

**This is the Original NEO Business Plan.**

**Buenos Aires Complex bar-club in 2003**

The Original version is available in PowerPoint 2003 this is a draft transcription to PDF format.

Financial information is findable and editable in Windows .XLS format

**ORIGINAL NEO BUSINESS PLAN. UPDATED INFORMATIONS ARE FINDABLE  
MUNDINIX.COM**

# General Overview

This Business Plan attempts to analyze the possibilities for a resto-pub night club in Buenos Aires, Argentina in the year 2003. Argentina it's currently passing a transformation process after a crisis and a devaluation which leave space now for new investments with attractive returns in the short time. However, the night entertainment industry has been stuck for the last 2 years but only a few small places run out of business due the crisis.

Buenos Aires is the 4th most populated city of Latin-America, after Mexico City, Sao Paulo and Rio. No special licenses to sell alcohol or bureaucracy it's required for opening a Night Club in Capital Federal, and the people it's mostly open mind and tolerant.

Nightlife for Porteños starts at 1AM and it ends about 6AM on weekends, there it's also a small activity in weekdays, especially on Wednesdays and Thursdays. But only a few bars and clubs are preferred by the crowd because it's very important to be in style for the average porteño who tempts to follow the mode tendencies.

A recent survey developed in the Argentinean winter of 2003 demonstrates that the average porteño is able to spend ar\$30 to ar\$40 in a nightclub. This have straight coincidence with the prices of the competition.

Competitors are segmented by size, core and customers lifestyles, the same survey results shows that the style it's very important. From large complexes to small places, everyone have a different style and its related customers. For this project propose, the market segment has been carefully identified and selected. Our customers will be composed by a balanced mixture of media, fashion and glamour-related people, gorgeous girls, childless young professionals, and tourists and business travelers. The last one segment it's currently not being strongly searched by competitors with special pointing marketing strategies.

Neo Resto-Pub-Club will be located in Palermo Hollywood Area, into a three story 1.200 sq m. In the 1st Level will be a Restaurant-Pub, a VIPs zone, toilettes and personnel area, in the 3rd floor the dance club with 2 bars will be settled.

The Resto-pub will be open from Monday to Saturday, instead of elaborated cuisine, we will serve simple and fashion (sushi, brochettes, Mexican and certain kind of American and Argentinean food).

The place will be modern, well decorated, and special. The place will respond all to a style, there will be comfortable and designed tables and chairs, and the ladies toilettes must be illuminated, comfortable and extremely clean.

Principal attractions will be live concerts, special events, parties, and resident DJ. Concerts will be announced and marketed, we will offer a state-of-the-art special treatment to the customers, and we will filter the people in the main door. There will be 3 kiosks for rent, for publicity and promotion of products.

A staff of 37 persons will work in the business. All the people will be dynamic, young, good looking, oriented to the customer satisfaction and kind. The most important position will be the Public Relationship Manager. This person MUST be a professional already working in a successful competitor place. He/she will bring special customers as media stars, sports stars, bands for playing, and Media for cover the club events.

NEO will hold a total capacity for 750+ persons, we expect to have a minimum of 12% of the capacity (weekdays) and an approximate of 1750 customers per week. Food cost must be under 38% and drinks under 25% which it's very reasonable. We expect to have sales for US\$67.000 per month and a final profit of US\$11.000 per month.

Please note that this is the best moment in time to invest here. Places are still available, rent still low, but the economy it's being recovering from the crisis.

Ruggero Tota,

After a heavy crisis, Buenos Aires seems to be recovering step by step. Even as only a few boliches had run out of business in 2001/2002, the crisis and devaluation of the peso leaved the growing of the industry untouched and depressed. Only a little innovation and a few new competitors has appeared lately. Now, with a new government, new rules and a recovering economy, it's time to compete in the night entertainment industry.

This research has been focused in a specific target, and includes but it's not limited to:

A poll sent by e-mail to fashion models, spot models, secretaries, sales women, and professional women contained in a database (744 females), an average of 23 years old , singles and good looking, currently living in Capital Federal, Buenos Aires.

Two polls made in selected locations (Recoleta square, Recoleta Village and Palermo Hollywood Serrano square) in June 2003 answered by 100 persons, males and females from 21 to 35 years old, who use to hang out and have at least a little knowledge in this topic.

Series of Personal Interviews with professional fashion models (recorded in the tape), and people related with the nightlife industry.

Personal Interviews with people who works in different positions in bars, pubs, discos, and clubs in Buenos Aires, as barman, waiters, waitresses, security professionals, bars owners, government related people, and more.

An Investigation covering and visiting the most important and mentioned in the polls places (bars, pubs, clubs and discos) in Capital Federal, Buenos Aires has been preformed.

This Investigation and survey has been very important to determine local costumes, before and after the crisis, and provided great ideas and necessities that helped to develop this business plan.

Competition has been segmented in order to position NEO in the more convenient niche.

In addition, the more convenient customer profile and their necessities has been discovered, basing perhaps the Marketing Plan and Strategies in this profile

## Survey and Polls

In June / July 2003, a 15 questions polls has been made by e-mail and by spots models in the streets, here are the answers and conclusions:

How many places are visited in the same night?

a 98% answered they visit 2 places one night. The reason for this: They meet in a bar/restaurant/pub earlier night (about 10PM), then later, they go together to a boliche/concert.

Do you think that the pub/club should be near your home's area?

The most answered (95%) has been NO.

This explains the popularity of many clubs in Olivos and Costa Salguero. (Sunset/Mint/Pacha/Tequila, etc.)

At what time the night's action starts?

about 10PM to have dinner, and 1AM for a boliche. Because of this, many bars/pubs turn to a boliche after certain hour, this vary upon the place.

At what time the action ends?

5 to 7 AM on weekends. And 2 hours earlier in weekdays.

What it's the more disgusting in a pub?

As repeated answers we have:

drunks

different social status/class people

different age range

So, it's important to keep the target from the begin.

Who would you NOT like to find in an imaginary IDEAL pub/club?

Different people, so the older ones don't want to find younger people, the richer don't want to find "cumbia" (a popular kind of music and style).

We've asked to imagine an ideal club/pub in the last question, many freely and kindly provided good ideas.

Many of these ideas are considered, like take care of the ladies toilettes, filtering people in the main door, take special care of the target and music.

## Polls: Porteño Budget and Preferences

How much money (pesos) do you think that ONE person may spend per bar/club visited, (average).

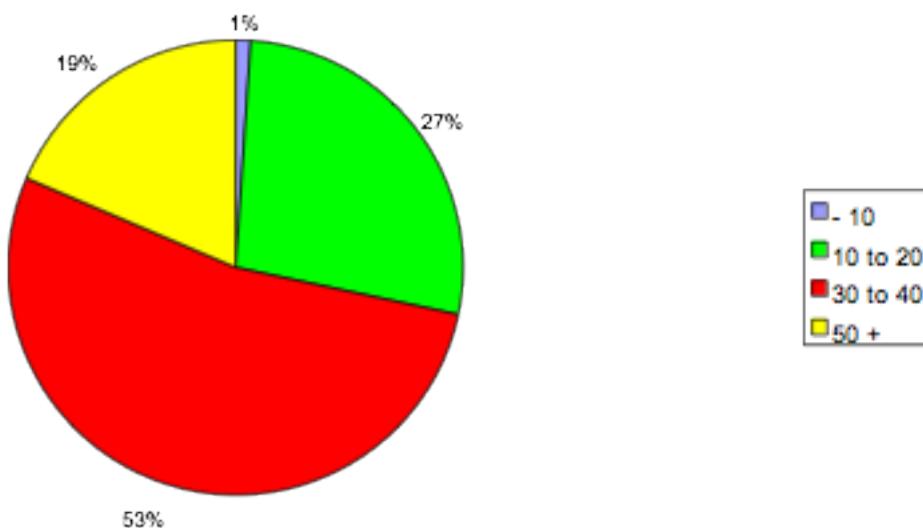
10 pesos - : 1%

10 to 20 pesos : 28%

30 to 40 pesos : 52%

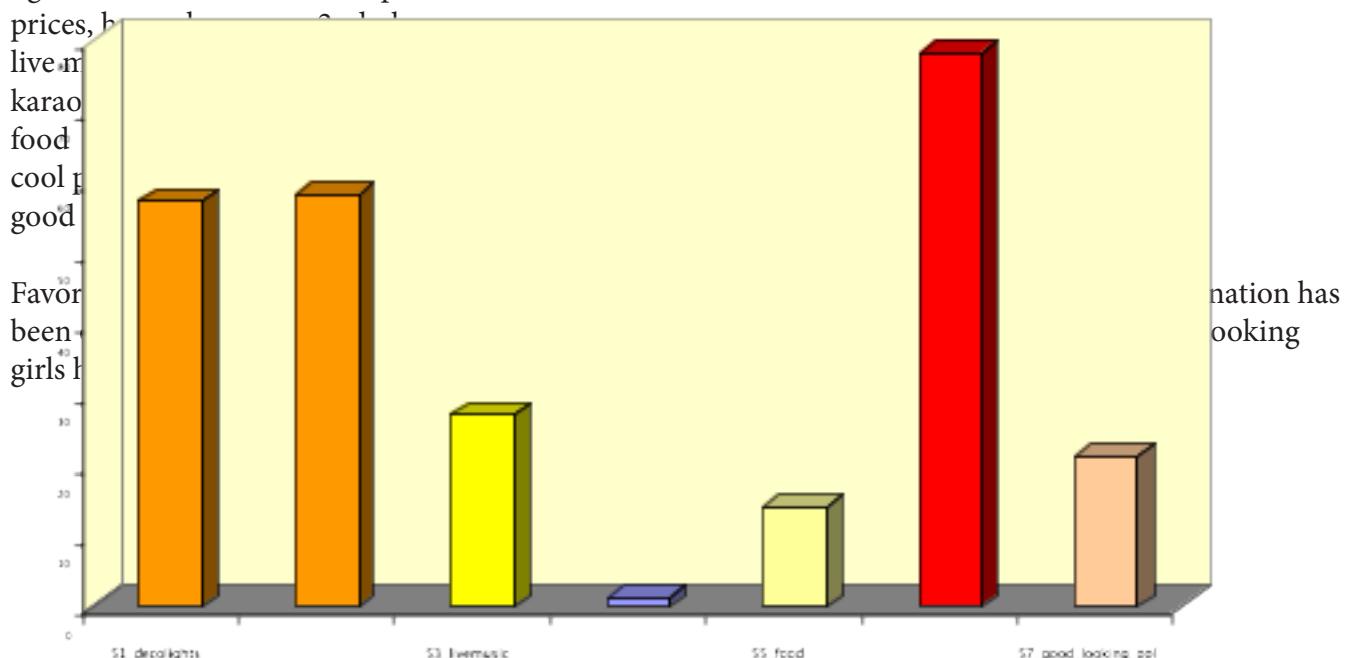
50 pesos + : 19%

Many explained that the answer it depends of the place, the gender and the time of the night. Basically no one spend less than 10 pesos, and both for a light dinning or a night in a club/disco 30 to 40 pesos it's the more common. The target must be a point for consider since low level workers as supermarket cashiers, drivers, front desk support and data entries, even at banks they oftenly make less than 600 pesos per month, so, for night entertainment 2 times per week (+ transport) they should be able to spend the half of the salary, which it's not fair. Perhaps, boliches and restaurants are focused in people who makes more than 2.000 pesos per month (entrepreneurs, managers, independent professionals, etc).



What do you think it's great to find in a pub?

lights and decoration : 2nd place

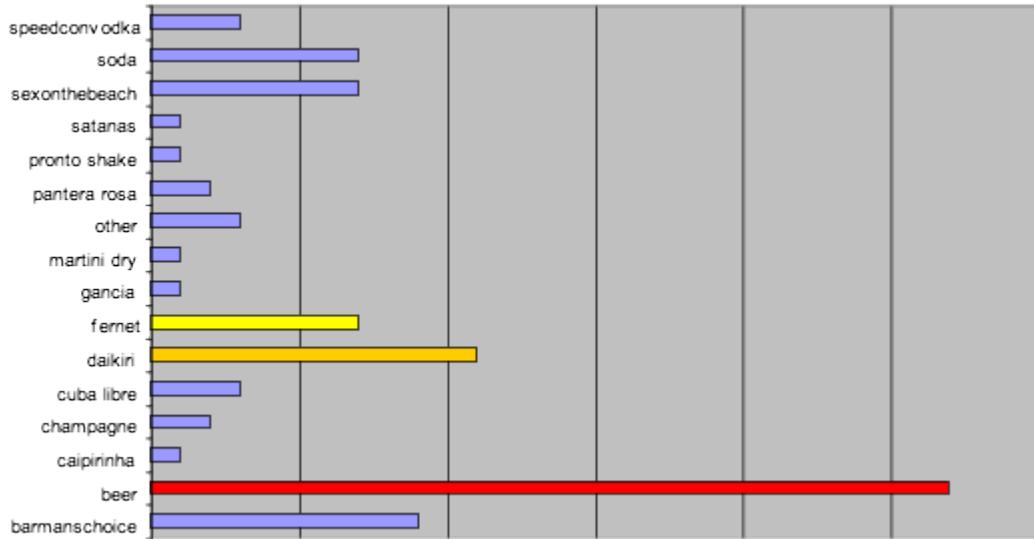


## Polls: Favorite Drinks and Behaviors

### What you drink?

There is a very assorted choice here, from beer (maybe the favorite since it is the cheaper), but many people said other kind of drinks and cocktails (males and females).

The 2nd preference has been Daiquiri, followed by fernet and sex on the beach.

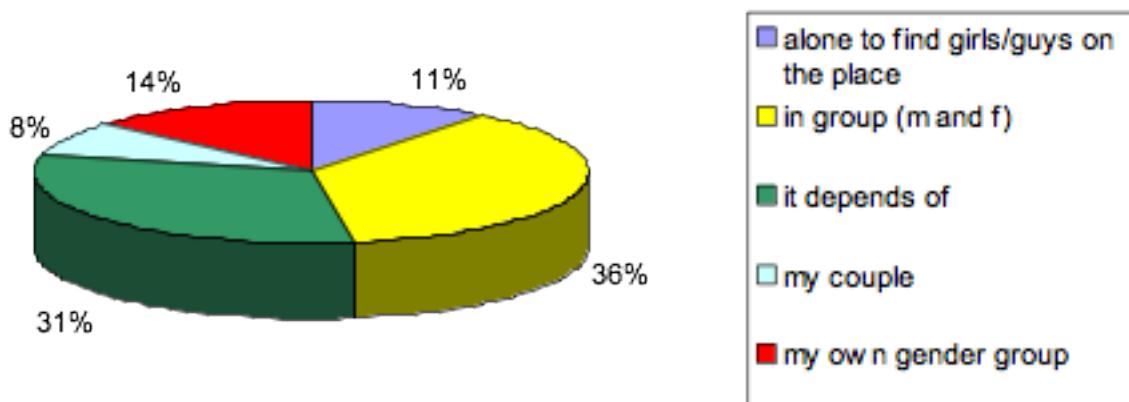


## Polls: Favorite Drinks and Behaviors

Usually, I hang with...:

- I go to find a girl/guy inside the bar : 10%
- assorted of gender group of friends : 37% (favorite)
- with my own gender friends : 14%
- with my couple : 8%
- it depends of the day and situation : 31%

Many people refereed that they hang out with his/her couple + friends.



## Polls: How to find a cool club and Top Clubs in Buenos Aires

### How do you know a place it's cool?

si de clarin (magazine) : 3%

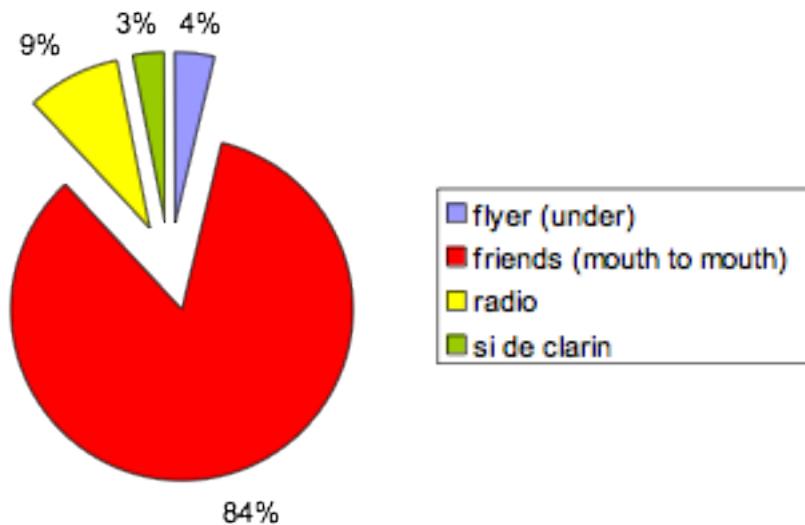
radio : 7%

any underground publication : 4%

word of mouth : 86%

a word of mouth has been chosen by almost everybody both in the streets poll and in the e-mail survey. Only a few answered the other available options.

Perhaps, having an RR.PP. (Public Relationship Manager) it's a MUST.



In your own opinion: what's the most Top place lately?

Adrogué Chico, America, Asia de Cuba, Big One, Buenos Aires News, Caits, Club 69, Club Social, complejo costa salguero, el bosque, El Divino, fiestas privadas en barcos, filó, Follia, Henry Heavy Beans, Ku, La City, La Diosa, Las Cañitas Area, Locos por el Futbol, Mi Club, Mint, Museum, Niceto, Pacha, Palermo Hollywood, Plaza Serrano, sahara, sunset, Tequila, The Roxy, Tiro Loco.

Mint : 20%

Pacha : 14%

Follia : 13%

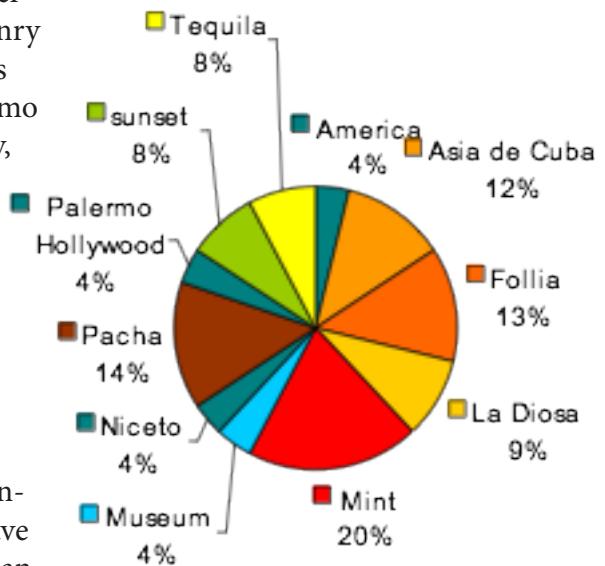
Asia de Cuba : 12%

La Diosa : 9%

Sunset/ Tequila : 8%

America, Niceto, Museum and Palermo area : 4%

All of the favorites has been researched, and most of the mentioned (some are not in Capital Federal Area). Almost all have in common that are places "con onda", as a couple of people answered. Every place have a different target, but the most popular ones (mint/pacha/asia de cuba/Sunset/ Tequila) points to the same target.



## Identifying the Competitors

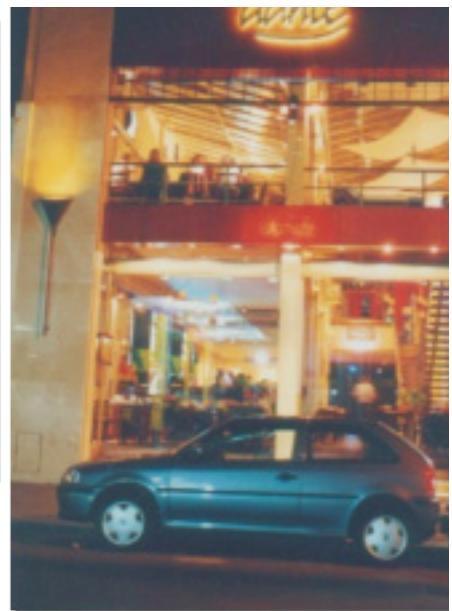
For positioning NEO it's required to analyze that the most popular places as pubs/clubs have capacity for 3.000+ people.

The smaller popular places are: Asia de Cuba, Filó, Mitos Argentinos, Henry Heavy Beans, Locos x el futbol, and so. This is the ring where NEO must be positioned.

Asia de Cuba doesn't have a big area of operation but it's mentioned as one of the most popular ones and cool.



Like in BS AS News, the tendency is to offer a sort of services to the consumer, as restaurant, dancing, bar, space rental, parties, special events, live concerts, and lounge. This varies upon the style and target. EL BUDA is a restaurant in BS AS News complex.



Museum used to be a factory, located in San Telmo Area, the rent of this place could be under ar\$7.000 per month. Museum gets very crowded on Wednesdays, and it's common to see people with ties and suites inside. Museum also operates as a restaurant daylights and twilight, business days.

Museum success has been possible due Public Relationships and Marketing Strategy, since it's located out of the more popular geographic location.

El Dante is a restaurant that turns a boliché after 2AM. As it's shown, you can see what's going on from the outside always. They've appealed to The Paris Effect Strategy to be successful

# Targeting Marketshare by weekday

- ♦ In addition to weekends, people in Buenos Aires knows that every club has a Top day. Who make this happens? Nobody knows, those are just different tendencies, like Museum and Mint on Wednesdays, Killkeny's for Friday evening, Asia de Cuba for Fridays, Niceto on Thursdays and Henry Beans on Thursdays.



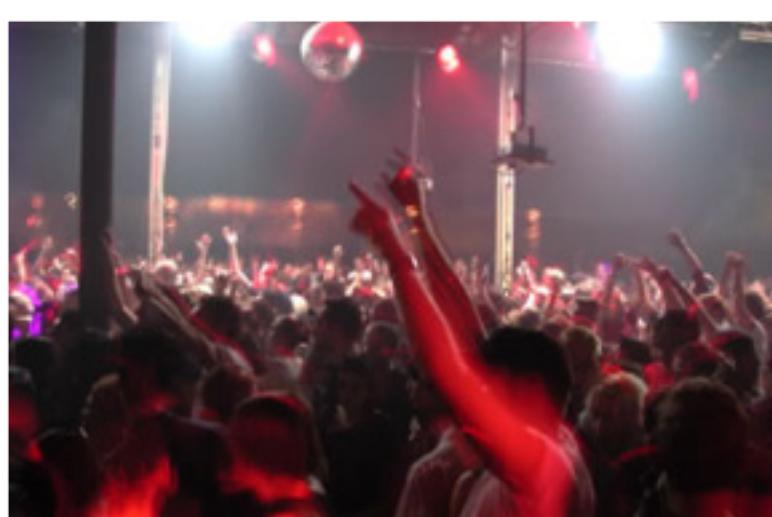
Mint. Located in Costa Salguero, it's famous for being a top club. Cute girls are easily find inside. Cute girls attract guys who spend money in drinks. Mint also organize events in lazy days.



Museum. Located in San Telmo, an open space, upstairs it's restaurant that operates daily. Museum it's also famous for the sushi they serve in the lounge. Sushi it's top in Buenos Aires.



Tequila opened 12 years ago. A sense of exclusive place remains in Tequila, and they focus in the service and incredible high prices for



Niceto. Located in Palermo Hollywood, Niceto organize concerts and it's common to see tourist people inside.

# The Boliche Concept

As it has been discovered in the survey, many bars turn into dance club, after certain hour. In the other hand, many disco/clubs also have small restaurants, but it's hard to find a successful place with a focused in one thing business core. No matter if the place is big or smaller.



La Diosa has been also mentioned as a top place. It's more marketing than anything else. La Diosa also organize events



Gitana, a restaurant that also have a club. Asia de Cuba it's another similar case. These exclusive places are usually crowded of people, and the prices are not cheaper

As mentioned in the polls, decoration it's important, but it's also important the environment's quality, the people, what in porteño spanish it's known as "onda"

# Public Relationships

- ♦ Having a good Public Relationship Manager it's essential to bring the appropriate people to the place. Since the knowledge of cool places it's spread by a word of mouth, it's very important to have the right person for this necessary matter.



Jesica Arcay, this former fashion model organize events in clubs like many others. She helped to develop this investigation



A good Relationship Manager can make the difference from an empty and a crowded place. Also, the fact of filtering people helps to generate the sense of exclusive, wanted for the ABC1 segment people



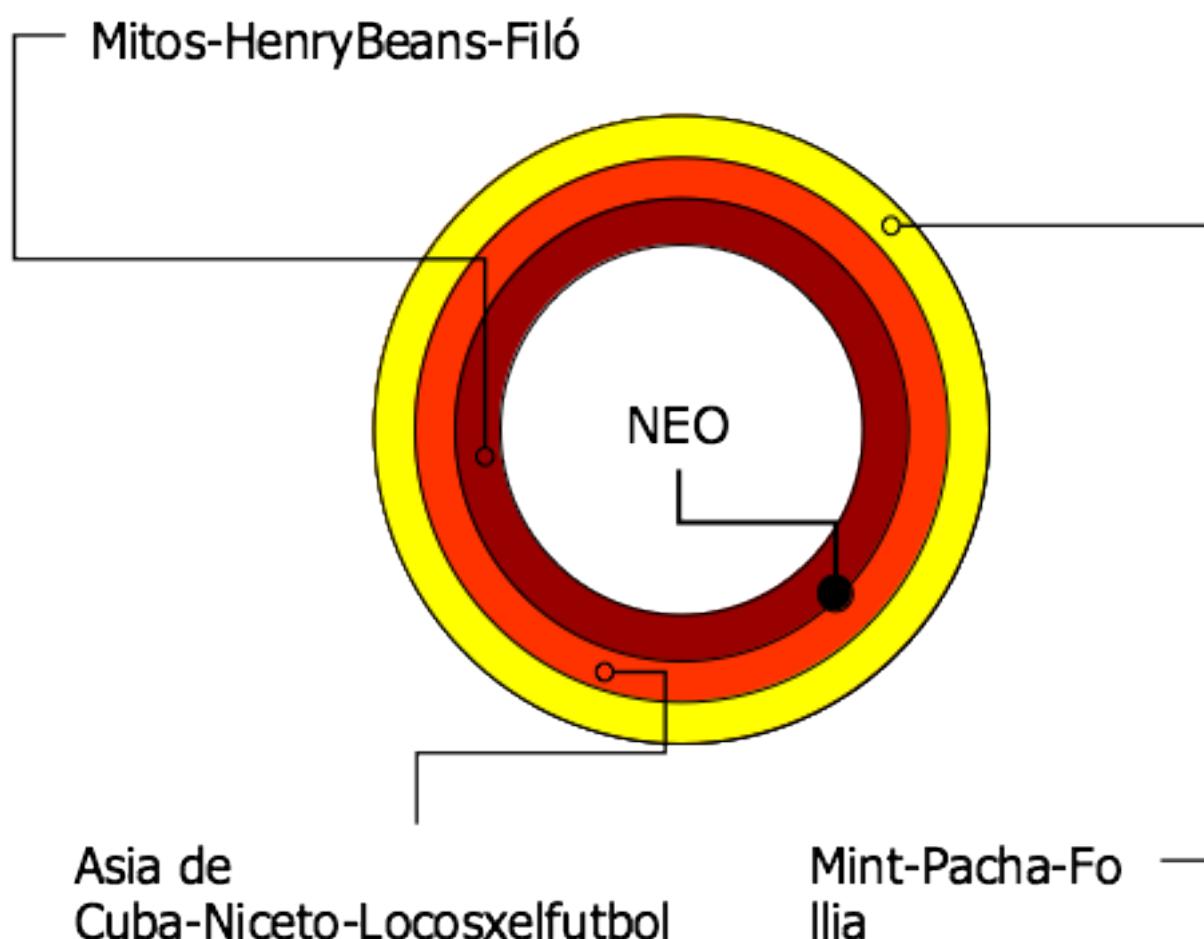
Public Relationship Managers also organize events that bring customers to the clubs

# Competitors Procedures

Because of the local costume of meeting in a restaurant-bar-pub before heavy part of the night starts, many places, like Locos x el futbol, Job's, World Sports Café, Asia de Cuba, Mitos Argentinos, El Verde, for mention a few, they close the pub and turns into a boliche in a certain time of the night depending of the place. They remove the tables and chairs in order to clean an area for dancing in some cases and in others, either they just expand the "cleaned" area or open the disco section.

When the boliche it's separated from the "pub" it's necessary to pay the right for entrance, when they just clean the tables and liberate space it's not required to pay any extra money. In some cases, like in Mitos Argentinos, Killkeny's, Henry Beans and El Verde, on weekends, after a certain hour the ticket for entrance must be paid before, even if the place still as a pub.

Even as the world tendency it's to specialize and sharp the business core, after the crisis, many other business as locutorios, kioskos and cybercafe survived by merging the three business in one location. Something similar happens from long time ago with the boliche. They are called "boliche" because they are a mixture of bar, pub, and disco. The specialization it's the target. Even when it's possible to find wide-target boliche, like Amerika, which used to be a gay-lesbian boliche, now it's visited by a wide band of people, and also the original target.



# Market Segmentation

Argentina as a country is currently passing for a difficult process. That doesn't mean that no one has money enough to spend in night entertainment. In fact, clubs are crowded like in Miami Beach. Buenos Aires have 12 million+ population, and many of them spend a big percentage of their income in entertainment. Costumes, culture, friendship and cute girls can inspire almost everyone to have a big time in the appropriate place.

## Customer Profile

ABC1 segment (annual income US\$12.000 +)

20 to 35 years old

fashion, friendly, traveled, and in many cases professional lives in either Capital Federal or Zona Norte.

Good looking, well dressed, good mannered.

Basically, males will come to the place attracted by good looking well mannered and fashion girls, who will come attracted by events, famous and glamour people and a different kind of place where they will be served better than in other places.

As a sample, Mitos Argentinos is focused in young Argentinean people who likes the Argentinean rock. A beer is ar\$4. In the other wire, places appealing to the ABC1 segment can either charge up to ar\$10 per beer (Niceto), and people drink more since they have a different budget. Considering that US\$3.50 it's very cheap for a drink in US and Europe, we must also appeal to tourists and business travelers.

We see NEO as appealing to three major market segments. Our market segmentation scheme allows some room for estimates and nonspecific definitions.

## Childless Young Professionals

We must appeal to single adults and young couples. Whether it is a group of friends, a single looking for someone else, or a couple, they can meet in NEO before, and enjoy a light dinner, as arrive to the club after meeting in another place, anyway, they can also meet in the resto-pub for then later go upstairs to the club.

## Good looking Females College Students

By creating an environment that is appealing to university students, special direct marketing in private universities. Free Invitations for events, concerts and special coupons for free drinks will attract beautiful young women and this will help to equalize males and females in the club.

## Tourists and Business Travelers

More and more business and travelers and tourists are finding themselves in Buenos Aires every year. We plan to reach these people through direct marketing to local hotel patrons. As our relationships grow with the local hotels, so too will the word of mouth recommendations from the hotel staff.

# Target Market Segment Strategy

Our strategy is based on serving our niche markets exceptionally well. The club enthusiast, the tourist and business traveler, the local nightclub crowd, the local single professional as well as groups going out together, can all enjoy the NEO experience.

The marketing strategy is essential to the main strategy:

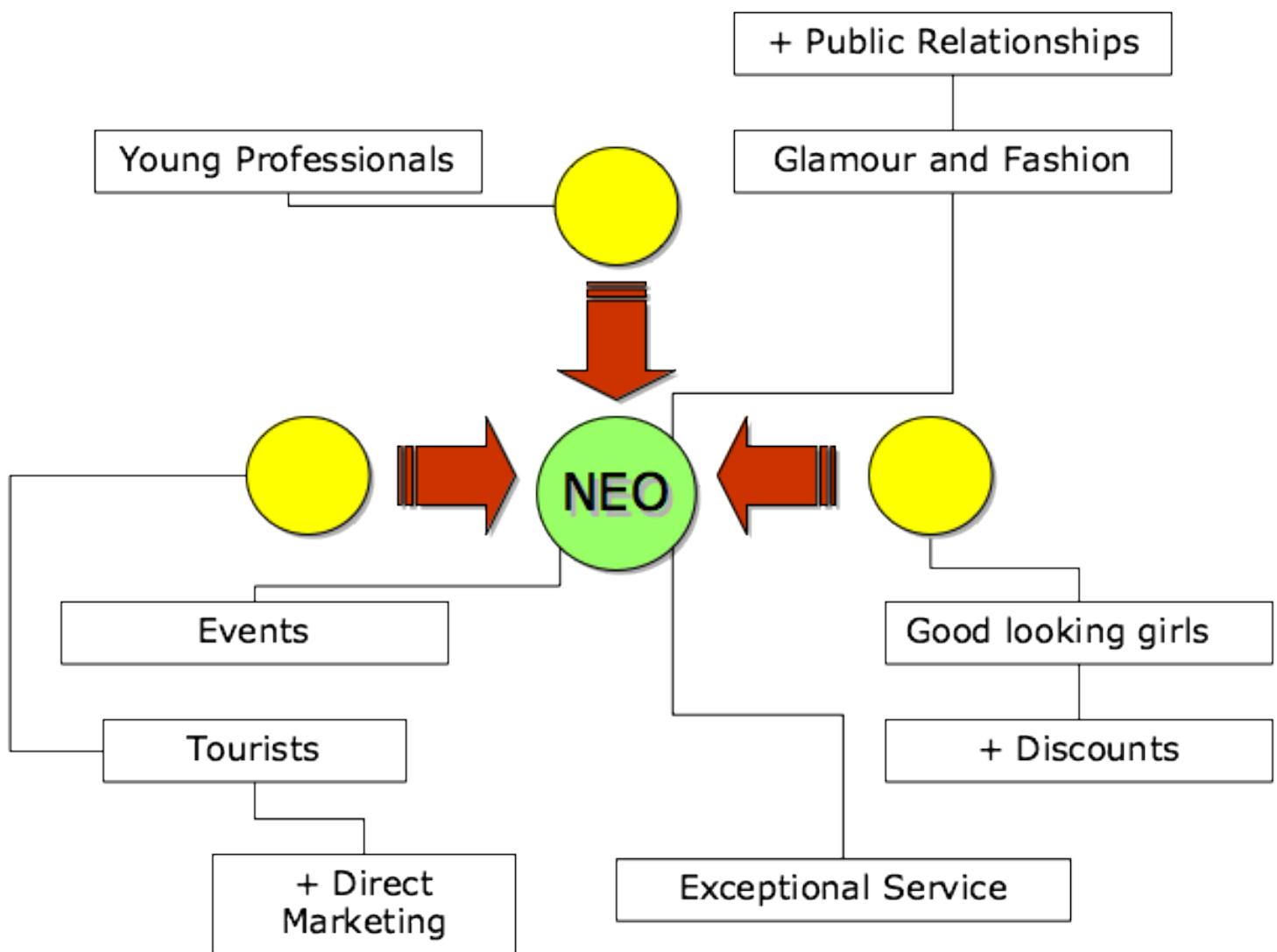
Emphasize exceptional service.

Create awareness of NEO's events.

Focus on target markets.

We must charge appropriately for the high-end, high-quality service and food that we offer.

Part of the superior experience NEO will offer is the simplicity of the menu items. While being unique, they will be relatively inexpensive and easy to prepare. While a premium is appropriate for the experience, the pricing has to be balanced in accordance with what we are serving.



# Opportunities and Warnings

## Opportunities

Argentina it's recovering from the economic crisis, salaries will rise soon and many economists agree that in a few years the peso will raise in relation to the dollar

There are only a few legal restrictions for opening a place like this, currently there are not limited licenses

As the crisis has taken the whole economy, boliches have not innovated since 2 years ago, so it's time to take advantage of this either investing less or developing an impressive complex to take position as a top club in their category As it's demonstrated in the financial analysis, this business offer a great TIR and it's possible to recover the investment quickly

Renting a place, as services bills, salaries, and many costs stills devaluated at least for a few months, so it's the opportunity to make a rental contract for 4 years and maintain the cost of the rent at the same price of today

## Warnings

As the economy it's recovering and many people had get their deposits from the banks back, now there is more capital flooding the financial market and more possibilities of investment, perhaps, more possibilities of new players in the market

Sooner or later, resto-bars and boliches will upgrade and invest more money. The key to keep the amount of customers it's to take position as soon as possible

If people were not satisfied with the place and concept, as it happened with international brands and franchisings in the past, the business will not survive for a long time. (cases studies are: pizza hut, domino's pizza, wendy's, KFC, and others)

# Business Description

NEO Resto-Pub will operate as a small restaurant, pub and bar in the 1st and 2nd level and as a night club in the 3rd level. The core business consist into sale not only food and drinks. NEO will sale style and belonging to a special part of the society. To find the right people in the right place.

To achieve this objective will be necessary an accurate Marketing and Strategy Plan, but also consider every detail to configure the club that will fill what our customers are looking for.

The Resto-pub will open from Monday to Saturday, we will serve not complicated dishes, but they have to be innovative and fashion (sushi, brochettes, Mexican and certain kind of American and Argentinean food).

The place will be modern, well decorated and lighted, with one or two bars and in the back will be a scenario for the concerts. The place will respond all to a style, there will be comfortable and designed tables and chairs, a space with boxes for 4+ people capacity and the ladies toilettes must be illuminated, comfortable and extremely clean.

There will be 2/3 concerts per week, of popular bands who will get either (up to the band) a commission of the tickets pre-sale or a fee for playing.

Concerts will be announced and marketed, we will offer a state-of-the-art special treatment to the customers, and we will filter the people in the main door, for not disappoint the customers who want to feel they are exclusive.

There will be 3 kiosks for rent, for publicity and promotion of products.

About 39 persons will work in the business. All the people will be dynamic, young, good looking, oriented to the customer satisfaction and kind.

Public Relationship it's a key. This person MUST be a professional already working in a successful competitor place. He/she will bring special customers as media stars, sports stars, bands for playing, and Media for cover the club events.

The 3rd level will be a boliche, it must to have both an independent entrance and exit and also to be internally connected to the resto-pub.

A fee will be asked for the right of enter. The price will be similar to the others places. The boliche will contain a VIP area, an area with couches and curtains, and a dance location. Will also contain a DJ box, a couple of well illuminated and modern bars and a cashier. A place for storing the clothes will be rented, the whole floor will be rented for business events on Sundays, Mondays and Tuesdays.

A resident DJ will be necessary. Must be a known DJ, not an amateur. Music must be a very important

# Operating Details

	1st Floor	2nd Floor	3rd Floor	Total
Destination	Resto-Pub	Bar-Vip	Dance-Club	
Facilities	Stage-Bar-Kitchen-Sushi Bar-Tables - Boxes	Boxes-Vip Area-Toilettes-Personell area- Office	Boliche- Boxes Stage	
Capacity				
Surface (sq. Ft.)	1,300	700	1,300	3,300
Maximum Persons Allowed	300	130	320	750
Seated Persons				
X4 Tables	108	36		144
X2 Tables	70			70
X6 Boxes	36			36
X4 Boxes		72	48	120
Bar Seats	21			21
Sushi Bar	20			20
Vip Couches		10	20	30
Total Seats	255	118	68	441
Operation Timing (in hours)				
Monday	12	0	0	12
Tuesday	12	0	0	12
Wednesday	13	12	4	17
Thursday	13	12	4	17
Friday	17	12	4	17
Saturday	17	12	4	17
Sunday	0	0	0	0
Weekly Schedule				
Monday	12:00 / 00:00	Closed	Available for Rent	12:00 / 00:00
Tuesday	12:00 / 00:00	Closed	Available for Rent	12:00 / 00:00
Wednesday	12:00 / 01:00	17:00 / 05:00	01:00 / 05:00	12:00 / 05:00
Thursday	12:00 / 01:00	17:00 / 05:00	01:00 / 05:00	12:00 / 05:00
Friday	12:00 / 05:00	17:00 / 05:00	01:00 / 05:00	12:00 / 05:00
Saturday	12:00 / 05:00	17:00 / 05:00	01:00 / 05:00	12:00 / 05:00
Sunday	Closed	Closed	Available for	Closed
Events	Concerts		Fashion Events	
Admission	while concert		always	
Estimate Final Ticket *				
Restaurant*	ar\$25	—	—	ar\$25
Pub*	ar\$30	ar\$35	—	ar\$32
Bar*	ar\$20	ar\$35	ar\$30	ar\$28
Boliche Admission*	—	—	ar\$20	ar\$20

\*estimate average

# Three Story Complex

Only for this project propuses, we've based the resto-bar-club in an available property, located in Palermo neighborhood. This property it's currently available for rent, but anyway it's possible to find another one. This property have 3 floors and a basement. The general atonement will be performed by an architecht and industrial designer. Total area it's 1.300 sq. Ft per 3 floors. Total capacity for 600+ people. 250 seats in the resto-pub and 350 in the boliche and 2nd level bar.

1st floor: Resto-Pub.

promotion kiosks

Drinks Bar

Sushi Bar

Tables (big)

Tables (smaller)

Boxes

Concert's Stage

1 cashier

total seat capacity =243

Tables for 4 people capacity 27

seats in the bar 21

boxes for 4/6 people capacity 6

sushi bar 20

Tables for 2/3 people capacity 35

kitchen:

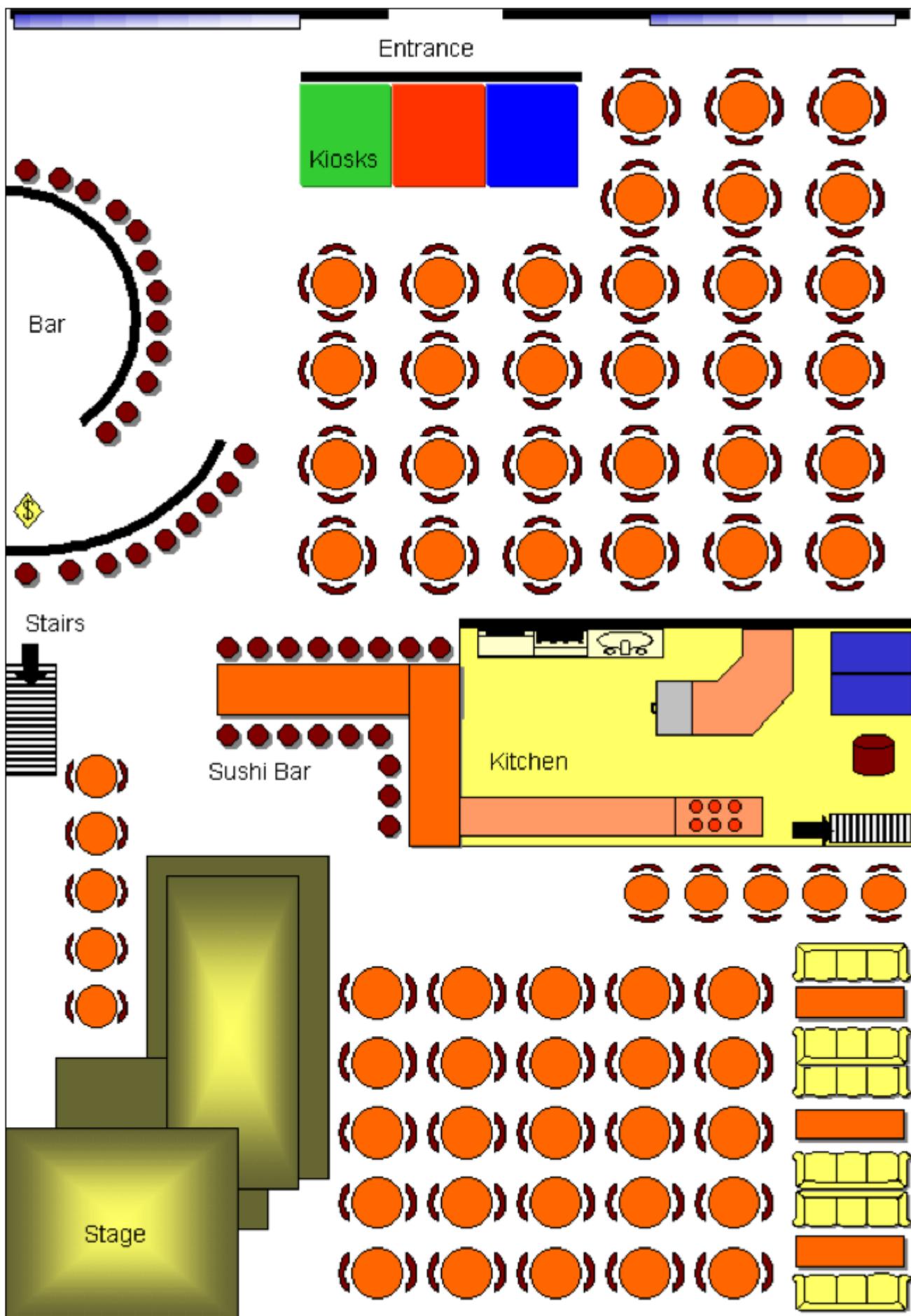
simple, sushi bar, parrilla, etc.

Space enough for 6 people

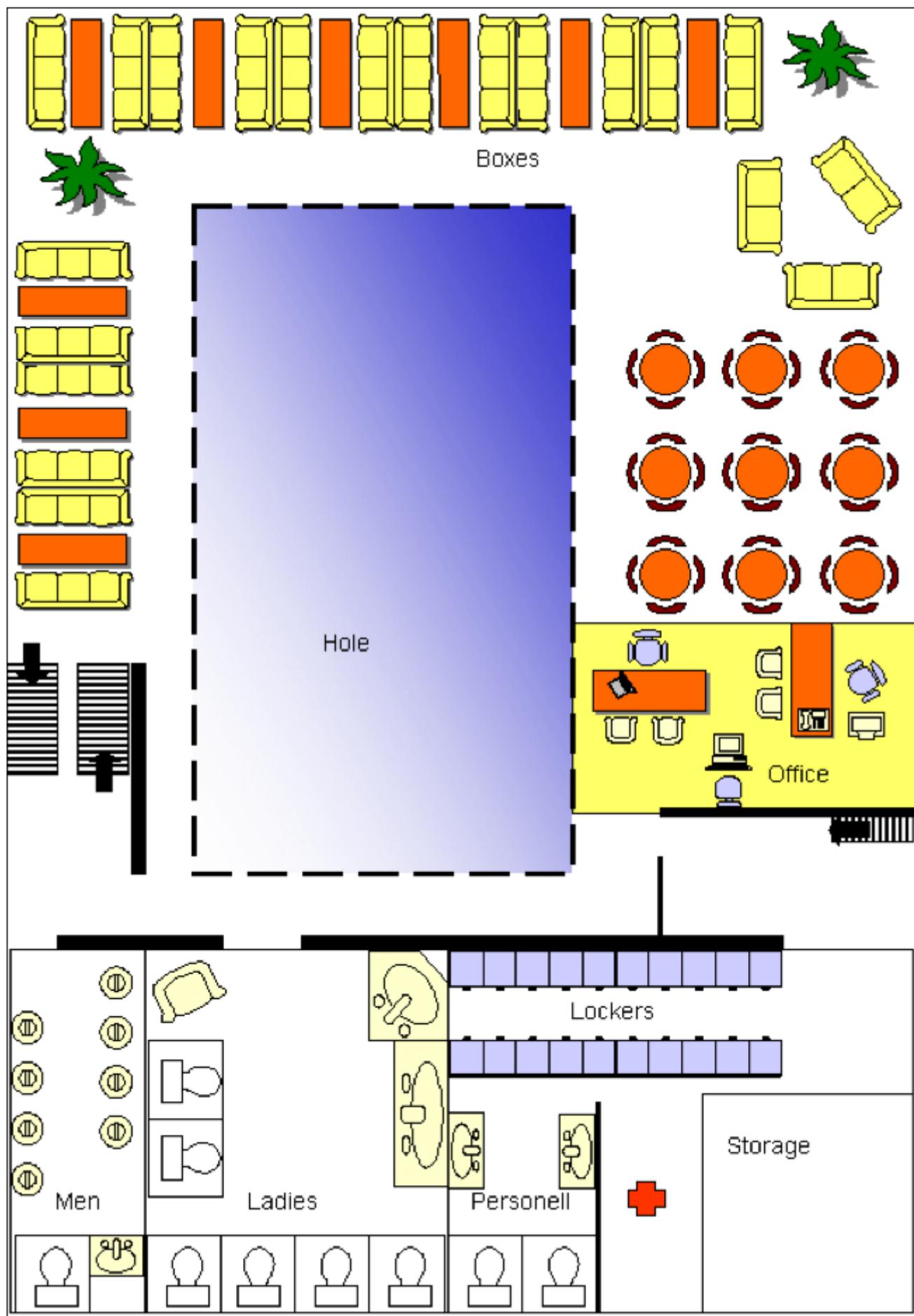
Open kitchen (can be sight for everybody)

2nd floor: Bar, VIP Area, and personell facilities.

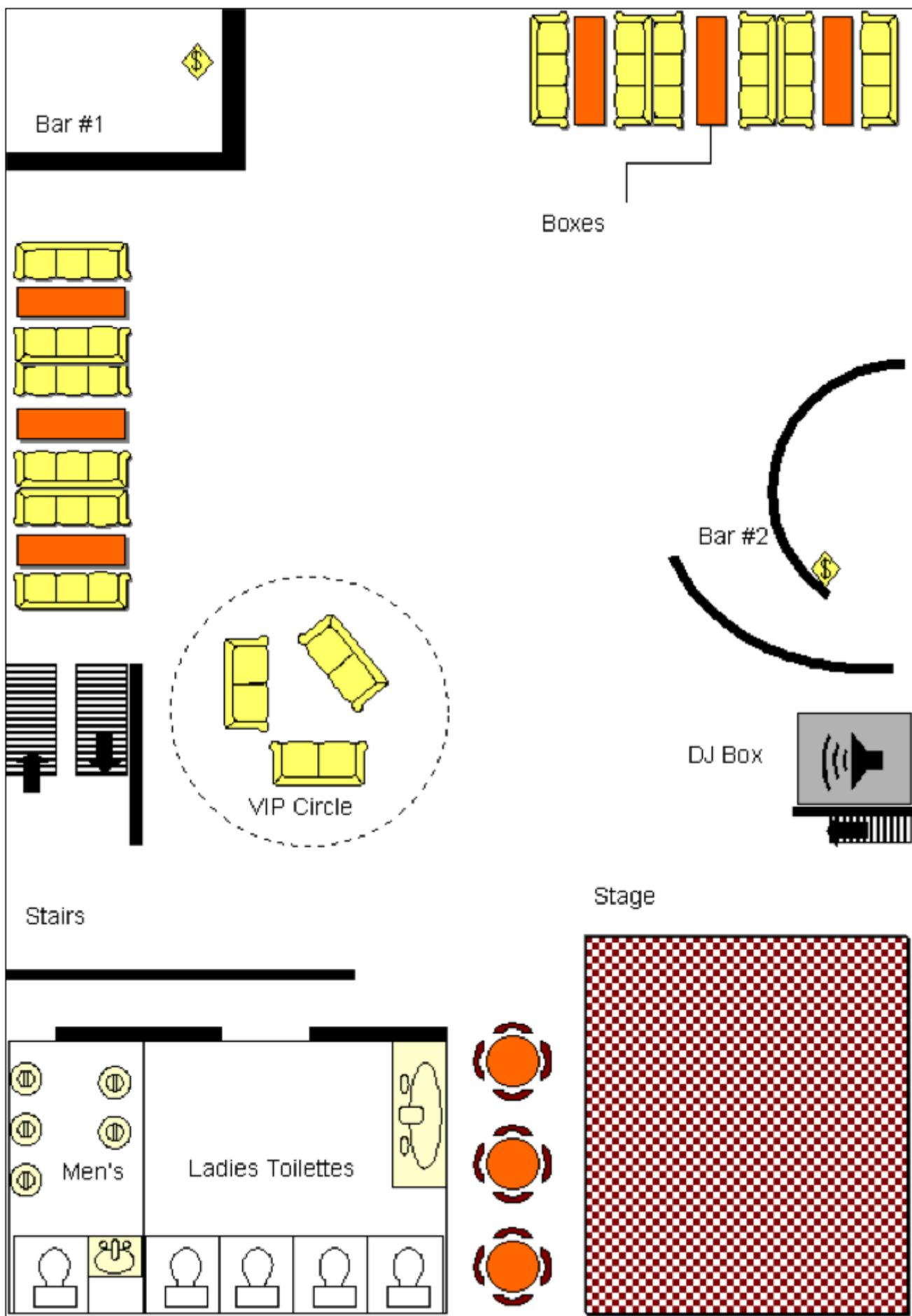
# First Floor Draw



## Second Floor Draw



# Third Floor Draw



# Starting Up

Starting up the business will require at least 9 weeks of hard work. There will be necessary to define from the begin everything related to the style and decoration. Public Relationships and Marketing will require to hire the appropriate professionals, for buy kitchen supplies will be necessary to wait for an auction, since buying used machines and supplies will represent at least a 60% of savings. Contractors can take always a little more time than the planned, and hiring the staff require also a couple of weeks.

The property must be rented by the corporation, so there is an extra week or couple of weeks before starting anything. There is no special license required to operate a night club, but always it's necessary to deal with government people since they can stop a project for any reason. Opening a bank account for the corporation and a simple POS also will take about 2/3 weeks

Specialized professionals must be contracted before the starting-up:

**Architect**

He/She will take care of the whole design and supervise the contractors. It's also necessary to have an exact knowledge of the construction cost operation

**Industrial Designer**

This professional will design and supervise from billboards to tables (made in-house by contracted carpenters and joiners), to the menus and details like table napkins

**Contractor**

For set-up the place, any required installation and remodeling, electrical installations, etc.

**Sound Consultant**

**Attorney**

week	1	2	3	4	5	6	7	8	9	10
project	cost accuracy	organizing								
legal	Corp. Opening		permissions & licenses							
banking		opening account	POS							
recruitment			Principal s			Staff				
marketing				Public Relationships		Grand Opening Organization				
construction			club	Kitchen	2nd floor		Resto-Pub			
hi-power		club				2nd Floor	Resto-Pub			
decoration			club			2nd Floor	Resto-Pub			
details								Final Details		Grand Opening

# Organization by Areas

## RR.PP. (Public Relationships)

RR.PP. Manager: He/she will organize events, invite connected people, etc. Must to be a known person in its area and have multiple connections with the right people. This position is the main “sales man” of the club. He/she, will also invoke the bands to make concerts in the club, and organize fashion events. Will also help to organize events, get sponsors, rent the place and deal with authorities, and any other kind of public relations-hip.

Press and Media Secretary: He/she, will help the RR.PP. Manager, update the website, send the events announcements to people by e-mail lists, make the media get noticed about the events, concerts and activities the club will organize.

DJ: Another key position. The DJ by itself will attract customers to the club, it's very important to have a popular DJ.

## Purchasing and Logistics

Purchasing Manager: His/her main function it's to get the best purchasing price for food and drinks, he/she will research for the best prices and make the proper purchasing. Will also deal with provider companies to get best prices and special promotions, organize the logistics for renting or purchasing equipment for events and will keep control over the stock, will also help to control any cost of operation.

A member of the crew staff will help the purchasing manager.

## Kitchen

Chef: Will organize the kitchen in everyway, and will also cook.

## Sushiman (Part-Time)

## Kitchen Help (3 persons)

## Bar, Restaurant and Boliche

Night Manager: Will take control and deal any problem and help the staff.

## Receptionists (2)

## Bartenders (3)

## Bar backs (3)

## Cashiers (3)

Security Chief: Will coordinate any aspect related to the security

## Security Crews (3)

## waiters, waitress (5)

Crews (4): Will operate in several positions and rotate, as in the bar, as cashiers, waiters helpers, kitchen, purchasing, cleaning and any area to help.

## General Management and Financial

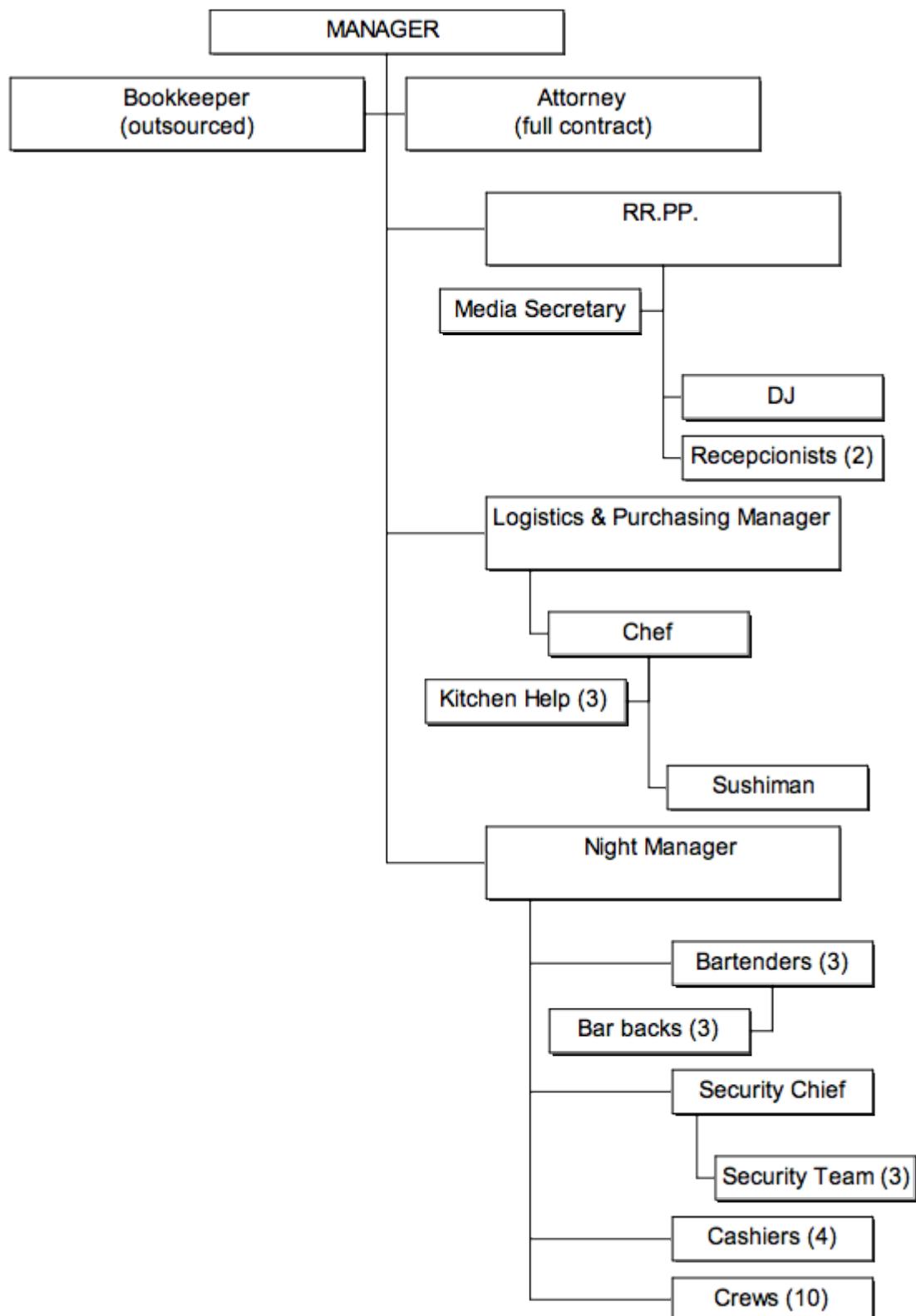
### Manager

### Bookkeeper (outsourced)

### Attorney (full contract)

For the starting-up period it will be necessary to contract an architect, industrial designer and a sound and light consultant.

# Organization Chart



# Marketing Plan. General Overview

We depend on Public relationships as our main way to generate an environment that make happen to reach new customers. Our strategies and practices will remain constant, as will the way we promote ourselves. Basically, this Marketing Plan has been developed by copying and improving current competitors strategies. We have to cover the following aspects, as they can be improved and re-engineered.

## Public Relationships (RR.PP)

As it's mentioned in the survey conclusion, the main media to spread the news of the new club is word of mouth. Massive publicity have not a big return, but notes in publications for the desired target it's a big help. We will focus in Public Relationships more than in advertisement.

Media it's always looking for news and stories to fill. Our media plan will be low cost but creative. We will create stories, events and news to get covered by the media.

The media secretary will be encouraged to contact media people and "help" them to generate good reports about the resto-pub and club.

## Advertising

We'll be developing a core positioning message.

Radios in Buenos Aires have micro-shows, (Rock & Pop) that cover the nightlife in Buenos Aires everynight.

## Strategic Marketing

Gancia, Speed, Heineken, and other brands have special programs for clubs. We will take advantage of these programs

## Grand Opening

We will concentrate a substantial portion of our early advertising budget towards the Grand Opening Event.

## Direct Marketing

We'll directly market to local hotels, university campus and public places visited by tourist, as a few programs mentioned below.

Achievement of the following campaigns will be measured by the polling of customers as to how they heard of the Nightclub for the first ninety days of operation. Budget adjustments will be made as the results dictate.

# Media and Advertisement

Advertising budgets and event promotion are ongoing processes of management geared to promote the brand name and keep NEO at the forefront of the resto-pub-club establishments in Buenos Aires marketing area.

As a policy, we will NEVER advertise the club by itself. We will only advertise events, concerts and activities to happen in NEO.

## Objectives for Magazines:

Fashion Magazines as "Caras", "Para Ti", "Gente", "Pronto", always dispose a minimum of 2 pages with pictures of famous people "caught" in porteño boliches. These people are looking for personal marketing and they agree to get photographed. Main task for the Public Relationship manager it's to invite famous people to the boliche, restaurant, etc.

NEO will invite for free: TV stars, and famous people to the VIP area. Palermo Hollywood takes this denomination because in the neighborhood are located several TV stations, Movies producers, Radio stations, and magazines.

Little ads will also go into the college newspapers for the local campuses of San Andres University and Palermo University. The monthly budget for these ads will be very small, but effective. The event date will be in tandem with the grand opening.

## Objectives for Radio:

We will be running regular local radio ads to create brand awareness. Our radio ads will be concentrated strongly on X4 and Metrodance FM, the city's top radio station among our target market segments. Through commercial repetition, a teaser campaign, and the use of catchy phrases, we hope to obtain intellectual ownership of our target market segments: when they think dance club and bar they'll have to think NEO.

When a band perform, or any event, our media secretary will inform and send about 20 free pass to the radio station for being picked by the people, once the event has been informed by the radio station. Also, an excellent relationship with radio producers will help to be mentioned continuously in the radio.

NEO will not advertise the club directly. We will only advertise the events, bands, and any kind of presentation.

## Objectives for TV:

NEO will exchange a plate (a small flag) in selected TV shows, and invite for free the whole production to dinner to the resto-pub. This will attract people who will see TV stars dinnning in the resto-pub and also, some people will see the advertisement in their TV screens.

## Objectives for e-Media:

NEO will hold a database containing as much as it possible information about both customers and potential customers. For the survey sent by e-mail, a database has been successfully used. This systems will help to keep people updated about NEO's activities. For inserting new records, we will buy databases and also ask e-mail addresses of visitors.

A website will be hold online 24/7, connecting a camera, to the website, organizing also events only for surfers. Special invitations for events can be printed online.

The website will also contain special MP3 tracks of bands (upon the band approval) performing live, and DJ special mixes.

The database system it's ready to work, and using a CRM tool, the e-mails seems to be person-to-person delivered.

# Strategic Marketing and Circle System

Strategic Marketing Tactics helps NEO to save money from advertisement, supply purchasing and many other items. Our attorney will be responsible for the contracts and consulting. In the late years Strategic Marketing helped many business to survive the crisis.

Transmitting a Radio Show from NEO's to X4 Radio Station, just as an example, will help the two companies, we will propose the radio station management to participate in several strategic agreements, without investing money. If this fails, we can find a similar Radio station. X4 it's the direct competition of Metro Dance Radio station, who oftenly transmit programs from Pacha. As a compensation, we can share DJ with X4 and advertise X4 in the club. In addition, we can offer publicity and Merchandising exchange with X4 Radio station or Metro dance radio station.

Creating the Buenos Aires Circle system:

This system has been implemented a few years ago in Chile (Santiago). There was as here, just a few concerts and disco places. So this system allows people to buy an unique ticket that warranty access to any place. Then the place exchanged the tickets to circle system for money. Obviously, Circle system had a commission, but they used to advertise in radio the events and permit people to buy the tickets in many points of sales, so they increment the flow of the whole industry. For customers was also a deal, since they were allowed to buy with credit card, witch it's not allowed in the clubs, and pass as a VIP by the door. During the first year of operation, we will try to implement a system like this, creating a kind of union with the competitors and having the maximum control over this system.



# Direct Marketing

## Hotels

We will advertise directly to local hotel guests and surrounding the Boulevard areas to attract business travelers and tourists with no knowledge of where to go in the evening. Through the use of fliers and table tents to place in hotel front desks, we hope to create visitor awareness of our location and event promotion.

Compensation program for hotels managers /owners for free admission and dinners if they either allow to advertise in the hotel, or make us promotion.

Little Brochures in the BS AS system of Hotels Advertisement will be placed.

Always advertise the events not the place.

## Universities

We will make special promotions with spots models in private universities with a previous agreement with the university principals. We will provide to good looking girls free passes and tickets for drinks. This tactic it's commonly used by the competitors, who pay 1 peso per ticket to the "promotores".

## Business and offices for the restaurant

A mailing with a special opening offer, will be send to the business offices in the neighborhood for enjoy our resto-pub for lunch. We expect these customers discover our bar and pub as like our club.

## Spread in the city

We will offer a reward for taxi cab drivers who deliver a tourist to the club. This practice it's currently being used by cabarets, and it's their main way to get visitors, but it's not yet being used by discos.

Also, we will extend this policy to night city tours.

We will also offer a reward to promote the pub in recoleta village and serrano square in palermo Hollywood. In addition, we will cover as much as we can the tourist circuits in the city

# **Grand Opening, Events and Customer Satisfaction Policy**

A grand opening event will be held to launch NEO in the summer of 2004. A radio advertising blitz will precede the event for three weeks, with ambiguous teasers about an “event like no other” in the city’s history and the forthcoming opening date. Contests will be held on the target radio stations giving away V.I.P. passes (coupons) to the event while at the same time, creating excitement about the opening. The opening date is tentative at this point and dependent upon construction completion.

This Grand Opening event must be related with the whole resources mentioned in this Marketing Plan. More than 200 models has been invited while the survey has made, and many are interested in participate. Events are the best way to attract people, sell drinks and food and make they come back to the resto-bar. Shows like DLG, MAYUMANA (similar ones) and others can be performed in the club, and concerts, modern theatre plays, and other shows in the resto-bar.

Through empowerment of service employees to solve problems without making a customer wait for management consultation we create a win-win situation for the customer and the restaurant. Continuous and never-ending improvement is the order of the day through our regular training sessions and meetings. Since value is equal to service rendered minus the price charged, it is crucial to go beyond the mere serving of food in a room full of lights and sound, you have to create a long-lasting impression.

**Emphasize exceptional service**

We MUST prove to guests that exceptional service is still available and should be expected as part of a dining experience. We need to differentiate ourselves from the mediocre service venues.

**Emphasize an entertaining experience**

By assuring that all guests will enjoy themselves, we would be securing market share through repeat business.

**Focus on target markets**

Differentiate and fulfill the above promises.

We can’t just market and sell another dance club, we must actually deliver on our promise of quality, service and a unique guest experience.

We need to make sure we have the fun and service intensive staff that we claim to have.

# Financial Overview

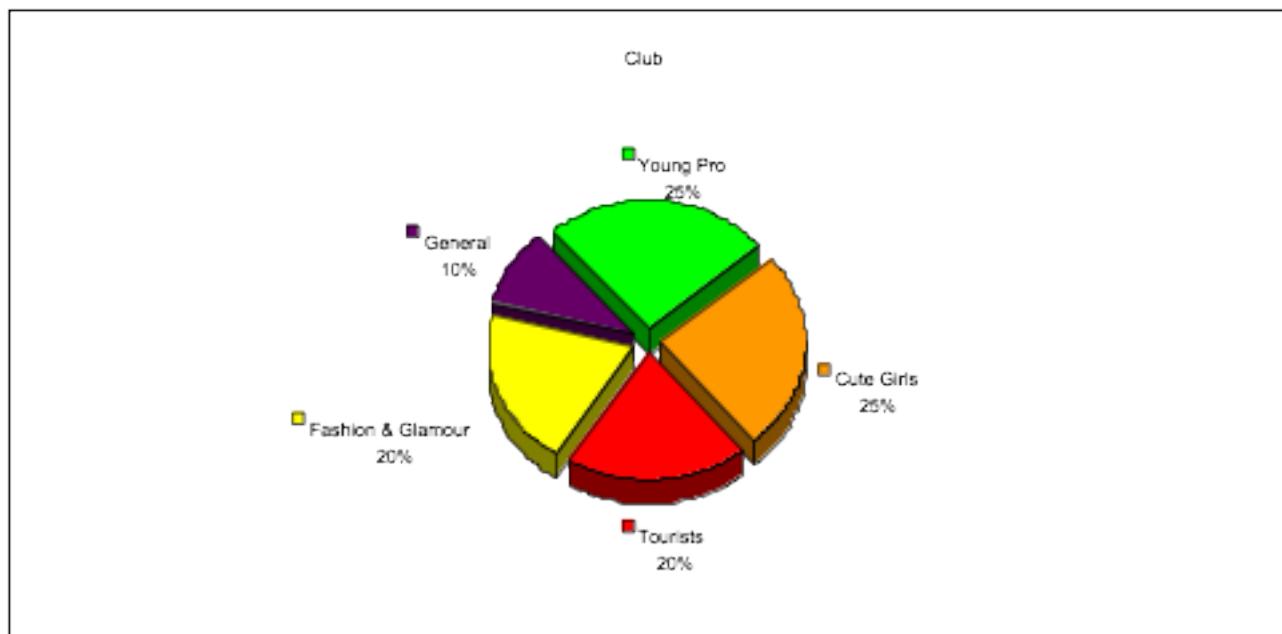
Financial analysis has been carefully inspected and all calculations as forecast are very prudent. Please note that all figures are expressed in argentinean pesos (ar\$) by default. If exceptionally the sign US\$ precede a number, means that it's expressed in US dollars.

This business offers a small risk and required capital it's equivalent to 1 month of sales. A maximum of 8 months before the recovering of all the investment it's required.

# Sales. Customers Profile and it's participation

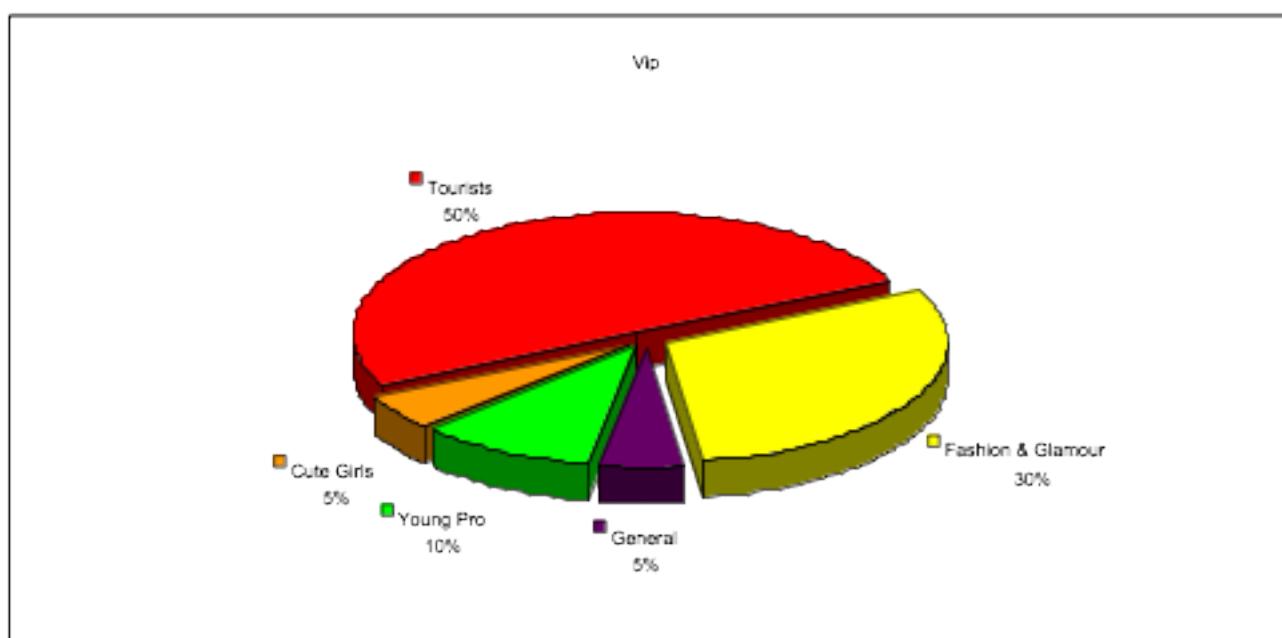
Club:

Profile participation Forecast



Vip Bar:

Profile participation Forecast



# Sales Calculated per weekday

	Mon			Tue		
	Resto-Pub	Vip	Club	Resto-Pub	Vip	Club
Young Pro	334	0	0	378	0	0
Cute Girls	167	0	0	189	0	0
Tourists	741	0	0	839	0	0
Fashion & Glamour	169	0	0	191	0	0
General	323	0	0	367	0	0
Total Sales	1,733	0	0	1,965	0	0
	Wed			Thu		
	Resto-Pub	Vip	Club	Resto-Pub	Vip	Club
Young Pro	423	51	1,425	757	91	1,138
Cute Girls	211	15	950	378	26	759
Tourists	938	412	1,900	1,679	738	1,518
Fashion & Glamour	214	190	760	383	341	607
General	410	21	475	733	37	379
Total Sales	2,196	689	5,510	3,929	1,232	4,402
	Fri			Sat		
	Resto-Pub	Vip	Club	Resto-Pub	Vip	Club
Young Pro	801	96	1,688	868	104	1,828
Cute Girls	401	28	1,125	434	30	1,219
Tourists	1,778	781	2,250	1,926	846	2,438
Fashion & Glamour	405	361	900	439	391	975
General	776	39	563	841	42	609
Total Sales	4,160	1,305	6,525	4,507	1,413	7,069
	Sun					
	Resto-Pub	Vip	Club			
	0	0	0			
	0	0	0			
	0	0	0			
	0	0	0			
	0	0	0			

# Variable & Direct Cost Calculation

Monthly Sales %	food	vip dinks	drinks	admission
Resto-Pub	80.343	60	5	35
Vip	20.158	10	80	10
Club	31.698	0	10	90
Admissions	70.439	0	0	0
	202.638			

sales percentage	food	vip dinks	drinks	admission
Resto-Pub	80.343	48.206	4.017	28.120
Vip	20.158	2.016	16.126	2.016
Club	31.698	0	3.170	28.528
Admissions				(direct cost)

now cost	food	vip dinks	drinks	admission
Resto-Pub	26.554	18.318	1.205	7.030
Vip	6.108	766	4.838	504
Club	8.083	0	951	7.132

basic profit	food	vip dinks	drinks	admission
Resto-Pub	53.790	29.888	2.812	21.090
Vip	14.050	1.250	11.288	1.512
Club	23.615	0	2.219	21.396

# Fix Cost Detail

item_en	un-cost	qty	provider	cost_type	notes	Total Cost
bar supplies	150	1		bar		150
cleannning products bar	50	1		bar		50
alcohol toil	2	26		bar	fajinar	52
club supplies	200	1		club		200
cleannning products club	70	1		club		70
bromatology found	100	1		colaboration		100
solicitors found	100	1		colaboration		100
rent	5000	1		general		5.000
power & light	500	1	edenor	general		500
telecom	350	1	telecom	general		350
metrogas	150	1	metrogas	general		150
water	150	1	aguas argentinas	general		150
insurance	150	1	nueva seguros	general		150
office supplies	150	1		general		150
nextel	100	4	nextel	general		400
city taxes	100	1	gov.	general		100
Internet conn.	100	1	fibertel	general		100
van taxes	100	1		general		100
website upgrading	100	1		general		100
licence taxes	80	1	gov.	general		80
web hosting	80	1	innerhost	general		80
security alarm	75	1	prosegur	general		75
banking	75	1	bank	general		75
Cable TV	75	1	Cablevision	general		75
cleannning products pub	50	1		general		50
bathrooms supplies	50	1		general		50
uniform bonus	20	26		general		520
gas (van)	20	20		general	20 per	400
van mantainance	20	1		general		20
fumigator	15	1		general		15
fire extinguishers mantainance	12	1		general		12
first aid room mantainance	7	1		general		7
kitchen supplies	260	1		kitchen	10 pes	260
radio advertisement	2500	2		marketing	x4, me	5.000
specialized news ads	1000	1		marketing		1.000
printing	500	1		marketing		500
media incentives	200	2		marketing		400
bands payment	3000	4		pub	budget	12.000
florist	300	1		restaurant		300
candels	150	1		restaurant		150
cleannning products restaurant	50	1		restaurant		50

# Payroll Monthly cost

position	monthly	qty	name	notes	Total Cost
RR.PP.	7000	1			7000
DJ	7000	1		total budg	7000
Manager	4000	1			4000
Nite Manager	1700	1			1700
Purchasing Manager	1700	1			1700
Sushiman	1500	1			1500
Chef	1500	1			1500
Attorney	1000	1			1000
Media Secretary	1000	1			1000
Security Chief	850	1			850
Cashiers	800	3			2400
Repcionists	750	2			1500
Bartenders	600	3			1800
Bookkeeper	500	1			500
Kitchen Help	500	3			1500
Barback	450	3			1350
Security Crews	450	3			1350
Waiters	400	2			800
Waitresses	400	3			1200
Crews	400	4			1600