Business Plan: Scallywags

Prepared by: Neil Graham

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# Purpose of Plan and Summary

This plan has been produced in order to secure funding and to demonstrate the value of this business to potential stakeholders. It is also for self-guidance, allowing me to apply structure and formality to the plan to ensure that all necessary content and detail is included.

It is vital that a solid and realistic business plan is in place to secure the financial support required to enable this business to get off the ground and to support its long term development.

We will require funding of approx. £160k for an extension to the current building and the installation of the café/restaurant, party rooms, toilets and new entrance area (see enclosed plan).

We estimate needing to employ up to a total of 10 employees. Seven appropriately experienced staff for the soft play itself and three for the café.

Scallywags will be a new children’s soft play centre in Stonehaven for ages up to 11. This will be the only one of its kind in the town and is much in demand (see later information under ‘Research’). It will be a state-of-the-art facility where up to 90 children at a time can express and enjoy themselves in a safe, fun area whilst parents and carers can relax within viewing distance in a comfortable café area. The party rooms will be able to accommodate up to 20 children and the café can accommodate up to 40 adults. Scallywags will be a haven for children and their families/friends.

# Details of the Business

**Business Name:** Scallywags (this is a pirate theme due to our location right on the seafront)

**Owner Contact Name:** Neil Graham

**Address:**

**Home:** The Old Post House, Burford Road, Black Bourton, Oxfordshire OX18 2PF (it is my intention to purchase a flat in Stonehaven as I spend 2/3 days a month there and am currently renting a room from a friend).

**Registered Office**: The Promenade, Stonehaven.

**Website:** TBA

**Telephone No:**

**Home:** 01993 358620

**Mobile**: 07802300508

**Business:** TBA

**E-mail address:**

**Home:** neilgraham456@outlook.com

**Business**: TBA

**Legal Status:** Limited Company

**Proposed start date:** July/August 2014

# Management of the Business

**Name:** Neil Graham

**Date of Birth:** 23 June 1962

**Qualifications & Experience:**

I left school some time ago with 7 x 0’ levels in various subjects. However, due to the time that has elapsed since then and my current circumstances, I feel my experience since (detailed below) is far more relevant than my educational qualifications.

**Work Experience**

I have over 30 years’ experience in the recruitment industry and built up my own business, Select Personnel, from scratch. I then sold this business to SBS Logistics and remained the Managing Director until it was sold on. I oversaw the running of the business with up to seven office staff and 120 manual workers on the payroll.

In April 2006 I purchased and managed Molly’s Café Bar in Stonehaven. This is a very busy café bar on the Promenade in Stonehaven. I continue to oversee the running of Molly’s currently but, due to my current home address in England, I have my daughter and a very good general manager in place to deal with the day-to-day activities. This arrangement works extremely well and has allowed me to focus my attention on new ventures and experiences. The soft play centre is just next door to Molly’s and so is ideally placed to enable my involvement. It makes very good business sense that I am able to oversee both businesses, whilst having the most capable staff in place for day-to-day activities.

**Training**

Scallywags will aim to employ only the best staff available. It is imperative that they have all of the necessary skills, experience and qualifications required to ensure the safe and successful running of the soft play centre.

Ideally this will mean that we employ staff with experience, however we also recognise the need for giving people an opportunity to show their enthusiasm and aptitude on the job and that training will be required in some cases. We therefore will implement a training programme for all levels of staff and a regular skills analysis programme will be put in place to review and update all necessary qualifications. We are aware of the grants available to us which will help us to ensure our staff are always at the top of their profession – and the positive reputation of Scallywags will grow as a result.

**Advisors Consulted**

I have taken advice from Laura Geddes, an owner and operator of several similar establishments to Scallywags, and have drawn on her experience and expertise. I have also been working with Fiona Gammie, Aberdeen Enterprise Trust Business Gateway Advisor, Sandy Gibb from the RBS bank and solicitor Matthew Cohen.

# Products & Services

Scallywags will be a brand new children’s soft play centre in Stonehaven. It will offer a fantastic, state-of-the-art play centre with exciting and innovative areas for children of all ages. A separate area will be available for under 5s who require a more tailored play experience. Parents and carers will be able to join their children in this area and will find it a safe and welcoming retreat from the inevitable lively and excited atmosphere generated by the older children.

In all areas, parents and carers will be able to view the children and have the peace of mind that they are happy and safe, whilst having a welcome break themselves with a refreshment and comfy chair in the café!

Party rooms will be available for private use as will exclusive hire of the entire venue.

We intend to set up an outdoor play area at the rear of the premises. This is completely separated from the road along the seafront and so will be a safe and enjoyable area for play and al fresco eating (weather permitting!)

Scallywags merchandise in the form of hats, t-shirts, mugs and more will be created and available to purchase on site and on the website (tba) this will be a fun and enjoyable way for children to show their allegiance to Scallywags and for us to promote the brand.

# The Market

**Market research**

A survey carried out by MKA Economics ‘Stonehaven Visitor Survey 2013 (see STP Stonehaven Visitor Survey 2013 also attached in my email) and the results are very encouraging. It shows that Stonehaven is a growing tourist attraction for new and repeat visitors – and the Promenade with the open air swimming pool is a significant attraction. This is situated a stone’s throw from the Scallywags site and will therefore be a major contributor for our tourist and local attention.

We have set up a Facebook page with information about our proposed business. This attracted a significant amount of interest – including the local paper the ‘Mearns Leader’ which ran a story on our plans.

We recently posted a number of basic questions on our facebook page to establish the level of interest and more information on our future customers/consumers. This had an overwhelming response with over 7000 people viewing the page and hundreds answering the questions and posting comments. 100% of the feedback is positive and provides tangible evidence of the large amounts of young families and children in Stonehaven and the surrounding area that are crying out for a facility like Scallywags in their town.

We will continue to promote Scallywags on Facebook and will create a website for easy access by our customers. We will be offering vouchers and other incentive schemes for our customers and will be engaging with local businesses and media for sponsorship, support and advertising.

**Customers**

Our customer base will mostly consist of parents and their young children, but will include all elements of their extended families – grandparents, carers and friends. We expect young mothers to find Scallywags a relaxing haven for a catch up with their friends whilst keeping a watchful eye on their precious little ones.

During the week we expect the centre to be used by those with pre-school age children. There are a significant number of stay-at-home mothers in the Stonehaven area due to the fact that employment is high and partners can earn excellent salaries in association with Oil Industry – this has the added bonus of them having more money to spend in places such as Scallywags. At weekends we expect our customers to extend to those children at school and other family members such as Dads, Aunts, Uncles and friends.

We expect our party rooms to be at their busiest at the weekends and after school with birthdays and other celebrations being held. As mentioned previously, we feel confident that the financial situation of many in the area will allow them to make use of our facilities more often both for general and private use.

Stonehaven is situated in Kincardineshire and surrounded by many neighbouring towns and villages. Stonehaven itself has a population of around 12,000. Newtonhill, Muchalls and Portlethen are within 8 miles and have around 13,500 whilst Inverbervie, Laurencekirk and Banchory are within 14 miles and have around 16,000 people. The city of Aberdeen is only 13 miles away and has a population of around 245,000.

**The latest available figures from Aberdeenshire Council website estimate (mid-year 2012):**

**Children age 0 – 4 yrs** – 28,133

**5 – 11 years** – 33,243

**Competitors**

Our nearest competitors are Dizzy Rascals in Laurencekirk, which is 14 miles away and Cammys in Portlethen, 8 miles away and Storybook Glen in Aberdeen, which is 10 miles away.

 Dizzy’s are far too busy and overcrowded. Their equipment is outdated and very importantly, they have a reputation for poor customer service. Cammy’s is good, but very small and Storybook Glen is average as far as equipment and size is concerned, but lacks customer service and has poor quality food and has a reputation for not being very clean.

Scallywags will have the advantage over each of these establishments for a number of reasons: we will be new and refreshing with exciting equipment and engaging activities to stimulate children of all ages (up to 11 years). We will focus heavily on exemplary health and safety and customer service. Our H&S accreditation will be prominently displayed and will be a major feature of our website and marketing (and we will work closely with the local council to ensure full compliance in all areas) and we aim for our customers to always be confident that a member of staff is accessible to them and has their needs as a first consideration at all times. A major advantage that we have over our competitors is our location – a prime location on the sea front, near to the very popular open air swimming pool and the other seafront attractions.

# SWOT Analysis

**Scallywags**

|  |  |
| --- | --- |
| **Strengths**Prime location in a busy town with no other establishment to compete with us. Fantastic seaside location, next to the very popular open-air swimming pool - ice cream shop and award winning fish and chips – not to mention the stunning Stonehaven harbour. Our location is second to none! High quality and variety of equipment/facilities, new business.  High quality food and refreshments. Will employ local staff. We have already built up a large amount of support and potential customer base via our very successful Competition is good for everyone – it ensure we get better and continue to improve to retain and increase our customer base. | **Weaknesses**New venture – initial work to establish customers and reputationFirst impressions are very important – we must get it right from the very first second (which we are confident we will!) |
| **Opportunities**Appeal to local people not wishing to travel a long way. Fantastic seaside location. Take advantage of the other very popular businesses nearby which attract young families (swimming pool, café, ice cream shop, chip shop, free parking). If the weather is not good for swimming – Scallywags is there for great fun in all weathers!Utilise and act on the feedback we have already gained from our Facebook page where people have said how much they want Scallywags in Stonehaven – we have the opportunity to build on this support by demonstrating we have listened and implementing some of the ideas and requests received. We will continue to request feedback on Facebook and will have a suggestion box on site to keep Scallywags up to date with what people want.  | **Threats**Dizzy RascalsCammy’sStorybook GlenThese are all established businesses with various good and bad points.Good, sunny weather could mean that people prefer to be outside – but we intend to have an outside eating and play area so can take some advantage of this too.Flooding (although the Amusement arcade had never flooded)Employment levels are high and so could be more difficult to attract the best staff |

**Our competitors (Dizzy Rascals, Cammy’s, Storybook Glen)**

|  |  |
| --- | --- |
| **Strengths**They have more experience as they are already established businesses with an existing customer base. Initially people may decide to stick to what they know and not venture elsewhere (familiarity). | **Weaknesses**Not in such good locations or as attractive to visitors and tourists as Stonehaven. They have no local amenities within walking distance. People must travel to get to Cammy’s and Storybook Glen as they are not local to any homes. Dizzy’s is in a small town with no real attractions. Dizzy’s and Cammy’s are dated and have tired equipment and décor. Dizzy’s are far too busy and overcrowded. Their equipment is outdated and very importantly, they have a reputation for poor customer service. Cammy’s is good, but very small and Storybook Glen is average as far as equipment and size is concerned, but lacks customer service and has poor quality food and has a reputation for not being very clean.  |
| **Opportunities**Their locations significantly limit their opportunities - they do not have the support of a surrounding local community. | **Threats**Scallywags will be the biggest threat to them all as we will be new and exciting. We are in a great and easily accessible location amongst other already popular amenities’  |

Residents of Stonehaven and the surrounding towns and villages will find Scallywags much more convenient to visit from a location and travelling perspective. For many this will mean that they do not have to take the car – or will have a far shorter journey than they are currently used to. The location next to the swimming pool and the other amenities along the seafront promenade make this a massive draw for young families and children. We will also have the advantage of being new, with the latest soft play innovations and ideas. Families will love the new experience they receive at Scallywags and will prefer its refreshing and new approach over its tired and dated rivals. At Scallywags we have the advantage of using the latest, up to the minute feedback from our future customers, gained from the survey carried out on our Facebook page. This allows us to see exactly what they want and what will keep them loyal to Scallywags and returning week after week.

**Pricing**

We will use our competitors as a benchmark for our pricing strategy. We understand that we must be competitive and that price is a huge factor in whether people decide to come to you or go somewhere else. We will ensure that our pricing is attractive and are confident that once people have had the ‘Scallywags experience’ they will not want to go anywhere else. We will offer promotions and offers throughout the year and are considering the implementation of a loyalty scheme.

**Party room prices.**

These will vary depending on whether we are required to supply food or not. Time slots will also affect the price. Our prices would therefore range from £50 to £100 per 30 min slot. This is in line with our competitors.

**Admission prices**.

**Under 1s**: £1.00

**1 – 3years**: £3.99

**4 – 11years**: £4.99

**Adults**: Free

We expect that our private parties, food sales and merchandise will make us the most money. We intend to make Scallywags private parties the best in the county. We have listened to our customer feedback and will supply the right combination of fun (the latest and most exciting activities) , safety (with qualified staff on hand), service (where everyone will feel they are getting a special and first class party experience) with a balanced combination of healthy and popular party food. In general we expect our café to make good money from parents, families and friends as they enjoy a welcome break as their bundle of energy is exerting themselves in our soft play centre. We expect that our choices of hot and cold quality beverages and healthy/delicious snacks will be very much in demand as they experience some much deserved ‘me time’.

We intend to exploit the Scallywags brand as far as possible. Once established and having gained a reputation of being the best soft play centre around, we will use a ‘logo’ to reinforce the Scallywags brand. I know from having children and grandchildren – that if they enjoy going somewhere then they like to have things associated with it – to show to their friends and family. We will make sure the merchandise we sell is high quality and practical and feel that our customers will pay for quality. We will consult with an experienced suppliers of quality merchandise to ensure we stock engaging, quality and useful products for all to enjoy. Scallywags staff will wear a recognised ‘uniform’ to ensure they are easily recognisable within the centre and can be called upon whenever required.

**Promoting the business**

We have already begun promoting the business as mentioned under the ‘Marketing’ section – with our Facebook page and advertising in the local paper, the Mearns Leader. We will step up promotion as we get closer to our grand opening and plan to have ‘grand opening event’ to wow all our future customers and give them a taste of what is to come. We will continue to promote the business further once we are up and running using our already popular Facebook page and will seek to engage with local businesses for sponsorship opportunities. We intend to produce fliers for regular distribution in target areas. We also intend to retain our great relationship with the local paper (Mearns Leader) and build strong links with local media in general (local radio) to maintain a consistent presence in the local news and in people’s day-to-day lives. We will also engage with the Scottish tourist board and target media channels in Aberdeen and Dundee in order to reach a wider audience.

Our message in all promotional activity will centre around our key selling points and benefits – our best-in-class equipment and activities, our number one focus on health and safety, customer service and friendly and caring staff, our exceptional and tasty food and our value for money – all round excellence at family friendly prices.

# Employees

We intend to open Scallywags with five full time employees and up to five part time.. These will consist of 1 x Manager, 1 / 2 Supervisors, 3 x Assistants, 3 Catering staff and 1 x Cleaner

We will aim to employ relevantly qualified and experienced staff in the first instance, however we also intend to offer training to staff with the right attitude and willingness to learn and be part of the Scallywags experience.

We will recognise the ongoing training needs of our staff and ensure that a regular skills analysis programme is put in place to review and update all necessary qualifications. We are aware of the grants (e.g. training) available to us which will help us to ensure our staff are always at the top of their profession – and the positive reputation of Scallywags will grow as a result. Also small businesses receive cashback for NI contributions)

We will begin advertising for staff as soon as we have secured the necessary financial support. We intend to do this via the local paper (Mearns Leader) and our Facebook page (which has already received a number of enquiries from prospective employees)

# Premises

We own the premises outright and will operate rent free for the first six months, after this a rental will be paid to Scallywags Ltd. We require an extension for the kitchen, café area and party rooms. We have all the necessary quotes and costs for this (see the financial plan). The premises is rate free.

We hope to have all works carried out by mid-July and have our chosen builders in place waiting for the go ahead. These were chosen from a number of builders who supplied quotes to us.

# Vehicles, Equipment & Other Assets

We will be employing soft play area specialists the ‘Soft Brick Company’ to carry out a complete play area ‘fit-out’. They have already surveyed the premises and quoted £50/55k to carry out the install. We can then lease purchase this equipment over three years. As part of the lease agreement they will maintain the equipment for repair, wear and tear.

We will also require to purchase catering equipment which will cost £20/25k. We can also lease purchase this through Lombard Financing (part of RBS).

We will need a telephone, answering machine, computer, fax and printer, cash register and safe on the premises.

# Legal / Health & Safety

All planning and building warrants for Scallywags are in place. We will involve the local council with regards to all health and safety and environmental issues – as we do with our restaurant ‘Mollys’ just a few doors away on The Promenade.

We have studied all insurance issues with our brokers ‘Morton Michelle’ who are specialists in soft play centres and cover every eventuality inc. public liability and employer liability. Oval Insurance will cover the building and contents’. We have very good business insurance experience (with Molly’s restaurant) so we know exactly who to speak to about what needs to be done.

# Quality

We plan to be an ‘Investor in People’. We will associate ourselves with various play area related organisations if we feel they are relevant and beneficial to our business, its employees and customers

# Environmental Policy

As under section 10. Legal/Health & Safety, we will involve the local council with all H&S and environmental issues (as we currently do with our restaurant). We are aware of the legislation required and will ensure we comply with all necessary.

# Business Objectives – Vision for the future

As we move forward with the business, we will listen and engage with our customers and ensure that we are meeting their needs and wishes as best we can. We intend to evolve Scallywags so that it continually meets and exceeds the needs of its customers. We want Scallywags to be seen as the ‘the place to go’ for all soft play centre needs in Kincardinshire and the surrounding area for years to come.

Please refer to the Financial plan at end of this document for information on our approx. turnover and proft estimates.

# Finance

**Start up costs**

Please refer to the ‘financial plan’ for full details of our start-up costs.

Building extension - £150k max (over 10/12 years bank loan RBS)

Catering equipment – £20k (lease purchase)

Soft play equipment - £50/55k – (lease purchase)

Food stocks - £5k

From own personal funds

Staff wages (first 2 week before oening) - £4/5k

The biggest personal contribution will be the building, which we own outright. We will offer this up as security if required.

We will also apply to the Business Gateway for grants where available.

CASHFLOW FORECAST FOR PERIOD BUSINESS

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| INCOME | Pre StartCosts | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | TOTAL |
| Sales 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Sales 2 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| TOTAL SALES |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Debtors |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Owners Capital |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Grants |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loans |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| TOTAL £ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| EXPENDITURE |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Materials, Stock, Sub-Contractors |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Wages & NI |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rent  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rates |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Heating & Lighting |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Telephone |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Insurances |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Advertising |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Postage & Stationary |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Travelling & Motor Expenses |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Finance Charges – Bank |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Finance Charges – HP |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Finance Charges – Other Loan Repayments |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Finance Charges – Interest on Loan |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Professional Fees |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Repairs & Maintenance |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Drawings |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Training |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital Expenditure – Equipment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital Expenditure - Premises |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Taxations (include PAYE & NI) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other Payments |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Misc. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| VAT |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| TOTAL £ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Movement |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Opening Bank Balance |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Closing Bank Balance |  |  |  |  |  |  |  |  |  |  |  |  |  |  |