

MEMO: Money making, feasibility of a night club in Kumaka

TO: Jim
FROM: Gene

There is a lot of money in the Marahuanna - Mabaruma - Kumaka area. We are seeing how good it is by our store. Probably the best way to make money in the area is to set up and operate a small night club with a bar, dance floor, juke box, a pool table or two, a couple of game machines, and live music on weekends or on special dance nights. There is nothing like it there - and a lot of folks with money and nothing to spend it on. We could also incorporate a general store in the same facility, and, of course, food service.

In order to set this up we would need a building, and land to put the building on. Without commenting on the probability of completing the venture, the first step would be for Patty and Rheavianna to make an application for the use of some land to put the structure on. It should preferably be along the river so that people could come into the area and tie up their boats, and come on in - a sort of aquatic parking lot. Anyway they would have to make an application for the land and it would take at least three months to get it - so I am suggesting that the first step be taken, that they be asked to make an application for enough land to complete the structure - say two acres. It would be in the nature of a permit or lease so that the cost would be nominal.

While the application is pending we can decide whether we want to go through with it, and all of the details. As to earnings I suggested to her we might make at least \$3,000 a night from dances, and she felt that to be a very low figure.

One thing I know for sure - Guyanese love to party and they have lots of money there and no decent facilities to do it. I think that the community would be very appreciative and the project would advance our P.R. in the area because we would be providing them with something that they like and appreciate. I think that a net income of between \$25,000 and \$40,000 per month from a combined store, restaurant, beer parlor and night club would not be unrealistic. It could be likely be operated with four to five persons, plus musicians on weekends.



pitfalls:

1. dealing with local drunks
2. competition with local merchants
3. keeping our people out of the lines
4. personal involvement with local business

5. Possible danger of
6. Credit ?

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PRELIMINARY ANALYSIS OF BUSINESS VENTURES...

Needed:

Since the economic climate here is so irratic, it was our feeling that whatever the investment -- we should consider that our profits would have to be gotten out fairly fast.. Gene feels within 3 years.. Tish and Kay kind of thought this too optimistic.. However, in looking at their potential sales, based on history -- and figuring that they will be lying somewhat... the following sales would return our money in 4 years and 7 years, respectively..

Basing our profit structure on a 24% markup over costs, we would on 100,000 in annual sales, make our investment back in 7 years.. this would give a 15% net profit.. see attached..

On a profit structure of 35% markup over costs, we would on \$100,000 in annual sales, make our investment back in 4 years, th's would give a 25% net profit... see attached.

It was our thinking we will have to consider carefully our profit structure in any business we enter, and base our business push in that direction.

We had two ideas on related and unrelated businesses:

Gene felt should go for the stores --here and in Kamaca, stores and discos.. with possibly a bond for wholesale products in Kaituma..for sales to Ridge, etc..

The other idea Tish thought on this, was that we run the same danger Booker did if we get too much control "showing" of our business ventures. Therefore, the contrast of the hotel business might not be so bad..

Kinds of questions we need to be asking..

WAREHOUSE IN TOWN--Docking space is at a premium; we have most of what we need to operate it.. Not necessary that we use it ourselves, however, having it will enable us to come in, load and unload at all hours and be on our way almost immediately --should we choose.. Also good for our own boat..

NEED TO KNOW WAREHOUSE CHARGES, LOADING AND UNLOADING CHARGES, STORAGE CHARGES--as presently exist in Georgetown. Richard should have this.

Fernandes employees have a profit sharing plan that gives them year end bonus equivalent to 50% of annual income. Get treated so well you can't get anyone to give up their job save by dying. Everybody does a good job

Could get 1 or 2 front end loaders and crane then can load and offload can and store it in our warehouse. Was obviously lucrative for Fernandes.. Is theft aspect to consider --perhaps fencing and dogs???

Would perhaps want to construct small bar or shop for beer and soft drinks and some food..

NEED TO GET HOLD OF LAWYER AND SEE WHAT TRANSFER DOCUMENTS WE WILL NEED.. Government has regulated many business out of business--vis. poultry, etc.

Mikes place--

Perhaps go in even lower than \$130--gene thinks (Tish not so sure is good, if we demoralize him --he might just give up.. then to go in much higher would let him know we are anxious.. have mixed feelings on going in too low..). Tish thinks 130-140 best plus inventory.

Might sell tickets at ridge, let PNC or police sell them for us and give them a \$3 donation or some such..arrange railroad to deliver at a set fee? Could possibly make up to \$1000 net per night on this.. plus food for sale during week..

In looking at the books he presents -- a good sales point is to set it on a scale of comparative --shelf loss, etc.

Will need particulars on the businesses to give more in depth analyses.

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TO: DAD

FROM: MONEY MAKING PROJECT COMMITTEE

KAY NELSON, TISH LEROY, GENE CHAIKEN, JOHNNY JONES, JACK BEAM
HARRIET TROPP, MIKE PROKES, CHARLIE T.

THE COMMITTEE AGREED THAT THE PROGRAM SHOULD BE DONE .

GENE SAID THAT WE SHOULD RESERVE \$0 TICKETS FOR P.R. PURPOSE.

MIKE AND CHARLIE & KAY AGREED THAT WE SH OULD TRY FOR 60/40 SPLIT.

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