

Management complement and supporting professional firms marketing essay



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In this fast moving era people also like to dine out so that they can spend their time with relatives, family, colleagues and friends.

Due to increased consumer demands for ' new' flavors and food experiences and increased exposure to more opportunities for new business in restaurants and food sector. Project such as Food Street in Lahore been doing successful business and many restaurant and fast food sector enjoying healthy profits in Pakistan. In Karachi we have many chains of franchises restaurant are spread in our city and almost every branch is running successfully this shows that there is healthy opportunity for the restaurant business in Pakistan. In the next 25 years, the urban population in Pakistan is likely to increase by 140% in the country. This will lead to increase up in 80million urban population that will lead to increase the urban population up to 30 million. This impact of rapidly increase in the urbanization process will be on metropolitan city named as Karachi. This will create more customers for the food business in the city where we will construct our restaurant.

Opening up a restaurant is a distinct challenge. It is also a thrill that gives one the opportunity for tremendous creative expression. The Idea for setting up a restaurant came up with an observation that Masala TV channel and its chefs are so popular among viewers that the viewers even leave everything and sit in front of TV whenever something is being cooked by their favorite chefs. Not only women but men also like to watch their favorite dishes being cooked. This behavior of viewers made us to think that why not set up a restaurant in collaboration with Masala TV channel and name the restaurant as " Masala".

The project is to design a feasibility report on restaurant named “ Masala” in collaboration with Masala TV. Masala channel is quite popular among its target audience and some viewers are diehard fans of Masala TV channel and chefs. This restaurant will be an ideal place to eat out and have a taste of local, Chinese and Continental food. The quality and variety of food, and the Masala TV chefs working for the restaurant will become a distinctive feature of Masala restaurant.

Due to our spicy traditional food and versa likly of masala tv chef in making different kind of dishes will play a vital role in the success of our project. Irrespective of large food giants in our country people are still like some new brands in this industry which will lead to our success of masala restaurant.

1. 2 Statement of the problem

“ Feasibility report for opening masala tv restaurant defence phase 2 following challenges for me to cope with in this thesis. This report covers the following topics:

Location where the restaurant is to constructed

Costing of material to used in construction of restaurant(machinery, labor and FOH)

Employees required.

Over head cost (salaries).

Consideration of raw materials cost.

Project time period.

Inventory control system.

Opportunity and potential in the market for the restaurant.

Advertisement and sales campaign.

Competitive environment for the restaurant.

1. 3 Significance of the study

The feasibility report will enable me to combine the theory and the practical aspects of entrepreneurship. It also leads to the personal development of analytical abilities and self admiration. This research work will provide the information about the how to manage and construct a mega project and also polish my entrepreneurship qualities. This report can play a vital role in my career if I join a research based firm. Secondly this report includes those sources which help to establish a good restaurant. It is beneficial to all those individuals or groups who have an intention for open up a restaurant in this competitive industry where some big giants are playing their role successfully and it also help those who are in this industry to increase their service level. Better delegation and recognition of responsibilities and finally help to meet the desired need

1. 4 Scope

This research is only based on Karachi as the target market is customers of Karachi especially of DHA. The reason behind the selection of this area is the due to high income class and middle level income class. Although the

environment is very competitive because there are several restaurants already exist in this area. Secondly To construct a restaurant with a name of Masala having a great ambiance in defense Karachi within 7 months (Starting from 5h Dec, 2010) at a cost not to exceed 50 million rupees.

1. 5 Delimitations

All the information presented in this document is based on the research and collected from various sources. Irrespective of the care taken to compile this report the information may vary due to change in certain economic conditions and some other factors which can change the situation which is assumed during the formation of this report. Those factors include some sort of restriction from the government on the process and change in the related industry or recession in the industry or effect of a change in advertising strategy of product.

1. 6 Name, vision, mission

A. Name of the restaurant

The name of the restaurant will be MASALA TV where taste comes first. It will cover 3000 square feet area. It will serve all types of fast food with special care of cleanliness and hygiene.

B. Vision

To become the Karachi leading restaurant operator.

Mission

To establish collaboration with masal tv catering and restaurant brands while providing exceptional rates of return for its owner as well as high quality experiences for its customers.

Chapter 2

RESEARCH METHOD AND PROCEDURE

2. 1 Research design

2. 2 Research methodology

2. 3 Sources of data

A. Primary research

B. Secondary research

2. 4 Respondents of the study

2. 5 Treatment of the data

2. 6 Presentation analysis

RESEARCH METHOD AND PROCEDURE

2. 1 Research design

The research is designed with the consideration of the issue under studied.

Most effective design is chosen for research work. The research elaborates as much as possible about the role and the importance of solving the

problem mentioned in above research report. All the reasons and constrain will be considered in the research design.

2. 2 Research methodology

The study is conducted in the natural environment to get the best result out of it and the basic purpose is to learn and manage the business in this competitive environment.

The method of conducting research is based on primary as well as secondary data but the more emphasis is on the primary data as secondary research will not completely fulfills the purpose of the study and also it does not provide the real situation to work on.

Time required to implement the project is 7 months. And the project is for 10 years. Whatever are the assumptions provided in this report is based on 2010 information and prevailing conditions. The research is based on the data of four months that from July 2010 to Dec 2011

2. 3 Sources of data

As it is mentioned above that the data is collected through primary and secondary research

Research Instrument:

During the course of work, interviews will be conducted; secondary sources of data used will be internet, websites, business magazines, news papers, etc. Personal analysis of the data/information collected will then be done.

PRIMARY SOURCES:

Primary sources include:

Face to face interviews as for my convenience

Observation

SECONDARY SOURCES:

Secondary sources include:

Inter net

Web sites

Business magazines

News papers

Research Papers

Treatment of Data:

Simple quantitative analysis will be done on the data gathered during the work. The data obtained from secondary sources are scattered and unorganized therefore after obtaining the data I will carefully examine and short circuit the relevant data to make research relevant and reliable.

2. 6 Presentation analysis

The presentation analysis in this report will be in the form of tables.

Chapter 3

3. PRESENTATION ANALYSIS

3. 1 Management proponents personnel and organization

3. 2 Marketing

3. 3 Production facilities and product

3. 4 Taxation and legal matters

3. 5 Financing

3. 6 Financial estimates and analysis

3. 7 Social desirability

3. PRESENTATION ANALYSIS

3. 1 Management proponents personnel and organization

3. 1. 1 Management complement and supporting professional firms

a) During the pre operating period

b) During the operating period

3. 1. 2 Proponents

a) Owners

b) Project originators, promoters, and founders

3. 1. 3 Personnel and work force

a) During the pre operating period

b) During the operating period

1. Cooking

2. Cleaning

3. Management

4. Security

3. 1. 4 Organization for operating period

a) Form of the business organization

b) Internal organization structure

3. 1. 5 Project implementation timetable

a) Pre implementation considerations

b) Project implementation time table

3. 1 Management proponents personnel and organization

3. 1. 1 Management complement and supporting professional firms

a) During the pre operating period

During the pre operating period many restaurant owners help me not only to design the restaurant but they also help me in defining the ways to start the work. These restaurants include village, slateen, defence garden , food club.

They all are located in DHA so they give the complete and broad data for my project and also estimate the cost efficiently

3. 1. 2 Proponents

a) Owners

This is a joint venture between private investor and masala restaurant. This business does not have any more partner's then private investor and masala tv officials right now but in future it may be possible that this business will may take more partnership form due to any unfavorable circumstances.

b)Project originators, promoters, and founders

The founder of this project is me and so I am also the originator of this project. I have done bachelors in business administration and also doing master in business administration finds me capable of handing this project. After my masters I may join the firm. Promoters are masla tv officials and private investor.

This is a joint venture between private investor and masala restaurant. This business does not have any more partners then private investor and masala tv officials right now but in future it may be possible that this business will may take more partnership form due to any unfavorable circumstances.

3. 1. 3 Personnel or work force

a) During the pre operating period

In the pre opening period labors required for the project are labor for construction, renovation of the restaurant and shifting of the machines. For the startup period the restaurant is also concerned with the suppliers of

machinery for the effective and good machinery on the reasonable prices, furniture makers for the easy convenient and good furniture.

b) During the operating period

During the operating period workers are required who will serve the customers. Food is served on the self service basis (buffed system) as offered by masala restaurant and customer are also served by waiters . The personnel required is classify in the following manner

1. sheafs

As the cooking department is the main department of restaurant . as this restaurant named masala we hired well known masala tv sheaf. as masala tv gain popularity day by day. food will be continental and Pakistani tasty dishes The one cook which is of of masala tv sheaf's the supervisor the head cook while rest of them will be working under him. the well experienced cooks are hired.

2. Cleaning

For the well reputation of the restaurant For that we hired 1 dish cleaner who clean the utensils and two sweepers are required . Their job is to clean the whole area and also to wash the wash rooms and the kitchen area. Their responsibility is to clean the wash room .

3. Management

To run any business, management should be played an active role . to run the management well 3 management personnel of well experienced in the relevant field of hotel management are hired. One for finance department

who deals with cash flow and deal with all financial aspect of business. One for procurement deal in purchases of all stuff. One is operational manager so that he would be aware of all the problems and difficulties of the business. To help the manager an assistant is also required who should be good in dealing people as well as have 3 years experience in the similar field with a degree or diploma in management sciences. To run administrator restaurant required receptionist who has good communication skills and frequent in at least two languages Urdu and English.

Inventory management

To run the inventory management experience person related which has experienced in hotel management it should hire.

5. Security

Security measure is also a main concern now a days due to law and order situation in our country . So hiring of at least two security guard is must. Preference will be given to a retired army soldier.

Table # 1

Salary package of employees

Employees

Number required

Estimated salaries(in rupees)

Total salaries

Head cook

1

70, 000

70, 000

Cook

2

50, 000

50, 000

Cleaner /sweeper

2

6, 000

12, 000

Manager

3

25, 000

75, 000

Assistant

1

14, 000

14, 000

Attendants

3

11, 000

33, 000

Security guards

2

10, 000

20, 000

The salary package of all the employees at my outlet cost Rs 274., 000 per month.

The timings of the restaurant will be from 2: 00 pm to 1: 00 am. Not every worker will at the restaurant for the 10 hours the schedule for the workers is that they can have 3 hours break in between this time according to their choice and convenience of their co workers.

3. 1. 4 Organization for operating period

During the pre opening period labor required are labor for construction, renovation of the restaurant and shifting of the machines. For the startup

period the restaurant is also concerned with the operation activities such as suppliers of machinery to buy machines on the reasonable prices, furniture makers for the easy convenient and good furniture.

a) Form of the business organization

This is a joint venture between private investor and masala restaurant. This business does not have any more partners then private investor and masala tv officials right now but in future it may be possible that this business will may take more partnership form due to any unfavorable circumstances. The form of the business is partnerships between private investor and masala tv restaurant . This business will undertake all the advantaged and all the problems of the partnership.

TABLE SUMMARIZING THE CHARACTERISTICS OF PARTNERSHIP:

Factors

Partnership

Ownership

No limitation on number of partners.

Liability of owners

All individuals are liable for business liabilities.

Cost of starting business

Partnership agreement, legal costs, and minor filing fees for trade name.

Continuity of business

Death or withdrawal of one partner terminates partnership unless partnership agreement stipulates otherwise.

Transferability of interest

General partners can transfer his/her interest only with consent of all other partners.

Capital requirements

Loans or new contributions by partners require a change in partnership agreement.

Management Control

All general partners have equal control and majority rules.

Distribution of profit and losses

Depends on partnership agreement and investment by partners.

Attractiveness for raising capital

Depends on capability of partners and success of business.

b) Internal organization structure

Organizational Structure

General Manager

General Manager

Finance Mgr

Procurement Mgr

Operation Mgr

3. 1. 5 Project implementation

a) Pre implementation considerations

For starting a new business, it is necessary to have research conducted regarding the industry in which we are about to enter. The background research helps in assessing the opportunity and threats resulting in minimizing the risk of the failure. The more knowledgeable the entrepreneurs are, the more relevant information can be gathered and hence an efficient search process.

It is advisable to conduct proper research to gain information about whether our idea does represent a resource bundle that is valuable, rare, and difficult for others to imitate. It also helps in assessing whether sufficient customer demand for the product/services can be generated and whether the product/service can be protected from imitation by competitors.

AS for the research for our masala tv restaurant, we have conducted some detailed interviews in different localities and got to know the customer choice and preferences regarding the service we are going to provide. It

helped us in analyzing the market and the opportunities of which we can make use of. Our point of differentiation is the target on youth and the lack of entertainment opportunities. The events will be specifically designed to suit the needs of the target market.

Growth Strategies

Our business is providing services in restaurant business; the following are the likely strategies which we can apply for future growth of the business; once the business is established.

Penetration Strategies:

Existing Product & Existing Market

In this strategy, we can change our marketing mix to grow in the existing market, using the existing services we are providing as masala tv restaurant.

We can employ different promotional and distributional strategies as well as bring a change in the pricing strategy and hence grow our existing market. Providing services that already offered by our competitors with high quality and low price.

Market Development Strategies

Existing Product & New Market

Using this strategy we can grow via geographical expansion, via new product usage or targeting a new demographics. We can tap new cities or target a new segment as our market.

Product Development Strategies

New product & Existing Market

Using this strategy we can provide more services in food industry. We already are coming with a new and unique idea if masal tv and also look forward that are new idea will differentiate us from other in the existing market and help us to make are restaurant a successful brand. We have a huge market potential and therefore already in our minds to expand our services.

Industry Analysis

Economy

Pakistani Market suffered an economic setback in previous years and is still recovering; however the economy consists of a distinct set of classes, the upper class, the upper & lower middle class and the lower class. Masala tv restaurant being an high quality food services providing firm needs to focus of the upper and the middle class. The economic conditions of the company's target audience is recovering at a faster pace, and the demographics does not concern the income levels of the target market, since an food is such a thing where people loves to go out hang around and enjoy with their families, therefore the demographics for Masala retartuant are not concerned with the economic slump.

Culture

The Pakistani Market is a blend of various cultures, namely the Islamic culture, the Indian culture, the Western culture, the National & Traditional Culture.

masala tv restaurant plans to launch with respect to each and every culture, the additional services except from food which would be launched from Masala restaurant platform would cater to the Arts & Entertainment industry & the market for this industry.

Technology

Technology is one thing developing at the highest rate, for the food industry, this situation remains true. Now the industry is facing more technological challenges than ever before. So there for we are looking forward to launch our own website where people can launch their order and also our toll free service where people can book their orders.

Political Concerns

Pakistan is suffering from chronic political and legal issues. The most prominent, of course, is the security issues. The political environment is very unstable and the legal conditions vary with the number of contacts and references in the government and how much gift-giving the business can afford.

Also for masala tv restaurant security is the major concern. Both the political instability and the security concerns can be seen as high potential threats.

b) Project implementation time table

Table # 2

Tasks

Identifying the tasks and activities of project

Selection, Purchasing of Land

Maps and design of the restaurants

Hiring of chef and other personnel's

Assigning responsibilities related to tasks

Providing guidance at every step

Handling Marketing Department

controlling finance and accounts department

Allocation of resources to every task

Proper audit after completion of every task

Maintaining proper accounts according

Maintaining and assuring proper cash flow

Planning various constructions and designing tasks

Ensuring international standard

Co coordinating with all material suppliers and petty contractors

June 1 July 10 Aug 10 Sep10 Oct10 Nov1 Nov 10 Dec 10 GANTT CHART

Selection of land

Approval for land

Purchase of land

Maps and design

Foundation

Pillars, beaming

Electrical, Plumbing

Plaster

Chefs and staff hiring

Final inspection

Launching ceremony

To choose the area for the outlet and according to the circumstances and the scale this project will takes approximately 6 month that's means it takes it will take at least 10 month for the complete implementation of the project and for the launch of the products. It may also possible that any of the activity mentioned above will take more time than it is due to any unfavorable circumstances like strikes or any restriction as its now become part of life in city of Karachi..

3. 2 Marketing

3. 2. 1 Demand

3. 2. 2 Supply

3. 2. 3 Pricing

3. 2. 4 Marketing program

a) Promotions

3. 2. 5 Projected sales quantity

Market Summary

We are experiencing growth in interest in people going out for food. The current trend in education and entertainment also change the public customer and motivated them more toward taking food outside their home with their families and relatives. Also our demographics are widening, encompassing more and more people from different walks of life. There is definitely a wide opportunity to be tap in the food industry of Pakistan.

3. 2. 1 Demand

Demand for quality food is increasing in our country day by day and it results in increasing trends new outlets with new looks and in new ways. For my restaurant the target demand are blend od customer staring from youth to older people and people who are in lying from 20's till 50. An other thing which forces me to restaurant at DHA phase 7 place is that lots of offices are also there and in lunch time when people usually have less time they prefer food which is not expensive and which does not take much of their time. Another thing that should be considered here is the income level of the target customers. Income level of the target customer is 25, 000 more. And secondly chains of DHA schools also are nearer to our restaurant that can raise our target audience.

3. 2. 2 Supply(competitors)

Masala tv restaurant is initially started as small partnership business; the competitors however range from being very dominant and huge to new and young enterprises.

The competitor's analysis is used to know where the niche lies, where we can take the advantage of being the first mover and to create a unique proposition.

Our point of is focus on high quality treatment of our customer by providing high quality food and with entertainment and arts with the energy that the customer wishes off.

Due to increasing demands, there are lots of competitors are playing their role successfully in this market . If I talk about the whole Karachi than I think I cannot count the total number of my competitors but as I am opening a restaurant at DHA phase 7 kheban I tehhad so I am just taking all those restaurant which are located in DHA and Clifton region. The main competitors include, afridi inn, village, KFC, mcdonalds, hotel chebaro etc.

3. 2. 3 Pricing

The pricing of the product is done on the basis of cost and also on the prices offered by the other restaurants and located at Clifton and DHA. The main factors considered while pricing the product includes cost of raw material

More over here It is important to consider that in the food items usually the markup is not too high because it occur the cost at the same time which is

very near to the price of that product and also providing the customers good environment and good and neat place.

3. 2. 4 Marketing program

a) Promotions

For promotion of the restaurant several strategies will be used.

Exhibition in expo centre of brand and where they met with the sheaf

Pamphlets distribution through hawkers of the local area.

Advertisement in news papers.

Designing a web page which is used for the booking of order and also for the promotion campaign

Free delivery of magazine for our members

Promotion campaign through FM radio station and news paper and news channel.

Visual advertisement through local cable network. .

For kids there is a small play ground where they can play games this offer is limited for starting 3 months

3. 2. 5 Projected sales quantity

For the projection of the sales quantity and sales price the restaurant have estimated some ratios with the consideration of the market structure and the demands of the market at the same time the cost of the products also

increases with some ratio so the sales quantity and price increment is also taking into account the cost factor. Five year projection for sales price, sales quantity and cost are as follows.

For the first year the restaurant estimates that the sales quantity is 75% in second it increases by 20% third year it increases by 40% and for the fourth it increases by 30% respectively according to the first year sales quantity.

For the first year the restaurant estimates that the sales price is 70%. in second and third year it increases by 24% and 10% respectively, for the fourth it increases by 34% respectively according to the first year sales price.

For the first year the restaurant estimates that the cost is 100%. in second year it increases by 11% and third year it increases by 42% and for the fourth year it increases by 44% respectively according to the first year cost of raw materials.

Following is the table showing the percentage increases in the mentioned categories.

Projected sales quantity, price and cost

Year 1

Year2

Year3

Year4

Sales quantity

75

20

30

30

Sales price

70

24

10

34

Cost

100

11

42

44

3. 4 Taxation and Legal Matters

3. 4. 1 Taxation

3. 4. 2 Legal aspects affecting the project

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3. 4 Taxation and Legal Matters

3. 4. 1 Taxation

Now the government imposes 17 percent general sale tax on the food restaurant that raises the overall cost of food for the business that deeply impacting the food industry although that tax is paid by the customer but indirectly its is effecting the food industry of Pakistan. Tax exemption was removed from food business that was laid by the government in 2005.

3. 4. 2 Legal aspects affecting the project

This project does not have any legal aspects. Neither the government of Pakistan has imposed legal restriction on it.

3. 5 Financing

Masala restarunat will utilize both internal and external sources of funds. 90: 10 ratio financing will be done by the partners and only 10% financing will be utilized from external source such as bank loan or issuance of bonds. s per the internal sources of funds steps will be made to make sure the initial cost structure is reduced as much as possible. Any profits earned in first year will be fully utilized by firm instead of being utilized by partners themselves. Few of internal sources of funds that will be utilized by masala restaurant.

Working Capital

Retained Earnings

Sale of Assets

Operating Budget for first three months (RS)

Operating Budget for first three months (RS)

Expenses

January

February

March

Salaries

274, 000

274, 000

274, 000

Office

40, 000

40, 000

40, 000

Operation cost

600, 000

600, 000

600, 000

Advertising

65, 000

70, 000

80, 000

Selling Expenses

40, 000

35, 000

40, 000

Depreciation Expenses

11, 000

11, 000

11, 000

Insurance

10, 000

10, 000

10, 000

Transportation

10, 000

10, 000

10, 000

Total Expenses

776, 000

776, 000

776, 000

Balance Sheet for First year

Assets

RS

RS

RS

Fixed Assets

land

100, 000, 000

Office Furniture

100, 000

Computers

100, 000

Less depreciation

-11, 000

Current Assets

Cash

2, 359, 500

2, 378, 000

Ba