

Queensland
vegetarian restaurant
business plan
marketing essay



**ASSIGN
BUSTER**

Queensland Vegetarian Restaurant (QVR) is new café designed to offer strictly vegetarian meals in a cool, friendly and serenity downtown south of California on Azusa Ave, Hacienda Heights. QVR will be serving healthy, fresh, and fairly priced vegetarian meals prepared and sold in the business premises. The business will pride itself in the competent staff comprised of fresh talents from colleges and others equipped with the necessary experience with many of them coming with experience from similar oppositions elsewhere.

The business will be registered as Queensland Vegetarian Restaurant. Startup capital is expected to be \$ 1 million. The owner intends to raise the capital by securing a bank loan \$ 500, 000 and top with similar amount from own savings. The bank loan will be payable in 2½ years. The business is expected to generate a net profit of at least 257% by the end of the third year since operation commenced.

1. 2 Introduction

Recent campaigns for vegetarianism and its growing acceptance provide an excellent opportunity or QVR. To maintain fair prices while remaining competitive, QVR' regular menus will be simple, but creatively prepared with varying ingredients.

The foods will be obtained from regular locally available suppliers and if need be regional dealer will supplement groceries obtained locally but in all a cases quality check will ensure that the foodstuffs are strictly organically grown and healthy. There will be fine decors with clear counters displaying freshly baked breads, fresh juices, and fine non-caffeinated beverages.

2. 0 THE EXTERNAL BUSINESS ENVIRONMENT

2. 1 Market analysis

California is the third largest and the most populous state in the US with over 35 million people. The biggest proportion of the population is aged 18 to 30. Latest studies show that these group of people form greatest proportion restaurant food consumers. Other studies show growing acceptance of vegetarianism and a bigger concern for organic foods.

The physical location of the business promises is a human high traffic avenue thus strategic. The surrounding businesses will ensure QVR customer constancy. The immediate neighboring two colleges is another strategic element to the business. This will be another source of relatively reliable clientele. There will be even more opportunities on weekends during sporting activities and other occasional event in the colleges.

2. 2 Competition

Competition is a very relevant element to be assessed in the external environment. All though there are many other restaurants in the identified location of QVR, vegetarian operators are not common. Most restaurants are fast food. The growing demands for organic foods will be great opportunity and strengths to QVR.

Furthermore, the demand for sit-down restaurant will put QVR relatively above competition in food industry. The staff will be trained efficiency and effectiveness in customer service. Our competitive advantage will be laid on quick and quality customer service.

To attract customers, the refined décor, beautiful garden, open shades will conjure customers comfort. The philosophy behind QVR's competitiveness is the fact the best way to market own self is through quality service delivery to the clients.

QVR's pricing model will also be its competitive strengths. The checked food and labor costs will ensure that the foods served are fairly and competitively priced. Versatile staff that will be rotated around major workstations will be hired on contractual basis.

QVR's will be a smoke-free café, a policy that enhance our corporate strategy to maintain customers.

3. 0 THE FUNCTIONAL AREAS OF BUSINESS

3. 1 Running an Ethical and Socially Responsible business

QVR will endeavor to uphold ethical standards in its operations. While adhering to the industry regulations, the business will go an extra mile to ensure its waste is properly disposed or recycled. Its concern for the environments will be manifested in the fact it is promoting health-eating lifestyles.

In the community, the business will play significant role in installing dustbins around town branded with QVR logo. This will serve to market the business while at the same help maintain a litter free city. Occasionally, there will be feed-the-street-family programs. In this activity, QVR will dedicate its resources and distribute free food to the street family and the communities living in ghettos within town.

3. 2 Entrepreneurship & Business Formation

To start with, the Restaurant will be a 35-seat hotel but it is expected to double its capacity within the first six months of operation. There will be neon signage off the road inviting and directing prospective clients to the inn. The premise which currently being refurbished, is on the ground floor and will be checkered tile on the floors, have booths and open-air shades.

There will be alternative access to staircases for people physically challenged. In order for the business to keep its operations cost low, it will at first serve its customers via over the counter. This will minimize the organization's spending on labor. The over-the-counter service will also be an opportunity for the customer to self-service hence no tipping costs.

Financial advisors will be engaged to guide the business invest in relevant expansion programs. This will include acquisition of more facility premises and opening of other branches within town.

3. 3 Managing Human Resources

QVR will acknowledge the contribution and necessity of its human capital in quality service delivery to customers. Thought formally established at the beginning, the Human resources will ensure that qualified and competent staffs are hired. It will ensure that at no point in time does the business operations are halted to interrupt due to incompetency or lack of staff. Leaving staff will be replaces as soon as possible.

The HR will also discipline deviant habits in the staff.

3. 4 Motivation

Motivation will be a tools used by the Human Resource department to maximize productivity and creativity in the staff. There will be incentives to hard working and dedicated staff. The incentives will also reduce labor turnover. Since there will be no tipping in the restaurant, cash rewards will be given to outstanding performance in customer service. Employees will be allowed to nominate one of their own whom they consider to have demonstrated unique abilities in the business operations.

3. 5. 0 Marketing

3. 5. 1 The Marketing Strategy

QVR will initiate marketing programs that will increase its publicity. At the beginning for the first quarter, advertising costs is estimated at 5-8% of sales. All though radio and print mediums may not be effective enough, the company will complement its marketing medium with other creative ways. These include sponsored community projects and events with much publicity of QVR featured and distribution of menus downtown.

Other initiatives will include sale of t-shirts and mugs with QVR logo and images of healthy vegetarian people. There will be signage posters with variety vegetarian dishes along the avenues from both directions towards the location of the business premises.

3. 5. 2 Marketing mix

QVR's endeavor to attract customers and win their loyalty will be enhanced by our marketing mix. The business will be promoting healthy eating and this will be our brand identity.

Product- QVR logo will be designed to describe the relationship between vegetarianism and health. All the business facilities and packaging and serving materials will be braded this way.

Pricing-As mentioned earlier our optimal operation costs will enable the business offer fairly prices enticing to customers. All our products will be strictly vegetarian. This is one of our key marketing mix elements, which distinguish QVR from other businesses in the industry.

Promotion- There will be vigorous promotional activities including advertisement, gift vouchers to loyal customers, and terrific days with special daily offers. Community services will also be utilized fully to increase QVR's publicity.

Place- QVR's strategic location will enable access to the target customers. The place will be accessible both by pedestrians and an ambient and secure parking will be provided free of charge to driving customers.

3. 6 Accounting and financial projection

There will be strict accounting procedures that will ensure maximum revenue collection and minimizes expenses. Qualified cashiers and internal auditors will be employed in the business. The projects in this business plan are based on the evaluation of similar business operation in California. A glimpse of projection is as follows

Worst-case scenario projection of sales: It is expected that an average of 150 customers per day for a year (360 days) with an average of guest check of \$ 3. 50 bring average annual sales to \$ 189, 000.

Middle Projection: averages 200 customers per day for 360 day with an average check in of \$ 3. 50 bring medium projection to \$252, 000/year in sales

Ambitious Projections: average 300 customers per day for a year at guest check of \$ 3. 50 thus projected average sales will be \$ 378, 000/year.

Inventory Purchases are projected at 40% of sales but will reduce gradually to 30% by the end of the first year.

Expenses: labor expenses will be determined by the prevailing wages based on the hour and tasks performed the employee. Taxation will apply as per government requirements.

The business is projecting growth rate of 19-28% in the firsts three years spread as 19%, 23%, and 28% respectively.

Below is the average projection sheet for the next 4 years.

Sales Estimates projections (in ‘ 000)

Year

2011

2012

2013

2014

\$6, 000

2, 150

3, 850

1, 044

980

1, 826

730. 4

\$1, 095. 6

Sales

\$1, 300

\$2, 000

\$4, 000

Cost of Goods

240

500

1, 200

Gross sales revenues

1060

1, 500

2, 800

Overhead

560

628

880

Marketing

260

400

630

Earnings before interest and taxes

240

472

1, 290

Taxes and interest

96

188. 8

516

Net Profit

\$144

\$283. 2

\$774