

**TCBY's Treats & Subs**  
at St. Louis International Airport

Sample Business Plan

Business Plan



**TCBY's Treats & Subs**

C & A Food Managers

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# TCBY's Treats

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## **Business Acquisition Rationale**

The management of C & A Food Managers, a St. Louis based food service Company, which owns and operates Howard Street Meat Market & Deli, has developed this Business Plan as an outline for the acquisition and development of a TCBY's Treats food and beverage franchise at the St. Louis International Airport. TCBY's Treats is an internationally franchised food concept formed in January 1981, with over 4,000 restaurants worldwide.

Dan Smith, the owner of C & A Food Managers considered several nationally recognized franchised concepts before he selected TCBY's Treats (TCBY) as the food concept he would develop and operate in the St. Louis International Airport. The TCBY's Treats restaurant at the St. Louis International Airport represents an opportunity for financial success at economical acquisition costs. Such acquisition and development costs are estimated to be \$250,000 – acquisition and \$133,251 – development, based upon preliminary negotiations.

The current owner of the St. Louis International Airport concession recently sold two of her three concessions at the airport. According to Mrs. Clark, the owner, she wants to sell her final airport location and pursue other interests. Mrs. Clark realize that she will not sale the on-going business concern, an ice cream shop, for the \$318,000 plus she originally invested in start-up, development, and construction costs. She wants out so she can re-focus on other matters.

The acquisition of the TCBY restaurant for \$250,000 a 33% discount on the \$318,000 opening cost enables C & A to develop an economically sound financial strategy for its TCBY. The new TCBY's Treats at the St. Louis International Airport will be fully staffed and operational before December 2002. Revenues are projected at \$700,194 for year-end 2003, with a profit margin of 15.90%, and a capital recovery cycle of 4.16 years, on the 8-year facility lease. C & A's "revenues per-square foot" of \$1,273.00 will provide a "return on cash investment" of 22.50%, within 12 months, and assure the long-term success of the TCBY franchise at the St. Louis International Airport.

## **TCBY's History and Concept**

### **Corporate History**

TCBY Enterprises is the largest manufacturer-franchiser of frozen yogurt in the world. Through its subsidiaries, the company manufactures and sells soft-serve and hardpack frozen yogurt, hardpack ice cream and frozen novelty products through franchised and company-owned retail stores, non-traditional locations (such as airports, schools, hospitals, convenience stores, and travel plazas), and the retail grocery trade (grocery stores, supermarkets, and wholesale clubs). The company also sells equipment related to the foodservice industry and develops locations under the Juice Works brand, which are intended to be co-branded with "TCBY" locations.



Legend has it that "TCBY" got its beginning when Georgia Hickingbotham ordered a peach frozen yogurt at a shopping-mall food court in the early 1980s. She offered some of the strange-sounding concoction to her husband Frank, who reluctantly took a small taste, discovered he liked it, and exclaimed in delight, "This can't be yogurt!"

The Hickingbothams investigated and learned that the formula for the product was created by dairy genius Daniel Brackeen. The Hickingbothams visited Brackeen at his manufacturing facility in Dallas and arranged to purchase and distribute his product. The first "This Can't Be Yogurt!!" store -- later renamed "The Country's Best Yogurt" -- opened in Little Rock, Arkansas on September 23, 1981, managed by the Hickingbothams' son, Herren, who is now the company's president and COO. The Hickingbothams' younger son, Todd, worked his way up from manager of the third store to his present position as president of Riverport Equipment and Distribution Co., a subsidiary of TCBY Enterprises.

By the end of the first year, "This Can't Be Yogurt!!" had seven corporate stores. In 1982 the company began franchising. By 1984, 100 shops were open, moving rapidly to 400 shops by 1986 and 800 by 1987.

After a period of initial strong growth, TCBY struggled through the much of the 1990s as competition in the frozen yogurt niche proliferated. TCBY's products were great, but as frozen yogurt dispensers began sprouting in convenience stores, luncheonettes and even gas stations, consumers found it less necessary to make a special trip to a "TCBY" store. This led to a period of retrenchment, culminating with a decision in 1995 to franchise or close all but two of the company-owned "TCBY" stores and to sell the manufacturing and distribution licensing rights for "TCBY" refrigerated yogurt products in the U.S. to Dairy Farmers of America.

TCBY's 4,000 corporate and franchise owned restaurants are located throughout the United States, and the following countries:

*Australia*

*Belgium*

*Belize*

*Bonaire*

*Canada*

*Columbia*

*Costa Rica*

*Curacao*

*Dominican Repub.*

*Guam*

*Guatemala*

*Honduras*

*Iceland*

*Japan*

*Martinique*

*Mexico*

*Netherlands*

*Nicaragua*

*Panama*

*Peru*

*Puerto Rico*

*St. Maarten (Dutch)*

*St. Martin (French)*

*Switzerland*

*United Kingdom*

*Venezuela*

### **Concept, Theme, and Design**

The St. Louis International Airport restaurant concept is consistent with the national corporate image and design for TCBY. Strong TCBY's brand identity is leveraged to drive the STL traveler to the TCBY concession. A strong national television campaign ensures that consumers are aware of the product



offerings and concept. TCBY has a very strong media schedule, and broadcasts appealing and attention grabbing television advertising. In addition to aggressive broadcast media schedules, our retail restaurants merchandise TCBY's products with tasteful point of purchase materials. National advertising support feature wonderful, powerful and appetizing product photography.

TCBY's decor is contemporary, eclectic and very unique within the sandwich segment. The color palette includes the limited utilization of red and green, which ties into our Italian heritage, and primary use of contemporary colors. The walls are covered in very high quality textured vinyl wall "frescos" with large "Euro Style" art mounted directly onto the walls in a "whimsical, canted" manner for eye appeal and interest.

Flooring is ceramic tile in custom colors and the furnishings are comfortable and varied in style and height. Lighting in the dining area is incandescent and inviting. Lighting in the fully exposed kitchen area is fluorescent and bright ensuring the customer of a clean and efficient food preparation area.

## **Description of the Business**

### **Management Team**

The management team of the TCBY's Treats has over thirty-two (32) years of combine experience in managing fast food restaurants. As the owner/manager of C & A Food Managers, and Howard Street Meat Market & Deli, Mr. Dan Smith manages his food operations with the support of 15 staff members. The attached management team resumes provides details.

### **Operations Manager**

The Operations Manager will provide direction on the overall operation of the TCBY's Treats restaurant. TCBY's operating policies and procedures are structured and managed by the Operations Manager, with direction from senior management. The Operations Manager addresses most major TCBY concession issues.

### **Restaurant Manager**

The restaurant manager is responsible for ensuring that the restaurant's operations meet company standards regarding product quality, customer service, store cleanliness, and cost controls. The manager's principal duty involves hiring and training employees with an emphasis on on-going training to ensure that all team members are able to meet expectations.

### **Assistant Restaurant Manager**

The assistant restaurant manager is responsible for assisting the manager in the performance of his or her duties, and in the absence of the store manager, to act in the capacity of restaurant manager.



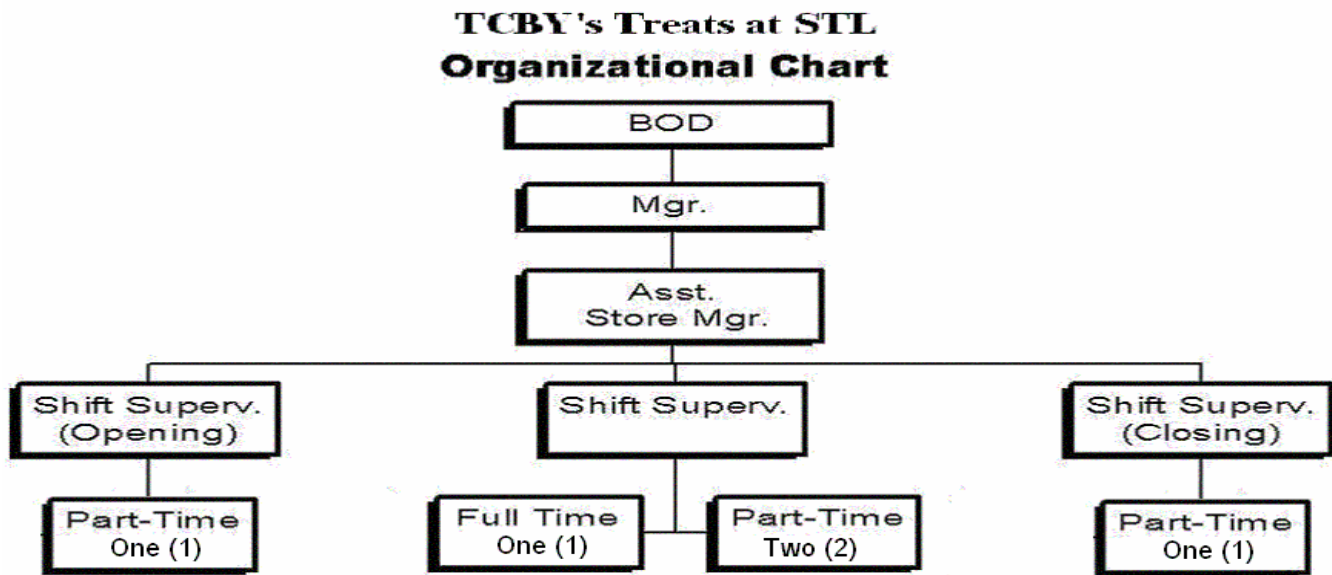
**Shift Supervisor**

The shift supervisor is responsible for the performance of his or her shift regarding the specific expectations set by the restaurant manager.

**Line Worker**

The line worker is responsible for providing the best possible customer service and product to TCBY's Treats customers. Additionally, the line person will maintain the cleanest possible restaurant.

**Organizational Chart**



**Employee Wage Structure**

Position	Number of Employees	Wage Rate
Manager	1	Owner/Mgr (None)
Assistant Manager	1	Owner/Mgr (None)
Shift Supervisors	2	\$7.00 - \$7.50 Hourly
Line Workers	3	\$6.50 - \$7.00 Hourly

**Training Programs**

TCBY's Treats is a 21-year-old company, which currently has successful restaurants worldwide. Key employees of TCBY's Treats at the St. Louis International Airport have gone through extensive training in TCBY's Treats operations. TCBY's Treats provides a training program, which includes two (2) professionals who arrived at the new TCBY's Treats restaurant before it is opened and remained for 2 weeks. This allowed essential employees to become thoroughly familiar with TCBY's procedures and operations well in advance of the actual restaurant opening.



After the facility opened to the public, an extensive TCBY's pre-opening training program for all employees was carried out under the supervision of top local trainers and supervisory personnel, from corporate headquarters. TCBY's Treats also provides an 8-week management-training program nationally recognized as one of the food service industry's most successful programs. All management trainee candidates are required to complete an extensive study and on-the-job training program.

Once the TCBY restaurant is operational, all new employees go through standard TCBY's Treats training. Proper training of all new employees is required regardless of their previous restaurant experience. Inadequate training can hinder the potential success of an employee. All employees must be fully trained and no employee may be allowed to work without close supervision until he or she has completed all the required training. Training takes a great deal of time and practice, but it is worth it many times over.

The training schedules are set up so that new employees work all of his or her training shifts with the department manager. If scheduling does not permit, the general manager will be designated for the training shifts. This prevents any confusion about policies and procedures. The first hour of the first shift is set aside for reading of the company and department manuals. Training includes at least three opening and two closing shifts. All employees spend one-half shift cross training with other department managers during periods of moderate business.

Following the full schedule of training shifts, new employees must take and pass the written tests for his or her department. If, after the completion of the training program, either the employee or the manager feels more time is needed in a particular area that is perfectly acceptable. Time is allowed for further training and practice.

Training Form will be initialed by a manager as each part of the training is completed. At the completion of training, the fully initialed form, along with all completed tests, should be placed in the employee's file. The goal of training is to give each new employee all the knowledge and skills he or she will need to do a great job for TCBY. A part of the knowledge must be an overview of the demands of all the other jobs in the restaurant.

### **Uniforms**

TCBY's Treats has uniform requirements common to most chain restaurants. We feel that the casual family environment of our restaurants and the expectations of our customers are better served by a traditional dress code. In general, all personnel must be neatly dressed and well groomed at all times. Shirts, pants, and aprons must be clean and well pressed, shoes must be clean. In all questions of appearance, compliance, and enforcement of the dress code, the manager's decision will be final.

### **Affirmative Action Program – Employment Policy**

***Equal Opportunity Employer/Compliance with Law*** - TCBY is an equal opportunity employer that complies with applicable laws. Except where there is a bona fide occupational qualification, TCBY will





make employment decisions without regard to race, color, national origin, religion, disability, age, gender, veteran status, or any other basis prohibited by law.

TCBY strives to maintain a non-discriminatory environment free from prejudice; intimidation or harassment based on any of these grounds. To provide equal employment and advancement opportunities to every applicant and employee, TCBY bases employment decisions on merit, qualifications, experience and abilities.

TCBY will reasonably accommodate qualified applicants and employees who have known disabilities in every aspect of employment.

Anyone who has questions or concerns about any type of discrimination at TCBY should promptly bring these issues to the attention of his or her supervisor, the office manager or any other member of management. Anyone who engages in any form of unlawful discrimination will be subject to discipline, up to and including discharge.

TCBY prohibits retaliation against any employee for filing a bona fide complaint under this policy or for assisting in a complaint investigation.

#### **Workplace Harassment and Anti-Violence Policies**

TCBY prohibits harassment against anyone (including any applicant, employee or supervisor) based on the individual's race, color, gender, national origin, religion, disability, age, marital status, veteran status, or based on those aspects in an individual's relatives, friends or associates. Harassment means verbal or physical conduct that insults or shows hostility or aversion toward an individual. Harassment may include:

- Epithets or slurs;
- Negative stereotyping;
- Threats, intimidation or hostile acts;
- Demeaning or hostile jokes or pranks; and
- Insulting or hostile written or graphic material posted or circulated in the workplace.

Harassing another employee will lead to disciplinary action, up to and including immediate termination.

#### **Sexual Harassment**

TCBY prohibits any person at TCBY, including officers, supervisors, employees, customers, vendors or any other persons, from making unwelcome sexual advances, or requests for sexual favors, or any other unwelcome verbal or physical conduct of a sexual nature. TCBY does not tolerate sexual harassment in any form. No employee or applicant should be subjected to unsolicited and unwelcome sexual overtures or behavior. No employee or applicant should be led to believe that any employment opportunity or benefit will in any way depend on his or her cooperation with sexual demands or submission to an offensive sexual environment.





Violence

TCBY has zero tolerance for violence. Any employee who is violent or who threatens to be violent in the work place or on the job, whether toward any customer, vendor, coworker, supervisor, or member of the public, will be subject to discipline, up to and including immediate termination.

Quality Assurance

TCBY's commitment to quality is absolute---it is the basis of our success. We work constantly to achieve the highest quality in all areas of our operations: from specifying top quality ingredients, to constant supervision and testing to ensure that, these standards are maintained.

Quality Control

The freshness of our products has always been a hallmark of all TCBY's Treats operations. We feature fine baked goods and all of our bakery products--pastries, desserts, and breads are baked fresh every day. TCBY's experiences in restaurant operations will allow us to carefully forecast demands and maintain a carefully balanced inventory of food products on hand; enough to be appealing, but not where the product goes stale.

**Transaction Structure**

Restaurant offered for sell

<i>FRANCHISE CONCEPT</i>	<i>LOCATION</i>	<i>SQUARE FEET</i>
TCBY's Treats	St. Louis International Airport	550 est.

Funding Structure

Total Purchase of Concession	\$250,000
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Minimum Earnest Money Deposit

**\$25,000.00 or 10% of Total Cash buyout Price**  
**\$250,000 (delivered to Seller's attorney)**

Buyer and Seller will execute an "assets purchase agreement" as soon as possible and forward said agreement to Host.



## Revenue and Expense Projections

TCBY - Pro-Forma Model

Denver

October 27, 2002

PRO FORMA STATEMENT (YEAR 1 - YEAR 5)

<u>Gross Revenues</u>		<u>Proj. FYE 2003</u>		<u>Proj. FYE 2004</u>		<u>Proj. FYE 2005</u>		<u>Proj. FYE 2006</u>		<u>Proj. FYE 2007</u>	
Food	79.1%	553,790	79.1%	666,996	79.1%	751,941	79.1%	789,538	79.1%	829,016	79.1%
Beverages	20.9%	146,404	20.9%	176,332	20.9%	198,789	20.9%	208,728	20.9%	219,165	20.9%
<b>Total</b>	<b>100.0%</b>	<b>700,194</b>	<b>100.0%</b>	<b>843,328</b>	<b>100.0%</b>	<b>950,730</b>	<b>100.0%</b>	<b>998,267</b>	<b>100.0%</b>	<b>1,048,180</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>											
COG Food & Beverages	24.0%	168,047	24.0%	202,399	24.0%	228,175	24.0%	239,584	24.0%	251,563	24.0%
COG Paper and Others	1.0%	7,002	1.0%	8,433	1.0%	9,507	1.0%	9,983	1.0%	10,482	1.0%
<b>Cost of Goods Sold</b>	<b>25.0%</b>	<b>\$175,049</b>	<b>25.0%</b>	<b>\$210,832</b>	<b>25.0%</b>	<b>\$237,683</b>	<b>25.0%</b>	<b>\$249,567</b>	<b>25.0%</b>	<b>\$262,045</b>	<b>25.0%</b>
<b>On-Site Direct Labor</b>											
Salaries and Wages	17.0%	119,033	17.0%	143,366	17.0%	161,624	17.0%	169,705	17.0%	178,191	17.0%
Payroll Taxes	2.9%	20,236	2.9%	24,372	2.9%	27,476	2.9%	28,850	2.9%	30,292	2.9%
Employee Benefits	0.8%	5,602	0.8%	6,747	0.8%	7,606	0.8%	7,986	0.8%	8,385	0.8%
Management	4.0%	28,008	4.0%	33,733	4.0%	38,029	4.0%	39,931	4.0%	41,927	4.0%
<b>Total</b>		<b>\$172,878</b>	<b>24.7%</b>	<b>\$208,218</b>	<b>24.7%</b>	<b>\$234,735</b>	<b>24.7%</b>	<b>\$246,472</b>	<b>24.7%</b>	<b>\$258,796</b>	<b>24.7%</b>
<b>Direct Operating Expenses</b>											
Fees/Permits/Licenses		500	0.1%	500	0.1%	500	0.1%	500	0.1%	500	0.0%
Insurance		4,000	0.6%	4,000	0.5%	4,000	0.4%	4,000	0.4%	4,000	0.4%
Utilities		13,000	1.9%	13,000	1.5%	13,000	1.4%	13,000	1.3%	13,000	1.2%
Telephone		2,400	0.3%	2,400	0.3%	2,400	0.3%	2,400	0.2%	2,400	0.2%
Repairs & Maintenance		1,900	0.3%	1,900	0.2%	1,900	0.2%	1,900	0.2%	1,900	0.2%
Advertising & Promotion		4,800	0.7%	4,800	0.6%	4,800	0.5%	4,800	0.5%	4,800	0.5%
Vehicle & Transportatic		3,600	0.5%	3,600	0.4%	3,600	0.4%	3,600	0.4%	3,600	0.3%
Credit Card Express		10,503	1.5%	12,650	1.5%	14,261	1.5%	14,974	1.5%	15,723	1.5%
Outside Services		1,800	0.3%	1,800	0.2%	1,800	0.2%	1,800	0.2%	1,800	0.2%
<b>TCBY Royalty &amp; Adv.</b>		<b>54,615</b>	<b>7.8%</b>	<b>65,780</b>	<b>7.8%</b>	<b>74,157</b>	<b>7.8%</b>	<b>77,865</b>	<b>7.8%</b>	<b>81,758</b>	<b>7.8%</b>
<b>Total</b>		<b>\$97,118</b>	<b>13.9%</b>	<b>\$110,430</b>	<b>13.1%</b>	<b>\$120,418</b>	<b>12.7%</b>	<b>\$124,839</b>	<b>12.5%</b>	<b>\$129,481</b>	<b>12.4%</b>
<b>Amortizat./Depreciation</b>		<b>\$35,325</b>	<b>5.0%</b>	<b>\$35,325</b>	<b>4.2%</b>	<b>\$35,325</b>	<b>3.7%</b>	<b>\$35,325</b>	<b>3.5%</b>	<b>\$35,325</b>	<b>3.4%</b>
<b>Rent and CAM</b>		<b>\$91,025</b>	<b>13.0%</b>	<b>\$109,633</b>	<b>13.0%</b>	<b>\$123,595</b>	<b>13.0%</b>	<b>\$129,775</b>	<b>13.0%</b>	<b>\$136,263</b>	<b>13.0%</b>
<b>Interest Paid</b>		<b>\$17,650</b>	<b>2.5%</b>	<b>\$22,945</b>	<b>2.7%</b>	<b>\$20,192</b>	<b>2.1%</b>	<b>\$17,769</b>	<b>1.8%</b>	<b>\$15,636</b>	<b>1.5%</b>
<b>Total Expenses</b>		<b>\$413,996</b>	<b>59.1%</b>	<b>\$486,550</b>	<b>57.7%</b>	<b>\$534,265</b>	<b>56.2%</b>	<b>\$554,179</b>	<b>55.5%</b>	<b>\$575,501</b>	<b>54.9%</b>
<b>NET INCOME</b>		<b>\$111,149</b>	<b>15.9%</b>	<b>\$145,946</b>	<b>17.3%</b>	<b>\$178,783</b>	<b>18.8%</b>	<b>\$194,521</b>	<b>19.5%</b>	<b>\$210,634</b>	<b>20.1%</b>
<b>Development &amp; Aqc. Cost (Net)</b>		<b>\$353,000</b>	<b>50.4%</b>	<b>\$353,000</b>	<b>41.9%</b>	<b>\$353,000</b>	<b>37.1%</b>	<b>\$353,000</b>	<b>35.4%</b>	<b>\$353,000</b>	<b>33.7%</b>



## Financial Analysis and Assumptions

TCBY - Pro-Forma Model

Denver

October 27, 2002

Financial Analysis										
	Proj. FYE 2003	Proj. FYE 2004	Proj. FYE 2005	Proj. FYE 2006	Proj. FYE 2007					
Assumed Annual % Increase	0.00%	0.00%	0.00%	5.00%	5.00%					
Min. % Rent	13.00%	13.00%	13.00%	13.00%	13.00%					
Min. % Rent Others	0.00%	0.00%	0.00%	0.00%	0.00%					
Min. Annual Dollars Rent % of Sales	13.00%	10.79%	9.57%	9.12%	8.68%					
Min. Annual Dollars Rent <i>1,000</i>	\$91,025	\$91,025	\$91,025	\$91,025	\$91,025					
Min. Annual Dollars Rent PSF	\$91.03	\$91.03	\$91.03	\$91.03	\$91.03					
Min. Monthly Dollars Rent PSF	\$7.59	\$7.59	\$7.59	\$7.59	\$7.59					
<b>Sales Annually</b>	\$700,194	100.0%	\$843,328	100.0%	\$950,730	100.0%	\$998,267	100.0%	\$1,048,180	100.0%
<b>Sales Monthly</b>	\$58,350	8.3%	\$70,277	8.3%	\$79,228	8.3%	\$83,189	8.3%	\$87,348	8.3%
<b>Sales Daily</b>	\$1,918	0.3%	\$2,310	0.3%	\$2,605	0.3%	\$2,735	0.3%	\$2,872	0.3%
<b>Optng Expenses Daily</b>	\$1,134	0.2%	\$1,333	0.2%	\$1,464	0.2%	\$1,518	0.2%	\$1,577	0.2%
<b>Optng Profit Daily (BFIT)</b>	\$784	0.1%	\$977	0.1%	\$1,141	0.1%	\$1,217	0.1%	\$1,295	0.1%
<b>Annual Net Profit Before Taxes</b>	\$111,149	15.9%	\$145,946	17.3%	\$178,783	18.8%	\$194,521	19.5%	\$210,634	20.1%
<b>Annual Net Profit After Tax <i>30.00%</i></b>	\$77,804	11.1%	\$102,162	12.1%	\$125,148	13.2%	\$136,165	13.6%	\$147,444	14.1%
Plus non-cash charges	\$35,325	5.0%	\$35,325	4.2%	\$35,325	3.7%	\$35,325	3.5%	\$35,325	3.4%
Less Debt Retirement <i>80.00%</i>	(\$28,240)	-4.0%	(\$31,629)	-3.8%	(\$38,018)	-3.7%	(\$38,406)	-3.8%	(\$41,795)	-4.0%
<b>Net Operational Cash Flt <i>12.12%</i></b>	\$84,890	12.1%	\$105,859	12.6%	\$125,455	13.2%	\$133,083	13.3%	\$140,973	13.4%
<b>Cash gain over orig. investment</b>	\$84,890	12.1%	\$190,748	22.6%	\$316,204	33.3%	\$449,287	45.0%	\$590,260	56.3%
<b>Cash gain over orig. investment %</b>	24.03%	0.0%	54.00%	0.0%	89.51%	0.0%	127.19%	0.0%	167.09%	0.0%
<b>Annual Revenues PSF <i>550</i></b>	\$1,273.08	0.2%	\$1,533.32	0.2%	\$1,728.60	0.2%	\$1,815.03	0.2%	\$1,905.78	0.2%
<b>Monthly Revenues PSF</b>	\$106.09	0.0%	\$127.78	0.0%	\$144.05	0.0%	\$151.25	0.0%	\$158.82	0.0%

Key Operating Ratios										
	Proj. FYE 2003	Proj. FYE 2004	Proj. FYE 2005	Proj. FYE 2006	Proj. FYE 2007					
<b>Sales Annually</b>	\$700,194	100.0%	\$843,328	100.0%	\$950,730	100.0%	\$998,267	100.0%	\$1,048,180	100.0%
<b>Total cost to open (CTO)</b>	\$353,251	50.5%	\$353,251	41.9%	\$353,251	37.2%	\$353,251	35.4%	\$353,251	33.7%
Less total financed, net of security dep	(\$282,601)	-40.4%	(\$282,601)	-33.5%	(\$282,601)	-29.7%	(\$282,601)	-28.3%	(\$282,601)	-27.0%
<b>Net cash investment</b>	\$70,650	10.1%	\$70,650	8.4%	\$70,650	7.4%	\$70,650	7.1%	\$70,650	6.7%
<b>Gross margin (after cost of sales &amp; lab)</b>	50.31%		50.31%		50.31%		50.31%		50.31%	
<b>Operating Income (goal is over 10%)</b>	18.39%		20.03%		20.93%		21.27%		21.59%	
<b>Net Income before taxes (goal over 5%)</b>	15.87%		17.31%		18.80%		19.49%		20.10%	
<b>Net cash flow before taxes</b>	20.92%		21.49%		22.52%		23.02%		23.47%	
<b>Rent and CAM</b>	13.00%		13.00%		13.00%		13.00%		13.00%	
<b>Total cost of labor</b>	25.00%		25.00%		25.00%		25.00%		25.00%	
<b>Sales to cost ratio (goal is over 2.0)</b>	1.98		2.39		2.69		2.83		2.97	
<b>Return on cash investment (NCF/CTO)</b>	24.03%		29.97%		35.51%		37.67%		39.91%	
<b>Aver. # of Cust. Daily</b>	295		342		372		377		383	
<b>Average Ticket Daily</b>	\$6.50		\$6.75		\$7.00		\$7.25		\$7.50	

### Concession Analysis

<b>Total cost to open per sq. ft. leased</b>	\$642.27	<b>Orig. Term of Lease (Years)</b>	10.00
<b>Investment payback period in years</b>	4.16	<b>Remianing Term of Lease (Years)</b>	8.00



## Development and Construction Costs

### TCBY - Pro-Forma Model Capitalization Plan October 27, 2002

	Case #1		Case #2 +5%		Case #3 + 5%		Case #4 + 5%		Case #5 + 5%	
<b>Land, Building &amp; Facility</b>										
Leasehold Improvements	\$90,000	67.54%	\$94,500	67.54%	\$99,225	66.72%	\$104,186	65.80%	\$109,396	64.78%
Production Equipment	\$15,000	11.26%	\$15,750	11.26%	\$16,538	11.12%	\$17,364	10.97%	\$18,233	10.80%
Customer Service Area Fixtures	\$10,000	7.50%	\$10,500	7.50%	\$11,025	7.41%	\$11,576	7.31%	\$12,155	7.20%
<b>Total</b>	<b>\$115,000</b>	<b>86.30%</b>	<b>\$120,750</b>	<b>86.30%</b>	<b>\$126,788</b>	<b>85.25%</b>	<b>\$133,127</b>	<b>84.07%</b>	<b>\$139,783</b>	<b>82.77%</b>
<b>Cash &amp; Inventory Control Eqmt.</b>										
Cash & Inventory Control Eqmt.	\$2,500	1.88%	\$2,625	1.88%	\$2,756	1.85%	\$2,894	1.83%	\$3,039	1.80%
Decor. Expense	\$2,710	2.03%	\$2,846	2.03%	\$2,988	2.01%	\$3,137	1.98%	\$3,294	1.95%
Development Fee	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Freight & Sales Taxes	\$270	0.20%	\$284	0.20%	\$298	0.20%	\$313	0.20%	\$328	0.19%
Furniture & Fixtures	\$120	0.09%	\$126	0.09%	\$132	0.09%	\$139	0.09%	\$146	0.09%
Installation Expense	\$350	0.26%	\$368	0.26%	\$386	0.26%	\$405	0.26%	\$425	0.25%
Production Equipment	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Signage	\$750	0.56%	\$788	0.56%	\$827	0.56%	\$868	0.55%	\$912	0.54%
<b>Total</b>	<b>\$6,700</b>	<b>5.03%</b>	<b>\$7,035</b>	<b>5.03%</b>	<b>\$7,387</b>	<b>4.97%</b>	<b>\$7,756</b>	<b>4.90%</b>	<b>\$8,144</b>	<b>4.82%</b>
<b>Cash, Inventory, Training &amp; Etc.</b>										
Working Capital (Cash)	\$5,000	3.75%	\$5,250	3.75%	\$5,500	4.24%	\$5,750	4.77%	\$6,000	5.37%
Inventory	\$1,500	1.13%	\$1,575	1.13%	\$1,650	1.27%	\$1,725	1.43%	\$1,800	1.61%
Security Deposit	\$500	0.38%	\$525	0.38%	\$550	0.42%	\$575	0.48%	\$600	0.54%
Prepaid Insurance	\$551	0.41%	\$579	0.41%	\$607	0.47%	\$635	0.53%	\$663	0.59%
Utility Deposits	\$250	0.19%	\$263	0.19%	\$275	0.21%	\$288	0.24%	\$301	0.27%
Contingencies	\$2,000	1.50%	\$2,100	1.50%	\$2,200	1.69%	\$2,300	1.91%	\$2,400	2.15%
Leased Eqmt Secur. Dept	\$1,500	1.13%	\$1,575	1.13%	\$1,650	1.27%	\$1,725	1.43%	\$1,800	1.61%
Organizational Costs	\$250	0.19%	\$263	0.19%	\$275	0.21%	\$288	0.24%	\$301	0.27%
<b>Total</b>	<b>\$11,551</b>	<b>8.67%</b>	<b>\$12,129</b>	<b>8.67%</b>	<b>\$12,717</b>	<b>9.79%</b>	<b>\$13,305</b>	<b>11.03%</b>	<b>\$13,893</b>	<b>12.41%</b>
Intangible/Goodwill	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
<b>Total Investment</b>	<b>\$133,251</b>	<b>37.7%</b>	<b>\$139,914</b>	<b>38.9%</b>	<b>\$148,729</b>	<b>40.3%</b>	<b>\$158,348</b>	<b>41.9%</b>	<b>\$168,885</b>	<b>43.4%</b>
Less Existing Equipment	\$30,000	8.5%	\$30,000	8.3%	\$30,000	8.1%	\$30,000	7.9%	\$30,000	7.7%
Plus Acq. Cost	\$250,000	70.8%	\$250,000	69.5%	\$250,000	67.8%	\$250,000	66.1%	\$250,000	64.3%
<b>Total Due From Investor</b>	<b>\$353,251</b>	<b>100.0%</b>	<b>\$359,914</b>	<b>100.0%</b>	<b>\$368,729</b>	<b>100.0%</b>	<b>\$378,348</b>	<b>100.0%</b>	<b>\$388,885</b>	<b>100.0%</b>
Total Sq. Ft.	550		550		550		550		550	
Cost Per Sq. Ft.	\$642.27		\$654.39		\$670.42		\$687.91		\$707.06	
<b>Cash Investment</b>	<b>\$70,650</b>	<b>20.0%</b>	<b>\$77,313</b>	<b>21.5%</b>	<b>\$86,128</b>	<b>23.4%</b>	<b>\$95,747</b>	<b>25.3%</b>	<b>\$106,284</b>	<b>27.3%</b>
<b>LTD/Financing</b>	<b>\$282,601</b>	<b>80.0%</b>	<b>\$282,601</b>	<b>78.5%</b>	<b>\$282,601</b>	<b>76.6%</b>	<b>\$282,601</b>	<b>74.7%</b>	<b>\$282,601</b>	<b>72.7%</b>
<b>T/Investment to Cash Flow</b>	<b>4.515 x</b>		<b>3.683 x</b>		<b>3.178 x</b>		<b>3.068 x</b>		<b>2.971 x</b>	
Return On Investment	22.15%		27.15%		31.46%		32.59%		33.65%	



## TCBY/Sub Menu

### LUNCH AND DINNER MENU

<u>COLD SUBS</u>	<u>6"</u>	<u>12"</u>
CLASSIC BMT (HAM, SALAMI, PEPPERONI & BOLOGNA)	3.49	5.39
SUB CLUB (ROAST BEEF, HAM, TURKEY)	3.49	5.39
COLD CUT TRIO (HAM, SALAMI, BOLOGNA) TURKEY BASED	2.49	4.49
TURKEY BREAST AND HAM	3.19	5.19
VEGGIE DELITE	1.99	3.29
TUNA	3.39	5.29
SUB SEAFOOD & CRAB	3.69	5.69
TURKEY BREAST	3.39	5.29
HAM	3.19	5.19
ROAST BEEF	3.39	5.29
SPICY ITALIAN (PEPPERONI, GENOA SALAMI)	3.19	5.19
<u>HOT SUBS</u>	<u>6"</u>	<u>12"</u>
STEAK & CHEESE	3.39	5.39
MEATBALL	3.19	5.19
MELT -(TURKEY BREAST, HAM, BACON, CHEESE)	3.69	5.99
ROASTED CHICKEN BREAST FILET	3.39	5.29
CHICKEN FAJITA	3.29	5.29
PIZZA SUB	3.19	5.19
<u>FRESH VALUE MEAL DEALS</u>	<u>6"</u>	<u>12"</u>
#1 MEATBALLS	3.49	4.99
#2 COLD CUT TRIO	3.49	4.99
#3 TURKEY	4.39	5.99
#4 TUNA	4.39	5.99
#5 BMT	4.49	6.19
#6 CLUB	4.49	6.19
#7 STEAK	4.69	6.49
#8 CHICKEN BREAST	4.69	6.49
<u>DELI STYLE SUBS</u>		
TURKEY BREAST		1.89
ROAST BEEF		1.89
HAM		1.79
BOLOGNA		1.39
TUNA		1.89
SEAFOOD & CRAB		1.99
KIDS PAC		2.49
<u>SALADS</u>		<u>PRICE</u>
VEGGIE DELITE		3.29
TURKEY BREAST		3.79



TUNA-----	3.79
SEAFOOD & CRAB-----	3.99
CLUB-----	3.89
ROASTED CHICKEN BREAST FILET-----	3.89

BEVERAGES	16oz	22oz	32oz
SODA-----	.89	1.09	1.29
ICED TEA-----	.89	1.09	1.29
LEMONADE-----	.89	1.09	1.29
FRUIZLE		2.39	3.39
BOTTLED WATER-----			1.59

ITEMS	PRICE
ORANGE JUICE-----	1.09
COFFEE-----	0.69

SIDE ITEMS	PRICE
COOKIES-----	0.39ea. 3 for 1.00 6 for 1.80
CHIPS-----	0.79

**BREAKFAST MENU**

ITEM	DELI-STYLE OR BAGELS 6 INCH
EGG & CHEESE-----	1.59 2.19
HAM & EGG-----	1.99 2.69
WESTERN EGG-----	1.99 2.69
BACON & EGG-----	1.99 2.69
STEAK & EGG-----	1.99 2.69
SAUSAGE & EGG-----	1.99 2.69
BACON OMELETS-----	2.59
HAM OMELETS-----	2.59
SAUSAGE OMELETS-----	2.59
STEAK OMELETS-----	2.59
FRENCH TOAST-----	1.39
DANISH / PASTRY-----	1.29
MUFFIN-----	0.99
ORANGE JUICE-----	1.09
COFFEE-----	0.59

**Corporate Contact Information**

Name of Company: *C & A Food Managers*  
 Street Address: *7364 Smith Ave.*  
 Phone #: *314-425-8818*

Contact Person: *Dan Smith*  
 City/State: *St. Louis, MO 63130*  
 Fax #: *314-425-2007*



## Summary

The TCBY's Treats concession will provide its customers with a competitively priced, food alternative. TCBY's Treats is a nationally recognized, food choice. The quality of TCBY's food products is superior to that of the traditional fast food hamburger chain. The owner of TCBY's Treats Mr. Dan Smith plans to do whatever is necessary to assure that the TCBY's Treats concession serves as a nationally recognized flagship for TCBY.

Sample Business Plan