

2024

BUSINESS PROPOSAL

116 Bold Street, Liverpool, L1 4JA



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Executive Summary

My vision is to bring alternative venues to every town allowing more of a choice for the local nightlife. The initial proposal will be a three-floor property consisting of a basement, ground and first floor (or second if a four-floor property offers a better arrangement).

With this venture my current businesses – WDGAF Group, Nuove Digital Media Solutions and Unmarked Clothes - and projects – The Gigzter - will merge to form WDGAF Bar and Live Venue. This combination will provide me with a physical location to bring sell my products/services (the ground floor) on the high street. The basement would be used as a bar/live venue area to host concerts (gigs) for upcoming bands to have a platform to promote and grow their presence gaining experience performing in front of an audience.

To bring this venture to life I would need to find funding of at least £50,000 in order to start-up the business. The properties will be under a leasehold (unless a viable and cost-effective freehold is available). The properties I would be interested in would need potential but also located in an area with large footfall and adequate transport options. The property I have chosen is 116 Bold Street Liverpool L1 4JA.

This property consists of three floors and has a square-foot area of 1,763 with an outdoor seating area. I have chosen this property due to the costs and for the area. Bold Street is one of the busiest areas in Liverpool with many bars, restaurants and shops. There is a large footfall in the area day and night. Bold Street is extremely close to Liverpool Central train station and bus stops. It is also only a short walk to the main bus station at Liverpool One and Liverpool Lime Street. Although this property is at the top end of the street it is still a prime location, one that offers fantastic returns and potential.

My estimated financial forecasts will be based across a three-period including the initial start-up costs. All expenditure shall be researched, and sources noted. The sales will be calculated based on my previous retail shop sales as well as my current and estimated projected sales.

With nightlife being such a lucrative sector growing the local scene can bring some levelling between towns and cities. For nights out people travel to the cities rather than stay local -mostly due to the lack of options. Some towns may not be able to accommodate a nightlife but the ones that can should do more to grow it. A night scene doesn't need to be late-nights, people getting drunk, but rather themed restaurants/bars, entertainment and places for the local community to come together.

Currently, I aim to launch the first branch in Liverpool as there is a gap in the market in Liverpool. With one rock bar and a few other alternative venues but these venues are all around the same location. I will be looking to break through in an area between Liverpool Lime Street train station and Liverpool Central station.

While my business is starting up, I will oversee all management duties to ensure the business runs smoothly. My goal is to eventually expand my business nationally into top brand chain, with venues across the major cities and towns in the UK and Europe (With Berlin being a great market to tap into). My business will trade under public limited company, but I will be solely responsible for all business matters in order for the business to operate smoothly and efficiently. Providing this project is successful I will look to my other business areas – retail and technology – with my retail plan from 2012 being deemed acceptable by a Lloyds Business Manager, however, I was unable to secure the final funding for the loan but with crowdfunding I will look to bring that proposal back.

Under my current financial situation Crowdfunding is the only realistic method of securing the finances needed. By being a Crowdfund contributor you would not just be helping me, but the local communities, national economy and employment rates. By looking at vacant units (where economically viable) it will allow less empty commercial units polluting the British streets.

The funds raised would be used to purchase/lease property, purchase of equipment, displays, stock, signage, etc.... All expenditure will be research with the best options being used to keep costs down.

Property leases/freeholds will be negotiated (where possible). My previous business plans have included a calculated estimate of the cost breakdowns; however, they were based on actual figures relating to the store with the annual small sale increases being taken into account. I understand I would be starting from a blank canvas with no existing sales or expenditure to go off.

I understand and know that starting a business is risky and that the first year is the most important to make sure a profit is made. The advantage of bars is the offer of a continuous cash-flow, with business not waiting for income, making this sector relatively risk-free.

I guarantee repayment of all funding raised within a respectable time period, including additional benefits to all contributors. I will also include a small gratuity of thanks for supporting my business. I do not want contributors assuming they are "throwing money away". All funds will be treated as loans, and I will fully pay off no matter how large or small each contribution.

Do not hesitate to get in touch with me, as I am always available to contact if further information is required. Please continue reading my proposal with the additional information below including my separate financial plan.

My appreciations to everyone who has taken the time to read my proposal and my gratitude to all contributors. I will keep in touch providing you with updates.

My upmost regards,



D Sidwell

General Company Description

Having been self-employed since 2013 I have gained experience in attracting new clients and promoting my brands. Understanding the difficulties and time consumption; my determination to make this venture succeed high. I was previously employed in the retail sector for six years thus giving me experience working in a customer-fronted, fast-paced environment.

During the first year I intend to keep operations simple, focusing on sales to secure the business is viable for the second year. The first year is a vital moment in business as it gives you an insight into how the business will run and if you can identify any issues early and deal with them appropriately your business could be turned around. My intentions for the business, as previously stated, are to grow and expand nationally and into other business industries. I am seeking to capitalise on any opportunity to achieve my end goal.

My objective is to make this one the GO-TO venues in Liverpool and eventually the country. I want this venue to be the heart of grass-roots music as well as a safe-place social hub for the community to come and be in a friendly, warm environment. It will be a venue to host events and hired parties. The first venue will be laid out across multiple floors with the ground floor being a bar/merch store, the basement will be the live music venue/club and the first floor will be an office area where I can carry out my other services i.e. web/graphic design and in-house stationery/product/t-shirt printing. We will collaborate with other businesses in hosting festivals and other events.

The most important aspect of business is success. If you don't have any plans to grow or invest in your business, you will soon struggle and eventually concede defeat. I have a business idea and I know that this store is the start of it. I have no intention of backing out of this opportunity and only have plans to expand.

This venue will cater for a range of customers, all of whom will receive the highest of service. I will do my utmost to have a range of stock for all age groups and offer services customers need, for example in-house games, quizzes, events and more.

Hospitality is one market that, if the business is run correctly, can be a high growth industry. You need to identify the customer's needs and identify the competition. One of the downsides is the competition, in which Liverpool has plenty in terms of bars, however, I would ensure the business at least breaks-even in its first year through conventional and by experimental. In the long-term I seek to expand my business, as stated above, to a national (and where possible global) scale.

The most important strength my business has is myself. I am dedicated and determined to make this a success and I am willing to put in the hard work to make that happen. I am not afraid to take risks and bring in new stock – if the sales start to dip. I am extremely competitive, and shall not allow my business to fail, especially to another competitor. As stated above I have gained six years of experience and knowledge of the retail sector and ten years self-employed with my own business, along with my desire for success and hard-working attitude, which gives me an advantage in making this store a success.

I will set my business as a limited company. I shall be the only director, of the company, in order to have 100% control over all company matters. This store will be used as a 'stepping stone' to grow my business into a national chain, and hopefully, global trading. My intentions are to mould my company around Virgin and have business ventures in various sectors.

Products and services

The services that I shall be offering will benefit the customer needs. Such services will include selling t-shirts, hoodies, caps, tote bags, shoes, a range of other merchandise, a range of draught beers, wines, liquors, snacks, bar games such as pool, darts (If possible). There will also be an office area to allow for web, graphic design and in-house printing for Nuove Digital Media Solutions.

A stage area will be provided for live bands and other events. These could be weekly, monthly or just periodically. We want upcoming bands to have a platform to show off their songs. I also want the venue to be a record label for bands; sponsoring them for tours, developing their music and deliver it to their audiences.

One of the more unique features of this venue will be our “safe space” area. This area will be in the back office for customers who need a safe area to get away from anyone harassing them or causing them trouble. Our staff will look out for customers needing this area and will alert the police/door staff regarding any individuals who are the cause.

The venue will open from 8am for non-alcohol services and we will apply for licensing hours between 10am until 3 or 4am. Music and entertainment licences will also be sourced.

Unlike many of the late-night venues we will not apply an entry fee (except for live events). We don't want to put customers off through unnecessary extra costs.

Our venues will represent the local community and we want people to come together as a community. We will be placing QR codes around our venues so customers can donate to our “Spend a Penny” charity campaign to raise funds for good causes throughout the country. Another use of our venues will be providing facilities for homelessness and helping people find shelter or just food and drinks.

My pricing structure will not be expensive, but they will be competitive and reasonable. Prices will be based on the wholesale price with the markup price enough for profit-making but not too much to be considered extortionate. We will have special promotions and theme days/nights for customers to come and enjoy themselves in a fun environment.

The venue will be cash and cashless based with no minimum cost or added charges for card sales. Not all customers use cards and cash is still a popular choice for many and businesses will suffer by rejecting it.

Marketing Plan

My business will tailor for all persons. Young or old, I will stock products and facilities that benefit both. I will ensure all aisles are accessible for disabled customers and parents with prams. I will also listen to any issues the customers have regarding the lack of certain facilities and services in the area, and do my best provide them with it. During my work at the store, I have carried out my own market research and know what I need to offer that will keep every customer happy and grow sales.

Economics

The hospitality trade is a popular market, as people see it as an easy route for new businesses to grow. However, this sector requires a lot of hard work and if you want to make a success out of it, you need to make sacrifices – due to long hours and face-to-face customer contact. Having experience in retail is beneficial, but not essential, yet having worked in retail for six years I have gained enough knowledge to make this venture a success. Hospitality is a less risky industry, where it is easier than most trades and is always a necessity for customer needs.

Hospitality sales are higher during seasonal and holiday periods for example Christmas, New Year, Summer, weekends and bank holidays. The Liverpool bar scene is no different, but there is quite a market for mid-week, with bars seemingly quite busy Monday to Thursday as well as when the large events are on such as football or mainstream arena concerts.

As with many companies there are obstacles during start-up. One is the premise cost, which is the main issue. Other costs are finding reasonable utility providers, security and the fascia. When buying or leasing commercial units the fixture and fittings are usually included, however, I realise this is most likely not likely, so fixture and fittings costs have been included in the financial plan. There will also not be any employees to keep on the payroll, so hiring staff will be key. Hiring the right people will be crucial, as we need to find the right people who want to do the work but who will also enjoy the experience as well as being able to handle the pressure and heated situations that will arise due to working in this sector.

I intend to follow and utilise any changes in technology, changing with the times, only if these changes benefit my company. The government is consistently bringing in new reforms and legislation, but the customers seem to accept them. Any change in the economy, would change the way the venue is running, mainly the price structure. The prices would have to be set in order so the venue can maintain a profit. Needless to say, all prices will be competitive and will be as cheap as possible, but not too extreme.

Competition

Our main competition would be The Swan, but since they are a similar bar, we will look to collaborate with them to help our target audience. Liverpool needs more options for rock fans, and we will work to grow that audience. Unlike cities, such as Glasgow, Hull and Birmingham; Liverpool has pubs and bars scattered throughout the city – there is no set drinking area. There is plenty of competition but working with our competitors is a great way to boost the industry and bring in customers. Fighting against each other does no good for anyone, helping each other brings benefits to everyone.

Table 1: Competitive analysis (1-Excellent, 5-Not good)

FACTOR	Me	Strength	Weakness	The Swan	The Cavern	Importance to customer
Products	3	1	4	3	3	1
Price	2	3	3	2	3	1
Quality	1	1	5	3	2	1
Selection	2	1	3	3	3	1
Service	1	1	5	1	3	1
Reliability	3	1	5	1	3	1
Stability	2	2	3	4	2	1
Expertise	3	1	5	1	1	1
Company reputation	5	1	5	1	1	1
Location	1	1	4	3	2	1
Appearance	2	1	5	3	2	1
Sales method	2	2	3	3	3	1
Advertising	1	1	5	4	4	1
Image	1	1	5	1	1	1

Niche

My goal is not only open one venue, but to amass a national chain. My intention is to grow my company into the number one symbol group, the number one name not only in the hospitality sector but in other markets. When this venue 'takes off' I am looking to expand into other areas, such as sport, events, transportation, electronics, etc...

Promotion

I intend to promote my business by word-of-mouth, on-line via websites and social media, posters and adverts in the local papers and magazines. I do not believe spending huge amounts of money on advertising would be ideal or beneficial to this venue, as passing trade will help promote it. Small promotional techniques are enough, to get customers attention. Newsagents and convenience stores attract customers based on special deals, name, pleasant staff and appearance and we shall do the same.

Once the business is operational, I intend to create leaflets, stickers and other stationery material regarding our venue. These leaflets will include offers, services and employment opportunities. I fully intend on re-packaging the premise from the outside fascia to the inside design and layout the premise in a way that utilises all available space.

Sales forecast

The expected monthly sales (estimated) would be about £57,000 yet during slow periods this may decrease to £48,800. I have included the estimated latest weekly sales in the financial plan, as well as the venue budgets trading budgets. As with my former retail store, I would like to expect the venue to keep increasing sales annually (Obviously, this is no guarantee), however, with the additional services on offer the expected sales seem a realistic target.

As explained above, I am going to offer a larger range of goods and services which will hopefully attract new customers. Based on industry sales the largest area for sales will be alcohol, events and my clothes sales. My designs have sold many t-shirts, hoodies, phone cases online but with a physical store, sales will increase due to passing interest.

If, however, things do not go as planned and the venue does not enough customers, cutbacks and changes will need to be made. In the worst-case scenario, the venue may need to close, even though I would do my best to keep the business open. Despite all the risks and what-if's, this venue will not be a failure. Under myself, this venue will be successful and within three years and I would then look at expanding to at least a further five venues.

Legal environment

The only licences (I understand) will be required are to sell alcohol, late opening, to host live events and entertainment, and background music. Some licence fees are worked out from the property value. If the property is a leasehold, I would only have to pay rent on the property, which could be up to £80,000 annually (Based on other properties in the area). I would be looking at purchasing any leaseholds in the future, in line with my business growth.

The venue will display all necessary documentation such as a health and safety wall poster and liability insurance. I shall make sure the venue is up to the required standards. I and the employees will know all the laws on under-age sales, and they know how important in keeping in line with this law.

Other legal requirements would be registering the company with companies' house, register for VAT (Providing the threshold is met) and corporation tax. I would also have to make sure all tax returns are completed on time and correctly.

Staff

Hiring the right people will be crucial, as we need to find the right people who want to do the work but who will also enjoy the experience as well as being able to handle the pressure and heated situations that will arise due to working in this sector. The wage structure will be the legal minimum wage employers must pay employees; however, I would like to be able to offer more than this amount, but this will be based on the finances available. The staff roles will vary as there will need to be at least two managers who will need to have a personal licence to sell alcohol. Serving/waiting staff will be hired to carry out serving and floor jobs.

Stock

I am going to stock major drink brands with some new and international brands to give a more varied range. Although, provided in-house cooked meals is seen as major boost to hospitality venues, we will not be offering a food service to help keep wastage down. We will provide bar snacks such as crisps, peanuts, Rollover hot food like hot dogs, burgers fries and nachos and possible tapas selection during certain hours. For clothing and printing the garments sold will be the Gilden brand with the inks will be high-quality, long lasting specially used for garment and product printing.

Suppliers

The main suppliers will be:

Costco, Parfets, Iceland, Asda, Lidl, Rollover, Amazon, The Keg Shed, Sanza, Your Coca-Cola, 365 Drinks, J and A drinks, Beers of Europe, Kegs Direct, Bonds confectionery and Kenco vending. There will be more suppliers if required or better deals can be sourced elsewhere.

These suppliers are very reliable and enjoy a good range of goods that will be use by the venue. Some, of the above, are the only option with certain products, but are still very good at supplying the store with any orders.

Management and organisation

I myself shall be solely responsible for the day-to-day management. This will take hard-work and dedication, but I have the knowledge, experience (recently helped run the venue) and the desire to succeed. When the business grows, I intend to expand, this means taking on an individual as the head manager. I will only employ the ones that can handle the pressure and are willing to put in the effort.

Professional and advisory support

Director: Daniel Sidwell, 07531100042
Solicitor: Daniel Sidwell, 07531100042 (During Start-up)
Accountant: Daniel Sidwell, 07531100042 (During for start-up)
Business Insurance: (Best available)
Vehicle Insurance: (Best available)
Bank: Lloyds Banking Group
Telecommunications Provider: (Best available)

The banking and insurance providers may change, if a better provider can be found.

Start-up Expenses and Capitalisation

I have attached financial statements regarding the start-up costs. My estimated start-up costs shown in the statement is around £50,000. As shown, I have included a break-down of the individual costs involved. Due to the fact this venue will be a new business with no pre-existing financial records, these forecasted costs will be higher than taking over an existing business. I would like to see some funds leftover for an emergency fund during the first year. Some costs can be removed, lowering the start-up costs further.

The start-up costs should be no more than £10,000 higher than my estimates. If this is the case my contingency plan would be putting any left-over monies into an emergency budget, which shall only be used if I have under-priced any expenses.

As shown in the statements I have included estimates for the external fascia signage as well as the fixtures and fittings through some research that I have carried out on prices, however, I need to have measurements available to get an exact quote. The external fascia signage should not be any more than £6,200 (based on research) but a temporary DIY solution can be implemented if costs are too high. As mentioned, I have included the equipment costs, such as tills, printers, etc... but, again, my estimated equipment costs could change as my research will provide me with many different prices for equipment.

For my research I have made various searches and looked at numerous websites, giving me plenty of available options at reasonable prices. Some of these prices have been included in my estimates. These suppliers include BT (for phone-line and broadband) and shop-equip (online website that specialises in venue fittings and equipment).

Financial Plan

I have based all estimated figures for the venue figure from my old retail store combined with calculated estimates from my research on equipment, stock and estimated sales from other bars based on their busy periods and how many sales they make. Obviously, I expect higher on the alcohol products, with sales from clothes, events and professional services contributing to the sales. Taking into account my price structure the sales in alcohol should also increase due to high volumes sold. However, the sales on clothes should increase due to demand from passing trade due to having a physical location for customers to browse.

This venue will look to better the previous year's sales by at least £5,000 without unforeseen expenses. Under my management this venue will get rid of any surplus expenses and concentrate on gaining and keeping customers. As shown by my figures during seasonal periods I will always ensure the right stock is available and placed in the right location, in the venue.

12-month profit and loss forecast

My twelve-month profit forecast is mostly calculated on the estimated projected sales. I have listed all the monthly expenditure and calculated the annual losses. Along with the monthly sales my workings have shown that the venue will make a profit. Regarding my expenditures the weekly stock ordering will not be as much as I have estimated which will in turn reduce losses and increase the weekly profits.

The main losses for the venue will be stock wastage along with stock orders, electricity and salaries. These are the areas I shall be looking to reduce, with electricity being the easiest to control – ensuring all non-essential appliances switched off during closed business hours.

'Five-year plan'

Within the next five years I plan on opening more venues and expanding my business into other fields. In order for this plan to come into effect, I need this venue to make a profit of at least £15,000 within the first three years of trading. Looking at my estimates, my expectations show this is achievable. However, as stated before, this venue can match my aims within that time limit, providing the venue sales maintain at a steady growth. Apart from expanding my business, I will not neglect this venue and will invest in the interior and exterior in order to keep and grow sales.

This venue will be used as an experiment for a future larger venue in Maghull. In two years' time, Lidl are moving premises resulting in a potential venue offering more activities and bigger performances in an area without any competition but has a local audience – expanding to Ormskirk and Aintree – who would use the facilities regularly. This is the end goal and one I shall be watching closely.

Forecast cash-flow

One of the main advantages of hospitality venues is the constant cash-flow, with continual customer sales. Based on the other venues in the area, it shouldn't have any issues in paying any costs that the venue will incur, whether its repair costs, utility bills or staff wages.

My calculations show after start-up costs, I should have around £7,752, from £50,000. These funds (if possible) will be put into an emergency bank account, so that if the worst occurs the venue will have funds to remain trading, so that a decision on the business' future is made.

Throughout my business the (including start-up) I will keep documents regarding finance, in order to have a record of expenses to work out the largest losses. Records will be kept for every financial transaction concerning the venue – including sales.

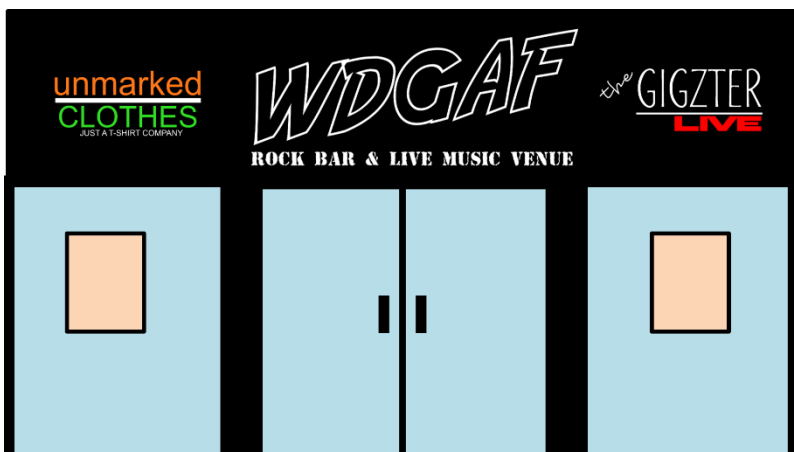
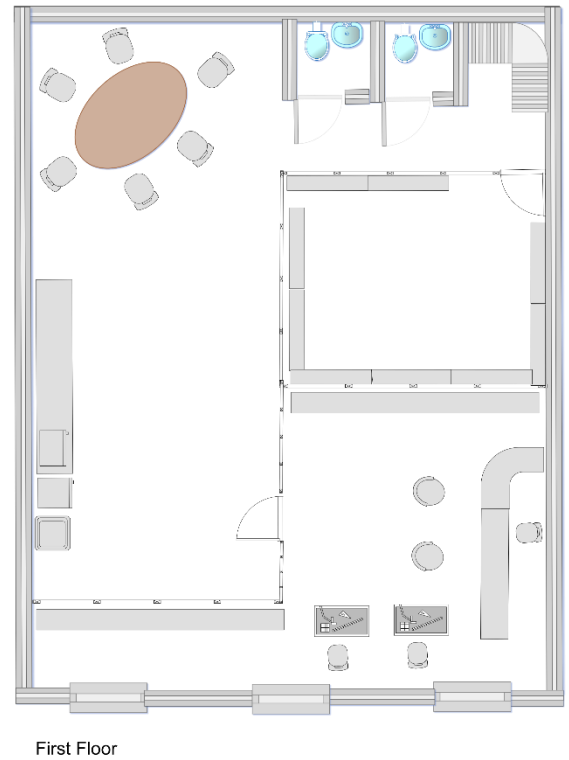
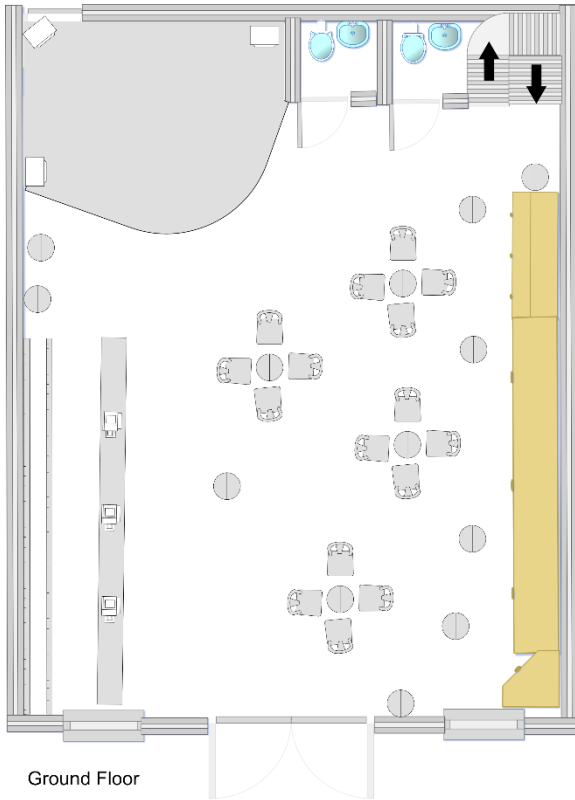
As my estimates show, my budget of £50,000 is more than enough capital to cover all the start-up costs – even giving £7,752 leftover for emergency funds or refitting the venue to match my plans.

All sale monies are collected during the transaction which avoids any debt build ups or nothing being received. I will buy stock once a week and collect the items myself, to avoid any delivery problems or damaged stock. All stock purchases (regarding, drinks, garment, products, etc...) will be purchased in cash at the best choice wholesaler, the majority of purchases will be made at Costco.

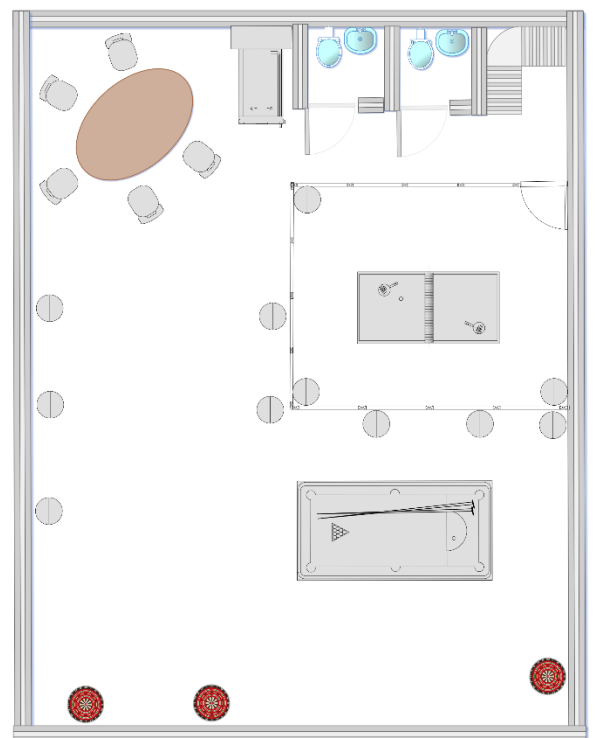
Appendices

Below are images showing the proposed venue internal floor layout and external fascia. The actual layout may differ.

Proposed Venue Layout



External Venue Fascia



I will need to purchase the following equipment:

- Till system
- Security cameras and alarm system
- Counter units
- Clothing racks
- Product shelving
- Broadband and landline
- Entertainment equipment

I will also need to apply for wholesale membership, as well as apply for a licence to sell alcohol and host live events.

Refining The Plan

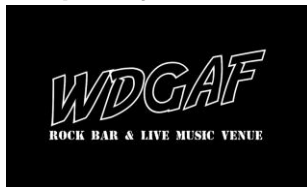
For raising capital

For Lender

I am looking to take out a £50,000 crowdfunding loan in order to cover the costs of starting up a new hospitality venue in Liverpool City Centre. These funds would be used to cover all vital start-up costs. I can repay the loan monthly across three years with interest; however, the only security I would be able to offer would be the venue and its equipment (if I fail to repay the loan). This will not be the case, my estimated sales show the store will make a profit thus allowing me to pay back the loan, plus interest, with a little extra to say thank you for giving me this opportunity. This crowdfunding campaign will be treated as a business loan with all contributors being paid back and receiving additional thank you benefits such as free drinks if they come to the venue and other free gifts.

For type of business

Hospitality business



Pricing: My price structure will be competitive but not expensive. I will not charge over-the-top prices in order to make a profit. I will ensure all my prices are set at a level that will make a profit, but also keep customers happy. My prices will only increase, with obvious wholesale price rises.

Stock: I am going to offer a variety of products to compete with rivals and gain new customers. Apart from drinks and bar snacks a food-to-go service and hot drinks machine will be available along with our clothing range.

Customer service policies: Through my own work experience, my customer service gave me an excellent reputation with regular customers. My customer service will not change but get better due to the different environment.

Location: The chosen venue will be in the ideal location with heavy footfall. Being close the railway stations and being around competitors should help on capitalising on gaining the sales – especially in the summer months.

Promotion: I will offer promotions, possibly monthly, to get customers to visit the venue. I will offer promotions on various products that can increase the sales the most.

