










## Business Overview

### RE: Village Pointe Dessert Shop with Huge Kitchen

Highly trafficked area with a location reputation since 2012

## Specifications

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 Price \$120,000	 Location Omaha	 Revenue \$376,706
 Equipment \$92,105	 Lease \$2,514	 Inventory \$5,000
 Employees 3 FT (including Manager), 5PT	 Franchise	 Reason for Sale Sellers have FT jobs and cannot devote time to grow the business



## SUMMARY OF THE BUSINESS –

Located in a highly trafficked area and an owner who does not bake this is a turnkey operation for less than ½ the cost to create one from the ground up. With a full staff in place, having a long-term reputation since 2012 and the franchise backing this is a great opportunity for someone to become their own boss. Utilizing the large kitchen to host children's birthday parties is an easy growth opportunity that could immediately be implemented.

This Franchise has extended its award-winning product line to include cupcakes, cookies, cheesecakes, and bread, the franchise has grown to 100+ locations nationwide. As the only store within a 3-hour radius, this location is fully

staffed to meet the crowds, and is in a premium part of town.

Staff has culinary training and are complemented by an exceptionally talented and 24/7-available corporate franchise team that assists with marketing, training and operations. The current owners spend 10 – 15 hours each week updating advertising on social media, providing employee oversight, and approving payroll. Ownership is made easier by real time remote POS reports and store video through phone apps.

With the franchise working to expand complimentary product lines, there are a host of growth opportunities for a new owner to take advantage of, such as selling at convention centers, increasing contact with the loyalty database, opening booths at farmer's markets, opening mall kiosks, expanding the current wedding business, and expanding the delivery business. New office buildings in the area provide the perfect opportunity for sales to local professionals. Additional storefront and food truck options are available with the Omaha franchise transfer. However, the best way to boost interim profits is to operate the shop on an Owner/Operator model.

## Business Highlights

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- Year Established: 2012
- Location and Service Area: West Omaha
- Lease: \$2,514/month, \$1,005 CAM for 1,400 sq. ft.
- Reason for Selling: Sellers have FT jobs and cannot devote time to grow the business.
- Employees: 3 FT (including Manager), 5PT
- Hours: 10am to 8pm Mon – Sat, 11am – 5pm Sun
- Seller Training Period: 90 days
- Growth Opportunities: Run as Owner/Operator. Mall kiosks. More weddings and events. Begin offering to host children's birthday parties and utilize the large kitchen available.
- Current Owner's Responsibilities: Payroll, bookkeeping, marketing and employee management. Owner **DOES NOT** do any baking.

## Financial Highlights

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- List Price: \$120,000
- Gross Sales:
  - 2018: \$301,540 *Annualized*
  - 2017: \$376,706
- Assets Included in Purchase

- Equipment: \$92,105 – ovens, coolers, tables, POS system, and more
- Intangible Assets: Corporate website with online ordering capability, loyalty program, large social media presence
- Inventory: \$5,000 – packaging, baking & decorating supplies, plus retail merchandise on hand

*\*amounts may vary*

## Products

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The product line includes over 300 recipes and includes the following:

Cupcakes	Limited Edition Flavors
Wedding Cakes	Cheesecake
Cookies	Holiday Items
Breads	Coffee
Special Occasion Cakes	Retail Gifts
Custom Orders	



## Demographics and Location

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Positioned in a premium retail hotspot, the dynamic shopping center offering an array of stores and restaurants known for quality fashion and lifestyle retailing and dining. In creating a new 'old downtown' feeling, the shopping experience allows consumers an experience that emphasizes family, friends and values.

- Population of Primary Market: 432,697
- Average Household Income: \$88,034
- Number of Households: 174,675

- Median Age Statistics: 39.3 years

## Staff

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- Manager (\$15.65/hr +\$22/hr OT) at 45 hours per week
- Assistant Manager/Events (\$12/hr) full time
- Assistant Manager/ Decorator/Baker (\$11.85/hr) full time
- 5 PT staff at \$9/hr, 1 PT staff at \$10/hr
- 1 PT (\$9/hr) returns during college break

## Growth Opportunities

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As the large kitchen and staff sit right now, the store is equipped to handle large volumes of bakery orders. Active marketing and selling can be supported on the backend with the tools needed to deliver!

### Short Term Growth:

- Actively sell into the CenturyLink Center and Ameritrade
- Actively farm the loyalty database. 12,000 Omaha Guests have loyalty accounts.
- Farmers Markets: Muffins, Bread Loaves and Cookies are a perfect match for this area.
- Expand established wedding business. Join wedding organizations, sell into additional venues.
- Expand and market delivery business. Newly installed online ordering business supports online delivery scheduling by the customers with a delivery company on-call.
- Promote new items

### Mid- to Long-Term Growth:

- Open New Stores
- Food Truck- designs available for purchase through franchisor
- Local Mall Company has extended invitation to participate in a kiosk program in two locations. Bake out of existing location and deliver goods to the kiosks

# Cash Flow Analysis

Description of Financial Statement	P&L Statement January - November	P&L Statement April - December	Notes
	2018	2017	
<b>GROSS SALES</b>	\$276,412	\$282,530	
<b>Annualized</b>	<b>\$301,540</b>	<b>\$376,706</b>	
<b>Net Income Shown on Financial Statement</b>	<b>\$-16,261</b>	<b>\$-41,463</b>	
<b>ADDBACKS</b>			
Depreciation	\$14,071	\$13,815	Non- Cash Item
Interest	\$4,416	\$2,856	Non-Onward Going
Amortization	\$6,050	\$5,157	Non-Onward Going
Contributions/Donations	\$0	\$25	Non-Onward Going
Manager Salary	\$28,298	\$18,009	Selling as Owner/Operator
11% Tax on total W2 Salaries	\$3,113	\$1,980	
Start-Up Expenses	\$0	\$2,050	Non-Onward Going Expense
<b>TOTAL ADDBACKS</b>	<b>\$55,948</b>	<b>\$43,892</b>	
<b>Seller's Cash Flow = Total Addbacks + Net Income</b>	<b>\$39,687</b>	<b>\$2,429</b>	
<b>Annualized</b>			
Profit Margin	14.36 %	0.86 %	

## Valuation Details

The Firm Business Brokerage used a *cash flow valuation* methodology to determine the purchase price of the business.

The formula used is as follows:

$$\text{Cash Flow} \times \text{Prescribed Multiple} = \text{Fair Market Value}$$

Cash flow is the sum of business net income plus any owner perks and any non-onward going expenses.

A multiple is prescribed by a 20 question, 100-point parameter ranking system that is used to analyze the current business health. Each question is based on a scale from 1 to 5: 1 being low, 2 below average, 3 average, 4 above average, 5 high. The average of the responses sum is the business' prescribed multiple.

For this business, a 2018 cash flow was used with a prescribed multiple is 2.8. With this information, the computation is as follows:

$$\$43,295 \quad \times \quad 2.8 \quad = \quad \$121,226$$

The *fair market value* found above positions the business list price at **\$120,000**

There is a \$17,500 Omaha Franchise Transfer Fee\* - Existing Owner will split fee = \$ 8,750

*\*There is a possibility that the Franchiser may assess a different rate during the time of transaction. As a part of the franchise, the Owner will receive first right of refusal on franchises in the Omaha area. The Franchise agreement covers one main bakery, two satellite locations (such as mall kiosks), and food trucks.*

## Funding Example

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**Purchase Price:** **\$120,000**

**35%Buyer Down Payment:** \$42,000

**40%Seller Financing:** \$48,000

**25%Bank Loan:** \$30,000

Seller financing 5-year term at a rate of 4.50% equals a monthly loan payment of \$895.

Bank loan 8-year term at a rate of 6% equals a monthly loan payment of \$394

After business expenses and loan payments, a buyer with a 35% down payment of \$42,000 would retain a profit of \$27,826 which results in a 66% return on investment in the first year.

A lender is required to have a minimum 1.5 coverage ratio for any business loans extended. At a proposed purchase price of \$120,000 with the terms listed above, the coverage ratio is 2.80.

***Please note that the decision of whether to extend a loan on any sale belongs to the bank, and this document does not guarantee specific terms or verify that financing is available.***

To receive a full financial package and specific information regarding this business:

1. Complete the Qualified Buyer Documents (Non-Disclosure Agreement and Buyer Questionnaire) [on our website](#) or print, scan and return the attachments to [info@TheFirmB2B.com](mailto:info@TheFirmB2B.com)
2. Call The Firm Business Brokerage at 402.998.5288 to schedule an appointment or conference call with a Broker.

The Firm currently has over 90 cash flowing businesses available. If you find that this is not a fit for you, please let us know and we would be happy to provide you with other opportunities.

The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Brokerage, LLC.