



Summary

Small retail stores that sell a variety of alcoholic beverages and retail products have been around for a long time. Of course exploiting this potentially lucrative market is not as easy as just opening a room and placing products on a shelf. Diligent marketing research, as well as understanding whom and what our potential market will actually be is crucial to success. Careful consideration has been given to a number of different factors such as location, demographic detail, tourism, and existing competition of the prospective market place.

A liquor and specialty food store is a store that stocks a range of items such as groceries, alcoholic and soft drinks, tobacco products, and newspapers. Carriage House will be 65% alcoholic beverages and 35% other retail goods including 1 cooler door of refrigerated food, and 5 doors of frozen foods.

Carriage House Liquor Company will specialize in local products as well as sustainable and upscale foreign products. A tasting bar and 3 tables will be located in the front of the store for customers to sample products before they purchase. Intimate tastings will be held on the first floor for up to 12.

Carriage House Liquor Company was developed to fill the void in downtown Racine for a liquor and specialty food store.

This project will serve as the business model for future projects in other locations

Outline

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Business Structure

Description of the Business

ATM Financial Services LLC dba Carriage House Liquor Company

ATM Financial is a WI LLC owned and operated by Douglas E. Nicholson.

Liquor and specialty food store

Carriage House Liquor Company. This name was chosen to pay historical homage to the building located at 220 State Street. The name, along with the total renovation of the building, relays to our customers that we care about progressing Racine, while preserving its history.

Product and Service

Carriage House will specialize in local, sustainable, and high end imported products. It will be unique because of its focus on local and Wisconsin made products. In addition to our specialties we will also offer top brand items. Carriage House has purchased U-Bake (a former Racine retail specialty food store). We will provide a limited offering of similar frozen and shelved items.

Approximately 65% of the store will be for the sale of alcoholic beverages. We have 10 cooler doors for beverages, 1 cooler door for fresh refrigerated food, and 5 freezer doors for frozen foods. Tobacco in the form of cigarettes and cigars will also be sold. We are partnering with local purveyors to offer their produce, meats, bakery, and confectionary.

Proposed size and scope

1100 square feet in total space available to patrons.

1200 square feet basement area for storage, stocking, and packaging.

This historic building features high ceilings, 2 facades located on different streets, and open-air architecture. Carriage house will have a contemporary feel.

The following outcomes have been identified for the new venue:

Creation of 3 -5 new jobs.

Increased exposure to the downtown area.

Renovation of a historic building

Revenues in excess of \$300,000.00 annually

Location

City of: Racine County of: Racine

Street Address 220 State Street

Open 7 days a week from 9:00 am to 10:00 pm

Ideal local on a gateway street to/from downtown Racine

Public parking lot on 2nd Ave

Traffic – Retail and consumer service providers typically seek locations on major arterials, with significant drive-by traffic. Even in dense urban areas with limited parking, locations along major arterials are prime, as many customers first discover a location when driving by. State Street is an important artery in downtown Racine. This location is ideally positioned for stopping on the way in or

on the way home. High volume traffic means high exposure.

Traffic on Main has an annual daily average of 13,000 vehicles between 4th and 5th Streets, and 12,400 on the bridge over the Root River.

Visibility – Visibility is the most basic form of marketing, and can stimulate unplanned shopping trips and purchases. It can be achieved through an imposing structure or clear and readable signage. Typically, retailers prefer sites at or near intersections. This preference generally will be reflected in rent and/or occupancy rates, with the highest area rates at the major corners, and lower figures farther away from the corners.

The subject property is located less than a block from one of the busiest corners in downtown Racine. It offers excellent visibility to traffic on State Street, as well as more heavily travelled Main Street, 1 block to the east.

Marketing Plan

Market Analysis

Trends

Current trends indicate a need for a small liquor/ specialty food store in downtown Racine. Many of the consumers in downtown Racine have to travel by car to get a gallon of milk, a loaf of bread, a six pack, or a bottle of alcohol. Not only does this create a negative economic impact for the surrounding area, but it also has a negative connotation to those outside of Racine.

The annual demand/supply gap for both the one- mile and two-mile trade areas for Specialty Food stores - \$1.41 million, \$5.19 million. In addition the downtown area has an unrealized demand for a convenience store of \$80,000 annually

Carriage House will attract local, as well as, new-sprung interest from the surrounding area.

Customer

Carriage house will cater to the needs of the 14,000 people that live within a mile of the location and the 42,000 that live within 2 miles. Consumers in the area spend \$3.1 million annually on alcoholic beverages for consumption in the home, \$4.3 million on tobacco and smoking supplies, and \$23.6 million on food at home. Those numbers jump to \$11.6 million for alcoholic beverages at home, \$15.1 million for tobacco and smoking supplies, and \$82.6 million on food at home within the two-mile area. The demand for tobacco and smoking supplies in the one and two mile areas is 107% and 115% of the national consumer index respectfully.

The primary trade area for most retail categories will be the area within a one-mile radius of the subject property. In general, some 65% to 75% of sales would be expected to come from this primary trade area.

The secondary trade area is often defined as the area from which 15% to 25% of retail sales are expected to come. In the case of urban convenience shopping, this area generally encompasses a two-mile radius (excluding the primary trade area).

Competition

Our competition is large grocery stores. People purchase much of their alcoholic beverages now while grocery shopping. We will differentiate ourselves by our specialties.

Much of the chain and other large-format retail in Racine is concentrated in the areas around Regency Mall and the intersection of Washington Avenue and Green Bay Road, over 3.25 miles southwest of the subject property. As a result, these shopping areas may be more convenient for many households two miles or more from the subject property, particularly those living to the west and southwest of downtown.

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LIQUOR CO.

Our competitive advantage will be that we are the only liquor and specialty food store in downtown Racine.

Pricing

Our pricing will be competitive with other privately owned liquor stores in Racine. Of course our high-end offerings will be priced accordingly.

Sales

Consumers can choose to purchase alcohol and specialty food items in many locations. Being able to offer a small amount of an item is crucial to our selling experience. We will offer small amounts of an item available for onsite tasting before purchase. This is a standard selling technique in European hi end alcohol stores. This selling format allows the consumer to taste a small amount of a product before buying resulting in the consumer purchasing an unfamiliar item they enjoy.

Advertising and Promotions

We will advertise through word of mouth, Internet, and newsprint.

The Internet will serve as an advertising and promotional tool, as it's cost effective and also sparks a large interest within our prospective target market. Links to our Internet web sight will be attached to current Racine web pages. This would take people directly to our sight filled with pictures of our location, the history of the historic building, upcoming specials, and promotions.

Employees will have promotional responsibilities. Each employee will be required to participate in inside and outside promotions. All aspects of upcoming promotions will be thoroughly conveyed to the employees. We will get them involved and excited. Word of mouth is a viable sales and marketing tool.

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We will build an e-mail database and website. Monthly newsletters will be sent, along with promotional offers. Willing customers will be captured on a list for upcoming events and specials. The 1000 person U-Bake customer list will be utilized.

Our graphics are a major part of our public image and therefore will be presented professionally. An "information center" near the front door will be created, highlighting upcoming promotions and activities.

Maintaining involvement with the community is also an important part of our overall marketing strategy. The close proximity to major corporate offices, festival grounds, retail outlets, and restaurants will be certain to make these high profile events well worth our while, and also provides excellent additional exposure. We will partner with local charities and fund raising organizations for special promotions.



The Financial Plan

The building at 220 State Street is owned by Nicholson Property Management, Inc., a WI Corporation owned and operated by Douglas E. Nicholson.

Initial Capital comes from Douglas E. Nicholson.

Accounting records will be kept on QuickBooks and Expert Tax Solutions will prepare tax returns.

ATM Financial Services will lease property, LLC a WI LLC owned by Douglas E. Nicholson.

CASH FLOW BUDGET WORKSHEET SENSITIVITY ANALYSIS

(ASSUMES 5% CHANGE IN RECEIPTS AND DISBURSEMENTS)

<i>2nd month</i>	Pessimistic Cash Flow	Expected Cash Flow	Optimistic Cash Flow
Beginning Cash Balance	\$7,202	\$12,905	\$15,335
Cash Inflows (Income):			
Accts. Rec. (\$0	\$0	\$0
Loan Procee	\$0	\$0	\$0
Sales & Rec	\$22,800	\$24,000	\$25,200
Other:			
Total Cash	\$22,800	\$24,000	\$25,200
Available Cash Balance	\$30,002	\$36,905	\$40,535
Cash Outflows (Expenses):			
Advertising	\$420	\$400	\$380
Bank Service	\$26	\$25	\$24
Accounting	\$158	\$150	\$143
Internet	\$79	\$75	\$71
Promotions	\$210	\$200	\$190
Garbage Dis	\$74	\$70	\$67
Insurance	\$210	\$200	\$190
Inventory Pu	\$12,600	\$12,000	\$11,400
Licenses & F	\$0	\$0	\$0
Miscellaneous	\$210	\$200	\$190
Office	\$420	\$400	\$380
Payroll	\$3,780	\$3,600	\$3,420
Payroll Taxe	\$1,260	\$1,200	\$1,140
Leagal Fees	\$0	\$0	\$0
Water	\$79	\$75	\$71
Repairs & M:	\$210	\$200	\$190
Sales tax	\$1,285	\$1,224	\$1,163
Services	\$158	\$150	\$143
Signs	\$0	\$0	\$0
Supplies	\$210	\$200	\$190
Music	\$0	\$0	\$0
Utilities & Tel	\$788	\$750	\$713
Other:			
Subtotal	\$22,175	\$21,119	\$20,063
Other Cash Out Flows:			
Capital Purchases			
Initial Investr	\$0	\$0	\$0
Decorating	\$0	\$0	\$0
Fixtures & E	\$0	\$0	\$0
Install Fixtur	\$0	\$0	\$0
Remodeling	\$0	\$0	\$0
Lease Payrr	\$1,050	\$1,000	\$950
Loan Princip	\$0	\$0	\$0
Owner's Dra	\$0	\$0	\$0
Other:			
Subtotal	\$1,050	\$1,000	\$950
Total Cash	\$23,225	\$22,119	\$21,013
Ending Cash Balance	\$6,777	\$14,786	\$19,522

CASH FLOW BUDGET WORKSHEET SENSITIVITY ANALYSIS

(ASSUMES 5% CHANGE IN RECEIPTS AND DISBURSEMENTS)

3rd Month	Pessimistic Cash Flow	Expected Cash Flow	Optimistic Cash Flow
Beginning Cash Balance	\$4,856	\$14,786	\$17,269
Cash Inflows (Income):			
Accts. Rec. (\$0	\$0	\$0
Loan Procee	\$0	\$0	\$0
Sales & Rec	\$21,850	\$23,000	\$24,150
Other:			
Total Cash	\$21,850	\$23,000	\$24,150
Available Cash Balance	\$26,706	\$37,786	\$41,419
Cash Outflows (Expenses):			
Advertising	\$420	\$400	\$380
Bank Service	\$26	\$25	\$24
Accounting	\$158	\$150	\$143
internet	\$53	\$50	\$48
Promotions	\$210	\$200	\$190
Garbage Dis	\$74	\$70	\$67
Insurance	\$210	\$200	\$190
Inventory Pu	\$11,550	\$11,000	\$10,450
Licenses & F	\$0	\$0	\$0
Miscellaneous	\$210	\$200	\$190
Office	\$420	\$400	\$380
Payroll	\$3,780	\$3,600	\$3,420
Payroll Taxes	\$1,260	\$1,200	\$1,140
Leagal Fees	\$0	\$0	\$0
Water	\$79	\$75	\$71
Repairs & M:	\$210	\$200	\$190
Sales tax	\$1,232	\$1,173	\$1,114
Services	\$158	\$150	\$143
Signs	\$0	\$0	\$0
Supplies	\$210	\$200	\$190
Music	\$0	\$0	\$0
Utilities & Tel	\$788	\$750	\$713
Other:			
Subtotal	\$21,045	\$20,043	\$19,041
Other Cash Out Flows:			
Capital Purchases			
Initial Investr	\$0	\$0	\$0
Decorating	\$0	\$0	\$0
Fixtures & E	\$0	\$0	\$0
Install Fixtur	\$0	\$0	\$0
Remodeling	\$0	\$0	\$0
Lease Paym	\$1,050	\$1,000	\$950
Loan Princif	\$0	\$0	\$0
Owner's Dra	\$0	\$0	\$0
Other:			
Subtotal	\$1,050	\$1,000	\$950
Total Cash	\$22,095	\$21,043	\$19,991
Ending Cash Balance	\$4,611	\$16,743	\$21,428

General Operations

The business will have a manager who reports directly to the owner. Sales associates will report to the Manager. The Manager is responsible for hiring and maintaining a professional staff.

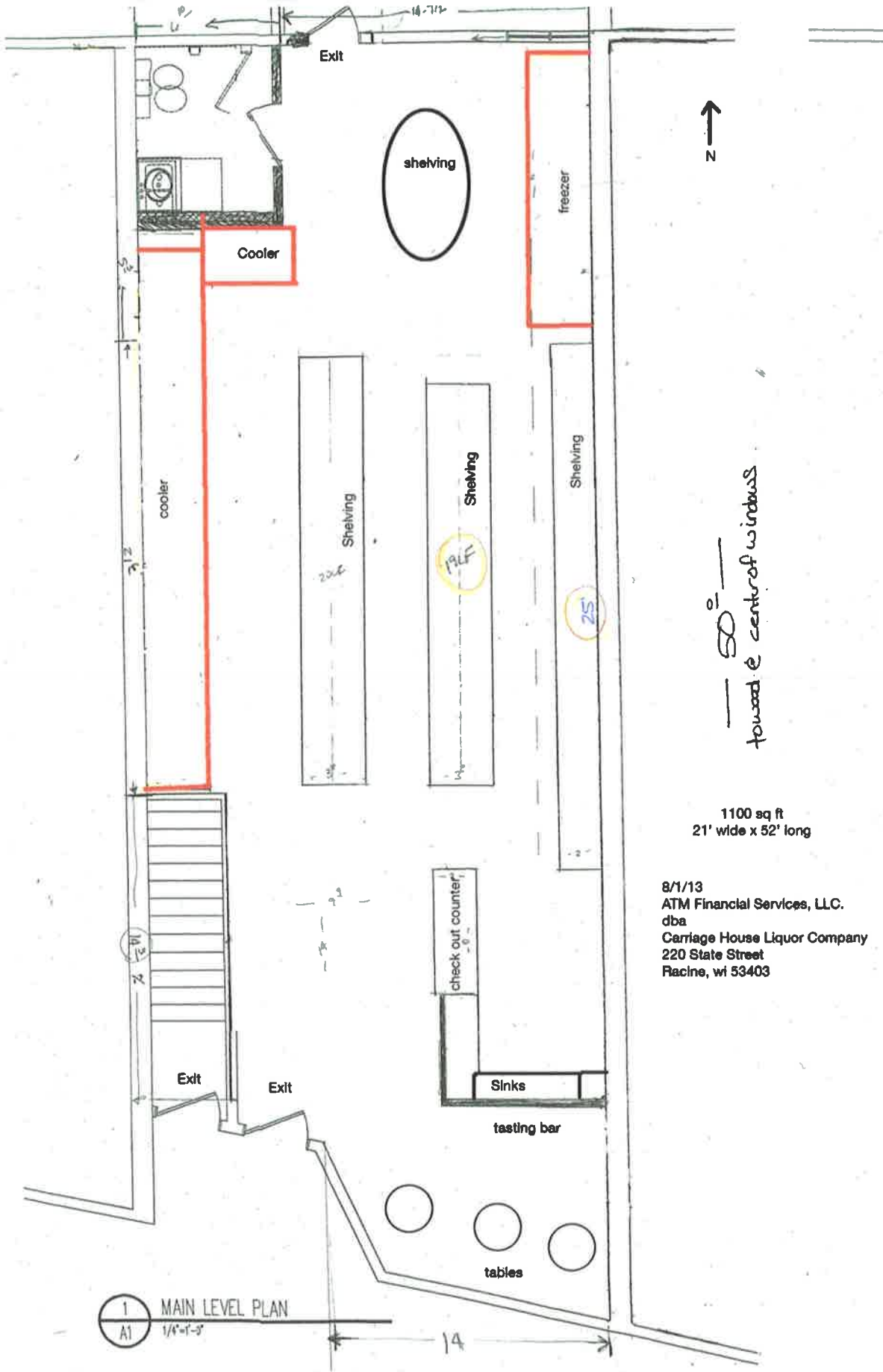
12-month reviews will be given to all staff.

One area that many establishments fail to accommodate is creating a warm contemporary ambience, which creates favorable conditions for sales of high-end items. We've assumed this model as a fundamental part of our broad operations objective.

The people hired will be willing to HELP, ASSIST and inform our clientele. Instilling a sense of pride in their work place will be paramount to diverting potential problems. Proper I.D. will be strictly enforced and all personnel will complete the WI tobacco program and Responsible training.

A strong liquor inventory control system will be put in place to ensure an accurate, efficient, and secure way to maintain control over our day to day inventory, and thus minimizing the probability of loss or theft.

A Digital video surveillance system will be in place.

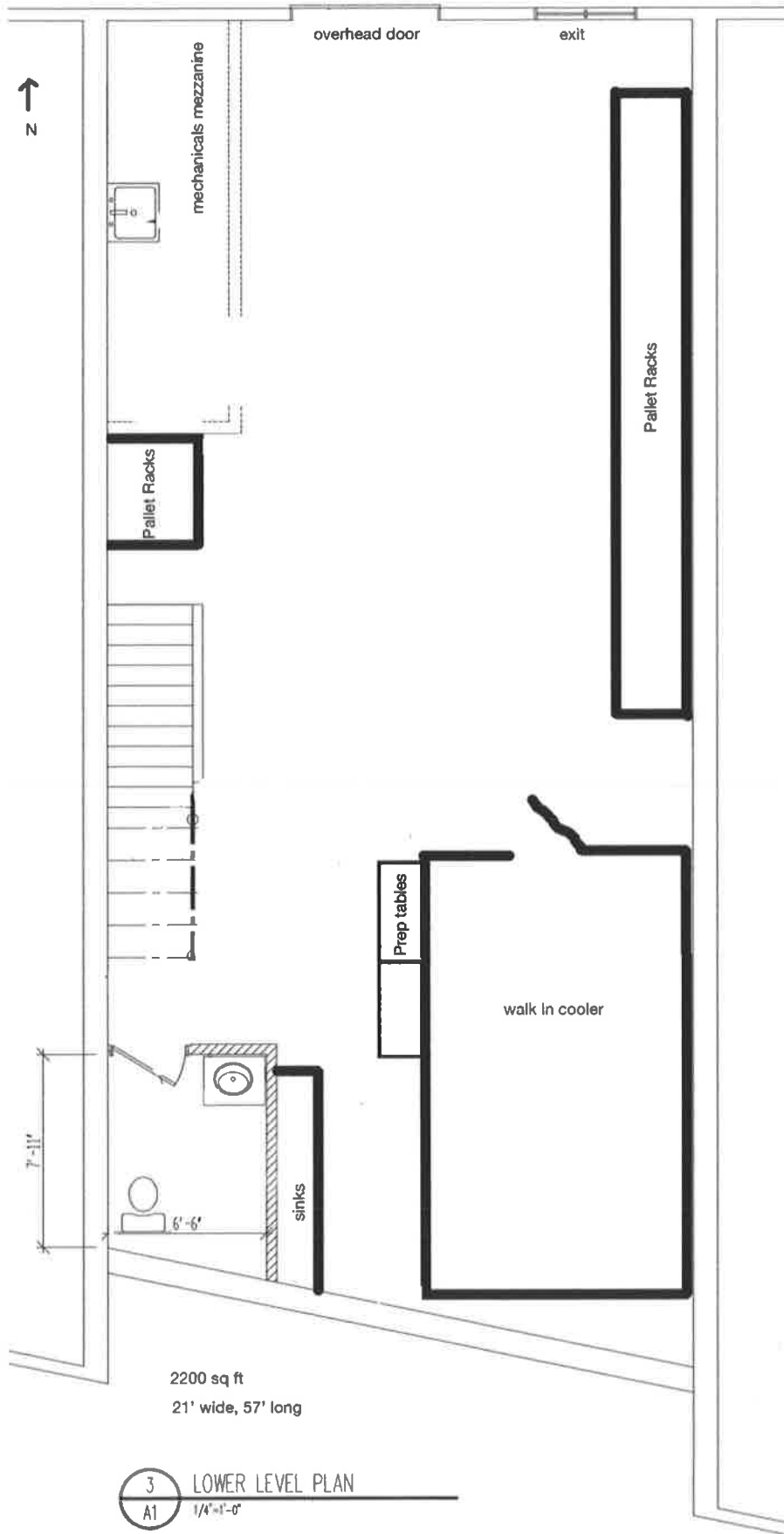


50' —
toward e center of windows

1100 sq ft
21' wide x 52' long

8/1/13
ATM Financial Services, LLC.
dba
Carriage House Liquor Company
220 State Street
Racine, WI 53403

1 MAIN LEVEL PLAN
A1 1/8" = 1'-0"



8/1/18 ATM Financial Services, LLC. dba Carriage House Liquor Company
220 State Street, Racine, WI 53403