



# Quchu Wine Distributors

## *Business Plan*

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# Part I

## Executive Summary

### Business Executive Topline

Quchu Wine Distributors is a Queens based company located at 97-10 62<sup>nd</sup> Drive, Rego Park, NY, and storage facilities located at 21-21 41<sup>st</sup> Avenue in Long Island City, Queens. We import and distribute wines manufactured in Peru for restaurants via B2B sales and online purchase in the first three years, and later through wine and liquor stores in the Queens, Brooklyn, and Manhattan boroughs. We expect to cover the boroughs of Queens and Brooklyn exclusively for the first three years, and for the fourth year expand our reach in selected areas of Manhattan, Bronx, and Rockland County.

We will strive to offer our customers wines that are particular and unique for restaurants that offer saucy and spicy food. Our objective is to provide great quality of service in the delivery and great combinations for the type of specialized food that we aim for.

We will distribute Quebrada de Ihuanco, Saint Lizier, and Taberhero group of brands.

“Quchu” is a word in the Quechua language, one of the native languages of Peru, that means ‘joy’. Our mission and our objectives are linked to provide joyful experiences to our customers.

### Market Opportunity

After the great recession of 2008, the consumption of wine has decreased. This tendency has been reversed since 2014, according to the Affluent Shopper Snapshot Report on Wine & Spirits Stores (Unity Marketing, 2015).

The populations of both Queens and Brooklyn comprise a great number of first and second degree immigrants. Hispanic population in the US on the age group 18-64 is around 17%, but by 2032 this percentage will increase to 25.1%. According to Future of Foodservice: Food and Beverage Menu Trends & Opportunities (Packaged Facts, October 2014) research, women are more interested in trying ethnic food and this group is more adventurous, while men appreciate spicy flavors. This research also indicates that younger generations show interest in diverse cuisine.

In our research, we have identified 24 Peruvian restaurants (primary market), and 2,047 restaurants of Asian, Brazilian, Caribbean, Cuban, Indian, International, Korean, Mexican, and South American cuisine (secondary market).

### Capital Requirements

We will need a capital of \$820,000 for the operating expenses of the company for the first two years. By the time the fund has been received, we will already have obtained the required state and federal permits to start the import and distribution process. The funds

required for the license and legal fees areas will be provided from the personal bank assets of the CEO.

The funds will be used mainly to start the import process and shipment, initialize the company operations, and fund the initial marketing programs on years one and two. As an exchange for the capital funding, we will cede 49.9% of the company shares, and a place at the Board of Advisors. We believe that this is a fair exchange since we understand that the investor will provide valuable input and insights for an improved run of the company.

### **Breakdown of Use of Funds**

Most of the funds will be used to sustain the fixed expenses of the organization, as well as the marketing campaigns of the first two years.

<b>Items</b>	<b>Year 1</b>	<b>Year 2</b>
Salaries	\$139,339.80	\$190,043.83
Benefits	\$56,746.83	\$50,985.58
Maintenance	\$30,700.00	\$26,360.00
Administrative	\$88,600.00	\$89,200.00
Order Fulfillment	\$4,788.00	\$8,604.00
Marketing	\$59,636.67	\$58,016.57
Advertising	\$2,544.00	\$4,560.00

### **Loan Repayment**

As the business will start to create a sustainable net profit by year four, we will use the whole net profit income, as well as 10% of the gross income to start repaying the loan on year five of operations. We expect to fully pay off the debt by year ten of operations, as the business develops a sustained customer base.

### **Mission**

Quchu Wine Distributors is a small company on the mission of breaking a few prejudices on the consumption of wine. It has been said that wine does not mix well with hearty and spicy food. The types of wine are made in Peru and do mix well with these kinds of foods because they are produced taking these characteristics into account. We provide quality wines and we strive to offer interesting choices to our clients.

“Quchu” is a word in the Quechua language, one of the native languages of Peru, that means ‘joy’. Our mission and our objectives are linked to provide joyful experiences to our customers.

### **Management**

CEO: Moises Corilloclla.

A Marketing assistant will be hired to manage the electronic platform (including the marketing automation system), coordinate the marketing campaigns established in the plan, and coordinate the sales team activities.

## **Competitors**

We have several types of competitors, which could be broken down into these groups:

1. Other wine distributors: there are groups such as Opici Family Distributors NY, and Breakthru Beverage Group, among others. They mostly import wines from Chile and Argentina.
2. Direct competitors such as wines from the New World (especially Chile, South Africa, and California).
3. Indirect competitors: we include in this category alcoholic products such as beer, several Asian liquors, and other traditional beverages from South America such as chicha and aguardiente (substitute products).

## **Competitive Advantages**

We offer wines that combines with specific kinds of foods. We consider that wines do not cater to this particular style of food in a massive way, and by offering a fairly priced product, we are providing a reasonable alternative to more mainstream types of wines.

## **Financial Projections**

Our financial projections are based on the following assumptions:

1. We will have a growth between 20% and 40% in sales per year between the years one and four.
2. We assume no major production issues in Peru in the next four years. Although the Nino phenomenon is recurrent, the latest event happened in 2017, and another one is not expected in the next five years at least.
3. The level of wine consumption will continue its growth in the next five years.

We aim to reach breakeven point at year four of operations. On that same year, we project to reach 1.2 million dollars in sales. We expect to have a customer lifetime value gross profit of \$9,331.20 starting on year four operations.

## Part II Business Description

### Products Offered

Quchu Wine Distributors will distribute the following Peruvian Wines:

#### *Quebrada de Ihuanco*

This product is made with a grape unique to Peru, and currently is used to produce the pisco beverage: quebranta grapes. This wine has a coloration and taste mostly close to pinot noir, but has certainly more flexibility than the aforementioned grape when it comes to spicy food. The method of production is artisanal, and the number of bottles is not as big as other major Peruvian wineries, but it is enough to place them in a premium category (please refer to the Marketing plan for more details).

#### *Albita Vino de Chacra*

Made by the same makers of Quebrada de Ihuanco. This wine has a slightly orange hue and it is made under the same artisanal conditions. Also a good choice for spicy and saucy food. Another member of the premium category (please refer to the Marketing plan for more details).

#### *Ocucaje Fond de Cave Blanc*

One of the major players in the Peruvian wine market is Ocucaje. They produce several wines, and Fond de Cave Blanc is part of their portfolio. It has been our experience that it was impossible to find this wine in Peruvian restaurants and wine retailers in the Queens and Brooklyn counties. Our objective is to market this Chardonnay wine with Peruvian characteristics to restaurants that offer spicy and hearty food.

#### *Ocucaje Fond de Cave Crianza*

Another wine from the Ocucaje portfolio. This wine is great with hearty and heavily sauced food. We plan to also market this wine for our primary and secondary markets.

#### *Tabernero Blanco de Blancos*

This wine is a mix of chardonnay, chennin blanc, and sauvignon blanc produced by another major player of the Peruvian wine market: Tabernero. We expect to market this product to primary and secondary markets.

#### *Saint Lizier Cabernet Sauvignon*

A medium sized independent wine producer in Nazca, Peru. These wines are to be marketed in primary market and some secondary market restaurants.

### Mission

Quchu Wine Distributors is a small company on the mission of breaking a few prejudices on the consumption of wine. It has been said that wine does not mix well with hearty and

spicy food. The types of wine we offer are made in Peru and do mix well with these kinds of foods because they are produced taking these characteristics into account. We provide quality wines and we strive to offer interesting choices to our clients.

## **Business Model**

Quchu is a small distributor and due to the type of market we target, we foresee two types of revenue:

1. Sales to Restaurants: main source of income for the next 48 months.
2. Direct sales to interested retailers (online B2B): provided by a website and ecommerce platform to interested bars and liquor stores.

Our income is based on the element that we will generate enough sales to continue the operations in the first 24 months.

Due to the structure of the three-tier alcohol distribution system, we cannot, as Quchu Wine Distributors, sell directly to consumers. If enough demand is detected, a retailer subsidiary would be established to cater to consumer interest (please see the “Industry Structure” section.)

## **Goal**

Our goal is to become a sizeable but not big player in the Queens and Brooklyn area, at least in the top five in number of bottles sold by the month 48 of operation.

## **Legal Status / Ownership**

Quchu Wine Distributors will be established as a Corporation.

Due to the nature and inherent risk of this business, we consider that it is in the best interest of the creator of this idea to protect his personal assets by using this form of business ownership.

At an early point in the existence of this corporation, we will be able to sell shares and allow the entry of venture capitalist and other form of investment into the structure. The corporation framework best suits this situation.



## **Part III**

### **Industry Analysis**

#### **Size & Growth Rate**

After the great recession of 2008, the consumption of wine has decreased. This tendency has been reversed since 2014, according to the Affluent Shopper Snapshot Report on Wine & Spirits Stores (Unity Marketing, 2015).

The populations of both Queens and Brooklyn comprise a great number of first and second degree immigrants. Hispanic population in the US on the age group 18-64 is around 17%, but by 2032 this percentage will increase to 25.1%. According to Future of Foodservice: Food and Beverage Menu Trends & Opportunities (Packaged Facts, October 2014) research, women are more interested in trying ethnic food and this group is more adventurous, while men appreciate spicy flavors. This research also indicates that younger generations show interest in diverse cuisine.

The Hispanic population of Queens and Brooklyn ages 16 to 34 represent 7.73% of the total according to the US Census 2010, while the total population of both boroughs ages 16 to 34 (all ethnicities) represent 29.44% of the total population (idem).

#### **Trends**

After the great recession of 2008, the consumption of wine has decreased. This tendency has been reversed since 2014, according to the Affluent Shopper Snapshot Report on Wine & Spirits Stores (Unity Marketing, 2015). On this report, it is also worth noting that a trend has been identified: the passing from the baby boomer generation to younger generations in the affluent market. This signifies a new approach where competition will be more intense for less amount of dollars in the market, and experiences will supersede consumption.

Another trend detected by the Hispanic Foods and Beverages in the U.S., 6<sup>th</sup> Edition, is that there is a slight upward tendency on the consumption of Peru and Bolivia. Whether this is coming from the immigrant communities or an interest from an underserved niche, it is still undetermined.

#### **Industry Structure**

After prohibition, the alcohol distribution business has been partitioned into a three-tier system where each part plays a particular (and sometimes not interchangeable) role.

On the top of the system lies the manufacturer, producer, or importer (depending on the type of alcoholic beverage, place of manufacture, and geographical place of business). The advantage for Quchu Wine Distributors relies on the fact that common law and legal

precedent allows importers or manufacturers to also become distributors provided the company obtains a license to distribute in the state where business will be executed.

The second part of the structure is formed by alcohol distributors. Usually this kind of company operates on a state by state basis. For Quchu Wine Distributors that means obtaining a distribution license in the state of New York only. As mentioned before, legal precedent allows us to be part of the first and second tier players without any hindrance.

The third part is formed by retailers. The concept of “retailer” means that anyone between the distributor and the final consumer is necessary to complete the structure and legally sell alcohol. This could be a bar, restaurant, or liquor store. For our company, the customer journey ends with the restaurant, although we know our final user will be different than the actual buyer.

As far as our research goes, there is no legal precedent that allows the transformation of a distributor into retailer.

## **Part IV**

# **Management Team and Company Structure**

### **Description and Credentials of Team**

The company will have a streamlined and light structure. The CEO, Sales Director will be Moises Corilloclla. Under him, there will be a Marketing specialist that will also help on the website operations. On the sales team there will be one additional salespersons working on that area. There will be an administrative assistant who will deal with paperwork as well as coordinate salesmen schedules and telephone assistance.

To deliver efficiently, we will use one drivers operating a delivery truck. The responsibilities of this employee will be handling the transportation from the port to the warehouse, driving and delivering safely the merchandise, as well as updating any additional information about the product and its competitors. The hiring process will be conducted by a HR agency, and will consider candidates with previous experience in the field, and no criminal convictions.

Other related services will be outsourced, such as the accounting and legal matters.

### **Company Structure**

To reduce operational costs and invest our money more efficiently, we plan to have a streamlined structure.

The CEO and Sales Director will be Moises Corilloclla. He is a native Peruvian who has been tasting wine since turning 18 years old. He lived in the United States since 2009, and has been during this time trying to find ways to reconnect with his country of origin. In this project, he seeks to merge two interests: wine and love for his homeland.

The sales group will be formed by one salesmen as well as the CEO in sales responsibilities, who will make rounds on our prospective clients in Queens and Brooklyn, man marketing campaigns, and provide answers to interested potential customers.

An administrative assistant will be hired to manage phone contacts between management and clients, oversee payrolls and payments, review licensing and inventory, and related activities. Their qualifications would include two to three years of experience in that task.

A marketing specialist will be hired and will respond directly to the CEO. The responsibilities of the position will deal mainly with the implementation of the initial marketing plan, as well as other ideas, strategies, and tactics that might be introduced into that plan. On the other hand, that individual will also deal with the website, analytics, and metrics of implementation: administration of the website, administration of ecommerce platform for our current customers, tasting fairs and presentations, and acquisition of marketing qualified leads.

## **Board of Advisors**

This board remains open for investors and partners that are willing to provide strategic ideas and help to the organization.

## **Board of Directors**

This board remains open for investors that are willing to invest into the organization, especially at the start process.

## Part V

# Marketing Plan

### Market Size and Potential

The populations of both Queens and Brooklyn comprise a great number of first and second degree immigrants. Hispanic population in the US on the age group 18-64 is around 17%, but by 2032 this percentage will increase to 25.1%. According to Future of Foodservice: Food and Beverage Menu Trends & Opportunities (Packaged Facts, October 2014) research, women are more interested in trying ethnic food and this group is more adventurous, while men appreciate spicy flavors. This research also indicates that younger generations show interest in diverse cuisine.

Another interesting element to consider in adjusting the target market is the amount of expense. According to Unity Marketing, there's a demographic link between age, earning power capacity, and luxury spend. The prime age to earn money lies between 35 and 54 years old, while baby boomers are entering a phase out in economic terms. Demographic specialists consider that the luxury market (and incorporated wine market) face a generational problem: in crude numbers, the baby boomers were able to inject more money into the economy because of their larger proportion. Therefore, the way the wine market will behave in the next few years will slowly but surely change as these shifts become more permanent. Limited capital will push companies into obtaining more desirable profits in shorter time periods.

This previous outline means that in the super affluent market, there will be a sizeable reduction on the level of expenditure on wines and other luxury products and services. By turning towards the middle class and immigrant market, we assure that, if priced accordingly, we can attack and acquire a niche market, and keep it in a sustainable and economical way. On the other hand, affluent consumers, according to the Unity Marketing Luxury Wine & Spirits Snapshot Report, are looking to buy things to make them happy and enhance their interests. We will have made a great advance in our objectives if we also appeal to this group in our area of operation.

The report "Hispanic Foods and Beverages in the United States, 6<sup>th</sup> Edition" indicates that Argentinean Malbec and Chilean Carmenere wines have gained a sensible level of recognition among Hispanic consumers while Brazilian, Uruguayan, Peruvian, and Bolivian wines are reporting upward trends in their number of sales. We understand this is an opportunity to access a lightly touched market, which will grow 3.75% between 2015 and 2020.

The Hispanic population of Queens and Brooklyn ages 16 to 34 represent 7.73% of the total according to the US Census 2010, while the total population of both boroughs ages 16 to 34 (all ethnicities) represent 29.44% of the total population (idem).

During our research, we have found that the current universe is represented by 26,421 restaurants confirmed and unconfirmed in the boroughs of Brooklyn and Queens

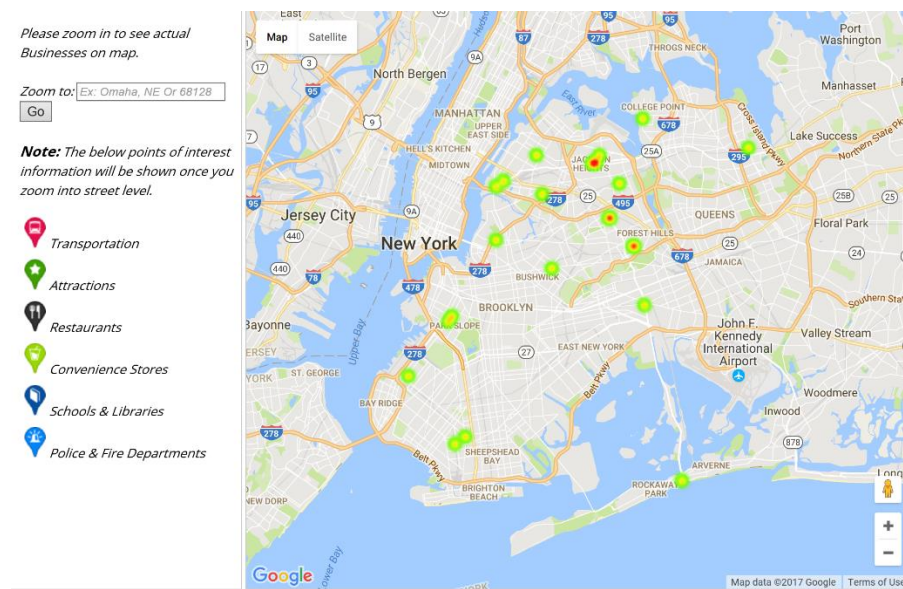
according to the referenceUSA database, based on public records. From this total universe, we have identified 24 Peruvian restaurants (primary market), and 2,047 restaurants of Asian, Brazilian, Caribbean, Cuban, Indian, International, Korean, Mexican, and South American cuisine (secondary market).

We have found so far in our face-to-face research that Peruvian restaurants usually order three cases of wine per month, in a two-month batch. We will use this reference to expand on our financial assumptions. As one Peruvian bartender explain in a candid conversation, Peruvian immigrants do not choose wine more frequently than other drinks such as beer, or pisco, because due to economic constraints in the country of origin. So, our campaign must include also an element of education from the bartenders and servers, to let know the final users that there is an option for their food.

Based on the heatmaps prepared by referenceUSA, the concentration of target restaurants are along 4<sup>th</sup> Avenue in Brooklyn, cutting through the neighborhoods of Park Slope, Gowanus, and Sunset Park, around downtown Brooklyn, the area of Williamsburg, and along Myrtle Avenue between Bushwick and Ridgewood; while in Queens, the biggest concentration runs along the Roosevelt Avenue from Sunnyside, passing through Jackson Heights towards the end of Corona with some pockets between the aforementioned avenue and Queens Boulevard; other significant pockets include the area crossed by Suphtin Boulevard and Jamaica Avenue, and Parsons Boulevard before the end of the F subway line.

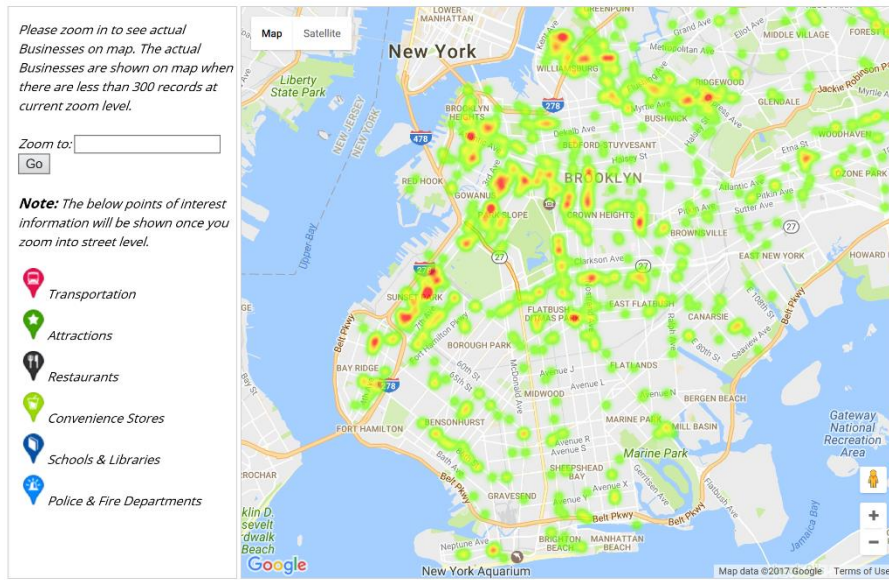
The zipcodes with the biggest concentrations of primary and secondary target restaurants are 11372, 11215, 11226, 11385 and 11217.

Image 1. Heatmap of Peruvian restaurants (primary market) in Brooklyn and Queens.



"The premier source of business and residential information for reference and research." ReferenceUSA. N.p., 4 Apr. 2017. Web. 4 Apr. 2017 11:19 PM. <<http://referenceusa.com/UsBusiness/HeatMap/5a49aba186394ec7a35e22b9a9f8acb7>>.

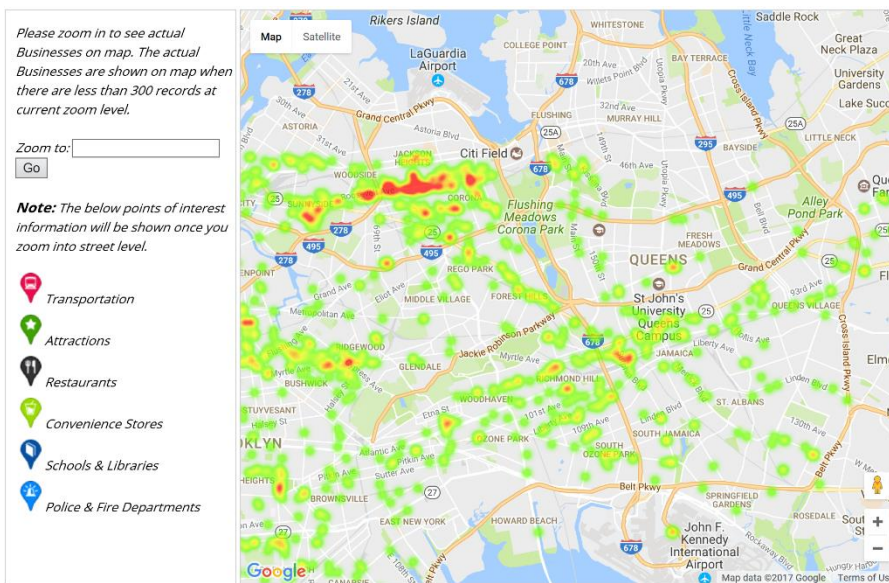
Image 2. Heatmap of restaurants (secondary market) in Brooklyn



The premier source of business and residential information for reference and research.. (2017, February 21). ReferenceUSA Retrieved February 21, 2017 10:12 PM, from <http://referenceusa.com/UsBusiness/HeatMap/5777e256a7dc4e2eb056d7125132b2d9>

[SWITCH TO MLA FORMAT](#)

Image 3. Heatmap of restaurants (secondary market) in Queens



The premier source of business and residential information for reference and research.. (2017, February 21). ReferenceUSA Retrieved February 21, 2017 10:12 PM, from <http://referenceusa.com/UsBusiness/HeatMap/5777e256a7dc4e2eb056d7125132b2d9>

[SWITCH TO MLA FORMAT](#)

## Marketing Strategy

### Objectives of our Marketing Strategy:

### Year 1 Objectives:

After the assessment of the total potential market, we aim to reach 50% of the Peruvian restaurants, and 5% of the secondary market restaurants.

As a market share, we aim to acquire between 2% and 4% of market share of the identified potential market.

Our sales objective in this period will be 1,000 cases, and \$174,000 in gross sales objective.

Wine brand awareness among wine-offering restaurants; database creation and enhancement; lead generation via targeted-media channels; and direct engagement with potential customers are also our marketing objectives for year one.

#### Year 2 Objectives:

Reach at least 75% of Peruvian restaurants, and 10% of the secondary market restaurants.

Market share-wise, we aim for 10% of the identified potential market.

In sales numbers, our objective will be 3,500 cases, and \$636,000 in gross sales.

Lead generation increase by 10%; direct engagement with potential customers; and enhanced e-commerce platform will also be objectives for year two.

#### Year 3 and 4 Objectives:

Reach 80% of Peruvian restaurants by the end of year 4, and 20% of the secondary market restaurants by that same period.

In numbers, the objective will be 4,500 cases, with \$834,000 in gross sales. Our objective for year 4 will reach 5,900 cases, and gross sales of \$1,204,800. As we get established and the business matures, for years 3 and 4, the main marketing objective will be the increase in gross sales numbers by increasing the average income per bottle. Other objectives will include an improvement of 15% in the time spent on customer fulfillment; the improvement, actualization, and cleaning of database entries; the implementation of customer retention strategies across the primary and secondary markets, so our customer retention numbers reach 90% as an objective for these two years; and the increase of sales through our electronic platform by 5% for year 3, and 15% for year 4.

Based on these objectives, we will develop different strategies and tactics based on the kind of market we target.

#### Strategies and Tactics



## *Year 1*

### *Strategies and Tactics for the Primary and Secondary Market:*

#### Strategy 1: Communication and Education Campaign

As we start operations, we look to communicate the availability of our offer, and to educate our potential customers on the quality and characteristics of our products.

#### Strategy 2: Identify and Reach potential customers

By acquiring lists of potential customers and manager names, we will contact these organizations to let them know about our products and kickstart our relationship with them.

#### Strategy 3: Acquire and put in place the marketing database.

CRM is at the base of our marketing strategy. Our aim is to provide prompt quality service to our customers, and to attain that objective, we need to document our interactions with our potential customers and turn them into sales qualified leads.

#### Strategy 4: Lead generation via targeted media.

Strategy 5: Direct B2B push and canvassing of identified zip codes through sales representatives.

### *Tactics:*

Exhibit at the National Restaurant Association BAR Event in Chicago, IL.

Exhibit at the Annual Americas Food & Beverage Show and Conference in Miami, FL.

Exhibit at the United States Trade Tasting Event in New York City, NY.

Exhibit and host two wine tasting events in Queens, at the Queens Business Expo in May, and at a retail store (invitation only event).

Exhibit and host two wine tasting events in Brooklyn, one at the Brooklyn Eats event, another at a retail store (invitation only).

Acquire relevant lists and contact owners and managers of restaurants via direct mail and email.

Acquire a marketing automation software and start the development of our database, follow up on acquired contacts, and start the process of lead generation.

Placement of ads in Latin-American related neighborhood newspapers in Queens and Brooklyn, with phone numbers to contact us.

Canvassing, by the sales representatives, of the areas of high concentration of restaurants identified in the potential market area.

## *Year 2*

*Strategies for Primary Market:*

Strategy 1: Communication campaign to reinforce product awareness.

Reinforce the education campaign started on year 1.

Strategy 2: Increase volume of cases sold by frequent repurchase.

Strategy 3: Implementation of lead generation by referral, and cultivation of stronger bonds between company and customers.

Strategy 4: Differentiation of products between premium offering and standard offering.

*Tactics:*

Heavy push strategy with strong discounts for volume shopping in non-premium products. Hosting of four wine tasting events in Queens, by invitation only, directed towards owners and managers of Peruvian restaurants on significant Peruvian holidays: June 6<sup>th</sup> (Flag Day), July 28<sup>th</sup> (Independence Day), August 30<sup>th</sup> (Rose of Lima Day), and October 8<sup>th</sup> (Angamos Day).

Ad placing in Peruvian related newspapers published in New York City.

Price realignment between premium products and standard products. Premium products will be Quebrada de Ihuanco and Saint Lizier, while the rest will fall onto the standard product roster.

Increase in B2B sales representative visit frequency, to once a month.

*Strategy for secondary market:*

Strategy 1: Continuation of the communication and awareness campaign.

Strategy 2: Increase of lead generation by referral.

Strategy 3: Differentiation in pricing between premium offering and standard offering, similar to that in the primary market.

Strategy 4: Creation and implementation of tactics to increase the use of the electronic platform (website) in customer orders.

*Tactics:*

Exhibit at the National Restaurant Association BAR Event in Chicago, IL.

Exhibit at the Annual Americas Food & Beverage Show and Conference in Miami, FL.

Exhibit at the United States Trade Tasting Event in New York City, NY.

Exhibit and host three wine tasting events in Queens, at the Queens Business Expo in May, and two at a retail store (invitation only to restaurant owners and managers).

Exhibit and host three wine tasting events in Brooklyn, one at the Brooklyn Eats event, another two at a retail store (invitation only to restaurant owners and managers).

Price realignment between premium products and standard products. Premium products will be Quebrada de Ihuanco and Saint Lizier, while the rest will fall onto the standard product roster.

Implementation of a series of discounts for customers who generate leads:

1. For one to two leads in six-month period that results in a sale, a discount of 5% on orders over one case per month of standard products.
2. For three or more leads in a six-month period that results in a sale, a discount of 5% on orders over one case per month, maximum one case of standard products free per period.

Implementation of coupon discounts for customers who use the website to order; these discounts are applied with the customer code that is given to them via invoice, letter, or email:

1. Discounts start with orders over one case – 1.5% discount.
2. On orders between one to five cases in one month period – 5% discounts total on standard products.
3. On mixed product between standard and premium products that surpass in total five cases or more, 5% discount on premium, or 10% on standard products, at the choice of the customer.

#### *Years 3 and 4*

##### *Strategies for primary market:*

Strategy 1: Continuation of strategies laid in year 2.

Strategy 2: New distribution channel via interested South American wine retailers in Queens, Brooklyn, and Manhattan.

Strategy 3: Increased push for premium products in Peruvian restaurants around the areas of Northern Boulevard in Queens.

Strategy 4: Increase sales through servicing referred restaurants in Manhattan.

##### *Tactics:*

Host three wine tasting events per year for Peruvian restaurant owners and managers only in Queens and Brooklyn, where new offerings might be presented.

Execute heavy discounts on premium products offerings:

1. For orders of five or less cases of premium products per month, a discount of 5% per case.
2. For orders of six and more cases of premium products, a discount of 10%, maximum one premium product case.

Partnership with the American Peruvian Chamber of Commerce and the Peruvian Consulate to host several wine tasting events in Manhattan on years 3 and 4.  
Create a new distribution channel via retailers who specialize in South American wines in Queens, Brooklyn, and Manhattan after year 3.

*Strategies for secondary market:*

Strategy 1: Continuation of communication strategy from year 2.

Strategy 2: Expand area of service to Manhattan through referrals only.

Strategy 3: Decrease of 15% in time for customer fulfillment through a mix of shorter but more frequent visits, and use of electronic platform.

*Tactics:*

Exhibit at the United States Trade Tasting Event in New York City, NY.

Exhibit and host three wine tasting events in Queens, at the Queens Business Expo in May, and two at a retail store (invitation only to restaurant owners and managers) on year 3 only.

Exhibit and host three wine tasting events in Brooklyn, one at the Brooklyn Eats event, another two at a retail store (invitation only to restaurant owners and managers) on year 3 only.

Concentrate the search for leads in Brooklyn (and Manhattan, if obtained.)

Continuation on the discounts for referrals and users of the electronic platform.

Increase in frequency of visits (but shorter in time) to ascertain quality, review competition, and review online orders if situation arises.

## **Marketing Metrics**

We consider the following metrics as the basis to gauge the effectiveness of our strategies throughout the four years of our plan:

1. Frequency and recency of purchase: our most important engagement and satisfaction metric, as well as a measure to determine the lifetime value of our customers.
2. Size of order for premium products: this ratio increases our total sales income year to year.
3. Average dollars per bottle, per quarter and per year: this number help us determine periods of peak demand, and plan accordingly.
4. Decrease in fulfillment order time: this number reduces costs in the number of transactions, and enhances net profit.
5. Increase in offer over time: more options means more possibilities to fulfill particular interest from our customers and innovate our roster.
6. Number of referrals.
7. Increase in lifetime value of customers.

## Competitive Advantage

Our competitive advantage lies on our knowledge of the type of food that we target and the innovative solution we provide for young, curious restaurant goers and daring flavor finders.

Another competitive advantage lies in some of our premium products. They feature non-standard grapes such as Quebranta, usually pressed for other alcoholic beverages such as pisco or borgona (a sweet, low quality table wine made from the mixture with another Peruvian vitis lambrusca grape family.)

## Market Segmentation

The potential market has been segmented in two areas:

Primary Market: Mainly Peruvian, but also some South American restaurants (barring Chilean, River Plate, Brazil, Venezuela.)

Secondary Market: Rest of South American restaurants, and Indian and Chinese fine restaurants in the areas of Queens and Brooklyn.

Also, we have different offerings, based on certain elements such as the area where our target restaurants are located (including traffic, socioeconomic strata, quality of services, among other characteristics), the relationship between our target audience and those restaurants and areas.

Premium offering: Besides the standard representation of wines, we offer these restaurants exotic wines such as Quebrada de Ihuanco and Lizier. Usually directed to premium Peruvian restaurants along Northern Boulevard (Queens) and selected Indian and exotic food along 4<sup>th</sup> Ave in Brooklyn.

Based on this information, we created this chart to explain how the segmentation is executed:

Offering	Primary	Secondary
Premium	Premium on all Peruvian restaurants and selected South American restaurants.	Premium on selected restaurants by area and order history.
Standard	Standard on all target restaurants.	Standard on all target restaurants.

## Target Market & Customer Profile

Primary market: Peruvian and Hispanic immigrants aged 21-39 years old, with interest in rekindling with their culture of origin; Americans of Hispanic origin that look to try different flavors or flavors that they had as children.

Secondary market: Americans aged 21-39 who are looking to experiment with flavors different than their typical food offerings. This people attempt to break the mold of typical restaurant goes and want to differentiate themselves by having wine in combinations not previously established.

## Competitive Analysis

We have competition from different levels:

Direct company competitors

Wines from other regions (substitute goods and indirect competition).

Other alcoholic drinks: beer, sake, tequila, among others (substitute goods).

### Direct competitors

Opici Family Distributors NY: This family run business imports wines from several parts of the world. For South American wines, this company imports from Argentina and Chile.

The Winebow Group: This distributor obtains their South American wines from Argentina and Chile. Their distributed products include Catena Zapata and Tilia, Cousino Masul and Viña Tarapaca.

Southern Glazers: This major distributor has offices in almost every state. Wine distribution is one of their divisions.

Breakthru Beverage Group: Another major distributor with offices and warehouse in several states.

### Substitute goods:

Wines from the old world: Usually not suited for spicier and heartier foods.

Wines from the new world: Shows more varieties, and is more related to cuisines different than in Western Europe. These come from United States, Australia, New Zealand, Chile, and South Africa. Since they are widely distributed, they become an indirect competition to our products.

Other drinks (substitute goods): Asian and Mexican upscale restaurants sometimes offer and serve their representative beverages. Since they signify another choice for these restaurant clients, these represent a competition as a substitute product. For example, in

some Mexican restaurants tequila and Mexican beer such as Corona or Modelo are offered, while sake is served in Japanese restaurants.

## **SWOT**

### Strengths

We understand the culture of these markets.  
Streamlined organization.  
Small overhead costs.

### Weaknesses

Funding might not be enough.  
Organization might not be able to cope with fast growth.  
Regulations might slow business.

### Opportunities

Hispanic population growth.  
18-49 demographic group interest in exotic food.  
Free trade Peru-USA.

### Threats

Change in trade conditions.  
Political and economic climate.  
Supply problems in Peru: natural disasters.

## **Part VI Operations Plan**

### **Approach to Operations**

Our approach will be mainly as an importer and distributors of goods in a specific geographic area.

Our main concern in operations involve the distribution of wine in a timely manner, so we are concentrated in having well maintained means of transportation, choose appropriate and efficient freight carriers to transport from Peru to the United States, and streamline any processes in the meantime.

### **Backstage and Frontstage**

#### Backstage

The most important element in this operation is the securing of federal and state alcohol licenses to import and distribute alcohol in the state of New York. First, it is mandatory to obtain a federal Importers Permit. To obtain a wholesale alcohol permit in the state of New York, our corporation is obliged to have either American citizens, and/or permanent residents. Since the CEO has both Peruvian and American citizenship, this hurdle can be overcome.

Another important backstage operation will be the freight from Peru to the United States. We do not expect a serious increase in freight costs from Callao to New York, and, based on the current weather pattern information, there seems that el Nino phenomenon will not affect the agricultural output of the country in the next five years.

Database processing and IT will help us identify potential new customers, problems with order fulfillment, and customer satisfaction. This data will help our sales representatives deal with number and time of orders, anticipate possible abandonment, and nurture customer relationships.

Another backstage element is the marketing group (formed by the CEO and the marketing specialist). Both individuals will have the responsibility of running behind the scenes of the marketing tactics and contact with the customers.

#### Frontstage

The organization employs people who will represent the vision and mission of the company: prompt service and adequate answers for their inquiries. For that reason, there is an administrative assistant who will be at the phone answering questions and organizing schedules, as well as a marketing assistant who will help in streamlining the



marketing tactics and initiatives that might arise. The driver will play also a presentation card, with a clean unit and appearance.

### **Database Plan**

As we develop our book of clients, we will look to outsource our database services. We plan to use Salesforce to improve client fulfillment and finding new marketing qualified leads. Another way to develop our database plan through the times of operation is by the acquisition of names through small businesses databases.

### **Supply Chain Issues**

An important issue during our operations will be any potential change on the conditions of the United States – Peru Free Trade.

## **Part VIII**

### **Financial Statements and Assumptions**

We considered the following elements to construct the financial assumptions that will be present in the next four years of operation.

- The company will start operating five months after incorporation.
- There is a cost associated with obtaining the licenses.
- The Average income per bottle will be somewhere between \$14 and \$16 for the standard offer, while the premium offer will fluctuate between \$24 and \$26 between years one and four of operations.
- Salaries will become the main source of fixed expenses amounts, and it will increase as New York City goes forward with its plan to increase minimum wage.
- We will have a growth between 5 and 10% in sales per year between the years one and four.
- We assume no major production issues in Peru in the next four years. Although the Nino phenomenon is recurrent, the latest event happened in 2017, and another one is not expected in the next five years at least.

Based on these assumptions, we have established the following outcomes:

1. We will be able to breakeven at year 4 of operations, with an estimated net profit of \$13,660 for that period. This assure the profitability of the operation and the capacity to repay loans starting from year 5.
2. As the business develops, there will be an increase of profitable lifetime value per customer, going from \$7257 to \$9331.
3. To maintain the operation profitable, the total sales will have to at least reach \$1.2 million by the fourth year of operation. In our favor, we have a strong lifetime value per customer.
4. Recent changes in the New York State wages system will impact directly on the company's fixed expenses, increasing slightly from year 1 to year 4; this does also impact the amount of benefits offered in effective dollars.
5. The Cost of Goods Sold will remain as the 55% of the total sales income for the next four years of operations. This includes production, freight costs, and transportation to our warehouse. This involves that for standard offer wines, the cost of production, freight and transportation should not exceed \$92.40 per case, and \$158.40 for the case of premium products.
6. By expanding to other boroughs from year 5 onwards, we expect to increase substantially the amount of total sales; this operation will be as well profitable due to certain changes in our marketing campaign that we find important as we invest dollars in more effective campaigns.

## Year 1 Financials

	Cases Sold	APB	\$	Restaurants	
Sales	Standard	950	\$ 14.00	\$ 159,600.00	42
	Premium	50	\$ 24.00	\$ 14,400.00	
Total Gross Income				\$ 174,000.00	
Cost of Goods Sold	55%			\$ 95,700.00	
Total Net Income				\$ 78,300.00	
Fixed Expenses					
Total Salaries				\$ 139,339.80	
Total Transportation				\$ 8,532.00	
Total Legal Fees				\$ 57,680.00	
Total Benefits				\$ 56,746.83	
Total Maintenance				\$ 30,700.00	
Total Administrative				\$ 88,600.00	
Total Fixed Expenses				\$ 381,598.63	
Variable Expenses					
Total Order Fulfillment				\$ 4,788.00	
Total Marketing				\$ 59,636.67	
Total Advertising				\$ 2,544.00	
Total Variable Expenses				\$ 66,968.67	
Variable Overhead				\$ 66,968.67	
Contribution to Overhead				\$ 11,331.33	
Fixed Overhead				\$ 381,598.63	
<b>NET PROFIT</b>				<b>\$ (370,267.30)</b>	

## Year 1 MTM Financials

Salaries		Month												Total
Employees		1	2	3	4	5	6	7	8	9	10	11	12	
CEO / Sales director	Moises Corilloclla	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 48,000.00
Marketing Assistant	TBD	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 36,000.00
Sales Reps	Sales Rep # 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 14,112.00
Drivers	Driver # 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 2,016.00	\$ 14,112.00
Sales Reps	Sales Rep # 1 Commision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468.00	\$ 468.00	\$ 504.00	\$ 504.00	\$ 546.00	\$ 546.00	\$ 585.60	\$ 3,621.60
	Moises Corilloclla commision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468.00	\$ 468.00	\$ 468.00	\$ 468.00	\$ 516.00	\$ 516.00	\$ 585.60	\$ 3,489.60
Administrative Assistant		\$ -	\$ 1,818.60	\$ 1,818.60	\$ 1,818.60	\$ 1,818.60	\$ 1,818.60	\$ 1,818.60	\$ 1,818.60	\$ 1,818.60	\$ 1,818.60	\$ 1,818.60	\$ 1,818.60	\$ 20,004.60
<b>Total Employees</b>														<b>\$ 139,339.80</b>
<b>Transportation</b>														
Ford 2017 Transit	No Downpayment, 1.99% APR 48 mo	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 8,532.00
<b>Total Transportation</b>														<b>\$ 8,532.00</b>
<b>Marketing</b>														
Showcase Events	NRA Chicago IL Reg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00
	NRA Chicago IL Stand								\$ 3,700.00					\$ 3,700.00
	US Trade Tasting Event, NYC Reg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00
	US Trade Tasting Event, NYC Stand							\$ 3,000.00						\$ 3,000.00
	American Food & Beverage, Miami FL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00
	American Food Stand										\$ 4,400.00			\$ 4,400.00
Wine Tastings	Queens Chamber of Commerce	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00
	Brooklyn Chamber of Commerce	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00
	Wine Tastings Queens	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500.00	\$ -	\$ -	\$ -	\$ 1,500.00
	Wine Tastings Brooklyn	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500.00	\$ -	\$ 1,800.00	\$ 3,300.00
Mailing & Sales Material	Sales Material	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 3,760.00
	Mailing Printing (1,000 letters)	\$ -	\$ -	\$ -	\$ -	\$ 275.00						\$ 275.00		\$ 550.00
	Sending (1,000 letters)	\$ -	\$ -	\$ -	\$ -	\$ 500.00						\$ 500.00		\$ 1,000.00
	List of Addresses (\$0.50 per address)	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00						\$ 1,000.00		\$ 2,000.00
Database	Database Training	\$ -	\$ -	\$ -	\$ -	\$ 666.67	\$ 786.67	\$ 786.67	\$ 786.67					\$ 3,026.67
	Database Software License per month, one user for marketing automation, three for sales	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 10,100.00
	CRM Specialist	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00					\$ 12,000.00
<b>Total Marketing</b>														<b>\$ 59,636.67</b>
<b>Advertising</b>														
Newspapers	Peruanisimo News 6c*4in/month							\$ 174.00	\$ 174.00	\$ 174.00	\$ 174.00	\$ 174.00	\$ 174.00	\$ 1,044.00
	La Voz Hispana NY							\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,500.00
<b>Total Advertising</b>														<b>\$ 2,544.00</b>
<b>Order Fulfillment</b>														
	Bank Costs						\$ 145.00	\$ 145.00	\$ 145.00	\$ 145.00	\$ 145.00	\$ 145.00	\$ 145.00	\$ 1,015.00
	Freight Out						\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 105.00	\$ 735.00
	Phone & Internet Costs						\$ 434.00	\$ 434.00	\$ 434.00	\$ 434.00	\$ 434.00	\$ 434.00	\$ 434.00	\$ 3,038.00
<b>Total Order Fulfillment</b>														<b>\$ 4,788.00</b>

<b>Administrative</b>															
Leases & Rents	Warehouse and Operational Office	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 86,800.00
	Office Supplies	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 1,800.00
<b>Total Administrative</b>															<b>\$ 88,600.00</b>
<b>Maintenance</b>															
	Truck Maintenance	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 9,000.00
	Warehouse Maintenance	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 4,340.00
	Utilities	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 1,446.67	\$ 17,360.00
<b>Total Maintenance</b>															<b>\$ 30,700.00</b>
<b>Legal &amp; Licensing</b>															
	Accounting (2hr/month by \$200)	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 4,800.00
	Legal & Lawyer & Incorporation	\$ 8,145.00	\$ 2,000.00	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,145.00
	Insurance for Trucks	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 1,883.33	\$ 22,600.00
	Umbrella Policy	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
	Federal Basic Permit (Documents)	\$ 3,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500.00
	State License to Sell (Bond)	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
	State License to Sell (App + License)	\$ 4,135.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,135.00
<b>Total Legal Fees</b>															<b>\$ 57,680.00</b>
<b>Benefits</b>															
	Sales Rep	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201.60	\$ 201.60	\$ 201.60	\$ 201.60	\$ 201.60	\$ 201.60	\$ 201.60	\$ 201.60	\$ 1,411.20
	Non Commission Employees	\$ 700.00	\$ 700.00	\$ 881.86	\$ 881.86	\$ 881.86	\$ 1,083.46	\$ 1,083.46	\$ 1,083.46	\$ 1,083.46	\$ 1,083.46	\$ 1,083.46	\$ 1,083.46	\$ 1,083.46	\$ 11,629.80
	Health Insurance	\$ 1,200.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 37,800.00
	401(k)	\$ 350.00	\$ 440.93	\$ 440.93	\$ 440.93	\$ 440.93	\$ 541.73	\$ 541.73	\$ 541.73	\$ 541.73	\$ 541.73	\$ 541.73	\$ 541.73	\$ 541.73	\$ 5,905.83
<b>Total Benefits</b>															<b>\$ 56,746.83</b>
<b>Estimated Cases Sold per month</b>															
	<b>Total</b>	0	0	0	0	0	135	135	140	140	145	145	160	<b>1000</b>	
	<b>Standard</b>	0	0	0	0	0	135	135	140	140	130	130	140	<b>950</b>	
	<b>Premium</b>	0	0	0	0	0	0	0	0	0	15	15	20	<b>50</b>	

## Year 2 Financials

	Cases Sold	APB	\$	Resaurants	
Sales	Standard	3450	\$ 15.00	\$ 621,000.00	62
	Premium	50	\$ 25.00	\$ 15,000.00	
Total Gross Income				\$ 636,000.00	
Cost of Goods Sold	55%			\$ 349,800.00	
Net Income				\$ 286,200.00	
Expenses					
Total Salaries				\$ 190,043.83	
Total Transportation				\$ 8,532.00	
Total Legal Fees				\$ 36,500.00	
Total Benefits				\$ 50,985.58	
Total Maintenance				\$ 26,360.00	
Total Administrative				\$ 89,200.00	
Total Fixed Expenses				\$ 401,621.42	
Variable Expenses					
Total Order Fulfillment				\$ 8,604.00	
Total Marketing				\$ 67,216.57	
Total Advertising				\$ 4,560.00	
Total Variable Expenses				\$ 80,380.57	
Variable Overhead				\$ 80,380.57	
Contribution to Overhead				\$ 205,819.43	
Fixed Overhead				\$ 401,621.42	
<b>NET PROFIT</b>				<b>\$ (195,801.99)</b>	

## Year 2 MTM Financials

Salaries		Month												Total
Employees		1	2	3	4	5	6	7	8	9	10	11	12	
CEO / Sales director	Moises Corilloclla	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 48,000.00
Marketing Assistant	TBD	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 36,000.00
Sales Reps	Sales Rep # 1	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 27,648.00
Drivers	Driver # 1	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 2,304.00	\$ 27,648.00
Sales Reps	Sales Rep # 1 Commision	\$ 1,138.03	\$ 1,206.00	\$ 1,076.40	\$ 1,076.40	\$ 1,076.40	\$ 1,076.40	\$ 1,076.40	\$ 1,076.40	\$ 1,042.20	\$ 1,031.40	\$ 1,017.90	\$ 1,017.90	\$ 12,911.83
	Moises Corilloclla commision	\$ 1,138.03	\$ 1,201.25	\$ 1,074.82	\$ 1,074.82	\$ 1,074.82	\$ 1,074.82	\$ 1,074.82	\$ 1,074.82	\$ 1,041.41	\$ 1,030.61	\$ 1,017.50	\$ 1,017.50	\$ 12,895.20
Administrative Assistant	TBD	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 2,078.40	\$ 24,940.80
<b>Total Employees</b>														<b>\$ 190,043.83</b>
<b>Transportation</b>														
Ford 2017 Transit #1	No Downpayment, 1.99% APR 48 mo	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 8,532.00
<b>Total Transportation</b>														<b>\$ 8,532.00</b>
<b>Marketing</b>														
Showcase Events	NRA Chicago IL Reg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00
	NRA Chicago IL Stand								\$ 3,700.00					\$ 3,700.00
	US Trade Tasting Event, NYC Reg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00		\$ -	\$ -	\$ -	\$ -	\$ 2,500.00
	US Trade Tasting Event, NYC Stand							\$ 3,000.00						\$ 3,000.00
	American Food & Beverage, Miami FL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00
	American Food Stand										\$ 4,400.00			\$ 4,400.00
Wine Tastings	Queens Chamber of Commerce	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00
	Brooklyn Chamber of Commerce	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00
	Wine Tastings Queens	\$ -	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 7,000.00
	Wine Tastings Brooklyn	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 7,000.00
Mailing & Sales Material	Sales Material	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 3,760.00
	Mailing Printing (1,000 letters per batch)	\$ 275.00	\$ -	\$ -	\$ -	\$ 275.00			\$ 275.00			\$ 275.00	\$ -	\$ 1,100.00
	Sending (1,000 letters per batch)	\$ 500.00	\$ -	\$ -	\$ -	\$ 500.00			\$ 500.00			\$ 500.00	\$ -	\$ 2,000.00
	List of Addresses (\$0.50 per address)	\$ 2,000.00	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 4,000.00
Database & Website	Database Training	\$ 702.86	\$ -	\$ -	\$ -	\$ -	\$ 702.86	\$ -	\$ -	\$ -	\$ 702.86	\$ -	\$ -	\$ 2,108.57
	Database Software License per month, one user for marketing automation, four for sales	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 16,800.00
	Domain Acquisition & Hosting	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00
	Ecommerce Platform (Reg. Shopify)	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 948.00
<b>Total Marketing</b>														<b>\$ 67,216.57</b>
<b>Advertising</b>														
Newspapers	Peruanisimo News (6c*4in per month)	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 2,160.00
	La Voz Hispana NY	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
<b>Total Advertising</b>														<b>\$ 4,560.00</b>
<b>Order Fulfillment</b>														
Bank Costs		\$ 259.32	\$ 270.96	\$ 247.68	\$ 247.68	\$ 247.68	\$ 247.68	\$ 247.68	\$ 247.68	\$ 241.44	\$ 238.92	\$ 236.64	\$ 236.64	\$ 2,970.00
Freight Out		\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 144.00	\$ 1,728.00
Phone & Internet Costs		\$ 325.50	\$ 325.50	\$ 325.50	\$ 325.50	\$ 325.50	\$ 325.50	\$ 325.50	\$ 325.50	\$ 325.50	\$ 325.50	\$ 325.50	\$ 325.50	\$ 3,906.00
<b>Total Order Fulfillment</b>														<b>\$ 8,604.00</b>

<b>Administrative</b>														
Leases & Rents	Warehouse and Operational Office	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 86,800.00
	Office Supplies	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
<b>Total Administrative</b>														<b>\$ 89,200.00</b>
<b>Maintenance</b>														
	Truck Maintenance	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 9,000.00
	Warehouse Maintenance	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 4,340.00
	Utilities	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 13,020.00
<b>Total Maintenance</b>														<b>\$ 26,360.00</b>
<b>Legal Fees</b>														
	Accounting (2hr/month by \$200)	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 4,800.00
	Legal	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000.00
	Insurance for Trucks	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 27,200.00
	Umbrella Policy	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
<b>Total Legal Fees</b>														<b>\$ 36,500.00</b>
<b>Benefits</b>														
	Sales Rep	\$ 230.40	\$ 230.40	\$ 230.40	\$ 230.40	\$ 230.40	\$ 230.40	\$ 230.40	\$ 230.40	\$ 230.40	\$ 230.40	\$ 230.40	\$ 230.40	\$ 2,764.80
	Non Commission Employees	\$ 644.20	\$ 651.00	\$ 638.04	\$ 638.04	\$ 638.04	\$ 638.04	\$ 638.04	\$ 638.04	\$ 634.62	\$ 633.54	\$ 632.19	\$ 632.19	\$ 7,655.98
	Health Insurance	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 36,000.00
	401(k)	\$ 380.40	\$ 380.40	\$ 380.40	\$ 380.40	\$ 380.40	\$ 380.40	\$ 380.40	\$ 380.40	\$ 380.40	\$ 380.40	\$ 380.40	\$ 380.40	\$ 4,564.80
<b>Total Benefits</b>														<b>\$ 50,985.58</b>
<b>Estimated Cases Sold per month</b>														
	<b>Total</b>	303	314	292	292	292	292	292	292	286	283	281	281	<b>3500</b>
	<b>Standard</b>	295	302	288	288	288	288	288	288	284	281	280	280	<b>3450</b>
	<b>Premium</b>	8	12	4	4	4	4	4	4	2	2	1	1	<b>50</b>



## Year 3 Financials

	Cases Sold	APB	\$	Restaurants	
Sales	Standard	4300	\$ 16.00	\$ 825,600.00	150
	Premium	200	\$ 26.00	\$ 62,400.00	
Total Gross Income				\$ 888,000.00	
Cost of Goods Sold	55%			\$ 488,400.00	
Net Income				\$ 399,600.00	
Expenses					
Total Salaries				\$ 206,800.80	
Total Transportation				\$ 8,532.00	
Total Legal Fees				\$ 35,500.00	
Total Benefits				\$ 51,897.12	
Total Maintenance				\$ 44,360.00	
Total Administrative				\$ 89,800.00	
Total Fixed Expenses				\$ 436,889.92	
Variable Expenses					
Total Order Fulfillment				\$ 8,991.00	
Total Marketing				\$ 63,841.57	
Total Advertising				\$ 4,560.00	
Total Variable Expenses				\$ 77,392.57	
Variable Overhead				\$ 77,392.57	
Contribution to Overhead				\$ 322,207.43	
Fixed Overhead				\$ 436,889.92	
<b>NET PROFIT</b>				<b>\$ (114,682.49)</b>	

## Year 3 MTM Financials

Salaries		Month												Total
Employees		1	2	3	4	5	6	7	8	9	10	11	12	
CEO / Sales director	Moises Corillocla	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 48,000.00
Marketing Assistant	TBD	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 36,000.00
Sales Reps	Sales Rep # 1	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 2,592.00	\$ 31,104.00
Drivers	Driver # 1	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 2,208.00	\$ 26,496.00
Sales Reps	Sales Rep # 1 Commision	\$ 1,423.92	\$ 1,685.88	\$ 1,423.92	\$ 1,423.92	\$ 1,423.92	\$ 1,423.92	\$ 1,572.79	\$ 1,607.52	\$ 1,580.64	\$ 1,639.63	\$ 1,639.63	\$ 1,725.50	\$ 18,571.20
	Moises Corillocla Commision	\$ 1,423.92	\$ 1,685.88	\$ 1,423.92	\$ 1,423.92	\$ 1,423.92	\$ 1,423.92	\$ 1,572.79	\$ 1,607.52	\$ 1,580.64	\$ 1,639.63	\$ 1,639.63	\$ 1,725.50	\$ 18,571.20
Administrative Assistant	TBD	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 2,338.20	\$ 28,058.40
<b>Total Employees</b>														<b>\$ 206,800.80</b>
<b>Transportation</b>														
Ford 2017 Transit #1	No Downpayment, 1.99% APR 48 mo	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 8,532.00
<b>Total Transportation</b>														<b>\$ 8,532.00</b>
<b>Marketing</b>														
Showcase Events	NRA Chicago IL Reg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00
	NRA Chicago IL Stand								\$ 3,700.00					\$ 3,700.00
	US Trade Tasting Event, NYC Reg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00
	US Trade Tasting Event, NYC Stand							\$ 3,000.00						\$ 3,000.00
	American Food & Beverage, Miami FL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00
	American Food Stand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,400.00	\$ -	\$ -	\$ 4,400.00
Wine Tastings	Queens Chamber of Commerce	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00
	Brooklyn Chamber of Commerce	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00
	Wine Tastings Queens	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 6,000.00
	Wine Tastings Brooklyn	\$ -	\$ 1,000.00	\$ 1,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 6,000.00
Mailing & Sales Material	Sales Material	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 5,040.00
	Mailing Printing (1,000 letters per batch)	\$ 275.00				\$ 275.00						\$ 275.00	\$ -	\$ 825.00
	Sending (1,000 letters per batch)	\$ 500.00				\$ 500.00						\$ 500.00	\$ -	\$ 1,500.00
	List of Addresses (\$0.50 per address)	\$ 2,000.00	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 4,000.00
Database	Database Training	\$ 714.29	\$ -	\$ -	\$ -	\$ -	\$ 714.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,428.57
	Database Software License per month, one user for marketing automation, four for sales	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 15,600.00
	Domain Acquisition & Hosting	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00
	Ecommerce Platform (Reg. Shopify)	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 948.00
<b>Total Marketing</b>														<b>\$ 63,841.57</b>
<b>Advertising</b>														
Newspapers	Peruanisimo News	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 2,160.00
	La Voz Hispana NY	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 2,400.00
<b>Total Advertising</b>														<b>\$ 4,560.00</b>
<b>Order Fulfillment</b>														
Bank Costs		\$ 345.84	\$ 396.12	\$ 345.84	\$ 345.84	\$ 345.84	\$ 345.84	\$ 375.96	\$ 381.60	\$ 374.88	\$ 387.60	\$ 387.60	\$ 407.04	\$ 4,440.00
Freight Out		\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 108.00	\$ 1,296.00
Phone & Internet Costs		\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 3,255.00
<b>Total Order Fulfillment</b>														<b>\$ 8,991.00</b>
<b>Administrative</b>														

Leases & Rents	Warehouse and Operational Office	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 86,800.00
	Office Supplies	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 3,000.00
<b>Total Administrative</b>															<b>\$ 89,800.00</b>
Maintenance	Truck Maintenance	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 27,000.00
	Warehouse Maintenance	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 4,340.00
	Utilities	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 13,020.00
<b>Total Maintenance</b>															<b>\$ 44,360.00</b>
Legal Fees	Accounting	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 4,800.00
	Legal	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00
	Insurance for Trucks	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 27,200.00
	Umbrella Policy	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
<b>Total Legal Fees</b>															<b>\$ 35,500.00</b>
Benefits	Sales Rep	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 220.80	\$ 2,649.60
	Non Commission Employees	\$ 701.59	\$ 727.79	\$ 701.59	\$ 701.59	\$ 701.59	\$ 701.59	\$ 701.59	\$ 716.48	\$ 719.95	\$ 717.26	\$ 723.16	\$ 723.16	\$ 731.75	\$ 8,567.52
	Health Insurance	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 36,000.00
	401(k)	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 390.00	\$ 4,680.00
<b>Total Benefits</b>															<b>\$ 51,897.12</b>
<b>Estimated Cases Sold per month</b>															
	<b>Total</b>	354	397	354	354	354	354	381	385	378	390	390	409	<b>4500</b>	
	<b>Standard</b>	344	372	344	344	344	344	364	365	358	368	368	385	<b>4300</b>	
	<b>Premium</b>	10	25	10	10	10	10	17	20	20	22	22	24	<b>200</b>	

## Year 4 Financials

		Cases Sold	APB	\$	Restaurants
Sales	Standard	5300	\$ 16.00	\$ 1,017,600.00	300
	Premium	600	\$ 26.00	\$ 187,200.00	
Total Gross Income				\$ 1,204,800.00	
Cost of Goods Sold	55%			\$ 662,640.00	
Net Income				\$ 542,160.00	
Expenses					
Total Salaries				\$ 235,699.20	
Total Transportation				\$ 8,532.00	
Total Legal Fees				\$ 49,635.00	
Total Benefits				\$ 54,420.96	
Total Maintenance				\$ 44,360.00	
Total Administrative				\$ 89,800.00	
Total Fixed Expenses				\$ 482,447.16	
Variable Expenses					
Total Order Fulfillment				\$ 5,899.80	
Total Marketing				\$ 40,152.86	
Total Advertising				\$ -	
Total Variable Expenses				\$ 46,052.66	
Variable Overhead				\$ 46,052.66	
Contribution to Overhead				\$ 496,107.34	
Fixed Overhead				\$ 482,447.16	
<b>NET PROFIT</b>				<b>\$ 13,660.18</b>	

## Year 4 MTM Financials

		Month												Total	
		1	2	3	4	5	6	7	8	9	10	11	12		
<b>Salaries</b>															
<b>Employees</b>															
CEO / Sales director	Moises Corillocla	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 48,000.00
Marketing Assistant	TBD	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 36,000.00
Sales Reps	Sales Rep # 1 TBD	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 34,560.00
Drivers	Driver # 1 TBD	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 2,880.00	\$ 34,560.00
Sales Reps	Sales Rep # 1 Commission	\$ 2,086.25	\$ 2,124.65	\$ 2,185.20	\$ 2,212.08	\$ 2,212.08	\$ 2,164.61	\$ 2,164.61	\$ 2,193.94	\$ 2,193.94	\$ 2,307.19	\$ 2,343.14	\$ 2,341.92	\$ 26,529.60	
	Moises Corillocla commission	\$ 2,086.25	\$ 2,124.65	\$ 2,185.20	\$ 2,212.08	\$ 2,212.08	\$ 2,164.61	\$ 2,164.61	\$ 2,193.94	\$ 2,193.94	\$ 2,307.19	\$ 2,343.14	\$ 2,341.92	\$ 26,529.60	
Administrative Assistant	TBD	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 2,460.00	\$ 29,520.00	
<b>Total Employees</b>														<b>\$ 235,699.20</b>	
<b>Transportation</b>															
Ford 2017 Transit #1	No Downpayment, 1.99% APR 48 mo	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 711.00	\$ 8,532.00
<b>Total Transportation</b>														<b>\$ 8,532.00</b>	
<b>Marketing</b>															
Showcase Events	American Food & Beverage, Miami FL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500.00	\$ -	\$ -	\$ 3,500.00	
	American Food Stand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,400.00	\$ -	\$ -	\$ 4,400.00	
Wine Tasting Events	Queens	\$ -	\$ -	\$ -	\$ -	\$ 800.00	\$ -	\$ 800.00	\$ -	\$ -	\$ -	\$ 800.00	\$ -	\$ 2,400.00	
	Brooklyn	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800.00	\$ -	\$ -	\$ -	\$ 800.00	\$ -	\$ 800.00	\$ 2,400.00	
Mailing & Sales Material	Sales Material	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 420.00	\$ 3,760.00	
	Mailing Printing (1,000 letters)	\$ -	\$ -	\$ -	\$ -	\$ 275.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275.00	\$ -	\$ 550.00	
	Sending (1,000 letters)	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ 1,000.00	
	List of Addresses (\$0.50 per address)	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 2,000.00	
Database	Database Training	\$ 771.43	\$ -	\$ -	\$ -	\$ -	\$ 771.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,542.86	
	Database Software License per month, one user for marketing automation, three for sales	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 15,600.00	
	CRM Specialist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	
	Domain Acquisition & Hosting	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00	
	Ecommerce Platform (Reg. Shopify)	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 79.00	\$ 948.00	
<b>Total Marketing</b>														<b>\$ 40,152.86</b>	
<b>Advertising</b>															
Newspapers	Peruanesimo News	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	La Voz Hispana NY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Advertising</b>														<b>\$ -</b>	
<b>Order Fulfillment</b>															
	Bank Costs	\$ 95.59	\$ 97.51	\$ 99.12	\$ 100.46	\$ 100.46	\$ 98.50	\$ 98.50	\$ 100.37	\$ 100.37	\$ 103.80	\$ 105.19	\$ 104.93	\$ 1,204.80	
	Freight Out	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 1,440.00	
	Phone & Internet Costs	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 271.25	\$ 3,255.00	
<b>Total Order Fulfillment</b>														<b>\$ 5,899.80</b>	
<b>Administrative</b>															

Leases & Rents	Warehouse and Operational Office	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 7,233.33	\$ 86,800.00
	Office Supplies	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 3,000.00
<b>Total Administrative</b>															<b>\$ 89,800.00</b>
Maintenance	Truck Maintenance	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 27,000.00
	Warehouse Maintenance	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 361.67	\$ 4,340.00
	Utilities	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 1,085.00	\$ 13,020.00
<b>Total Maintenance</b>															<b>\$ 44,360.00</b>
Legal Fees	Accounting	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 4,800.00
	Legal	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00
	Insurance for Trucks	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 2,266.67	\$ 27,200.00
	Umbrella Policy	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
	State License to Sell (Renew)	\$ 4,135.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,135.00
	State License to Sell (Renew Bond)	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
<b>Total Legal Fees</b>															<b>\$ 49,635.00</b>
Benefits	Sales Rep	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 288.00	\$ 3,456.00
	Non Commission Employees	\$ 796.62	\$ 800.46	\$ 806.52	\$ 809.21	\$ 809.21	\$ 804.46	\$ 804.46	\$ 807.39	\$ 807.39	\$ 818.72	\$ 822.31	\$ 822.19	\$ 822.19	\$ 9,708.96
	Health Insurance	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 36,000.00
	401(k)	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 438.00	\$ 5,256.00
<b>Total Benefits</b>															<b>\$ 54,420.96</b>
Estimated Cases Sold per month	<b>Total</b>	471	481	485	492	492	483	483	494	494	505	511	509	<b>5900</b>	
	<b>Standard</b>	428	438	435	442	442	435	435	448	448	448	452	449	<b>5300</b>	
	<b>Premium</b>	43	43	50	50	50	48	48	46	46	57	59	60	<b>600</b>	

# Breakeven Analysis

Years	1	2	3	4
Fixed Expenses	\$ 381,598.63	\$ 401,621.42	\$ 436,889.92	\$ 482,447.16
Variable Expense Ratio	0.62	0.87	0.91	0.96
<b>Breakeven in Dollars</b>	<b>\$620,361.90</b>	<b>\$459,723.34</b>	<b>\$478,601.89</b>	<b>\$501,621.29</b>

## LTV Year 1

Elements	Amount	Period or Unit
Loyalty		4 years
Estimated Yearly Purchase		12 times per year
Estimated Lifetime Purchase		48 times total
Average Case Cost		168 at year 1
Average Case per month		2 at year 1
Average Cust. Expenditure	\$ 16,128.00	per lifetime
Gross Margin	45%	
<b>Gross Profit</b>	<b>\$ 7,257.60</b>	
<b>Acceptable Cust. Acquisition</b>	<b>\$ 2,419.20</b>	

## LTV Year 2

Elements	Amount	Period or Unit
Loyalty		4 years
Estimated Yearly Purchase		12 times per year
Estimated Lifetime Purchase		48 times total
Average Case Cost		192 at year 1
Average Case per month		2 at year 1
Average Cust. Expenditure	\$ 18,432.00	per lifetime
Gross Margin	45%	
<b>Gross Profit</b>	<b>\$ 8,294.40</b>	
<b>Acceptable Cust. Acquisition</b>	<b>\$ 2,764.80</b>	

## LTV Year 3

Elements	Amount	Period or Unit
Loyalty		4 years
Estimated Yearly Purchase		12 times per year
Estimated Lifetime Purchase		48 times total
Average Case Cost	\$ 192.00	at year 1
Average Case per month		2 at year 1
Average Cust. Expenditure	\$ 18,432.00	per lifetime
Gross Margin	45%	
<b>Gross Profit</b>	<b>\$ 8,294.40</b>	
<b>Acceptable Cust. Acquisition</b>	<b>\$ 2,764.80</b>	

## LTV Year 4

Elements	Amount	Period or Unit
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Loyalty		4 years
Estimated Yearly Purchase		12 times per year
Estimated Lifetime Purchase		48 times total
Average Case Cost	\$ 216.00	at year 1
Average Case per month		2 at year 1
Average Cust. Expenditure	\$ 20,736.00	per lifetime
Gross Margin		45%
<b>Gross Profit</b>	<b>\$ 9,331.20</b>	
<b>Acceptable Cust. Acquisition</b>	<b>\$ 3,110.40</b>	

# Appendix

## Sources

*Image 1: Heatmap of Peruvian restaurants.* ReferenceUSA, a division of Infogroup. Papillion, NE. Accessed 4/04/2017.  
<<http://referenceusa.com/UsBusiness/HeatMap/5a49aba186394ec7a35e22b9a9f8acb7>>

*Image 2: Heatmap of restaurants (secondary market) in Brooklyn.* ReferenceUSA, a division of Infogroup. Papillion, NE. Accessed 2/21/2017.  
<<http://referenceusa.com/UsBusiness/HeatMap/>>

*Image 3: Heatmap of restaurants (secondary market in Queens.* ReferenceUSA, a division of Infogroup. Papillion, NE. Accessed 2/21/2017.  
<<http://referenceusa.com/UsBusiness/HeatMap/>>

Waxman, Howard. *Hispanic Foods and Beverages in the U.S., 6<sup>th</sup> Edition.* Packaged Facts, October 2016.

*Luxury Wine & Spirits Snapshot Report.* Unity Marketing, September 2015.

Kaleidoscope Research Consulting. *Future of Foodservice: Food and Beverage Menu Trends & Opportunities.* Packaged Facts, October 2014.

## Images

Prospective warehouse and office in Long Island City.

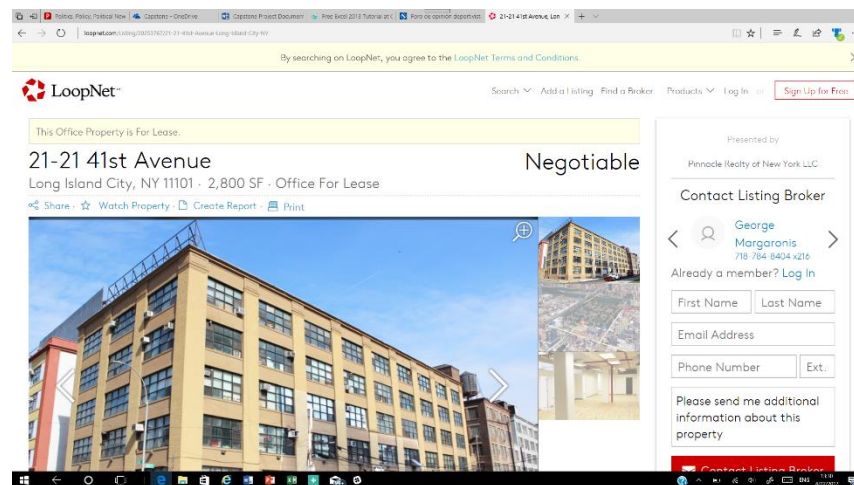


Image: Prospective cost of truck

**Estimated Payments for 2017 Transit**

Be sure to check out your Ford Dealer's best offer which may be even lower than the Base MSRP (Manufacturer's Suggest Retail Price) shown, less incentives.

**FINANCE (\$711/MO)** | **LEASE** | CURRENT MODEL: Transit Van

Adjust your financing options:

**ESTIMATED SELLING PRICE<sup>2</sup>**  
\$ 32,805

**DOWN PAYMENT**  
\$ 0 | 0% of selling price

**NET TRADE-IN VALUE**  
\$ 0 | [Look up trade-in value<sup>1</sup>](#)

**TERM (IN MONTHS)**  
36 | 48 | 60 | 72 | 75 | 84

**ANNUAL PERCENTAGE RATE**  
Choose a special rate | Enter your own  
1.9% APR for 48 Months  
Rates are valid from 4/14/2017 to 7/5/2017

**Review your financing details:**

Base MSRP <sup>1</sup>	\$31,610
Total of Options <sup>2</sup>	0
Destination Charges <sup>3</sup>	\$1,195
Estimated Selling Price <sup>4</sup>	\$32,805
Available Incentives <sup>5</sup>	- 0
Net Price <sup>6</sup>	\$32,805
Down Payment <sup>7</sup>	- 0
Net Trade-In Value <sup>8</sup>	- 0
Amount Financed <sup>9</sup>	\$32,805
Monthly Payment <sup>0</sup>	\$711

2017 Transit Van XL 150, Low Roof, 130" Wheelbase, 3.7L TiVCT V6 Engine, 6-Speed Automatic Overdrive with SelectShift Transmission, 3.75 Regular Rate Axle. Pricing shown for ZIP Code 11374 as of April 12, 2017.

**FORD CREDIT** | Pricing based on ZIP code: 11374 | [Change Zip Code](#) | [View Disclosures](#) | [Print](#)

Image: Prospective cost of truck insurance

### The Average Cost of Semi Truck Insurance Coverages

Which policies you need in your semi-truck insurance is a matter of what kind of work you do and what kind of truck you drive. Some motor carriers require drivers to purchase cargo insurance and occupational accident insurance. Others don't. If you pull a reefer, you might need refrigeration breakdown coverage, which costs extra. Consult the table below to get a rough idea of how much your coverages will cost all together.

Coverage	Average Cost
Primary Liability	\$2500-5000
General Liability	\$200-600
Umbrella Policy	\$200-500
Physical Damage	\$2000-3000
Bobtail Insurance	\$350-400
Un-Underinsured Motorist	\$50-100
Occupational Accident	\$1600-2200
Cargo Insurance	Varies

### How to Reduce Your Semi-Truck Insurance Rates

Compare rates for semi truck insurance between several companies - Just like with anything