

NAME: Geoffrey Chima Emeka David

COLLEGE: College Of Engineering

DEPARTMENT: Computer Engineering

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BUSINESS PLAN FOR ESTALISHING A RESTURANT IN KUJE-ABUJA

1. Executive Summary

This paper presents a feasibility study for a gourmet diner in Abuja city. This study will assist in supporting the viability of the business plan. Additionally, it can identify possible complications ahead of time, thus eliminating them from occurring by planning for precautions. This paper will also enable the creation and testing of the business structure of the gourmet restaurant. The gourmet restaurant will serve sandwiches, burgers, potato fries, hot dog , protein shake as well as meat pie baked store made bread, international cuisine alongside local cuisine specially jollof rice and fried rice . **Jollof rice** is a Nigerian local dish also called 'reddish one- pot dish' garnished with tomatoes, onions ,goat meat or beef which gives this dish subtle spicy and savoury taste. The conceptual idea of the restaurant alongside with the creative cuisine and several marketing ideas allow clarity to the business scheme which ultimately with the support of this study will align investors and stakeholders on the detailed plan behind this business.

2. Introduction

The **VIBE Diner** is a diner associated with good quality beverages and foods. The restaurant is located in Awolowo 5th Crescent, Kuje- Abuja. The current focus is selling delicious dishes and drinks. At the onset, the restaurant will have a soft opening and will have tests on varied menus to determine the final products before grand opening. Social media networks e.g. Snapchat, Instagram, Twitter, Whatsapp and Google etc. are the primary choice for marketing purposes.

3. Market & Marketing

The **VIBE DINER** is a diner that is high price because of the high care, genuineness, quality and expenses that is acquired during preparing the meal and the restaurant experience as a whole. The core priority of the restaurant is to deliver our customers with the best service as well as good quality food. The target audience (or market) are customers who are able to afford the products. Currently, the products are becoming the mainstream, because most consumers are better educated and have larger global exposure to the finer quality in foods and drinks in cafes and restaurants.

In addition, markets are advertising diner foods and drinks as more affordable treats that can be enjoyed more frequently. In this segment, the demand and supply are identified on the population of Abuja. After that, the gap is calculated in order to determine the product mix and the production capacity of the restaurant. Demand is an economic principle that describes a consumer's desire and willingness to pay a price for a specific goods or services. Some basic factors affecting the demand side are remarkable growth in population and growing health

A considerable number of restaurants are visited and the number of customers is identified. Then alternative goods were checked by comparing menu items in different restaurants and evaluating the similarities and differences. Also, the commercial activity and consumer behaviour of other restaurants were compared by checking the environment and the interior, and how the customer reacts to it in comparison to other restaurants in the industry. This is done to identify as well as give detailed information about competitors.

The market gap is also considered as it is an unsatisfied consumer need or a group of potential customers who are not yet purchasing any goods or services. The bright side to having a gap in the market is that it allows opportunities for the restaurant to have great expansion in their customer base by three ways; increasing awareness, creating targeted offers and advertising campaigns to reach the untapped market.

4. Project Engineering

The process flow is necessary to identify the production steps as well as the needed machinery. The first phase of the production program is the accumulating and weighing and then mixing the production ingredients. The dough is placed in the oven and the product is used as the main ingredient in all the sandwiches. The daily amount of the dough at the diner will rely on the diner's marketing strategies and market necessities.

Order Name	Ingredient	Quantity (g)	Unit Cost (₦)	Cost of Ingredient
Jollof Rice	Tomatoes	55	0.01	0.55
	Onions	30	0.10	3.00
	Pepper	25	0.02	0.50
	Curry	10	0.03	0.30
	Beef	7	0.05	0.35
Salad	Green bell pepper	170	0.01	1.70
	Carrot	100	0.02	2.00
	Cabbage	20	0.02	0.40
	Corn	200	0.01	2.00
Club Sandwich	Bama(Mayonnaise)	150	0.01	1.50
	Dijon Mustard	50	0.04	2.00
	Mustard seeds	50	0.03	1.50
	Salt	20	0.01	0.20
	Club sandwich sauce	30	0.01	0.30
	Iceberg lettuce	40	0.02	0.80
	White chicken breast	50	0.02	1.00
	White cheddar	10	0.04	0.40
	Pasterami	10	0.10	1.00
	Turkey murtadella	10	0.07	0.70
The Proper Burger	Tomato	10	0.01	0.10
	Brioche bread	300	0.01	3.00
	Smoked brisket	150	0.06	9.00
	Coleslaw	30	0.01	0.10
Cup of coffee	BBQ sauce	20	0.01	0.20
	Raw coffee	7	0.40	2.80
	Water	0.1	-	0.20

Table 3: Variable costs of raw material

5. Location & Site

An important part of the business plan is the site selection. It determines the financial sustainability of the diner. Many factors affect the site selection decision making process such as environmental and technical factors. The restaurant has been designed with the application

of industrial planning and engineering aspects, taking into consideration architectural and engineering criteria suitable for the conditions prevailing in Nigeria, also the local and international standards and regulations are taken into consideration. The site layout will include *kitchen space, storage rooms for raw materials and finished products, parking space, water tank, guardroom, septic tank, pump room and electrical room.*

The restaurant is situated in Awolowo 5th Crescent, Kuje- Abuja which is a commercial as well as a residential location in Abuja, comprising of office buildings, large residential houses as well as restaurants. The motive of setting up a diner in this location is that it near to the target market (20-59 yrs) working in schools, restaurants and business area. Infrastructural services include *road services, electricity services, water services (borehole), cleaning services, and sewage services* with a total area of 450m² which is considered an encouraging factor.

The environmental factor considers both human and environmental health factors; it is a reasonable process that determines all potential solutions to health factors. Based on the industry of food services, our impact will be on air, water and materials. The effect into the air will be coming from the cooking stem that will be minor as the restaurant is considerably small, it will be ensured that a chimney will be put to prevent smoke from flying in the air inhaled by the pedestrians. While the impact on water will be through the water waste, as a lot of water is wasted in the cooking and cleaning of restaurants. As a preventive measure, it is planned that a washing machine can be installed to reduce the water waste. Materials can be recycled and sorted into paper, food waste, and plastic and glass products. Additionally, some efforts will be made by putting instructions on the bags and walls of the restaurant to create awareness among our customers on how to keep the environment clean.

6. Financial & Economic Evaluation

Most of the population in Abuja is mainly middle class population characterised with high socio-economic characteristics among others. Some positive social impacts of this project are the following: *creating new job opportunities, introducing the market to new local chefs, creating a local based restaurant that is not an international franchise and offering a new restaurant for neighbours and the customers roaming the region.* Other benefits include *encouraging the acceptance of local chefs.* Creating a positive social impact gradually strengthens social support for the diner.

7. Project Evaluation Techniques

Financial analysts are employed to analyse the profitability of the business as it is necessary. The financial requirement of the restaurant is also analysed. The economic indicators are:

Payback Period (PBP) is the length of time required for an investment to recover its initial outlay in terms of profits or savings. It is calculated by dividing the cost of the investment by the annual net cash flow to determine the expected payback period of years. Uneven cash flows occur when the annual cash flows are not the same amount each year.

PBP= Year before cash being positive + (Last negative cash flow/Cash flow to restaurant at that year)

The **net present value (NPV) or net present worth (NPW)** is a measurement of the profitability of an undertaking that is calculated by subtracting the present values (PV) of cash outflows (Including initial cost) from the present values of cash inflows over a period of time.

8. Conclusion

After the completing of market, technical, site selection, environment, social and economic consideration for the business plan, it is concluded that the detailed project description encourages the incorporation of a diner. The market analysis has been implemented, and demand and supply have been estimated which is ideal for the establishment of the diner. Products, quality, prices, and anticipated production capacity are determined. The needed machinery, equipment and raw materials with all associated costs are determined. A suitable site was chosen, criteria for selection are identified.

Some positive social impacts of the project are the following; creating new job opportunities, introducing the market to new local chefs, creating a local based restaurant that is not an international franchise and offering a new restaurant for neighbours and customers roaming the region. Creating positive social impact gradually reduces the risk of the project and strengthens general social support. With respect to the environmental feasibility, the diner will not distress the environment as the restaurant will perform all the necessary cautionary measurement with respect to possible minor impacts on air, water and materials. Firm instructions and awareness will be given to both employees and to consumers on how to keep the environment clean. All the economic indicators: Payback Period, Net Present Value, confirm that the idea of the new project is highly recommended.

Thus, as a conclusion, the diner promises incredible potential, moreover the diner restaurant caters good quality food and beverages which can also become a moneymaking business to the Nigerian economy.

