**“CLUB SUEDE“**

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**Executive Summary**

Club Suede is a new night club that will focus on attracting those interested in experiencing the upscale nightlife. Club Suede is not just any night club, Club Suede is also an upscale lounge including a full bar along with delicate hors d'oeuvre which are served from a carefully chosen menu from only the top chefs. The night’s experience offers multiple floors of entertainment including hit DJ’s, live bands, and known artists.

The night club will be located near the main campus of George Mason, Fairfax Virginia, allowing a variety of people to fill Club Suede’s vicinity, wall to wall. The area already has thriving social spots which will then create more diversity within the community when it comes to going out for a night on the town.

Once opened, Club Suede will have the exceptional management team to guide its success. We, as Club Suede’s five owners, will do everything in our power to ensure our customer’s needs are met to satisfaction and provide a location where people can relax and indulge themselves in food, dancing, drinking, and unlimited opportunities for excitement.

**Description of Proposed Business**

Our group’s great business idea is to create the ultimate nightlife experience with a night club named “Club Suede.” Club Suede is not just any night club, Suede is also an upscale lounge including a full bar along with delicate hors d'oeuvre which are served from a carefully chosen menu from only the top chefs. The night’s experience offers multiple floors of entertainment including hit DJ’s, live bands, and known artists.

 We are starting our company to provide the community with a source of entertainment. Our company will entail the ultimate night life experience of fun, excitement, and socializing. The need for an entertainment market will be met with Club Suede. The basic activity of our company is to please the customers’ needs; needs and wants for partying and having a good time. Club Suede will provide a location where people can relax and indulge themselves in food, dancing, drinking, and unlimited opportunities for excitement.

 Club Suede will focus on service. In other words, Club Suede will tend to its customers by providing services and goods (food) to meet their needs in order to enjoy their night. The company will provide the services of entertainment such as music, servers, and attendants to ensure the fulfilled upscale nightlife experience. Club Suede will also be providing goods along with services. The goods include a full bar of drinks and a carefully selected menu that will offer the guests food and beverage at their pleasure.

 The company plans to target a certain age group to guarantee optimal rates. Club Suede will be labeled as an eighteen and older night club whose primary customers will be within a range of eighteen to thirty-five years old. Club Suede will plan to draw both men and women; more concentration on women with the prediction that men will then follow. Club Suede will be located in Fairfax, Virginia near George Mason University, a highly populated area that is accessible to the targeted crowd.

 Club Suede will be a company that draws success because it is an idea that will evolve into hotspot that anyone can essentially enjoy. When the company combines food, entertainment, service, drinks, and unlimited socializing, nothing but pleasure can come from it, thus foreseeing success.

**Industry Analysis**

The club/nightlife entertainment industry as a whole is extremely large and nationwide. According to the National Club Industry Association of American the number of clubs in 2007 was 60,876. With such a large industry one would think it was be hard to strive and succeed but the total annual sales revenue, according to the NCIAA, was about $15 billion as a whole and with each individual establishment making about $200,000 per year. The only measurement in volume that can be presented through this industry would be the amount of people entering each individual establishment during a specified time period.

 The industry as a whole is mature and well-developed due to the historic and everlasting value and demand placed with nightlife entertainment and having a good time. However, because the industry is one that is in demand it allows new companies to enter with hopes of being successful. While it is very possible for a new company to being successful and prosperous, the issue that the industry is continually growing also causes increased competition if the location has numerous clubs already.

 If a company successfully enters the nightlife industry many opportunities for expansion and growth are possible. For example, if one establishment is extremely prosperous a chain or franchise could be created; thus, potentially becoming a successful nationwide business. This would also lead to the opportunity to expand leadership qualities while hiring more employees, and expanding the structure and management of the club.

On the other hand, threats also exist within this industry. There is the possibility of complete failure, not breaking even, and loss of money. Also, there could be a problem with the food which could then cause a negative image or reputation for the club. A mishap with security is possible, such as too many people being in the building at once. Due to the fact that alcohol will be served the likelihood of a civil disturbance or unlawful behavior is increased.

Along with opportunities and threats many other factors will influence that expansion or contraction within this industry. These factors include location and population, demographic characteristics, management qualities and investors. A club depends on the customers entering the establishment; therefore, if the club is located in an area with limited population the chances of being successful are slim. Even if the location is set in a highly populated area, the location needs to be specific to the demographic characteristics and wants of the people. For example, a club in a suburban area with families and older couples would not be as successful as a club in an area with a demographic of people in their 20’s or 30’s. If the management team does not run the club productively the entire operation could be unorganized or fail which would cause a contraction within the industry. Also, if the investors do not financially support the company the hopes of expansion are most likely out of reach.

The outlook for the industry would be popularity and image. In the nightlife industry a significant amount of the advertisement is from word of mouth from costumers. Consequently, obtaining a positive image and reputation is essential. The main goal is to satisfy the needs of the costumers while providing an upscale nightlife experience. The overall outlook would be the total image of the club.

The major competitors would be any social nightlife establishments, especially those who provide the same services as we do. For example any club that offers food, beverages, and entertainment within the same location or area.

With our young management team we have the ability to really connect with the specific target market we are trying to reach, the young adults within our area. We advertise an upscale nightlife experience which also allows us to attract different groups of people, those who are accustomed to the upscale life and those who desire to be a part of it.

**Mission Statement and Core Values**

It's everything combined into one spot: the lights; the food; the liquor; the sound and especially the people! Our company’s mission is simply stated as “we promise a good time”. Successful nightclubs are based on an accurate understanding of the core customers. The mission of Club Suede is to create a nightclub environment that satisfies the changing tastes and expectations of our core customers. Club Suede will make certain that the population of women will come, thus predicting that the men will follow. In order to achieve this goal, the company must constantly improve our response to the customers' entertainment needs. Along with responding to our customers’ needs through entertainment and service, Club Suede will provide the good of elegant dining.

**Keys to Success & Company Goals**

Keys to Success

* Provide exceptional service with an experience that leaves a lasting impression with our customers.
* Consistent entertainment atmosphere and product quality.
* Managing our internal finances and cash flow to enable upward capital growth.
* Strict control of all costs, at all times, without exception.

Company Goals

The key elements of Club Suede are:

1. Focus on attraction. The company will focus on design and entertainment themes that have mass appeal to the target market community.
2. Location. One of the major advantages that Club Suede will have over its competition will be its location near to the university campus of George Mason, in Fairfax.
3. Exceptional service. In order to reach and maintain a unique image of quality, Club Suede will provide attentive, friendly, and unforgettable service.

**Management Plan**

Club Suede is going to be owned through a partnership. We each are putting the same amount of work and ideas into the club, so we all are going to have ownership over it. Our team of managers has an array of educational backgrounds and many years of experience in our respected fields. All of our salaries are going to be split up evenly among us.

 We are choosing to do a partnership because there is no one person who is going to own our establishment. Everyone is going to have equal ownership. We did not want to do any other kind of ownership because someone would have been left out on being a partial owner. This would have been unfair considering we all have a part in this company.

 Zack is in charge of the food and alcohol. He has over ten years in fine dining as a chef. He graduated from Stratford University with a degree in culinary arts. His yearly salary contribution is $58,000. Nancy is in charge of event planning and advertising. She has a degree in communications with a concentration in event planning and a minor in marketing. She has been involved in planning events and social activities since college. Her salary contribution will be around $46,000. Soraya is the general manager of Club Suede. She oversees everything in general and sets up the goals that we need to achieve on a day to day basis. She has a degree in business administration. Her salary contribution will be around $77,000. Roy is head of security and has received a bachelor’s degree in criminal justice from Longwood University and has years of experience as a volunteer policemen in the communities he has lived in. He will be in charge of the safety of the people and our establishment. His salary contribution will be around $64,000. Alan will be in charge of the entertainment. He is in charge of the different types of entertainment that comes to the club and the design and general layout of the club for entertainment purposes. He has an art degree in design and a minor in communications. His salary contribution will be around $75,000. The estimated annual income from all of the occupations listed will be $320,000. So everyone would receive $64,000 for an annual salary.

**Goods or Services Production Process**

The first three years of business of Club Suede is predicted to be experienced with high hopes of popularity, success and loyalty with our target market. The company will be selling a variety of products through our service of an upscale night club. Our goods will include food, and beverage from a well thought-out menu and bar beverage selection. Our service of an upscale night club, Club Suede, ensures the pleasure of entertainment, leisure, and fashionable socializing.

 The menu that Club Suede offers is full of exquisite taste. This menu will serve a variety of appetizers from a multi-cultured selection of cuisine. The company’s multi-cultured selection will include food styles from traditional American, Italian, Mandarin Chinese, and Aquatic cuisine. We will only choose those recommended from by the number one culinary institute of America that will present a “must try” sensation with reliable credibility. The service that we will provide is to be one that mirrors the wanted upscale life. Entertainment from the well known and liked bands, along with music from the latest DJ’s and mainstream media. Our company will guarantee fashionable socializing in a secure environment that allows leisure and give opportunity for an extravaganza with new acquaintances.

 The price of our company’s products is determined through a comparison process of other competing organizations. Our prices, depending on the quality of the chosen appetizers, will range anywhere from eight to twenty dollars. The more traditional and less expensive prepared cuisine, which would fall in the American category per say, will cost contain a lower product price than the other cuisines offered. The quality of food will always be of FDA approval, with the highest regards for the companies supplying our needs, food ingredients, and beverage to create an ego friendly approach to support the movement of “Going Green”. This “Going Green” movement will include recycling as many products as possible, allowing us to ensure a surplus of products to provide our consumers. The company will have the ability to buy more thus supply more for the demand. This policy sets Club Suede apart from its competitors in the night club industry. The beverage bar will be priced along with competing prices, as well as factoring in original purchasing cost to better warrant a return in capital. Club Suede’s service of entertainment, leisure, and socializing is priced by the entrance fee at the door which is valid for those remaining business hours only.

 The amount of units each product will sell is relative to attendance and consumption of guests. The attendance and consumption of guests depend and rely on that specific night’s characteristics, crowd style, and the entertainment’s popularity. Club Suede’s total sales can only be predicted on the first three years’ business status and the level of immediate popularity. The average total sales are computed around $200,000 annually. Therefore, by our company’s third we predict to reach the $200,000 annual market. The estimate of annual sales was arrived with the research according to The National Club Industry Association of America (http://www.nciaa.com).

**Marketing**

The restaurant/nightclub industry provides a service of entertainment and food. Two things everybody loves. Even though we are in an economic slump the industry is doing quite well. The National Restaurant Association (NRA) statistics show that from year 2000 to 2009 industry sales increased from 379 billion to 565.9 billion. Even in time of recession people want to let go and have fun.

Our major competitors would be other local bars and clubs in the District of Columbia area.  Our club is going to offer an upscale experience that the other bars and clubs do not offer.  It will be fancy but also casual.  It is not going to be a slum of a place.  It’s going to be a highlight of the night life because we will offer cuisine, an exceptional drink variety, entertainment, music, and dancing.

The opportunities that exist are if we are successful then we could possibly start a chain of our club and expand across the US.  We can offer an array of jobs to help with unemployment.  We could also possibly improve upon the area that our club will be in.  The threats could be the fact that our business will not make it once we get established.  But we will be offering a different type of club compared to the typical club.  Another threat is the fact that we will have to get a lot licenses in order to run it.

 Recent changes in the industry have been scarce. One of the few changes is the food style. People are becoming more worried about their health. Now not only does the food need to be full of flavor, but it must be healthy.

 Technology has helped the nightclub industry quite a bit. Lighting technology continues to become more efficient and more theatrical. If you just have simple still lighting no one will want to move. Technology has forced the industry to move forward and has made nightclubs go from simple dance floors to a place full of ambiance.

The industry of night-life entertainment can date back well into history, because the consumer want for social activities are always a critical demand. Due to this, new companies can successfully enter this industry, as long as thought as been applied to the aspect of location, and also creating a unique characteristic to allow a new club to stand out against competitors.

 A long as the certain company is advertised well, provides good service, and a quality experience, costumers should continue to return and advertise the club itself by word of mouth. While it is expensive to maintain an upscale night club, due to continuing cost of food, alcohol, and music, if the club can uphold a good reputation the profit made should be relatively high.

**Global Issues**

Yes, we intend to be involved in the international market. As part of our plan to stand apart from our competitors we here at Club Suede are looking to ensure a cleaner tomorrow by supporting the notion of going green. Our company will purchase glasses that have been created from recycled glasses, environmentally friendly bleached paper for our colored lights, and will keep track of all empty liquor glasses and bottled to be recycled instead of trashed. This may seem like a small contribution on a global standpoint but the road to recover is a long one for the environment and every little bit helps. It is also our goal to spread the idea of going green to other restaurants and clubs to help increase the positive contributions, as well as help change the impression that Americans are wasteful.

With a more efficient business scheme we will be effectively “cutting corners” in the sense that we are getting the most for our money. Another global issue that separates us from our competitors is that our suppliers of food products will have a Fair trade certification, which is s organization that supports better trading conditions to, and securing the rights of, marginalized producers and workers. Another branch of Fair trade is 10,000 Villages, who strive to improve the livelihood of disadvantaged artisans. These types of companies need all the support they can get as they expand and include a larger base in third-world countries. The food ingredients from our international dishes will be shipped from where it originated, example: if we had spring rolls on our menu we would buy the ingredients from a company in China that supports Fair trade.

 The obstacles we face with the international market is only one that’s gives us the best deal. Since we will only be buying on the international market we have to ensure that we can get the ingredients we need at inexpensive price so that we don’t have to increase either the food tag or the entrance fee. This will be the most difficult aspect since Fair trade is all for bettering the lifestyle of people in third-world countries, which translates to being more expensive. We here at club Suede believe that quality is better than quantity and are willing to spend a extra on the little things, especially when they help advocate a better tomorrow for the under privileged.

 With the goal of Fair trade in-mind, Fair Trade Federation will help us, Club Suede, look for financing needed to back this idea, as well as offer a wide variety of other resources to ensure our success, as well as getting the word out about fair trade.

**Financial Plan**

Club Suede has five owners, who will each invest $42,000. The total funding required to start up Club Suede is predicted to a total of $210,000. This total will be broken up into five sections, one per owner at the cost of $42,000. These funds will be made up of predicted expenses and assets. The total of start-up expenses is projected at $112,500, and the total of start-up assets is to be calculated as $97,500. We will include additional capital in the form of loans at the total of $10,000 per owner. We will require a long-term loan amounting to $50,000 because our projections for the first three years do not show enough money to pay off the loan in a short amount of time.

After all these totals were calculated, the company predicts a start-up loss within the first three years. Our start-up loss equals our expenses total that is necessary to fund our company; this being at $112,000.

Break-even Analysis

Our break-even analysis is a display of our projected cash flow verses the total invested in this company. The unit rates we’ll be charging for our produces will have average revenue which composes our cash flow. The company is predicted to break-even when selling 10,217 units of services/goods.

We calculated our break-even analysis by dividing the fixed cost by the contribution margin.

Contribution Margin: $5.53-$1.27= $4.26

Break-even Analysis: $43,527/$4.26= 10,217 units

**Appendixes**

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