

NAME: TANKO FARIDA BEJI

MATRIC NUMBER: 18/LAW01/202

COLLEGE: LAW

QUESTION- Write a good and customized business plan covering all relevant aspects and analysis.

Introduction.

A business plan refers to a written document that comprehensively outlines what your business is, where it is going, and how it will get there. The business plan covers what you intend to do with your business and how it will be done. It also outlines in specific terms the financial objectives of your business and how it will position itself to achieve those set goals.

Putting together a business plan is very important as it helps provide direction by making you discuss where you want to take venture to and define what you want out of it. Secondly, a business plan provides structure to your thinking and helps you make sure you cover all the important areas. These are just a few out of the many reasons for making a business plan.

This paper will now give a detailed and typical example of a business plan which will cover all the important and relevant aspects.

A MODEL BUSINESS PLAN FOR REEDAS CAFÉ.

I. Cover Page.

Title: Business plan for an all-day breakfast and brunch restaurant.

Prepared by: Dorex Consultants

For: Reedas Café

Note: kindly ensure that all data and information provided in this document are kept confidential.

II. Table of contents

This document will include, executive summary, description of venture, industry analysis, production plan, marketing plan, feasibility report, to mention but a few.

III. Executive summary

Reedas café is an all-day breakfast and brunch restaurant which has been running for up to five (5) years now. Due to how diverse breakfast options can be around the world, the management of the restaurant agreed on adding 'an English breakfast' this includes; pancakes, waffles, sausages, toasted bread, scrambled-eggs, syrup, and ice-cream option to the menu.

IV. Introduction.

Reedas café is the name of the restaurant. It was originally created to serve diners with all-day breakfast and brunch meals. It is located at 55, IBB way, Wuse 2-Abuja. The business is owned by a successful mother who has a passion for catering.

V. Description of the venture

Reedas café is confident to serve customers with a pick of their choice from their rich menu which is filled with varieties ranging from; the Nigerian breakfast (pap & akara/moi-moi), a taste of France(croissant & hot chocolate), Indian deli(garlic naan bread & chai tea). The target market for the restaurant cuts across every individual; both young and old but most especially the youths.

VI. Industry analysis.

The demand for restaurants with a different approach to dining is on the rise in Nigeria. People want to explore and have a taste of flavors from all around the world. Also, the need for lighter foods and snacks are starting to become popular. Therefore, the restaurant will be the first to bring to the consumers what they need and be dominant in this.

VII. Market analysis

The restaurant would focus on drawing the attention of the youths to the new development. Firstly, within Wuse, then other parts of Abuja. There is a high growth rate and market potential because of the population in these areas.

VIII. Strategic human resources planning

At the beginning, the business will increase its operation timing. This will consist of a waffle maker, a deep fryer, an ice cream machine, a toaster, a grill and a juicer. There will be an addition of two chefs with an experience in English breakfast with one waiter running on 9am to 10pm shift. A supervisor shall also be engaged to supervise the running of the kitchen. An accountant shall be engaged while a sales manager shall equally be employed.

PROJECTED TOTAL COMPENSATION PACKAGE PER ANNUM

Manager- 250,000

Sales/marketing officer- 150,000

Accountant- 200,000

Chefs- 230,000

Waiters- 100,000

Cleaners- 50,000

Security- 50,000.

1. **Production plan-** the whole production process is very easy and stress free when all necessary equipment are available. It involves poring the mixture into the waffle machine for some time which after a specific amount of time will be cooked, a grill would be on standby to make some sausages and toast and the ice-cream machine will be automated to make a flavor of choice.

These machineries don't require excess man power to be taken care of. A ventilated environment, which is dry (free from any liquid which could penetrate into them), and most importantly to clean and tidy up after each use to avoid spoilage.

2. **Marketing plan-** the number of restaurants that offer services which we are about to render is very little to none at the moment. Therefore, the restaurant will make use of great advertisement as its weapon to lure customers. The use of newspapers, magazines, bill boards, television stations, social media and influencers would be used to attract customers.
3. **Organizational plan-** the form of ownership shall be private limited liability because most of our customers would prefer to deal with a legal entity separate from its owners. Also,

limited liability enhances the personality of the organization. Principal-managers shall report to owners on a weekly basis on the activities of the business.

4. **Assessment of risks and problems-** in our teams research efforts, some of the potential risks include:

- Injuries and liabilities
- Power supply
- Shortage of fresh ingredients
- Competition

Some of the ways we wish to tackle these problems are by getting a generator and an inverter for when there is no power supply, a mini green house will be built for the restaurant so we could source out our own fruits and vegetables, a supplier of such ingredients would also be a partner in case of any mishaps. A well thought of plan would be made to take care of any other loop holes.

5. **Financial plan-** proforma manufacturing, trading, profit and loss account for two years of the four years plan.

YEAR ONE.

Food stuff, ingredients and components.	N'000
Opening stock	-
Purchases	<u>23,190</u>
Carriage on purchase	700
Closing stock	25,950
Issued to production	<u>(890)</u>
Direct expense	21,390
Prime cost	<u>85</u>
Work overheads	35,550
Rates	220

Insurance	420
Fans, power	1275
General repairs in the restaurant	700
Miscellaneous	<u>200</u>
Cost of production in year one	33,000
Works cost of finished goods output	-
Opening stock of finished goods	17,640
Total cost of produced goods	21,900
Closing stock	-
Sales	39,250
Gross profit	32,000
Administrative expenses	1234
Rent	350
Profit before interest and tax	3488

Proforma balance sheet for (relevant) two years

Year one

Fixed assets	N	N	N
Machine & equipment	<u>5200</u>	<u>13000</u>	<u>3900</u>
Current assets			
Closing stock		845	
Cash		2550	4846
Current liabilities			
Creditors		1300	

Loan	3000	<u>(4370)</u>
Working capital		<u>546</u>
		4546
Financed by		3000
Capital		3340
Net profit		6765

Proforma manufacturing, trading, profit and loss account.

Year two

Food stuff, ingredients and components.	N'000
Opening stock	845
Purchases	<u>25,190</u>
Carriage on purchase	730
Closing stock	25,950
Issued to production	<u>(980)</u>
Direct expense	21,790
Prime cost	<u>85</u>
Work overheads	35,850
Rates	260
Insurance	420
Fans, power	1275
General repairs in the restaurant	700
Miscellaneous	<u>200</u>

Cost of production in year one	33,000
Works cost of finished goods output	-
Opening stock of finished goods	17,640
Total cost of produced goods	21,900
Closing stock	-
Sales	39,250
Gross profit	32,000
Administrative expenses	1234
Rent	350
Profit before interest and tax	3488

Proforma balance sheet for (relevant) two years

Year two

	N	N	N
Fixed assets			
Machine & equipment	<u>5200</u>	<u>13000</u>	<u>3900</u>
Current assets			
Closing stock		845	
Cash		6550	4946
Current liabilities			
Creditors		1800	
Loan		2000	<u>(2670)</u>
Working capital			<u>546</u>
			4321
Financed by			2345

Capital	3473
Net profit	700

VI. Evaluation, recommendation and conclusion.

To be able to make an objective and scientific recommendation and conclusion, we shall analyze the financial statement using financial ratios

- a. Liquidity ratio
- b. Current ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$

Although, the liquidity position and profit margin of the restaurant might not look too impressive, looking at the improvement from year one to two, it looks really promising.

The long term efficiency and stability of the restaurant seems promising and the project looks very viable and is worthwhile to commit resources to it.