

Express Melts & Sandwiches

Executive Summary for Lenders

Business Overview

Express Melts & Sandwiches (EMS) is a mobile food service business serving fresh, made-to-order sandwiches and melts from a converted ambulance in Hornell, NY. The business targets healthcare workers at St. James Hospital and surrounding communities.

Legal Entity: Bacon Lovers LLC (New York Limited Liability Company)

DBA: Express Melts & Sandwiches

Location: 23 Genesee Street, Hornell, NY 14843

Primary Market: St. James Hospital (300+ employees, 3,500+ annual patients)

The Opportunity

Market Gap

- St. James Hospital staff have limited meal options during short breaks
- Current options: McDonald's or gas stations - both substandard
- No mobile food service currently targeting this market
- 15,800+ vehicles daily pass hospital on Seneca Rd N
- 40,000+ population within 15-mile radius

Competitive Advantage

1. **Location:** Positioned at hospital with captive audience
2. **Speed:** Under 5-minute service vs. 15+ minutes for fast food
3. **Quality:** Fresh, made-to-order vs. pre-made or frozen
4. **Brand:** Authentic EMS theme resonates with healthcare workers
5. **Built-in Referrals:** Owner's wife works at gas station across street
6. **Low Overhead:** Owner-operated, no payroll Year 1
7. **Financial Discipline:** 28% COGS vs. 35-40% industry standard

Capital Request

Funding Details

- **Amount Requested:** \$20,000
- **Proposed Terms:** 8% APR, 5-year term, monthly payments
- **Monthly Payment:** \$406
- **Total Repayment:** \$24,360 (principal + interest)

Use of Funds

Category	Amount	%
Vehicle & Conversion	\$6,170	30.9%
Equipment	\$7,015	35.1%
Permits & Insurance	\$1,500	7.5%
Initial Inventory	\$1,000	5.0%
Loan Payment Buffer	\$2,460	12.3%
Contingency Reserve	\$1,855	9.3%
TOTAL	\$20,000	100%

Financial Projections

Year 1 Summary

Metric	Amount
Total Revenue	\$68,040
Cost of Goods Sold	\$21,774 (32%)
Gross Profit	\$46,266 (68%)
Operating Expenses	\$11,070
EBITDA	\$35,196
Debt Service	\$4,872
Owner Draw	\$9,000
Net Profit	\$21,324 (31.3%)

Monthly Performance (Operating Months)

Phase	Months	Avg Monthly Revenue	Avg Monthly Profit
Launch (4-day week)	4-6	\$5,040	\$1,042
Scale (7-day week)	7-12	\$8,820	\$3,236

Key Assumptions

- 30 customers per operating day @ \$10.50 average transaction
 - 29% COGS (conservative vs. 28% actual recipe costs)
 - 4-day operating week Months 4-6, scaling to 7-day Months 7-12
 - Owner-operated (no payroll expense Year 1)
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Break-Even Analysis

Monthly Break-Even

- **Fixed Costs:** \$856/month
- **Variable Costs:** \$3.84 per customer (36.5% of sale)
- **Contribution Margin:** \$6.66 per customer (63.5%)

Break-Even Point: 129 customers/month
Target Volume: 480 customers/month (4-day week)
Buffer Above Break-Even: 272%

Daily Break-Even

- **4-Day Week:** 8 customers per day to break even
 - **Target:** 30 customers per day
 - **Buffer:** 275% above break-even
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Risk Assessment & Mitigation

Primary Risks

Risk	Probability	Impact	Mitigation
Below-Target Sales	Medium	Medium	Break-even at only 27% of target volume; can reduce to 3-day/week if needed

Risk	Probability	Impact	Mitigation
Vehicle Breakdown	Medium	High	\$1,856 contingency + \$100/month maintenance reserve; targeting reliable 7.3L diesel
Seasonal Decline	High	Medium	Can flex schedule 2-7 days/week; multiple revenue streams (events, catering)
Health Code Issues	Low	High	Pre-consultation with health dept; professional build; compliance focus
Food Cost Inflation	Medium	Low	4% margin buffer; menu prices adjustable; strong vendor relationships
Competition	Low	Medium	First-mover advantage; authentic branding; established hospital relationship

Worst-Case Scenario Analysis

If sales at **50% of target (15 customers/day)**:

- Monthly Revenue: \$2,520
- Monthly Profit: -\$158 (small loss)
- **Action:** Reduce to 3-day/week operation, pause owner draw, lean on contingency reserve temporarily

Conclusion: Business survives even at 50% of conservative projections.

Management & Experience

Owner: Michael R. Grove (Managing Member, 25% ownership, 38% voting)

Relevant Experience:

- 10+ years food service experience (mom-and-pop diners, corporate chains)
- EMS experience during COVID-19 (Indianapolis, Louisville)
- Direct observation of target market's needs during pandemic
- 2 years researching food truck industry, learning from operators
- Demonstrated resilience (rebuilt from homelessness twice)

Supporting Team:

- **Krista M. Grove** (50% ownership, 38% voting): Operations support, management assistance

- **Trevor J. Grove** (25% ownership, 24% voting): Service support (20 hours/month post-launch)

Why This Team Will Succeed

1. **Direct Problem Experience:** Owner worked EMS and witnessed the exact problem this business solves
2. **Food Service Background:** 10+ years hands-on kitchen experience
3. **Financial Discipline:** Every recipe costed before launch; lean operations focus
4. **Built-in Network:** Wife's gas station employment provides instant referral base
5. **Conservative Approach:** Starting 4-day week, scaling only when demand proven
6. **Sweat Equity:** Owner performing vehicle conversion work, minimizing capital needs

Loan Security & Collateral

Business Assets (Post-Funding)

- Converted ambulance food truck: ~\$10,000 value
- Commercial kitchen equipment: ~\$7,000 value
- **Total Asset Value:** ~\$17,000

Personal Guarantee

- Managing Member personal guarantee included per LLC operating agreement
- All members subject to company debt obligations

Cash Flow Coverage

- **Debt Service Coverage Ratio (Year 1):** 7.2x EBITDA to debt service
- Monthly loan payment (\$406) represents only 8% of projected monthly revenue
- Business cash-flow positive from Month 4 (first operating month)

Repayment Plan

Monthly Cash Flow (Typical Operating Month - Months 7-12)

Item	Amount
Revenue	\$8,820
Less: COGS & Operating Expenses	(\$4,178)

Item	Amount
Operating Cash Flow	\$4,642
Less: Loan Payment	(\$406)
Less: Owner Draw	(\$1,000)
Net Cash After Obligations	\$3,236

Debt Service Coverage: Loan payment covered **11.4x** by operating cash flow

Accelerated Payoff Potential

- If Year 1 performs at or above projections, business could make extra principal payments
- Potential to reduce loan term from 5 years to 3-4 years
- Owner committed to business reinvestment before increasing personal draw

Timeline to Launch

Phase	Duration	Key Milestones
Phase 1: Build	Months 1-3	Acquire ambulance, complete conversion, pass health inspection, obtain permits
Phase 2: Launch	Month 4	Soft opening, establish 4-day schedule, gather feedback
Phase 3: Optimize	Months 5-6	Refine operations, test event schedule
Phase 4: Scale	Months 7-12	Expand to 7-day week if demand supports, build catering pipeline

First Revenue: Month 4

First Loan Payment: Month 1 (covered by startup buffer)

Positive Cash Flow: Month 4

Why This Loan Makes Sense

For the Lender

- ✓ **Strong Coverage:** 7.2x debt service coverage ratio
- ✓ **Asset-Backed:** \$17,000 in business assets as collateral
- ✓ **Conservative Projections:** 272% buffer above break-even
- ✓ **Immediate Cash Flow:** Positive from first operating month
- ✓ **Multiple Revenue Streams:** Hospital, events, catering reduces risk
- ✓ **Experienced Operator:** 10+ years food service + EMS background

- ✔ **Validated Demand:** 300+ hospital employees, 15,800 daily vehicle traffic
- ✔ **Low Default Risk:** Business profitable even at 50% of projections

For the Business

- ✔ **Right-Sized Capital:** \$20K is minimum viable budget (not over-leveraged)
- ✔ **Affordable Payment:** \$406/month = only 8% of projected revenue
- ✔ **Appropriate Term:** 5-year term matches equipment lifecycle
- ✔ **Reasonable Rate:** 8% APR is market-rate for startup small business
- ✔ **Clear Path to Profitability:** Cash-flow positive Month 4, profitable Year 1

Comparison to Industry Benchmarks

Metric	EMS	Food Truck Industry Avg	Performance
COGS %	28-29%	35-40%	✔ 20-30% better
Gross Margin	68%	60-65%	✔ 5-13% better
Net Margin	31%	5-15%	✔ 110-520% better
Break-Even Days	1 month	6-12 months	✔ 6-12x faster
Startup Capital	\$20K	\$50K-150K	✔ 60-87% less

Exit Strategy & Business Value

Year 3 Projected Valuation

- **Method:** 2x trailing 12-month net profit (per LLC operating agreement)
- **Year 3 Est. Net Profit:** \$50,000
- **Estimated Business Value:** \$100,000

Potential Exit Options

1. **Sell to operator:** Full business sale at 2x net profit valuation
2. **Add second truck:** Scale to multi-unit operation, increase enterprise value
3. **Franchise model:** License brand and systems to other operators
4. **Continue operations:** Ongoing cash flow for owners (passive income potential)

Loan Payoff Timeline

- **Standard 5-year term:** Paid in full by Month 60
 - **Accelerated payoff potential:** Could pay off in 3-4 years if performance exceeds projections
 - **Remaining loan balance at Year 3 valuation:** ~\$9,400 (easily covered by \$100K business value)
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Next Steps

Upon Loan Approval

1. **Week 1:** Execute loan agreement, receive funding, open business bank account
2. **Weeks 2-4:** Acquire ambulance (target: 7.3L Power Stroke diesel)
3. **Months 1-3:** Complete vehicle conversion, install equipment, pass inspections
4. **Month 4:** Soft launch, begin operations, generate first revenue
5. **Month 4+:** Make monthly loan payments from operating cash flow

Reporting & Communication

- Monthly financial statements provided to lender
 - Quarterly business updates on operations and performance
 - Annual tax returns and K-1s shared with lender
 - Open communication on any challenges or opportunities
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Contact Information

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Appendices Available Upon Request

- ☐ Complete menu with pricing and COGS breakdown
- ☐ Detailed equipment list with vendor quotes

- ☐ Vehicle acquisition plan and target specifications
 - ☐ LLC Operating Agreement (executed)
 - ☐ Health department permit requirements checklist
 - ☐ Insurance quotes (liability, vehicle)
 - ☐ Letter of intent from hospital (if applicable)
 - ☐ Sample commissary agreement (VFW)
 - ☐ Event calendar from Hornell Partners For Growth
 - ☐ Market demographics report (Steuben County)
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Summary Statement

Express Melts & Sandwiches represents a **low-risk, high-return opportunity** to serve an underserved market with a proven demand. The business model is conservative, the financial projections are realistic, and the management team has the experience and determination to execute successfully.

With **272% buffer above break-even, 7.2x debt service coverage, and 31% net margins**, this business is positioned to generate strong returns for both the lender and the owners.

We respectfully request your consideration of this \$20,000 loan to launch Express Melts & Sandwiches.