



Profit and Loss in a Specialty Food Business

Alameda County SBDC

**U.C. Davis-Alameda County Cooperative Extension
Seminar**

January 15, 2015

Partnership and Hosting



OBDC | SMALL BUSINESS FINANCE



We are the premier provider of Business Advisory Services to the small business community.

Our mission is to create economic opportunity by empowering entrepreneurs

Our Services

Free One-on-One Consulting



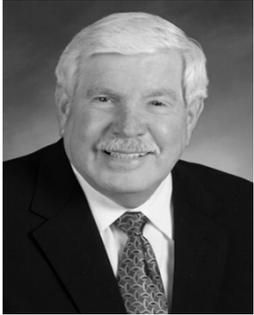
Free & Low cost Seminars



Seminar Examples

Access to Capital	Successful Business Plans
Starting a Business	Meet the Lenders
Social Media	Government Contracts
Marketing	Law for Entrepreneurs
Worker Owned Businesses	Buying a Business
Starting a Restaurant	Crowdfunding and Alternatives
Starting a Food Business	How to Pitch Your Company
Finding Your Core Customer	eMarketing
Website Development	Home Based Businesses

ACSBDC Consultants



Ron Barrett
Loan Specialist



David Bokash
Web Technology



FJ Cava
Generalist



Deb Doyle
Branding



Deagon Williams
Food & Restaurants



Ed Duarte
Construction



David Gray
Food & Restaurants



Tara Lynn Gray
Crowdfunding



Lee Lambert
Director

ACSBDC Consultants



Maria Mejia
Finance



Bob Komoto
Export/Import



Mari Lovalvo
Human Resources



Dorian Webb
Operations



Mary Passarella
Accounting



Paula
Mattison Sierra
Retail



Thelma Tajirian
Generalist



Tom Yeh
Strategy



David Mitroff
Social Media



Tom Camerato
Financial Modeling

How to register for services

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Alameda County
Small Business Development Centers of Northern California

Click Here for FREE One-on-One Business Counseling

Events

Are Federal Contracts a Good Fit for My Business? (Fremont)
Fremont
Wed, 09/16/2015 - 9:00am - 11:30am

Successful Business Plans (Oakland)
Oakland
Thu, 09/17/2015 - 1:00pm - 4:00pm

Starting a Successful Business (Berkeley)
Berkeley
Tue, 09/22/2015 - 2:00pm - 5:00pm

Successful Business Plans (Fremont)
Fremont
Wed, 09/23/2015 - 9:00am - 12:00pm

Maximize Your Website Effectiveness (ACSBD/Chvron Technology & Social Media Series-1)(Oakland)
Oakland
Wed, 09/23/2015 - 9:00am - 11:00am

SEE ALL OUR EVENTS

Client Stories

A Common Space, Alameda County

"It can be hard to ask questions, but Ron had our back and helped us a lot with our business plan. [H]e guided us to communicate with lenders - the presentation process was smooth, and we received our loan. It's great to have this support from the [Alameda County] SBDC."

The Alameda County SBDC (Small Business Development Center)

The Alameda County SBDC provides technical assistance to business owners interested in minimizing risk and accelerating the success of their ventures.

Click Here for FREE One-on-One Business Counseling

Through expert no-cost counseling, free seminars, and no-cost technology training, to support in navigating licensing & permit issues and identifying resources, the Alameda SBDC guides small businesses to increased success rates.

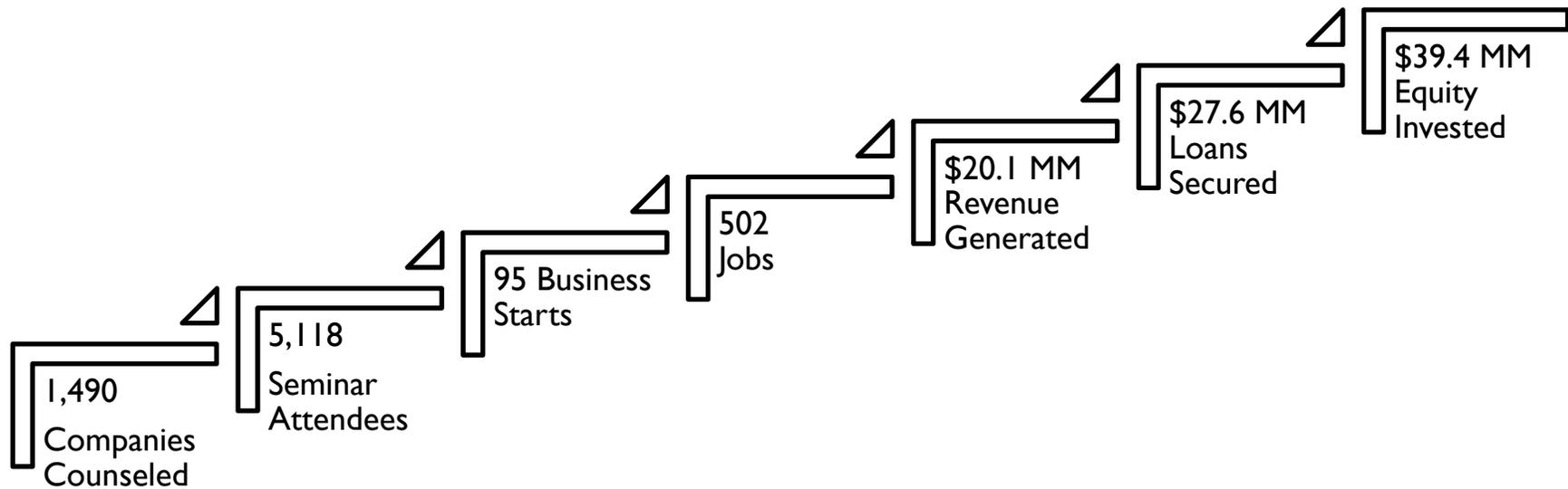
www.acsbdc.org

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Are we effective?

- **SBDCs are required to track and measure results**
 - **New Business Starts**
 - **Jobs Created**
 - **Jobs Retained**
 - **Increases in Sales**
 - **New Loans Secured**
 - **New Equity Capital Secured**

ACSBDC 2012 – 2014 Economic Impact



Profit and Loss Statement

Developing a Business Plan for Your Specialty Food Business

Speaker Background

Deagon B Williams

- ❑ Owner of Culinary Business Strategy-
 - consulting for food companies
- ❑ French-trained chef
- ❑ Spent over 25 years in the kitchen
- ❑ Earned an MBA degree
- ❑ Specializes in start-ups
- ❑ SBDC counselor

Profit and Loss

- What is it?
- Who is it related to?
- How is it related?
- What purpose does it serve?
- Who cares?
- What does it really mean and matter?

Let's take a look....

Profit and Loss Statement Template

[Company Name]
[Street Address], [City, ST ZIP Code]
 [Phone: 555-555-5555] [Fax: 123-123-123456]
 [abc@example.com]

Profit & Loss Statement
 For the Period Ended _____

Income	\$	\$
Sales	0000000	
Services	00000000	
Other Income	00000	
Total Income		0000000
Expenses		
Accounting	0000000	
Advertising	000000	
Assets Small	000000	
Bank Charges	000000	
Cost of Goods Sold	00000	
Depreciation	00000	
Electricity	000000	
Hire of Equipment	00000	
Insurance	00000	
Interest	00000	
Motor Vehicle	00000	
Office Supplies	00000	
Postage and Printing	00000	
Rent	00000	
Repairs and Maintenance	000000	
Stationary	0000	
Subscriptions	00000	
Telephone	00000	
Training/Seminars	00000	
Wages and On costs	00000	
Total Expenses		00000000
Profit/Loss		00000000

A closer look...

Profit and Loss Statement (First Year)							
Months	1	2	3	4	5	6	7
Sales	\$67,375	\$67,550	\$67,725	\$67,900	\$44,735	\$44,850	\$44,965
Cost of Goods Sold	\$6,738	\$6,755	\$6,773	\$6,790	\$4,474	\$4,485	\$4,497
Gross Margin	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Operating Income	\$60,638	\$60,795	\$60,953	\$61,110	\$40,262	\$40,365	\$40,469
Expenses							
Payroll	\$20,250	\$20,250	\$20,250	\$20,250	\$20,250	\$20,250	\$20,250
General and Administrative	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Marketing Expenses	\$1,147	\$1,147	\$1,147	\$1,147	\$1,147	\$1,147	\$1,147
Professional Fees and Liensure	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083
Insurance Costs	\$625	\$625	\$625	\$625	\$625	\$625	\$625
Travel and Vehicle Costs	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Rent and Utilities	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458
Miscellaneous Costs	\$410	\$410	\$410	\$410	\$410	\$410	\$410
Payroll Taxes	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038	\$3,038
Total Operating Costs	\$31,460	\$31,460	\$31,460	\$31,460	\$31,460	\$31,460	\$31,460
EBITDA	\$29,177	\$29,335	\$29,492	\$29,650	\$8,801	\$8,905	\$9,008
Federal Income Tax	\$7,201	\$7,220	\$7,238	\$7,257	\$4,781	\$4,794	\$4,806
State Income Tax	\$1,091	\$1,094	\$1,097	\$1,100	\$724	\$726	\$728
Interest Expense	\$1,125	\$1,119	\$1,113	\$1,107	\$1,101	\$1,095	\$1,089
Depreciation Expense	\$491	\$491	\$491	\$491	\$491	\$491	\$491
Net Profit	\$19,269	\$19,411	\$19,552	\$19,694	\$1,703	\$1,798	\$1,893

COGS formula

Beginning Inventory	\$15,000
Plus Purchases	\$4,000
Less Ending Inventory	(\$14,000)
Costs of Goods Sold (COGS)	\$5,000
F&B Revenues	\$19,000
COGS percentage (COGS/Revenues)	26.30%

Prime Cost

Sales		
F & B COGS	\$50,000	100%
Payroll:	\$15,000	30%
-Salaried	\$4,000	8%
-Hourly	\$9,000	18%
-Payroll Taxes	\$2,000	4%
Benefits	\$500	1%
Total Labor:	\$15,500	31%
PRIME COSTS	\$30,500	61%

And another one....

Blue Fish Grill					
PRIME COST REPORT					
Week Starting/Ending Dates					
	2-Jan	8-Jan			
	CURRENT WEEK		LAST WEEK		VARIANCE
SALES					
Food	\$ 11,669	73.5%	\$ 11,542	74.1%	127
Liquor	1,884	11.9%	1,905	12.2%	(21)
Beer	898	5.7%	885	5.7%	13
Wine	1,423	9.0%	1,250	8.0%	173
TOTAL SALES	15,874	100.0%	15,582	100.0%	292
COST OF SALES					
Food -	3,891	33.3%	3,354	29.1%	(537)
Beverage -					
Liquor	331	17.6%	365	19.2%	34
Beer	253	28.2%	275	31.1%	22
Wine	474	33.3%	656	52.5%	182
Total Beverage	1,058	25.2%	1,296	32.1%	238
TOTAL COST OF SALES	4,950	31.2%	4,650	29.8%	(300)
PAYROLL					
Management	1,400	8.8%	1,400	9.0%	0
Hourly Personnel	2,979	18.8%	2,875	18.5%	(104)
Total Salaries & Wages	4,379	27.6%	4,275	27.4%	(104)
Total Employee Benefits	963	6.1%	964	6.2%	1
TOTAL PAYROLL	5,342	33.7%	5,239	33.6%	(103)
PRIME COST	10,292	64.8%	9,889	63.5%	(403)
GROSS MARGIN	5,582	35.2%	5,693	36.5%	(111)

Product COGS

Ingredient	Product Cost	Size	Units	Item Size	Item Cost
Hot Dog	\$10.00	4 #	5 per #	1	.50
Roll	\$11.50	case	72	1	.16
Plate	\$15.20	case	520	1	.03
Napkin					.04
Condiments					.05
			Total		.78
			Waste	5%	.04
			Cost		.82
			COGS		30%
			Price		\$2.73
			Selling Price		\$2.89
			COGS		28.3%

Now let's go back again....

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Questions and Comments.....

- Thank you for your time.
- Good luck.
- Keep in touch.