

Business Report for Spree Restaurant

Posted on October 17, 2018

Executive Summary

The business plan will show how a mentality change in how the restaurant operates will result in a profitable business in a crowded food business. The Spree Restaurant is a start-up business located in a growing urban area near a major transport corridor to generate equitable returns and, at the same time, offer excellent services with a higher value to the customers. Currently, there are several restaurants in the city, but Spree Restaurant will be bringing fresh ideas that have not yet been tried around this town. It will be providing foods that suit the families which will be of very high quality and cooked with a professional chef. The business focus will be customer-centered.

The restaurant is situated in a prime location that will fetch quite many customers. The staff of the restaurant will be individuals of integrity, the right experience and also customer-oriented. Our marketing strategy will be word of mouth, and there will be a few posters around the town informing them of the new restaurant and what it is offering. As part of measures to ensure that we get our brand out there, the business will be doing home and office delivery of food. It is meant to enable us to interact with the customers and create a relationship with them.

The business is legally registered under the sole proprietorship, and its funding is drawn up from the savings of the sole proprietor and a loan being sought to enable it to operate efficiently. The total budget will be \$300,000 most of it to be channelled to the infrastructure of the restaurant facilities. The business has plans on how it can help the community through corporate social responsibility. Needy students will be awarded scholarships in the long run, but in the short term, the restraint will be involved in cleaning up the streets. This happens twice in every quarter.

Company Overview

A company is a legal entity that engages in some business. It can be run by a single person or a group of individuals (Bob 1990). The Spree Restaurant is a dedicated start-up business that will be moderately priced to provide excellent quality foods to residents of the surrounding community. The restaurant will be a 60 seat joint offering foods and services personalized to suit a family setting in a way that will provide superior services to the customers and also generate profit for the owner. The area in which the business will be operating has experienced explosive development in recent years, and several local companies are now setting up to catch this opportunity.

Mission, Vision Statement, Values And Objectives

The Restaurant's mission is to deliver a unique and soothing dinner experience that is the same as dining at home. The restaurant will provide an intriguing atmosphere with excellent food for the people who will visit. All this will be possible by 1. Providing menu stuff and combining quality ingredients at a very sensible price (Chang 2017). 2. Excellent customer service and building on the customer-staff relationship.

The vision statement is to become the first choice restaurant in town and a much loved and respected as measured by the customers, staff and the community around. The Values will be essential to the success of the business. They define who Spree Restaurant is and what sets it apart from its competitors (Abrams 2003). They are Teamwork, Integrity, and Exemplary performance.

The primary objectives of the Spree Restaurant business are (Anon 2012):

- To be a leader in home-like food restaurants in the city.
- To attract at least 80 regular customers daily to dine at restaurants and outside delivery in the first semester of operations.
- Generate cash flow from operations in a ratio of 1 dollar to 10 dollars, profit to sales.
- To achieve a personnel cost of \$400,000 and below in the first year and \$550,000 in the second year.

Legal Structure

The business is legally recognized as a sole proprietorship with a certificate acquired from the government (Ceausescu). It has the state registration number, and both the certificate and the documents are attached to this business report.

Product And/Or Service

Product /Service represents the fruits the business brings to the customers. For instance, here it is food.

Menu

The Spree restaurant will be home to a variety of foods that are suitable for the young and also the old society. Some of these foods include, but are not limited to, Soda, Fruit Juices, Pizza, Desserts, Sauces, Tea, Coffee, day breakfast, Poke, Fried Chicken, and Rice Bowls. The menu is going to be improved even further. However, at the start, it is going to be relatively simple, and it will be kept small to avoid wasting food.

Ethnic Ingredients And Traditional Recipes

The cook will have the liberty to design and produce menu offerings from several different world beliefs (Viltard 2015). Because of this, the business will acquire most of the traditional and original ingredients necessary to make such foods.

Outdoor Delivery

The Spree restaurant will provide home and office delivery to any customers who may want. This is part of our strategy to gain and keep our customers and further interact with them. However, they will be charged a fee that will cater for the transport to their location and also for the personalized service.

Benefits (Value Proposition)

The foods are healthy and of quality, just like those made at home. Our foods are of a different variety, and the prices are relatively reasonable.

Market And Industry Analysis

Market Analysis Of The Restaurants

It is a sector with large and diverse earnings, with a forecast to reach \$2.1 trillion worthies by the end of 2018 an increase of 2.1%. The sales at full-service restaurants(FSR) hit \$194.2 billion in 2010 with the limited service being or quick service restaurants (QSR) at \$164.8 in 2010. According to the National Restaurant Association's 2026 outlook, U.S. restaurant and foodservice sales were projected to reach \$1.55 trillion in 2026. It is home to major companies such as McDonald's, KFC, Pizza Hut and Darden Restaurants. The research shows that the 50 largest restaurants own only 20% of the market worldwide. The industry is comprised of the QSR, Limited-service restaurants, and the FSR. A study conducted by the National Restaurant Association found the market trends to be 1) Locally sourced meat and seafood, 2) Locally grown food,)Nutritious kids' food, 4)sustainable seafood, 5) Back to basic cuisine, 6) farm brand ingredients, among others.

Industry Analysis

The Power Of Customers

The industry evolves around establishments mainly involved in providing cookery services to a

consumer who makes an order and is served at his seat rather than pay after eating. Some restaurants offer food amenities to the clients with a combination of selling alcoholic drinks or presenting live entertainment to the customers. The key drivers for demand are demographics, the customer's tastes and the income of an individual.

Competition In The Industry

The profitability of individual businesses varies as their customer target are not the same, but the competition for the customers is there. The quick-service restaurants bank on on competent operations with great volume transactions, while the full-service restaurants count on effective and well-organized marketing with upper-margin items. The famous and established companies have the advantage in marketing, brand name, access to finance and purchasing, while the small companies will have to offer superior services and food.

Power Of Suppliers

The wages contribute a massive proportion of operation costs with the existence of minimum wage statutory which forces the restaurants to look for other ways of reducing costs. This, in turn, forces the businesses to turn to the importance of suppliers. The presence of many suppliers will have an impact on the values of the raw materials will be cheaper. These suppliers do contribute significantly to the prices of food and in trying to cover the high costs.

The Threat Of Substitute Products

The restaurants have substitute 'competitors' who are grocery stores, delis, convenience stores and warehouses, not forgetting home cooking. They eat some shares which could have been utilized by the restaurants. Among the full-service restaurants, most of them focus on seafood, pizza, and Italian cuisine, while the quick-service restaurants focus on pizza, hamburgers and sandwiches.

Potential Of New Entrants Into The Industry

There is no doubt that the market is growing, and new entrants will come in. This may weaken the business or strengthen it. Significant to this is focusing on your niche and ensuring your services are superb. With the industry growing, it is almost impossible to stop completion but embrace it and work on retaining the customers. An industry with strong barriers is attractive to those companies that may want to operate with less competition.

Segmentation

Market segmentation is the process of apportioning a market of prospective customers into sectors and groups based on different criteria. It will enable the business to target its customers efficiently. The subject area was selected because it is near the train station, and it is on a busy intersection road that joins and also goes out of the town. This will attract people who are going to board the train either from work or to work to have a takeaway while journeying. After a long day, people do get tired, and they may choose not to cook, thus passing by the Spree restaurant to pick up food for their families just before they board the train. Individuals believe that home food is better for their health than restaurant food, and the Spree Restaurant will be at the forefront in providing homemade-like food.

Marketing

Marketing is crucial to any business growth. It is a way of informing potential customers of your presence. While the brain of the business is the finance, so is the heart of marketing. Marketing creates a brand, ensures product development, and ensures communication is done about the business. Moreover, marketing builds relationships and trust between the customers and the organization and helps to maintain the company's reputation (Leventhal 2005). The four Ps of marketing include:

Product

The food Spree Restaurant will be giving to their customers will be different from what is in the market. We will provide quality meals prepared with quality ingredients at a reasonable price. The restaurant will have very comfortable seats, just like those at home, with privacy for any family that may want to have dinner together. Every customer will be greeted by beautiful smiles same as when they were arriving home. Pets will be allowed into the restaurant, but they will not be allowed to mix with other customers.

Price

The prices will be favorable compared with the service that will be offered. Compared with the services and the food made at the restaurant, its price shouldn't be a hindrance to not dining with us.

Place

The location of the restaurant is in a prime position that will get the attention of the travelers. Its proximity to the train station makes it more attractive to the passengers just before they board.

Promotion

There will be offers for those individuals who will be coming with their families as their children of age 8 and below will be served for free. This is part of the measures to ensure that we attract as many families as possible. Customers will have an opportunity to win a voucher when they visit the restaurant.

Competitive Strategy

The Spree Restaurant believes that the quality of staff available will take it above its competitors. They have been poached from other restaurants where they were performing exceptionally well. The right mix of customer care to the chef, they understand the success of the business is in their hands.

SWOT Analysis

Strength Of The Business

- Prime spot with easy access
- Exceptional employees with the right attitude
- Experienced management.
- A clear vision of the market needs

Weakness

- Recruiting and retaining quality employee
- Difficult in earning the trust of customers because we are new
- Start-up challenges
- The cost factor

Opportunities

- Minimal barriers to starting a business,
- Offering of catering services
- Growing town with a growing population

Threats

- The government mandates, i.e., food safety, sanitation

- Rising operating costs
- High taxes in the future
- Building and maintaining the sales volume
- Potential customers who believe home food is healthier than that of the restaurant.

Positioning

The Spree restaurant will offer quality, simple meals at a reasonable price and in a comfortable and warm setting. We are open six days a week, from Sunday to Friday, from 6 am to 8 pm. Our promise is that you will live to remember Spree Restaurant for its great, healthy and tasty food.

Operations

Operations organization refers to the management of the entity to create the peak level of efficiency possible in the restaurant business (Brown & Lewis 2010). Its interests are in converting raw materials and plus workforce into goods and services and also becoming profitable

Scope Of Operations

The staff will report to work before 6 am to prepare food for the day. Food will be prepared by the chef with the aid of the kitchen assistant. Cleaning of the restaurant will be done every morning just before 6 am. The manager will inspect the state of the restaurant before opening it.

Product Life Cycle

Every food that remains has to be preserved for the next day in the fridge; however, food that has started going bad should be removed from the shelf. There should be coordination between the manager and the chef to see which food has gone bad.

Product/Service Processes

The customer will be welcomed to the restaurant with a warm smile. He will then order his favorite food, and the server will take the order to the kitchen assistant. After finishing eating, the server will take away the empty plate, and the customer will pay at the customer service desk.

Supply Chain – Lean Or Agile?

At the beginning of the business, there will be a lean supply chain so that the business doesn't suffer

a loss due to the lower number of customers (Bridge et al., 2013). As the number increases, there will be changes concerning the supply chain to be used.

Organisational Structure & Hr

It defines how activities, for instance, task allocating, coordinating and supervising, are directed towards achieving the organizational goals. It identifies each job's role and responsibilities therein (Baligh & SpringerLink 2006). It also determines how information is passed from one department to the other.

Organization Structure And Roles

- The Spree Restaurant will hire seven staff that will include
- The manager- He will be the overall manager of the restaurant
- The cook/chef- Responsible for preparing the food for the customers
- Two servers- Responsible for ensuring customers are served promptly
- The Customer care representative- Ensure the customers are welcomed warmly, and their concerns are taken care of
- The Kitchen Staff member- Help the chef serve food for servers to take to the customers.

Recruitment Strategy

The strategy used now is a poaching strategy where we identify outstanding employees and try to convince them to join the restaurant. This is to enable the business to get the right persons to propel it further. However, this strategy is for the short term, and a new one will be unleashed once the business has stabilized. Every applicant will be assessed and evaluated based on pre-defined standards for every position.

Corporate Social Responsibility

It is an approach that adds up to a justifiable development by delivering economic, environmental and social advantages for all stakeholders. With Corporate social responsibility, the contribution is voluntary, and it isn't a legislative requirement (Deng & XU 2017). The Spree Restaurant will take part in short-term CSR responsibilities, such as sweeping up the streets, and also long-term responsibilities, such as sponsoring children

Financial Reflection

According to the estimates, the Spree Restaurant is expected to maintain a sound financial position

over the next three years. The business will be 65% funded by the savings of the sole proprietor, with 35 % expected from a loan facility. The total capital investment will be \$300,000, with \$195,000 from the owner and \$105,000 from the loan to be paid from the cash flow that will be generated from the operations. The major expenses are linked to the equipment, catalog, furniture, and facelifts in the dining room. The company growth will be expected to be sustained by the cash flow. The financial statements will be prepared with the general accounting principles, with the long-term assets being expensed using straight-line depreciation. Also, the inventory will be accounted for using the First In, First Out (FIFO) method.

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