**FULL NAME: ADESOLA ADESEWA ADESANYA**

**MATRIC NUMBER: 15/SCI14/003**

**DEPARTMENT: GEOLOGY**

**1.0 Executive Summary**

This business plan will show how a total investment of only N101,500 could yield cumulative net profits in excess of N600,000 over a five-year period, and average monthly sales of N72,000, while maintaining adequate levels of liquidity.

The purpose of this plan is to secure additional funding from an investor and a bank (N29,500 investment, and N30,000 five-year term business loan), to cover the start-up costs.

Fundesoto Pizza is a family-run start-up business dedicated to providing excellent quality New York-style pizza to the residents of Ekiti State, in a manner that generates fair and equitable returns for present and future owners, and superior value to our customers. We specialize in creating and offering a variety of deliciously different pizza.

Ekiti State has experienced explosive growth over the past five years. Over one million residents now live in the area. Local businesses are slowly catching up with this new opportunity. We are opening a new pizza take-out and delivery service that will focus on Ekiti State.

Currently, the closest pizza restaurant is one mile away from our intended location in Ekiti State. Fundesoto Pizza will offer a better product, at a reasonable price, and will deliver it on time to the customer's door.

**1.1 Objectives**

• To attract a minimum of 100 regular customers per day for pizza take-out and delivery, in the first year of operations;

• To offer our customers excellent pizza services, at a reasonable price, and provide outstanding customer experience, measured by minimum 5 percent yearly sales growth, and customer complaints less than 1 percent.

• To generate positive cash flow from operations, and at least 10 percent net profits to sales.

**1.2 Mission and Vision**

Take-Out Pizza Inc.'s mission is to offer residents of Ekiti State the best pizza service in the area. We are committed to providing the service quality and value that our customers expect.

Fundesoto Pizza will use its strategy, staff, and systems to provide each customer with a seamless three-part customer experience -- service product (New York-style pizza), service environment, and service delivery -- each part of which will meet or exceed our customers' expectations.

Our vision is to become the first choice of pizza in Ekiti State, and a respected company -- as measured by our customers, our employees, our shareholders, and the community we live in.

Our values are critical to our success. They are the strong foundation of Fundesoto Pizza, define who we are, and set us apart from our competitors. They underlie our vision of the future. These values include:

• Performance excellence. We act like responsible owners, always seeking to meet or exceed expectations.

• Teamwork. We act as a team, committed to each other, and bound by trust and loyalty.

• Integrity. We treat one another, and all our stakeholders with dignity and respect. Honesty, ethical behavior, and integrity are fundamental characteristics of our business conduct.

**1.3 Keys to Success**

Our keys to success are:

• Excellent product and service that will build and maintain customer loyalty.

• A business location that will assure high company visibility and a high flow of

customers.

• Proven management ability to successfully run a similar business.

• Our commitment to continuous improvement and total quality services.

**1.4 Start-up costs and funding**

After spending several months searching for a convenient location, the owners decided to lease a commercial space in a densely populated area of Local Bay. The start-up capital will be used for legal expenses, kitchen inventory and equipment, packing and other materials, insurance, rent, promotion, business sign, and inventory on hand at start-up, as detailed in the company summary section of this plan.

We have estimated total start-up costs of N131,500. The numbers in the start-up and the start-up funding tables are meant to reflect these estimates. The company capital will be N101,500.

John and Lisa Walker, as co-owners, will provide the bulk of start-up financing in the amount of N72,000 (N36,000 and 35.47 percent ownership each). Approximately N59,500 additional funding is needed. The purpose of this business plan is to secure financing for that amount.

An investor and co-owner is welcome to participate in the company's capital for the amount of N29,500, and could be offered a portion of 29.06 percent ownership of the N101,500 company capital. The funds provided by the investor will be used to buy equipment, and to cover part of the start-up expenses. More details about the investor's potential interest in the company are provided in the important assumptions section of this plan.

For the remaining N30,000 additional financing needed to cover the start-up costs, the company plans to receive a five-year term commercial loan facility which will meet the cash flow requirements. The borrowed funds will be used exclusively to buy equipment, based on the list that will be made available to the lending institution.The loan could be repaid in equal monthly installments over a five-year period.

Our cash-flow analysis demonstrates the company's ability to repay the loan and meet the interest payment obligations, while maintaining adequate liquidity and generating positive cash flow, and sufficient cash reserves for unforeseen future events.

**1.5 Company Ownwership**

Fundesoto Pizza will be a privately held C-corporation owned in majority by John Walker and his wife Lisa. A new investor will be invited to participate in the company's capital.

At the time of formation, Fundesoto Pizza plans to issue 10,150 shares of N100 par value common stock. The issued and outstanding common stock would be N101,500. John and Lisa Walker, husband and wife, would receive 3,600 shares, at N100 par value, or 35.47 percent ownership each. Their total contributed capital would be N72,000.

In return for investing N29,500 in the company's capital, the new investor would receive.

2,950 shares at N100 par value, or 29.06 percent ownership. The new investor would be invited to discuss the quantity and quality of the stock to be issued, before the incorporation procedures are started. Additional information about investor's interest, entry, and exit strategy is available in the important assumptions section of this plan.

**1.6 Products and Services**

Fundesoto Pizza will offer a wide variety of New York-style pizza, as well as sauces, sodas, fruit juices, and desserts.

**1.7 Market**

Ekiti State is a growing low-to-middle-class area, counting more than one million residents. There are about five hundred businesses close to our location. Most of these residents are families of three or more. The average income for the area is N45,000.

With continued growth in the area, opportunities to serve the Local Bay residents will increase. The company will sell to individuals, but it will also accept some occasional catering jobs to individuals and companies in the area.

The main market segments are: a) individuals (retail customers) accounting for more than 90 percent of our sales, and b) local businesses (corporate customers) which, in terms of purchase orders, typically make larger orders for their employees and business needs.

**1.8 Strategy**

Our strategy is based on delivering a strong customer value proposition in a niche market. We are looking to offer the Local Bay city and its surrounding areas a new choice in pizza options.

We are building our marketing infrastructure so that we can eventually reach more customers with the same pizza offering. We focus on satisfying the needs of low-to- middle class residents and companies located inside or outside the Loca Bay Industrial Park.

**1.9 Management**

Our management is expected to use resources wisely, operate profitably, pay debts, and abide by laws and regulations. Our management philosophy is based on team work, responsibility, and mutual respect. People who work at Fundesoto Pizza would want to be part of our team because we operate in an environment that encourages creativity, diversity, growth, and performance.

Adeola Adesanya will be the manager of Fundesoto Pizza, assisted by his wife,Funmi. Both of them have successfully owned and operated a similar business in Lagos, state, they have more than seven years relevant experience in the industry, and hold various degrees and certificates in management and hospitality.

**1.10 Financials**

According to our conservative estimates, Fundesoto Pizza is expected to maintain a healthy financial position over the next five years. Our company is expected to break even in the third month of operations.

We also expect to be profitable in the first year of operations, with profits increasing over the next four years, as we establish and increase our customer base.

Our main concern will be to have sufficient cash on hand to meet our payment obligations and be prepared for unexpected needs of cash. Our conservative projections indicate that our business is able to generate positive cash flows and sufficient cash reserves.

The ratio analysis clearly shows that Fundesoto Pizza's financial position is expected to remain strong, as measured by its liquidity, long-term solvency, and cash flow adequacy ratios.

The company's profitability, as measured by its profitability ratios, is excellent, and will gradually increase over the next five years. This performance will probably be rewarded by a higher market price when the company decides to go public.

**1.11 Investor Considerations**

For investing N29,500 in the company's capital, the new investor would receive a portion of ownership of 29.06 percent (2,950 shares of N100 par value). As the investor will hold between 20 and 50 percent of the voting stock, he or she will exercise significant influence over the company's policies.

According to our conservative estimates, the cumulative dividends that would be paid to the new investor, based on 29.06 percent of ownership, over the next five years, would be N187,618.

Key measures of the expected benefit from the investment are presented in the important assumptions section of this plan. They clearly show that the risks and benefits of such an investment would be balanced.

We recognize that any investor in a start-up company, no matter how well on paper, ultimately needs an exit vehicle. Our purpose is to provide the best alternatives to protect investor's interest, while maintaining the potential growth of our company, the liquidity, and the profitability of future operations.

There are several options (exit strategies) that could be discussed while considering alternative methods for the investor to turn illiquid securities into readily tradable securities or cash. These options are discussed in the final section of this business plan.

**1.12 Disclaimer**

The current unfavorable economic conditions and prospects are carefully considered, and the estimates included in the plan are conservative. However, investors are advised to exercise caution when considering investment alternatives because actual data almost always differ from projections.

This business plan is designed to help investors better understand the potential risks, costs and benefits of this business project, but it is not intended, and is not to be considered in itself or any part of it, as an investment offer or solicitation, as regulated by law. It was developed for sample purposes, and any resemblance to real situations, people, or data would be purely coincidental.

**2.0 Company Summary**

Fundesoto Pizza is a new pizza take-out and delivery service started in the city's Ekiti State. It is a family-run business (managed by John Walker and his wife Lisa).

John, owner of Fundesoto Pizza has ten years experience in the hospitality industry. His wife and company co-owner, Lisa has eight years experience as a cook. Both of them successfully conducted a pizza delivery business in San Francisco, CA, which they sold for a handsome profit when they decided, for family reasons, to move to Ekiti State.

Their focus is to meet or exceed the customer expectations for an exceptional quality pizza that is served to be taken out or delivered quickly, and in a friendly manner. The company will serve a ten-mile area with over 500,000 residents, and a rapidly growing population. The company's location is very favorable, providing high visibility and a large flow of customers. Accordingly, the rent that was accounted for in this plan is higher than in other areas of the city.

Fundesoto Pizza's prices will not beat the competition. We are aware that we cannot compete on price only. That is why we prefer to focus on assessing customer expectations, and our core competencies, decide which expectations we can reasonably meet, then make sure to constantly exceed them wholeheartedly. Thus, we will be able to maintain and increase the level of customer satisfaction, as a strong foundation for future growth.

The entire delivery process will be conducted through five main food-catering online services that have excellent references in Ekiti State, and we can choose to be one of their participating suppliers. In this way, we are able to save on delivery costs and logistics, and simultaneously use the high Internet exposure of our partners. In addition, delivery people will use their own vehicles, so the business will not have to purchase delivery vehicles or hire drivers.

**2.1 Start-up Summary**

After spending several months searching for a convenient location, the owners decided to lease a commercial space in a densely populated area of Local Bay. The start-up capital will be used for legal expenses, kitchen inventory and equipment, packing and other materials, insurance, rent, promotion and business sign, and inventory on hand at start-up, as shown in the table below.

Rent.The commercial property will be leased in August, 2009 for a minimum of five years, with the option to extend the lease for another five years after that.

Kitchen inventory will include specific tools and accessories that are typically needed for a pizza production and service facility and includes:

• Food preparation: aprons, blender, gloves, storage containers, trays, work tables, mixers, condiment bottles, cleaning supplies and equipment, tableware, pots and pans, glassware, paper, pizza pans, etc.

• Pizza tools: parchment paper, oven brush, bobble popper, pizza tray rack, pizza separator, and other specific items.

• Utensils: cooking utensils, wheel cutters, cutting guide, rocker knives, etc.

Kitchen equipment includes mainly pizza ovens, pizza dough equipment (digital scale, mixer, dough docker, automatic dough press, pizza sheeter, manual pizza press), pizza display merchandiser, refrigerated preparation tables, freezers, cooler package, and holding table with infrared warmers.

Fifty thousand dollars worth of equipment (long-term assets) will be expensed over the next five years, using the straight-line depreciation method. A complete list of the equipment to be purchased, including prices and acquisition terms, will be made available for both the investor and the bank's consideration.

Our company policy is to purchase only new, state-of-the-art, energy-efficient equipment from reliable suppliers in the food industry.

Other expensed equipment consists of neon pizza signs, tables and chairs, coffee makers, coffee filters, tea dispensers, juice dispensers, cleaning equipment, dish machines, etc.

Inventory on hand at start-up includes specific ingredients for pizza preparation, flour, spices and pizza condiments, sauces, juices and other soft drinks, coffee, tea, toppings, parmesan cheese, cookie doughs, bread sticks and different dessert items that can be ordered together with the main menu item. It also includes supplies that are used during the packing, sale, and delivery process, and miscellaneous supplies.

Insurance premium for business risk coverage is initially established at N1,500 for the first two months, and will be further negotiated with the insurance company.It will be paid by direct debit on a monthly basis.

Promotion expenses are initially estimated at N1,800 and will be used for various marketing information materials and advertisements.

Legal expenses include business formation, advice and assistance, basic contracts reviews, and general business advice.

Office supplies include desks, files, tape, record books, forms, etc.

Permits expenses are the additional costs incurred to operate legally in the Local Bay

area.

There are several U.S.-based manufacturers and suppliers of pizzeria equipment. The specific vendors will be chosen soon, based on competitive bidding process. All the selected manufacturers produce and supply high-quality, energy-efficient kitchen and restaurant equipment, and they compete primarily on price.

Table: Start-up Requirements

|  |  |
| --- | --- |
| Start up | |
| Requirements | |
| Start-up expenses | |
| Legal | N1,200 |
| Kitchen inventory | N6,000 |
| Packing materials | N1,500 |
| Kitchen equipment | N20,000 |
| Insurance | N1,500 |
| Rent | N2,000 |
| Promotion | N1,800 |
| Other expensed equipment | N5,000 |
| Business sign | N3,000 |
| Permits | N1,500 |
| Office supplies | N1,500 |
| Other | N3,000 |
| Total start up expenses | N47,500 |
| Start-up assets | N10,000 |
| Cash required | N15,000 |
| Start-up inventory | N9,000 |
| Other current assets | N9,000 |
| Long term assets | N50,000 |
| Total assets | N9,000 |
| Total requirement | N84,000 |

**2.2 Start-up Funding**

We have estimated total start-up costs of N131,500. The numbers in the start-up and the start-up funding tables are meant to reflect these estimates. The company capital will be N101,500.

John and Lisa Walker, as co-owners, will provide the bulk of start-up financing in the amount of N72,000 (N36,000 and 35.47 percent ownership each). Approximately N59,500 additional funding is needed. The purpose of this business plan is to secure financing for that amount.

An investor and co-owner is welcome to participate in the company's capital for the amount of N29,500, and could be offered a portion of 29.06 percent ownership of the N101,500 company capital. The funds provided by the investor will be used to buy equipment, and to cover part of the start-up expenses. More details about the investor's potential interest in the company are provided in the important assumptions section of this plan.

For the remaining N30,000 additional financing needed to cover the start-up costs, the company plans to receive a five-year term commercial loan facility which will meet the cash flow requirements. The borrowed funds will be used exclusively to buy equipment, based on the list that will be made available to the lending institution.The loan could be repaid in equal monthly installments over a five-year period.

Our cash-flow analysis demonstrates the company's ability to repay the loan and meet the interest payment obligations, while maintaining adequate liquidity and generating positive cash flow and sufficient cash reserves for unforeseen future events.

For conservative purposes, the annual interest rate has been estimated at 12 percent. The actual interest rate and the borrowing terms will be negotiated with the participating bank. Strong collateral could be provided by an SBA guarantee, and by the owners' personal assets (for example, cash collateral in the form of certificates of deposit, to cover the remaining collateral requirements in addition to the guarantee).

|  |  |
| --- | --- |
| Start up funding |  |
| Start-up expenses to fund | N47,500 |
| Start-up assets to fund | N84,500 |
| Total funding required | N131,500 |
|  |
| Assets |  |
| Non cash assets from startup | N74,000 |
| Cash requirements from start-up | N10,000 |
| Additional cash raised | N0 |
| Cash balance on starting date | N10,000 |
| Total assets | N84,000 |
|  |
| Liabilities and Capital |
| Liabilities |
| Current borrowing | N0 |
| Long term liabilities | N30,000 |
| Accounts payable (outstanding bills) | N0 |
| Other current liabilities (interest-free) | N0 |
| Total liabilities | N30,000 |
| Capital |
| Planned investment |
| Owner 1 | N36,000 |
| Owner 2 | N36,000 |
| Investor | N29,500 |
| Other | N0 |
| Additional investment requirement | N0 |
| Total planned investment | N101,500 |
| Loss at start-up (start-up expenses ) | N47,500 |
| Total capital | N54,000 |
| Total capital and liabilities | N84,000 |
| Total funding | N131,000 |

**2.3 Company Ownership**

Fundesoto Pizza will be a privately held C-corporation owned in majority by John Walker and his wife Lisa. A new investor will be invited to participate in the company's capital.

At the time of formation, Fundesoto Pizza plans to issue 10,150 shares of N100 par value common stock. The issued and outstanding common stock would be N101,500. John and Lisa Walker, husband and wife, would receive 3,600 shares of N100 par value, or 35.47 percent ownership each. Their total contributed capital would be N72,000.

In return for investing N29,500 in the company capital, the new investor would receive 2,950 shares of N100 par value, or 29.06 percent ownership. The new investor would be invited to discuss the quantity and quality of the stock to be issued, before the incorporation procedures are started. Additional information about investor's interest, entry, and exit strategy is available in the important assumptions section of this plan.

**3.0 Products and Services**

Fundesoto Pizza will offer a wide variety of New York-style pizza, as well as sauces, sodas, fruit juices, and desserts.

According to wikipedia.com, New York-style pizza originated in Manhattan, NY in the early 1900s. It is an American-style pizza which closely resembles that of Naples, Italy. This type of pizza is known to have thin, wide, and foldable slices. The toppings include tomato juice and mozzarella cheese. Additional toppings are placed on the cheese part of the pizza.

Typically, the New York-style pizza is hand-tossed, light-sauced, and the slices are often eaten folded in half, as street snacks. It differentiate itself from other American pizza by its specific crust, made of high-gluten bread flour with distinguished flavor.

The pizza is sold by the slice or as whole pies. The slices, taken from a large pizza, which is about 18 inches in diameter, are cut into 8 slices. When sold by the slice, we can offer both "regular" or "plain" pizza, and with different toppings. We will always keep plain items on hand, and will be able to provide our customers with various toppings, just by adding them on, prior to consumption or re-heating.

The New York-style pizza is served with condiments such as red chili pepper, oregano, Parmesan cheese, or garlic powder, available for the customer to place on top of the slice. In addition to pizza, we offer other menu items, such as cookie dough, soft drinks, bread sticks, and dessert items.

Pizza is served at the counter, for take-out, or delivered to the location indicated in our customer orders. We take orders online, by phone, or at our location.

For delivery we offer 18-inch plain pies. The slices are sealed and the packaging will allow our customers to remove individual slices from their freezers as they need them. The pies are also shipped in leak-proof refrigerant gel packs. Thus, the customer will be able to pop them into a preheated oven (re-heat instructions are included in the package), or deep-six them for later use. The pizza can be delivered not only refrigerated, but also hot, depending on customer preference.

**3.1 Business Model**

Fundesoto Pizza is a typical take-out restaurant where customers order food and drinks at the counter, as opposed to sit-down restaurants that provide table service. Wait-staff is therefore not included in our work team.

As explained in the previous section, our main products are a variety of New-York style pizza, that are served at the counter, for take-out, as street snacks, or delivered at the locations indicated in the customer order. We take orders online, by phone, or at our location.

To prepare pizza, we use high quality ingredients and traditional recipes. State-of-the-art energy-efficient food preparation equipment and technology will be available to our kitchen staff, as we plan to invest our capital in valuable long-term assets.

Pizza can be delivered hot or refrigerated. Special package offers protection and quality conservation during transportation. Re-heating instructions are also included in the package, along with other items ordered by the customer, such as soft drinks, cookies, or other dessert items.

The entire delivery process will be conducted through five main food-catering on-line services that have excellent references in Ekiti State, and we can choose to be one of their participating suppliers. In this way, we are able to save on delivery costs and logistics, and simultaneously use the high Internet exposure of our partners. In addition, delivery people will use their own vehicles, so the business will not have to purchase delivery vehicles or hire drivers.

**3.1.1 Competitive Landscape**

Currently, the closest specialized pizza restaurant is one mile away from our intended location in Ekiti State. Fundesoto Pizza will offer a better product, at a reasonable price, and will deliver it hot or refrigerated, always on time, to the customer's door.

However, there are five fast-food restaurants, near our intended location, that also include pizza among other menu items. The quality of their products is no match for the New-York style pizza that we offer, but we may consider them as competitors because they offer better prices (for lower quality) and they are located within a one-mile radius from our pizzeria.

Other main competitors that we have identified in Ekiti State are: Pizza Concepts. Pizza-For-You, and Stevenson's Foods. According to our own market survey (see Appendix M), we distinguish ourselves from them by providing better quality pizza at reasonable prices, and delivering both hot and special-package refrigerated pizza to the customer door. Other differences are included in the next table.

|  |  |  |
| --- | --- | --- |
| **Competitors** | **We have, they don’t** | **They have, we don’t** |
| Ojo Pizzeria | Better quality specialized products, better equipment | Lower prices, table services, various other food items |
| Titilola Pizzeria | Better location, better quality, faster services | Lower prices, own delivery vehicles, traditional customers |
| Williams Pizzeria | Skilled pizza staff, better recipes, lower prices | Luxury environments, high-end customers, music and color lighting |
|  |  |  |

**4.0 Market Analysis Summary**

Ekiti State is a growing low-to-middle-class area, counting more than one million residents. There are about five hundred businesses close to our location. Most of these residents are families of three or more. The average income for the area is N45,000.

The boom in the area is primarily in response to new business and employment opportunities in the city's Local Bay Industrial Park. Similar food service businesses that traditionally do well with this population have proved the potential for Fundesoto Pizza

With continued growth in the area, opportunities to serve the Local Bay residents will increase. The company will sell to individuals, but it will also accept some occasional catering jobs to individuals and companies in the area.

We estimate that over 90 percent of our sales will go to individuals (retail customers) and the remaining balance to existing and future businesses (corporate customers). However, it is important to note that, typically, corporate customers make larger orders for their employees' needs or special business events.

**4.1 Market Segmentation**

As explained above, the main market segments are: a) individuals (retail customers) accounting for more than 90 percent of our sales, and b) local businesses (corporate customers) which, in terms of purchase orders, typically make larger orders for their employees and business needs.

Next illustration shows the market segmentation, taking into account, for conservative purposes, only the potential number of individuals that would order pizza (about 100 thousand residents, or 10 percent of the population in Ekiti State, plus 500 businesses), and less than 5 percent average growth rate.

**4.2 Target Market Segment Strategy**

Fundesoto Pizza will focus on its target market, low-to-middle class residents in Ekiti State, along with local businesses that are located inside or outside the Local Bay Industrial Park.

Typically, according to our own market survey, the target individual customers prefer to order pizza more than once a month, as an occasional alternative to an expensive and time-consuming lunch or dinner. Businesses prefer to order pizza for their employees, or on different occasions or less exclusive business events.

We will strive to establish a reputable image from that target market's perspective, by offering excellent quality New York-style pizza, convenience, expedient delivery services, service excellence, and by partnering with local businesses and other interested organizations in our community.

By always focusing on meeting or exceeding our customers' needs, wants and expectations, we will be able to build customer loyalty and word-of-mouth sales that many of our competitors are lacking.

Target Market Share. The estimated total total market in Ekiti State is 105,000 pizza pies per month, and our target market share would be 4 percent (4,224 pies / 105,000 pies = .04). We believe this target market share to be reasonable and achievable. See more details in the sales forecast section of this plan.

**5.0 Strategy and Implementation Summary**

Our strategy is based on delivering a strong customer value proposition in a niche market. We are looking to offer the Local Bay city and its surrounding areas a new choice in pizza options.

We are building our marketing infrastructure so that we can eventually reach more customers with the same pizza offering. We focus on satisfying the needs of low-to- middle class residents and companies located inside or outside the Loca Bay Industrial Park.

We intend to use various forms of marketing communication as an efficient way to reach our target market and raise their awareness of Fundesoto Pizza, and their pizza service offerings.

In addition, Fundesoto Pizza will use effective advertising tools to promote the business. The Local Bay flyer is a common way to advertise in the area. We will also hire people to hold signs near Local Bay Industrial Park. Door handle flyer promotion can be helpful throughout the Local Bay neighborhoods.

Adequate funding has been accounted for when projecting the promotion expenses. We intend to spend the marketing dollars in the most cost-effective way. Therefore, many other advertising options will be evaluated during the project implementation, to make sure that we achieve best results.

**5.1 SWOT Analysis**

The SWOT analysis provides us with an excellent opportunity to examine and evaluate the internal strengths and weaknesses of Fundesoto Pizza It also allow us to focus on the external opportunities presented by the business environment as well as potential threats.

Next sections explain major strengths, weaknesses, opportunities, and threats that Fundesoto Pizza should be aware of.

**5.1.1 Strengths**

Fundesoto Pizza has a valuable inventory of strengths that would help it to be successful. These strengths include:

a) location

b) excellent quality of New York-style pizza that is currently not available in Ekiti State

c) management's proven experience in successfully running a similar business in San Francisco, CA

d) state-of-the-art, energy-efficient pizza preparation equipment and technology

e) clear vision of the market needs: we know the customers' needs, we are familiar with the latest technology, and we can offer the pizza services that would bring the two together

5.1.2 Weaknesses

Strengths are valuable, but it is useful to realize the weaknesses. We have identified some of our weaknesses:

a) cost factor associated with keeping state-of-the-art equipment and technology b) we are new in town

c) start-up challenges

d) limited operating capacity during peak sales periods

**5.1.3 Opportunities**

Fundesoto Pizza's strengths and the awareness of its weaknesses will help it capitalize on emerging opportunities. These opportunities include, but are not limited to:

a) fast growing population in Ekiti State

b) no other specialized pizza take-out and delivery restaurant within a five-mile radius from our chosen location

c) a large segment of low-to-middle class population, and more than five hundred businesses in the area

d) no competitors offer New York-style pizza in the surrounding area

e) consumer behavior changes due to the economic downturn, respectively an increased preference to buy affordable pizza instead of expensive meals

**5.1.4 Threats**

Threats the Fundesoto Pizza should be aware of include:

a) slow recovery process of the economy from the current crisis

b) changes in the business environment that might reduce our sales

c) higher taxes in the future

d) the commercial property is leased, not owned by our company

e) tight credit times, higher interest rate, and higher inflation rate than predicted.

5.2 Competitive Edge

QT Pizza Delivery's competitive edge is:

• Location: Fundesoto Pizza is located in the heart of Ekiti State ,

near the Local Bay Industrial Center . This is the busiest area in town. The closest pizza restaurant is a thirty minute drive. There are more than five hundred businesses in the neighborhood.

• Lower operating cost and reasonable prices: Since Fundesoto Pizza's policy is to purchase latest equipment and technology, and will be operating with a team of five multi-skilled employees, it will be able to offer reasonable prices for a high quality New York-style pizza, but it will be impossible to compete on price only.

• Excellent products and services, timely delivery, and convenience.