

Business/ Event Plan



Mr. Jones' Lemonade Day
March 28/ 2012
Ver 1.0

Cover Page

**An exemplar
for students
planning an
event**

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Executive Summary



- Lemonade stand at school on a (warm) Friday
- Promoted as profits to charity:
“Toonie for Lemonade for Needy Kids”
- Forecast 150 drinks (capacity to 200) at \$2/ drink
- Forecast profit of \$181

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Idea Summary I

- Lemonade stand at school
- On a (warm) Friday
- Profits to a kids charity
- Forecast 150 drinks (capacity to 200)
- \$2/ drink based on 1 lemon/ drink
- Prices as of 25/Mar/2012
- Approx. 300 students so break even at 69 servings
(25% penetration)



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Idea Summary 2



- Lots of promo -
“Tonnie for Lemonade for Needy Kids”
- 30 (20%) discounts/ pre-sales
- Approvals from the school
- Self-financed \$230
- Pricing contingency: Sale \$1.50 or even \$1.00
 - Breakeven analysis:



$$\$2 * 69, \$1.50 * 92, \$2 * 40 + \$1.5 * 39$$

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Classic Lemonade

Lemons, sugar and water. The most simple lemonade recipe, and yet so refreshing. Your drinks don't have to be complicated to be refreshing. Make up a jug today, and relax on the patio.



Recipe

Ingredients:

- 6 lemons
- 6 cups cold water
- 1 cup sugar

$$\begin{aligned} & \$0.58/\text{lemon} \\ & \$0.08 \text{ per} \\ & \$0.18/\text{cup} = \$0.03 \text{ per} \\ & \$0.69 \text{ per} \end{aligned}$$

Preparation:

Juice your lemons, and you should get about 1 cup of fresh lemon juice. You can use bottled if you must, but the flavour won't be as crisp. In a large pitcher, mix lemon juice, water and sugar. Stir lemonade well and serve over ice, with a lemon slice or two to garnish.

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Start-up Expenses

Lemons	(200 * \$0.58)	\$116
Ice	(4 * \$2.50)	\$10
Sugar	(200*\$0.18/6)	\$6 (7 kg)
Plastic cups	(200 * \$0.03)	\$6
Total Start-up Expenses		<u>\$138</u>

Start-up Assets

Pitcher (4 qts +)	\$12
Cash	<u>\$80</u>
Total Assets	<u>\$92</u>
Total Requirements	<u>\$230</u>



Start-up Summary

* Not included:

Juicer

Water

Paper

Misc. © Duncan Jones 2012

- 75 at lunch sales
- 75 after school sales
- 2 people - Preparation and Sales/ Serving
- Pre-make 1 pitcher (6 lemons - 2 quarts)
- Timing:
 - 72 servings/ 12 per = 6 batches
 - 5' batch = 30' total



Services



Market Analysis Summary

- Students like lemonade
 - Especially on hot days
 - Lunch or end of day drink
- Approx. 300 students
 - Breakeven at 69 servings (25% penetration)
- 150 servings = 50% penetration !!
 - Opportunity for buying > 1 glass

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Marketing Plan

- Save the date signs
 - Real, fresh squeezed
 - \$2 (toonie) price
 - Profits to charity
- Pre-sell discount coupons
- Few free coupons for events
- Samples to teachers to get testimonials
- Announce for a week over AM PA system

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Competition (Pricing)



- Professional vendors sell fresh squeezed for \$4.50 for a large glass
- A large glass uses one lemon - I asked the vendor
- Our price is was set lower (\$2) as we are selling to students and do not have to pay rent/ vendor fees or salaries.



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- Promote hard
 - Date
 - Bring money (\$2)
 - Pre-sell discount coupons
- Production
 - Measure pitcher and standard cup with sharpie
 - Misc: 1c measuring cup, cloth, juicer, bags, cooler, change \$60 in \$0.25 = 3 rolls, \$20 in \$1 = 1 roll, sharpie, stirrer, catch glass, peeling knife
 - Water, table, garbage, signage



Strategy & Implementation Summary

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Sales Forecast



Sales

Lemonade AM (60 * \$2.00)	\$120
Lemonade PM (60 * \$2.00)	\$120
Discounts (30 [20%] * \$1.50)	\$ 45
Total Sales	\$285

Direct Cost of Sales

Lemon/ Sugar/ Ice/ Cup (150 * \$0.69) (65% margin)	\$104
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Milestones



Milestone	Start	End	\$	Who
Develop Plan	23/Mar	25/Mar		DJ
Test Recipe	24/Mar	24/Mar	\$0.70	DJ
Seek Approvals				
Secure Financing	24/Mar	24/Mar		DJ
Prepare Promo	25/Mar	25/Mar		DJ
Promote	26/Mar	26/Mar		DJ
Purchase materials	24/Mar	24/Mar	\$150	DJ
Setup/ run/ cleanup	26/Mar	26/Mar	\$80	DJ
Evaluate success	26/Mar	26/Mar		DJ
Return investment/ profits	26/Mar	26/Mar		DJ

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Management Summary

- Duncan Jones
- MSc, MBA
- Squeezed a few lemons
- Tested/ tasted recipe
- Experience with Business start-ups

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Financial Plan

- Pricing
 - Round number for ease/ change
 - Decent margin (65%) / value - fresh squeezed
 - Room to discount
- Volume/ Penetration
 - Break even at 70 - 90 servings (23- 30%)
 - Maximum waste = 1 pitcher = \$7.92

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Start-up expenses	\$138
Start-up assets	\$92
Total funding	<u>\$230</u>



Start-up Funding

Assets

Cash (\$230-150)	\$80
Material	\$138
Non-cash assets	<u>\$12</u>
Total assets	<u>\$230</u>

INITIAL

Liabilities

Borrowing	\$230
A/P	<u>\$0</u>
Total liabilities	<u>\$230</u>

Net

To charity	<u>\$0</u>
	-

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Start-up Funding

Assets

Cash	\$365
Material	\$34
Non-cash assets	<u>\$12</u>
Total assets	<u>\$411</u>

FINAL

Liabilities

Borrowing	\$0
A/P	<u>\$230</u>
Total liabilities	<u>\$230</u>

Net

To charity	<u>\$181</u>
	\$181

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