

Budget and Justification

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Running Head: Budget and Justification

Youthfulness, a restaurant and juice bar that has a trendy and urban twist will cater to our youth and young adult population in downtown San Jose near San Jose State University. It will have a diverse selection of a quick bite to a smoothie, a study and hangout area to a sit in dinner. This bright colored restaurant will need a proposed budget that meets its mission statement of serving youth in different areas of health wellness.

The restaurant will have 150 seats in the dine area section and 100 seats for the lounge and juice bar area. Both sections will have a view of the well lite stage. It will be open for breakfast, lunch and dinner from Monday to Sunday. Seat turnover for breakfast is about $125/125 = 1.0$, for lunch its $150/100 = 1.5$ and for about dinner its $160/90 = 1.7$ (S. Josef, personal communication, April 9, 2012). The average food check per person for breakfast is \$9.75, with a lunch average food check of \$10.75 and a dinner average food check of \$12.30 (S. Josef, personal communication, April 9, 2012).

The beverage revenue is about 20% for breakfast, 20% for lunch and 25% for dinner food sales. Food cost is expected to be 45% of total revenue. The beverage cost is 20% of total beverage revenue. The total sales of food and beverage are \$5,204,062.5. The total cost of sales of food and beverage are \$1,232,397.25 with a gross profit of \$3,971,665.25 (S. Josef, personal communication, April 9, 2012).

The salaried employees' wages are estimated at 20% of total sales and other employees are about 15% of total sales. Benefits add a 25% of total salaries and wages. Other controllable expenses are 7% of total sales. Occupancy costs are about \$45,000 and interest charges are \$20,000 per year with a depreciation of \$25,000 per year. For controllable expenses the fixed payroll averages about \$1,040,812.4 and for variable payroll is about \$780,609 with employee

Running Head: Budget and Justification

benefits of \$455,355. The other controllable expenses are \$364,284. The total controllable expenses are about \$2,213,260.

This budget is an annual operating budget that sums up future expenses from a future goal of Youthfulness to have Profit/Loss of \$1,568,405.25. This budget connects to my mission statement of how I want to serve fresh produce for breakfast, lunch and dinner to the young population. I want to provide health wellness in food as well as in space for the youth and young adults. So I made a specific budget that allows customers to have a spacious dining and lounge area. Also I want Youthfulness to focus on health wellness for employees, so this budget ensures employee benefits and makes the restaurant work efficient. Overall this budget caters to the health of my employees and customers and to ensure profit.

Work Cited

S. Josef, personal communication, April 9, 2012. San Francisco State University. San Francisco, CA.