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Wells Fargo Bank  
2970 Horizon Road  
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To Whom It May Concern,

The following document is my proposal for funding to open Ana's Tearoom in Royse City, Texas. I am requesting \$50,000 to cover the start up costs related to opening this business.

Please direct any questions related to this proposal and the business to me. Thank you for your time and consideration in reading my proposal.

Sincerely,

Victoria Shew

## ANA'S TEAROOM

Prepared for  
Wells Fargo Bank

Prepared by  
Victoria Shew

October 2, 2020

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## **Executive Summary**

Royse City is a quickly developing city. Many new businesses have opened in the last 10 years, but the dining options available to residents remain limited. Currently, all of the dining options in Royse City offer similar menu items, such as burgers, pizza, and Mexican food. These options are also limited mainly to fast-food establishments with only five sit-down restaurants existing in Royse City. The lack of diversity in menu options and number of sit-down restaurants results in Royse City residents traveling outside of the city in search of other options, which negatively impacts Royse City's economic development.

I would like to open Ana's Tearoom to fill the gaps in Royse City's dining options, and I am asking for \$50,000 to do so. Ana's Tearoom will address this situation by offering a diverse menu at affordable prices. Our target audience is residents of Royse City, specifically families. Our menu will consist of items ranging from soup and sandwiches to pasta and barbeque, which will fill in the gaps left by the existing restaurants' menus. Our prices will compete with existing restaurants while offering a better and healthier value for our customers. These differences will help us stand out from the competition and encourage residents to dine at Ana's Tearoom instead of travelling to neighboring cities, which will increase support of local businesses and economic activity in Royse City. Our success will also serve as a model for other small business owners to follow.

Our biggest advantage over the competition is our menu. Since most of the restaurants in Royse City are fast-food chains, residents are limited to the same types of food—burgers and fries. The sit-down restaurants that do exist tend to provide similar options as one another. Ana's Tearoom will offer items that are otherwise only found in restaurants in neighboring cities, such as Rockwall and Greenville, which will encourage residents to dine in Royse City instead of driving to these cities. While our prices will be similar to existing restaurants, the food at Ana's Tearoom will be higher in quality and nutrition.

To get the word out, we will market online through social media channels such as Facebook, Twitter, and Instagram. These networks will allow us to reach a large audience while sharing information about the restaurant and gaining feedback from our customers. We will post pictures and videos on these platforms using the free accounts they provide, which will help us stay within our budget. We will also use these platforms to share information regarding events and specials that we have.

I will be partial owner and my mother, Ana Shew, will also be partial owner and head chef. We will employ a marketing specialist and traditional restaurant staff, such as host/hostess, wait staff, and busboys. My mother has owned and run two successful restaurants in Royse City in the past, and currently owns and runs a successful catering business. I have helped her for the past 10 years and also have two years of culinary training.

I have found a rental space that has recently been renovated as a restaurant space. However, a few additions are needed to update the building to our standards. Once we have made the necessary updates, purchased supplies, and hired and trained all of our staff we will be ready to open.

I believe that Ana's Tearoom will be a great addition to Royse City and will provide residents and visitors with a refreshing and economical dining option. It will also increase Royse City's economic activity, encourage residents to shop locally, and serve as a successful business model for others.

## **Current Dining Options in Royse City**

Royse City is a small, but growing town that currently lacks diverse dining options. After speaking with many of the residents in the town I have found that there is a strong need for a new dining establishment. I would like to open Ana's Tearoom to offer the citizens of Royse City and surrounding areas with a high quality, affordable, sit-down restaurant. This proposal outlines the Current Complaints, Proposed Solution, Budget, and Market Benefits.

While there are several restaurant options currently available in Royse City, they are mainly fast-food, and the sit-down options available generally offer similar types of food. This lack in dining options has caused Royse City's residents to have to travel to surrounding cities for new options, which indirectly causes Royse City to lose valuable profits. It also has caused residents to become unhappy with their current dining options.

Currently, Royse City has the following chain restaurants: McDonald's, Jack in the Box, Sonic, Popeye's Fuzzy's Taco Shop, Golden Chick, Pizza Hut, Domino's, Papa John's, Arby's, Dairy Queen, Whataburger, Panda Express, Denny's, and Palio's Pizza.

From this list, there are only two traditional sit-down restaurants where customers are served by wait staff, Denny's and Palio's. There are also four independently owned restaurants that are traditional sit-down style. Three of these serve Mexican food and the other serves American food.

I surveyed 50 Royse City residents regarding their opinions of the current dining options. They gave an average rating of 2.7 out of 5. In addition, 96.67% stated they would like more sit-down restaurants. One participant stated, "it can sometimes be a headache to go into Rockwall...", the nearest town with more dining options, to eat out. Another participant said Royse City "has enough pizza, Mexican, and donut" options. Several participants also stated they would like to see "more" or "diverse" options.

These results, along with the current available options, show that the competition lacks diversity in their food offerings. Royse City needs a restaurant that is healthy, affordable, and diverse in its menu. To meet this market need, I will open Ana's Tearoom and am requesting \$50,000 to meet this objective. As a result of this business, the city will see an increase in residents supporting local businesses, an increase in economic activity, and other businesses will have an example of a successful small business to encourage them to follow in our path.

## **About Us**

Ana's Tearoom exists to bring people together through food. My mother was influenced by my grandmother to pursue cooking. My mother has shared her love of food with me through family recipes and many late nights spent cooking together. She has also shared this with Royse City through her successful catering business. When my family first came to this city, it was food that connected them to so many people they now call friends and extended family. I want to open this restaurant to continue sharing this passion that we both have with others on a larger scale while also addressing an issue that we both can relate to.

Ana's Tearoom will appeal to residents who want more sit-down restaurants and those who want more quick dining options. Ana's Tearoom will provide customers with a welcoming and homey sit-down restaurant that is currently missing from Royse City. Customers will also be able to order via phone or

website to place their order for pick up. This will address the current issue involving a lack of sit-down restaurants while also appealing to those who would like more quick dining, or “fast-food”, restaurants by providing them with an easy pick-up option.

The current restaurants in Royse City don’t offer a wide range of cuisine. Our customers will be drawn in by our diverse offerings, affordable prices, and high-quality food. Ana’s Tearoom will offer lunch and dinner Monday through Saturday and breakfast on Saturday and Sunday. The variety in menu options will appeal to customers with varied tastes, especially when they are searching for meals that may not be easily accessible in Royse City, such as soup and sandwiches and brunch. This diverse menu will also prevent them from having to drive longer distances to eat out or pick up these meals.

To compete with other restaurants, we will try to keep costs as low as possible while offering a diverse menu. Table 1 outlines some of our menu items and prices:

*Table 1. Menu Prices*

| <b>Menu Item</b>                                | <b>Price (\$)</b> |
|---|-------------------|
| <b>Chicken Salad Sandwich</b>                   | 8.95              |
| <b>Chicken Spaghetti</b>                        | 7.95              |
| <b>Pulled Pork Sandwich</b>                     | 8.95              |
| <b>Beef Enchiladas (rice and beans as side)</b> | 8.95              |
| <b>Strawberry Fields Salad</b>                  | 6.95              |

Each item is served with a choice of side (potato chips, pasta salad, soup, or salad) unless otherwise indicated. We will offer traditional drinks such as sweet and unsweet tea, soft drinks and lemonade, and we will also serve flavored teas for \$2.50 with unlimited refills. Beer and wine prices will vary based on the brand but will range from \$3-6, which is the industry standard. These menu items will compete with the current menus and prices of other restaurants.

## Budget

I aim to offer a restaurant that is comforting to our customers while keeping menu prices affordable. Although my proposed budget does not equal my request amount, I am still requesting \$50,000 to account for any unforeseen issues that may arise with the building, such as damages and renovation. Any unused funds will be immediately paid back. Table 2 outlines the expected budget to open Ana's Tearoom, including predicted wages:

Table 2. Budget

| Item                               | Number         | Cost      |
|------------------------------------|----------------|-----------|
| <b>Recurring Costs (per month)</b> |                |           |
| Rent                               |                | \$2400.00 |
| Utilities                          |                | 5000.00   |
| <b>Total</b>                       |                | 7,400.00  |
| <b>Permits/Licenses</b>            |                |           |
| Food and Beverage License          | 1              | 776.00    |
| Liquor License                     | 1              | 3000      |
| TABC Server License                | 6              | 47.70     |
| <b>Total</b>                       |                | 3,823.70  |
| <b>Equipment</b>                   |                |           |
| Industrial Oven                    | 1              | 2200.00   |
| Plates                             | 50             | 159.62    |
| Drinking Cups and Wine Glasses     | 100 (50 each)  | 132.28    |
| Bowls                              | 50             | 158.36    |
| Forks/Knives/Soup Spoons/Teaspoons | 50             | 103.80    |
| Cloth Napkins                      | 50             | 43.96     |
| Cash Register                      | 1              | 72.87     |
| Assorted Décor                     |                | 2000.00   |
| Corkscrew/Bottle Opener            | 6              | 24.00     |
| Guest Check Pads                   | 1 (pack of 20) | 9.98      |
| Energy-Efficient Light Bulb        | 1 (pack of 8)  | 29.99     |
| <b>Total</b>                       |                | 2,935.86  |
| <b>Food (per month)</b>            |                |           |
| Protein                            |                | 2000      |
| Produce                            |                | 1000      |
| Grains/Starches                    |                | 1000      |
| Spices                             |                | 200       |
| Baking Supplies                    |                | 500       |
| Beer/Wine                          |                | 1500      |
| <b>Total</b>                       |                | 6,200.00  |
| <b>Employment (per hour)</b>       |                |           |
| Busboys/Dishwasher                 | 6              | 43.50     |
| Waiters/Waitresses/Host            | 9              | 51        |
| Cook                               | 1              | 12        |
| Marketing Specialist               | 1              | 14        |
| <b>Total</b>                       |                | 120.50    |
| <b>Total</b>                       |                | 20,480.06 |



Our goal is to keep startup costs low to provide customers with lower menu costs. I will use dinnerware that my mother has kept from a previously owned restaurant and buy additional dinnerware in bulk. I will also use Google's free phone service, Google Voice, in place of a traditional, paid telephone line. I also found a recently renovated building in Royse City that is restaurant-ready with kitchen equipment and dining tables and chairs. However, the space does need a few décor and equipment updates, which is where any additional funding will go. Additional funding will also be used in the event there are any unforeseen repairs needed. I will also install energy-efficient light bulbs to help keep our utility costs down. These small details will help the restaurant provide lower menu prices for our customers that will compete with the current local and franchise restaurants and draw in more customers.

## **Marketing**

I will use online media to spread awareness of the restaurant and gain reviews and feedback; however, I will rely mainly on social media for reviews and feedback. I will use social media, specifically Facebook, Twitter, and Instagram, to share information about daily specials and events. I will also post photos and videos to showcase our food and events. Although I can pay for advertisements through these platforms, I will rely on free accounts and publicity from others sharing our posts to gain more customers and recognition in the community. The review features of platforms such as Facebook and Yelp will be helpful in understanding what customers think of our service, food, and prices aside from what staff learns through talking to them in the restaurant.

The website will feature links and feeds connected to our social media channels as well as an option to place a to-go order online so customers do not have to call to place their order. This marketing will highlight the delicious options available at Ana's Tearoom and provide many options for customers to share their feedback about the restaurant. Placing a marketing focus on social media will allow the restaurant to reach a large audience and gain insightful information through connected posts and reviews without additional costs from paper advertisements or other methods.

## Staffing

I will be partial owner, and my mother, Ana Shew, will also be partial owner. Table 3 below outlines the positions, responsibilities, and the desired qualifications:

Table 3. Staffing Requirements

| <i>Employee</i>            | <i>Position and Responsibilities</i>  | <i>Qualifications</i>  |
|----------------------------|---|--|
| <i>Victoria Shew</i>       | Owner/Manager <ul style="list-style-type: none"> <li>Managing employees (training, discipling, hiring, etc.)</li> <li>Ensuring customer satisfaction</li> <li>Developing/maintaining budget and menu</li> <li>Maintaining inventory</li> <li>Creating and collaborating on marketing</li> </ul> | <ul style="list-style-type: none"> <li>2 years' culinary training</li> <li>6 years' experience in the restaurant/food industry</li> <li>Organizational skills</li> <li>Customer service experience</li> <li>Social media experience</li> </ul>                               |
| <i>Ana Shew</i>            | Owner and Head Chef <ul style="list-style-type: none"> <li>Developing/maintaining budget and menu</li> <li>Managing and running kitchen</li> <li>Maintaining inventory</li> <li>Creating and collaborating on marketing</li> </ul>  | <ul style="list-style-type: none"> <li>20+ years' experience in the restaurant/food industry</li> <li>Previously owned 2 successful restaurants in Royse City</li> <li>Currently owns and runs a catering business that services Royse City and surrounding areas</li> </ul> |
| <i>Hired Employee</i>      | Marketing Specialist <ul style="list-style-type: none"> <li>Managing social media platforms</li> <li>Updating website</li> <li>Creating and collaborating on marketing</li> </ul>   | <ul style="list-style-type: none"> <li>1 year experience in marketing related field</li> <li>Familiar with social media platforms</li> <li>Good communication and teamwork skills</li> <li>Proficient with technology (smartphones and computers)</li> </ul>                 |
| <i>Hired Employees (2)</i> | Part-Time Cooks <ul style="list-style-type: none"> <li>Managing and running kitchen</li> <li>Maintaining inventory</li> </ul>   | <ul style="list-style-type: none"> <li>1 year experience in food service preferred</li> <li>Food Handler's License preferred</li> <li>Time management and communication skills</li> </ul>  |
| <i>Hired Employees (3)</i> | Host/Hostesses <ul style="list-style-type: none"> <li>Ensuring customer satisfaction</li> <li>Seating customers</li> </ul>  | <ul style="list-style-type: none"> <li>Time management and organizational skills</li> <li>Positive attitude</li> <li>Flexibility with job duties/willingness to assist where needed</li> </ul>   |
| <i>Hired Employees (6)</i> | Waiters/Waitresses <ul style="list-style-type: none"> <li>Ensuring customer satisfaction</li> <li>Monitoring online orders</li> </ul>   | <ul style="list-style-type: none"> <li>Time management skills</li> <li>Positive attitude</li> <li>Previous experience in food industry preferred</li> </ul>  |

|                                    |   |  |
|------------------------------------|---|--|
| <i>Hired<br/>Employees<br/>(6)</i> |   | <ul style="list-style-type: none"> <li>• Food Handler’s License and/or TABC Permit preferred</li> </ul>                              |
|                                    | Busboys/Dishwashers <ul style="list-style-type: none"> <li>• Clearing dishes from tables</li> <li>• Washing dishes</li> <li>• Ensuring cleanliness of restaurant</li> </ul> | <ul style="list-style-type: none"> <li>• Time management skills</li> <li>• Positive attitude</li> <li>• Strong work ethic</li> </ul> |

I will need to hire outside employees for majority of these positions; however, I feel confident that I will be able to find capable and hardworking employees in Royse City that meet my qualifications.

**Benefits**

A restaurant that offers a diverse menu at an affordable price will encourage residents to stay in town. Royse City will benefit because this restaurant, and the reputation that my mom and her catering business have, will encourage residents to eat locally rather than drive to surrounding cities. The increase in local activity could also bring more activity for other local businesses.

This increase in economic activity could bring more awareness and people to a currently growing city. For a town that is often overlooked on the map, increased economic activity is a major benefit. As more people discover our town, this activity can increase even more as consumers are brought to the local businesses.

The restaurant’s success will also be a model for other businesses to open and continue to encourage the “shop local” value. Other small business owners will, hopefully, see a familiar face start up their own successful business and decide to follow suit. Hopefully, our success will also encourage some larger chain restaurants to open as well to offer Royse City the added growth that wants and needs. The increase in small and large business in Royse City leads to an increase in economic activity.

Although Royse City has many dining options, most offer the same types of food, and Royse City residents are limited when choosing sit-down restaurants. Ana’s Tearoom is a smart (and delicious) solution to this problem. I am asking for \$50,000 to start this business and meet Royse City’s dining needs. As a result, Royse City will see an increase in residents supporting local businesses and economic activity, and the restaurant will be a successful business model for others.

I’m eager to open Ana’s Tearoom and share mine and my mother’s passion with Royse City on a larger scale. Please contact me if you have any questions or concerns regarding our menu, prices, or other aspects of the business.

## Appendix: Royse City Dining Options Survey

### Dining Options

1. How satisfied are you with the current dining options in Royse City? 

Not Satisfied

Somewhat Satisfied

Neutral

Satisfied

Very Satisfied



2. Do you want more sit-down restaurants? 

☐ Yes

☐ No

3. Do you want more fast-food options? 

☐ Yes

☐ No

4. Please provide any feedback regarding the dining options in Royse City. 

