional staff wages as the business grows and contribute to the rent owed for The Ballroom.

Shares of 10% will be given to angel investors. This will reduce Ford's shares to 44% and Woo's shares to 46%.

Interest of 15% will also be paid to these shareholders. Projected profits for the business are \$180,000 in the first year, \$370,000 in the second year and \$650,000 in the third year.

# Business Information

## Formation date

23rd September 2014

## Business Overview

A Touch of Class Catering is a high-end catering company serving private clients and businesses within a 40 kilometre radius of Box Hill. Formed in 2004, the business runs a catering kitchen specialising in a range of services, as well as event planning for up-market events, both at event and client sites.

The business won the contract to become the in-house caterer for Delaney House – a corporate meeting space – in 2006. From here the business developed expertise in managing and planning client events. The company has recently leased a large space, from which it will base its operations and which will be available for hire by clients. The space is to be known as The Ballroom and provides sumptuous, high-class surroundings for upmarket events.

A Touch of Class Catering was set up by Daniel Ford and Martina Woo. Ford owns 49% of the business and Woo owns 51%. The business is a proprietary limited company.

Shares of 10% will be given to angel investors, who will in return buy \$450,000 in convertible debt to help fund the growth of the business. This will reduce Ford's shares to 44% and Woo's shares to 46%.

## Management and Staff

Martina Woo is at the helm of A Touch of Class Catering as the CEO. Second in command is Daniel Ford, the COO.

Woo is responsible for the overall business strategy as well as generating sales. She works closely with Ford on these. Ford looks after the day-to-day management of the kitchen, hiring and training staff and dealing with finances.

There is also a Marketing Director – Tony Belushi – who commissions graphic designers, copywriters, and web designers to fulfil the business' marketing needs. Belushi is responsible for the company's social media presence and the maintenance of the business website. Belushi reports to Woo and works closely with her on the marketing strategy for the business.

The recently acquired Ballroom will need a manager, to be hired prior to launch. This Facilities Manager will report to Ford, and will provide access for clients to set up in the hall, oversee light and sound management, contract any repair work that needs carrying out, organise the cleaning of the space and oversee the logistical running of events. The Facilities Manager will have an office at The Ballroom and will typically work a 9-5 day. During events, managers will be appointed from the more senior catering staff to oversee the smooth running of the function.

# Ownership and Protection

## Business Structure

The company does not have any copyrights or trademarks.

## Protection

The company does not have any copyrights or trademarks.

# Products and Services

## Current Products and Services

A Touch of Class Catering currently offers the products and services below.

Event planning and management

Cloakroom, door staff and bathroom attendants

A variety of themed menus for breakfast, lunches, dinner and appetisers

A beverage services of alcoholic and non-alcoholic drinks

Waiting staff

Through sub-contractors we offer

Flower design and arrangement

Space design and decoration

Musicians and DJs

Event equipment and furniture rental

Cakes

Through referrals, we offer:

Lighting

Audio-visual equipment rental and support

Event security

## Future products and services

In the future, we will offer all the above products and services at our newly acquired venue The Ballroom.

# Marketing Plan Overview

## Overview

The newly established Ballroom venue will be the focus of A Touch of Class Catering's marketing efforts. We want to promote this as much as possible, as the revenue we can make through the hire of the Ballroom, with catering and event management included, is much higher than offering our catering services alone.

To achieve this, we'll use the following tactics:

- Ads placed in a local luxury-goods magazine
- Marketing emails sent to target market businesses
- A website set up specifically for the Ballroom, linked to A Touch of Class' website
- Website promoted on social media as well as using SEO techniques
- Press kit to be sent to clients and local press
- Listing created in Yellow Pages
- Introductory discounts offered for new business first event
- Ballroom to be promoted at local business fairs
- Sponsorship of 2 not-for-profit events a year, chosen for the high-level exposure they will get in the press and to high-income individuals

## Positioning

A Touch of Class provides upmarket events for discerning businesses. Our delicious menus of luxury foods, precision event planning and expert waiting staff are the perfect partners for our sumptuous new event venue, the Ballroom.

## Pricing

A Touch of Class is an unashamedly up-market outfit with prices to match. Our price list is at the upper end of the spectrum for this type of service, reflecting the high quality our clients can expect.

## Promotion

A Touch of Class Catering has allocated a substantial marketing budget to fund a wide range of promotional activities, the majority of which will be focused on hyping-up our newest asset, the Ballroom venue and accompanying services.

We have booked a 6-month run of advertisements in a local magazine offering luxury goods and services. This campaign will cost \$1000.

Tony Belushi, our Marketing Director, has been compiling a list of local businesses that fit our target market demographic. He has created an exploratory marketing email to be sent to these businesses offering a discount on the first event they book with us.

Tony has also been working on creating a website, to be hosted on WordPress with the domain name [www.nottinghamballroom.com](http://www.nottinghamballroom.com). This website is linked to our main business site and has been optimised using SEO techniques and will be promoted on our social media accounts. Tony's target is to increase our Twitter following to 5000 within 6

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## A Touch of Class Catering

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months and have our page gain 1000 'likes' on Facebook. There is also a budget of \$450 a month set aside for a PPC campaign to promote the site.

Chief Operating Officer, Daniel Ford, has put together a press kit to be sent to local press about the launch of The Ballroom. This will also serve as an introductory pack for new clients.

We will pay for an annual listing in the Yellow Pages, at a cost of \$900 per year.

There are three major business fairs that occur in nearby suburbs each year – one in February, one in July and one in September. We will have a stall at each one and promote our services to the other businesses attending the fair. It will cost a total of \$1,100 for a space at all three fairs.

A Touch of Class Catering will also sponsor 2 non-for profit events each year, offering to either host the event at The Ballroom or provide a catering and waiting service if they have a venue of their own. The charities we sponsor will be chosen carefully to give our business maximum exposure to high-income individuals and also the press. The cost of these events may vary, but we will put a cap of \$3000 on the services we provide for each event.

## Distribution

A Touch of Class has a versatile distribution model, in that clients can opt to either hold their event at our new Ballroom venue, or we can provide our planning, catering and waiting services at an alternative venue of their choosing.



# Market Analysis

## Our Target Market

A Touch of Class Catering has three well-defined target market segments.

### Corporate clients

The corporate market consists of businesses within a 40 kilometre radius of Box Hill that hold at least one corporate event a year. This can be anything from a Christmas party to PR event. We provide a professional, sophisticated service, expertly executed, whatever the occasion. We also work closely with the client during the planning of the event to meet their needs and expectations.

### Private clients

Our private client base consists of households with a combined annual income of \$120,000 – those that are most likely to throw an upmarket party in a rented venue. This group tends to need more help with the planning and decision making, putting added strain on the caterers, as they are not generally used to holding this type of event. They require expert advice and guidance.

### Charities

The non-profit market consists of charitable organisations that hold at least one event a year. Again, this can be from fundraising awareness days to the office Christmas party. This group is very price sensitive, and will often look for discounts or in-kind donations where possible.

## Target Market Size

Our target market size is as follows:

Corporate clients – roughly 10,000 businesses

Private clients – around 30,000 households

Charities – 60 organisations

# Competitors

## Competitor Overview

A Touch of Class Catering has a number of competitors, but only one of these offers a similar luxury event proposition. Diamond Dining is a catering firm that provides luxury catering for events. The business primarily goes on-site to clients themselves, or travels to an event venue which the client has booked independently – they do not offer their own event venue.

In this respect, A Touch of Class Catering has the upper hand as we can provide an all-in-one service – location, dining and event management. Diamond Dining also only offer a choice of 3 menu themes compared to our 5.

There are also a number of other competitors in the area:

**The Old Dairy** – A large, 500 capacity venue that is available for hire. They do not provide catering, which is where we offer a more attractive proposition.

**St. Martins Hall** – An old, one room community hall. It can only accommodate 150 people compared to A Touch of Class' 500-capacity Ballroom, and it looks musty and shabby inside – so not really an option for those seeking high-class luxury.

**Brenda's Buns** – This is a relatively small catering firm that offers a less-luxury dining experience than ours. Brenda's tends to provide the catering for business meetings or events put on by businesses with a much lower annual revenue than our target market.

# SWOT Analysis

## Our Strengths

- Brand new Ballroom venue
- 10 years of experience in the events industry
- Good reputation in Box Hill and surrounding suburbs with key business clients

## Our Weaknesses

- High turnover of catering staff, meaning time lost training and lack of experience on team
- Service prices are relatively high

## Our Opportunities

- Only one other competitor operating in the high-end events space nearby
- A recent council report indicates businesses in Box Hill and surrounds as a whole have seen a steady increase in profits over the past 5 years, pushing more of them into our target market

## Our Potential Threats

- Poor financial conditions mean many companies are looking to cut back on spending
- A Touch of Class is in the vulnerable high-end, luxury market and possibly seen as too expensive

## Sales & Cost of Sales Forecast

	Year 1	Year 2	Year 3
<b>Unit Sales</b>			
<b>Price Per Unit</b>			
<b>Sales</b>			
<b>Total Sales</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Direct Cost Per Unit</b>			
<b>Direct Cost</b>			
<b>Total Direct Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Margin</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Gross Margin %</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

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# Cash Flow Statement

	Year 1	Year 2	Year 3
<b>Incoming funds</b>			
Loan received	0	0	0
Drawn on lines of credit	0	0	0
Cash from sales	0	0	0
Accounts receivable remittances	0	0	0
GST recoveries	0	0	0
<b>Total incoming funds</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Outgoing funds</b>			
Salaries	0	0	0
Employee related expenses	0	0	0
GST remittances	0	0	0
Tax on profits payable	0	0	0
Accounts payable remittances	0	0	0
Additions to fixed assets	0	0	0
Direct Costs	0	0	0
GST to suppliers payable	0	0	0
Loan repayments	0	0	0
Lines of credit repayments	0	0	0
Interest on loans	0	0	0
Interest on credits	0	0	0
<b>Total outgoing funds</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net incoming/outgoing funds</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash and bank balance, beginning of period	0	0	0
<b>Cash and bank balance, end of period</b>	<b>0</b>	<b>0</b>	<b>0</b>

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# Cash Flow Monthly Summary

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Year 1</b>												
<b>Incoming</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Outgoing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Funds</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Starting</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Closing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Year 2</b>												
<b>Incoming</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Outgoing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Funds</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Starting</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Closing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Year 3</b>												
<b>Incoming</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Outgoing</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Funds</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Starting</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Closing</b>	0	0	0	0	0	0	0	0	0	0	0	0

## Profit and Loss Statement

	Year 1	Year 2	Year 3
<b>Revenue</b>	0	0	0
<b>Direct Cost</b>	0	0	0
<b>Gross Margin</b>	0	0	0
<b>Gross Margin %</b>	0%	0%	0%
<b>Expenditure</b>			
<b>Salaries</b>	0	0	0
<b>Ancillary Staff Costs</b>	0	0	0
<b>Total Expenditures</b>	0	0	0
<b>Operating Profit/(Loss)</b>	0	0	0
<b>Interest Incurred</b>	0	0	0
<b>Depreciation/Amortization</b>	0	0	0
<b>Profit/(Loss) before tax</b>	0	0	0
<b>Tax on profits</b>	0	0	0
<b>Profit/(Loss) after tax</b>	0	0	0

# Balance Sheet

As of Period's End	Starting Balances	Year 1	Year 2	Year 3
<b>Fixed Assets</b>				
<b>Tangible Assets</b>	0	0	0	0
<b>Accumulated Depreciation</b>	0	0	0	0
<b>Total Fixed Assets</b>	0	0	0	0
<b>Current Assets</b>				
<b>Accounts Receivable (Debtors)</b>	0	0	0	0
<b>Cash &amp; Bank</b>	0	0	0	0
<b>Total Current Assets</b>	0	0	0	0
<b>Current Liabilities</b>				
<b>Accounts Payable (Creditors)</b>	0	0	0	0
<b>GST Payable</b>	0	0	0	0
<b>Tax on profits payable</b>	0	0	0	0
<b>Short Term Debt (less than 1 yr)</b>	0	0	0	0
<b>Total Current Liabilities</b>	0	0	0	0
<b>Net Current Assets</b>	0	0	0	0
<b>Long-Term Debt (more than 1 yr)</b>	0	0	0	0
<b>Net Assets</b>	0	0	0	0
<b>Share Capital</b>	0	0	0	0
<b>Retained Earnings</b>	0	0	0	0
<b>Total Owners Equity</b>	0	0	0	0

Note: This balance sheet is intended as a guide for planning purposes only. Figures are rounded up or down to the nearest dollar.