

Entrepreneurship and new venture creation



Abstract

The main focus of this business plan is to establish a food delivery company “ Sayonara Sushi”. The products and service provided is currently very popular in Russia where the company is going to operate. Using the analysis with PESTEL and Porter’s Five Forces the way to attract the customer, operate legally and win the competition is shown. The business needs 5 million rubles worth of investment at a starting point and has a possibility to reach the break-even point at the end of the first year. This business has a huge potential to grow and step up to a restaurant industry. The main aim of the company is to show the consumer that there is the right and economical way to order quality food, which will follow the worldwide standards.

Introduction

The market of food delivery in Russia is actively growing (Kuhuk, 2018), as well as all over the world, and attracts more and more investors (Hirschberg et al., 2016). In most cases, there is no task to recoup the customer from the first time, there is a task to keep it at the expense of an affordable price and high quality of the product and service.

The idea of this business plan is to create a food delivery business called “ Sayonara Sushi” (translated from Japanese as “ Goodbye Sushi”) which, surpassing competitors’ weaknesses can provide customers with delicious, quality food in the shortest time for a reasonable price.

Using secondary research and analysis this business plan will describe significant marketing strategies, ideas and objectives, as well as projections on the future of Sayonara Sushi.

Following are the key factors addressed in the business plan:

Description of the product and service provided

Value Chain

PESTEL and Critical Risk Factors analysis

Target Customers

Marketing and Sales strategies

Personnel Management

Business Model and Financial Projections

The main objective of this project is to prove that there is a way for a food delivery business to be successful, strong and profitable.

2. “ Sayonara Sushi” product and service description.

Sayonara Sushi company is a business of the delivery of delicious dishes of Asian cuisine, such as sushi, rolls, Asian soups, woks and salads. In the production of food will be used a large number of different types of fish (salmon, eel, squid, scallop, shrimp, crab), rice, noodles, cow and chicken meat, as well as fresh vegetables and a variety of types of homemade sauces. Also, a unique food delivery application and web site will be created

and the service will be organized accordingly, including couriers and cars for delivery, as well as the use of devices for the correct transportation of products (special containers, thermal bags). Branded packaging is another core feature that will be implemented along with convenient additional branded equipment for eating food (forks, spoons, napkins). (Gartenstein, 2018)

The food will be cooked at a specially equipped place, using standard recipes and with care to portion/weight standard, while being very specific with the dishes and their variety.

The value proposition of Sayonara Sushi products and service is that it is a fast and quality Asian food delivery service, which operates with care to taste and portion standards, as well as fair pricing.

3. Value Chain

Most of the ingredients for food production will get bought from farmers markets and Cash and Carry stores, while fish will be delivered directly from domestic Russian fish production companies in order for them to be fresh, not frozen, and delivered as a dish to the end customer at its excellence. More and more quality salmon catch is observed on the territory of Russia (Adamowski, 2017), which can play a big role in business, and make it cheaper to purchase, since until now, a large proportion of salmon in the Russian market accounted for the supply from Chile, who is a great provider of salmonids on the market (Bjorndal, 2001). Only long-lasting product will be stored at the cooking point, whereas all the other ingredients will be purchased as daily doses in order for them to be fresh. The food will be

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cooked at a specially equipped place, using standard recipes and with care to portion/weight standard, while being very specific with the dishes and their variety.

The kitchen area will be equipped in such a way as to ease the preparation of food for Chefs and provide a proper place for storing food.

4. PESTEL and Critical Risk Factors

PESTEL

Socio-Cultural Factor: Services for the delivery of food are rapidly gaining popularity for many reasons: busy people in big cities do not have time to buy food in the store or do not find time for cooking, many establishments immediately have their own production and delivery. Also in Russia, the consumer is very fond of Asian food, in particular sushi, and many people associate order and consumption of such dishes with a holiday. (Rasponina, 2014)

Technological Factor: In order to equip the premises for a full production cycle, a fair amount of money is needed to be spent in order to get at least the most necessary. Proper research and development is needed to create the best menu, which will use the most delicious and quick recipes for cooking. Creation of delivery app and Sayonara Sushi website will need participation of IT specialists.

Legal Factor: Business should be organized correctly in regards of Russian laws: it is necessary register with the tax inspectorate, choose the form of taxation and prepare a package of documents for the registration of an

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enterprise, pay the required state fees, open a bank account, receive appropriate permits from the Sanitary and Epidemiological Service for the premises chosen and the implementation of all planned services, employees must have valid medical books, obtain permission from the fire department, the papers permitting business activity must be signed in the Committee on the Consumer Market, and in Rospotrebnadzor and finally register a cash register and purchase a seal. (Doing Business, 2017)

There are no crucial political, economic and environmental factors in Russia that should be addressed with this type of business.

Critical Risk Factors:

Competitive Rivalry: Moderate, there are many food delivery services in the South- Eastern District, while most of them do not provide the best product and have non-relevant prices, which can be used as a benefit to Sayonara Sushi with the right Marketing Strategy.

Threat of New Entrants: Moderate, the market is growing, nevertheless not so many companies set the right goals and step to success and usually fail.

Threat of Substitute: Moderate/Low, Businesses providing clients with other types of Cusine can be seen as substitutes, but Asian Food, especially sushi, which actually means vinegared rice translated from Japanese, which is slightly difficult to prepare perfectly (Strada and Moreno, 2011), remains number one choice for customers as home delivery. For other types of food they usually prefer going to restaurants.

Bargaining Power of Suppliers: Low, domestic production and domestic way of doing business is highly encouraged by the Russian government and should make both the business and its suppliers benefit from contracts.

(Ushakova, 2017)

Bargaining Power of Buyers: Moderate. the average income of the target consumer is medium / above average, and accessibility and proof of accessibility will be demonstrated to the consumer in such a way that Sayonara Sushi will become a number one choice in regard to price / quality factor.

5. Target Customer and Marketing/Sales Strategy

Target Customer

The delivery service should concentrate on typical households (two to four people living at one apartment) of South-Eastern District whose age will range from 16 to 60 years old. This is a B2C type of business, and its potential is high due to popularity of service provided and easiness to reach the customer.

Marketing/Sales Strategy

The main factor for attracting customers, in addition to the quality of food and the speed of delivery, will be the matching the amount of food with its price. Taking for example Philadelphia Roll and considering that the price for a quality product starts from 300 rubles, the consumer needs to be shown that, firstly, for this price one can get a better product than that from the competitors, and secondly, show that the so-called cheap rolls sold by the <https://assignbuster.com/entrepreneurship-and-new-venture-creation/>

competitors in fact lead to unnecessary costs to consumers, because in the end, if you take the price for one kilogram of food from competitors, and Sayonara Sushi, the client will spend a smaller amount of money in the second case. Same it is with all other dishes.

The delivery is going to be free for order of more than 500 rubles. The average delivery time should not exceed 40 minutes. Most customers prefer ordering from locations closest to them, therefore meaning the delivery time for them is very important. (J. Cotter, 1987)

The advertising campaign should be held online (website, web ads, social media), and on the radio.

Also, a special offer should be provided to clients: they can get a free lunch worth 250 rubbles after 4 orders worth 2000 rubbles in total.

6. Personnel

Company will hire 10 employees who will have a flat hierarchy and work in a companion atmosphere, while having good leadership skills and eagerness for success, provided with fair wages. Chiefs should have adherence to strict cooking rules.

7. Financial Projections

Red- Money spent

Green- Money gained

Taken the average costs of production and sales, at the best scenario, with the initial Budget of 5 million rubles, the gross profit made with this business after one year can reach 5, 058, 500 rubles, which means that the break-even point will be at the end of first year.

At the worst scenario when the amount of orders per half a year is reduced by 15%, the break-even point will be reached at the middle of the second year.

8. Business Model

It is a B2C type of business with a headquarter/placement in Maryino District of Moscow employing 10 workers at the starting point with the opportunity to grow into a restaurant business with several points in the Russian capital. The resources for production will be collected domestically. Company will be able to generate at least 10, 000, 000 rubles per year. Costs per month will be approximately 1, 100, 000 rubles.

9. Conclusion

A competent pricing policy and a well-thought-out advertising concept will attract people's attention and bring the first stable earnings. There is a high possibility that very soon the business will pay off and will bring a stable income, and eventually it will be possible to expand the business, gaining good momentum and replenishing its customer base with regular customers. As long as the business is well driven, with high care to food preparation standards and relationship with the customers, as well as with financial assumptions provided, it can become very successful. The customer needs

to know that the Sayonara Sushi says goodbye to the food it delivers to them, meaning that there will be no way the customer would want to send it back, due to its best quality.