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18/ENG03/001

CIVIL ENGINEERING

1.0 Executive Summary

Flower Restaurant is an interesting and new type of restaurant cooking food with flowers as ingredients. The restaurant is also going to provide a brilliant and relaxing atmosphere for people,

The start-up management team will combine expertise manager and the chefs. They need to have at least several years' experiences on restaurant. With the development of the restaurant, we will keep inviting more expertise managers.

1.1 Added Value

- 1. Providing unique food, excellent services and elegant environment.**
- 2. Enhance health, prolong life, cure illnesses and improve physiological functions.**
- 3. Making people to learn more about the flora catering which can lead the booming of this industry.**
- 4. Promoting local economy and traditional Chinese culture based on some beneficial policies from government.**
- 5. Reducing local employment pressure.**

1.2 Keys to Success

- 1. Keep developing new customers.**
- 2. Using Customer-Relationship Management to keep customers.**
- 3. Through making advertisements to make the marketing of the products and brand.**
- 4. Build the first-class marketing channel.**
- 5. Employ and Train workers to first-class.**
- 6. Establish the first-class learning organization and business culture.**
- 7. Establish long-term partnership with suppliers.**
- 8. At the mature stage, using expansion strategy and build branch restaurants nationally.**

1.3 Objectives

- 1. 2013: Open the first flora house in Kun Ming**
- 2. 2014 Go on promotion.**
- 3. 2015 Keep improving original restaurant, increasing the sales and net margin.**
- 4. 2016-2019 Concrete current scale, start franchising .**
- 5. 2016 Become a well-known brand, reaching the target of net margin.**
- 6. 2016 Expand the restaurant to other regions.**

7. 2016Cooperate with the flower breeding base to invest developing holiday resort contains flora catering, flower health care and flower growing.

2.0 Company Summary

The restaurant is going to develop into a name-brand restaurant with unique food characteristics and establish a leisure resort leading with the flower health care. The restaurant will offer customers with honest care and comfortable enjoyment to make customers to enjoy first-class food, service and environment. Flora catering contains various nutrients and trace elements, it has some medicinal and health care functions, it can also enhance the people's physique and prolong people's life. The restaurant will lead the catering trend of 21st century, bringing the idea of flora health, culture and leisure to the customers.

2.1 Start-up Summary

The start-up expenses contains rent, facilities, expenses on marketing, sales and promotion, building website, license and so on. The start-up assets include tables, chairs, kitchen facilities, various utensils and computers

Start-up Requirements	Unit: RMB
Start-up Expenses	
Legal	10,000
Rent	8,000
Facilities	50,000
Marketing, sales and promotion	10,000
License	3,000
Other	50,000
Total Start-up Expenses	131,000
Start-up Assets	
Cash required	
Start-up Inventory	60,000
Other Current Assets	50,000
Long-term Assets	10,000
Total Assets	120,000
Total Requirements	251,000

Start-up Funding	Unit: RMB
Start-up Expenses to Fund	131,000
Start-up Assets to Fund	120,000
Total Funding Required	251,000
Assets	
Non-cash Assets from Start-up	0
Cash Requirements from Start-up	120,000
Additional Cash Raised	0
Cash Balance on Starting Date	120,000
Total Assets	120,000
Liabilities and Capital	
Liabilities	
Current Borrowing	0
Long-term Liabilities	50,000
Accounts Payable (Outstanding Bills)	0
Other Current Liabilities (interest-free)	0
Total Liabilities	0
Capital	
Planned Investment	
Parents	100,000
Other	0
Additional Investment Requirement	0
Total Planned Investment	100,000
Start-up Expenses	131,000
Total Capital	31,000
Total Capital and Liabilities	120,000
Total Funding	251,000

2.2 Locations

The location of the restaurant will be near to the international exhibition center in Kunming. The size of the restaurant will be about 150 square meters (Estimation). It has good environment which is very quiet. It also has a beautiful view of Dian lake. It has a convenient traffic system and it is only ten minutes from the downtown area. Besides, it is next to the wealthiest area and there are many famous entertainment places around there.

2.3 The form and financing

Form

The restaurant will be limited liability. When it is developed into a certain large scale, it will be switched to share company which can help the restaurant to develop.

Financing

A. Main source: The owner's money, relatives and friends. The individual person will be regarded as the investor, they may not directly take part in the operation and management of the company, but they will enjoy the stock dividends.

B. Apply patent of the product and develop technology: The restaurant will take Institute of Food Science and Technology of Kunming University of science and technology as the technical background asking to them to help developing products and technologies, then it could apply loans from the bank.

C. Keeping good reputation, caring about the preferential policies released by the government: Good credit and social reputation are valuable for a business. With a good reputation, the restaurant could attract many social investors.

2.4 Management

Archive

This is the most basic thing. It contains personal profile, quitting time, the reason for leaving, where did they go and what they are doing now. It is very important to record their contact methods and let the managers to communicate with them periodically so that they could be used in the future when the restaurant is developing. This can help to decrease HR cost and they could be taken as the HR reserve.

Performance

For the employees who is in charge of ordering food. The restaurant will reward them based on their sales performance and they can get commission on different dishes they sell.

Management Software

At the mature stage, the restaurant will develop a software which is used to manage employees.

2.5 Kitchen Cost control

Kitchen is the core of the business and it will decide if the restaurant will success or not. It is very important to establish the business stage and create name-brand business, it needs long term investment, therefore, it needs detailed management regulations and management team. It has to realize unified standard, size, and process so that the business can increase efficiency, decrease cost to guarantee the food standard, quality and service speed.

2.6 Layout

The restaurant will employ the best professional designer. The philosophy of the

restaurant is trying to fully use each space and make everywhere exquisite.

The temporary plan is:

A. Kitchen and Pastry (Open up), tea show area, normal areas, VIP rooms. The plan is supposed to be reasonable to guarantee customers ' privacy will not be interrupted.

B. The main color will be decided later and by the designers.

2.7 Internal and external relationship

A. Establish long term and stable partnership with the flower growing bases in Kun Ming. Choose a suitable one to develop as the flora health resort.

B. Searching for other restaurants that have the similar services and cooperate with them and study skill from them, if it is possible we can also purchase local flora products.

C. Keep good partnership with the investors.

D. Keep expanding social reputation, get the help and support form media, community and public.

2.8 Risk analysis

Market Development Risk

Currently, people may don't know what is the flora products and they might not try it, this is a big risk. We have to use marketing, public relationship and advertisements to lead consumption idea.

Competitors Risk

In the process, there will be many competitors or imitators because this is a new industry with brilliant perspective. Therefore, it is very important to hold on the core competence, keep making innovations, keeping old customers, building high reputation and influential brand, increasing image of the business.

Operation Risk

During the operation, there could be many risks such as supply problems, public activities fail to attain expected effect, lack of capital and so on. Therefore, in order to avoid these risks, we need to make adequate preparation: training employee, establish learning organization, guarantee financing. Besides, it is very important to communicate with the customers and partners, strengthen HR management and the business culture building to make the employees have the sense of proud ,belonging and independence, we could reduce risks through these ways.

Financing Risk

At the very beginning of running the business, as the money is limited, it is very important to build credit and reputation to try to get capital from different sources.

Skill Risk

During running the business, some core skills could be revealing caused by the employees outflow. To solve this problem, we will buy related patented skill and assign with employees with confidential clause to reduce the risks of quit of the employees.

3.0 Product and Service

3.1 Product

1.Flora food

The restaurant will use flowers as ingredients to make various dishes.

2.Snack

Snack is a unique characteristic of the restaurant, before or after the meal or when people are discussing issues, we will offer flora deserts to let them feel this characteristic.

3.Porridge

In Guang Zhou city China, it is given the name "King city of the porridge", there are mangy types of porridge which is very popular. We could imitate them using flowers to make porridge to attract our customers.

4.Flora soup

In China, soup is a traditions, Chinese people always drink Soup before a meal, therefore, we will push out tasty soup as another characteristic.

5.Flora drinks

When we are running the restaurant, except the normal drinks such as beer, beverage, we will also provide new kind drinks using flowers such as flower tea, flower alcohol.

6.Various sets of Flora food

The restaurant will offer different sets of flora food to our customers, such as rose set which means all of the dishes, drinks, snacks, soup are made of rose which is another unique characteristic.

3.2 Gift box

1.The colorful effect

The color effect on the customers can not be described with figures and words, but we could see the effect in practice.

2. Fragrance

The fragrance spread out from the flowers can bring some pleased feelings to the customers, therefore, it is helpful on illness recovery and prevent from some other illness.

3. “Happy Family” gift box

On Chinese traditional festivals, we will develop gift box called “Happy Family” which use lily as the ingredients to make snacks and make them into flower shape which means the whole family will get pleasure and happiness. The gift box will also include the blessing note from the restaurant: “Hope your family could be happy on this special occasion.”

DIY(Do it yourself) note will also be included in the gift box on how to make a special fragrant tea(the whole process). The DIY also contains the arrangement and the schedule of the tea ceremony of the restaurant.

4. “Rose date” gift box

Using rose to make the heart shape snacks and cakes and rose tea. It will also include the bless note with “Wish all the lovers will be sweet forever”.

5. “Elixir of love” gift box

Using the chrysanthemum to make the round snacks, the chrysanthemum tea with bless note “Hope you could be happy and family could be always together”. It will also include DIY note with making process of the chrysanthemum tea.

6. “Happy everyday” gift box

Everyone likes enjoyment and what they care about the most is that they could get a relax after busy work. In this case, we will offer them well-made snacks made by chrysanthemum and Ba Bao tea. There also will be some bless from the restaurant “Please do not forget to take a rest when you work too hard”.

The DIY note will include the whole process of Ba Bao Tea making and the most appropriate time for friends enjoyment , we will come up with the main dish “Happy to the most on holidays”.

3.3 Service

Flower Resort

After making a certain profits, our restaurant will develop new service: Flora Health Care Resort

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5.5 Relationship Marketing

Awards and Customer Loyalty

The restaurant will draw up awards rule and establish the customer loyalty archives to the company. It will make rules such as send out the "Flora House " VIP card, establishing the customer dossiers, offering special service options to make them enjoy extra and noble service and awards them. Choose some of the regular customers to make up an opinion consultant team or invite them to act as the spokesman to attract other customers.

Customers' financial benefits

For those loyal customer, we could provide the better services with the same price. The restaurant will give concessional benefits to those regular customers.

Customers' social benefits

The restaurant will offer unique and individualized products through inquiring the demands of the customers to establish good relationship with the customers. We will allocate a dedicated staff to contact with the current and potential customers and record their demands and requirement., familiar with the customers' names and hobbies to provide individual services and so on.

Customers Contact

The restaurant will armed with communication equipment and facilities to strengthen the contact with the customers.

5.6 Strategic Alliance

Longitudinal alliance

Keep good relationship with the upwards and downwards of the supply chain to maintenance long term cooperation.

Cooperate with the flower planting base to develop the holiday resort.

Crosswise Alliance

As the entrance conditions is too low in the catering industry, therefore, it is impossible to avoid competence with the development of the flora catering industry, in this case, the restaurant will allow franchise to expand its business.

And if it is necessary, at a certain period, the restaurant can cooperate with its rivals to some extent.

6.0 Management Summary

The Management team of the restaurant will initially consist of a restaurant manager and a chief chef, the restaurant must need at least 5 years experiences on the restaurant management and he is in charge of overall management and

some other services such as purchasing, marketing, legal service and son on. The chief chef will be responsible for the kitchen management such as food making, raw material purchasing and so on. Except them, we will also employ three servants, two other chefs , a chef helper.

With the development of the restaurant, we are going to expand our management team such as employ specialist financial clerk and so on.

6.1 Personnel Plan

Flower Restaurant will be responsible for all employees. The restaurant will train outstanding employees, improve their abilities, stimulate their potential, enhance their cohesion to make them better serve customers.

We will adopt the idea of employee-centered management, we will arrange the most appropriate work to them based on their competency, expertise, interests. We will take the characteristics and values of employees into account, using scientific training and motivational management approach, through a comprehensive employee development and business culture to fully mobilize employees and bring up their enthusiasm.

The following is the forecast personnel expenditures for the first three years

Personnel Plan			
Unit: RMB	Year 1	Year 2	Year 3
Manager	60,000	60,000	84,000
Chief Chef	48,000	48,000	60,000
Chef 1	42,000	42,000	48,000
Chef 2	42,000	42,000	48,000
Chef helper	24,000	24,000	36,000
Servant 1	36,000	36,000	42,000
Servant 2	36,000	36,000	42,000
Servant 3	36,000	36,000	42,000

6.2 Basic Management Principle

HR is a kind of strategic resource. Creation of human resource is the source of the business profits. To stand out of the crowd, it is necessary to have a large amount of talents to work for the business. The restaurant will train employee to be excellent , enhance their capabilities, motivate their potential abilities, enhance their coherence to better serve the company.

The restaurant will be employee-oriented. It will arrange their suitable position according to their ability, interests, specialty. Considering the characteristics and values of the employees, it is supposed to train them with scientific methods and motivated management methods. Through the full exploration of the human resource and the establishment of the business culture, enabling employees to work actively, energetically, innovatively to increase the work efficiency, performance and make significant contribution to the business target.

Emotional Management

It has to care employees and focus on the emotional communication with them to know their true thoughts and demands on life and other aspects. This is used mainly at the beginning stage, when the business doesn't familiar with employees, this is useful to enhance the relationship between managers and employees and establish foundation for the participation of the employees and the business culture

Employee Participation

After the employees working in the restaurant for a while, it is not just the emotional communication but to discuss with employees about the work plan and target, adopting the reasonable suggestion.

Talents Developed

In order to enhance the employees' work ability and create a learning organization and strengthen the coherence of the business. The restaurant will also adopt some employees training such as study in the work, communicate in the study and some specific professional training.

Employee Self-management

With the increased participation management of the employees, for those skilled and knowledgeable employees, we will use the self-management. The restaurant will just set them targets of the company and the departments and let them to make their own plans to complete.

Cultural Management

After managing for some time, as the accumulated of the experience of the business, the restaurant will develop its own work habit and style which can be named as the business culture.

6.3 Mechanism of employee training

To our business, we will provide our customers flora products and services, at the same time, we will provide our employees with best environment and atmosphere, besides, we will also offer them the opportunities to learn and improve themselves to increase their management and specialist qualifications to activate their potentials.

Independent Learning

Independent Learning is to let the employees to complete some challenging works, when they come across some difficult problems, let them to come over themselves under the philosophy of culture-oriented, asking them to come up some creative

6.8 Appraisal Content

Important task

The important tasks that complete seasonally, the focus will no more than three and the task allocator will do it.

Position task

Work contents that have been described as in the work position.

Job attitude

This refers to association spirit, positive attitude and so on.

7.0 Financial Plan

Funding Requirement and Uses:

The first round funding will be used to rent the place of the restaurant purchasing, decoration and all kinds of start-up expenses. The start-up funding 500,000 is from family.

7.1 Important Assumptions

Chart: Sales Assumption

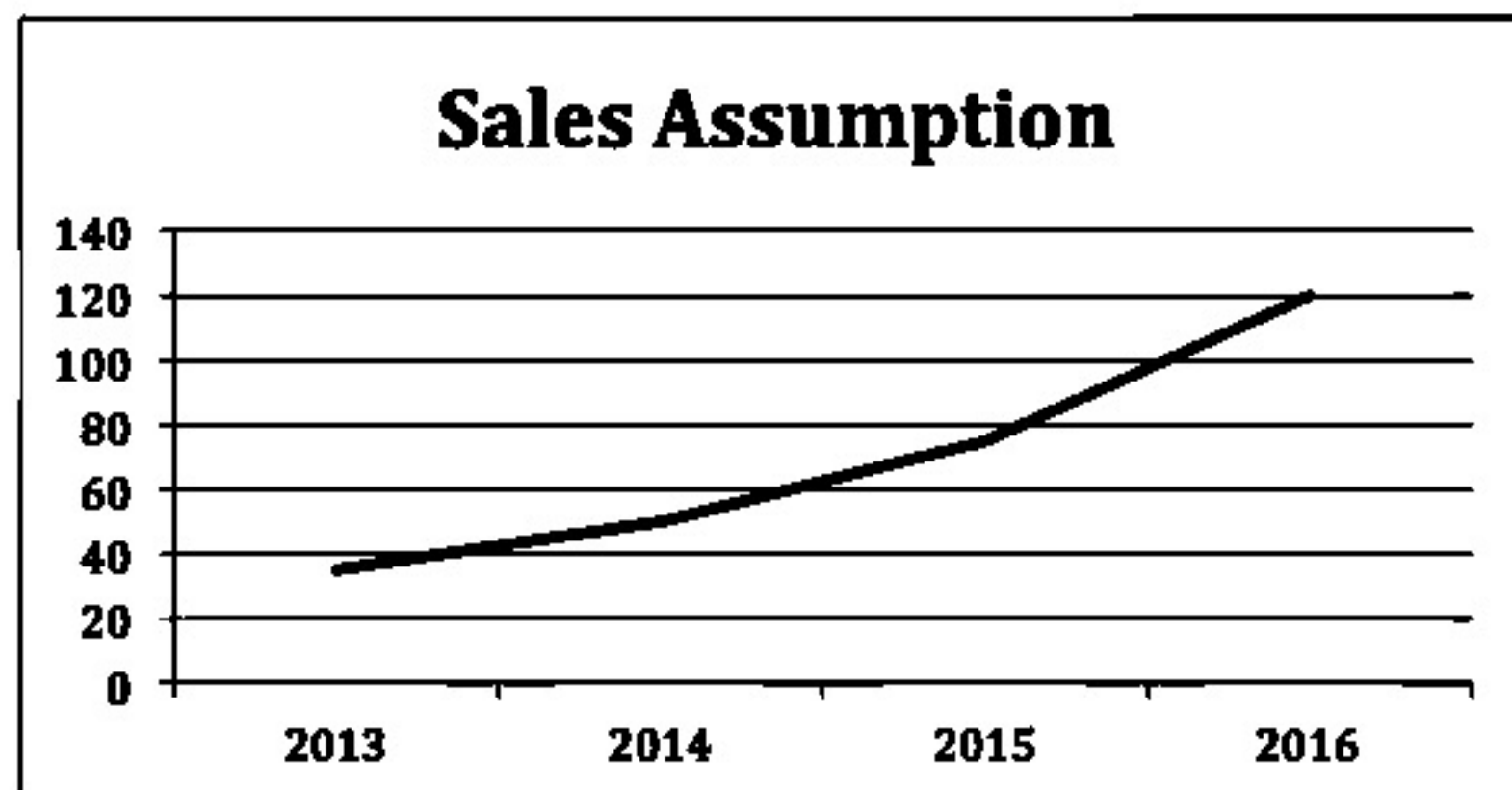
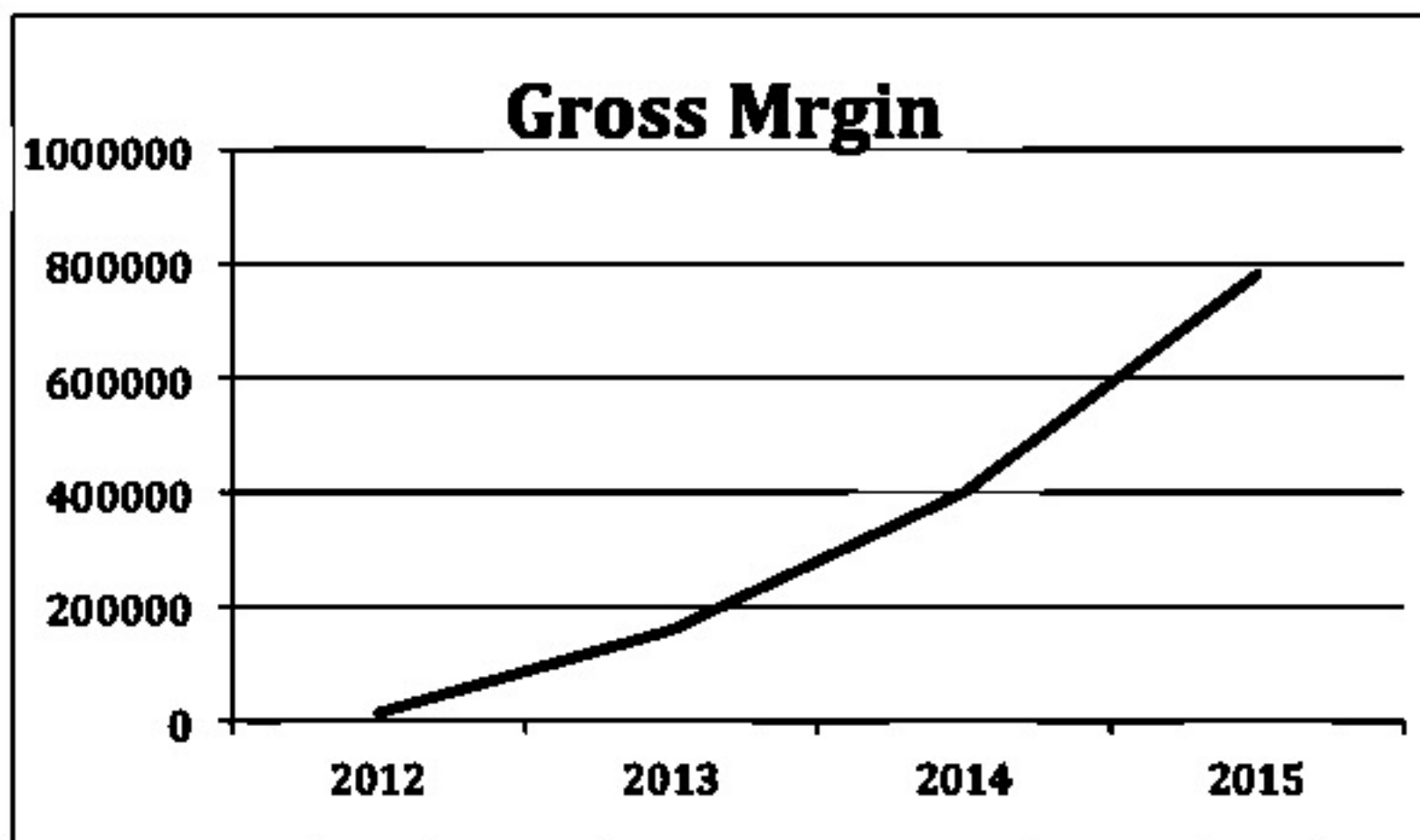
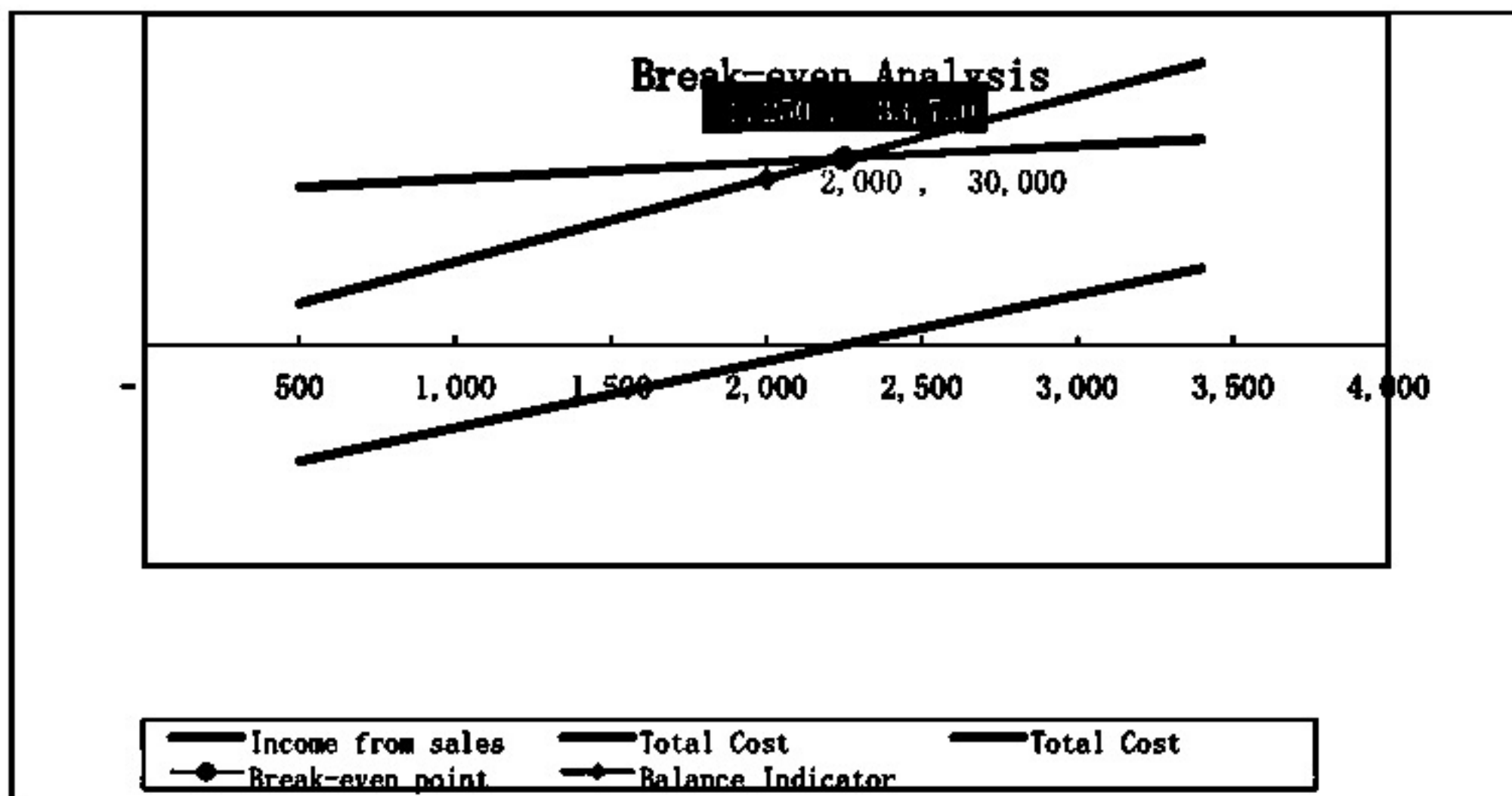


Chart: Gross Margin



7.2 Break-even Analysis



7.3 Projected Profit and Loss

	Year 1	Year 2	Year 3
Cash Received			
Cash From Operations	350,817.00	501,769.00	752,418.00
Cash From Sales			
Cash from Receivables			
Subtotal Cash from Operations	350,817.00	501,769.00	752,418.00
Additional Cash Received	102,000.00	250,000.00	400,000.00
Sales Tax received			
New Current Borrowing			
New Other Liabilities			
New Long-term Liabilities			
Sales of Other Current Assets			
Sales of Long-term Assets			
New Investment Received			
Subtotal Cash Received	350,817.00	501,769.00	752,418.00
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations	271,397.74	390,389.03	500,556.24
Cash Spending			
Bill Payments			
Subtotal Spent on Operations	288,810.33	405,547.37	517,042.58
Additional Cash Spent	58,162.29	237,762.44	384,332.92
Sales Tax	17,412.59	15,158.34	16,486.34
Other Liabilities Principal Repayment			
Purchase other Current Assets			
Purchase Long-term Assets			
Dividends			
Subtotal Cash Spent	43,837.71	12,237.56	384,332.92
Cash Balance	120,168.96	333,984.07	619,708.34

7.4 Projected Cash

	Year 1	Year 2	Year 3
Sales	350817	501769	754218
Direct Costs			
Other Costs			
Total cost	58873.24	125442.25	225725.40
Gross Margin	274693.42	361225.75	510392.55
Expenses			
Payroll	60,000	60,000	60,000
Sales, Marketing and Others	10,000	10,000	10,000
Deprecation	60,000	60,000	60,000
Rent	8,000	8,000	8,000
Utlities	50,000	50,000	50,000
Office Supplies	30,000	30,000	40,000
Insurance	460,363.13	46,744.78	114,230.74
Payroll Taxes	17250.34	15101.00	16300.05
Total Expenses	259613.47	309845.78	398530.79
Profit Before Interest and Taxes	15110.36	51432.31	111941.70
Interest Expense	0	0	0
Net Profit/Sales	11332.77	38574.23	83956.27