

1.0 consumer was
crying out for a



**ASSIGN
BUSTER**

1.0 Executive Summary By focusing on its heritage and the strength it brings into the products, their quality, and uniqueness, Salvador's will increase its sales to more than \$2 million by the turn of the century, while improving the gross margin on sales cash management and working capital. This business plan leads the way. It renews our vision and strategic focus on the quality and value we put in our products and the market segment originally targeted. Our vision has been broadened by the success we have found in the marketplace, to the extent of adding new products and current plans on additional items and services.

It has given us a step-by-step plan to meet and exceed our goals for increased sales, gross margin, and profitability. This plan includes this summary, and chapters on the company, products and services, market focus, action plans and forecasts, management team, and financial plan. 1.1 Objectives 1.

Increase sales to more than \$1 million over the next three years. 2. Move gross margin to above 55% over the current product line and maintain that level. 3.

Add products and services to meet market demand, again at 55% margin or above. 4. Sell \$2 million of salsa and related Hispanic food items and service by 2000. 5. Improve inventory turnover, reduce the cost of goods sold while maintaining the high quality of the products. 6.

To provide jobs to the Hispanic community that are rewarding and fulfilling.

1.2 Mission Salvador's was built on offering the highest quality and value in its authentic hot salsa, filled with the history of the Hispanic community.

Time honored family recipes have been passed down through the generations, rich with ethnic heritage. Knowledgeable consumers were looking for authentic products, filled with the best ingredients. The consumer was crying out for a change! They wanted real down home Hispanic salsa.

Salvador's answered this call, first with its hot salsa, then adding mild and extra hot salsa, followed by yellow and blue corn chips. Constantly striving to supply what the consumer is asking for, we continually review what is available in the marketplace, and what isn't. Improving on what is available and providing new products and services to the areas of need will assure our success in a market driven by consumer demand. 1. 3 Keys to Success1. Delivering high quality products that set themselves apart from the others in taste and value. 2. Providing service, support, and a better than average margin to our dealers.

3. Increase gross margin to over 55%. 4. Bring new products into the mix to increase sales volume.

2. 0 Company SummarySalvador's is in its third year of operation, increasing sales five-fold in its second year, and is on track to repeat this in its third year. It has a good reputation, excellent people, an increasing position in the local market, and opportunities to reach out into other states.

Starting with a few outlets for our products, we now have over 40, with two large grocery chains in the approval process of carrying our full line of products, and a large distributor intending to sell over \$100, 000 worth of our products annually. See enclosed copies of letters from Moctezuma Foods, Inc., Meijer, Inc., and others. 2.

1 Company Ownership Salvador's is a privately-held C Corporation owned in total by its co-founders, Ricardo and Pat Torres. 2. 2 Company History Salvador's has been hindered only by the lack of working capital it had in its initial stages of setup and operation. Sales are growing steadily, with the cost of goods sold consistently decreasing. But to make significant headway in this area, additional capital is needed to purchase ingredients and processing in larger volumes, thereby reducing the costs of goods sold in excess of 32% overall. See enclosed copy of quote from Hirzel Canning Company Past Performance 1993 1994 1995

	1993	1994	1995
Sales	\$4,224,050	\$21,050	\$14,160
Gross Margin	\$2,451	\$14,160	\$14,160
Gross % (calculated)	0.00%	58.03%	67.27%
Operating Expenses	\$12,028	\$20,719	
Collection period (days)	010	15	
Inventory turnover	06	5	

Balance Sheet Short-term Assets

	1993	1994	1995
Cash	\$0	\$126	
Accounts receivable	\$0	\$0	\$0
Inventory	\$0	\$3,492	
Other Short-term Assets	\$0	\$0	\$0
Total Short-term Assets	\$0	\$3,618	
Long-term Assets			
Capital Assets	\$0	\$23,368	
Accumulated Depreciation	\$0	\$9,792	
Total Long-term Assets	\$0	\$13,576	
Total Assets	\$0	\$17,194	

Capital and Liabilities 1993 1994 1995

	1993	1994	1995
Accounts Payable	\$0	\$0	\$0
Short-term Notes	\$0	\$16,207	
Other ST			