A review of studio67 restaurant business plan

Business

All businesses need capital to invest. The capital may come from the pockets of the proprietors, or from lending institutions. Most businesses end up borrowing part of the capital in order to start up. The amount of loan depends on the size of the business.

Lending institutions base the amount of loan and the interest of loan from the “ feasibility study” of the business. If the projected return of investment has a positive and increasing figure in the next years, then it is likely that the business can get a loan with a lower interest. Thus, it is mandatory that any business submits credible, realistic, and well-researched feasibility studies of the business they are interested for the loan to get approved. (Do's and Don't of Writing a Business Plan).

A Review of Studio67 Restaurant Business Plan

Studio67 is a “ medium-sized” restaurant in Portland, OR, that focuses mainly on serving ethnic dishes using purely organic ingredients. The business plan is brief and concise. The words used, too, are simple enough for any reader to understand.

It gave organized parts of describing what the business is all about: the target market, its financial projection for three years, and its strategies. I can't say, however, it is a good business plan. There were a lot of parts lacking. There are questionable parts too. First, how did the business come up with the figures used in the financial projection? The figures must be based on real studies and where are they? The “ Market Research” part then, is lacking. This is the part where studies from similar businesses went through.

The SWOT (Strength, Weaknesses, Opportunities, Threats) analysis should be included too. What I see in the business plan presented were all good things of the business, but it doesn't project the threats (in example: competitors, labor issues). (Do's and Don't of Writing a Business Plan). One questionable part here is the ownership. The statement “ the restaurant will start out as a simple sole proprietorship, owned by its founders,” contradicts itself. (Studio67, 2. 1).

A sole proprietorship is owned by only “ one person,” so who among the founders will be the name appearing as the sole proprietor? If all the founders own the business, then it should be called partnership. Next, the start up capital mentioned coming from the pockets of the owners is $40, 000. (Studio67, 2. 2). However, this contradicts 7. 0 Financial Plan part of the proposal, where it said it expected to raise “$30, 000.”

The break-even analysis 7. 1 was bleakly explained, even its chart is not what a break even chart looks like. This part should be omitted if it can't be explained right at all. This analysis should be given after all the other financial statements were presented. If I was the financier, I will reject this proposal due to lacking parts of the study. It didn't show the real market analysis to make it feasible enough.

However, if the market research was given and the figures are credible, I can approve the $100, 000 loan because the return will be realized in 3 years. The projection of sales for the first year, however, is huge, too huge to become credible for an exquisite restaurant like Studio67.

I don't believe the figures projected to say it could sustainably develop the business for a long time; however, it can be possible to obtain, if the proposal comes up with better, more specific marketing strategies.

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