

**RSVP (Rice Stew Very Plenty)**

Business plan

For

RSVP

Gwinnett county, Georgia

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**1 Executive Summary**RSVP is a startup Nigerian fast food restaurant to be setup in Gwinnett County, Georgia. RSVP is a popular acronym among Nigerians around the world which stands for “Rice Stew Very Plenty”. It is estimated that there are more than 250,000 African Americans in Georgia out of which around 30,000 are Nigerian Americans. Although there are some notable African restaurants in Georgia, there is no specialized Nigerian restaurant in Georgia.A 2,000 square-foot space will be rented or leased for this proposed restaurant which will accommodate around 50 people at a time with 10-15 tables. A staff of 08 people including the owner is proposed to be employed in the operation of the restaurant at the beginning.Sales are expected to reach $680,000 during the first year of operation which will make the restaurant break even. The restaurant is expected to make significant profits from the second year onwards with increasing margins derived through increased sales and improved operational efficiencies. **1.1 Mission Statement**The mission is to enable the Nigerian & local community in Georgia to enjoy Nigerian cuisine with an authentic menu of Nigerian fast foods at reasonable prices.**1.2 Objectives**The objectives in the first year of operation are as follows:• Selling at least 30,000 main meals• Achieving a sales target of US$680,000• Keeping the prime cost ratio less than 60%**1.3 Keys to Success**Keys to success or critical success factors (CSFs) are those elements that are necessary for any organization to achieve its mission. RSVP’s keys for success can be identified as follows:

• Selection of a convenient location for the target market.

• Increasing the number of repeat / regular customers.

• Designing effective marketing campaigns to reach the target market and to build a strong brand image.

**2 Products & Services**RSVP menu will include main meals, sides, sauces and drinks. Single size or family portions will be available with set menu combo special meals.**2.1 Main Meals**Main meals will consist of White Rice, Jollof Rice and Pasta. White RiceWhite Rice is a popular main meal in Nigeria because it lets you eat rice with any sides & sauces. It is usually cooked plain with no added ingredients. Sometimes salt is added but it is optional.

 Jollof RiceJollof rice is one of the most common dishes not only in Nigeria but also in most of Western Africa including Senegal, Gambia, Sierra Leone, Liberia, Togo, Cameroon, Mali and Ghana.The dish consists of rice, tomatoes and tomato paste, onions, salt, spices and chili peppers. Optional ingredients can be added such as vegetables, meats, or fish. Due to the tomato paste and palm oil, the dish is mostly red in color.**2.2 Sides**RSVP will offer a number of side dishes including different meat stews, fried fish, yam & beans as follows; Fried Fish - fried fish will be served with carrot, green peppers, garnish etc

 Peppered Beef Stew – a stew made up of beef and peppers.**3 Business Environment3.1 Demographics**As of the 2019 United States Census, there were 927,781 people, 283,256 households, and 203,238 families residing in the Gwinnett County. The population density was 1,871.2 inhabitants per square mile (722.5/km2). There were 312,896 housing units at an average density of 677.4 per square mile (261.5/km2). The racial makeup of the county was 54.5% White, 29.3% black or African American, 12.4% Asian, 0.8% American Indian, 0.1% Pacific Islander, 8.8% from other races, and 2.8% from two or more races. Those of Hispanic or Latino origin made up 21.5% of the population. In terms of ancestry, 8.3% were German, 7.8% were Irish, 7.7% were English, and 5.8% were American.**3.2 Restaurant Industry Sales**As per the National Restaurant Association, restaurant industry sales are expected to reach $783 billion in 2016. Although this will represent the seventh consecutive year of real growth in restaurant sales, the rate of growth remains moderate. The restaurant industry will remain the nation’s second-largest private sector employer with a workforce of 14 million.

**4 Target Market**RSVP’s primary target market is Nigerian Americans living in the Georgia. Nigerian Americans are those who are of Nigerian ancestry living in the USA. Secondary target market of RSVP includes the other African Americans in the Gwinnett County because some of the Nigerian cuisine is familiar to them. **4.1 Market Opportunity**At the moment, there are no specialized Nigerian fast food restaurants in Georgia. Therefore there is a good opportunity for a specialized Nigerian restaurant where Nigerian Americans can taste the foods of their own culture.**4.2 Competition**Although there are no specialized Nigerian fast food restaurants in Georgia, there are African restaurants which may offer menu items which can also be found in Nigerian menus. Few notable African restaurants in Gwinnett County are as follows: Prestige African Cuisine - 2055 Beaver Ruin Rd, Norcross, GA, United States (https://www.facebook.com/Prestige-African-Cuisine-205410356212005) Honest Star Tropical Restaurant - 140 Hurricane Shoals Rd, Lawrenceville, GA 30046 (www.honeststartropical.com)**4.3 Evaluation of Strategic Options - SWOT Analysis**Figure: SWOT Analysis

|  |  |
| --- | --- |
| Helpful to achieving the objective | Harmful to achieving the objective |
| Strengths   Owner possesses 18 of experience in preparing meals for catering events.   Owner, being a Nigerian American, is highly knowledgeable about Nigerian cuisine. | Weaknesses   Owner has no much experience in managing a full scale restaurant.   Tapping a niche market which is relatively small. |
| Opportunities   There is no Nigerian fast food restaurant in Georgia.   Menu can be easily expanded to include other African cuisine.   Business can be expanded geographically. | Threats   African restaurant may turn into direct competitors by offering Nigerian menus.   This business can be started with no major capital investment. |

Internal origin (attributes of the system)

External origin (attributes of the environment)

**4.4 Competitive Edge**

RSVP’s competitive edge will be derived from the following: Offering menu items which are not easily available in other restaurants Use of locally sourced healthy food ingredients Offering a quality customer service at affordable prices

**5 Marketing Strategies5.1 Place & Distribution Strategy**Distribution strategy will be of two fold; Through the restaurant outlet  Through a food truck to sell food at events such as sporting & church eventsThe restaurant will be located in the Gwinnett County. Suitable building with around 2000 square-foot will be leased or rented for this purpose. The building will need to have a seating capacity of 50 people with 10-15 tables. Interior design will be based on a theme color of green which is used to imply the Nigerian origins.**5.2 Pricing Strategy**RSVP will offer its customers affordable introductory rates that are set at a lesser point what other established African fast food restaurants charge. Prices may gradually be increased to some extent after it gains some popularity among the target market. **5.3 Promotion Strategy**It is important note the consumer behavior in this market identified earlier in designing an effective promotion strategy. Following points will be given due importance in this regard: Woman’s opinion is very important in household matters in African-American families. African-American women are more concerned about healthy foods. African-Americans’ are more inclined towards electronic media such as TV and radio along with print media.Social media can also play an important role in promotion as most African Americans tend to support companies and brand they like.**5.4 Sales Forecast**Sales VolumesTable: Sales Volumes

USD

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Product Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Main Meals | 31,025 | 34,128 | 35,834 | 37,626 | 39,507 |
| Sides | 54,750 | 60,225 | 63,236 | 66,398 | 69,718 |
| Sauces | 31,025 | 34,128 | 35,834 | 37,626 | 39,507 |
| Combo Meals | 14,600 | 16,060 | 16,863 | 17,706 | 18,591 |
| Drinks | 36,500 | 40,150 | 42,158 | 44,265 | 46,479 |
| Grand Total | 167,900 | 184,690 | 193,925 | 203,621 | 213,802 |

SalesTable: Sales Forecast USD

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Product Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Main Meals | 201,663 | 232,920 | 244,566 | 269,634 | 283,116 |
| Sides | 246,375 | 284,563 | 298,791 | 329,417 | 345,888 |
| Sauces | 46,538 | 53,751 | 56,438 | 62,223 | 65,334 |
| Combo Meals | 131,400 | 151,767 | 159,355 | 175,689 | 184,474 |
| Drinks | 54,750 | 63,236 | 66,398 | 73,204 | 76,864 |
| Grand Total | 680,725 | 786,237 | 825,549 | 910,168 | 955,676 |

**6 Organization & Management6.1 Company Ownership**Company will be owned and managed by Benedict Okozu. Benedict Okozu is an expert in Italian cuisines, he combines his Nigerian roots with his acquired Italian culinary skills to create exquisite dishes. Chef Okozu attended the Le Cordon Bleu Firenze, the world's largest hospitality education institution and Carpiagiani University, Bologna. Here, he gained expertise in the art of cookery. He possesses experience in preparing meals for catering events and will also function as the Head Chef of RSVP.**6.2 Staff Requirement**Following staff are planned to be recruited at the start of RSVP: 01 Sous-chef – second in command in the kitchen. Sous-chefs will plan and direct how the food is presented on the plate, keep their kitchen staff in order, train new chefs, create the work schedule, and make sure all the food that goes to customers is of the best quality to make customers happy 01 Line cooks – usually responsible for prepping ingredients and assembling dishes according to restaurant recipes and specifications.

**7 Financial Plan7.1 Start-up Funds Requirement**Table: start-up requirements

USD

|  |  |
| --- | --- |
| Requirement | Amount |
| Start-up expenses |  |
| Incorporation & legal fees | 4,500 |
| Licensing cost (Food Sales License) | 2,500 |
| Rent security deposit (01 month) | 2,000 |
|  |  |
| Sub total | 9,000 |
|  |  |
| Start-up assets |  |
| Interior design & furnishing | 75,000 |
| Kitchen equipment | 60,000 |
| POS & software | 7,500 |
| Website design | 2,500 |
| Office computer | 1,500 |
| Sub total | 146,500 |
| Total funds requirement | 155,500 |

**7.2 Start-up Funding Sources**

USD

|  |  |
| --- | --- |
| Source | Amount |
| Owner funds | 5,500 |
| Bank loan | 150,000 |
|  |  |
| Total funds raised | 155,500 |

**7.3 Projected Profit and Loss**Table: Projected Profit and Loss USD

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Note | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Revenue |  |  |  |  |  |  |
| Main Meals |  | 201,663 | 232,920 | 244,566 | 269,634 | 283,116 |
| Sides |  | 246,375 | 284,563 | 298,791 | 329,417 | 345,888 |
| Sauces |  | 46,538 | 53,751 | 56,438 | 62,223 | 65,334 |
| Combo Meals |  | 131,400 | 151,767 | 159,355 | 175,689 | 184,474 |
| Drinks |  | 54,750 | 63,236 | 66,398 | 73,204 | 76,864 |
| Total revenue |  | 680,725 | 786,237 | 825,549 | 910,168 | 955,676 |
|  |  |  |  |  |  |  |
| Direct Supplies | 1 | 170,181 | 176,903 | 185,749 | 204,788 | 215,027 |
| Direct Labor |  | 223,587 | 256,879 | 263,301 | 298,989 | 306,464 |
| Cost of Goods Sold |  | 393,768 | 433,783 | 449,050 | 503,777 | 521,491 |
|  |  |  |  |  |  |  |
| Gross profit |  | 286,957 | 352,455 | 376,499 | 406,391 | 434,186 |
|  |  |  |  |  |  |  |
| GP Margin % |  | 42% | 45% | 46% | 45% | 45% |
|  |  |  |  |  |  |  |
| Expenses |  |  |  |  |  |  |
| Building Rent |  | 24,000 | 25,000 | 26,460 | 27,783 | 29,172 |
| Administrative Staff costs |  | 27,027 | 27,703 | 28,395 | 29,105 | 29,833 |
| Advertising & promotion |  | 126,500 | 119,150 | 113,065 | 108,172 | 104,409 |
| Food truck rent |  | 12,000 | 12,600 | 13,230 | 13,892 | 14,586 |
| Utilities |  | 24,000 | 25,800 | 27,735 | 29,815 | 32,051 |
| Depreciation | 2 | 29,300 | 29,300 | 29,300 | 29,300 | 29,300 |
| Building maintenance |  | 12,000 | 12,900 | 13,868 | 14,908 | 16,026 |
| Loan interest |  | 4,528 | 3,588 | 2,617 | 1,613 | 575 |
| Credit card fees |  | 5,956 | 6,880 | 7,224 | 7,964 | 8,362 |
| Legal & admin fees |  | 7,000 | 3,500 | 3,675 | 3,859 | 4,052 |
| Insurance |  | 3,000 | 3,150 | 3,308 | 3,473 | 3,647 |
| Website & systems maint. |  | 5,000 | 5,250 | 5,513 | 5,788 | 6,078 |
| Miscellaneous |  | 6,000 | 6,300 | 6,615 | 6,946 | 7,293 |
|  |  |  |  |  |  |  |
| Total expenses |  | 286,312 | 281,320 | 281,003 | 282,616 | 285,382 |
|  |  |  |  |  |  |  |
| Net profit before tax |  | 645 | 71,134 | 95,496 | 123,775 | 148,803 |
|  |  |  |  |  |  |  |
| Net profit margin % |  | 0.1% | 9.0% | 11.6% | 13.6% | 15.6% |

Note 1 - Assumed to be 25% of sales in the first year and 22.5% thereafter

Note 2 - Assumed to be 20% annually on cost