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**MATRIC NO: 18/LAW01/177**

**DEPARMENT: LAW**

**COLLEGE: LAW**

**COURSE CODE: GST 212**

**BUISNESS PLAN ON UNIQUE RESTURANT ENUGU NIGERIA.....**

**EXECUTIVE SUMMARY**

Unique Restaurant is an eating establishment focusing on healthy, nutritious and fast food to the local downtown area. It will be a moderately priced of 26 seat restaurant that is decorated with feature word accented chairs with blue and white checked table cloths. Dinner style tables will be surrounded by wooden chairs with comfortable seating cushions offering family style food and service. Based on this distinct menu, unique Home-style will follow a differentiation strategy that will provide unique, or hard to find choices to unique patrons. The restaurant will be jointly owned by Margaret okoroafor and Unique Favour okoroafor and operated by udefi chibuike Victor and Mrs. Ndidi chukwu. The operators have about 7-10 years' experience in the restaurant and catering industry. Entering into this market will not be easy, the industry is highly competitive with periodic overcapacity, low margins and low entry/exist barriers. In addition, there are large numbers of substitutes and the suppliers to this market have a great deal of power. In order to overcome these issues, the restaurant has acquired an excellent locality in the downtown area and intends to provide a suitably upscale environment to draw in the restaurant main target market segment and business professionals. The company will seek to provide these customers with the maximum number of services to create the greatest sales volume during the restaurant peak hours of operation. The restaurant will have a comprehensive marketing, advertising and promotion campaign that will maximize word of mouth marketing and will consist of radio, printed materials, bill boards and discounts. The restaurant has planned to offer its products at a slightly higher price than its competitors. This is to provide credibility to its clients as an upscale establishment that provides a unique menu. This will also provide the funds to cover the higher than expected operating costs due to the differentiated and expanded menu. The sales projections assume 1,800 customers per week. This resulting to the weekly sales of just over N630,000. this if projected for

three (3) years is calculated as  $N630,000 \times 52 \text{ weeks} = N32,760,000:00$  for 3 years  $(N32,760,000 \times 3) = N98,280,000:00$  By this, the restaurant is maintaining a healthy cash flow.

## **INTRODUCTION**

### **Company Description & Ownership**

Unique Restaurant will be located in Enugu North local government area. The Restaurant will be owned by Unique Favour Okoroafor and Margaret Okoroafor, managed by Mrs. Ndidi chukwu and Udefi chibuiké Victor. The restaurant will serve a variety of classic home-style favorites majorly in African dish and other favorite fruits and juices which will be derived from fresh agricultural produce.

## **DESCRIPTION OF THE VENTURE**

The Restaurant will be Open 6 Days Per Week

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Monday	8:00 am – 9:00 pm
Tuesday	8:00 am – 9:00 pm
Wednesday	8:00 am – 9:00 pm
Thursday	8:00 am – 9:00 pm
Friday	8:00 am – 10:00 pm
Saturday	11:00 am – 10:00 pm

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### **Legal Form**

Unique restaurant will be organized as partnership Business, wholly owned by Unique Favour okoroafor and Margaret Okoroafor and operated by Udefi chibuiké Victor and Mrs. Ndidi chukwu. Unique restaurant is registered with the Corporate Affairs Commission (C.A.C.) and National Restaurant Association of Nigeria. The restaurant is located in Enugu.

## **START UP SUMMARY**

The total estimate of opening the restaurant is N4, 000,000.00. The majority of the expenses are on furniture, fixtures, and equipment which amounted to N950,000.00. The owner's source of funds is a combination of liquid assets and marketable securities primarily from their existing catering business.

## **INDUSTRY ANALYSIS**

Comprises carefully manage inventory of perishable food products, such as fresh seafood and dairy foods to reduce losses due to spoilage. Computerized information system can improve and link food preparation and serving operations. Timing system monitor meal progress and can alert staff if an order is running behind schedule. Inventory management systems tracks supply levels and can help reduce waste due to spoilage. Cost accounting programs help compares to determine the profitability of individual menu items. Point of Sale (POS) devices allow servers to place orders and print checks tableside, improving accuracy and reducing ordering time.

### **MARKET ANALYSIS**

The industry increases in percentage against the first year of its sales and profit. The overall economic impact of the restaurant industry is expected to exceed the percentage profit increase from its previous years. The industry consists of full-service restaurant and limited service eating places which include quick service restaurant, cafeterias, buffets; snacks bars and non-alcoholic beverage bars.

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#### **1. MANAGEMENT CONTROLS**

**Weekly Inventory:** Management will conduct a weekly inventory to determine valuation for use in the preparation of weekly profit and lost reports.

**Daily Inventory Tracking:** Daily inventory will be taken on specific items. Movement will be compared to sale data to ensure designated products have been properly accounted for.

#### **Administrative Systems**

It is crucial that the Unique Restaurant remain current with daily easy outlay. The purchase of a POS system will immensely help them with these daily administrative reports.

**Daily Cash Control:** Sales and receipts recorded by the POS system will be compared to actual cash and credit card deposits on a daily basis. Monthly totals will be compared to actual P & L statement for accuracy. Cash, debit Card and Credit card receipts will be deposited in a deposit.

**Weekly Prime Cost Repost:** Unique Restaurant will prepare a weekly report that shows the gross profit margin after cost of goods sold and Labour cost has been deducted from the sales revenue. The prime cost for this type of restaurant is expected to range from 60% to 65%. Proper

control to the prime cost is the single most effect measure of management's ability to operate the restaurant.

**Purchasing Records/Payable:** A part time bookkeeper will process and record invoices and credits daily. Reports detailing cash expenditures, payments by check and accounts payable transactions will be readily available. Check disbursements will be prepared by the bookkeeper. Check signing authority for the general operating account will be given to the general manager.

**Payroll Processing:** Payroll checks will be issued bimonthly. Unique Restaurant will run reports from the time and attendance system, make necessary adjustments, and prepare for transfer to the payroll system. Payroll will be processed by a payroll processing system.

### **Market Segments**

The location was selected primarily because it is in the center of the town, and it leads to the major part of the city. The residential population in the immediate area comprised of a mixture of student's single family and multi-family housing.

### **PROJECTED STAFF STRENGHT**

Major Employers in the Restaurant Include

1. Manager; oversee the activity of the enterprise.
2. Cashier; in charge of finance.
3. Calabar women: in charge of cooking.
4. Young men/ young ladies: they serve as waiters.
5. Cleaners: in charge of cleaning.
6. Barman: in charge of drinks.
7. Security: makes sure the place is safe.

**Market Tests:** The operators of the restaurant have about 7-10years experience in catering and hotel business in the state before. They have customers before and their business Name is well recognized in the state. Their customers will be the first set to be contacted when they announce the grand opening of the restaurant.

**TARGET MARKET SEGMENT STRATEGY** - Unique and Margaret selected the area for its restaurant primarily because of its location that is very busy intersection with the connection of the major suburbs in the state with various potential clients from various

motor parks around the area. This will encourage people to easily locate the place and take launch in between their busy schedules from the office and also easily ease stress of workers or families tired from a day of work to stop in for a home cooked meal they can enjoy without the clean up!

### **Market Trends**

According to the National Restaurant Association of Nigeria. The top 5 trends are as follow

- Locally grown produce
- Locally sourced meats and sea fish
- Nutritious kind's dishes
- Hyper –local items (like the local norm, fresh vegetables, fresh tomatoes etc.).
- Hygienic Environments

### **MARKET STRATEGY AND IMPLEMENTATION**

We will do this by providing quality home style meals, prepared with quality ingredients at reasonable prices. Customers will enjoy the quaint surroundings inside with the plastic and wood table and checkered table cloths. Our restaurant will provide a relaxed atmosphere and when customers walk in; they will be greeted by warm smiles as if they were arriving home. Our customers will enjoy our standard menu fare, along with seasonal menus so that we can better take advantage of cost savings and stay current with some of the food industry trends.

At Unique Restaurant, we plan to be the premier restaurant and work for as well. We will pay our employees a competitive salary and believe we can do so by meticulously keeping our records, including daily review of the prime cost Report and utilize the cost Accounting systems to prevent inventory shortfalls. We will be proactive with our employees by scheduling regular performance reviews and provide bonuses and other incentives to motivate our staff. We will also provide our employees with the most current training programs regarding safe food handling and worker protection.

Unique Restaurant will also remain current with current industry marketing trends. In addition to a website with our menu, map and driving directions. We will also have a face book page and utilize other social media such as twitter. **Strengths**

- We have a very good location with easy access from

interstates.

- Exceptional staff with the “yes we can” attitude.

Combined with the operators 7-10 years’ experience in the hotel business.

Due to our small size, we believe we can provide exceptional quality by hand selecting our market specials when compared to our larger corporate competitors.

- Our employees will strive to offer unsurpassed service when compared to our larger competitors. **Weaknesses**

- Recruiting and retaining quality employees T

- Tight margins will allow little wiggle room for error. **Opportunities**

- Little entry barriers allow for immediate business opportunities

- Offer additional catering services **Threats**

- Government mandates Restaurant Operation, Food

Safety of Nigeria, Sanitation, National Agency for Food, Drugs and Administrative Control (NAFDAC).

- Rising Operating Costs

- Building/maintaining sales volume

- Supermarkets and convenience stores (mama puts)

- Consumers that believe in the home meal as been nutritious than those prepared in the restaurants

**Strategy Pyramid:** Unique restaurant shall be seen as customer satisfaction base.

**Tactics:** Creation awareness: Our signage on the front of the restaurant will bring customers to us and once inside; we will immediately acknowledge the customer with warmest and sincerest greeting and begin the service process anticipating the repeat of customers.

**Programs:** Provide employees training on customer service and retention; offer ongoing training programs for employees keeping them current on industrial trends and food safety. They track of employee’s progress through performance reviews and offer employees incentives attracting and retailing customers.

**Sales forecast:** We are expecting a conservative 5% increase in sales revenues annually over the next 3 years. The growth is adjusted for inflation. With the addition of catering revenues sales will increase by N7% in year 2 and 10% in year 3.

**Annual Sales Forecast**

<b>Annual sales forecast</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Sales	32,760,000	48,500,000	50,100,000
Food and beverage revenues	8,200,000	12,300,000	13,600,000
Additional Revenue	-	-	-
<b>Total Sales</b>	<b>24,560,000</b>	<b>36,500,000</b>	<b>48,740,000</b>
<b>Controllable costs</b>			
COGS	17,200,000	18,300,000	18,600,000
Payroll	10,000,000	10,200,000	10,500,000
<b>Total prime cost</b>	<b>27,200,000</b>	<b>29,500,000</b>	<b>29,100,000</b>
<b>Controllable profit</b>	<b>2,040,000</b>	<b>6,700,000</b>	<b>7,400,000</b>

**Sales Programs**

We will encourage our employees to grow our customer base and provide incentive and regular bonuses to employees for referrals and repeats customers. It is also anticipated that as we grow our catering business along with our launch business group, we will hire a sales director to facilitate this position of the business.

**Exit Strategy**

Disposal of our kitchen equipment, restaurant furniture and fixtures would occur at auction. Food inventory because of its quick perishable time would be considered as write-off.

**Financial Plan:** The following section outline our financial plan

1. Required cost of start-up
2. Profit and loss
3. Cash flow
4. Balance sheet
5. Financial ratios
6. Hourly Labour Costs
7. Weekly sales projections

**Source and Use of Funds**



	Year1	Years2.	Years 3
	N		
Owners' Contribution	-	2,000,000	
Bank Loans	-	2,000,000	
Other Loans	-	-	
<b>Total source of funds</b>			<b>4,000,000</b>
<b>Use of funds</b>	-		
Building/real Estate	-	-	
Leasehold improvement	-	400,000	
Capital equipment	-	950,000	
Location/administration expenses	-	700,000	
Adverting/promotional expenses	-	60,000	
Other expenses	-	70,000	
Contingency fund	-	500,000	
Working capital	-	1,080,000	
<b>Total use of funds</b>	-		<b>4,000,000</b>
<b>Net profit</b>	<b>2,627,400</b>	<b>12,486,000</b>	<b>13,177,000</b>

### Weekly Sales Projections Restaurant Business Plan

#### Weekly Sales Projection

Estimated Square feet	-	2,000
Average Breakfast price	-	350
Average Launch Price	-	350
Average Dinner Price	-	350

Total start-up costs are estimated to be ₦1,000,000:00. The majority of the costs are associated with the restaurant equipment, inventory, furniture and furnishing for the dining room. Total costs for these items are reported to be ₦900,000:00. The costs are associated with build out and renovation of the restaurant to provide update plumbing and creating additional space in the dining area by removing a non-supporting wall of ₦300,000:00. Unique and Margaret will contribute ₦2,000,000:00. and are requesting an additional ₦2,000,000:00. in form of bank loan. Source of Funds RECAP: Key sales figures

Annual Sales	32,760,000
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Average Monthly Sales	2,520,000
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Annual Sales per seat	18,200
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## **CONCLUSION**

Entering into this market will not be easy, the industry is highly competitive with periodic overcapacity, low margins and low entry/exist barriers. In addition, there are large numbers of substitutes and the suppliers to this market have a great deal of power. In order to overcome these issues, the restaurant has acquired an excellent locality in the downtown area and intends to provide a suitably upscale environment to draw in the restaurant main target market segment and business professionals. The company will seek to provide these customers with the maximum number of services to create the greatest sales volume during the restaurant peak hours of operation. The restaurant will have a comprehensive marketing, advertising and promotion campaign that will maximize word of mouth marketing and will consist of radio, printed materials, bill boards and discounts. The restaurant has planned to offer its products at a slightly higher price than its competitors. This is to provide credibility to its clients as an upscale establishment that provides a unique menu. This will also provide the funds to cover the higher than expected operating costs due to the differentiated and expanded menu. The sales projections assume 1,800 customers per week. This resulting to the weekly sales of just over N630,000:00 this if projected for three (3) years is calculated as  $N630,000 \times 52 \text{ weeks} = N32,760,000:00$  for 3 years  $(N32,760,000 \times 3) = N98,280,000:00$  By this, the restaurant is maintaining a healthy cash flow.

