



ASHLEY ARTHUR, CAPRICE CLAY, APRIL GREEN, KANDACE SMITH & TIFFANY WILSON
Owners & Management Team

Small Business Entrepreneurship
November 15, 2010

TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
GENERAL COMPANY DESCRIPTION	5
INDUSTRY ANALYSIS	6
COMPETITIVE LANDSCAPE	8
COMPETITOR LIST	9
BUSINESS STRATEGY	10
S.W.O.T. ANALYSIS	10
RISK ASSESSMENT	11
VISION STATEMENT	12
MISSION STATEMENT	12
CORPORATE VALUES	12
BUSINESS OBJECTIVES	12
MAJOR GOALS	13
STRATEGIC ACTION PROGRAMS	13
MARKETING STRATEGY	15
UNIQUE SELLING PROPOSITION	15
POPULATION STATISTICS	16
MARKET SEGMENTATION	17
TARGET MARKET STRATEGY	18
COMPETITIVE ADVANTAGE	18
MARKETING PROGRAMS	18
OPERATING PLAN	20
LOCATION	20
EQUIPMENT AND SUPPLIES	20
LAYOUT	21
SERVICE DESIGN AND DEVELOPMENT PLAN	22
CHALLENGES AND RISKS	23
MANAGEMENT PLAN	24
JOB DESCRIPTION	24
JOB ADVERTISING	24
HIRING	24
ORGANIZATIONAL CHART	25

FINANCIAL FORECASTS..... 27
 PERSONAL CONTRIBUTION 27
 FINANCIAL NEED 27
 CAPITAL EXPENDITURES 27
 REVENUE..... 28
 PROJECTED CASH FLOW (SIX MONTHS)..... 29
LEGAL PLAN..... 30



EXECUTIVE SUMMARY

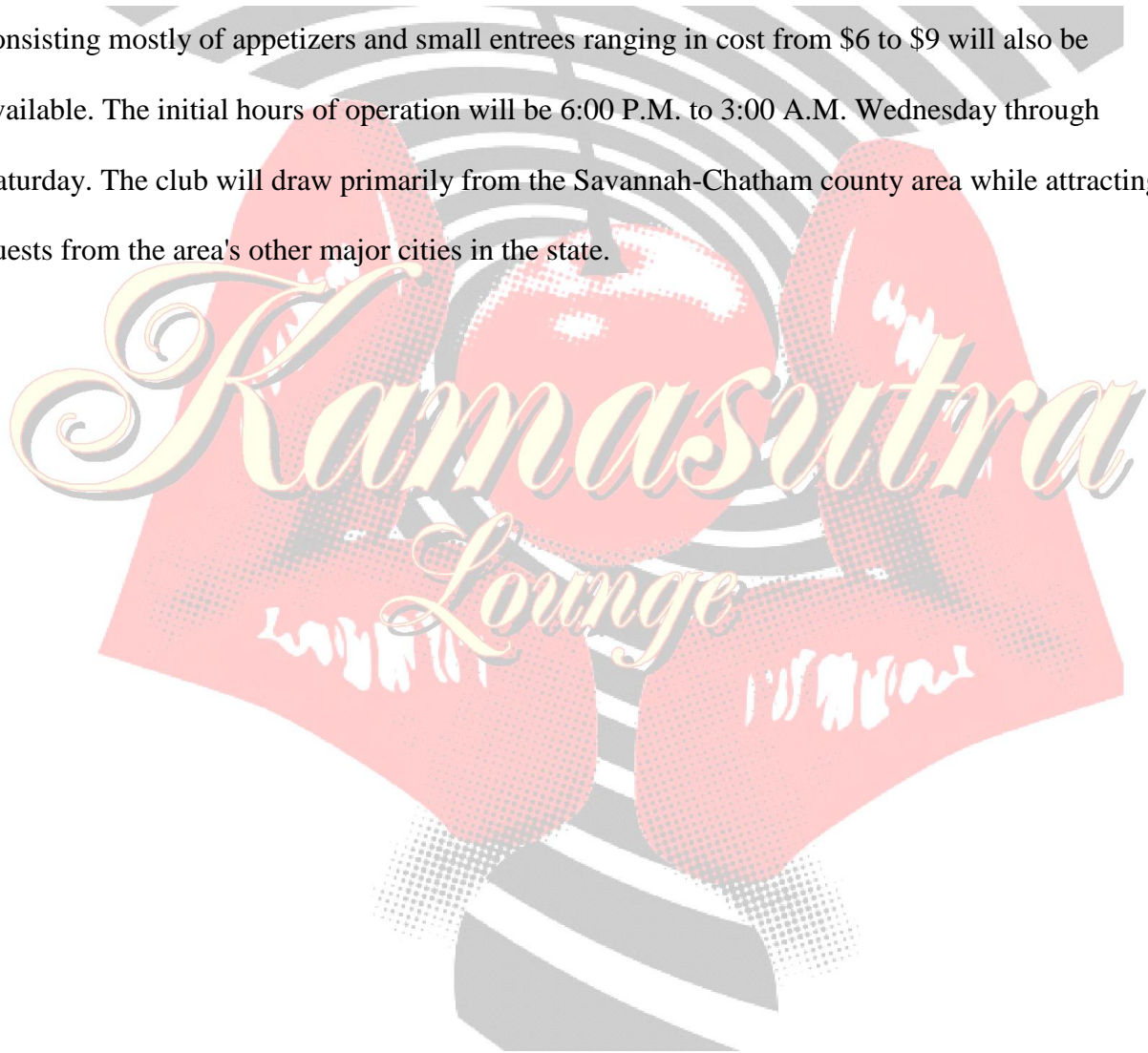
Kamasutra Lounge is a sexy, fantasy nightclub for adults ages 21 and older. The specific target market is ages 21-30. The hours of operation are Wednesday through Sunday 6 pm - 3 am. Kamasutra Lounge is located on the corner of MLK Blvd. and Bay Street, in the middle of the downtown district of Savannah, GA. Local competition includes Saya Lounge, Tantra Lounge, Jazz'd Tapas Bar, and Club 51 Degrees.

Kamasutra Lounge has a competitive advantage to the competition by being more of a club that serves a small menu of bar food and drinks instead of a restaurant that plays music; having a location a few blocks away from the competition but still in a prime downtown location; having a larger capacity, dance floor, and stage that other lounges with a fantasy environment; providing large and small VIP rooms; photographers on site during the weekends, limo services provided through contract with Premiere Luxury, Inc.; themed nights such as: Poetry/Open Mic, Live Band, and Fantasy Nights; and providing a food bar located near the front entrance and the main bar located in the middle of the dance floor to increase socializing. Marketing Techniques used to ensure maximum exposure to attract new customers include: Radio Stations, Street Teams, Facebook, Twitter, Website, Flyers, and Business Cards.

Each of the owners of Kamasutra Lounge has a graduate degree in their specific area of expertise as stated in the organizational chart under the management plan section. All owners have agreed to invest an equal amount of \$50,000 to have equal ownership in the business. We have a board of advisors, mentors and consultants to help us make profitable decisions during the lifetime of Kamasutra Lounge. As owners of Kamasutra we have invested \$250,000. We are requesting a loan from a bank in the amount \$250,000 to ensure the completion of all renovation projects, to purchase all equipment and maintain a profitable operating account.

GENERAL COMPANY DESCRIPTION

Kamsutra Lounge will specialize in high-energy dance music with a quality light show, and will offer beer, wine, and an array of liquors and mixed drinks. In addition, the club will sell non-alcoholic beverages such as soft drinks, juices, and bottled water. A small food menu consisting mostly of appetizers and small entrees ranging in cost from \$6 to \$9 will also be available. The initial hours of operation will be 6:00 P.M. to 3:00 A.M. Wednesday through Saturday. The club will draw primarily from the Savannah-Chatham county area while attracting guests from the area's other major cities in the state.



INDUSTRY ANALYSIS

The US bar and nightclub industry includes about 45,000 establishments with combined annual revenue of about \$18 billion. No major companies dominate the industry due to varying state liquor laws which complicate the ability to form large chains. The 50 largest companies account for about 5 percent of revenue. Studies have shown that the average person will spend three to four hours per weekend in an entertainment environment and will spend an average of 20 to 50 dollars in that timeframe. This trend also shows no signs of declining. According to Dun & Bradstreet, taverns were the largest sector within industry, with 19,660 drinking places. They shared more than 32 percent of the market. Bars and lounges represented 19.8 percent edging out drinking places share of about 19.5 percent of the market. Cocktail lounges held 11.5 percent and night clubs had 8.6 percent. Per the U.S. Census Bureau's Statistics of U.S. Businesses, there were about 351,912 people employed within the industry with nearly \$4.1 billion in annual payroll in 2005.

The typical dance club is open from 9:00 P.M. to 2:00 A.M., and within this span of five hours, the venue can achieve gross revenues anywhere from \$5,000 to \$35,000 nightly. The primary sources of revenue in a nightclub are high-volume traffic, coupled with nominal spending. In addition to alcohol revenues, a nightclub also generates substantial revenues from door charges that can typically range from five to ten dollars per person. For example, a 1,000-person capacity nightclub will typically accommodate approximately 1,500 people in the five-hour span of operation. A \$5 door charge, in addition to a conservative figure of \$12.25 collected from each patron in alcohol sales, would generate approximately \$30,000 in nightly revenue.

Nightclubs in the late 1980s and early 1990s focused on spectacular light shows and energetic dance music. This relatively simple concept is still quite popular today. However, these

concepts have greatly evolved with society. In recent years this industry has become more sophisticated with the availability of new technology. Larger metropolitan areas have taken this technology to new heights with sound and lighting designs that create an exciting and memorable experience. Fortunately, not many nightclubs in the downtown Savannah area has capitalized on this specific segment of the industry. Additionally, the nightclub industry is shifting towards a more entertainment-oriented concept. Guests of these clubs are not only offered a dynamic place to dance, but also a place to participate in the entertainment through interactive contests, theme nights, and other events. We intend to heavily utilize entertainment-oriented marketing in an effort to withstand the perpetual shift in trends and cater to as large a client base as possible.

Nightclubs and other drinking establishments rely heavily on their primary suppliers. The primary suppliers are the various beverage distributors that provide the establishment with both alcoholic and non-alcoholic beverages. The alcoholic beverages (beer, wine, and liquor) are the primary sources of income in this industry. Other beverage suppliers also play a crucial role by providing non-alcoholic beverages. These are either served alone or mixed with alcohol. In the Savannah-Chatham county area, all major brands of alcoholic beverages are available, in addition to several regional brands of beer.

COMPETITIVE LANDSCAPE

Personal income and entertainment needs drive demand. The profitability of individual companies depends on the ability to drive traffic and develop a loyal clientele. Large companies can offer a wide variety of food, drinks, and entertainment, and have scale advantages in purchasing, financing, and marketing. Small companies can compete effectively by serving a local market, offering unique products or entertainment, or providing superior customer service. Bars and nightclubs compete with other venues that offer alcoholic drinks or entertainment, including restaurants, hotels, casinos, and consumer homes. While most customers go to bars and nightclubs to socialize, bar activities tend to focus more on drinking, while nightclubs focus on entertainment and dancing. Entertainment includes live music, DJs, dancing, and adult entertainment.

COMPETITION

Kamasutra Lounge will meet a demand in the Savannah area that will combine features of local night clubs. We will provide a upscale, sexy and vibrant atmosphere, while maintaining a safe, secure atmosphere for guests to enjoy themselves and the surroundings. Providing a safe nightclub is essential to maintaining customer loyalty and growth. Therefore, security at the new club will be top priority. Currently, nighttime lounge competition in the area includes Saya Lounge, Jazz'd Tapas Bar and Tantra Lounge. Only Club 51 Degrees offers a large-scale dancing facility. Kamasutra will be the largest lounge in the downtown area. While the proposed club will be in direct competition with these other facilities, it also will attract a different clientele of individuals seeking an upscale night club venue.

Our review of the market concludes that there are four entertainment venues that can be considered direct competition to the proposed new venue. We do realize that Kamasutra Lounge will compete indirectly for every entertainment dollar spent in the Savannah area.

COMPETITOR	HOURS OF OPERATION	CAPACITY	ENVIRONMENT	TARGET MARKET	SPECIALS / PROMOTION
Saya Lounge	Tues - Sat <i>8pm-3am</i>	300 people	Lounge D.J. – Dance VIP areas	18 & older Cover Charge	<ul style="list-style-type: none"> ▪ Half-off Tuesdays ▪ \$8 Martini Wednesdays ▪ Salsa Thursdays
Jazz'd Tapas Bar	Mon – Thurs <i>4 – 10pm</i> Fri – Sat <i>4pm – 12am</i>	200 people	Jazz Lounge Live Music Full Menu	21 & older No Cover	<ul style="list-style-type: none"> ▪ \$12 bottle wines (M & W) ▪ Special guest performances nightly
Tantra Lounge & Tapas Bar	Sun – Thurs <i>5pm – 2am</i> Fri – Sat <i>5pm – 3am</i>	200 people	Lounge Dancing	18 & older No Cover	<ul style="list-style-type: none"> ▪ 80's Party Night ▪ Belly Dancing Night ▪ Karaoke
Club 51 Degrees	Mon, Thurs – Sat <i>9pm – 3am</i>	700 people	Energetic Music Light Show Dance VIP areas 3-level club	21 & older	<ul style="list-style-type: none"> ▪ College Nights Thursdays ▪ Ladies Night Fridays ▪ Live DJ's Saturdays ▪ S.I.N. Mondays

BUSINESS STRATEGY

S.W.O.T. analysis is one way of looking at the current marketing position of any business. This is S.W.O.T. analysis examines how well Kamasutra Lounge will do in the market and the strengths, weaknesses, opportunities and threats of the market.

Strengths: As managers/CEO's, we think that one of our big strength would be our reputation for live music and different types of clubbing. Also our whole fantasy theme will be a great plus in the outlook of our customers. We're not seen as a mainstream club, we're seen as something slightly on the alternative, which makes us very different from our competitors.

Weaknesses: It may be challenging to promote and petition new customers since Kamasutra Lounge is a new club with a different atmosphere from other clubs in the Savannah area. We are optimistic that once we capture our target market our retention rate of customers will be extremely high. We also feel as CEO's that maybe we should have captured the 18 and older crowd being that downtown is mainly 21 and older already but with successful marketing our current target market will continue to provide increased revenue.

Opportunities: Kamasutra Lounge cares about the satisfaction of its customers. Consumers have higher expectations from business that provide a service. Offering superior service in a safe and comfortable atmosphere has the potential to help your business and if you can provide that then I think that there is a massive opportunity for bringing more customers into this industry.

Threats: One of the threats that we will have to face is with the changing of the licensing laws, more of the bars will be able to become more like clubs and restaurants. Also obtaining the customers of competing night clubs will be a big hurdle considering there is a lot of competition in the downtown Savannah area.

RISK ASSESSMENT

Kamasutra managers completed a risk assessment at its club in the downtown area. Kamasutra has thirty employees to provide services to customers during the hours of operation. There is a staff room, where drinks can be prepared and food heated, and separate toilet and washing facilities for staff. The club is cleaned every morning by cleaners from a general office cleaning contractors. The cleaners store the cleaning materials in a locked cupboard. Maintenance work with the exception of the most straightforward activities which are done in-house, is done by contractors. These are chosen from a preferred list of suppliers. Work is undertaken following procedures set out in the club's permit to work system for contractors.

To identify hazards, the managers researched web pages for small businesses as well as for entertainment and leisure to learn where hazards can occur. Then we walked around the club, noting things that might pose a risk and taking health and safety laws and guidance into consideration. We also talked to supervisors and staff to learn from their knowledge and experience of areas and activities, and to listen to their opinions about health and safety issues in the workplace. We talked to the office cleaning contractors, and to his preferred suppliers of maintenance work, to ensure that their activities did not pose a risk to club staff and vice versa. Then we wrote down who could be harmed by the hazards and how. Putting the risk assessment into practice for Kamasutra, the managers decided and recorded who was responsible for implementing the actions identified as necessary and when they should be done. When each action was done, we ticked it off and noted the date. We also made it part of the induction process for new staff. At the staff meeting, the office manager discussed the findings of the risk assessment with staff and pinned up a copy in the staffroom. We decided to review and update the risk assessment every year, or straightaway if any major changes in the workplace happened.

MISSION/VISION STATEMENT FOR KAMASUTRA

The mission statement is: “It's not the lights; it's not the liquor; and it's not the sound. It's the fantasy and fun that keeps the customers!” Successful nightclubs are based on an accurate understanding of the core customers. The vision statement of Kamasutra is to create a nightclub environment that satisfies the changing tastes and expectations of our core customers. In order to achieve this goal, we must constantly improve our response to the customers' entertainment needs and make their fantasies come to reality.

CORPORATE VALUES

The following corporate values govern the operation of Kamasutra Lounge, as well as its relationships with clients, employees, and other stakeholders in the community:

- Satisfy clients with exemplary customer service that relaxes them and connects them with the overall atmosphere of the lounge.
- Encourage dreams and fantasies through creativity, passion and recognition.
- Embrace fairness, respect, and cooperation in dealing with customers, employees, and the competition.

BUSINESS OBJECTIVES

The following business objectives emphasize the achievements that KamaSutra Lounge aims to realize over the next five years:

- Our goal is to provide a comfortable and welcoming environment as well as a unique, exciting nightclub experience. This dance club will feature high ceilings and a contemporary look with dynamic upscale decor, furnishings, and color scheme modeled after a big city loft.

- The central area of the club will consist of a large dance floor with cocktail seating along the perimeter and a large bar located nearby. A VIP lounge for special guests is also being explored.
- The focus of the club's design will be to create a highly social atmosphere.
- This will be achieved through the placement of couches, booth seating, and a quieter lounge area located away from the dancing and music.
- State-of-the-art sound and lighting will round off the club's environment. A RMS point-of-sale system will be put into place and will serve as a sales, labor, and liquor/inventory control system.
- This system will ensure an accurate, secure, and efficient control over labor costs, as well as day to day inventory, thus minimizing the possibility of loss or theft.

MAJOR GOALS/STRATEGIC ACTION PLAN

Promotional efforts are critical to the proposed lounges success. Accordingly, the venue will offer nightly, weekly, and monthly promotional specials. These promotions will help to stimulate excitement for the new club, thus leading to high traffic and exposure. The main idea is to offer a new entertainment experience night after night. This is the key ingredient for success and profitability, as well as longevity, in the nightclub industry. Proposals include:

- Prize giveaways
- Nightly dance floor and stage contests
- Cooperative promotions with local radio stations

Entertainment will be provided by charismatic disc jockeys featuring a blend of current Top dance music. During the week, special theme nights and promotions will be used to attract a

more diverse crowd, and to increase the number of customers who frequent the dance club. These theme nights will change as popularity and demand dictate.

The market will be targeted and reached via the following primary vehicles: advertisements in local print media, strategically broadcast radio spots, and an Internet web site. Advertisements printed in the local and college newspapers, as well as broadcasts over the local radio stations will provide exciting club information on current promotions and specials. A more urban marketing campaign also will be employed. This includes club representatives and spokespersons attending area events, passing flyers through all of college campuses in the area, a "prize patrol" van, and other person-to-person marketing efforts.

As far as something long-term within in company, we will partner up with a local charity and every month we will actively be involved in local charity organizations by promoting and sponsoring them, so that will our name will be being marketing and we are also make a positive outlook and effect on the community other than just entertainment. And we also plan to give local college students an opportunity to display their work by coming up with a design for Kamasutra. Whoever comes up with the best lounge design will receive cash prizes and awards and their design may be used as the layout for Kamasutra Lounge.

MARKETING STRATEGY

Kamasutra focuses on the new age grown and sexy atmosphere for the 21 and up individuals. These individuals have a desire to be entertained by a more mature savvy audience where their able to meet others, dance, drink, and just enjoy themselves most importantly. This target demographic is the individuals who generally have a high interest in this new venture. Presently in the Downtown Savannah area there aren't any large lounges that cater to the 21 and up individuals in a sexy and fantasy way. The reasons being are as followed:

- No interest in the existing clubs, lounges, or bars
- Not enough space/use of the land
- Nothing new to the table/lack of variety
- Lack of sufficient security

The issues addressed above will cease with the development of the new venue. Kamasutra places much of its emphasis on promoting a social environment that the Savannah area has never experienced before. As the name, Kamasutra states the prospective market have a place where all their desires become a reality. The dance floor will be the largest of the current venues in the Downtown area. There will be both men and women in all areas of employment. What will separate Kamasutra from the existing venues are theme nights, upscale VIP section, and the Spa that will be open during a specified time during the day. The design of Kamasutra will exemplify the exquisite taste of what a luxurious lifestyle possesses. The final aspect would be the music, which would cater to every culture. All the music selections will be current unless specified differently on theme night which can range from Country, Old School, Techno, Reggae, and etc.

The Downtown Savannah area is located in the Historic District south of the Hutchinson Island in Northern Savannah. With Savannah being the chief port of the Savannah River it has a

total area of 78.1 square miles of which over 70 percent is land and the other 3 percent consist of water. This area is very popular by demand for all that it has to offer from history, art, culture, hotels, restaurants, bars/clubs, and etc.

POPULATION STATISTICS

Population by Gender	
Males	47%
Females	53%

Median Age	
Population	32.3
Males	29.8
Females	34.9

Males by Age		Females by Age	
Under 20	15%	Under 20:	14%
20 to 40	15%	20 to 40:	16%
40 to 60	10%	40 to 60:	12%
Over 60	6%	Over 60:	10%

Population by Race	
White	39%
African American	57%
Native American	0%
Asian	2%
Hawaiian	0%
Other/Mixed	2%

MARKET SEGMENTATION

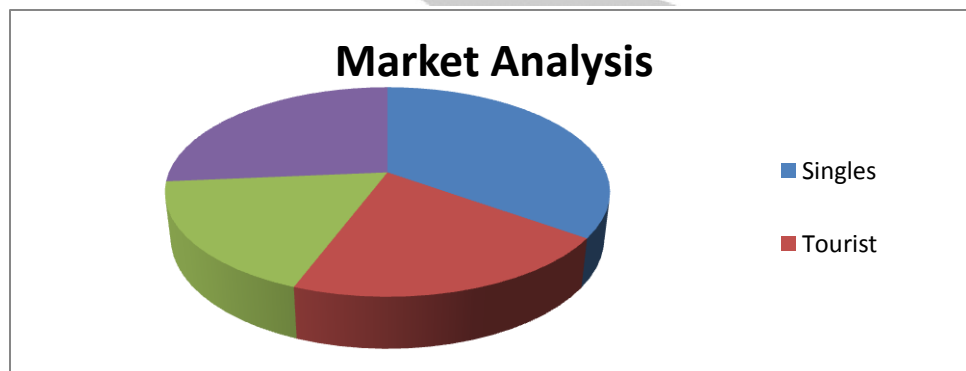
Kamasutra intends to cater to a wide group of people from all different ethnics and cultures. We want all our perspective customers to feel that Kamasutra's atmosphere is one that has never been duplicated to the extent of a consistent attendance. Our overall goal is to let the public know that this venue is built on unity and we expect of customers to embark on the unity along with us. Below are descriptions of our targeted segmentation:

Blue Collar Worker - These are the ones who need something to do after a long hard week of work. As well as when recruiting new employers they need a place to enjoy a drink, conversation, and networking amongst co-workers. Generally, most of the tips are coming from this group because they make use of their high incomes.

Couples - The spa will be a place where couples can have that alone time to unite, converse, and just spend time with your mate. It also allows an atmosphere that couples in particular can be intimate and can become a regular routine like for example a date night area.

Singles - A club is the main environment where singles go to mingle. They have that chance to be in an environment where they can let their hair down and release all their stresses to ultimately enjoy themselves.

Tourists - Being that Savannah is a tourist city with all that the Historic District of Downtown has to offer then the tourist would enjoy a new, upscale club of the necessities that Kamasutra can bring to the table.



TARGET MARKET SEGMENT STRATEGY

Kamasutra will focus on attracting diverse patrons ages 21 and up with an annual income of at least \$30,000. We want the blue collar workers, couples, singles, tourists who enjoy being in an upscale environment and spend money for the quality of their entertainment. These groups are our main focus as a result of research; these are the targets who would consistently attend a venue with characteristics of Kamasutra. The selection of our demographics consists of customers from our competitors, Savannah natives, and visitors who tour/visit the city. The characteristics of our consumers are individuals who enjoy our services and bring value to our business.

COMPETITIVE EDGE

The definition of our competitive edge is that Downtown Savannah doesn't have an upscale club that offers all the aspects/characteristics of Kamasutra. The environment is very culture savvy with eloquent taste. We want every customer to have an enjoyable experience where their wanting to come back for more. One aspect that will guarantee this is the service and management functions. With all that Kamasutra has to offer we have the intentions of success among competitors.

MARKETING PROGRAM

The marketing tactics that we will enforce to build up our customer base for Kamasutra are word-of-mouth and media measures. These two were chosen for the reasons of easy reach, cheapness, and the extent to their effectiveness.

Word-of-mouth

- Opening night
- Theme Night

- Discounts for regulars
- Holidays
- Special Incentives (Ex.: 2 for 1 night, Free drinks)
- Nightly, weekly, & monthly promotional specials/discounts
- Prize giveaways
- Nightly dance floor & stage contests

Media Measures

- Website
- Newspaper
- Billboard
- Radio
- Flyers
- Twitter
- Facebook



OPERATING PLAN

This section outlines the steps that will be taken to ensure that Kamasutra Lounge captures its target market.

LOCATION

Kamasutra Lounge is located on the corner of Bay Street & MLK Blvd. in the downtown area of Savannah, GA. The downtown area is the ideal location because it is the tourist area of Savannah and it is near many businesses and local colleges. Competitors are walking distance from Kamasutra Lounge. The strategy behind placing our venue near our competitors is a way to gain potential customers prior to entering competing venues. Customers will then gain interest and want to see what the “new spot” is all about. Being that we want to attract individuals that are 21 and up, downtown is the perfect location. Typically, the more mature crowd tends to hang out in the downtown area because of the other bars, lounges and clubs.

Kamasutra Lounge has signed a one-year lease agreement to occupy 7,000 square feet building. The building will require a few renovations and adjustments to accommodate the atmosphere and environment of the lounge. An architect will be hired to design a layout for the interior of Kamasutra that will satisfy potential customers.

EQUIPMENT AND SUPPLIES

Furniture, appliances and equipment are necessary to open a lounge. Couches, lounge chairs, bar stools, coffee tables and ottomans will be purchased to ensure that customers have a place to sit and enjoy their drinks and environment. The couches and lounge chairs are stylish, unique, comfortable and suitable for our particular market. Since Kamasutra Lounge is offering a VIP section, we will have curtains and drapes in that particular area for privacy purposes.

Bar supplies such as cock tail shakers, speed openers, cork screws, drink ware, shot glasses etc. will be obtained as well. As far as appliances, Kamasutra will purchase industrial kitchen equipment. We have decided to sign a contract with local purveyors to get an abundance of liquor and food. To make sure the customers are satisfied with the music, the disc jockey will have the highest quality speakers, mixer, records, headphones and other equipment.

LAYOUT

Our goal is to provide a comfortable and welcoming environment as well as a unique, exciting nightclub experience. Kamasutra Lounge will feature high ceilings and a contemporary look with dynamic upscale decor, furnishings, and color scheme modeled after a big city loft. The central area of the club will consist of a large dance floor with cocktail seating along the perimeter and a large bar located in the center. A VIP lounge for special guests and parties will also be available.

The focus of the club's design will be to create a highly social atmosphere. This will be achieved through the placement of couches, booth seating, and a quieter lounge area located away from the dancing and music. State-of-the-art sound and lighting will round off the club's environment. A RMS point-of-sale system will be put into place and will serve as a sales, labor, and liquor/inventory control system. This system will ensure an accurate, secure, and efficient control over labor costs, as well as day to day inventory, thus minimizing the possibility of loss or theft.

SERVICE DESIGN AND DEVELOPMENT PLAN

Kamasutra is a lounge intended to bring forth a relaxing, fantasy, grown and sexy atmosphere. Kamasutra Lounge targets all ethnicities and has an enforced dress code for the male and female guests.

- NO Hats
- NO White T-shirts
- NO Baggy Clothes
- NO Hats
- NO Shorts
- NO Jerseys

A cover charge will be applied during nights when no promotional special is being offered or after promotional hours. All drinks and food will be priced accordingly. VIP rooms are available by reservation and for a fee.

After careful analysis, it was appropriate to locate Kamasutra Lounge in the downtown area. Being that many college students live near the downtown area, we expect a lot of our customers to be college students. There are many nightclubs located in this area but not many large upscale lounges. A survey was distributed to a sample of 200 students at each college campus in the Savannah area. The results from the analysis helped Kamasutra Lounge focus on certain activities and aspects that will attract our market.

Kamasutra will offer the following:

- Happy Hour
- Ladies Night on Monday's
- \$2.00 Tuesdays Drink Specials

- VIP Sections
- Live Band
- Professional Photographer
- Fantasy Theme/Environment
- Contract w/Limo Service to transport guests

CHALLENGES AND RISKS

Kamasutra is competing with many other lounges: Jazz'd Tapas Bar, Saya and Tantra Lounges, as well as Club 51 Degrees all located in the downtown area of Savannah. One of the challenges could be the location, which could also be an advantage because they are all walking distance from one another. Being that all of these venues have existed before the opening of Kamasutra we may have difficulties attracting their guest to Kamasutra. To prevent that from happening we plan to formulate a website, street team, advertise at local colleges and radio stations and social networks such as Facebook and Twitter. Being that nightclubs and lounges are trendy, we must stay on top of the changing society and the latest offerings in nightclubs and lounges.

Underage smoking and drinking, illegal drugs and bad behavior are all risks. To minimize these risks, Kamasutra will have security card all customers and monitor all areas of the club. That way our customers/guests will feel like they are in a secure and safe environment. Kamasutra must have enough working capital to keep the business up and running until the business starts making profit. To encourage repeat business Kamasutra must train and hire great employees that illustrate great customer service.

MANAGEMENT PLAN

Job Description

Each person has their own set responsibilities but we all come together to reach a common goal, which is to satisfy our customers. If there is ever a time where one person is unable to do a specific task or is unavailable then someone will always be there to pick up where that person has left off. We understand and value our business; therefore everyone understands every aspect of each person's job description.

Job Advertising

We have established different ways to advertise our lounge and our most popular form of advertising is our flyers and billboards. We take pride in expressing the love for our business. We produce close to 1,000 flyers per event and we constantly change our billboards to appeal to our target market. We also advertise by commercials, word of mouth, and websites. This type of advertising is great when we are promoting on college campuses and public events. Kamasutra is a relaxing place where you can go to have fun and enjoy yourself.

While advertising at these locations we hope to give the best details about Kamasutra and keep people interested in doing business with us. We always keep our target market in mind and offer discounts as well as give costumers an opportunity to use our location for personal events such as birthday parties, banquets, bachelorette parties, etc. Finally, we get email addresses from everyone that we come in contact with and send out emails stating what is going on that week with the lounge or any discounts that we are offering at that time.

Hiring

Kamasutra takes the time to pick the best individual for our jobs. All applicants submit their resumes, references, as well as the application form to either one of the owners of

Kamasutra. We do not necessarily look for individuals who have been in the night life industry, as long as the person has some sense of knowledge in customer service and provides quality work we give them a chance. The applicants that do meet our requirements will then go through our interview process and our “on-the spot’ training. Each Applicant will go through a background check before being hired and they will have to take an unannounced drug test every month. Here at Kamasutra we want to make sure that we provide safe and satisfactory service to our customers. The people we have on our team represents us and we want to best people to work and promote our company. We offer great benefits to our employees including our “Employee Appreciation Week” where we take time to show each employee how important they are to our business. During that week we all go out to dinner and talk about the progress of Kamasutra and things we can do to have a more effective business. We will also provide feedback and customers reviews to employees. This is a process that we feel will help expand our business and make people want to work for Kamasutra.

Board of Directors

- Governing the organization by establishing broad policies and objectives
- Selecting, appointing, supporting and reviewing the performance of the chief executive
- Ensuring the availability of adequate financial resources
- Approving annual budgets

Board of Advisors

- Helps guide activities
- Have experience and knowledge in owning this type of business
- Provide a continuing source of information and insights
- Advise staff

Marketing Planner

- Researching and reporting on external opportunities
- Understanding current and potential customers
- Making customer focused decisions
- Approving images

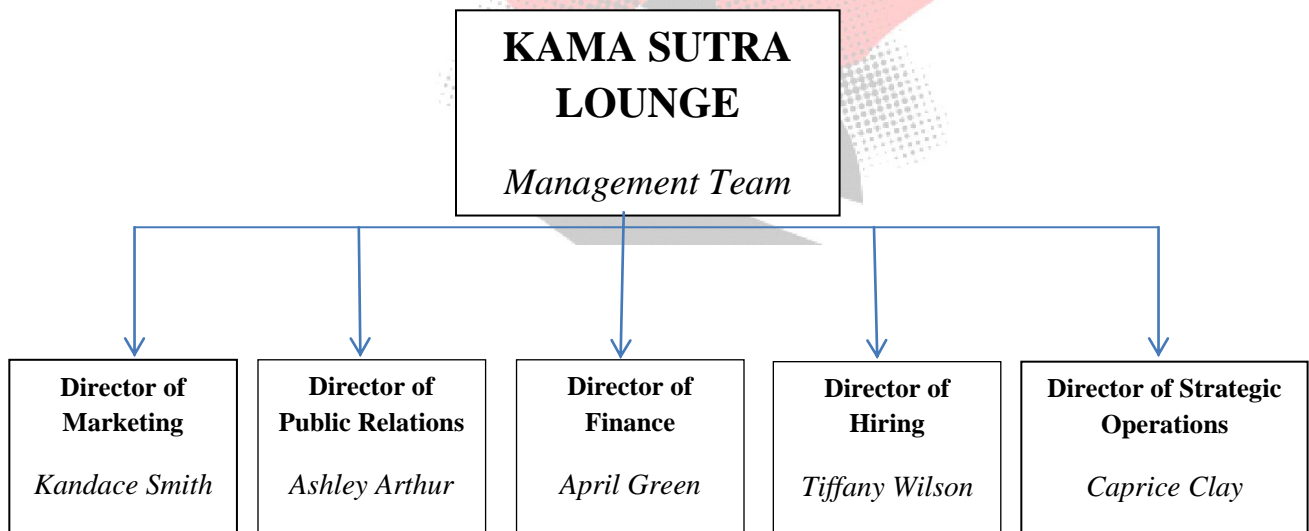
Hiring Manager

- Recruitment Procedure
- Hiring Employees
- Organization Development
- Training & Developing Employees

Strategic Planner

- Customer service
- Research
- Strong fiscal management

Organizational Chart



FINANCIAL FORECAST

PERSONAL CONTRIBUTION

Each of the owners of Kamasutra Lounge has a graduate degree in their specific area of expertise as stated in the organizational chart under the management plan section. We each earn an average of \$75,000 per year salary and have agreed to invest an equal amount to have equal ownership in the business. We each will invest \$50,000, including our individual savings of \$20,000. We have a board of advisors, mentors and consultants to help us make profitable decisions during the lifetime of Kamasutra Lounge.

FINANCIAL NEED

As owners of Kamasutra we have invested \$250,000. We are requesting a loan from a bank in the amount \$250,000 to ensure the completion of all renovation projects, to purchase all equipment and maintain a profitable operating account.

CAPITAL EXPENDITURES

Audio & Lighting Lease Program <i>amps, speakers, all wiring, installation, equipment, and labor</i>	\$2,700.00
Bar Equipment <i>3 compartment sinks, liquor racks, reach in coolers, installation, and labor</i>	\$17,500.00
Bar Supply (Opening Inventory) <i>All liquor, beer, wine, and consumables for opening</i>	\$7,000.00
Cash Reserves/Operating Capital <i>Operating Capital and contingencies</i>	\$74,550.00
Exterior Signage <i>neon, design, artwork, installation, and labor</i>	\$2,500.00
Fees and Permits	\$3,500.00
FFE <i>all furniture, fixtures, and equipment</i>	\$44,000.00

Initial Marketing <i>initial campaign, design, artwork, audio, video, production, and labor</i>	\$17,450.00
Interior Renovation	\$11,500.00
Kitchen Upgrade <i>purchase of used equipment, installation of hood and equipment, and labor</i>	\$1,250.00
Legal <i>Accountant, Attorneys, Engineers, Architects</i>	\$2,500.00
Opening Salaries & Deposits <i>deposits on all accounts, opening salaries, special purchases</i>	\$12,500.00
Paper Products <i>purchase of all paper type operating supplies</i>	\$750.00
Point of Sales Systems <i>purchase, installation, and labor for entire sales system</i>	\$1,300.00
Restroom Refit <i>purchase of fixtures, existing demolition, installation, and labor</i>	\$1,000.00
Total Capital Expenditures	\$200,000.00

REVENUE

Kamasutra is a 800 capacity lounge with an average daily incoming traffic ranging from approximately 500 to 600 guests Wednesday through Saturday. The conservative forecasts are based on the size of the market. Additionally, each guest is forecasted to spend an average of \$8 to \$13 on beverages, depending on the night. The total door covers are less than the bar covers, due to special promotions and VIP passes. Door cover charges are anticipated to be five dollars. We expect an average of \$2,500 from door cover charges and \$4,000 from food and drink purchases a night.

CASH FLOW STATEMENT (6-MONTHS)

	<i>Month 1</i>	<i>Month 2</i>	<i>Month 3</i>	<i>Month 4</i>	<i>Month 5</i>	<i>Month 6</i>	TOTAL
Gross Sales	\$124,812	\$99,850	\$99,850	\$99,850	\$124,812	\$99,850	\$649,023
Variable Expenses	\$37,814	\$30,251	\$30,251	\$30,251	\$37,814	\$30,251	\$196,632
Operating Expenses	\$23,249	\$19,066	\$19,066	\$19,066	\$23,249	\$19,066	\$122,761
General & Admin Expenses	\$30,540	\$24,432	\$24,432	\$24,432	\$30,540	\$24,432	\$158,811
Total Fixed Expenses	\$68,811	\$58,520	\$58,520	\$58,520	\$68,811	\$58,520	\$371,701
Total Cash Paid Out	\$110,617	\$92,763	\$92,763	\$92,763	\$110,617	\$92,763	\$592,284
Cash Flow	\$14,195	\$7,087	\$7,087	\$7,087	\$14,195	\$7,087	\$56,739
Culminative Cash Flow	<i>\$14,195</i>	<i>\$21,283</i>	<i>\$28,370</i>	<i>\$35,457</i>	<i>\$49,652</i>	<i>\$56,739</i>	

LEGAL PLAN

Kamasutra will be a partnership, and as such it will be relatively easy to establish. The business will be registered with the Chatham County Clerk Court for a fee of \$75 dollars, thus providing the business with an occupational license. We also will be making sure that our bartenders are licensed by the state of Georgia to bar tend in the local areas. Since Kamasutra will provide tangible products so a sales tax is applicable on all items. However, state income tax will be paid according to the 2010 tax brackets. Employee laws are applicable to the business because we will be hiring from the local area and maybe even previous employees from other nightclubs. As the owners of Kamasutra we feel confident that all relevant legal considerations have been taken into account. However, further counsel from the Small Business Administration shall be sought to ensure that no stones are left unturned.

