

Sakae sushi business plan

Business



BU2005 Entrepreneurship Sakae Sushi Business Plan By: Lu Mi (12668064)
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mayank.jcu. edu. au Executive Summary This report

provides an analysis and evaluation of the current and prospective marketing, sales strategy, target customers, production cost, expenses and capital requirements of Sakae Sushi. It is an in depth report that discusses about the rise of Sakae Sushi as one of Singapore's major restaurant chains.

This report talks about the methods implemented by Sakae Sushi to attract customers during the time of the Asian financial crisis. This report contains financial statements of Sakae Sushi; it also contains information related to the costs involved in running the business, i. e. expenses, salaries and cost of raw materials, etc. It also contains information about the management team of Sakae Sushi and it provides insights of the industry and the company on the whole. Also discussed here are the various products and services offered at Sakae Sushi and the methods implemented by them to promote and advertise their brand to the masses.

At the end there are a few questions addressed to the Chief Executive Officer of Sakae Sushi, Mr. Douglas Foo Peow Yong, which will help us to gain first hand knowledge about Mr. Foo and also about Sakae Sushi. It will also help young and budding entrepreneurs to understand how to analyze the market and make right decisions from time to time. Table of contents 1. Introduction 2. Overview of the Industry 3. Insights on the Company 4. Market/Product Positioning 5. Products and Services offered 6. Marketing (4 P's) 7. Sales 8. Business Development Status 9. Production Process 0. Suppliers 11. Staff training and requirements 12. Expenses and Capital Requirements 13.

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Balance Sheet 14. Income Statement 15. Cash Flow Statement 16. Balance sheet & cash flow statement of Sakae Holdings 17. Financial Highlights 18. Management Profile 19. Board of Directors 20. Funding Request and Exit Strategy 21. Risks and Contingency Planning 22. Recommendations

Introduction Sushi is a Japanese specialty that consists of boiled vinegar rice wrapped around by a sheet of seaweed usually dry seaweed. Sushi is the most famous Japanese food found outside Japan.

In Japan sushi is portrayed as a traditional food, the Japanese people enjoy various types of sushi during several occasions. For example oshi-zushi, which is made by pressing fish onto the sushi rice in a wooden box, inari-zushi is a very simple and most inexpensive type of sushi in which the rice is filled into deep fried tofu, chirashi-zushi is another variety of sushi in which seafood, mushrooms and vegetables are added over the sushi rice (Japan-guide. com, 2008). The main ingredients involved in preparing sushi are Shari that consists of short white-grained Japanese rice mixed with a dressing consisting of rice-vinegar, sugar and salt.

Next ingredient is Nori, which is basically black seaweed wrappers; it is a type of algae very common in the harbors of Japan. It mostly involves the use of fish tuna, being the most common and also the chef's specialty. Other seafood's like shrimp, octopus, squid and crabs are used in preparing sushi. There can be more ingredients added to sushi by just adding them to the rice before it is rolled with the seaweed. One can use the bamboo mat for making the sushi roll (Japan-guide. com, 2008). Sakae Sushi was first introduced during the Asian financial crisis when almost all of the major Asian economies were going through a phase of turmoil.

Mr. Douglas Foo Peow Yong, the Chief executive officer of Sakae Sushi opened the first branch of his now famous chain of restaurants in 1997 at Raffles Place, Singapore. At that point in time many would have thought of it as a very risky business and a great risk, but the company did exceptionally well to maintain its image in the market and they established themselves as a tough competitor among other food chains. They managed all this by providing excellent quality customer service and serving one of the most delicious sushi dishes in the city.

Sakae sushi took the heart of many Singaporeans and their innovative idea of serving sushi on the conveyor belt attracted more and more customers, not only the Japanese people living in Singapore but also tourists from all over the world visiting Singapore being a tourist hotspot. Many foreigners visiting Singapore were in search of great ambience and good quality fine dining cuisine, which was served at Sakae Sushi and the hospitality of the staff at Sakae sushi made their customers visit them more often and also recommend them to their fellow colleagues and friends. Overview of the Industry

Mr. Douglas Foo would never have imagined that taking a gamble of launching his business during tough times would have paid off so much and help him reach such heights, as during the times of recession it is always very hard to enter a new market and sustain in the market, but his hard work along with the compassion and commitment of his colleagues and their dream of becoming the best in the business not only allowed the business to flourish during hard times but in due course it also became one of the most

famous and trusted restaurant in Singapore and also in different parts of Asia. Mr.

Douglas Foo implemented his business idea with full dedication and attention and he also operated his business at low profit margins, which helped him attract more customers including the budding middle class and also students to enjoy great tasting authentic Japanese cuisine sitting at home in Singapore. He saw that his business was doing well in Asia and this made him think of expanding outside Asia. He started off with the United States of America but due to the world financial crisis in 2008 his dreams of doing well in the States were shattered and it was hard to sustain the business in New York.

Mr. Foo being a great Entrepreneur spotted the difficulties early on during the financial crisis and he finally decided to shut down operations at the Chrysler building in New York. Insights on the Company Mr. Douglas Foo introduced the first branch of Sakae Sushi at Raffles place in Singapore in the year 1997, knowing it's going to be a tough fight Mr. Foo never backed out. He worked really hard along with his team to penetrate into the market and establish Sakae Sushi in the country.

To attract customers they kept the prices low in comparison to other competitors, which attracted more customers and soon went on to open new outlets one by one and finally today they own more than 30 outlets in Singapore but he did not stop here, his plans of becoming world renowned motivated him to open new outlets in Malaysia, Thailand, Indonesia, Philippines and the People's Republic of China, with intentions of entering

North Korea and also looking to operate in the United States of America in the near future (Apex-Pal International, 2009).

They opened many branches in the suburban areas of Singapore, which gives a clear idea of them trying to reach out to the masses; this is another reason for their success. To grow along with the fast growing new generation, Mr. Foo introduced several other chains apart from sushi, he opened chains like Sakae Teppanyaki, Sakae Izakaya, The Pasta shop by Sakae, Hibiki and also for private sector parties he introduced Nouvelle Events and they soon became one of the best caterers in the whole of Singapore.

The innovative idea of using conveyor belt to serve food met with a huge success and attracted customers who were looking for a great ambience to enjoy delicious food. He also introduced Sakae Delivery that enabled people to even order sushi at their home by calling Sakae Sushi directly. Their good quality food, safe environment and customer friendly service allowed them to achieve high customer satisfaction, thus making them one of the best restaurant chains not only in Singapore but in many different parts of Asia (Apex-Pal, 2003). Mr.

Foo does not just want to stop here; he has plans enter other Asian markets like North Korea that has strong monopoly power and also he still hopes for achieving success in the United States of America. Market/Product Positioning Sakae sushi not only serves sushi but it also has a variety of products that were introduced by Mr. Foo to maintain domination in the market. He knew very well that Singapore being a tourist nation attracts

many foreigners who have different taste buds, so he introduced various other signature dishes that suit the taste buds of the customers.

To keep up with the demand they keep on innovating and introducing new offers and new themes every month for example they started with Soba theme for the month of April which involved several Soba food specialties like soba soup, soba salad and soba cheese rolls, and the best part is that all of these items are affordable even for the middle class. At some stores they even serve free meals on every first Sunday of the month for the young children.

Its important to attract the young generation and today's generation loves to havefast foodso they introduced variety of burgers like Teriyaki Chicken, Unagi and Salmon Mango, the school going children and college students also cherish such delicacies provided to them at reasonable prices. Sakae sushi also runs several sushi buffets for each meal of the day like lunch buffet, teatime buffet and dinner buffet for every member of thefamilyfrom children to youth to adult they cover all the generations. Their customers love the availability of different desserts with several fruity flavors and they are even healthy.

The vast varity of desserts offered like sesame with red bean, vanilla with chestnut, mango and strawberry, etc. are cherished by one and all, thus the people enjoy coming to Sakae Sushi again and again (Apex-Pal International, n. d.). Marketing Marketing is an art andscienceof mixing up of elements such as appealing products, competitive prices, convenient places/locations, and promotions to comprise the basic building blocks of the firm's offer to

the market (Noel Capon, 2009, p. 11). Marketing basically involves 3 types of orientation, i. e. Consumer, goal and system orientation.

All three orientations need to go hand in hand so as to achieve golden success for any firm and this is exactly the case of Sakae Sushi. Mr. Douglas Foo and other members of the management team were able to address all three orientations very well and were able to create such a brand in Singapore that now has operations in some of the major economies of Asia. The marketing mix of services marketing included 4 P's that are essential to effectively market a product to the prospective target market, the 4 P's are namely; Product, Place, Promotion and Pricing.

For any firm to excel in its marketing efforts it needs to focus on these 4 P's so as to effectively market their product and create a well-established brand image. (Please refer to appendix 1. 1) Product The term product refers to the tangible physical products as well as services that include decisions to be made regarding the brand name, styling, packaging and design, etc. of a product. The way Sakae Sushi has brought about a change to this concept is something for which the management at Sakae Sushi deserves a great round of applause.

Introducing an already known product to the customers in a totally new way and effectively marketing it to the masses by introducing a totally new concept of conveyor belt is something to learn from. It not only requires creativity but also innovation at its best, so that whatever hard work is put in is reflected by the craving the customers have for their sushi (Lovelock, 2007). Price The level of competition in today's world is very high and everything costs a great amount of money as compared to the past.

So to effectively market out a product to the customers out of the 4 P's, price is a very important aspect that needs to be taken into consideration as it affects the demand of a commodity inversely. If the price is more then the demand for a good falls and vice-versa, so to increase the sales pricing should be competitive, and Sakae Sushi has done exactly the same by introducing the Sakae Buffet at competitive prices for different days of the week so that every sushi liver gets to eat all what they crave for. Place

Place or distribution strategies are concerned with making products available to the customers where and when they want them (Charles W. Lamb et al. 2008, pg. 46). Sakae Sushi outlets in Singapore are located at strategically important and accessible places, so that their customers need not walk miles in search for good food. Being located at many of Singapore's prime locations and almost all outlets accessible by M. R. T, it makes Sakae Sushi the preferred choice for the working class of Singapore in areas such as City Hall, Dhoby Ghaut and Orchard during peak office hours.

Sakae Sushi targets those areas to operate their stores where they find a potential target market also keeping in mind other areas in close vicinity. Promotion Promotion represents the methods of communication that a marketer may use to provide information to different parties about his product. Promotion comprises of elements such as: advertising, public relations, personal selling and sales promotion. To gain most out of the target market and potential customers, various sought of promotions need to be given out form time to time so as to keep the interest of the customers alive.

Sakae Sushi has done enough advertising campaigns and has offered its customers with new themes every month so that their customers never get bored of the same old dishes. By introducing “ Sakae Signatures”, “ Sakae Buffet” and “ Sakae Lunch Mix “ N” Match”, etc. they try to offer more and more to their customers so that the customers can indulge in eating more delicacies without having to worry about their pockets. This has revolutionized the service industry. They also offer burgers and pastas so that they can expand their target market customers and let more people crave for mouth-watering delicacies (Lovelock, 2007).

SWOT Analysis Strengths Well-established brand in terms of customer satisfaction and also they provide quality service. Market leaders and trendsetters in terms of addressing the needs of the customers by bringing new and apt themes and promotions every now and then that is according to the demands of their customers. Managing high sales revenue without charging hefty prices to their customers. Dedicated and honest staff that always looks to serve the customers with a smile. **Weaknesses** The business structure is highly complex in terms of operations and the cost of maintenance is also high.

Providing on the job training to their employees also costs a lot of money.

Opportunities Can look to capitalize on the advantage they have over their competitors as a well-established brand. They also have good tie-ups in foreign countries including major Asian economies like China. Their company is a well-recognized company listed on Singapore Stock Exchange. **Threats**

Competitors can copy their business idea and try to monopolize on it. The

competitors can offer jobs to their employees at their own restaurant. It is also difficult to keep up with the ever-changing demands of the customers.

Sales Effectively marketing a product is only one side of the coin, the other side of the coin is the sales strategy that is implemented by a company so as to boost revenues by increasing sales. All the marketing efforts can go down the drain if a company fails to capitalize on the efforts put in by the marketing team. Main motive of any company is to earn profits and this can only be achieved by boosting sales, and to boost sales it is very important to come up with fancy promotions and schemes so that the customers are lured into indulging themselves with the products offered by the company.

By introducing Sakae Sushi membership and giving Sakae Card to the customers for S\$38 and still managing to give the customers value worth S\$55 is a good step taken by the management. The card not only gives bonus value, but it also can be used to avail discounts and other promotions from Sakae Sushi outlets, this keeps the customers craving for more and more new delicacies and keeping a look at new offerings.

Various schemes and promotions like “ The Sakae buffet, Min “ N” Match, Drive-Thru menu and Self Collect and Save” help Sakae Sushi to maintain high standards of customer satisfaction and this in turn motivates them to bring up new themes for each month of the year. For example the theme for the month of April is the “ Soba” theme. New promotions, new monthly themes and discounts help boost sales and as the past records show Sakae Sushi has done well enough to maintain the stream of profits and also innovate to perfection (Dalrymple, 2000). Business Development Status

Sakae Sushi was started in the year 1997, since then it has grown tremendously and expanded and reached out to other countries like Indonesia, Thailand, Philippines, Malaysia, Vietnam and China etc. Douglas Foo's ambition is to turn Sakae into a major food franchise and to be considered as "the McDonalds of sushi" worldwide. After starting its first branch in Raffles place (business district of Singapore), it has now opened more than 15 branches in Singapore alone. In 2001, Sakae opened its first overseas outlet in Thailand, a joint venture with a Thai food company and other local partners.

By 2002, Sakae was in Indonesia as well and was grossing annual revenue of around \$23 million SGD. For the financial year ended 31 December 2009, the Group reported revenue of SGD88.8 million and net profit of SGD3.3 million (Theresianto, 2008). In 2001 Sakae Sushi opened its first Drive through restaurant in Trade Hub 21 in Jurong east MRT station. Sakae Sushi tends to open their branches near MRT stations so as to attract the crowd and the frequent travellers. In 2006 Sakae sushi decided to expand its business to north Korea, Mr.

Foo made his first visit to North Korea in 2001 as part of a Singapore Manufacturers' Federation delegation and has maintained the contacts he made then. He believes it will be "business as usual", and he might step up talks with his North Korean business partners on plans to take his sushi outlets there and bring North Korean cuisine to Singapore. In 2003, Sakae's parent company Apex-Pal was listed on the Singapore Stock Exchange. Apex-Pal's food businesses, of which Sakae is the flagship brand, represented over 95% of the company's revenues.

In August, Apex-Pal's Initial Public Offering (IPO) set out 16.5 million shares, of which 836,000 were for public investors and the rest for institutional investors, clients and company employees (Business Times, 2004).

Production Process The rice used for the sushi served in our Sakae Sushi restaurants, unlike most conventional sushi restaurants, is enriched with Vitamin E. Their experienced chefs are able to produce a consistent level of quality for all dishes served in Sakae Sushi, thus raising the level of confidence their customers have in their restaurants.

To maintain high level of quality and freshness, raw food is not rotated on the kaiten (conveyor belt) for more than an hour, and cooked food for more than two hours. This standard of freshness is maintained through a color-coding system. For the regular dishes, the staff can immediately identify plates, which have been on the Kaiten (conveyor belt) for too long using our color-coded system. In relation to the premium red plate dishes, as the quantity of such premium dishes is much smaller compared to the regular dishes, our chefs personally monitor these dishes using our color-coded system.

Their aim is to provide their customers with unique, hassle-free dining experience at Sakae Sushi restaurants. The dual-directional conveyor belt upon which the sushi dishes are displayed was designed to both maximize the seating space available and to provide customers with efficient service. Self-service hot water dispensers are located at each table and at each station of the kaiten (conveyor belt) for customers to fill their complimentary cups of green tea.

Also installed is the interactive menu system at most of the restaurants from which customers can surf the menu containing both illustrations and descriptions of the dishes before placing their orders directly with the kitchen through the ordering system on the interactive menu. Where logistical difficulties affect the installing the interactive menu system at any booth portable, the intercom ordering system is installed instead, thus maintaining the high level of efficiency in service. Sakae Sushi adopts a simple two-tier pricing structure in relation to their kaiten sushi.

Sakae's simple price structure proved to be very popular. The majority of sushi dishes were priced at S\$1.90 and premium dishes at S\$6.50, which made Sakae more affordable than other Japanese restaurants. Suppliers The decrease in purchases from them in FY 2001 and FY 2002 is due to Sakae Sushi's ability to secure alternative sources of those products at lower costs. To reduce their reliance on All Big Trading Co. and to diversify our supplier base for seafood, they began to purchase seafood from Surapon Foods Public Company Limited and LianHup Fish Merchant Co. in FY 2001 and FY 2002 respectively. These purchases helped them increase the turnover, which was also due to the increase in the number of Sakae Sushi restaurants. In addition to Marukawa Trading, they also purchased frozen food products from Tomo-Ya Japanese Food Trading, Shimaya Trading Pte Ltd and Moon Marine Singapore Pte Ltd who supply Sakae Sushi with frozen food products. The amount of purchases made by the Company from each of these three suppliers was relatively constant for the last three financial years (Apex-Pal International, 2009).

The following are the suppliers for Sakae Sushi: All Big Trading Co. (All Big Frozen Food Pte Ltd) - Seafood Marukawa Trading - Dried / frozen food products Tomo-Ya Japanese Food Trading- Frozen food products Shimaya Trading Pte Ltd - Frozen food products Moon Marine Singapore Pte Ltd - Frozen food products Surapon Foods Public Company Limited - Seafood LianHup Fish Merchant Co. - Seafood Staff training and requirements Sakae Sushi provides all new employees with a complete orientation and training which is specific to their positions.

New full-time operations staff, for their F; B outlets and, those of the franchises is sent to ITE-certified On-The-Job Training (“OJT”) schools to be trained by Sakae Sushi’s special OJT trainers. The OJT schools have been certified by ITE to be able to conduct OJT for our staff working in their F; B outlets. Such training involves the training and coaching of new employees by supervisors and managers through hands-on learning at the OJT schools. This type of training allows new employees to develop the required skills within a short period of time, without leaving their work place.

Apart from kaiten sushi, the restaurants also serve ala-carte dishes. All members of the service staff are trained with the necessary skills and menu knowledge to provide a consistent level of customer service and to assist our customers in food selection as and when called upon to do so. Sakae Sushi also conducts refresher courses for their staff. Part-time service crew is given on-the-job training by our qualified trainers (Apex-Pal International, 2009). Expenses and Capital Requirements The main expenses of Sakae sushi are the purchase of the raw materials from its suppliers.

Since the raw materials have no fixed cost F ; B have to face variable cost of the raw materials. Since the prices of the items on the Sakae Sushi menu cannot be changing constantly, Sakae sushi have to find different ways to maintain their budget and expenses. Every time Sakae sushi opens a new branch it has to incur certain costs like furniture, rent, labor, electricity, operating costs etc. Thus the capital required to open every new branch is different and may vary from places to places and from time to time. In the year 2011 Sakae Sushi spent around S\$40, 000, 000 on the property, plant and equipment.

Also the labor cost in Singapore is considerably much higher than most countries, so it is harder to start an F ; B based business like a Sakae Sushi restaurant in Singapore. Balance Sheet (Apex-Pal, 2003) Income Statement (Apex-Pal, 2003) Cash Flow Statement (Apex-Pal, 2003) Balance sheet and cash flow statement of the Sakae Holdings The Group's cash and bank balances as at 31 December 2011 stood at \$6. 1 million, a decline of \$6. 4 million during the year, due to increased investment in property, plant and equipment with the construction of new central kitchen in Singapore and setting up of a headquarter in Malaysia.

The Group has also made investments in associates in the beginning of the year, which was funded by bank loans. Shareholder's equity stood at \$27. 2 million as at 31 December 2011 (Full Year Financial Statement And Dividend Announcement {n. d. }). The Group was in a negative working capital position of \$5. 9 million as at 31 December 2011 due to short-term revolving loans balance of \$10. 3 million, which are renewable at maturity. The Group

has repaid some of the revolving loans during the year (Full Year Financial Statement And Dividend Announcement {n. d. }). Financial Highlights A.

Actual (' 000) Results 2004 2005 2006 2007 2008 2009 Revenue 45, 16151, 90566, 64583, 83893, 80488, 817 Profit/Loss before tax 2, 7964, 7436, 6973, 485(3, 695)3, 336 Profit/Loss attributes to share holders 2. 0853, 6845, 0812, 261(3, 748)3, 262 Non-current assets 4, 8334, 62712, 43318, 51619, 87630, 852 Non-current liabilities 30128942159058610, 088 Shareholders equity 10, 76213, 57620, 51516, 39811, 15320, 256 Net assets per share 10. 0912. 7414. 4511. 557. 8614. 26 Earnings per share 1. 963. 463. 741. 59(2. 64)2.

30 B. Expected (' 000) Results 2010 2011 2012 Revenue 71, 69583, 644. 1790, 058. 03 Profit/Loss before tax 2, 893. 672, 909. 942, 604. 4 Profit/Loss attributes to share holders 2, 104. 172, 107. 361, 844. 59 Non-current assets 15, 189. 5016, 915. 5818. 963. 68 Non-current liabilities 2, 045. 832, 336. 642, 677. 91 Shareholders equity 15, 443. 3316, 223. 5616, 664. 81 Net assets per share 11. 8312. 1112. 01 Earnings per share 1. 741. 701. 40

(*Projected Figures based on previous year average) (Apex-Pal International, 2009) Management Profile Board of Directors Douglas Foo Peow Yong (Chairman and Chief Executive Officer) Foo Lilian (Executive Director and Executive Vice President) Andy Ong Siew Kwee (Non-Executive and Independent Director)

Lim Chee Yong (Non-Executive and Independent Director) Chan Wing Leong (Non-Executive and Independent Director) Audit Committee Lim Chee Yong (Chairman), Chan Wing Leong, Andy Ong Siew Kwee Nominating Committee Lim Chee Yong (Chairman), Chan Wing Leong, Douglas Foo Peow Yong Remuneration Committee Chan Wing Leong (Chairman), Lim Chee Yong,

Douglas Foo Peow Yong Company Secretaries Rachel Ng Meijing (CPA, Singapore), Chan Lai Yinb (ACIS) (Apex-Pal International, 2009) Board of Directors “ A board of directors is a body of elected or appointed members who jointly oversee the activities of a company”(Robert, H. , 2000).

Other names include board of governors, board of managers, board of regents, board of trustees, and board of visitors. It is often simply referred to as " the board". In a stock corporation, the stockholders elect the board and it is the highest management authority of a company. In a non-stock corporation with no general voting membership, e. g. , a university, the board is the supreme governing body of the institution (Robert, H. , 2000).

The duties of the board of directors of Sakae Sushi are as follows: * Establishing policies and objectives. * Selecting, appointing, supporting and reviewing the performance of the company. Ensuring the availability of financial resources. * Approving annual budgets. * Accounting for the performance of the company. * Managing salaries and compensation of the employees. MANAGEMENT: Mr. Douglas Foo Ms. Foo Lilian Mr. Lim Chee Yong Mr. Andy Ong Siew Kwee Mr. Chan Wing Leong MR. DOUGLAS FOO (Chairman and Chief Executive Officer) Mr. Douglas Foo has been a Director of the Group since 17 February 1997. As Founder and CEO of the Group, he manages the overall management, strategic planning and business development functions of the Group. Mr.

Foo started his career as a marketing executive but with his talent and entrepreneurial skills he was able to come up with an idea of opening a garment trading business which was not really successful, so a year later he thought of getting into the food and beverages industry by opening the first

branch of Sakae Sushi and has since developed Apex- Pal into a successful enterprise that it is today (Apex-Pal International, 2009). MS. FOO LILIAN (Executive Director) Ms. Foo Lilian was appointed as Sakae Sushi's Executive Director on 2nd May 2002 and is responsible for the general management of the Company. Ms.

Foo handles the Group's leasing, business development and legal matters. She is also responsible for the consultancy, maintenance and research and development work for all IT-related matters of the Group. In 1997, Ms. Foo joined the Central Provident Fund Board where she was a database administrator until February 2000. She also worked with the Keppel TatLee Bank Limited as an assistant manager. Ms. Foo left Keppel TatLee Bank Limited to join Sakae Sushi in January 2001 (Apex-Pal International, 2009). MR. LIM CHEE YONG (Independent Director) Mr. Lim Chee Yong was appointed as our Independent Director for Sakae Sushi on 14 July 2003.

From October 1982 to April 1987, Mr. Lim served as a senior corporate banking officer in Overseas Union Bank Limited. In May 1987, he joined Banque Paribas, Singapore Branch as a deputy manager of banking, where he stayed until April 1989. He was appointed an executive director of AllianceTechnologyand Development Limited, a company listed on the Main Board of the SGX-ST, in May 1989. Mr. Lim left Alliance Technology and Development Limited in March 2000. Mr. Lim is also an independent director of Twinwood Engineering Limited, a company listed on the SGX- CATALIST, from 1997 to 2007 (Apex-Pal International, 2009). MR.

ANDY ONG SIEW KWEE (Independent Director) Mr. Andy Ong Siew Kwee was also appointed as Sakae Sushi's Independent Director on 14 July 2003. Mr.

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Ong is the CEO of ERC Holdings Pte Ltd. ERC is a leading player in the education industry in Asia. He oversees the regional development as well as the merger and acquisition activities of the firm. He is also the Founding President of the Financial Planning Association of Singapore, a professional body for financial services that issues world-renowned Certified Financial Planner marks. He has written several best-selling books on financial management and business (Apex-Pal International, 2009).

MR. CHAN WING LEONG (Independent Director) Mr. Chan Wing Leong was appointed as an Independent Director on 30 April 2005. Mr. Chan holds an honors degree in Economics from the University of Singapore. He started his career in the Administrative Service of the Singapore Government in 1981, and has held stints in several government posts in the Ministry for Trade and Industry and Economic Development Board, as well as in Government-linked Corporations. Mr. Chan was an investment banker in the late 1980s to 1995 at Schroders PLC and Bankers Trust Corp in both Singapore and Hong Kong.

In 1995, he returned to Singapore to be Chief Financial Officer of Sembawang Corporation until 2001 (Carter, 2008). Funding Request and Exit Strategy In December 2007, Sakae opened its first outlet in the United States at the Chrysler Building in New York, its 61st outlet worldwide. Initial S\$3 million had been invested by Apex-Pal in the outlet. The outlet did not do well because of tougher times and they have since then shut down their operations in USA. Initially, because of the company's small size, Mr. Foo's strategy for Sakae's expansion was to enter into franchise agreements.

As the company grew, the company also utilized a strategy of foreign direct investments in those countries where such investments were feasible and

also welcomed by the respective governments. Global economic crisis occurred in 2008 and Sakae found its margins reduced by high prices for commodities such as rice and vegetables. The company cut salaries and executive pay but decided against staff layoff. A profit of S\$2.3 million in 2007 was followed by a net loss of S\$3.8 million, in 2008 due to rising rentals, salaries and commodity costs. It was Apex-Pal's first annual loss.

Sakae introduced cost cutting measures such as finding new food suppliers, minimizing waste and tightening other operational practices. The company returned to making profit in 2009, posting a S\$3.3 million profit.

Risks and Contingency Planning
The Starting Point It is vital that any organization takes development and maintenance, disaster recovery and business continuity plans seriously. It cannot be left until it develops into a serious problem.

Impact Assessment One of the first tasks to be undertaken is to prepare a comprehensive list of serious issues that can affect the normal operations of a business.

This list should include all possible issues no matter how likely they are to occur. Since Singapore is an island one of the major risk factors can be floods.
Developing the Plan Once the assessment stage has been completed, the structure of the plan can be established. The plan will contain a range of milestones to move the organization from disrupted status to return to normal operations. The first important milestone is about dealing with the aftermath of a disaster. The next stage is to determine which business functions need to be resumed.

The plan will be detailed, and will identify key individuals who should be familiar with their duties (The Contingency Planning Guide, 2002). Testing

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the Plan Once this plan has been developed it must be subjected to rigorous testing. The testing process must be properly planned and should be carried out in a suitable environment to produce authentic conditions. Those who would undertake the major activities of the business should test the plan. The test procedures should be documented and the results recorded. This is important to ensure that feedback is obtained for fine-tuning the Plan.

Personnel Training This stage is dependent upon the development of the plan and the successful testing of the plan. It is necessary that all personnel are aware of the plan, its content and their own related duties and responsibilities. Again, it is important that all personnel take the disaster recovery plan seriously, even if the events that would trigger the Plan seem unlikely. Obtain feedback from staff in order to ensure that responsibilities and duties are understood, particularly those that require dependency on others actions (The Contingency Planning Guide, 2002). **Maintaining the Plan**

The plan must always be kept up to date and applicable to current business circumstances. This means that any changes to the business process must be properly reflected in the plan. Someone must be assigned responsibility for ensuring that the plan is maintained and updated regularly and should therefore ensure that information concerning changes to the business process are properly communicated. Any changes or amendments made to the plan must be fully tested. Everyone should be kept abreast of such changes that affect their duties (The Contingency Planning Guide, 2002).

Recommendations To develop business in America and to attract American customers it's important for the Sakae group to develop some American friendly food like Sakae beef burgers, hot dogs, rolls and other food loved by

the people there, this will affect the revenue that Sakae can make in that country. * In countries like North Korea, they should find local partners to work out a good franchising option. * Conduct more on the job training activities to enrich the employees to possess all the required skill to excel in their job. * Expand their product base and standardize their products across all their branches to lower their costs. Conduct extensive market research to identify the target market and develop products and services according to the needs of their customers. * Tie up with other food ; beverage organizations to promote and diversify their brand. * Sponsor events like marathons, blood donation drives and cultural fests to attract the masses especially the younger generation to get involved with Sakae Holdings. * As part of Corporate Social Responsibility, Sakae Holdings should adapt eco-friendly practices like recycling, reusing and reducing the waste generated.

Also they can contribute towards the environment by implementing energy saving practices like maintaining a constant temperature of 24 degrees while using air-conditioner. * By working with their suppliers they can research and develop new ways to store their inventories effectively by keeping it fresh and ready to use. * They should also develop ways to minimize their transportation cycles and also save on fuel costs and reduce their carbon footprint.

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