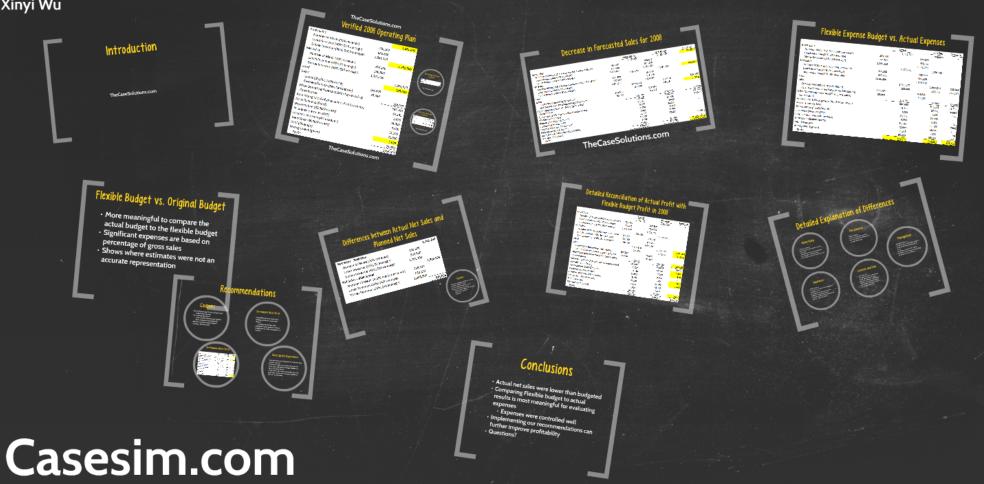
Group 3 Prudence And Audacity: The House Of Beretta Erin Ebeling Megan Hood Kristy Swart Xinyi Wu Flexible Budget vs. Original Budget Casesim.com

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### Prudence And Audacity: The House Of Beretta



## Introduction

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## Verified 2008 Operating Plan

Gross Sales		1,861,860
Number of Meals (10% increase)	200,200	
Lunch Revenue (40%; \$7.5 average)	600,600	
Dinner Revenue (60%; \$10.5 average)		
Net Sales		1,761,760
Number of Meals (10% increase)	200,200	
Lunch Revenue (40%; \$7 average)	560,560	
Dinner Revenue (60%; \$10 average)	1,201,200	
Food		1,024,023
Labor		199,040
Cooks (\$13/hr; 2,000 hrs*4)	104,000	
Cashiers/Servers (See Calculation)	95,040	
Other Operating Expenses (8% of gross sales	s)	148,949
Contribution		389,748
Advertising (3.5% of gross sales of entire cha	ain)	65,165
Miscellaneous (fixed)		3,000
Depreciation (\$2,000/month)		24,000
Insurance (same as 2007)		9,400
Licenses and Fees (4% increase)		11,700
Rent (Base-\$6,000/month)		72,000
Rent (Overage)		3,093
Management (given)		95,000
Profit		\$106,390





## Rent (Overage) Verification Calculation

Rent Overage:	
Amount over \$1,800,000	\$61,860
Overage Fee	5%
Total Fee	\$3.093

# Labor Expense Verification Calculation

Verified			
Cooks	Wage per Hour	Number of Hours	Total Labor
	13.00	8,000	104,000
Cashiers/Servers	Meals Per Hour	Number of Hours	Total Labor
	6.32	31,680	95,040
			\$199,040
2008 Plan	Wage per Hour	Number of Hours	Total Labor
Cooks	13.00	8,000	104,000.00
Cashiers/Servers	3.00	32,032	96,096.00
			\$200,096

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Cooks (\$13/hr; 2,000 hrs*4)	104,000	
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Miscellaneous (fixed)		3,000
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Insurance (same as 2007)		9,400
Licenses and Fees (4% increase)		11,700
Rent (Base-\$6,000/month)		72,000
Rent (Overage)		3,093
Management (given)		95,000
Profit		\$106,390





### Decrease in Forecasted Sales for 2008

	_	3,850 Meals	<u> </u>	3,700 Meals	Variance
Gross Sales:	-	1,861,860		1,789,320	(72,540
Number of Meals (3,700 meals served instead of \$3,850)	200,200		192,400		
Lunch Revenue (40%; \$7.5 average)	600,600		577,200		
Dinner Revenue (60%; \$10.5 average)	1,261,260		1,212,120		
Net Sales		1,761,760		1,693,120	(68,640
Number of Meals (3,700 meals served instead of \$3,850)	200,200		192,400		
Lunch Revenue (40%; \$7 average)	560,560		538,720		
Dinner Revenue (60%; \$10 average)	1,201,200		1,154,400		
Food		1,024,023		984,126	(39,897
Labor		199,040		195,337	(3,703
Cooks (See Supporting Calculation)	104,000		104,000		
Cashiers/Servers (See Supporting Calculation)	95,040		91,337		
Other Operating Expenses (8% of gross sales)		148,949		143,146	(5,803
Contribution	-	389,748		370,511	(19,237
Advertising (3.5% of gross sales of entire chain)		65,165		62,626	(2,539
Miscellaneous (fixed)		3,000		3,000	-
Depreciation (\$2,000/month)		24,000		24,000	-
Insurance (same as 2007)		9,400		9,400	-
Licenses and Fees (4% increase)		11,700		11,700	-
Rent (Base-\$6,000/month)		72,000		72,000	-
Rent (Overage) (less than \$1,800,000)		3,093		-	(3,093
Management (given)		95,000		95,000	-
Profit		\$106,390		\$92,785	(\$13,605.04