

BUSINESS PLAN



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Executive summary

The business plan has been prepared for setting up a local multi- cuisine restaurant, Vue de Carta, in Brisbane, Australia. Brisbane is a very famous city for its food and visitors. Global restaurant industry has tried to contribute positively towards development of nation.

Similarly, in Australia this particular industry has added revenue to welfare of the country by identifying the tastes and preferences of the population. The taste of Brisbane people is unique and they prefer to consume varieties of food, which are made up of different spices that are outsourced from other countries. With the increase in disposable income of greater part of the Brisbane population, the demand for restaurants and delicious food has increased. The business plan includes various steps that are considered during set-up of the business such as marketing strategies, financial analysis and external environment analysis. The details of the strategies undertaken for setting up the business are discussed in the following report.

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Introduction

Company Profile

Vue de Carta is a multi-cuisine restaurant that is planned to serve the population of Brisbane. It will be situated in the heart of city and thus expects maximum number of customers. The restaurant aims at providing right services and food to the customers. The services include dining facility, take away and home delivery. In the restaurant, right services also denote the warm welcome offered by the attendants to the customers during entry and exit. The behaviour of the attendants will be monitored to ensure that the customers are satisfied with the services apart from delicious food of the restaurants. The customers will spend quality time in the restaurant with their loved ones as they dig into the delicious food items. Buffet facilities will provide all the dishes ranging from Italian, Arabic, Mexican, Mediterranean and even Indian food (Liverpool China Town, 2014). This will ensure that the customers do not encounter any issues regarding food and special focus will be given to customer services so that the customers are satisfied with the services and food.

Along with multi-cuisine it will serve wine and desserts to the customers. Thus, it is a very interesting concept in Brisbane, where customers will come to enjoy delicious food that is prepared with different spices. The restaurant will be operating from 8 am to 12 pm every day. The restaurant can accommodate 50 people and a waiting room is also provided so that the customers can wait when there is a queue. The management of the restaurant will recruit 45 employees that include managers, attendants, chefs and helpers.

Mission Statement

Introduction of multi-cuisine food in Australia so as to satisfy every customer with delicious preparations prepared around the world.

Services

The services provided by Vue de Carta will be unique as it will be the first restaurant in Brisbane, which will have a jungle theme. Service marketing has unique characteristics as it takes into account all the inseparability and intangibility of consumption and production (Beard & Valarie, 1976). In a restaurant industry, intangible services refer to hospitality provided to the customers. Thus, customer service plays a pivotal role for its success. Vue de Carta will incorporate best services that are given in the service industry to date.

Process in Service Marketing

The process followed in service marketing is not at all easy as the nature and behaviour of the customers vary to a great extent; managing them after analysing their needs and wants is really difficult (Bateson, 1977). The process is long and it starts with identification of needs of the customers and ends with satisfying them with their exact requirements. The staffs in the new restaurant will be trained efficiently so that they can offer best hospitality services to the customers. The customers of restaurants search for the right hospitality, which encourages them to visit repeatedly and recommend to others. Hence, Vue de Carta will make the customers comfortable and happy to the fullest so that they are satisfied with its hospitality (Besson & Jackson, 1975).

Issue in Service Marketing

There are several issues in service marketing among which ethical issue is the major one. In service industry, the employees need to follow certain ethical norm and principles that defines the culture of a company. When the employees breach the norms, the business encounters ethical issues that are severe for its operation. For example, the restaurants should give proper details of the cuisines in the menu card and at the same time the attendants should give important information regarding the ingredients of food items so as to maintain transparency. The attendants of Vue de Carta will be trained in such a manner that they do

not give any wrong information to the customers regarding the preparation of the food items.

Any wrong information will harm the ethical consideration of the business.

Strategic Planning (Strategic Positioning)

Competitors

There are many competitors of Vue de Carta in Brisbane such as Chabba Chabba, Yo! Sushi and Marco Piera White. These restaurants are renowned restaurants, which have delivered their best services and food to the customers of Brisbane. Penetrating such a diversified market with new cuisines will be a challenge for Vue de Carta and thus excellence will bring in confidence to beat the competition (Ferrell & Hartline, 2010; Hansen & Solgaard, 2004).

Detailed Competitor Profile – Multi-cuisine restaurant

	Vue de Carta	Chabba Chabba	Yo! Sushi
Price strategy	Lower price	Moderate price	High price
Retail price	Max A\$ 40	Max A\$ 50	Max A\$ 80
Type of food	Multi-cuisine	Continental and oriental	Lebanese and Italian
Delivery	Yes	Yes (limited to number of kilometres)	Yes (limited to number of kilometres)
Opening hours	8am – 12 at night	8 am – midnight	10 am – 9pm
Raw material	Local	Local	local

The above table distinguishes between the strategies of the three restaurants and it is evident that the competitive edge of Vue de Carta is its low prices food items and free home delivery irrespective of kilometres within the city.

*Statement of Strategic Objectives**Porters Matrix*

Broad Market	Vue de Carta	
Narrow Market	Chabba Chabba	Yo! Sushi
	Low cost	Differentiation (High Cost)

The matrix highlights the fact that Vue de Carta aims at capturing a broader market than its competitors with low priced foods (Ahlstrom & Bruton, 2009). The following facilities and services will be provided by the restaurants to the people of Brisbane:

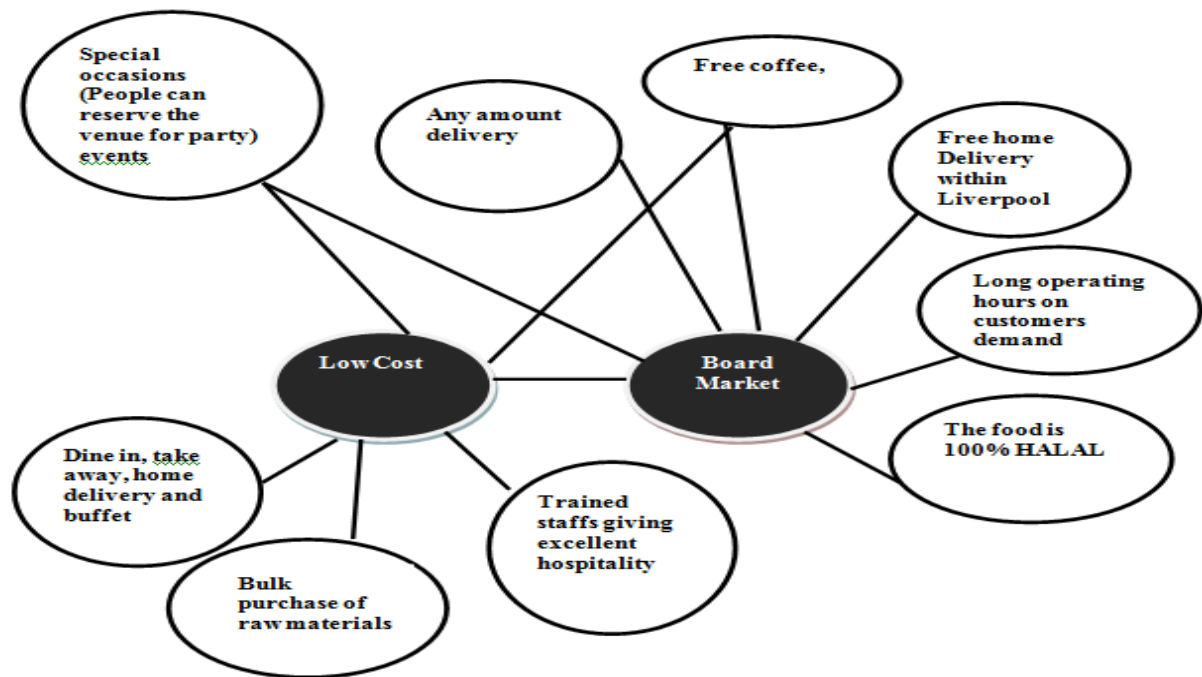
- 1) Bulk purchase of raw materials from suppliers so as to save money.
- 2) Hire skilled staffs so that they can add value to the restaurant business.
- 3) The jungle themed ambiance of the restaurant will be kept clean portraying simplicity.
- 4) Different types of food to the customers by employing the right spices.
- 5) The dinning time is customized as per customer's requirements and the working hours will be extended on demand from the same.
- 6) Give free home delivery within Brisbane.
- 7) Sales are expected to increase by 3% every month for the first year.

All the above strategic objectives will be undertaken in order to beat the market competitors and acquire a significant amount of market share.

Activity Map

The following activity map highlights the activities, which will be carried out by Vue de Carta in order to achieve low cost and board market strategic position.

**Figure 1: Activity
Map**



(Source: Authors creation)

The above figure clearly addresses the strategic objectives undertaken by Vue de Carta in order to capture Brisbane market.

Strategic Planning (Environmental Analysis)

PESTEL Analysis

Political: Political environment takes into account the rules and regulations of government that have the ability to strongly influence economy and businesses. The government policies include labor and trade laws, environmental laws, tax policies and trade restrictions. The degree of political stability has considerable impact on the businesses as a result a business

should monitor the governmental scenario of the particular place where it have decided to operate. Thus, Vue de Carta, will consider all the above mentioned policies in order to operate successfully in Brisbane (Jane, 2010).

Economic: The economic environment refers to the macroeconomic factors that affect a particular business environment to a great extent. The business does not have any control over these factors. The only way in which businesses can overcome the effect of these factors is to devise new business strategies and financial policies. The economic factors include exchange rate, inflation rate, purchasing power of the consumers, interest rate and economic growth rate. Vue de Carta will take into account all mentioned economic factors for devising successful strategies and set its business in Brisbane. The sales of Vue de Carta will be affected to a great extent if purchasing power of the consumers declines drastically due to recession. Hence, Vue de Carta should focus on the economic factors in order to avoid severe consequences later.

Socio-Cultural: On an average the disposable income of individual in Australia has increased by 12% over the past few years, which has simultaneously escalated their spending power (Australian Bureau of Statistics, 2013). The rise in expenditure of the mass in Brisbane indicates the fact that people have accepted the concept of luxury dining and they favor to spend time with friends and family over delicious foods. After considering the socio-cultural factors, it can be depicted that Vue de Carta have an opportunity build its business in Brisbane, where the population prefer to consume multi-cuisine food items.

Technological: Technological environment indicates to the technical features of a business, which takes into account different levels of automation, technical facilities, rate of progress in technology as well as research and development works. These factors have the ability to affect the cost, scope of innovation and quality of a business. Technological advancements are required by the businesses in order to remain competitive in the market and thus it is

significant for Vue de Carta to employ the latest technologies and keep on upgrading the same. The up gradation of technology will focus on employing different set of kitchen appliances in Vue de Carta.

Environmental: Environmental factors have become important in the past few years due to the increase in scarcity of raw materials. Other factors are carbon footprint targets that are set by the government. The companies need to assure that they are serving their customers ethically without harming the environment. Hence, it can be stated that Vue de Carta will ensure that they do not exploit the scare resources such as energy for continuing its operation in Brisbane.

Legal: The service industry should follow the legal bindings in order to sustain in the long run. Similarly, Vue de Carta should follow all the legal requirements in order to succeed in the Brisbane market (Cherunilam, 2010).

Porter's Five Force Forces

Porters 5 forces	Degree of Force	WHY
Threat of new entry	Low	Low threat of entrant in Brisbane market as the legal bindings is strict and competition is high along with supplier problem.
Threat of Substitutes	Low	Vue de Carta is a multi-cuisine restaurant and this type of restaurant is not available in Brisbane. Thus, substitutes are not possible.
Bargaining power of buyers	High	The bargaining power of the buyers is high as the switching cost is low and the buyers have different options to choose from.
Bargaining power of Suppliers	High	In Brisbane the bargaining power of suppliers is high as there are few suppliers of raw materials.
Competitive Rivalry	High	Competitive rivalry is high in Brisbane as there are renowned restaurants, which have already captured the market to a great extent.

SWOT Analysis

Strength	Weakness
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<ul style="list-style-type: none"> • Unique multi-cuisine restaurants • Jungle themed ambiance of the restaurant. • Free home delivery services to anywhere in Brisbane. 	<ul style="list-style-type: none"> • Economic uncertainty • Decrease in disposable income of mass. • Decrease in demand for restaurant foods • Change in taste and preferences of the mass.
Opportunity	Threat
<ul style="list-style-type: none"> • Brisbane, wide market with no multi-cuisine restaurant. • Different taste and preferences of the mass 	<ul style="list-style-type: none"> • Competition in Brisbane market • Economic condition • Decrease in demand for restaurant foods due to change of dining patterns in Australia (Dess, Lumpkin & Eisner, 2009).

Market segments profile

TYPE OF FACTOR	CONSUMER MARKETS	Yo! Sushi	Chabba Chabba	Vue de Carta
Characteristics of people/organizations	Age, Sex, Race Income, family size, life cycle stage, location, life style.	Both the genders along with children who belong to the higher income group of the society.	Both the genders along with children who belong to higher, middle income group	Both the genders along with children of any income group, businessman,

				students and serviceman.
Purchase/use situation	Size of purchase, brand loyalty, purpose of use, purchasing behavior, importance of purchase.	Brand loyalty is highly important. It is famous for high-end parties and conferences. Themes and events are luxurious.	Brand loyalty less as price is the main driver.	Create high brand loyalty is high. The restaurants will be spacious and the jungle theme will be the main attraction for the customers.

Target Market Profile

The target market for Vue de Carta Market will have the following features:

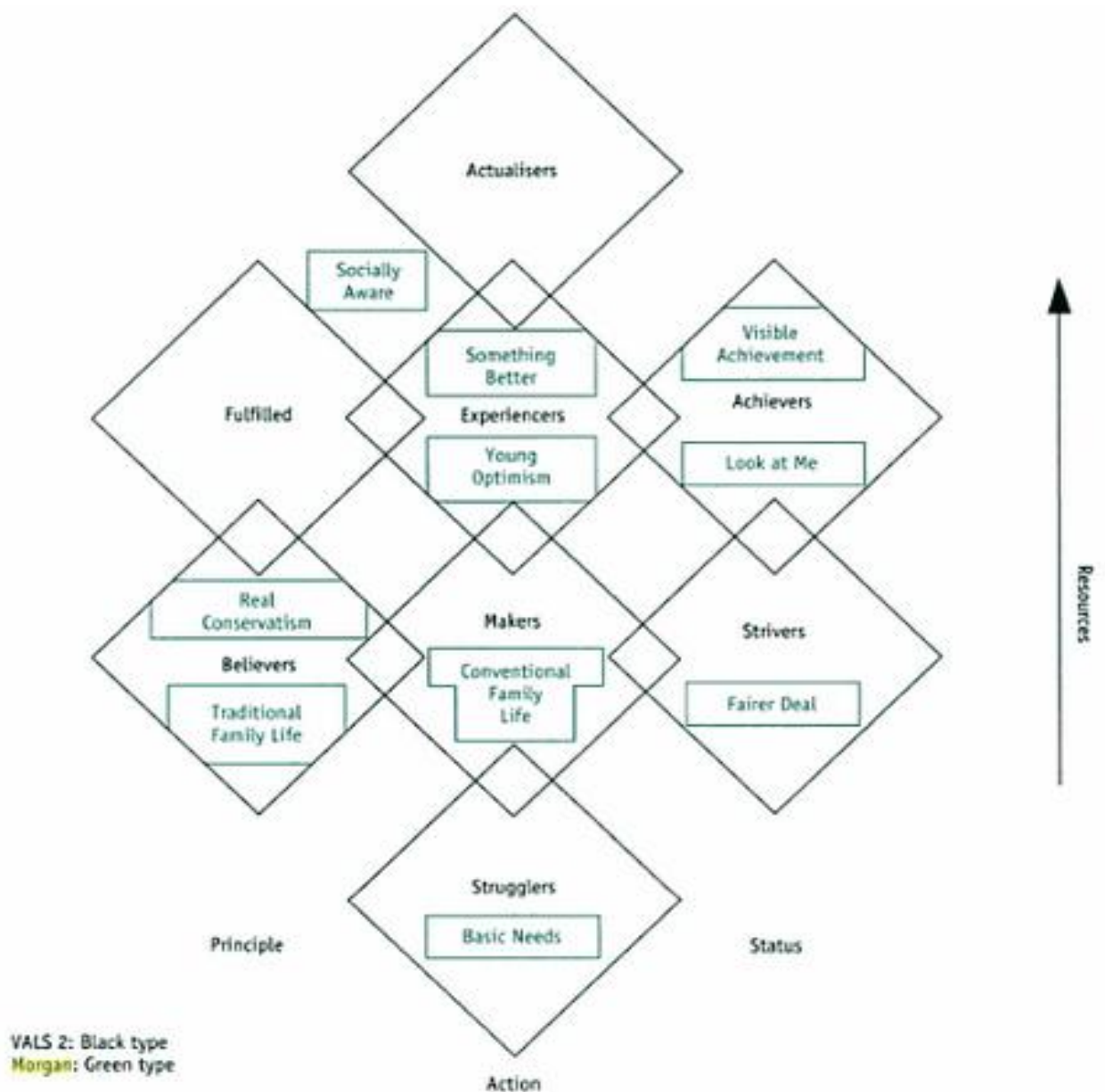
Segmentation Type	Target Market Characteristic
Benefit Segmentation	Quality and Dining atmosphere
Behavioural Segmentation	Attended by the same customer at least once a week.
Demographic Segmentation	Age: 1 month upwards Sex: Male and Female Occupation: Any Stage in family life cycle: Normal
Regional Segmentation	Brisbane, renowned place in Australia.

Life style Segmentation	Fast changing taste and preferences of Brisbane people.
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Roy Morgan Value Segments Model

This model segments the market based on the psychographic measures related to values of lifestyle followed by individual. The model is divided into eight broad segments that are highlighted in the figure below:

Figure 2: VALS Model



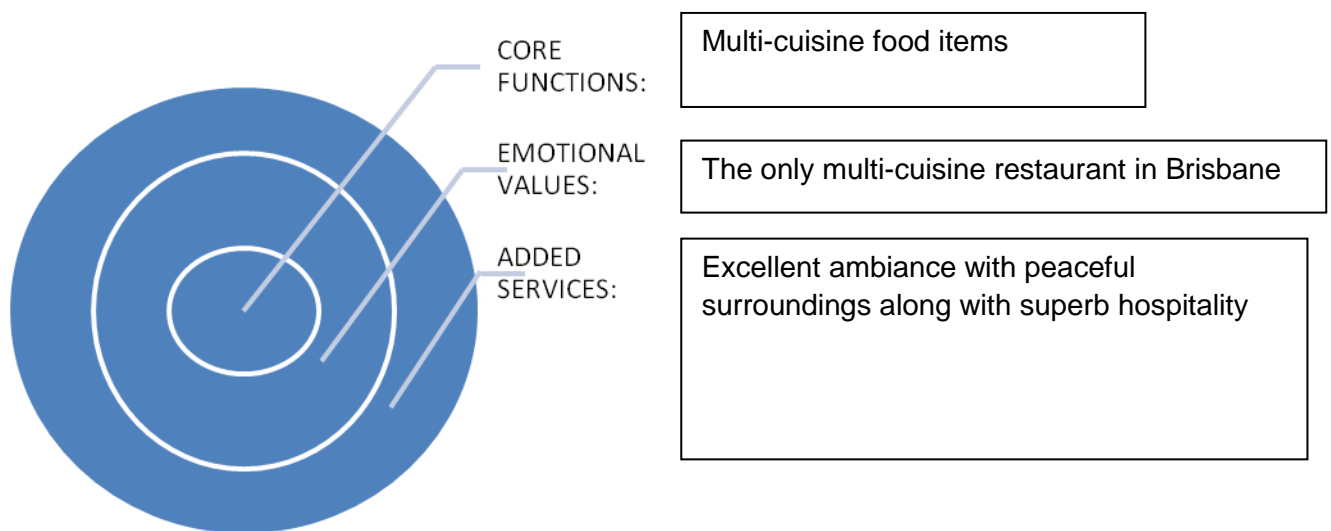
(Source: Elliot, Rundle and Waller, 2014)

Vue de Carta aims at targeting the above mentioned segments that are based on life styles of individuals. From actualisers to strugglers, Vue de Carta will fulfil the needs of every individual by providing delicious food items.

Marketing Mix

Product

Vue de Carta will provide multi-cuisine food items to the customers in Brisbane.



Price

The price of food is lower as compared to its competitors. However, the price for buffet is set with the help of penetration pricing (Ayres & Nalebuff, 2003).

Place

The place for setting up the restaurant is Brisbane.

Promotion

Different types of advertising strategies are undertaken to promote the goodwill of the restaurants and spread the knowledge (Leahey, 2007).

Marketing Strategy

Cultural promotion

During different festivals in Brisbane, Vue de Carta will celebrate along with its customer (Baines, Fill & Page, 2011). Street shows will be arranged where the mass can participate and win free passes for dinner with their loved ones in Vue de Carta.

Inlimitedentry

This type of promotion takes into consideration the busy life style of Brisbane people. They do not have much time to cook and thus they can enjoy food in Vue de Carta and spend unlimited time in the restaurants with their loved ones. There will be special membership cards for the customers who will visit at a regular basis.

Promotional Mix Activities

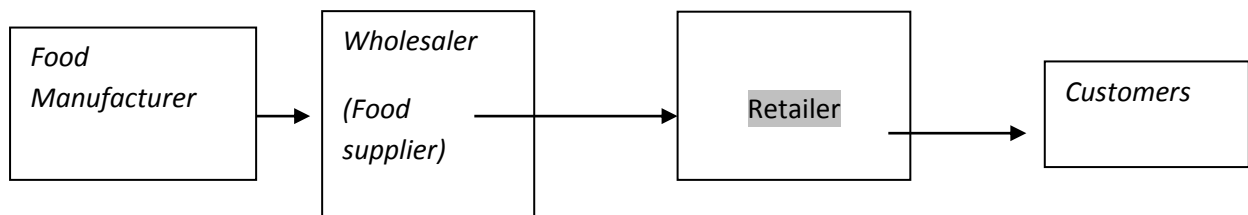
<p style="text-align: center;">Food competition</p> <p>Rivalry with the restaurants in Brisbane serving multi-cuisine along with wine and desserts.</p>	<p style="text-align: center;">Menu with calendar</p> <p>The menu card of the restaurants will be prepared in such a way that it will show the calendar and the special item for the day.</p>
<p style="text-align: center;">Direct Mail</p> <p>The members of the restaurants will be informed about the regular package sand weekend discounts along with coupon</p>	<p style="text-align: center;">Cultural promotion</p> <p>Participating in every festival that are celebrated by every religion in the restaurant and offer special food during the</p>

<p>numbers are provided which will help the customers to obtain food at a lower price.</p>	<p>event.</p>
<p style="text-align: center;">Press Advertising</p> <p>The advertising of the restaurants will be given in TV and radio.</p>	

Place

Distribution Channel

Vue de Carta is a multi-cuisine restaurant that aims at providing delicious food to its customers at a reasonable price.



Staffing Requirements

The staffs that are required for the restaurants are attendants, chef, short hand cook, marketing and event mangers and lastly accountants.

Financial Analysis

Budget															
PROFIT & LOSS BUDGET FOR THE 12 MONTHS ENDING 31 DECEMBER 2015															
	Notes		January	February	March	April	May	June	July	August	September	October	November	December	Total
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME															
Example															
Sales	1	gvt	72,877	75,063	77,315	79,635	82,024	84,484	87,019	89,629	92,318	95,088	97,940	###	###
Sales		ngvt	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Sales			72,877	75,063	77,315	79,635	82,024	84,484	87,019	89,629	92,318	95,088	97,940	###	###
Purchaser	2	gvt	29,927	29,927	29,927	29,927	29,927	29,927	29,927	29,927	29,927	29,927	29,927	29,927	###
Gross Profit			42,950	45,136	47,388	49,708	52,097	54,557	57,092	59,702	62,391	65,161	68,014	70,952	5,15,400
% of Sales			59%	60%	61%	62%	64%	65%	66%	67%	68%	69%	70%	70%	59%
Miscellaneous Income															
Other Income		gvt	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income		ngvt	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Interest Received - Cheque Account		ngvt	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Interest Received - Other		ngvt	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Miscellaneous Income			800	800	800	800	800	800	800	800	800	800	800	800	3,600
Total Income			43,750	45,936	48,188	50,508	52,897	55,357	57,892	60,502	63,191	65,961	68,814	71,752	###
EXPENSES															
Example															
Electricity and Water	3	gvt	700	700	700	700	700	700	700	700	700	700	700	700	8,400
Advertising *	4	gvt	700	700	700	700	700	700	700	700	700	700	700	700	8,400
Bank Charges *		ngvt	50	50	50	50	50	50	50	50	50	50	50	50	600
Rent	5	gvt	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	###
Salaries & Wages	6	gvt	18,867	18,867	18,867	18,867	18,867	18,867	18,867	18,867	18,867	18,867	18,867	18,867	###
Depreciation	7	ngvt	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Total Expenses			37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	###
Net Profit/(Loss) Before Tax			6,650	8,836	11,088	13,408	15,797	18,257	20,792	23,402	26,091	28,861	31,714	34,652	79,800
% of Sales			3%	12%	14%	17%	19%	22%	24%	26%	28%	30%	32%	34%	3%
Less Tax (Ave. Monthly)			6,760	6,760	6,760	6,760	6,760	6,760	6,760	6,760	6,760	6,760	6,760	6,760	23,340
Net Profit/(Loss) After Tax			-110	2,076	4,328	6,647	9,036	11,497	14,032	16,642	19,331	22,101	24,953	27,891	55,860
% of Sales			0%	3%	6%	8%	11%	14%	16%	19%	21%	23%	25%	28%	6%
GST OBLIGATIONS - ACCRUALS BASIS															
GST Received on income			7,288	7,506	7,732	7,963	8,202	8,448	8,702	8,963	9,232	9,509	9,794	10,088	
GST paid on expenses			1,810	1,810	1,810	1,810	1,810	1,810	1,810	1,810	1,810	1,810	1,810	1,810	
Net GST owed to ATQ for month			5,478	5,696	5,922	6,153	6,392	6,638	6,892	7,153	7,422	7,699	7,984	8,278	1,767
Net GST owed to ATQ for quarter					17,036			19,184			21,467			23,361	

From the above table it can be stated that the restaurant business, Vue de Carta, will encounter profit from the first month of commencement. However, the sales are expected to rise by 3% every month due to the increase in demand of the food items and services of the restaurant.

Conclusion

The business plan of Vue de Carta highlights the details of a restaurant business that is important for its start-up. Success of the business is dependent on the level of proper execution of the plan. The financial analysis highlights that restaurant will encounter profit from the first month of operation as it is expected that demand for multi-cuisine food of Vue de Carta will increase owing to its delicious preparation.

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