**Irish Pub Bar Business Plan**

**Executive Summary**

Introduction

McKnight's Pub has been a successful Irish bar in the heart of downtown Portland, Oregon for one hundred years. However, recently McKnight's has seen a drop in its clientele due to the rise of microbreweries in the Portland area. In order to successfully compete with this new threat, McKnight's objectives are to create its own microbrewery on-site and to offer superior kinds of beers than that of its new competitors.

**The Company**

McKnight's Pub was established in 1902 by Walter McKnight and over the years has become a well known fixture of Portland. Two years ago, Charles McKnight sold the pub. The establishment is now a sole proprietorship owned and operated by Ian Davis. The company is licensed in Oregon.

McKnight's Pub is located in one of the most outstanding downtown places in Portland as it is strategically located to attract the middle-class and upper middle-class working public during lunch and after quitting time. The building itself is one of the oldest still standing in Portland and has an old world style to it.

**The Products**

McKnight's Pub offers a wide variety of spirits, from domestic and imported beers to hard alcohol with concentration on imports from Ireland. In addition, the pub offers a limited menu of light food and snacks, and specialty items for holidays.

Once the brewery begins production, we will concentrate on ale production including wheat beers, stouts, and porters as these include the more traditional types of Irish brews. We intend to initially start with five different types of beer, eventually increasing to ten. All brews will have a different brand name.

**The Market**

Over the past five years, McKnight's has seen a declining trend in sales. Much of this is due to the rise of microbreweries in the Portland area. Many customers are taking advantage of the proliferation of beer varieties in the U.S. (due to changes in the law on alcohol production) by seeking establishments that have unique brew styles.

The market segmentation is divided into the leading target markets. The division reflects the differences in marketing strategy that will be used to target each different market.

Middle class, "white collar" office workers from the downtown area.

Late nighters and weekend partiers.

**Brew Connoisseur**

McKnight's Pub exists in a highly competitive industry whose environment creates low margins due to the high amounts of pressure placed upon participants from customers, suppliers, other rivals, potential entrants, and substitute products. This has created a fragmented industry in which no one participant has significant market share.

**Financial Considerations**

Break-even analysis indicates that at the moment McKnight's is close to dropping below its level to produce profits unless margins are increased or the number of customers is increased. In order to finance the changes and expansion needed, McKnight's will secure a long-term loan of £390,000. This will keep initial growth slow and manageable, and will allow the management to maintain control. With the new expansion and the forecasted increase in clientele, McKnight's will remain profitable and keep a positive cash flow.

**1.1 Objectives**

McKnight's Pub has been a successful Irish bar in the heart of downtown Portland, Oregon for one hundred years. However, recently McKnight's has seen a drop in its clientele due to the rise of microbreweries in the Portland area. In order to successfully compete with this new threat, McKnight's objectives are to create its own microbrewery on-site and to offer superior kinds of beers than that of its new competitors.

**1.2 Mission**

In the past, McKnight's (soon to be called McKnight's Pub and Brewery) philosophy was to create an old world pub style atmosphere that attracted it high-end clientele and offered excellent customer service. With its new strategy to include a brewery, McKnight's also plans to offer specialty in-house, local, and international brands of beer to attract a new type of customer, the brew connoisseur.

**1.3 Keys to Success**

To succeed McKnight's must:

Implement a successful advertisement and marketing campaign to inform the existing clientele and the public of our new image.

Purchase new brewery equipment.

Retain the services of a reputable brewmaster.

Build brand image and brand equity through marketing.