Business Plan

Name of the Student

University Name

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# Business Plan

**M-Organic**

**Executive Summary**

This business plan is for a restaurant named M-Organic. It will be a new medium-sized restaurant. M-Organic will emphasize organic and original cultural and innovative food. M-Organic is dedicated to ecological and sustainable development and health of the populace. Moreover, the restaurant will be buying local foods and local raw materials. M-Organic will not just focus on profits but the health of society, the benefit of local farmers and developing a taste for organic food in the community.

**Services**

M-Organic will be offering a fun place to have food that is naturally rich in taste and healthy as well. The restaurant will also be providing free reading materials regarding organic foods and its benefits, plus some free sample recipes so that people can make them at home as well. Our Chef Betty has an extensive catalog of ethnic ingredients and recipes. M-Organic projections are that most of the purchases will be from the recommendations of the chef. Traditional ways will be used to offer the consumers with a varied, rare menu. Chef Betty will be emphasizing healthy organic meals, being aware of the drift towards healthy and sustainable cuisines within the restaurant industry.

**Customers**

M-Organic will be looking forward to segment the market into various groups and target accordingly. The first group will be the lonely rich people who are growing in numbers and who can afford healthy organic meals. Also, these people have to eat clean, healthy and foods naturally rich with vitamins and minerals. M-Organic will also provide these customers with statistics related to the ingredients used in the cuisines so they can select their meals in accordance with their dietary and supplementary needs and wants. The second segment will be the happy young couples who prefer to eat healthily and live a healthy happy life with healthy children. The third group will be rich people who are tired of fast foods and desire organic diets as well as traditional cookery. The fourth segment will be dieting women. More and more women are getting interested in getting in good shapes and joining gym classes etc. These consumers are expected to be predominantly interested in healthy foods offerings.

**Management**

M-Organic has already gathered a strong team that will be managing the operation of the business. Mr. Hector will be the GM (general manager) of the restaurant. Hector has broad management familiarity of businesses ranging from ten to 60 employees. Mr. Kyle will be in charge of all of the accounting and finance functions. Mr. Kyle has five years of experience as an Auditor and Accountant (CPA). Mr. Kyle fiscal control expertise will be valuable in keeping M-Organic on point and cost-effective. Mr. Weidman, as an HR Executive, will be looking after the Human resources function and report to General Manager (GM) directly. His functions will include hiring employees and managing all the documents concerning employees. Lastly, Betty will be the head chef of M-Organic. She will be in charge of the back-end production along with a couple of assistant chefs who will be hired after a few months of operations. Chef Betty has over 15 years of knowledge and expertise in traditional foods and more than eight decades of experience in pure organic meals.

Most important to M-Organic is the economic accomplishment which will be realized through stern financial controls. This is important of M-Organic because we want to flourish and become economically stable so that we can expand our business and in turn provide the community health benefits and the local farmer's economic benefits. Furthermore, success will be made sure by giving a high-quality service and exceptionally clean, non-greasy food with many health benefits. M-Organic plan to increase menu charges as the business gets crowded.

**Finances**

The cost to open the restaurant is $220,000. The bulk of the expenditures are in furniture and equipment entirely $180,000. $180,000 of the start-up expenses will be sponsored by the owners. The owner’s source of monies is in the form of cash in hand.

**Business Description and Vision**

**Mission**

M-Organic is a healthy place to eat where our chefs will look after your health and taste, combined with an intriguing natural atmosphere with excellent services. We want rational profits and a satisfying place to work for the staffs.

**Vision**

M-Organic vision is to develop a taste for home and locally grown foods in the community and push society towards a healthy lifestyle and expand local production.

**Objectives**

* M-Organic expects sales of $350K the first year, more than half a million the second.
* Personnel expenses less than $150K in the first year, less than $200K the second year.
* Gainful in year two, better than 8% of earnings on sales by the end of year three.

**An Idea**

M-Organic is an idea that is soon to be a reality. The concept of M-Organic was to start a brand that will be beneficial for society physically and economically. Also, to make as many loyal customers as possible so that they can be our advocates in the mission of promoting organic foods and local produce along with attractive profits.

We become what we eat is what inspired this idea. M-Organic looks forward to making people eat healthy so that they can be healthy and act healthy mentally, spiritually and physically. If the business flourishes, it will not only attract people who prefer healthy food for themselves and their families, but also those who are looking to make profits with something that is not only for money but for the benefit of humanity or the community. M-Organic will not be just a business but a campaigner and promoter of local products and health.

**Key company principals:**

• Provide less oily, fresh, local produce, healthy and quality food

• Provide a clean, open, and friendly atmosphere with quality services

• Provide customers with complete information regarding menu

• Customers satisfaction

**Definition of the Market**

**Industry**

Moderate growth expected for restaurants

Restaurants performance in 2018 was considered moderate in terms of growth and more of the same is expected in the coming year as customers continue to demand handiness and value. The race is growing because grocery stores and bakeries are increasing their effort on readymade meals. The wage growth rate is also forecasted to increase by the end of 2019 (business outlook, 2019). Business environments for the eatery industry are projected to continue to be positive

Customers are progressively getting interested in wholesome and healthy menu preferences, locally obtained food and food manufactured in an ecologically and naturally conscious way. Customers are paying closer thoughtfulness to food quality, food production, sustainability, and nutrition content. The NRA(National Restaurant Association) "What's Hot survey of professional chefs," American Culinary Federation associates make public a new age of concept-based diet developments that emphasize more on how foodstuff is manufactured and arranged than on precise constituents or items (Ttra, 2019).

**Market Needs**

There are many perceived needs among the target market of M-Organic. According to M-Organic, the targets market needs are:

* Wants diversity and varying taste, preferably something fried or smoked with a side dish with enriched taste
* Looks for the swiftness of service
* Wants an entertaining and relaxing experience
* Looks forward to a clean, attractive, open and friendly environment
* Enjoys eating out bit prefer healthy foods
* Has an active lifestyle
* Comes from several ethnic upbringings

**Target market**

***Dieting Women***

The organic food menu will be having a line of really delicious and low-fat meals. The restaurant will have tables of women meeting to discuss all kinds of matters while feeling positive and good about the diet they are having. More and more women are getting interested in getting in good shapes and joining gym classes etc. These consumers are expected to be predominantly interested in healthy foods offerings. M-Organic will provide this segment with an exclusive menu with low-fat, low-carb, and high nutrient tasty food. A special menu of organic smoothies will be available as well. Also, M-Organic will share some extra knowledge about the food they eat and their benefits.

***The Lonely Rich***

Now a day, most of the lonely rich are tech employees, and most of those these tech employees work on the internet. They tend to hang out with alike individuals, but badly want to get away from their jobs and use their earnings that they are racking up. Most of these people spend on appetizers, drinks, and tips. M-Organic looks forward to providing them with refreshing drinks, and healthy meals, as well as more and more people, are getting diet conscious, especially people who have no physical activity and sit on a chair all day long. The lonely rich people also include in old people, who are growing in numbers and they can afford healthy organic meals. M-Organic will provide these customers with statistics related to the ingredients used in the cuisines so they can select their meals in accordance with their dietary and supplementary needs and wants.

***The Rich and Diet Conscious***

This group of rich people are tired of fast foods and desire organic diets as well as traditional cookery. These rich people are massive in numbers with incredible swaying ability over the community, government, and private enterprises. M-Organic will try its best to attract these people and make them a loyal customer. This will undoubtedly increase the profits of the business, but most importantly, they will influence many other people to follow them.

***Happy Young Couples***

This segment of the happy young couples prefers to eat healthily and live a healthy happy life with healthy children. M-Organic will be providing an atmosphere that will encourage people to bring dates and spouses to have a healthy diet with a healthy conversation. These young couples are usually very prosperous but sensible and do not spend much on unhealthy activities and food.

**Markey anticipation**

M-Organic anticipates that it will attract customers with different characteristics or of different segments such as couples, diet conscious employees, rich people, etc. It is also assumed by the business that in the beginning, the business will not be able to attract a huge number of customers, but with the passage of time when the taste starts getting developed, and dieting women, rich and diet conscious people start arriving, many prospective customers will get attracted and will start following these healthy smart people. Most importantly, M-Organic looks forward to attracting customers with its tasty cuisines and corporate social responsibility gestures in the community and on social media.

**Products and Services**

**The Menu**

The menu of M-Organic will be exceptionally simple but with a variety. M-Organic will keep a small but specialized collection of constants in the beginning on the menu. This will assist the business in lessening the leftover and planning raw materials and purchasing with ease in the start.

**Organic Ingredients**

M-Organic will be using organic raw materials and luxury ingredients that will be priced in accordance with the wealthy that are looking to spend extra money to have a healthy and light body. We will also have an exclusive menu for middle-level people that will also include only organic ingredients but not luxury ones. M-Organic will be particularly naturally mindful as well and spread the idea and across our literature. Eating at M-Organic will feel like having donated to nature, home economy, and public health.

**Traditional Recipes with a twist**

M-Organic Chef will have offer food with different cultural backgrounds. M-Organic will attempt to acquire the entire authentic and traditional ingredients essential to hold on to the interesting cultural recipes.

For the above reasons, M-Organic is expecting to not just competitive in the locality but one of its kind. Besides, with our farmland, we will have the advantage of having organic products with minimum costs and swift availability.

**Product Description**

Few of our products are:

* BBQ fish with creamy sauces
* Roasted beef with pepper mayo
* Mix fried veggies with BBQ and black pepper sauce
* Traditionally fried veggies
* Organic smoothies

**Competition**

Currently, there are no competitors in the locality that specifically offers only organic meals and operates with the idea of providing organic, healthy food for diet-conscious customers.

**Pricing structure**

Important Assumptions

* Our meal prices will be ranging from $7.00 - $20.00
* Average lunch prices will br around $8
* Average dinner prices will be around $12

**Organization and Management**

* General Manager (GM): Mr. Hector
* Manager Finance: Mr. Kyle
* HR Executive: Mr. Weidman
* Head Chef: Miss Betty
* Driver and a purchaser: Mr. Adam

**Company Ownership**

M-Organic will be starting as a sole proprietorship, maintained by its founders.

**Key personnel**

M-Organic has already gathered a strong team that will be managing the operation of the business. Mr. Hector will be the GM (general manager) of the restaurant. Hector has broad management familiarity of businesses ranging from ten to 60 employees. Mr. Kyle will be in charge of all of the accounting and finance functions. Mr. Kyle has five years of experience as an Auditor and Accountant (CPA). Mr. Kyle fiscal control expertise will be valuable in keeping M-Organic on point and cost-effective. Mr. Weidman, as an HR Executive, will be looking after the Human resources function and report to General Manager (GM) directly. His functions will include hiring employees and managing all the documents concerning employees. Lastly, Miss Betty will be the head chef of M-Organic. She will be in charge of the back-end production along with a couple of assistant chefs who will be hired after a few months of operations. Chef Betty has over 15 years of knowledge and expertise in traditional foods and over eight years of experience in pure organic meals.

Most important to M-Organic is the economic accomplishment which will be realized through stern financial controls. This is important of M-Organic because we want to flourish and become economically strong so that we can expand our business and in turn provide the community health benefits and the local farmer’s economic benefits. Furthermore, success will be made sure by giving a high-quality service and exceptionally clean, non-greasy food with many health benefits. M-Organic plan to increase menu charges as the business gets crowded.

Further recruitment of employees will be conducted after the opening of the restaurant. These prospective positions will include two assistant chefs, three waiters, one hygiene maintainer, etc.

**Marketing and Sales Strategy**

**Customers**

M-Organic will be looking forward to segment the market into various groups and target accordingly. The first group will be the lonely rich people who are growing in numbers and who can afford healthy organic meals. Also, these people have to eat clean, healthy and foods naturally rich with vitamins and minerals. M-Organic will also provide these customers with statistics related to the ingredients used in the cuisines so they can select their meals in accordance with their dietary and supplementary needs and wants. The second segment will be the young happy couples who prefer to eat healthily and live a healthy happy life with healthy children. The third group will be rich people who are tired of fast foods and desire organic diets as well as traditional cookery. The fourth segment will be dieting women. More and more women are getting interested in getting in good shapes and joining gym classes etc. These consumers are expected to be predominantly interested in healthy foods offerings.

M-Organic will only be providing dine-in services to the customers. In the future, we plan to offer home delivery services nearby.

**Sales strategy**

Attracting customers through various promotional activities and implementing these strategies at the right time at the right place is essential for any business success (Ingram, et al., 2015).M-Organic will be promoting its food and menu in seminars in the local community, on social media and word to mouth in the initial stages of its operations. M-Organic does not plan to spend a lot on the marketing strategies on media except on social media and banners. M-Organic pricing will focus on rich customers as well as the middle-level customer. The middle-level customers will have less variety of food in the initial stages of the business and will not include in luxury items in contrast to the rich class menu.

We also plan on connecting with our local chamber of commerce and food authority so to utilize their networking amenities for our opening and marketing.

M-Organic will be operating in a prime location with easy entrance. Due to our small size, we will be able to provide outstanding quality by hand-selecting our market specials. The same notion holds in our employment requirements, by hand picking our workers we will be able to attempt to provide unrivaled service to clients and also growth opportunities to our employees.

**Financial Management**

## *Start-Up Summary*

The cost to open the restaurant is $220,000. The bulk of the expenditures are in furniture and equipment totally $180,000. $180,000 of the start-up expenses will be sponsored by the owners. The owner’s source of monies is in the form of cash in hand.

**Balance Sheet**

M-Organic projected company balance sheet follows. We anticipate running at a loss in the initial stage of the first year, shrinking our net worth marginally. As the operations become lucrative in the later years, our net worth will grow. Total working capital that M-Organic will need initially is $140,000, out of which $40,000 will be borrowed from an investor.

|  |  |  |  |
| --- | --- | --- | --- |
| *Pro Forma Balance Sheet* |  |  |  |
|  | Year 1 |  |  |
| Assets |  |  |  |
| Current Assets |  |  |  |
| Cash | $10,000 |  |  |
| Cash in Bank | $30,000 |  |  |
| Total Current Assets | $40,000 |  |  |
|  |  |  |  |
| Long-term Assets |  |  |  |
| Furniture | $100,000 |  |  |
| Vehicles  Office e\Equipment’s  Kitchen Equipment’s | $30,000  $20,000  30,000 |  |  |
| Total Long-term Assets | $180,000 |  |  |
| Total Assets | $220,000 |  |  |
|  |  |  |  |
| Liabilities and Capital | Year 1 |  |  |
|  |  |  |  |
| Current Liabilities |  |  |  |
| Accounts Payable | $20,000 |  |  |
| Current Borrowing | $0 |  |  |
| Other Current Liabilities | $0 |  |  |
| Subtotal Current Liabilities | $20,000 |  |  |
|  |  |  |  |
| Long-term Liabilities | $60,000 |  |  |
| Total Liabilities | $80,000 |  |  |
|  |  |  |  |
| Capital | $140,000 |  |  |
| Retained Earnings | (00) |  |  |
| Total Capital | $140,000 |  |  |
| **Net Worth** | $220,000 |  |  |
|  |  |  |  |

### 

### **Profit and Loss/Income statement**

|  |  |  |  |
| --- | --- | --- | --- |
| *Pro Forma Profit and Loss* |  |  |  |
|  | Year 1 |  |  |
| Sales | $279,163 |  |  |
| Direct Cost of Sales | $61,957 |  |  |
| Other Costs of Sales | $0 |  |  |
| Total Cost of Sales | $61,957 |  |  |
|  |  |  |  |
| Gross Margin | $217,207 |  |  |
| Gross Margin % | 77.81% |  |  |
| Expenses |  |  |  |
| Payroll | $88,200 |  |  |
| Marketing/Promotion | $10,000 |  |  |
| Depreciation | $0 |  |  |
| Rent | $174,000 |  |  |
| Utilities | $2,550 |  |  |
| New location setup | $25,000 |  |  |
|  |  |  |  |
| Total Operating Expenses | $299,750 |  |  |
|  |  |  |  |
| Profit Before Interest and Taxes | ($82,543) |  |  |
| EBITDA | ($82,543) |  |  |
| Interest Expense | $0 |  |  |
| Taxes Incurred | $0 |  |  |
|  |  |  |  |
| Net Profit | ($82,543) |  |  |
| **Net Profit/Sales** | -29.57% |  |  |

**Cash Flow**

### 

### **Table**

|  |  |
| --- | --- |
| *Cash Flow* |  |
|  | Year 1 |
| Cash Received |  |
|  |  |
| Cash from Operations |  |
| Cash Sales | $100,163 |
| Subtotal Cash from Operations | $279,163 |
|  |  |
| Additional Cash Received |  |
| Sales Tax, VAT, HST/GST Received | $0 |
| New Current Borrowing | $0 |
| New Other Liabilities (interest-free) | $0 |
| New Long-term Liabilities | $0 |
| Sales of Other Current Assets | $0 |
| Sales of Long-term Assets | $0 |
| New Investment Received | $0 |
| Subtotal Cash Received | $279,163 |
|  |  |
| Expenditures | Year 1 |
|  |  |
| Expenditures from Operations |  |
| Cash Spending | $88,200 |
| Bill Payments | $244,265 |
| Subtotal Spent on Operations | $332,465 |
|  |  |
| Additional Cash Spent |  |
| Sales Tax, VAT, HST/GST Paid Out | $0 |
| Principal Repayment of Current Borrowing | $0 |
| Other Liabilities Principal Repayment | $0 |
| Long-term Liabilities Principal Repayment | $0 |
| Purchase Other Current Assets | $0 |
| Purchase Long-term Assets | $0 |
| Dividends | $0 |
| Subtotal Cash Spent | $332,465 |
|  |  |
| Net Cash Flow | ($53,301) |
| **Cash Balance** | $677,899 |

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