



BUSINESS PLAN

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This business plan is intended solely for informational purposes and to assist with a due diligence investigation. The information contained herein is believed to be reliable, but the management team makes no representations or warranties with respect to this information. The financial projections that are part of this plan represent estimates based on extensive research and on assumptions considered reasonable. The contents of this plan are confidential and are not to be reproduced without express written consent.

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EXECUTIVE SUMMARY

On average, casual dining restaurants lose 200 customers every weekend due to long wait times. Restaurants are not utilizing their limited space effectively. The Sur Le Mur products will provide an effective way to utilize wasted layout space and gain individual restaurants additional revenue of up to \$248,000 per year. Sur Le Mur will provide collapsible tables and chairs that utilize limited layout space by hanging on the wall when not in use. The legs of the table will fold up and create a frame around a picture on the bottom of the table.

Sur Le Mur will outsource product manufacturing to Source International. The products will be shipped from Source International to the Sur Le Mur warehouse. Transport companies will deliver the final products to restaurants where sub-contractors will install the products.

Full-service restaurants will be the target market for Sur Le Mur. Full-service restaurants include establishments where patrons order and are served while seated. Through primary research it was determined that long wait times are a major concern. The Sur Le Mur products will effectively and efficiently shorten wait times, maximize layout space, and ultimately increase revenues. A secondary market was identified during the research process when Starbucks expressed interest in Sur Le Mur products. Starbucks operates as a limited service restaurant. The goal of these restaurants is to retain same-day customers who stay in the store after the initial purchase. The Sur Le Mur products will be used to retain customers by offering more seating.

Restaurant management software companies such as Open Table Inc. and Virtual Party Host offer restaurants the ability to track how long a patron will wait to be seated. Sur Le Mur will form a mutually beneficial relationship with these companies. The wait times determined by software companies will work in conjunction with the Sur Le Mur products to deliver a solution for restaurant wait times.

Sur Le Mur will indirectly compete with restaurant furniture suppliers such as Central Restaurant Products, and Mission Restaurant Supply. Sur Le Mur will compete with these companies by offering a functional storage solution for restaurant furniture.

Pro forma financial statements indicate Sur Le Mur will begin with a net loss in Year 1 of \$93,000 but will grow to a net income of \$201,500 by Year 5. Net income growth will be directly correlated to an increase in sales from Year 2 through Year 5.

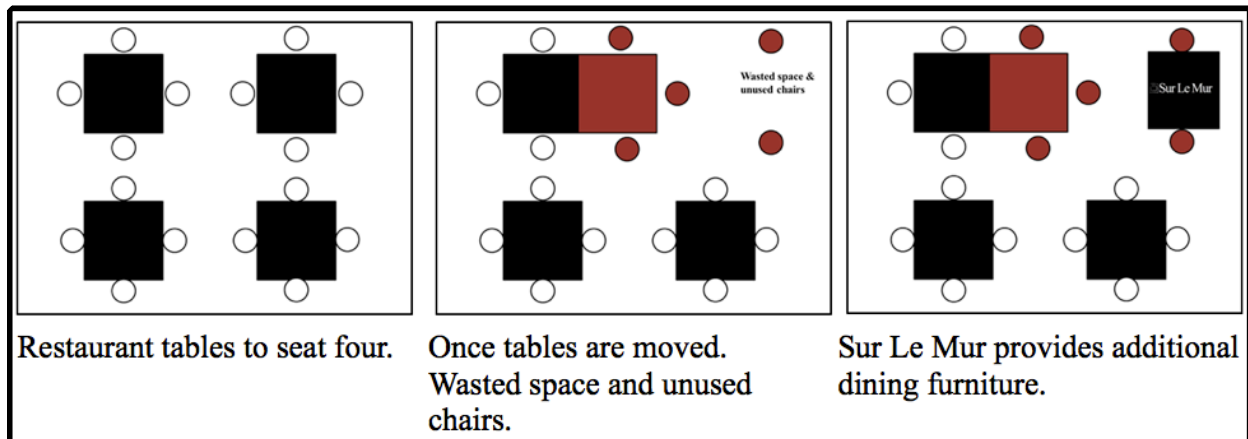
To cover initial operating expenses, working capital, and asset purchases Sur Le Mur will require an investment of \$470,500. Sur Le Mur will offer investors an initial ownership share of 55%. Investor ownership share equals a total investment of \$259,000. Sur Le Mur will repay initial capital investment in Year 5. Venture capitalists will have the option to retain 55% company ownership or cash out at fair market value of Sur Le Mur and a return on investment of 50%.

COMPANY OVERVIEW

Introduction

Full-service restaurants lose 200 customers every weekend because of long wait times, resulting in a loss of \$186 million to restaurant corporations per year (Gasparro, 2011). The majority of full-service restaurant tables seat parties of four. However, research indicates that the average group size is 5-6 people for full-service dining restaurants (Gasparro, 2011). The layout must be re-arranged to accommodate the party, resulting in wasted space and two unused chairs. The Sur Le Mur table will be removed from the wall allowing the two chairs to be used, therefore increasing sales. Figure 1 below further illustrates how Sur Le Mur maximizes restaurant layout space.

Figure 1 - Sur Le Mur Demonstration



Full-service restaurants have various layouts resulting in the need for additional chairs. The Sur Le Mur products will allow restaurants to effectively and efficiently utilize their limited layout space by providing additional dining tables and chairs. Operating in a business to business model, Sur Le Mur will sell directly to full and limited service restaurants.

Sur Le Mur will have a combined warehouse and office located near the Los Angeles, California shipping port. The close proximity will decrease shipping costs to the Sur Le Mur warehouse.

Sur Le Mur will be structured as an S-corporation in this business plan. This organizational form features a formal corporate governance structure, offers limited liability protection to shareholders, and provides the flexibility to change to a C-corporation when Sur Le Mur grows. The initial board of directors will be tasked with finalizing the organizational form to maximize the financial and tax benefits for the shareholders.

Mission Statement

The Sur Le Mur brand strives to discover, develop, and deliver innovative solutions that provide restaurants with an effective way to utilize limited layout space.

Objectives

In the first five years of operations, Sur Le Mur will partner with restaurant corporations such as Darden, Brinker, and Dine Equity. Sur Le Mur will strive to create customer satisfaction by providing an average increase of 30% in sales for restaurants.

Sur Le Mur will use profitability and investor returns as success measures. Profitability of the company will be quantified as a goal of 1.5% net increase in sales. Sur Le Mur will deliver a 50% return on investment to initial investors.

Business Model

Manufacturing

Sur Le Mur will outsource to Source International. The outsourcing company will manufacture the products and take a percentage of manufacturing costs as profit. Source International will ship the products directly to the Sur Le Mur warehouse, where products will be sorted. The products will then be shipped to restaurants using a sub-contracted transport company, Swift Transportation. Sur Le Mur will retain inventory to replace damaged products quickly.

Customers

Sur Le Mur will hire sub-contractors to install the products. Restaurant layouts vary therefore Sur Le Mur will provide an estimate of the number of products that will effectively maximize each restaurant layout space. Based on the Sur Le Mur estimate, restaurant corporations will determine the final number of products to purchase.

(Refer to Appendix A for a diagram of Sur Le Mur's business model)

PRODUCT

The Sur Le Mur product line will include high quality, collapsible tables and chairs. Table sizes will range from 6.25 to 9 square feet. The collapsible legs will fold to form a frame around the underside of the product, where a design will be applied. The products will be suspended on the wall with anchors to create functional art pieces that establish dynamic and adaptable layouts. Restaurants will be able to remove the products from the wall to provide additional dining tables and chairs.

Features

Movable

The products will have the ability to be positioned anywhere in the restaurant, creating unlimited layouts and fully utilizing floor space. The unlimited layout option will increase the number of customers served at a given time.

Design

The products will be produced with any design the restaurant has the legal rights to use. The design will be applied in the manufacturing stage of production. The design feature will allow the products to be incorporated into the current restaurant decor. The restaurant will be able to modify the design, allowing the products to be used in a flexible manner.

Storability

The products will be stored on the wall, allowing optimal use of floor space. Sur Le Mur will allow restaurants to effectively change layout options as restaurant customer demand fluctuates.

Lightweight

Product weight will vary from 10 – 25 pounds. The lightweight design will allow restaurants to efficiently take the products on and off the wall. Restaurants will be able to quickly respond to high customer volume during peak times of operations.

Benefits

The restricted layout space of a restaurant limits the number of customers a restaurant can serve at one time. The products will be movable and can be placed anywhere in a restaurant. The design feature will allow the restaurant to effectively store the products without disrupting the customer's dining experience. The products will be stored on the wall; it will allow restaurants to use other storage space for other necessary items. The products will be 10-25 pounds. The lightweight design will allow any employee to easily add to or remove the product from the wall.

Summary of Features and Benefits

(Refer to Appendix B for chart of features and benefits)

Proprietary Rights

Sur Le Mur will acquire a trademark to secure its brand name. By establishing a trademark, Sur Le Mur will protect the company's future reputation and value. The business model of Sur Le Mur will be difficult to imitate because of relationships formed with restaurants. Sur Le Mur will acquire a patent to protect the design of the products.

Stage of Development

There are currently no products that effectively utilize restaurant layout space. Upon entering the market, the products will be in the introduction phase of the life cycle. Learning effective use of the product will not be difficult. Restaurant employees will incorporate the products into the current layout. Sur Le Mur has developed prototypes to effectively illustrate the products' design.

(Refer to Appendix C for design of the Sur Le Mur products)

Cost Estimates

Sur Le Mur will file a design patent to prohibit restaurant furniture suppliers from replicating the design. The company will hire Goldstein Law Offices to ensure the products' protection. Goldstein Law Office reports a 90% pass rate among its patent applicants (Goldstein Law Offices, 2013).

Primary research indicated Source International, an outsourcing furniture manufacturing company, estimated costs for the Sur Le Mur products shown in Appendix D (Kevin Bott, Source International, Personal Communication, February 26 2013).

(Refer to Appendix D for table of product cost estimates)

INDUSTRY ANALYSIS

Industry Size and Growth

The institutional furniture industry is “supplying institutional-type furniture (e.g., bar, restaurant, cafeteria, and theater furniture). The furniture may be made on a stock or custom basis and may be assembled or unassembled” (Institutional Furniture Manufacturing, 2001).

In 2012, the institutional furniture industry had sales of \$5.6 billion. From 2009-2012 there was an annual growth rate of sales of 3.2% (Furniture and Fixtures, 2013).

The projected sales growth rate is expected to be 19.8% from 2013-2018 in the institutional furniture industry (Furniture and Fixtures, 2013).

Industry Trends

Outsourcing

Since 2009, 72% of restaurant furniture suppliers outsourced manufacturing. Outsourced manufacturing reduces production costs. Keeping prices low attracts many potential customers (Furniture and Fixtures, 2013).

Customizable

In 2010, 85% of restaurant furniture suppliers started offering entirely customizable furniture. Various veneer and wood options for restaurants has become an attractive way to incorporate new furniture into restaurant environments (Furniture and Fixtures, 2013).

Eco-Friendly

Since 2010, 34% of restaurant furniture suppliers have begun manufacturing furniture using sustainable recycled wood (Furniture and Fixtures, 2013).

Industry Structure

The institutional furniture industry is comprised of hospital beds (33.61%), restaurant furniture (21.91%), bar furniture (19.5%), cafeteria furniture (14.05%), cruise ship furniture (6.21%), and bowling center furniture (4.72%) (Institutional Furniture Manufacturing, 2007).

The industry is structured through a chain of manufacturing operations, distribution operations, and restaurant installation. The main sources of buyer power in the full-service restaurant industry are Darden, Brinker, and Landry’s. In the industry, the buyers have the power because of the many restaurant furniture supplier options.

The Environmental Protection Agency (EPA) produces a furniture guide every five years which is distributed to furniture suppliers. The firms must be in compliance with all rules and regulations or will be subject to heavy fines (EPA Furniture Sector, 2011).

A key threat in the industry is outsourcing. Outsourcing restaurant furniture manufacturing reduces cost resulting in lower prices. Price-friendly options provide a competitive environment for restaurant furniture suppliers (Kevin Bott, Source International Representative, Personal Communication, February 26, 2013).

Potential barriers for a new entrant would be set contracts with current restaurant furniture suppliers. Many restaurants have set contracts for two years after opening that requires new products and product replacements to come from the original furniture supplier (Benjamin Madsen, Darden Restaurant Owner, Personal Communication, March 5, 2013).

Industry Key Success Factors

Functionality

Restaurants devote 40% of space to kitchens and the remaining 60% to dining space. Half of dining space furniture is movable. Restaurants search for furniture that can be easily moved to create a versatile layout to respond to constant customer fluctuation (Ryan, 2011).

Durability

Restaurants have heavy usage of furniture. Providing durable furniture is essential to keeping restaurant repair expenses low.

Cost

Functionality and durability combined create a perception of quality. Price is generated by perceived value. Keeping production costs low, while maintaining high quality, allows restaurant furniture suppliers remain successful (Ryan, 2011).

Industry Competitive Analysis

The institutional furniture industry competes by offering a limited variety and varying quality of products (Ryan, 2011). Market share is distributed almost equally among the 651 local restaurant furniture suppliers in the U.S. (Worldwide Institutional Furniture Manufacturing, 2013).

New restaurants buy restaurant furniture through local suppliers. Restaurant corporations allow individual restaurant chains to find furniture suppliers. Therefore, restaurant furniture suppliers are generally locally based in cities near individual franchises. The close proximity lowers

shipping costs, decreasing overall operating costs to restaurant chains (Benjamin Madsen, Darden Restaurant Owner, Personal Communication, March 5, 2013).

Restaurant furniture suppliers can apply to be a furniture supplier of restaurant corporations or the furniture suppliers for restaurant interior and layout designers (Darci Hether, Restaurant Interior Design Concepts, Personal Communication, March 2, 2013). (See Figure 2 below for Summary of Potential Market Size and Growth)

Summary of Potential Market Size and Growth

Figure 2 - Summary of Potential Market Size and Growth

<i>Brief Description of Industry</i>	<i>Macro market size (\$ Sales)</i>	<i>Macro Market size in unit sales</i>	<i>Growth rate (% per year)</i>	<i>Detailed Basis for Estimate</i>
The Institutional Furniture Industry supplies institutional-type furniture (e.g. restaurant furniture, bar furniture, cafeteria furniture, and hospital beds)	\$5.6 billion	Not quantifiable	3.2%	These estimates are based on Commercial Furniture sales in the United States in 2013 (Furniture and Fixtures, 2013).

SITUATIONAL ANALYSIS

Environmental Analysis

Political Environment

Outsourcing to China has become an alternative for companies looking to cut production costs. However, China is actively engaging in legislature to increase wages for manufacturing workers. From 2010-2011 the Chinese minimum wage rose 22% on average. These increasing wages contribute to higher manufacturing costs and transfer a higher product cost to customers (Rabinovitch, 2011). Increasing production costs will increase product price. Increasing costs will shrink margins and profits.

Economic Environment

The economic recession of 2007-2009 had a negative impact on 85% of U.S. industries. However, the full-service restaurant industry had annual growth during the recession of 7.2% (Wall, 2013). The growth rate indicates full-service restaurants are not directly tied to the economic environment. A growing consumer market shows strong potential for Sur Le Mur to stay profitable even in economic downturns.

Socio-Cultural Environment

From 2012-2013 attitudes towards dining-out were positive reflecting upward trends. In the last month, 75% of Americans dined at a restaurant instead of eating at home. The percent of individuals who dine out is expected to increase to 80.4% by 2016 (Wall, 2013). With more customer traffic, wait times will be increased and restaurants will lose potential revenue. Sur Le Mur will allow restaurants to effectively manage the increased customer demand by providing additional dining tables and chairs.

Curb-side take-out (CSTO) services represented 19% of restaurant sales. CSTO services are expected to increase to 20.3% by 2016. Restaurants utilize CSTO services to decrease wait times and increase revenues (Wall, 2013). The CSTO service will be a potential threat to Sur Le Mur because restaurant patrons are choosing to dine at home rather than in-restaurant.

Technological Environment

Restaurants currently use software such as Virtual Party Host to track table usage. The software predicts the estimated average wait times in restaurants. In 2011, Darden invested \$170 million in restaurant management software. Research indicated the software identifies the problem, but does not provide a functional solution (Gasparro, 2011). Software technology is able to provide an estimate of the time a patron will expect to wait for service. Sur Le Mur acts as a complement to this software by providing a solution to decrease estimated wait times. Mutually beneficial

relationships between restaurant management software companies and Sur Le Mur will provide restaurants with decreased wait times and increased revenues. Sur Le Mur will provide additional tables and chairs to deliver a functional solution.

Legal Environment

The Environmental Protection Agency (EPA) produces a furniture guide every five years which is distributed to furniture suppliers. The firms must be in compliance with all rules and regulations or be subject to heavy fines (EPA Furniture Sector, 2011). Changes in lumber laws could impact the wood used to produce Sur Le Mur's products, causing material costs to increase.

Competitor Analysis

Sur Le Mur will provide unique products in the restaurant furniture industry; as a result, there are no direct competitors. However, the products do compete indirectly with other restaurant furniture suppliers.

Indirect Competitors

Many restaurant corporations buy their furniture from suppliers that are located near individual franchises, causing a barrier to entry for new companies into the industry. Companies in the full-service restaurant industry include Central Restaurant Products and Mission Restaurant Supply. The strengths of these companies are fast and inexpensive delivery. These companies are unable to supply restaurant furniture that effectively utilizes space.

There will be a threat of potential future competitors from companies in the household furniture industry such as ReSource Furniture. Because there is an increasing trend of space saving furniture in the household sector, these companies could potentially enter the restaurant industry with their products (Kim, 2013).

(Refer to Appendix E for Competition Comparative Analysis Table)

Internal Analysis

Business Resources

The physical assets for Sur Le Mur will include warehouse equipment used to sort and package products. Equipment will include forklifts, pallet racks, and pallet jacks. A commercial printer will be used for the picture re-application process.

Sur Le Mur will have two corporate officers: the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). Beginning in Year 2, Sur Le Mur will have a Board of Directors to

oversee the operational activities of the business. The Board of Directors will provide a competitive advantage by combining industry experts and upper-management in order to determine the best direction for the company. In Year 4, Sur Le Mur will hire a Chief Operating Officer (COO) to effectively manage the expected increase in sales.

Sur Le Mur will have a design patent to protect the tables' and chairs' engineering, in addition the company's logo will be trademarked.

Sur Le Mur will sub-contract with Source International and Swift Transportation to effectively produce and deliver the products to customers. Sur Le Mur will receive bulk shipments from Source International. To provide quick product replacement, 2% of incoming shipments will be retained in the warehouse. Sur Le Mur will cultivate relationships with restaurants by providing quality products and fast delivery.

Business Capabilities

In Year 1, Sur Le Mur will form strategic relationships with restaurant management software companies, Virtual Party Host and Open Table Inc. In Year 3, Sur Le Mur will expand to other restaurant management software companies. The expansion in Year 3 will generate additional sales leads. Sur Le Mur's products are complementary to restaurant management software, creating a mutually beneficial relationship.

Sur Le Mur will attend three restaurant trade shows every year. The three trade shows will include: the National Restaurant Association Show, Western Food Service and Hospitality Expo, and WestEx Rocky Mountain Trade Show (Why exhibit?, 2013) (For exhibitors, 2013) (Events, 2013). Sur Le Mur will partner with restaurant management software companies at trade shows. The trade show partnership will allow the complementary products to be shown together, generating sales leads.

Sur Le Mur will secure contracts with Darden, Brinker, and Dine Equity. Long term contracts with large restaurant corporations will provide continuous sales.

Barriers to Entry

Sur Le Mur will obtain multiple design patents per product to prevent potential substitutes.

During product implementation, Sur Le Mur will have marketing associates to provide excellent customer service. Marketing associates will build brand consideration and affinity with restaurant corporations by ensuring the products are being used effectively. The marketing associates will create a barrier to entry by creating business relations between Sur Le Mur and restaurants.

Competitive Advantages

Sur Le Mur will provide restaurants with unlimited layout options, decreased wait times, and increased annual revenues. No other restaurant furniture suppliers offer the design capabilities and functionality that Sur Le Mur will provide.

Sur Le Mur will acquire several design patents per product to eliminate the opportunity of other companies creating substitutes. The initial cost for patents will be substantial, but the protection will be necessary to create barriers to entry.

Sur Le Mur will cultivate positive relationships with restaurant corporations. These relationships will ensure repeat customers for Sur Le Mur.

Sur Le Mur will be located in Los Angeles creating low shipping time from Source International. Decreased shipping time equates to better customer service, which leads to better customer retention.

Summary of Situation Analysis and Business Strategy

(Refer to Appendix F for SWOT and TOWS Matrix)

MARKETING PLAN

Customer Research

Sur Le Mur surveyed 10 restaurant interior and layout designers, 10 restaurant franchise owners, and 10 restaurant corporate managers. The 11 question survey indicated that 19 of those individuals or 63% believed wait times and dining layout space are the biggest concerns restaurants face. Sur Le Mur found that 26 out of 30 or 86% of individuals surveyed would be willing to spend above \$250 per tables and \$140 per chair. In the market research conducted, 93% of restaurant corporations interviewed would purchase Sur Le Mur's products.

(Refer to Appendix G for Survey Questionnaire and Results)

Storability and Design Integration

Many restaurant interior and layout designers stated the Sur Le Mur products would be a solution to create effective restaurant layouts. These same designers stated, "The added artwork and storability feature would allow restaurants to use their already limited layout space while not losing any ambiance" (Darci Hether, Darci Hether Designs, Personal Communication, March 2, 2013).

Restaurant franchise owners and corporate managers stated that adding tables and chairs would increase revenues and shorten wait times. Restaurants have limited storage space most of which goes to food. The Sur Le Mur products utilizing wall space will be an effective way to store additional tables and chairs.

Additional Features Customers Value

"Many of the restaurant interior and layout designers said having options beyond artwork will add value to the products" (Darci Hether, Darci Hether Designs, Personal Communication, March 2, 2013). Décor variations in each restaurant may not require additional artwork; however, providing other options such as wood paneling will ensure the products successful integration in many restaurant types.

Restaurant franchise owners and corporate managers expressed their opinion that the ability to change the artwork would allow for effective advertising methods. (Benjamin Madsen, Darden Restaurant Owner, Personal Communication, March 5, 2013).

Price Point Evaluation

The restaurant interior and layout designers interviewed stated \$250 for a table and \$140 for a chair were realistic price points for the Sur Le Mur products. The prices reflect perceived value. Compared to other restaurant furniture, Sur Le Mur will offer additional features which will allow higher price points. Refer to Appendix G for survey questionnaire and results.

Marketing Objectives

Sur Le Mur will achieve an annual growth rate of 2% every year after Year 1 through personal selling and attending annual restaurant trade shows. The various trade shows will include the National Restaurant Association Show, Western Food Service and Hospitality Expo, and WestEx Rocky Mountain Trade Show (Why exhibit?, 2013) (For exhibitors, 2013) (Events, 2013).

By the end of Year 3, Sur Le Mur will achieve 15% of sales through mutually beneficial relationships with restaurant management software companies. Creating joint booths at restaurant trade shows will increase brand awareness and generate various sales leads.

Primary and Secondary Target Market

Sur Le Mur's primary target market will be full service restaurants. "This industry comprises establishments primarily engaged in providing food services to patrons who order and are served while seated" (NAICS, n.d.). Restaurant corporations in the industry include Darden, Brinker, and Dine Equity. These corporations own restaurants such as Red Lobster, Olive Garden, and Chili's. Full service restaurants will use the Sur Le Mur products to maximize layout space, shorten wait times, and increase restaurant revenues. Through personal selling, Sur Le Mur will effectively reach the target market by contacting these corporations directly.

Sur Le Mur will partner with restaurant management software companies such as Open Table Inc. and Virtual Party Host. The cohesion between restaurant management software companies and Sur Le Mur will allow these companies to effectively reach full service restaurants.

Sur Le Mur's secondary market will be limited service restaurants. Limited service restaurants are "primarily engaged in providing food services (except snack and nonalcoholic beverage bars) where patrons generally order or select items and pay before eating. Food and drink may be consumed on premises, taken out, or delivered to the customer's location" (U.S. Census Bureau, 2007). Sur Le Mur will focus specifically on Starbucks through Year 5. Limited service restaurants will use the Sur Le Mur products to retain same day customers, who will remain in the restaurant after their initial purchase (Jeff Hamill, Starbucks Southwest Division, Personal Communication, March 20, 2013).

Business Market

Currently, both target markets are unable to effectively store additional tables and chairs due to lack of space. The full service restaurant corporation, Darden, invested \$170 million in restaurant management software. The software estimates how long a patron will spend at a table.

Restaurant management software is then able to estimate wait times. Research has indicated the software is not able to decrease these wait times (Gasparro, 2011). Restaurant corporations are looking for more effective storage options for these additional pieces. In addition, these corporations are seeking ways to effectively reduce wait times (Gasparro, 2011). The Sur Le Mur products will effectively complement the software by decreasing wait times with additional tables and chairs that can be effectively stored.

The buying decisions for restaurant furniture are made at the corporate level. Restaurant furniture is purchased locally resulting in slight variation among restaurant chain locations. Restaurant interior and layout designers make suggestions to the corporate managers; however, corporate managers make the final approval for furniture expenditures (Benjamin Madsen, Darden Restaurant Owner, Personal Communication, March 5, 2013).

Buying decisions are made based on perceived product value. Restaurant furniture suppliers apply to restaurant corporations or restaurant interior and layout designers to use the suppliers furniture. Restaurant corporations select furniture suppliers based on the perceived value the furniture will contribute to the layout. Once approved, restaurant corporations then source the furniture directly from individual suppliers (Benjamin Madsen, Darden Restaurant Owner, Personal Communication, March 5, 2013).

From 2007 to 2012 the full service restaurant industry sales increased 36% and the limited service industry increased 29%. Despite the 2007 economic recession, these industries continued to grow. In 2012, the full service restaurant industry had annual sales of \$202.2 billion. The limited service industry reported 2012 sales of \$215.4 billion (National Restaurant Association, 2013). The continual growth will allow Sur Le Mur to grow with these markets.

Product Strategy

Performance Characteristics

Market research determined restaurant corporations value two key factors when choosing restaurant furniture. Restaurant corporations want furniture that decreases wait times and increases restaurant revenues as shown in Appendix G. The Sur Le Mur products will provide an effective way to utilize limited layout space and shorten wait times with additional tables and chairs. Customers do not have brand loyalty to certain restaurants; they will leave if wait times are too long. Long wait times equate to an average annual revenue loss of \$186 million to

restaurant corporations (Gasparro, 2011). When searching for restaurant furniture, restaurants look for success factors including functionality, durability, and cost. Sur Le Mur will deliver a functional durable product, while offering value relative to cost.

Sur Le Mur will allow restaurants to effectively utilize limited storage space by removing the products from restaurant floor space, and storing the products on the wall. The storing aspect differentiates the Sur Le Mur products from others on the market because the products are easily stored compared to traditional restaurant furniture.

Sur Le Mur will have mutually beneficial relationships with restaurant management software companies. The Sur Le Mur products will complement the software, offering a solution to long wait times.

Sur Le Mur will employ marketing associates to ensure the products' effective and efficient use in restaurant layouts. Product replacement and repairs will be covered under the three year warranty.

In Year 6, Sur Le Mur will expand into the household furniture market, offering customizable sizes. Sur Le Mur will have retail space in New York City offering consumers a new experience, Sur Le Mur Gallery. Presenting an artistic approach to individual consumers and apartment style living, Sur Le Mur will maximize limited apartment living space.

Identity

Modern restaurants can be traced back to 18th century France. A restaurant's proprietor is called a restaurateur derived from the French verb restaurer, meaning "to restore" (Spang, 2001). Sur Le Mur, which translates from "on the wall" in French, strives to restore restaurant layouts by utilizing wall space for storage.

Sur Le Mur will be a restaurant furniture supplier to the restaurant industry. The collapsible tables and chairs will allow restaurants to effectively utilize restaurant space while decreasing wait times and increasing revenues.

A large part of Sur Le Mur's identity will be shaped by customer interaction. Sur Le Mur will hire marketing associates and invest the first three weeks of operations for training. Sur Le Mur's identity approach will be branded content. Branded content will be designed to build brand consideration and affinity. Providing excellent customer service and high product quality, Sur Le Mur will cultivate positive customer interaction to ensure satisfaction (Olenski, 2013).

Sur Le Mur’s visual identity will be established primarily through the logo, demonstrating the clean lines of the product designs. The logo’s simple design aligns with the company’s vision to make restaurant layouts simple yet effective. The company logo can be seen in Figure 3.

Figure 3 - Logo of Sur Le Mur



Positioning Statement

Sur Le Mur products provide the restaurant furniture industry with a unique option that offers an innovative solution to an unsolved problem. The attractive, on-the-wall-storing option will be specifically tailored to give restaurants the ability to fully utilize limited layout space.

Strategy and Tactics Analysis

Pricing Strategy and Tactics

Sur Le Mur will use a perceived value pricing strategy. The pricing strategy is the value of a good according to how much consumers are willing to pay. Primary research indicated the target market will be willing to pay the following prices shown in Figure 4 below. (Refer to Appendix G for Survey Results)

Figure 4 - Sur Le Mur Sizes and Prices

<i>Size</i>	<i>Price</i>
Petit Carré (2.5’ by 2.5’)	\$169.40
Carré (3’ by 3’)	\$243.87
Deux Carré (chair)	\$145.75

Restaurant furniture suppliers have a lower price than the Sur Le Mur products. The added layout options and storability features allow Sur Le Mur to charge a higher price. Primary research indicated interior and layout restaurant designers and restaurant corporate managers are willing

to pay these prices (Refer to Appendix G for Survey Results). Letters of intent have been secured and can be found in Appendix H.

(Refer to Appendix H for letters of intent)

Channel Strategy and Tactics

Sur Le Mur will be located in close proximity to the Port of Los Angeles decreasing product shipping costs. Sur Le Mur will use Swift Transportation to distribute the products to restaurants. To ensure low delivery costs, Sur Le Mur will set distribution prices based on the volume of units. Sur Le Mur will use local installers to place the products in individual restaurants.

Marketing Communications Strategy and Tactics

Sur Le Mur will attend restaurant trade shows to demonstrate to restaurants effective use of the Sur Le Mur products. Virtual Party Host and Sur Le Mur will partner at restaurant trade shows to highlight the complimentary relationship between the products and the software.

Sales Strategy and Tactics

Sur Le Mur will use personal selling to form relationships with prospective clients. Personal selling will be carried out by the marketing associate team in conjunction with the Vice President of Marketing. The Vice President of Marketing will also oversee the marketing associate team, who will travel to individual restaurant locations to ensure the product will be used effectively and efficiently.

Cost Estimates

(Refer to Appendix I for Table of Marketing Cost Estimates)

Summary of Potential Market Niche Size and Growth

Figure 5 - Summary of Potential Market Niche Size and Growth

<i>Brief description of the market niche</i>	<i>Niche size in sales</i>	<i>Niche size in unit sales</i>	<i>Growth Rate (% per year)</i>	<i>Detailed basis for estimate</i>
Full Service Restaurants	\$716,000	4037	28%	Letters of intent and primary research indicated these potential sales.
Limited Service Restaurants	\$115,000	778	32%	Letters of intent and primary research indicated these potential sales.

MANAGEMENT & OPERATIONS

Company Organization

Sur Le Mur will be organized in a top down management structure. Sur Le Mur will have two corporate officers who will direct managers in overall operations. The company will require two managers who assist entry level employees in daily operations.

(Refer to Appendix J for diagram of management structure)

Management Team

Board of Directors

In Year 2, Sur Le Mur will have a Board of Directors. The Board of Directors will consist of Jeff Hamill, Executive Vice President of the Southwest Pacific Division of Starbucks; Benjamin Madsen, Darden Franchisee; Chrissy Haan, Brinker Restaurant Owner; and Darci Hether, Restaurant Interior Designer. These members will be selected because of their expertise in the restaurant industry. Sur Le Mur will also offer board positions to investors.

Corporate Officers

Sur Le Mur will have two corporate officers. The Chief Executive Officer (CEO) will be involved in staffing, communicating, training, promoting business growth, and product development. The Chief Financial Officer (CFO) will be directly responsible for financial reporting. In Year 4, increased sales volume will require a third corporate officer, Chief Operations Officer (COO). The COO will oversee the manufacturing and delivery of products.

Middle Management

Sur Le Mur will have two managers. The Vice President of Marketing will be responsible for maintaining and pursuing positive customer relations and will report to the CEO. The position will be filled by Jake Smelker. Using his interpersonal and organizational skills he will maintain client relationships and generate sales leads. The company will have a warehouse manager who will directly report to the COO. The position will be filled by Dylan Murphy. With his in-depth inventory management and leadership skills he will effectively manage the warehouse.

(Refer to Appendix K-1 for Jake Smelker's resume)

(Refer to Appendix K-2 for Dylan Murphy's resume)

Lower Management

Sur Le Mur will have a team of warehouse employees and a team of marketing associates. The warehouse employees will unpack and sort products for shipment. The warehouse manager will oversee the activities of the warehouse employees. The marketing associates will travel to individual restaurant locations ensuring the products are being used in the most effective manner. The Vice President of Marketing will oversee the operations of the marketing associates. Due to outsourced manufacturing, Sur Le Mur will hire a furniture quality inspector to maintain a high product quality.

Operations Strategy

Short term contracts with Source International, an outsourcing company, will allow frequent negotiations enabling Sur Le Mur to stay competitive. Sur Le Mur will compete on product customization and storability. Tailoring custom designs to each restaurant will allow the products to match current restaurant decor. The Sur Le Mur products will be priced by customer's perceived value, based on the added functionality and storability. The features of functionality and storability will add value that alternative options cannot.

Scope of Operations

Sur Le Mur will provide the following in-house operations: order fulfillment, warranty service, product replacement, and product development. Order fulfillment and warranty service will be processed through the Vice President of Marketing. The warehouse manager will handle product replacement. In Year 2, the Board of Directors will assist the CEO with product development because of extensive experience in the restaurant industry.

Source International will complete product manufacturing and shipment. Source International will retain the liability of the products during shipment to the Sur Le Mur warehouse. From the Sur Le Mur warehouse, Swift Transportation will distribute the products to the appropriate restaurants. Swift Transportation will retain liability of the products during shipment to individual restaurants. Sur Le Mur will subcontract an installation service to install the products. All distribution operations will be subcontracted allowing Sur Le Mur to focus on product development and customer service.

On-Going Operations

Source International and Sur Le Mur have a pending payment agreement. Source International will take a percentage (23.78%) of manufacturing costs designated as payment. Sur Le Mur will have a short-term price contract to ensure low manufacturing costs (Kevin Bott, Source International, Personal Communication, February 26 2013).

Based on primary research, Sur Le Mur has indicated full-service restaurants will test products in Year 1. Sur Le Mur is expecting to sell 1,660 units in Year 1. The average number of units sold in the full-service industry in Years 2-5 is 2,750.

Sur Le Mur will have a warehouse located in Los Angeles, California. Los Angeles operates one of the largest ports in the United States, facilitating access to product shipments.

Sur Le Mur will acquire the following capital assets: printer, \$4,400; forklifts, \$32,700; pallet jacks \$2,000; and pallet racks, \$67,800 (HP Designjet, 2013) (Key pricing points, 2013) (PTH Pallet Jack, 2013) (Pallet racks, 2013). These capital assets will be used in Sur Le Mur's warehouse.

Once the products arrive at port in Los Angeles, the products will be transported and unloaded into the warehouse. Shipments will then be sorted for distribution to restaurants across the United States. Sur Le Mur will require skilled labor to install the products at the final restaurant location. The installation will be the final stage of product implementation.

Inventory will be acquired in direct response to the number of orders received. The Petit Carré will have 1,379 units per shipping container. The Carré will have 958 units per shipping container, and the Deux Carré will have 3,829 units per shipping container. The company will have inventory at the warehouse location to ensure quick product replacement.

Cost Estimates

(Refer to Appendix L for Management Cost Estimates)

FINANCIAL PLAN

Key Assumptions

Sur Le Mur estimates 4,815 units will be sold in Year 1. Sur Le Mur assumes a 1.5% sales growth rate to achieve growth objectives by Year 5. Sur Le Mur will depend on restaurant industry sales, and assumes an annual sales growth rate of 7.2% for full-service restaurants. Cost of goods sold is estimated by a short-term contract rate with Source International, adjusted for inflation every year. Sur Le Mur assumes sales gross margin per year will increase because the number of stores completed will fluctuate.

Administrative expenses will include salaries, wages, and rent. In Year 1 salary expense will be \$260,000. The Year 1 upper-division management salary expense will be \$100,000 in total. Upper-division management personnel will oversee the operations and growth of the company. Middle management salaries will total \$70,000. Middle management will oversee the warehouse and customer relations. Sur Le Mur will have three marketing associates equating to a cost of \$30,000 each per year. Marketing associates will visit each restaurant to ensure proper use of the Sur Le Mur products. Lower management will consist of warehouse workers and office staff. Lower management total wage expense will be \$104,000 in Year 1. Sur Le Mur's rent expense will be \$174,000 annually for office and warehouse space in Los Angeles, California (Loopnet, 2013). Sur Le Mur will assume a fixed rent expense for the first three years of operations and will assume an inflation rate of 1.7% every year after Year 3 (Current US inflation rates, 2013).

Each year Sur Le Mur will hire additional warehouse workers, in response to increasing sales volume. In Year 2 the increase in warehouse workers will equate to a total expense of \$116,000. In Year 4, Sur Le Mur will hire a Chief Operating Officer due to expected increasing sales volume.

Selling and marketing expenses will include travel and restaurant trade show fees. Travel expenses are estimated to be \$15,000 for Year 1 and adjusted for an inflation rate of 1.7% per year (Expedia, n.d.). Restaurant trade show fees will be \$27,000 (Michelle Reshel, National Restaurant Association Exhibit Sales and Services, Personal Communication, April 1, 2013). Restaurant trade show expenses will include all booth construction and convention fees. Sur Le Mur will have a joint booth with restaurant management software companies at restaurant trade shows.

Operating expenses will include utilities, depreciation, maintenance, supplies, and sub-contracted fees. Utilities are estimated to be \$25,200 per year and adjusted with an inflation rate of 1.7% every year after Year 1 (Average Energy Prices, 2013). Annual depreciation expenses are

estimated to be \$13,879. Sur Le Mur will assume a straight-line depreciation method. Maintenance expenses will consist of equipment maintenance of \$5,000, and building maintenance of \$1,000. Forklifts will require daily maintenance because of constant use. Supplies will consist of petty cash and office supplies of \$10,000. Petty cash will be used for business meetings outside of the office and other expenditures. Sub-contracted fees are estimated to include local installers and shipping costs to individual restaurants. Local installers are estimated to be \$19,300 the first year and adjusted for the difference in number of products installed every year following Year 1 (Walter Adams, Walter Adams Framing, Personal Communication, April 2, 2013). Sur Le Mur will use Swift Transportation. Shipping rates are determined by product volume, and will total \$72,200 in Year 1 (Marvin Johnson, Swift Transportation Pricing Analyst, Personal Communication, March 5, 2013).

Capital expenditures will include equipment. Equipment consists of forklifts, printers, pallet racks, and pallet jacks. Sur Le Mur will purchase one printer estimated at \$4,400, to effectively replace images on products (HP Designjet, 2013). The printer will have a useful life of seven years. Sur Le Mur will purchase three forklifts costing \$10,900 each (Key Pricing Points, 2013). Forklifts will be used in the warehouse to efficiently move, sort, and repackage products. The forklifts will have a useful life of 10 years. Pallet jacks will be purchased to easily move the products throughout the warehouse. Five pallet jacks will be purchased at a cost \$400 each (PTH Pallet Jack, 2013). Pallet jacks will have a useful life of 10 years. Pallet racks will be purchased to have shelf storage for products. Sur Le Mur will purchase 120 pallet racks costing \$565 each (Pallet racks, 2013). Pallet racks will have a useful life of 10 years.

Sur Le Mur will have four current assets: cash, inventory, pre-paid rent, and pre-paid insurance. Inventory will be kept on hand to ensure quick product replacement for restaurants. Pre-paid rent and insurance will be paid semi-annually.

Pro-Forma Financial Statements

The revenue of Sur Le Mur will come from selling collapsible tables and chairs. The expense section of the income statement for Sur Le Mur includes all incremental expenses the company will incur in the first five years. Product, rent, and subcontracted fees remain constant due to fixed contracts. Sur Le Mur will assume a fiscal year beginning in February. Beginning in February will allow Sur Le Mur two months of preparation before the first restaurant trade show.

(Refer to Appendix M-1, M-2, and M-3 for pro-forma Income Statements)

The assets of Sur Le Mur include current assets of cash and inventory. Also, non-current assets include the equipment for the Sur Le Mur warehouse. The stockholders' equity consists of capital investments from capital ventures and founders.

(Refer to Appendix N-1 and N-2 for pro-forma Balance Sheets)

The only cash receipts for Sur Le Mur will be the profits from product sales. The cash payments (outflows) for Sur Le Mur are operating expenses and major start-up assets.

(Refer to Appendix O-1, O-2, and O-3 for pro-forma Cash Budgets)

Revenue Model

Expected unit sales are based on estimates from letters of intent, and industry norms. The mutually beneficial relationship formed with Restaurant Management Software companies equates to 22% of overall revenue in Year 1. Restaurant trade shows contribute 28.5% of revenue in Year 1.

(Refer to Appendix P for Revenue Model)

Risks

Strategic Partnerships Risks

Sur Le Mur will have a short-term contract with Source International. A potential risk will be when the contracts expire; Source International may not renew or request higher product costs. To mitigate the risk, Sur Le Mur will cultivate a healthy relationship.

Operational Risks

Sur Le Mur will outsource manufacturing to China. Products may be of low quality because of outsourced manufacturing. To ensure high quality, Sur Le Mur will hire a furniture quality control inspector.

Macroeconomics Risks

Chinese labor policies pose a potential risk to Sur Le Mur. Labor rates have been increasing in China since 2000 and are expected to rise to \$160 per month by 2016 (Rabinovitch, 2011). Sur Le Mur will have a short-term contract with Source International to ensure low product costs.

The Environmental Protection Agency (EPA) produces a furniture guide every five years which is distributed to furniture suppliers. The firms must be in compliance with all rules and regulations or be subject to heavy fines (EPA Furniture Sector, 2011). Regulations could impact the wood used to produce Sur Le Mur's products, causing material costs to increase.

OFFER

Funding Needs

Total funding needs to begin operations for Sur Le Mur will be \$470,500.

The funding needed to purchase the assets for Sur Le Mur will be \$258,000. This includes \$4,400 for one printer, \$32,000 for three forklifts, \$2,000 for five pallet jacks, and \$67,800 for 120 pallet racks (HP Designjet, 2013) (Key pricing points, 2013) (PTH Pallet Jack, 2013) (Pallet racks, 2013).

Estimated expenses will include \$260,000 for management salaries, \$104,000 for wages, \$174,000 in rent, and \$118,000 for insurance (Loopnet, 2013) (Robert Thompson, Liberty Mutual Insurance Agent, Personal Communication, March 25, 2013).

Funding Source

Overall, Sur Le Mur will require \$470,500 in funding. Each member of Sur Le Mur will invest \$35,250, representing 45% of overall funding needs. The total founder contribution will be \$211,500. Investor contribution will be 55%. Investor contribution will be \$259,000. The Sur Mur funding arrangement gives the investors 55% ownership of the company and Sur Le Mur founders 45% of ownership.

Offer and Exit Strategy

Final valuation of the business will include the present value of all future cash flows. Sur Le Mur plans to offer a disbursement to investors starting in Year 4, utilizing excess operating cash flows. *(Refer to Appendix O for Cash Budget)*

Sur Le Mur will begin disbursement at the end of Year 4 to investors. Investors will be compensated based on their 55% stake, calculated using fair market value at the time disbursements begin. Disbursements in Year 4 will total \$150,000, including \$82,500 for investors and \$67,500 for founders. To reach a return on investment of 73%, Sur Le Mur will offer disbursements to investors only in Year 5 of \$256,000. Based on these disbursements, return on investment will be 50% at the end of Year 5.

Sur Le Mur used two valuation techniques to determine the value of the company. Based on valuation of assets, using the bottom up approach which values a business by the net present value of the future cash flows as reflected in the pro forma financial statements, Sur Le Mur is valued at \$948,000 (McCall, 2009). Another company valuation was calculated using the net

present value reflected in future cash flows based on pro forma financial statements. Basing the valuation on data from past transactions of comparable businesses, Sur Le Mur will be valued at \$1,184,803. The valuation techniques used, equate to an expected average of \$1,066,401.

DEVELOPMENT PLAN

Key developments in Week 1 include obtaining a patent pending status, acquiring equipment, and beginning the interview process for upper-level management. These steps are in preparation for beginning negotiations with restaurant corporations in Week 2. In Month 2, Sur Le Mur will secure internal contracts with the CEO and CFO. The company will also finalize contracts with Darden, Starbucks, and Dine Equity. In Month 3 products will begin to be shipped to restaurant chains. In Month 4 Sur Le Mur will begin attending trade shows to build the brand and increase sales.

In Year 2, the Board of Directors will begin holding meetings. Sur Le Mur will secure a contract with the Brinker restaurant corporation in Year 2.

In Year 3, Sur Le Mur will finalize the design patents.

In Year 4, Sur Le Mur will begin investor disbursements and will hire a Chief Operations Officer. In Year 5, Sur Le Mur will give investors a 50% return on investment. In Year 6, a build-up of equity will allow Sur Le Mur to enter the residential market. Primary research was conducted in this industry, revealing a strong need for the Sur Le Mur products in the residential market (Ashley Wilcox, Algin Management, Personal Communication, March 4, 2013). The residential furniture market is growing at a rate of 1.5% per year (*Household Furniture: United States*, 2012).

In the residential market, the company will introduce the Sur Le Mur Gallery. The products will be displayed as art, in this modern art gallery approach to the traditional showroom concept. Figure 6 shows the logo for the new market.

Figure 6- Sur Le Mur residential logo



(Refer to Appendix Q for Development Plan)

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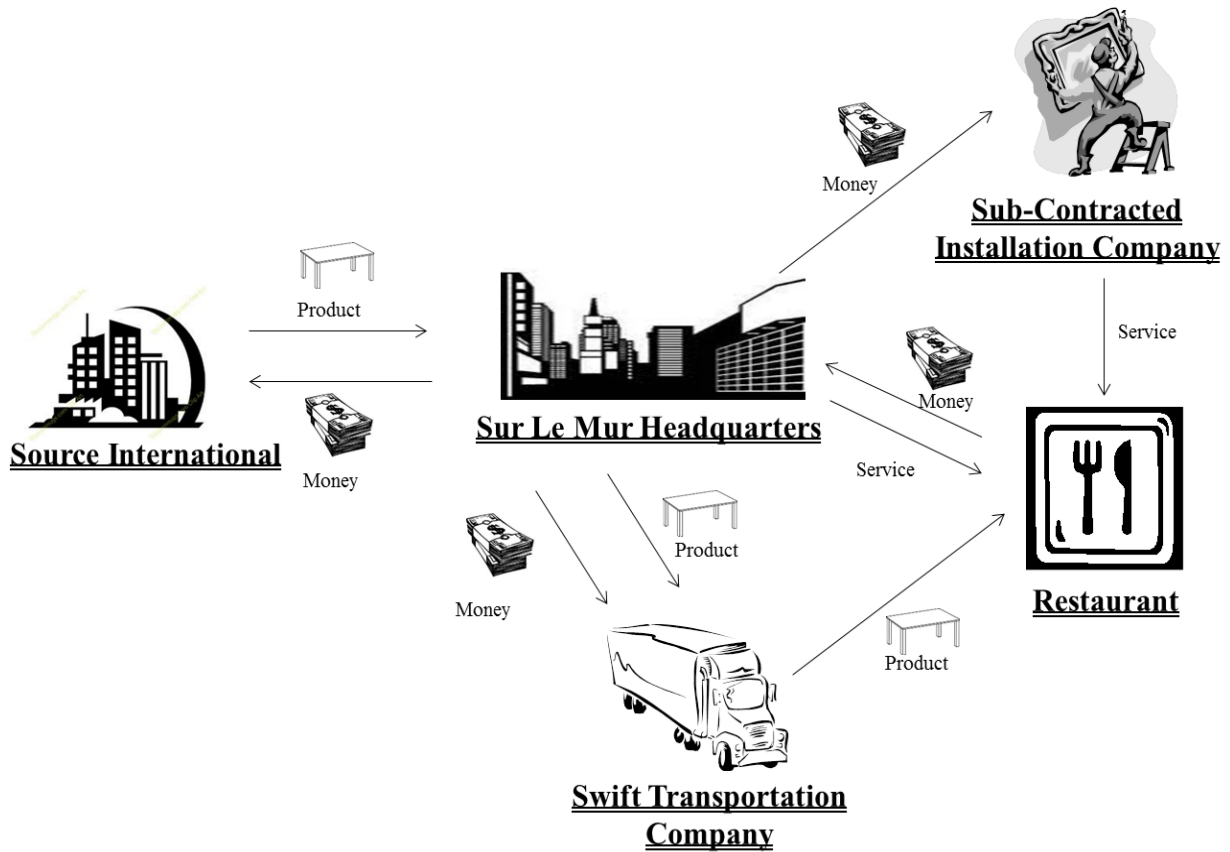
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APPENDIX

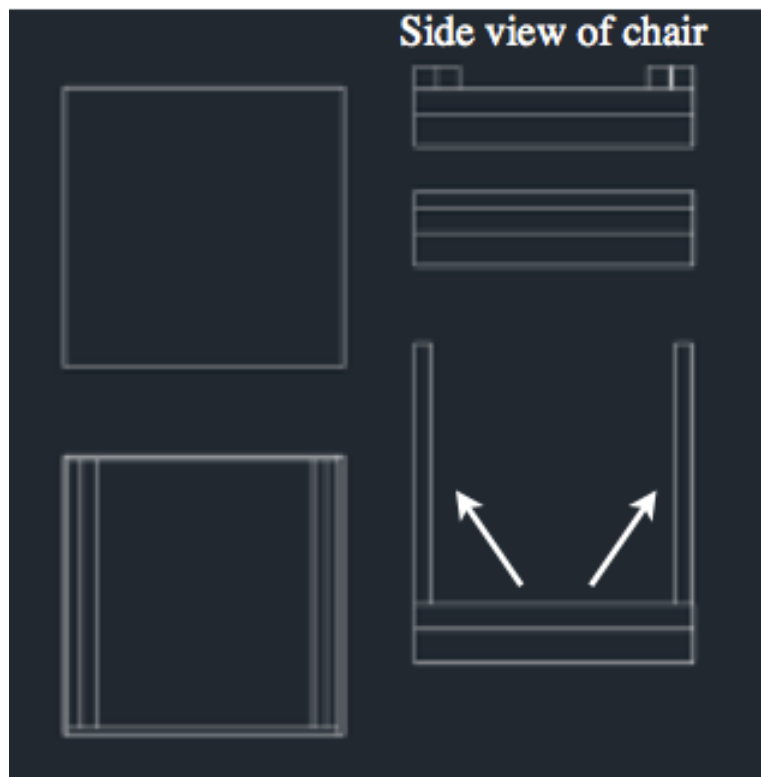
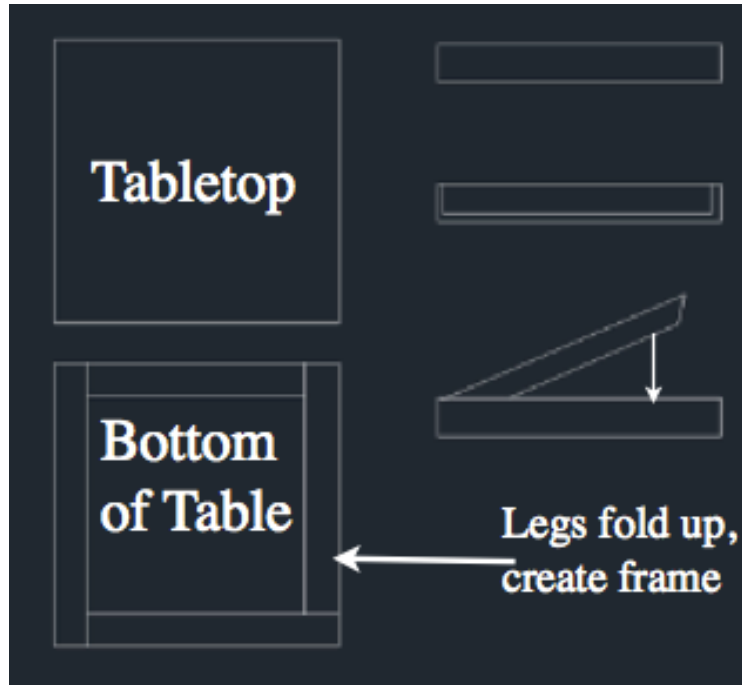
Appendix A - Sur Le Mur Business Model



Appendix B - Summary of Feature and Benefits Chart

<i>Feature</i>	<i>Target Customer</i>	<i>Description</i>	<i>Benefits</i>
Movable	Full and Limited Service Restaurants	Current restaurant furniture does not fully utilize space. Sur Le Mur's products will have the ability to be positioned anywhere in the restaurant.	Sur Le Mur will not define restaurant layouts but simply be incorporated into current design to ensure efficient floor plans.
Design	Full and Limited Service Restaurants	The products will be produced with any design the restaurant has the legal rights to use.	Design applied to the product can be constantly changed allowing flexible use of products.
Storability	Full and Limited Service Restaurants	The products will be stored on the wall, allowing optimal use for of floor space.	Sur Le Mur will allow restaurants to effectively change layout options as restaurant customer demand fluctuates.
Lightweight	Full and Limited Service Restaurants	Product weight will vary from 10 - 25 pounds.	Lightweight products will allow the restaurants to easily take the products on and off the wall.

Appendix C - Designs of Sur Le Mur Products



Appendix D - Table of Product Cost Estimates

<i>Cost description</i>	<i>Cost (\$)</i>	<i>Cost timing</i>	<i>Detailed basis for estimates</i>
Patent	\$2,850	One Time	Design Patent is needed. Cost was determined using the US Patent Office costs. (Design Patent Application Guide, n.d.)
Trademark	\$1,378	One Time	Trademark Patent needed. Cost was determined using the US Trademark Office. (Trademarks, 2013)
Patent and Trademark Legal fees	\$10,000	One Time	Cost based on estimates of legal fees for patent filing (Goldstein Law Office Information, 2013).
Office and Warehouse Rent	\$174,000	Annually	Cost based on office and warehouse in Los Angeles, CA which is 20,000 sq. ft. (loopnet, 2012)
Insurance	\$118,600	Annually	Cost based on all insurance needed. Estimates based on Liberty Mutual Interview (Robert Thompson, Liberty Mutual Insurance Agent, Personal Communication, March 25, 2013)

<i>Cost description</i>	<i>Cost (\$)</i>	<i>Cost timing</i>	<i>Detailed basis for estimates</i>
Petit Carré	\$15.40	Per Unit	Units will be ordered in bulk. This cost includes shipping price (Kevin Bott, Source International, Personal Communication, February 26 2013).
Carré	\$22.17	Per Unit	Units will be ordered in bulk. This cost includes shipping price (Kevin Bott, Source International, Personal Communication, February 26 2013).
Deux Carré	\$14.58	Per Unit	Units will be ordered in bulk. This cost includes shipping price (Kevin Bott, Source International, Personal Communication, February 26 2013).

Appendix E - Competitor Comparison

Product Success Factors

<i>Success Factor</i>	<i>Sur Le Mur</i>	<i>Central Restaurant Products</i>	<i>Mission Restaurant Supply</i>	<i>Resource Furniture</i>
<i>Breadth and Depth of Offerings</i>	2 table options 1 chair option	Includes restaurant furniture and kitchen supplies for restaurants	Restaurant equipment and supplies and catering and bar supplies In school districts, hospitality industry, and restaurant chains	Household tables, chairs, beds, and office supply.
<i>Product Quality</i>	Moderate quality	Moderate quality	Low quality	High quality
<i>Key Features Offered</i>	Storability, enhancement of restaurant layout space	Specifically designed for use in restaurants	Stylish, comfortable	Space saving design
<i>Company Location</i>	Located in LA.	Indianapolis, IN	San Antonio, TX	New York, New York

Management Success Factors

<i>Success Factor</i>	<i>Sur Le Mur</i>	<i>Central Restaurant Products</i>	<i>Mission Restaurant Supply</i>	<i>Resource Furniture</i>
<i>Key Management</i>	Operates with a board of directors in a top down management system.	Family owned company	Family owned company	Owner, design directors, director of marketing, production manager, sales expert
<i>Operations</i>	Outsourcing	Outsourcing	Manufacturing in-house	Outsourcing
<i>Strategic alliances</i>	Mutually beneficial relationships with restaurant management software	Acquired by TAKKT Ag	Hoshizaaki Ice Machine Sister corporation with Southwest Texas Equipment Distributors	

Financial Success Factors

<i>Success Factor</i>	<i>Sur Le Mur</i>	<i>Central Restaurant Products</i>	<i>Mission Restaurant Supply</i>	<i>Resource Furniture</i>
<i>Company Size</i>	Multi-national	National	Location in Dallas, shipping nationwide	New York based
<i>Financial Resources</i>	Outside investors and internal financing	TAKKT Ag provides financing	Internal financing	Internal financing

Appendix F - SWOT and TOWS Matrix

<i>SWOT Matrix</i>	<i>Strengths</i>	<i>Weaknesses</i>
	<ol style="list-style-type: none"> 1. Outsourcing reduces product cost 2. Patent 3. Short-term contracts 4. Low overhead 5. High value product 6. Strong market research 	<ol style="list-style-type: none"> 7. Pricing is higher than typical restaurant furniture 8. Low experience 9. Low knowledge of the market practices
<i>Opportunities</i>	<i>Strengths and Opportunities</i>	<i>Weaknesses and Opportunities</i>
<ol style="list-style-type: none"> a. Mutually beneficial relationship with software companies b. Full-service (7.2%) and limited service (5.8%) restaurant industries are growing c. Potential entry into residential market d. Potential licensing agreements 	<ol style="list-style-type: none"> 2a. Securing a patent will prevent other restaurant furniture suppliers from partnering 1b. Outsourcing will allow Sur Le Mur to keep up with restaurant industry growth. 4b. Low overhead creates opportunity to keep up with industry growth 5b. High value product and industry growth allows for potential continued sales 5c. Perceived value will translate into residential market 5d. High value product could translate into other markets, creating licensing agreements 	<ol style="list-style-type: none"> 7b. Higher restaurant income leads to a non-price sensitive market 8d. Licensing products to companies with more experience will allow additional income 9a. Software companies have better knowledge of the market
<i>Threats</i>	<i>Strengths and Threats</i>	<i>Weaknesses and Threats</i>
<ol style="list-style-type: none"> e. Import policies f. Order minimums g. Outsourcing product perceived as "cheap." h. Pre-existing relationships between furniture suppliers and restaurant corporations 	<ol style="list-style-type: none"> 1f. Outsourcing reduces product cost allowing Sur Le Mur to meet order minimums 6g. Primary research indicated mark-up for Sur Le Mur products is similar to other restaurant furniture suppliers 5h. High perceived value creates demand for Sur Le Mur products 	<ol style="list-style-type: none"> 8h. Low experience and pre-existing relationships will be mitigated through relationships with restaurant management software companies

Appendix G - Market Research Survey and Results

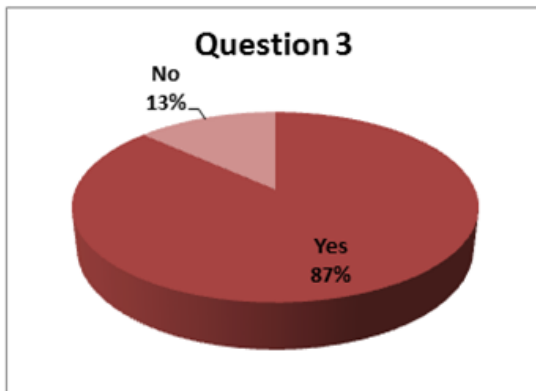
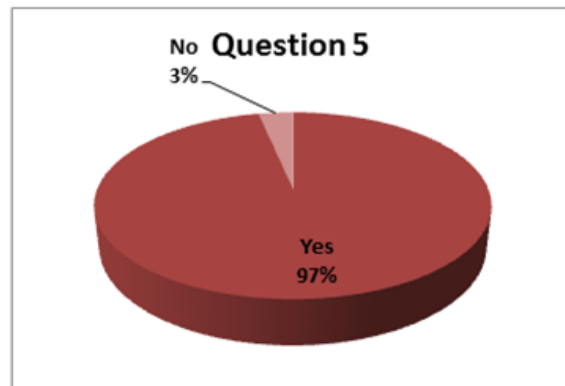
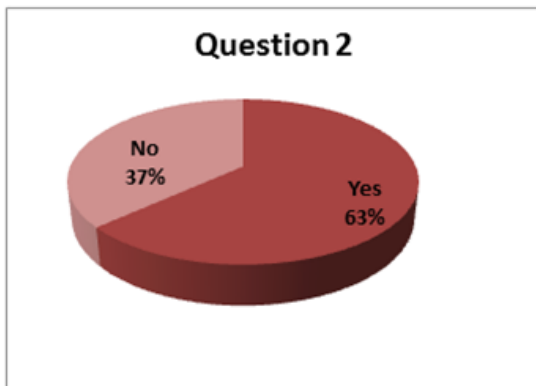
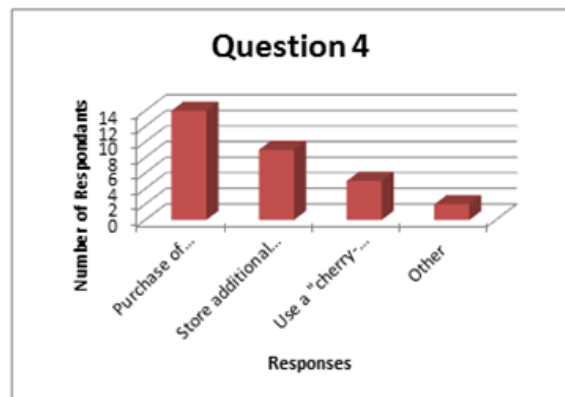
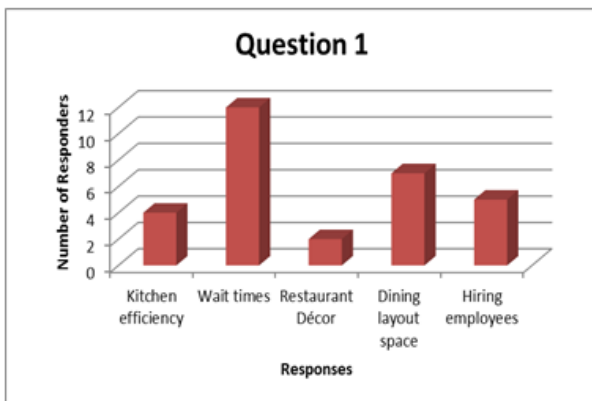
Sur Le Mur Survey 1

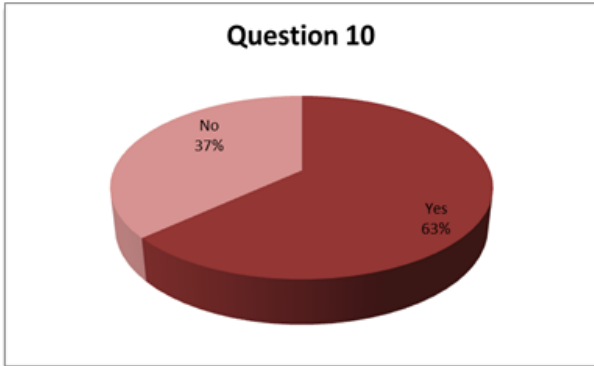
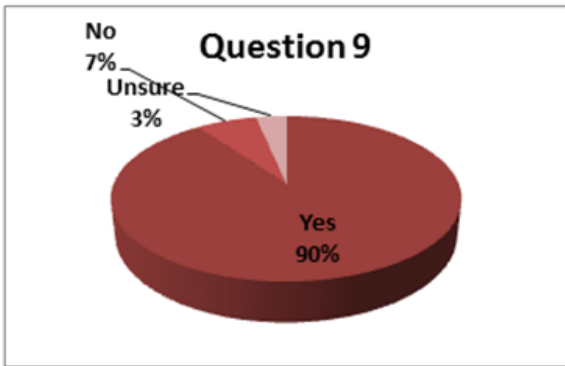
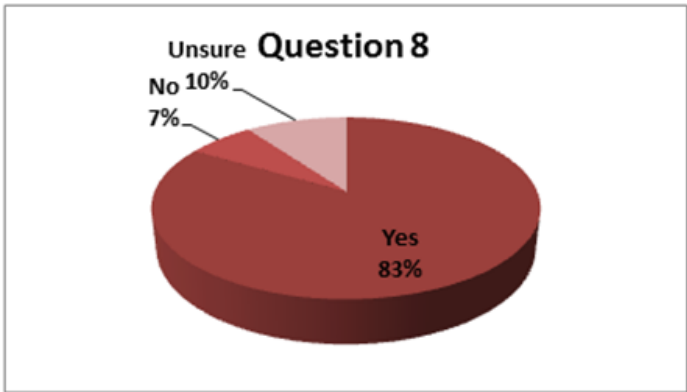
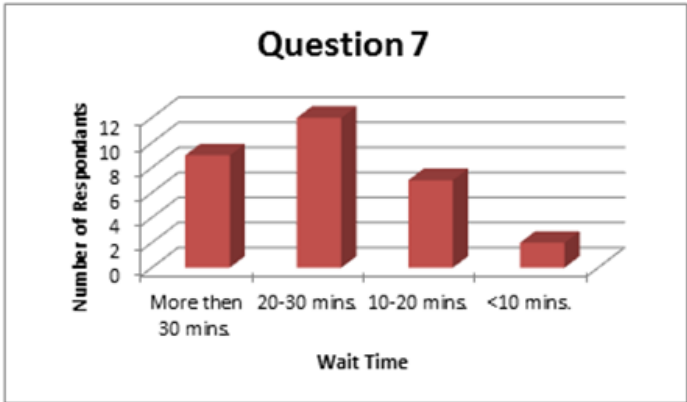
Directions: Please take this survey in order from 1 to 11.

1. Rank in order the biggest concerns of a restaurant
 - a. Kitchen efficiency
 - b. Wait times
 - c. Restaurant décor
 - d. Dining layout space
 - e. Hiring employees
2. You have tried to store additional furniture in the restaurant for maximizing layout space?
 - a. Yes
 - b. No
3. Do you feel that decreasing wait times would be beneficial to your restaurant?
 - a. Yes
 - b. No
4. What have you done to decrease wait times?
 - a. Purchase of restaurant management software
 - b. Store additional furniture
 - c. Use a “cherry-picking” approach
 - d. Other – please explain _____
5. The décor of a restaurant improves the customer experience?
 - a. Yes
 - b. No
6. Other than seating, please explain the importance of furniture in a restaurant.

7. What is your current average wait time on weekends?
 - a. More than 30 mins
 - b. 20-30 mins
 - c. 10-20 mins
 - d. < 10 mins
8. Do you feel that you lose revenue because of long wait times?
 - a. Yes
 - b. No
 - c. Unsure
9. How much do you currently pay for tables and chairs? _____
10. Would you be willing to pay \$250 for tables and \$140 for chairs if they increased your revenue by 42%?
 - a. Yes
 - b. No
 - c. Unsure
11. **** SHOW PROTOTYPE **** Would you incorporate the Sur Le Mur product in your restaurant?
 - a. Yes
 - b. No

Appendix G - Market Research Survey & Results (cont.)





Appendix H - Letters of Intent

Appendix H-1: Letter of Intent, Darci Hether, Restaurant Layout and Interior Designer

Darci Hether
70 Haven Ave, Suite 4f
New York, New York



April 2nd, 2013

Sur Le Mur
Los Angeles, California

Sur Le Mur:

Providing functional and attractive furniture to any space adds value. Encompassing the Sur Le Mur dining sets into a restaurant shows the versatility of restaurant layout space. Showing functionality in a restaurant layout provides Sur Le Mur with a competitive advantage over other restaurant furniture suppliers.

The stress of creating the most effective layouts for my restaurant clients is knowing that most furniture is permanent. For years, interior designers have been studying restaurant atmosphere, restaurant management software, and kitchen capacity to generate the best restaurant layout. Restaurant layouts are all different and demand furniture that can create the best atmosphere for the customer. Restaurants will pay top dollar to have additional furniture with an effective way of storage.

Sur Le Mur and Darci Hether Designs have agreed upon a selling price estimated to be \$245 for the 2.5 by 2.5 square foot table, \$353 for the 3 by 3 square foot table, and \$146 per chair. Price reflects quality in the Sur Le Mur brand.

This letter is not an official purchase agreement. All of the terms and conditions of the proposed transaction would be stated in the Purchase Agreement, to be negotiated, agreed, and executed by Sur Le Mur and Darci Hether Designs.

Kind Regards,

A handwritten signature in dark ink that reads "D. Hether".

Darci Hether

Appendix H-2: Letter of Intent, Andrew H. Madsen, COO Darden Restaurants, Inc.

Andrew Madsen
1000 Darden Center Drive
Orlando, Florida



Jake Smelker
Flagstaff, Arizona

April 4th, 2013

Mr. Smelker -

In 2011, Darden Restaurant Inc. spent more than \$170 million on restaurant management software. Providing restaurants with a more accurate wait time allows restaurants to predict better patronage turnover each hour. Restaurant management software does recognize the wait times, it fails to provide a solution to decrease wait times.

Darden is well aware the loss we endure every year to long wait times. Darden invests millions of dollars every year to retain customers during peak business hours. Last year Darden invested \$112 million in just additional seating for restaurant waiting rooms. While sales did see slight fluctuations, the difference was not great enough for ROI.

Providing additional dining sets to restaurants, while seems good in theory, cannot be actually applied. The lack of storage in restaurants results in not effective use of wasted space. Darden is exceedingly interested in the Sur Le Mur products because they effectively gain back lost customers, cut wait times, and increase annual revenues.

Darden, on average, spends \$520 for a set of four chairs and \$230 per restaurant table. Darden has acknowledged and agreed on a selling price of \$145 for Sur Le Mur chairs and \$245 for Sur Le Mur tables. This letter was solely written to express intent but not legally binding.

All the best to you and your team,

A handwritten signature in cursive script that reads "A. Madsen".

Andrew Madsen
COO Darden Restaurant Inc.

Appendix H-3: Letter of Intent, Scott Hasselbach, Starbucks VP Northeast Retail Operations

Scott Hasselbach
2401 Utah Ave S
Seattle, WA 98134
United States
April 10 2013

Jake Smelker
Flagstaff, Arizona
86001



RE: Letter of Intent

Starbucks intended from day one, to build a third place between home and work. At a time where people are hungry for more human connection, Starbucks strives to provide that. People around the world want the authentic Starbucks experience. When Starbucks becomes too full with our patrons, we are unable to provide the Starbucks experience to everyone. Starbucks is not in the coffee business serving people but rather in the people business serving coffee.

The atmosphere of Starbucks is something taken very seriously. Anything that can take away from the atmosphere of the customer can take away from the story we tell. No one person wants to have clutter anywhere in their house. Just like Starbucks, striving to become America's third home, doesn't want unnecessary items placed around our store. Using wall space to store extra tables and chairs is an idea that fits the ideals of what Starbucks is originally about.

Currently, Starbucks spends \$95 on café chairs and \$190 on café tables. The storability factor that your proposed company will add to any type of food establishment is astonishing. Although this is not legally binding Starbucks would be willing to pay \$145 per chair and \$250 per table. Artwork, we plan to be sourced from current Starbucks customers.

The Northeast Starbucks Team wishes your team the best of luck.

Sincerely,

S. Hasselbach

Scott Hasselbach
Starbucks VP Northeast Retail Operations

Appendix H-4: Letter of Intent, Ashley Wilcox, Algin Management (Residential Expansion)



Ashley Wilcox
Algin Management
Manhattan, New York

February 18, 2013

Sur Le Mur
New York, New York
10010

RE: Letter of Intent

Sur Le Mur:

Showing a consumer the different aspects in which a space can be used is always added value to the property. Space is money in New York City. The more space and different functions a company can show a customer, the better. In New York City alone adding a dining room or any type of dining surface to an apartment increases the rent by 27%.

The Algin Management Group increases rent price per unit from \$4,300 to \$5,500 simply because of the added dining space. Algin Management and many other well established firms will understand the import added value that the Sur Le Mur product contributes to apartments. Any aspect an apartment high-rise company can do to increase rent revenue will be an added benefit not only to the consumer but in addition to the apartment companies.

The Algin Management Group will use the Sur Le Mur product in our 18 high-rise apartments in the Manhattan area. Only 30% of these previously established buildings are furnished. Thus the Algin Management Group expects to purchase 2,721 unique products from the Sur Le Mur company.

This letter does not agree to purchase the specified amount (2,721) products from Sur Le Mur. This letter was written to show intent and interest in the Sur Le Mur product line.

Sincerely

Ashley Wilcox

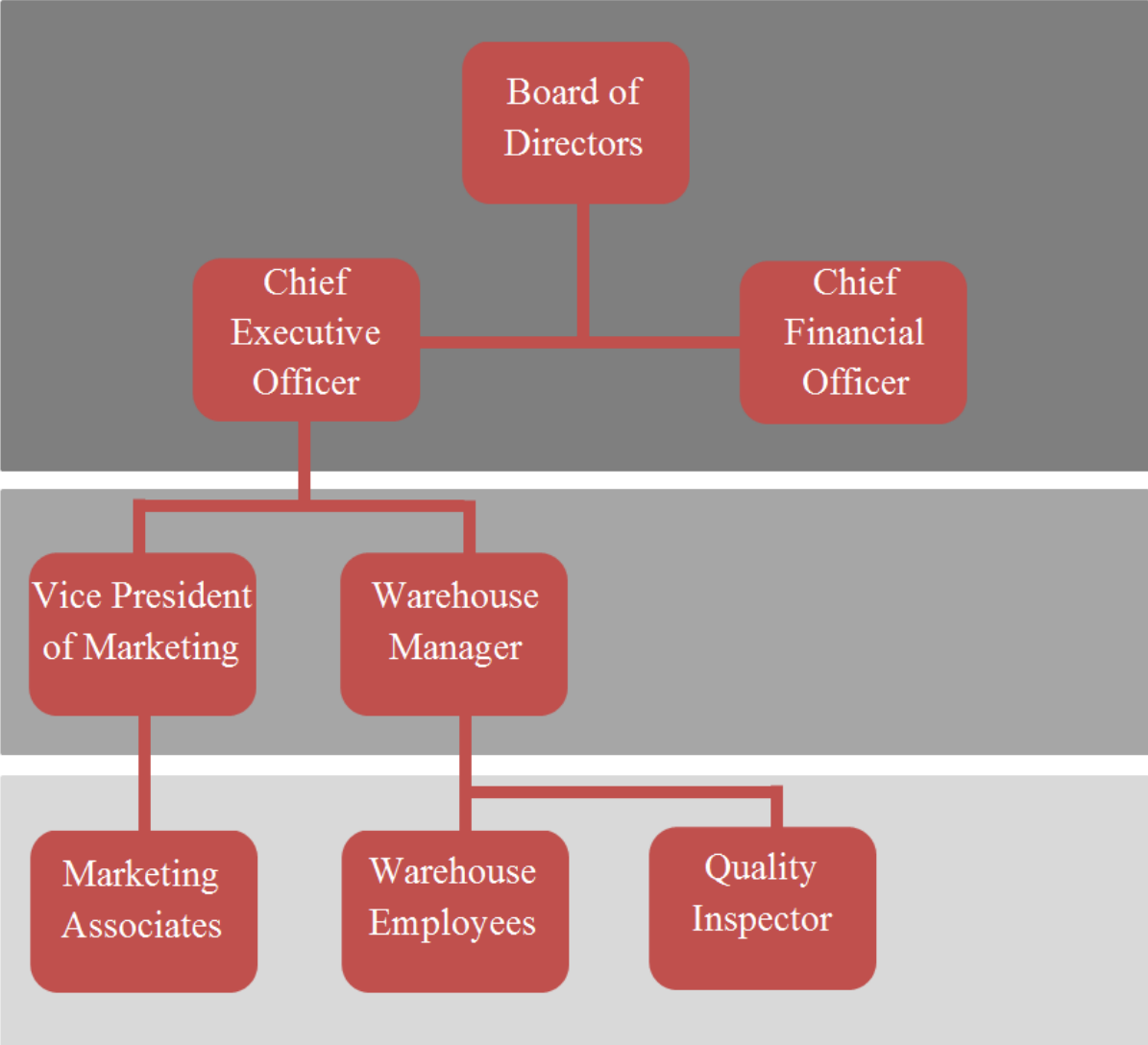
Ashley Wilcox
Algin Management
(212)-213-1727

Manhattan's First Name in Luxury Rentals

Appendix I - Marketing Cost Estimates

<i>Cost description</i>	<i>Cost (\$)</i>	<i>Cost timing</i>	<i>Detailed Basis for Estimate</i>
Distribution of Product	\$91,471	Yearly	Locked-in contract rates with Source International. Contract with Swift Transportation. (Kevin Bott, Source International, Personal Communication, February 26 2013).
Restaurant Trade Show Convention Fees	\$27,000	Yearly	\$23 average per square foot. Needing a 1500 square foot exhibit
Training Marketing Associates	\$25,000	First three weeks	In-depth detailed training about product manufacturing

Appendix J - Management Structure



Appendix K - Resumés

Appendix K-1: Jake Smelker's Resumé

JAKE L. SMELKER

3601 South Lake Mary Road, Flagstaff, AZ 86001

Tel: 719-339-5045 Email: jls633@nau.edu

QUALIFICATION SUMMARY

Strong interpersonal skills, organizational abilities, and extensive background in the fashion industry. Proficient in utilizing Excel to create detailed financial reports. Fluent in Spanish.

EDUCATION

Northern Arizona University

Flagstaff, AZ

Bachelor of Science in Business Administration

May 2014

Major in Accounting

GPA: 3.2

Minor in Fashion Design & Fashion Merchandising

WORK EXPERIENCE

Manager, Native New Yorker, Flagstaff, AZ

2009-2011

- ❖ Expedited orders
- ❖ Maintained integrity of cash wrap

Supplemental Instructor ACC255, Northern Arizona University, Flagstaff, Arizona 2011-Present

- ❖ Provide supplemental learning
- ❖ Directed group discussions

VOLUNTEER WORK

2006 - Present Christmas Unlimited

2010 - Present Sigma Chi Derby Days

SKILLS

- ❖ Fluent in Spanish
- ❖ Proficient in Adobe Photoshop
- ❖ Proficient in Microsoft Dreamweaver

DYLAN MURPHY
(623) 980-9372
Dmurphy7524@yahoo.com
9820 N 56 Avenue, Glendale, AZ 85302

QUALIFICATION SUMMARY:

- Dependable worker and student
- Motivated, outgoing, and enthusiastic about developing good relations with others
- Responsible and trustworthy
- Exceptional ability at multi-tasking, organizing, and prioritizing

EXPERIENCE:

Rescue Guide **Flagstaff Extreme LLC**
2012-Present **Flagstaff, Arizona**

Responsibilities:

- Educate and enforce safety protocol
- Inspection and maintenance of course
- Give high-quality customer service through interaction with customers

Achievements:

- Promoted from safety patrol (February 2013)

Physical Therapy Technician Internship **IDEAL Rehabilitation**
2009-2010 **Glendale, Arizona**

Responsibilities:

- Greet, check-in, and schedule patients
- Maintain quality of the office and equipment
- Aid patients in recovery by implementing treatment programs

EDUCATION:

Northern Arizona University Flagstaff, Arizona
Bachelor of Science in Business Administration Fall 2014
Major in Finance Major GPA 2.92
Minor in Mathematics Minor GPA 2.83

Education tuition was fully funded by academic scholarships

EXTRA CURRICULAR ACTIVITIES:

- President, Vice President, and Treasurer of the Phi Delta Theta Fraternity
- Elected as representative of the Emerging Leaders Institute for the Phi Delta Theta Fraternity.
- Volunteered in the Flagstaff, AZ community with Saint Mary's Food Bank, Flagstaff Humane Society, and Flagstaff Adopt-an-Avenue

Appendix L - Management Cost Estimates

<i>Cost description</i>	<i>Cost (\$)</i>	<i>Cost timing</i>	<i>Detailed Basis for Estimate</i>
Upper Level Salaries (2)	\$50,000 each	Yearly	Based on compensation of management responsibility.
Middle Level Salaries (2)	\$35,000 each	Yearly	Based on compensation dictated responsibilities required of the position.
Lower Level Wages (3)	\$30,000 each	Yearly	Based on an hourly rate (\$12.00) working 4 hours a day.
Operational startup costs	\$469,556	One Time	This includes equipment, patent, and trademark (Design Patent Application Guide, 2013) (Trademark, 2013).
Ongoing operational costs	\$121,128	Monthly	This includes rent, utilities, and insurance.
Warranty costs	\$5,946	Yearly	Based on 1% of sales.

Appendix M - Pro-Forma Income Statements

Appendix M-1 Income Statement (Year 1 Monthly)

Income Statement Sur Le Mur Year 1 (12 Month)												
	February	March	April	May	June	July	August	September	October	November	December	January
Revenues												
Sales Revenue			\$ 64,703	\$186,773	\$ 64,703	\$ 64,703	\$125,738	\$ 64,703	\$ 64,703	\$ 64,703	\$ 64,703	\$ 64,703
Net Sales	\$ -	\$ -	\$ 64,703	\$ 86,773	\$ 64,703	\$ 64,703	\$125,738	\$ 64,703	\$ 64,703	\$ 64,703	\$ 64,703	\$ 64,703
Cost of Goods Sold			\$ 6,239	\$ 18,010	\$ 6,239	\$ 6,239	\$ 12,124	\$ 6,239	\$ 6,239	\$ 6,239	\$ 6,239	\$ 6,239
Gross Profit	\$ -	\$ -	\$ 58,464	\$168,763	\$ 58,464	\$ 58,464	\$113,613	\$ 58,464	\$ 58,464	\$ 58,464	\$ 58,464	\$ 58,464
Operating Expenses												
Rent Expense	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
Salary Expense	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667
Wage Expense	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667
Depreciation Expense	\$ 907	\$ 907	\$ 907	\$ 907	\$ 907	\$ 907	\$ 907	\$ 907	\$ 907	\$ 907	\$ 907	\$ 907
Utilities Expense	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104
Subcontracted Expense			\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147
Insurance Expense	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883
Travel Expense	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
Maintenance Expense	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Supplies & Fuel Expense	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833
Restaurant Convention Fees				\$ 18,000			\$ 9,000					
Total Operating Expenses	\$ 60,311	\$ 60,311	\$ 69,458	\$ 87,458	\$ 69,458	\$ 69,458	\$ 78,458	\$ 69,458	\$ 69,458	\$ 69,458	\$ 69,458	\$ 69,458
Net Income From Operations	\$ (60,311)	\$ (60,311)	\$ (10,994)	\$ 81,305	\$ (10,994)	\$ (10,994)	\$ 35,156	\$ (10,994)	\$ (10,994)	\$ (10,994)	\$ 10,994	\$ (10,994)
Other Revenues & Expenses												
Amortization Expense	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76
Total Other Revenues & Expenses	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76	\$ 76
Income Before Income Tax	\$ (60,387)	\$ (60,387)	\$ (11,071)	\$ 81,229	\$ (11,071)	\$ (11,071)	\$ 35,079	\$ (11,071)	\$ (11,071)	\$ (11,071)	\$ (11,071)	\$ (11,071)

Appendix M-2: Income Statement (Year 2 Quarterly)

Income Statement				
Sur Le Mur				
Year 2 Quarterly Projections				
Revenues	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Sales Revenue	\$ 234,871	\$ 382,537	\$ 308,704	\$ 234,871
Less Returns & Allowances				
Net Sales	\$ 234,871	\$ 382,537	\$ 308,704	\$ 234,871
Cost of Goods Sold	\$ 32,873	\$ 53,541	\$ 43,207	\$ 32,873
Gross Profit	\$ 201,998	\$ 328,997	\$ 265,497	\$ 201,998
Operating Expenses				
Office Rent Expense	\$ 43,500	\$ 43,500	\$ 43,500	\$ 43,500
Salary Expense	\$ 76,105	\$ 76,105	\$ 76,105	\$ 76,105
Wage Expense	\$ 29,120	\$ 29,120	\$ 29,120	\$ 29,120
Depreciation Expense	\$ 2,720	\$ 2,720	\$ 2,720	\$ 2,720
Utilities Expense	\$ 6,420	\$ 6,420	\$ 6,420	\$ 6,420
Subcontracted Expense	\$ 31,232	\$ 31,232	\$ 31,232	\$ 31,232
Insurance Expense	\$ 30,154	\$ 30,154	\$ 30,154	\$ 30,154
Travel Expense	\$ 3,844	\$ 3,844	\$ 3,844	\$ 3,844
Maintenance Expense	\$ 1,524	\$ 1,524	\$ 1,524	\$ 1,524
Supplies & Fuel Expense	\$ 2,543	\$ 2,543	\$ 2,543	\$ 2,543
Restaurant Convention Fees	\$ 18,000		\$ 9,000	
Total Operating Expenses	\$ 245,160	\$ 227,160	\$ 236,160	\$ 227,160
Net Income From Operations	\$ (43,163)	\$ 101,836	\$ 29,337	\$ (25,163)
Other Revenues & Expenses				
Amortization Expense	\$ 229	\$ 229	\$ 229	\$ 229
Total Other Revenues & Expenses	\$ 229	\$ 229	\$ 229	\$ 229
Income Before Income Tax	\$ (43,392)	\$ 101,607	\$ 29,107	\$ (25,392)

Appendix M-3: Income Statement (Year 1-5)

Income Statement					
Sur Le Mur					
5 Year Projection					
Revenues	Year 1	Year 2	Year 3	Year 4	Year 5
Sales Revenue	\$ 830,132	\$ 1,160,983	\$ 1,262,198	\$ 1,393,708	\$ 1,466,734
Net Sales	\$ 830,132	\$ 1,160,983	\$ 1,262,198	\$ 1,393,708	\$ 1,466,734
Cost of Goods Sold	\$ 80,046	\$ 162,493	\$ 177,054	\$ 195,120	\$ 204,490
Gross Profit	\$ 750,086	\$ 998,489	\$ 1,085,143	\$ 1,198,589	\$ 1,262,245
Operating Expenses					
Rent Expense	\$ 174,000	\$ 174,000	\$ 174,000	\$ 176,958	\$ 179,966
Salary Expense	\$ 260,000	\$ 304,420	\$ 309,595	\$ 328,487	\$ 340,136
Wage Expense	\$ 104,000	\$ 116,480	\$ 116,975	\$ 142,438	\$ 155,431
Depreciation Expense	\$ 10,879	\$ 10,879	\$ 10,879	\$ 10,879	\$ 10,879
Utilities Expense	\$ 25,251	\$ 25,680	\$ 26,117	\$ 26,561	\$ 27,012
Insurance Expense	\$ 118,600	\$ 120,616	\$ 122,667	\$ 124,752	\$ 126,873
Sub-Contracted Expense	\$ 91,471	\$ 124,927	\$ 133,715	\$ 148,011	\$ 157,089
Travel Expense	\$ 15,000	\$ 15,375	\$ 15,744	\$ 16,122	\$ 16,509
Maintenance Expense	\$ 6,000	\$ 6,095	\$ 6,192	\$ 6,290	\$ 6,389
Supplies & Fuel Expense	\$ 10,000	\$ 10,170	\$ 10,343	\$ 10,519	\$ 10,698
Restaurant Convention Fees	\$ 27,000	\$ 27,459	\$ 27,926	\$ 28,401	\$ 28,883
Total Operating Expenses	\$ 842,200	\$ 936,101	\$ 954,152	\$ 1,019,416	\$ 1,059,864
Net Income From Operations	\$ (92,114)	\$ 62,389	\$ 130,992	\$ 179,173	\$ 202,380
Other Revenues & Expenses					
Amortization Expense	\$ 918	\$ 918	\$ 918	\$ 918	\$ 918
Total Other Revenues & Expenses	\$ 918	\$ 918	\$ 918	\$ 918	\$ 918
Income Before Taxes	\$ (93,032)	\$ 61,471	\$ 130,074	\$ 178,255	\$ 201,462

Appendix N - Pro-Forma Balance Sheet

Balance Sheet					
Sur Le Mur					
Year Ended January 31					
Assets	Year 1	Year 2	Year 3	Year 4	Year 5
Current Assets					
Cash	\$ 119,467	\$ 191,865	\$ 330,641	\$ 517,345	\$ 703,556
Inventory	\$ 417	\$ 261	\$ 834	\$ 1,616	\$ 26,057
Pre-paid Rent	\$ 87,000	\$ 87,000	\$ 88,479	\$ 89,983	\$ 91,513
Pre-paid Insurance	\$ 60,308	\$ 61,333	\$ 62,376	\$ 63,436	\$ 64,515
Total Current Assets	\$ 267,192	\$ 340,459	\$ 482,330	\$ 672,381	\$ 885,640
Property, Plant & Equipment					
Equipment	\$ 106,900	\$ 106,900	\$ 106,900	\$ 106,900	\$ 106,900
<i>accumulated depreciation</i>	\$ (10,879)	\$ (21,757)	\$ (32,636)	\$ (43,514)	\$ (54,393)
Total PPE	\$ 96,021	\$ 85,143	\$ 74,264	\$ 63,386	\$ 52,507
Patent	\$ 12,850	\$ 12,850	\$ 12,850	\$ 12,850	\$ 12,850
Trademark	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378	\$ 1,378
<i>accumulated amortization</i>	\$ (918)	\$ (1,836)	\$ (2,754)	\$ (3,672)	\$ (4,590)
Total Intangible	\$ 13,310	\$ 12,392	\$ 11,474	\$ 10,556	\$ 9,638
Total Assets	\$ 376,524	\$ 437,995	\$ 568,069	\$ 746,323	\$ 947,786
Liabilities & S.E.					
Liabilities					
Stockholders' Equity					
Investors	\$ 469,556	\$ 469,556	\$ 469,556	\$ 469,556	\$ 469,556
Retained Earnings	\$ (93,032)	\$ (31,561)	\$ 98,513	\$ 276,768	\$ 478,230
Total Liabilities & S.E.	\$ 376,524	\$ 437,995	\$ 568,069	\$ 746,323	\$ 947,786

Appendix O - Pro-Forma Cash Budgets

Appendix O-1: Cash Budget (Year 1 Monthly)

Cash Budget Sur Le Mur												
12 Month Projection												
	February	March	April	May	June	July	August	September	October	November	December	January
Beginning Balance	\$202,128	\$142,724	\$83,320	\$79,436	\$179,623	\$175,739	\$24,548	\$72,699	\$68,816	\$64,933	\$61,049	\$57,166
Cash Receipts												
Sales			\$ 64,703	186,773	\$ 64,703	\$ 64,703	\$125,738	\$ 64,703	\$ 64,703	\$ 64,703	\$ 64,703	\$ 64,703
Total Receipts	\$ 0	\$ 0	\$ 64,703	\$186,773	\$ 64,703	\$ 64,703	\$125,738	\$ 64,703	\$ 64,703	\$ 64,703	\$ 64,703	\$ 64,703
Cash Available	\$202,128	\$142,724	\$148,022	\$266,209	\$244,325	\$240,442	\$150,285	\$137,402	\$133,519	\$129,635	\$125,752	\$121,868
Cash Payments												
Cost of Goods Sold			\$ 6,239	\$ 18,010	\$ 6,239	\$ 6,239	\$ 12,124	\$ 6,239	\$ 6,239	\$ 6,239	\$ 6,239	\$ 6,239
Salary Expense	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667	\$ 21,667
Wage Expense	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667
Rent Expense	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
P.P. Rent					\$ 87,000							
Insurance	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883	\$ 9,883
P.P. Insurance						\$ 60,308						
Utilities	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104	\$ 2,104
Travel	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
Fuel & Supplies	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833
Contracted Services			\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147	\$ 9,147
Maintenance Exp	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Increase in Inventory			\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35
Restaurant Convent Fees				\$ 18,000			\$ 9,000					
Total Payments	\$ 59,404	\$ 59,404	\$ 68,586	\$ 86,586	\$ 68,586	\$215,894	\$ 77,586	\$ 68,586	\$ 68,586	\$ 68,586	\$ 68,586	\$ 68,586
Ending Balance	\$142,724	\$ 83,320	\$ 79,436	\$179,623	\$175,739	\$ 24,548	\$ 72,699	\$ 68,816	\$ 64,933	\$ 61,049	\$ 57,166	\$ 53,282

Appendix O-2: Cash Budget (Year 2 Quarterly)

Cash Budget Sur Le Mur Year 2 Quarterly Projections				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Beginning Balance	\$ 119,467	\$ 97,063	\$ 54,350	\$ 95,445
Cash Receipts				
Sales	\$ 234,871	\$ 382,537	\$ 308,704	\$ 234,871
Total Receipts	\$ 234,871	\$ 382,537	\$ 308,704	\$ 234,871
Cash Available	\$ 354,338	\$ 479,600	\$ 363,054	\$ 330,316
Cash Payments				
Cost of Goods Sold	\$ 32,873	\$ 53,541	\$ 43,207	\$ 32,873
Management Salary	\$ 76,105	\$ 76,105	\$ 76,105	\$ 76,105
Wage	\$ 29,120	\$ 29,120	\$ 29,120	\$ 29,120
Rent	\$ 43,500	\$ 43,500	\$ 43,500	\$ 43,500
P.P. Rent		\$ 87,000		
Insurance	\$ 30,154	\$ 30,154	\$ 30,154	\$ 30,154
P.P. Insurance		\$ 60,308		
Utilities	\$ 6,420	\$ 6,420	\$ 6,420	\$ 6,420
Travel	\$ 3,844	\$ 3,844	\$ 3,844	\$ 3,844
Fuel & Supplies	\$ 2,543	\$ 2,543	\$ 2,543	\$ 2,543
Contracted Services	\$ 31,232	\$ 31,232	\$ 31,232	\$ 31,232
Dividends				
Maintenance Expense	\$ 1,524	\$ 1,524	\$ 1,524	\$ 1,524
Increase in Inventory	\$ (39)	\$ (39)	\$ (39)	\$ (39)
Total Payments	\$ 257,275	\$ 425,250	\$ 267,609	\$ 257,275
Ending Balance	\$ 97,063	\$ 54,350	\$ 95,445	\$ 73,042

Appendix O-3: Cash Budget (Year 1-5)

Cash Budget					
Sur Le Mur					
5 Year Projection					
	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Balance	\$ 202,128	\$ 119,467	\$ 191,865	\$ 330,641	\$ 517,345
Cash Receipts					
Sales	\$ 830,132	\$ 1,160,983	\$ 1,262,198	\$ 1,393,708	\$ 1,466,734
Total Receipts	\$ 830,132	\$ 1,160,983	\$ 1,262,198	\$ 1,393,708	\$ 1,466,734
Cash Available	\$ 1,032,260	\$ 1,280,450	\$ 1,454,063	\$ 1,724,349	\$ 1,984,080
Cash Payments					
Cost of Goods Sold	\$ 80,046	\$ 162,493	\$ 177,054	\$ 195,120	\$ 204,490
Salary Expense	\$ 260,000	\$ 304,420	\$ 309,595	\$ 328,487	\$ 340,136
Wage Expense	\$ 104,000	\$ 116,480	\$ 116,975	\$ 142,438	\$ 155,431
Rent Expense	\$ 87,000	\$ 87,000	\$ 87,000	\$ 88,479	\$ 89,983
Pre-Paid Rent	\$ 87,000	\$ 87,000	\$ 88,479	\$ 89,983	\$ 91,513
Insurance Expense	\$ 59,300	\$ 60,308	\$ 61,333	\$ 62,376	\$ 63,436
Pre-paid Insurance	\$ 60,308	\$ 61,333	\$ 62,376	\$ 63,436	\$ 64,515
Utilities	\$ 25,251	\$ 25,680	\$ 26,117	\$ 26,561	\$ 27,012
Travel	\$ 15,000	\$ 15,375	\$ 15,744	\$ 16,122	\$ 16,509
Fuel & Supplies	\$ 10,000	\$ 10,170	\$ 10,343	\$ 10,519	\$ 10,698
Contracted Services	\$ 91,471	\$ 124,927	\$ 133,715	\$ 148,011	\$ 157,089
Maintenance Expense	\$ 6,000	\$ 6,095	\$ 6,192	\$ 6,290	\$ 6,389
Increase in Inventory	\$ 417	\$ (156)	\$ 574	\$ 782	\$ 24,440
Restaurant Convention Fees	\$ 27,000	\$ 27,459	\$ 27,926	\$ 28,401	\$ 28,883
Total Payments	\$ 912,792	\$ 1,088,585	\$ 1,123,422	\$ 1,207,004	\$ 1,280,524
Ending Balance	\$ 119,467	\$ 191,865	\$ 330,641	\$ 517,345	\$ 703,556

Appendix P - Revenue Model

<i>Year</i>	<i>Revenue Source</i>	<i>% of Revenue</i>	<i>Volume Sales</i>	<i>Price Per Unit</i>	<i>Potential Revenue</i>	<i>Detailed Basis</i>
Year 1	Full-Service Restaurants	35.7%	Carré: 553 Deux Carré: 1,107	Carré: \$243.87 Deux Carré: \$145.58	\$296,353	Letter of intent / Negotiating contracts
	Limited Service Restaurants	13.8%	Petit Carré: 65 Deux Carré: 713	Petit Carré: \$169.40 Deux Carré: \$145.58	\$114,868	Letter of intent
	Restaurant Management Software	22%	Carré: 300 Deux Carré: 756	Carré: \$243.87 Deux Carré: \$145.58	\$183,348	Mutually beneficial relationship
	Restaurant Trade Shows	28.5%	Carré: 440 Deux Carré: 880	Carré: \$243.87 Deux Carré: \$145.58	\$235,563	Primary research
Year 2	Full-Service Restaurants	43.9%	Carré: 1307 Deux Carré: 1307	Petit Carré: \$169.40 Carré: \$243.87 Deux Carré: \$145.58	\$509,324	Letter of intent / Negotiating contracts
	Limited Service Restaurants	14.5%	Petit Carré: 174 Deux Carré: 955	Petit Carré: \$169.40 Deux Carré: \$145.58	\$168,570	Letter of intent
	Restaurant Management Software	21.1%	Carré: 400 Deux Carré: 1008	Carré: \$243.87 Deux Carré: \$145.58	\$244,464	Partnership
	Restaurant Trade Shows	20.5%	Carré: 446 Deux Carré: 891	Carré: \$243.87 Deux Carré: \$145.58	\$238,625	Primary research

<i>Year</i>	<i>Revenue Source</i>	<i>% of Revenue</i>	<i>Volume Sales</i>	<i>Price Per Unit</i>	<i>Potential Revenue</i>	<i>Detailed Basis</i>
Year 3	Full-Service Restaurants	45.4%	Carré: 1470 Deux Carré: 1470	Carré: \$243.58 Deux Carré: \$145.58	\$572,989	Letter of intent / Negotiating contracts
	Limited Service Restaurants	13.9%	Petit Carré: 181 Deux Carré: 994	Petit Carré: \$169.40 Deux Carré: \$145.58	\$175,561	Letter of intent
	Restaurant Management Software	21.8%	Carré: 450 Deux Carré: 1,134	Carré: \$243.58 Deux Carré: \$145.58	\$275,022	Partnership
	Restaurant Trade Shows	18.9%	Carré: 446 Deux Carré: 891	Carré: \$243.58 Deux Carré: \$145.58	\$238,625	Primary research
Year 4	Full-Service Restaurants	45.7%	Carré: 1634 Deux Carré: 1,634	Carré: \$243.58 Deux Carré: \$145.58	\$636,654	Letter of intent / Negotiating contracts
	Limited Service Restaurants	15.3%	Petit Carré: 219 Deux Carré: 1206	Petit Carré: \$169.40 Deux Carré: \$145.58	\$212,849	Letter of intent
	Restaurant Management Software	21.9%	Carré: 500 Deux Carré: 1260	Carré: \$243.58 Deux Carré: \$145.58	\$305,580	Partnership
	Restaurant Trade Shows	17.1%	Carré: 446 Deux Carré: 891	Carré: \$243.58 Deux Carré: \$145.58	\$238,625	
Year 5	Full-Service Restaurants	43.4%	Carré: 1634 Deux Carré: 1,634	Carré: \$243.58 Deux Carré: \$145.58	\$636,654	Letter of intent / Negotiating contracts

<i>Year</i>	<i>Revenue Source</i>	<i>% of Revenue</i>	<i>Volume Sales</i>	<i>Price Per Unit</i>	<i>Potential Revenue</i>	<i>Detailed Basis</i>
	Limited Service Restaurants	19.5%	Petit Carré: 362 Deux Carré: 1540	Petit Carré: \$169.40 Carré: \$243.58 Deux Carré: \$145.58	\$285,875	Letter of intent
	Restaurant Management Software	20.8%	Carré: 500 Deux Carré: 1260	Carré: \$243.58 Deux Carré: \$145.58	\$305,580	Partnership
	Restaurant trade shows	16.3%	Carré: 446 Deux Carré: 891	Carré: \$243.58 Deux Carré: \$145.58	\$238,625	Primary research

Appendix Q - Sur Le Mur Development Plan

<i>Time Period</i>	<i>Development Event</i>	<i>Estimated completion</i>
Week 1	Patent filed and pending	Patent is completely secured in Year 3
	Begin negotiations contracts with Source International	Finalized in Week 2
	Finalize rental contracts	
	Purchase equipment	Completed Week 3
	Begin search for top level management	Month 2
Week 2	Begin negotiations for restaurant contracts	Finalized month 2
	Contract Finalized with Source International	
Week 3	Equipment received	
	Other employees will be hired	
Month 2	Secure Upper-level management	
	Secure contract with Swift Transportation	
	Production will begin in China	Completed Month 3 for product shipments
	Restaurant corporation contracts finalized	
Month 3	Products shipped to Darden as first stage of product implementation. (157 units)	
	Products shipped to Starbucks (78 units)	
	Products shipped to Dine Equity locations. (9 units)	

Month 4	Inventory will begin to accumulate in the warehouse for product replacements or shipping problems Attend National Restaurant Association Show 2014 Attend WestEx Rocky Mountain Trade Show 2014	
Month 7	Attend Western Food Service and Hospitality Expo	
Month 12	All Year 1 orders will be completed, shipped, and installed	
Year 2	Board of Directors meetings will commence Secure contract with Brinker Restaurant Corporation	
Year 3	Patent finalized	
Years 4	Begin repayment of initial investment Chief Operating Officer hired	Repayment will be completed in Year 5
Year 5	Investors will receive remainder of initial investment Investors receive a 50% return on investment	
Year 6	Entry into the residential market	