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Premier Amusement Developers, LLC

Please modify it as necessary to accurately reflect
your own business situation.

[Your Business Name]

A Family Entertainment Center

Business Plan

Date

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Summary

Family Entertainment is a highly profitable industry that has been growing rapidly over the past several years. This is due largely to a trend within the country of a return to family values. Families are spending more time together and are looking for alternative recreational activities to participate in together. In light of recent events and perceived dangers of travel, families are looking more and more in their own areas for these recreational activities. XXXXX is being created to fill this niche in the XXXX area.

The activities available at XXXXX will center on a world class, natural looking miniature golf course, a family go-kart track, batting cages and a bumper boat pond. The Family Entertainment Center (FEC) is being designed and built by the leading firm in the U.S., Premier Amusement Developers, LLC. XXXX will be responsible for all aspects of construction management and will coordinate the efforts of all subcontractors. The facility will be ready by XXXXX.

Miniature golf is a full-family activity. It's great for parents with small children, is one of the few activities that teens find acceptable to do with their parents as well as peers and dates, and is a great outdoor activity for seniors. Once the course is built, all that is required is routine maintenance to keep it clean and fresh looking. There is virtually no loss of material goods with this business, except for the scorecards.

Go-karts are a fast thrill that promote people to want to ride over and over again. A family can enjoy the go-karts with two-seater karts which enable smaller kids to ride the karts with their parents. A well designed and built track is the ground work for a successful track.

Batting cages bring in the baseball and softball teams as well as the curious individuals who wonder if he or she can still hit the fastball. Cages are great for early in the spring when baseball is just starting and will enable us to open the season early.

Everyone loves water and bumper boats are the way to cool down on that hot day or night. The electric boats today are very efficient and minimize pond cleaning.

A mix of additional activities such as batting cages, video games, rock wall climbing, and remote control boats are being considered to fill out the offerings at XXXXX. Any or all of these may be developed as the business matures.

In addition, an assortment of snacks will be available at the clubhouse. Soft drinks and light snacks such as hot dogs, chips and cookies will provide easy additional revenue. We are not currently proposing a full-service food operation.

The marketing of the business will be done via print media, onsite promotions, a website and a variety of promotional programs aimed at pulling in repeat and special event business. The FEC itself is designed for that goal. Premier has many years of experience in designing and building miniature golf courses, batting cages, go-kart tracks and bumper boats and will be a valuable asset to getting our business started.

The location of XXXXX is a key factor. Located on XXXXX, just off of Interstate XX, the site is heavily traveled and has several other businesses within a few miles that will provide great synergies. In addition, the population base of the surrounding communities is ideal for such an operation. Almost XXXXX people live within a 15-minute drive from the site, and almost XXXXX of them are within 10 minutes. The population is largely middle class families.

Business Description

Services

XXXXX is a Family Entertainment Center (FEC) located in XXXXX. The business will center primarily on a world-class miniature golf course, an exciting go-kart track, batting cages and a bumper boat pond but will be expanded in subsequent years to include many other FEC type activities.

XXXXX will have a mascot named XXXXX. This mascot will show up throughout the facility. For example, the mascot will appear on the sign, on logo sportswear sold in the clubhouse, on scorecards, in advertising, on concession stand napkins, on batting cages, and on go-kart bodies to name a few locations. In addition, a XXXXX costume is being designed that will be used during birthday parties, corporate events, and special promotions.

The FEC is being designed and built by the most respected FEC construction company in the United States, Premier Amusement Developers, LLC. They have built centers around the country and the partners have a combined 50 years in the industry and have demonstrated their knowledge of what is required to make a successful facility. The course will be challenging, but not overly so. This will bring customers back to attempt to better their previous score. The batting cages, go-kart track and bumper boat pond will help round out the facility as the destination for family entertainment.

In addition to the miniature golf, during the first year of operation, XXXXX will offer a small, but highly profitable, food service. A patio area is being designed that overlooks the course. Customers will walk off the 18th hole and onto the patio where hot dogs, chips, pretzels, and soft drinks will await them. The patio will be covered and offer ample seating, enticing customers to sit for a few minutes, enjoy a snack and relive the round through conversation. Besides lending to the feel of a full outing experience, the food service will be a highly profitable portion of the business. Please see the financial section for further details.

Management

The facility will be run as a XXXXX. It will be owned and operated by XXXX who will take the primary responsibility of working with contractors to design and develop the facility, and then the subsequent day-to-day operational responsibilities.

(Background and experience of owner and/or owners here)

Location

XXXXX will be built at XXXX.

(Description of location and proximity to other businesses)

Personnel

The operation will run for 12 hours per day, 7 days a week, from mid May to mid October. (This time frame should be appropriate to your climate and region.) In addition, teenage and/or senior aged people will be employed to help during peak demand times. These will generally be evenings and weekends. These employees will act as course “rangers”; assisting customers, helping at the concession stand, and maintaining a clean look to the business.

The business may seek the services of various professionals as the need arises.

Future Growth

XXXXX is being thought of from the outset as an FEC, and not simply a miniature golf course. Many other products and services are being considered as part of the facility’s growth plans.

Among these are:

- Video Arcade
- Rock wall climbing
- Soccer cages
- Bank-shot basketball
- Logo sportswear and golf accessories
- Inflatables
- Water Wars
- Driving range

Design & Construction

XXXX has been contracted to provide design and construction management expertise. In this capacity, they will be responsible for the overall site plan, including parking design, clubhouse architecture, landscaping, septic and drainage issues, and presentation of the site plan for the Town of XXXX will bring together the experts they need in order to develop a well-integrated plan that allows for future growth potential.

XXXX is working closely with Premier Amusement Developers, LLC on placement and requirements of the miniature golf course, go-kart track, batting cage and bumper boat pond in the overall site plan.

Once Planning Board Approval is received, XXX will begin the construction phase of the project. They will be responsible for the coordination of all subcontractors on the project and ensuring that the project remains on schedule and on budget.

Regular reviews of the project during the design and construction phases will be held between XXX, Premier and the XXXX. A project schedule is included in Appendix E, and contact information for the major parties is detailed in Appendix F. XXXXX will be open for business on or before XXXXX.

Competition

The proposed location of XXXXX is ideal in terms of competition. There are XXX FEC’s in the area. They are: (Describe all direct competition here)

In addition to these two FECs, there are a few other area attractions that could be considered competition for XXXXX :

(Describe all indirect competition here)

Cross marketing with any or all of these businesses is not only very likely, but extremely desirable. The area's development as a family destination for an enjoyable day outing will only benefit from the addition of a top-notch family center like XXXXX.

Marketing Plan

Theme

XXXXX is a character that will be part of much of the marketing of the facility. He will appear on the sign, print advertisements, website, shirts, and company literature. He will not have a major appearance on the miniature golf course itself but will be throughout the facility. While on the course, we want our customers to feel like they are in a natural setting. He will be on at least one go-kart body and on the back perimeter netting in the batting cage.

Lighting and sound will be very important to the overall feel of the site. Adequate lighting must be provided of course, but not overly so. Many small, targeted landscape lights will be used to highlight key areas, such as the waterfalls. As for sound, we will have speakers hidden throughout the park. The volume level will be such that it will offer a pleasant background, but will not in anyway interfere with conversation or the sound of the water rushing over the waterfalls.

Demographics

The population that XXXXX will draw from is ideal, both in terms of numbers and type. The 2000 US Census of the cities and towns in the site's immediate market are as follows: (*chart had 9 entries*)

<u>Municipality</u>	<u>Population</u>
XXXX	XXXX
XXXX	XXXX
XXXX	XXXX

Total:

XXXXXX

This population spans the full spectrum of ages and economic strata, but is comprised primarily of middle class families, which is the ideal demographic for XXXXX. Most FECs draw from as few as 40,000 – 60,000 people with great business success.

Advertising and Promotions

Marketing for XXXXX can be thought of broadly in two segments:

1. Awareness of the facility
2. Special Events and Promotions

Awareness of the Facility

Evenings and weekends, when the utilization of the facility will be at its highest (often at 100% utilization) is the purpose of this marketing effort. This is the time that will be largely filled by people coming in with families to enjoy an hour of quality family time, and to get outdoors. In order to drive up utilization during these hours, the direct population around the center must be aware of its existence.

This will primarily be accomplished through newspaper advertisements in local papers. In addition, radio and highly targeted cable television advertising may be considered. This will be most important during the first season. Once people know of the existence of the center, this advertising will turn into a reminder that the center is available and what activities are offered.

In addition to the targeted advertising, other campaigns will include “dollar off” coupons that will be made readily available through a number of outlets: cross marketing with area businesses and attractions, newspaper coupons, senior centers, daycare centers, “print-and-cut” website coupons, etc.

A “Grand Opening” event is part of the package that XXXX provides. This event is specifically designed to raise awareness of the facility immediately.

Free games on the miniature golf course will be promoted aggressively. The key here is to give a free game to one person that will bring two or three other paying players with them. This will be accomplished via:

- Prizes: A number of different organizations give out small prizes for all types of activities. For example, schools often have reading programs that children earn points by reading books. These points can be exchanged for prizes. One such prize can be a free game of miniature golf.
- Parties: Anyone who attends a party at XXXXX (primarily birthday parties and corporate outings – see below) will go away with a coupon for a free game. This especially works well with birthday parties. Children return home with the coupon and get the parents and siblings to come back and play at a later time.
- Gift Certificates: XXXXX will offer for sale on site and over the web, gift certificates for the entire facility. There will be a big push for these gift certificates during the “Christmas in July” promotion (see below), and during the month of December several newspaper advertisements will be run.

Once again, this marketing program is intended to maximize the course utilization during the hours that will normally be very busy: weekday evenings and weekends. Most of the dollars for this type of marketing will be spent during the early part of the season and taper down over the length of the season.

Special Events and Promotions

The truly successful FECs know that the key is to maximize the utilization of the facility during the normally slower periods. This is essential Monday through Friday from 10am until 4pm (tourist markets will have different peak and slow periods). The amount of utilization during these 30 hours per week can be the difference between a nicely profitable business and a tremendously profitable business. The industry experiences about a 35% utilization over a full season and many operators do not promote these slower period hours as much as they should. XXXXX marketing will look extensively at increasing the course utilization during these key hours. While awareness and reminders that the facility exists is important, it becomes less so as time goes on. This type of marketing, on the other hand, will always be very important.

We are planning a number of segments to this marketing. We will carefully observe the effectiveness of each program and change or replace as necessary. Some of the initial concepts are:

- **Birthday Parties:** Busy parents have little time to organize parties for their children, but there is a great deal of peer-pressure to have fun, exciting parties. XXXXX will offer an all-inclusive party package that will relieve the parents of this burden while making a special day for their child and friends. The package will include a game of golf, batting cage token, cake, hotdog and beverage, and a small gift bag with trinkets and a free game coupon. In addition, an appearance by XXXXX himself (XXXXX costume is being designed and developed) will help entertain the children. A Party Coordinator will ensure that all the children have fun and the event proceeds smoothly.
- **Corporate outings:** Many companies have summer outings for their employees to show their appreciation. While large companies tend to do large events, like renting out an amusement park for a day, small and mid-sized companies have fewer options. XXXXX will do a direct mail campaign to area businesses and offer the facility for such occasions. These will be worked out on a case-by-case basis, but will essentially allow a company to have full use of the facility for a Thursday afternoon outing. They would have exclusive use of it from noon until 4pm. The party may be catered. We would work out a flat-fee arrangement with the company for such an event.
- **Organizational Fund Raisers:** XXXXX will offer area organizations the opportunity of running miniature golf tournaments during the non-peak hours. The proceeds for such an event will be split with the organization for its fund raising needs.
- **Cross-marketing with area businesses:** There are several businesses in the immediate area that offer additional family oriented products and services. It is believed that XXXXX will not steal sales from these businesses, but in fact will enhance them. The area will become a family destination, where people can spend a full day enjoying the outdoors. We will look to work with these other businesses and provide cross-marketing opportunities; free games, dollar-off coupons and the like.
- **Leagues:** many people enjoy playing miniature golf, and many people participate in competitive leagues, but few people have considered the fun and excitement of miniature

golf leagues. XXXXX intend to utilize this unique marketing concept by offering and aggressively promoting just such leagues. They will be geared primarily towards children and seniors, since the leagues will run during the weekdays. Several leagues may be formed by age group, depending on popularity. There will also be leagues for the batting cages and races for the go-karts.

- Special Events: From time to time, a special event may be held. One such event already planned is “Christmas in July.” For a 10-day period in July, XXXXX will be all decked out in Christmas decorations and lights. This will make enough of a difference that people will be interested in playing again if they had already played earlier in the season. Repeat business is important, and events such as this will help ensure that.

It is believed that these types of promotions will help increase the utilization of the facility during the normally slower periods. If even marginally successful, XXXXX should enjoy a very high average season utilization.

Pricing (pricing will vary in different area, these are guidelines only)

Miniature Golf/Go-Kart Ride/Bumper Boat

- Children and Seniors (over 55) \$6.00
- Adults \$7.00

Batting Cages

- One token \$2.00

Food Service

The menu at XXXXX will be very simple, but very profitable. We will offer cold beverages (soda, bottled water), pizza, hotdogs, chips and a hotdog meal combination (beverage, hotdog, chips).

- Beverages \$1.00
- Pizza Slice \$2.00
- Hotdog \$2.00
- Chips \$.50
- Hotdog Meal \$3.00

As additional activities are developed onsite, they will be priced according to similar activities in the marketplace.

Financial Information

FECs are a very profitable business, especially those centered on a miniature golf operation. The reason for this is that the operational expenses for a miniature golf center are extremely low. The only real consumed item is the scorecard, which costs pennies per group. Labor is fairly inexpensive as well, since very few employees are needed to run the operation, and those employees (other than the management) are teenagers or retired seniors.

Profitability

Below is a table of projected revenue, expenses, and EBITDA (earnings before interest, taxes, depreciation, and amortization) for the first 3 years of operation. This information is further detailed in Appendix A.

	XXXX	XXXX	XXXX
Revenue	XXXX	XXXX	XXXX
Expenses	XXXX	XXXX	XXXX
EBITDA	XXXX	XXXX	XXXX

Return on Investment (ROI)

Detailed in the next section and in Appendix B, the total investment required to get XXXXX going will be XXXXX. In subsequent years, we will be adding additional activities to keep the experience at XXXXX fresh. Therefore, the total ROI during the first three years of operation will be as follows:

	XXXX	XXXX	XXXX
EBITDA	XXXX	XXXX	XXXX
Investment	XXXX	XXXX	XXXX
ROI	XXXX	XXXX	XXXX

Financing

The total investment required to start XXXXX is XXXXXX. This includes site purchase, site design and construction, miniature golf course design and build, equipment purchase, and working capital. A more detailed list of expenses is included in Appendix B.

The financing for the initial startup costs will come from XXXX (20%) and from commercial bank financing (SBA loan 80%). A new worth and collateral statement that will be offered by the XXXX to secure the bank financing is listed in Appendix C.

As noted previously in the Financial Information section, the projected ROI of more than 20% during each of the first three years clearly warrants this level of overall investment. Additional activities in subsequent years will be financed from operations.

(All Appendix will be a separate page)

Appendix A: Pro Forma Income Statement

Appendix B: Use of Funds Statement

Appendix C: Net Worth/Collateral Statement

Appendix D: Appraisal Opinion – XXXX Residence

Attached is a copy of an appraisal opinion generated by XXXX on the XXXX residence. As noted in Appendix C, this is a large part of the business loan collateral. The opinion is based on comparative sales data for the town of XXXX and similar types of houses that were recently sold.

Appendix E: Construction Schedule

<u>Task</u>	<u>Start</u>	<u>Completed</u>
FEC Design		
Preliminary Site Design <i>(includes: existing conditions survey, clubhouse design, parking layout, course placement, septic and drainage, lighting design, landscaping design.)</i>		
Town of XXX Planning Board Review		
Detailed Site Design <i>(Includes: architectural details on clubhouse, trellis detail, planting selection)</i>		
Closing on Real Estate		
Rough grading and site clearing		
Golf Course, batting cage, go-kart track & bumper boat Construction		
Site Construction		
Purchase Food Service Equipment		
Opening Day		