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"Hog Wild" Business Plan

Ethan Munk

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Business Plan

“Hog Wild”

Ethan Munk

Executive Summary

Within this business plan we plan to cover all the different facets of the comedy club we plan on opening named "Hog Wild". The club will open on Dickson Street in Fayetteville, AR. The first part of our business plan here will give a solid overview of the business and key details about it that will help your understanding in later sections.

It then moves on to an analysis of our intended market and some of our strategies to become successful within said market. This will include our business market, our market audience and the geographical location of our club as well as what kind of social media presence we plan on having and using to reach new customers.

We will then cover our marketing and sales plan for the club. This section will cover the prices of each item we intended to sell and how we plan on marketing it to the public and how we plan on pulling them in to buy our services.

Next we will discuss management and organization of the business. Here you will learn more about me and my qualifications as well as the co-owner. It also discusses how many managers we plan on hiring and what qualifications we want to see from them as well as how we will handle the HR and legal departments.

Our Product and Services section will give a more in-depth analysis on what the costs will be to sell our products and restock them as well as how we believe we can maximize our profits and attract outside talent for our comedy shows on the weekends.

We then go on to cover our competitors and our own competitive advantages within the market and area. We will then discuss some of the things we do better than our competitors as well as things they may do better than us.

The next section is over our Operating Plan which will discuss the hours and days we plan to be open, what each day consists of performance and entertainment wise, and how many employees we plan to hire and the roles they will have at the club.

The second to last section is over our Financial Plan and how we believe we will be able to finance the club and the amount of money that will be required from a bank in a loan and then how we plan on using those funds and becoming profitable.

Last is our Public Service section where we discuss how we would like to give back to the community for being the reason we made it.

After that are Appendices that will contain useful documents related to the costs, layout of the building, cost of the building and other legal inspection documents.

Business Description

The business will be marketed as a comedy club. However, there will be times when the business is rented out to fraternities and sororities and play host to their function events. It will also double as a regular bar on Dickson Street certain nights. Based on our industry research, we found it is practically impossible to have the business thrive and survive just as a comedy club. Most places that can make this happen are big cities such as New York, Chicago, and Dallas; Fayetteville, AR is not one of those cities.

The idea is to have 2 days open as a bar, a night that is an open mic night and then hopefully, 2 nights with professional performers. At the beginning of the business's life, however, it may need to be adjusted and have an extra night as a bar and bring down actual performance nights to 1. With the purchase of the whole building complex, this will allow us to have limited parking in the rear to use as paid parking. It also allows us to knock down walls as needed to expand the actual floor space for the club. We will be able to have a capacity of 250 people to start. We will have tables and chairs set up for parties for those who want to sit and standing room for those that do not. A fully stocked bar will keep customers happy, able to order beers, shots, and specialty cocktails. The sale of alcohol will be our main source of income. To "encourage" customers to buy more alcohol we will have bowls of popcorn at each table and the bar for them to snack on.

Any space we do not use can be rented out as office space to also cover some expenses. The second story has a few apartments within it, which would allow us to rent them out or even more ideally, allow our out-of-town performers to stay within them. Doing so would help defray the cost of hiring performers. Ideally, we can book at least 2 big stars for a show or two throughout the year as they most likely travel to Dallas or St. Louis for a few shows.

As for experience I have personally worked in the kitchen of multiple bar/restaurants for a combined three years and while a comedy club/bar is not the same, I have confidence in my ability to manage it properly and surround myself with talented people who can help in areas where I am weaker.

We will also be available to the public, more geared towards sororities and fraternities, renting out the club as a space for functions, events, and parties. This should allow us to integrate better into the community and give us an added source of revenue to help cover costs.

The target consumer base for us is college students from the age of 18-24; however, with the business not just being a regular bar, it should allow us to reach out to the older consumer base as well in the surrounding area. As for our goals we would like to see a first- and second-year income of at least \$100,000. After the second year, we would likely renegotiate our loan terms to get a better interest rate. Long term wise,

we would love to expand to other college universities and if possible, franchise it one day.

Market Analysis and Strategy

As stated above in the Business Description, we believe that our market's target audience, when taking into account geographical location, is 18–25-year-olds. The great thing about this is since we are opening in a college town, we will be right in the thick of our target market.

A deep dive into the geographic location of the target market would be that bars and clubs really do well and reside in cities and highly populated areas where at least a decent amount of the population can or would want to come into them. Being a college town helps us in that aspect and could be even more beneficial with the fact that we are a comedy club bringing in acts that can really thrive among the college audience.

Some of the primary pain points that can be experienced by our target customers would include:

- Limited or lack of liquid and useable funds
- Having other obligations and activities that keep them busy
- Schoolwork and classes
- Work
- Summer Break

Most of these pain points are ever fluctuating and should never reach a point where most of the target audience are experiencing all these pains at the same point. The main exception would be Summer Break where most of the student population is no longer residing in Fayetteville. This will be the toughest pain to combat and will require solid forward planning and excess funds to cover the down period.

The most prominent needs within our target market would include:

- Affordable and good drinks
- Wide variety of drinks sold
- Lively atmosphere
- Something that stands out
- Provide with good entertainment

Ideally, our drink prices will not have much variation between them and other bars on Dickson. As for the variety, having a tap installed with certain beers and bottles and cans of others and seltzers, as well as a fully stocked bar with liquor and liqueurs should satisfy the variety. We will have a working menu of specialty drinks to be sold as well. We believe that with our staging, lighting, and music on the days with no performers and then the atmosphere on the days where we do have a show, should easily give the club a lively atmosphere. Obviously, the fact that we are marketed as a comedy club will help our name stand out among the other places on Dickson. Comedy and music should provide them with different yet familiar entertainment that keeps people coming back.

Simply put, our target audience demographics are anyone who is above 18 and wants to either come in to see a show or have a good time and dance and hear music. If they are above 21, then they would potentially purchase alcohol as well. A deep dive into the geographic location of the target group would include the dorms that students reside in on campus as well as apartment buildings and houses that populate the surrounding area. The club is residing on Dickson Street, Fayetteville, AR. It sits in a beautiful, centralized location and is flanked on every side for a few miles out by places where the target audience reside. One issue would be competing with the other bars that have made a name for themselves on Dickson Street, but that will be covered in more depth later.

When it comes to where the target market spends a lot of its time, I would utilize Instagram, Snapchat and Tiktok as the primary social media platforms. Being a comedy club, Tiktok will be a good friend of ours because we can film parts of the performers' acts and post them on our social media with their permission and really sell the club and get more customers. As for physical locations where are target market resides, they really reside in cities and populated areas.

Marketing and Sales Plan

One of the key factors in selling this club is to have some set marketing and promotion strategies. Below is an idea of the schedule of promotions we can run each week. For example, Tuesday and Wednesday would be days with drink specials and music. Thursday is an open mic night or will be available to be rented out by one of the many sororities and fraternities for their various functions. Friday and Saturday nights are set performances where we sell tickets. Some of the marketing ideas we have for the club are a grand opening party when we complete it, but we also plan to hang flyers on campus, use local radio station advertisements, as well as create and use our own social media platforms. Like a lot of the local bars in the area, we will really need to make a splash and rely a lot on word of mouth from person to person.

Pricing wise for some of our products and services include:

Parking- \$20

Drinks- \$5-9

Covers- \$5

Ticketed Events- \$25-250

Renting Club out- \$3000

Apartment Rent- \$850

Office Rent- \$3350

One strategy for increasing sales at this club would include providing free popcorn. Salty popcorn makes people thirsty. Thirsty customers drink more and that makes us more money. We believe that allowing it to be an 18+ venue will also help us make sales as it is a location that allows everyone above 18 to enter, and of course, those under 21 will be required to pay a 5-dollar cover. We also believe that if we can get enough funny low level performers, people will still come, and that once we are able to book a big star ourselves, the ticket sales for the club to see really any truly funny comedians will skyrocket.

The big reason that customers would use our service over the other bars is the different atmosphere it would provide but also that 18+ patrons can get in. There are only a few places on Dickson that do that. Besides that, we'll just need to be on top of the game at keeping people coming in.

Our unique selling proposal is simple. We offer comedy shows.

College students are an easy group to attract to a place like a club or bar. Let them know you have beer on tap and Jell-O shots and a fully stocked bar, and they will come.

Management and Organization

Upon the initial opening of the club, the company leaders will be Ethan Munk and Daniel Munk. My idea behind this is that the club itself will belong to me and be run for the most part by me. My father, Daniel Munk, is quite older and more knowledgeable in the field of business after being a part of various companies' sales departments. Some of these companies include Citrix, Netgear and CDW. I believe that his many years of experience in the restaurant industry will also be extremely helpful. Like I said earlier, a bar/club is not run in the exact same way a restaurant would be, but the similarities between them cannot be overlooked, and therefore, all and every leg up we can get we should use. As for me, I have also worked in restaurants for a while, but I also believe that my accounting degree will help me run the business as it gives me great knowledge of how to do the books, control funds and allocate them to the proper areas. Both of our jobs would include hiring acts, handling the books and payment of employees, and resupplying the bar and club as needed with the necessary supplies and equipment.

Next on the list of leadership would be the 2 managers that I will need to hire and who will help with running and controlling the club in the day-to-day aspects. Now, we have not hired or have any idea of who to hire for these positions; however, we do have some ideas on what we are looking for in qualifications to be hired for said position. Some of the things I would like to see out of these two managers would be experience with managing either a bar or restaurant, and possibly experience as a bartender. If they have worked in or for another comedy club in the past, that would be a plus. And of course, the biggest thing for me is the want and drive to be there and help make sure the club be as much as it can be.

I will expect the managers to handle the actual signing and paying of our employees as well as make sure the bar is stocked and place orders through the system as needed. This is very important for us as in the beginning of the club's life I will need to step away in order to do talent scouting on occasion so that need for a strong and confident manager to run the day to day is vital for the life of this club. Especially in its early life.

I also want to make it a point to ultimately hire some talent scouts so that when we have the money, we can send them across the US or even World to see comedians' shows and persuade them and sell them on coming to Hog Wild and performing a few shows. Ideally, these scouts can help us hook a big-name comedian for a weekend or even just a night as they travel through. This should allow us to have more big names in town, which would allow us to increase our profit by some hefty amounts.

As for the HR or legal department, I have a feeling that once we really grow to a point where it is vital and necessary, I may just task that out to another company and pay them to do it and keep it out of house. I think it would over complicate the business to keep it in house when we can pay someone else. Plus their work will be better than anything we could ever put together. That being said in the beginning a lot of the HR

and legal work will need to be done by me with the collection of W-2's and other vital documents from the employees and also handling the other paperwork and standard agreements we have set in place with all of the performers we bring in.

Product and Service Description

The products and services that our comedy club will provide will be of entertainment value to the consumer, whether it be through comedy shows, live music, or a DJ and dance floor. We will also provide many different forms of alcoholic and non-alcoholic beverages. A smaller but just as valuable service is that we will allow 18–20-year-olds into the club and not limit ourselves to just 21+; this will serve as a place on Dickson for 18–20-year-olds to attend and should help give us at least a slight competitive advantage.

In order to cover the lack of sales of alcoholic beverages made to those in the 18-20-year-old age range, we have decided to make it so that they will have to spend 5 dollars in the form of a cover charge to get into the club and will then be given a stamp on their hands to ensure that the bartenders and workers in the club know they are under 21.

Some of the costs of being able to sell alcohol in the club will that we will need to acquire a liquor license and go through the process of maintaining it and remaining in good standing as to maintain it since the sale of liquor is going to be our main source of income. That being said, it will cost roughly \$750 monthly to acquire the liquor license. It will cost roughly \$85 dollars each month for all the combined inspections and renewals that the club will need; included in this cost is the renewal of the liquor license. The actual cost of replenishing our bar each month will most likely vary each month and is hard to estimate at the beginning here; however, we came to the educated conclusion that each month we will need to spend roughly \$4250 in order to restock the alcohol in the bar. In order to sell the alcohol, we will need to build a bar within the building and the cost of that we have calculated to be roughly \$12,500.

As for the actual costs of being able to play music and having a good sound system will be about \$4000. The big cost for the club will be the cost of getting talent into the building and performing. For “low talent”, by which we mean newer or lesser-known comedians, it will cost us roughly \$3600 dollars a month in order to bring them in and put on shows. Now for a big-name comedy like Kevin Hart or John Mulaney, it could cost us anywhere between \$30,000 to \$70,000 for 2-3 shows. That seems like a lot, but what we have concluded is that if we charge anywhere between \$150-\$300 a ticket, we will be more than profitable. It may seem unlikely for people to pay that much for a show; however, most people would see these performers in a big venue like United Center or American Airlines Center, and in these venues, there will be tens of thousands of people, and you will still spend possibly \$50 for an undesirable seat. I believe people will pay that much for a ticket because of how much more “intimate” the experience will be (i.e., 200 people seeing Kevin Hart vs. 20,000). It would be far more memorable and worth the extra money, and I believe people would truly think the same way.

Competitive Analysis

When looking at our organization compared to those in direct competition with us, it is clear that we are competing with the other bars that are open on Dickson Street. When it comes to a comparison between our club and the other bars, the commonalities are quite substantial. Both us and the other bars reside on Dickson Street, so the cost to own the building and keep it open on the street is going to be roughly the same for them as it is for us. The cost of liquor and employment of our staff will also probably be similar as well.

Some of the weaknesses that the other bars have include:

- Customers getting bored of the same three bars
- Large cover fees that are scaring them away (Tinroof)
- Stuck doing the same thing as everyone else. Just being a bar
- Lack of parking near venues
- They are 21+ only

Truly I believe these weaknesses that the other bars have can be things we use to our advantage, or at the very least, we will not have any issues with at the start. For example, we have the advantage of allowing 18+ into the club. We will not be just a run of the mill bar like all the others on Dickson. We will have parking available behind the building, no matter how limited it is, and that is a huge advantage. We will have a cover fee for those under 21, but it will only be 5 dollars, which is less than Tinroof's 10-dollar cover.

Some of the strengths that the other bars have include:

- Have a distinguishable identity
- They are secure in the market
- They have consistent and loyal customers

These strengths that the other bars have are truly some tough disadvantages for us. Surviving as a bar or restaurant in this industry is a very tough thing to do. And getting customers into our club on a regular basis each week is the only way that we can hope to survive if not thrive.

Some of what will help us thrive is our distinctions to the other bars on and around Dickson. We will have the advantage of being new on a street where there is rarely much change. We are going to tap into the market of comedy and bring in shows on nights, so that people can enjoy a good laugh with good drinks. One thing that people love about the Piano Bar on Dickson is that you can actually get a seat and sit down to drink instead of standing body to body and we will also be like that. It will not be easy, and the main issue we will face is getting our foot in the door to the market and pulling people out of their comfort bars to us, but if we can make that happen, and I

believe that with our branding and ideas we can, then we should have no issue cementing ourselves as one of the best clubs/bars on Dickson and in Fayetteville as a whole.

Operating Plan

When it comes to the club's operational plan, the first thing that we will need to do is actually buy the building and renovate it in order to get the layout and dimensions needed for our image of the comedy club. Upon getting a loan from a bank and purchasing the club and starting renovations, we will need to add sound systems, lights and a bar at a minimum, with the actual hopes to also add seating and a stage as well. After we are able to complete the renovations for the club, the next thing would be to make sure the space used to rent out as office space is clean and functional, as well as needing to make sure that the apartments above the club are functional to live in and rent out to new tenants or if current tenants live there, rework their lease terms. After that, we will focus mostly on the club, which will then have to be stocked and maintained as the weeks pass.

As for operation hours, we plan to be open from 6pm-1am Tuesday and Wednesday, 6pm-2am Thursday-Saturday and then be closed on Sunday and Monday. On Tuesdays and Wednesdays, we plan on having a lighter staff for the club as we expect these days to be our least busy, while on Thursday-Saturday we will have a much larger staff to be able to handle the influx of customers we expect.

As for our specific staff and employees, we believe that we will need to hire the following:

- 9 servers
- 3 bouncers
- 3 bartenders
- 2 hosts
- 3 barbacks
- 1-2 managers (not including the owner)

In total, that comes to about 20 employees hired at first with the option to add more if needed or even less if we believe that we estimated too many.

Overall, it will not be simple in action; however, on paper it is that simple. We need to get people in the door, and once they are in, it is as simple as getting them the drinks they want quickly, allowing them to have fun, whether it be dancing to music or seeing open mic night and then keep them coming back to the bar for more drinks, and in the future telling their friends about us and coming back on a regular basis. As long as we can maintain that, then we will have no issue continuing operations. We may need to start small with the acts that we are able to book right away, but after enough time and profits, we will have enough income to use to higher big-name stars and hopefully become a well-known comedy club around the US that all these different stars want to come and visit of their own choice.

Financial Projections

On the plus side, when it comes to our needs for funding, we believe that we will only need one loan in order to start the club, and that with the funds from the loan and then our own revenue stream, we will be able to not only make and maintain profit but will not need to request more financing like many other types of businesses who require multi stage financing and investments from VC's and private equity firms.

We anticipate bringing in the majority of our revenue from the sale of alcohol to our customers as well as the profits we can make from bringing in performers and selling tickets to shows. There will be a nice and steady stream of funds from our rented-out office space and apartments, so that even in low foot traffic times will help us maintain an inflow of cash at least. We also believe we can rent out the club at least once or twice a month to the University Greek Life system for their functions that they have and bring in a couple thousand dollars each time we do that. We will also have limited but valuable parking that we can use to make some easy cash as well.

What we will require is a loan from a bank at the amount of \$1,400,000, We hope to be able to get this loan set at 15 YRS for about 8.5%. We believe that our first month after renovating, constructing and then supplying the club will cost roughly \$1.32 million, and this will leave us with an excess amount from the loan of about \$481,000, which we plan to use and hold in the event that in the first few months we have some unforeseen expenses or hard times.

We feel very confident in our ability to acquire the loan if for no other reason than buying the building allows us to have a very profitable and viable source of collateral if we happen to go under. The building sits in a prime location, and if nothing else, this should bring the bank a pretty penny if they need to sell it if they acquire it from us.

On paper it may seem like a risky investment and knowing anything about the bar and restaurant industry and how few actually survive makes it even riskier. That being said, everyone is always looking for that new thing, that idea that is going to break through in an area and a market. This club is that idea; it can and will be successful. All it needs now is a little bit of funding and some faith in the process. Faith may not be a "tactical operation", but in this case the leap of faith comes before the pay off, and I believe it will be quite the sight when it does pay off.

Attached below are our projections of revenue, cash and expenses. We calculated some of the revenues and expenses off current industry values and banking numbers and the rest was calculated and estimated using averages for the industry within the state and also the city of Fayetteville, AR.

Public Service

Ideally, when we are at a point where we are firmly in the black every month and making good money, we as a business would like to give back to the community that helped and allowed us to be profitable. One place I think we can do that is by adding more water fountains and benches on the Greenway run trail that runs through Fayetteville.

As a University Army ROTC Cadet, I have run all parts of that trail for training in the past four years. In a lot of sections of that trail, there are either broken or no water fountains at all, and unless you brought water with you or are rationing the water you have, you really could use a place to get some. I also believe more benches such as every half mile to a mile would be helpful, so that whether you are running or just out for a nice walk, you can stop and grab a seat without needing to either sit on the ground or trudge on for another 2 miles. That being said, we would have to contact the Park District in order to make sure it is feasible. If it is, then we will need to donate the money to the park district each time we want to add another fountain or bench to the trail.

The average cost of buying and putting in a water fountain would be roughly \$5000 each and for park benches, it would be about \$400-500 for each one. This would be a multi-year project as we will donate and build them when we can and where we can. And it will take us being far more profitable than in the beginning months if not years, but once we reach the point where we can consistently donate each month or bi-monthly we will make it a regular thing.

Appendix A

	A	B	C	D	E	F	G
1	Parking	3200	Monthly	Liquor Licenses	-750	(one time payment)	
2	Drinks	40000		Inspections and Renewals	-84	Monthly	
3	Cover?	7500		Alcohol	-4250	Monthly	
4	Big Ticketed Events	2000		Popcorn Machine	-1580	(one time payment)	
5	Ticket Events	500		Popcorn cost	-3200	Monthly	
6	Rent out (Frat and Sorority Fur	3000		Building cost	-1,100,000.00	(one time payment)	
7	Apartment rent	1667		Taxes	-958	Monthly	
8	Office rent	3333		Employees	-9396	Monthly	
9				Cleaning	-1500	Monthly	
10				Lighting	-7000	(one time payment)	
11				Lighting repairs	-13	Monthly	
12				Build Bar	-12500	(one time payment)	
13	Monthly	61200		Build stage	-1000	(one time payment)	
14	Yearly	734400		Renovation	-123500	(one time payment)	
15				Seats and Chairs	-30000	(one time payment)	
16				Sound System	-4000	(one time payment)	
17				Talent (low end)	-3600	Monthly	
18				Manager	-2500		
19	Monthly Gross income	17789		Mortgage	-17200		
20				Property Tax	-651		
21	yearly gross income	213470		Business Insurance	-58		
22							
23				High Talent (AVG)	-70000		
24							
25				Monthly	-43411		
26				Yearly	-520930		
27							
28				One Time Payment	-1,319,169.17		
29							
30				Capital Needed	1,400,000		
31							
32				Excess Loan Amount	480,830.83		
33							

Appendix B

Reappraisal Value History		
Tax Year	Total Value	Total Assessed
2022	1,089,150.00	212,183.00
2021	1,089,150.00	195,861.00
2020	1,089,150.00	179,539.00
2019	896,550.00	163,217.00
2018	896,550.00	152,418.00
2017	896,550.00	141,619.00
2016	896,550.00	130,820.00
2015	896,550.00	120,021.00

Appendix C

Building: 1

Age/YC	Condition	Effective Age	Stories	Grade
1940	Average	30	2	C3

Avg Floor Area: 3076	Common Wall: 148
Avg Perimeter: 336	Total Floor Area: 6152
No. Floors: 2	Total Height: 20
Avg Floor Height: 10	Unit Multiplier: 1

	Occupancy	Heating/Cooling	Sprinkler
Primary	Office Buildings - Comm. (50%)	WrmCl Air (50%)	N/A
Secondary	Warehouses (50%)	00 (50%)	N/A

Building: 2

Age/YC	Condition	Effective Age	Stories	Grade
1940	Average	35	1	C3

Avg Floor Area: 6150	Common Wall: 296
Avg Perimeter: 382	Total Floor Area: 6150
No. Floors: 1	Total Height: 22
Avg Floor Height: 22	Unit Multiplier: 1

	Occupancy	Heating/Cooling	Sprinkler
Primary	Warehouses (75%)	WrmCl Air (25%)	N/A
Secondary	Office Buildings - Comm. (25%)	00 (75%)	N/A

Search



Appendix D

Administr... Plans - 65374.pdf LEASING CENTER P... Model

Building: 3

Age/YC	Condition	Effective Age	Stories	Grade
1940	Average	35	2	C3

Avg Floor Area:	3053	Common Wall:	148
Avg Perimeter:	334	Total Floor Area:	6161
No. Floors:	2	Total Height:	20
Avg Floor Height:	10	Unit Multiplier:	1

	Occupancy	Heating/Cooling	Sprinkler
Primary	Retail Stores (50%)	N/A	N/A
Secondary	Warehouses (50%)	00 (100%)	N/A

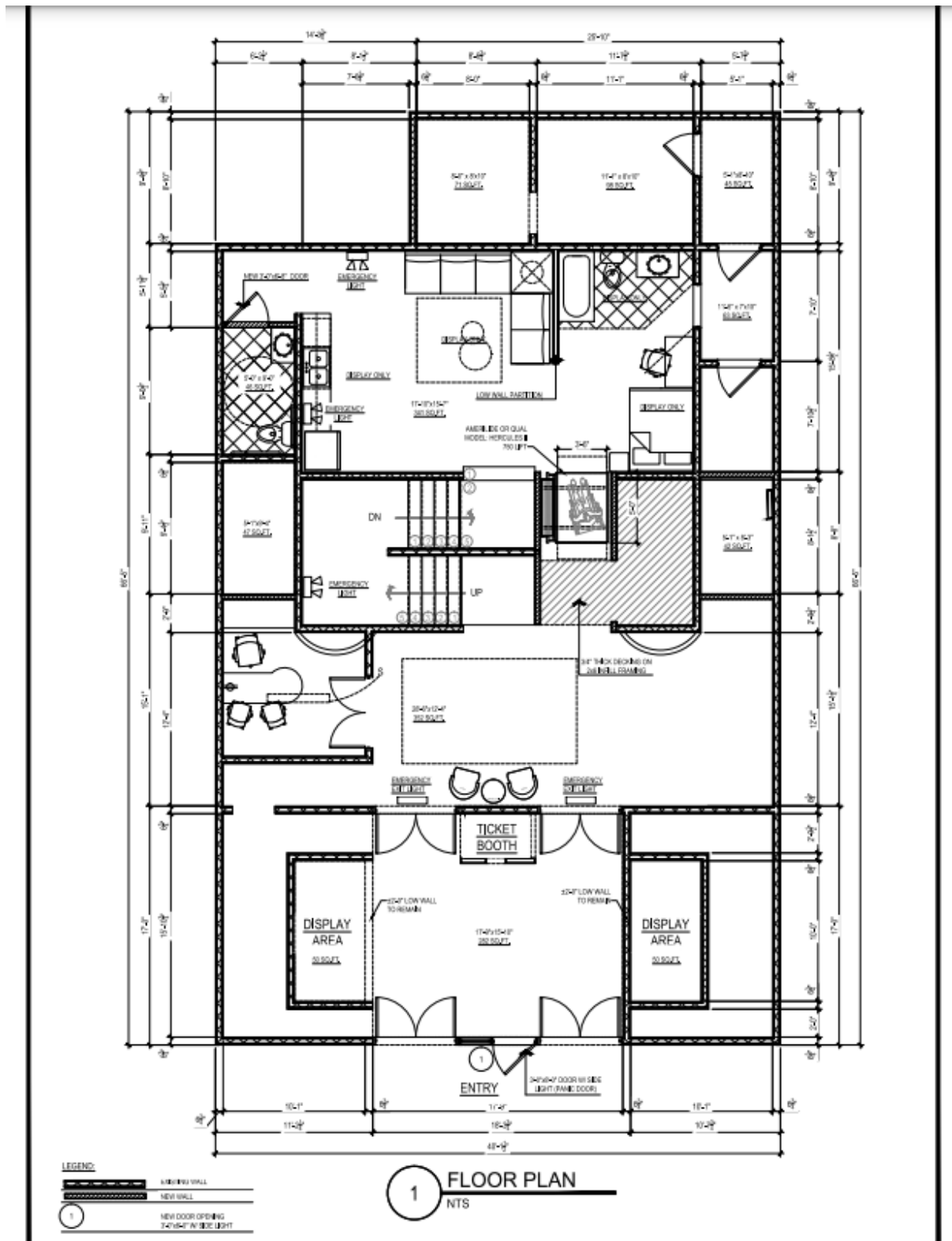
Building: 4

Age/YC	Condition	Effective Age	Stories	Grade
1940	L	35	1	C4

Avg Floor Area:	6344	Common Wall:	N/A
Avg Perimeter:	338	Total Floor Area:	6344
No. Floors:	1	Total Height:	8
Avg Floor Height:	8	Unit Multiplier:	N/A

	Occupancy	Heating/Cooling	Sprinkler
Primary	Basement, unfinished (100%)	00 (100%)	N/A

Appendix E



Appendix G

