

UNIVERSITY OF NIGERIA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

RESTAURANT BUSINESS

**A BUSINESS PLAN PREPARED IN PARTIAL FULFILLMENT FOR
THE REQUIREMENT OF THE COURSE; CED 342 (BUSINESS
CREATION AND GROWTH).**

BY

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2014/195991

LECTURER: DR. MRS. C. T. NWOGA

JULY, 2017.

FEEDWELL RESTAURANTS NIGERIA LIMITED

23 UPPER CHIME, NEW HAVEN, ENUGU, ENUGU STATE.

ANYAKA, OSMOND IFEANYI 07038463998

EMAIL: info@feedwellrestaurants.com.ng

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JULY 2017.

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1.0 Executive Summary

1.11 Name of business:

The name is FEEDWELL RESTAURANTS NIGERIA LIMITED

1.12 Legal form of business:

FEEDWELL RESTAURANTS NIGERIA LIMITED is a sole proprietor business that is on the process of registration with the Corporate Affairs Commission (CAC).

1.13 Contact address:

23 UPPER CHIME, NEW HAVEN, ENUGU, ENUGU STATE.

1.14 Telephone: 07062283584. Email: info@feedwellrestaurants.com.ng

1.15 Type of business:

This is a sole proprietorship business.

1.16 Description of business:

FEEDWELL RESTAURANTS NIGERIA LIMITED is a company that is into the business of selling cooked food and drinks in exchange for money. The restaurant provides different delicacies to customers to meet their need for quality food and drinks outside home. We also package the food in take away packages.

The name of the owner of the business is, ANYAKA OSMOND IFEANYI; he oversees the entire running of the business.

1.17 Job opportunities:

It will create 7 jobs directly.

1.18 Start-up capital:

It would require a start-up capital of N1,569,700 comprising of fixed asset of N233,700 working capital of N1,199,300, and pre-operation expenses which amount to N136,000.

Table 1

A	Fixed capital	N233,700
B	Working capital	N1,199,300
C	others	N136,000

Total-N1,569,700

1.19 Source of capital:

The capital will be sourced as follows

Table 2

a	Owners capital	N1,200,000
	Contribution from family members	500,000
	TOTAL	N1,700,000

1.20 Profitability:

The business has the ability of raising above N40 million profits from the third year.

2.10 GENERAL INTRODUCTION

2.11 Background

Over the years people are getting busier in the work place, and struggling with time to cook quality food at home, hence, the need for someone who could render these services to them while they focus on their jobs to increase their productivity. The idea behind the establishment of FEEDWELL RESTAURANTS NIGERIA LIMITED is to make these services available to busy workers and all others who need quality healthy food outside the home.

Our customers cover all individuals, students, factory workers, office workers, self employed etc.

2.12 Vision Statement

Establish over ten (10) restaurant outlets across the major cities of Nigeria in the next twelve (12) years.

2.13 Mission Statement

Become the leading restaurant company in Nigeria in the next ten years.

2.14 The Company

The name of the company is FEEDWELL RESTAURANTS NIGERIA LIMITED. It is a new business and it is in the process of being registered.

2.15 Services Offered

We render the services of selling quality food and drinks.

2.16 Legal form and ownership of business

The business is a sole proprietorship business that is in the process of being registered. The main promoter which is also the owner of the company is;

ANYAKA, OSMOND IFEANYI	-----	100%
------------------------	-------	------

2.17 Location of the business

The business headquarters would be located at 23 Upper Chime, New Haven, Enugu, Enugu State. It is strategically positioned in Enugu at the center of the town where there are majority of offices. Due to the location of the company's business premises, the business would experience great sales, since it is located at a strategic place where it could be accessed easily.

The location has a challenge which is; insecurity experienced in the city, and thus, poses a danger to the growth of the business.

We choose the location despite the challenge because of the great number of customers we would have access to.

2.18 Industry Trend and Analysis

The industry is such that experiences demand for its services all year round. This is due to people cannot do without food, and they are getting busier by the day. Thus, it is a steady and growing industry.

2.19 Business Strategy

To ensure we remain in business, we would always use cheap price, quality service and good customer relations as our business strategy to attract and keep our customers.

2.20 Key success factors

Our key success factors include; experience workers, easy access to our business premises, good location, and highly competitive price.

The Market

3.10 Target Market

The main targeted market for now is Enugu main town, with time we believe that we would extend our services to other parts of the south eastern states. The size of the market is large, because it comprises of people from all works of life found in different location. The market is bound to increase because of the growing population of people and the demand for cooked food.

3.11 Sales and market share analysis

The market has the potential of offering us opportunity to sell over 200,000 plates of food per year. For now we can control 5 to 15% of the market.

3.12 Profile of Competitors

COMPETITORS	PRODUCTS/ SERVICES	COMPANY SIZE	TURNOVE R	ADVANTAGES	DISADVANTA GES
Green Kitchen, Ogui Road Enugu..	Restaurant and catering services	Employs over 9 workers.	Over N12 million yearly	Have been long in the business.	Not located in an easily accessible place, and sales product costly.
Filling Station Foods.	Bakery and restaurant.	Employs about 7 workers.	Makes over N9million as turnover yearly.	Have competent personnel.	Just started in the business.

Competitive Advantages

Feedwell Restaurant Nigeria Limited enjoys some measures of competitive advantages which are:

The location of our business is very strategic hence gives us great advantage over our competitors since they will access us easily.

The quality food we sell.

The cheaper price we present to our customers is also an added advantage.

Our good customer relations are also an added advantage.

3.13 SWOT Analysis

STRENGTHS	WEAKNESSES
Conducive clean environment. The great experiences of our workers are a plus to us. The ability to increase our services in order to meet demand. The location of our company which makes it easy to be accessed. Our cheaper price is also an edge over our competitors.	Not being able to access cheap raw materials.
OPPORTUNITIES	THREATS
Ability to expand to great limit, since the number of car owners increases every year.	Touting activities in the area. Fluctuating prices of fuel that might increase cost of operation.

3.14 Demand and supply analysis and Estimating the initial installed capacity

Details	Size (numbers)
Potential demand to be served	300,000
Less 30% existing competitors	210,000
Available market (in the absence of expansion and very high entry wall)	1,200,000
Less 10% due to possible expansion of existing competitors and entrant of new ones.	108,000
Available market	3,000,000
Less 5% due to error in estimation	285,000
Available demand/qualified market/ demand supply gap	126,800
Initial installed capacity cat most 60% of available demand (served market)	

4.10 Marketing Plan

4.11 Market segmentation

Restaurants business belongs to the service sector of the economy. The location of the business was done in relation to the market demand of cooked food and where production could be cheap.

4.12 Target market

The main targeted market for now is just Enugu main town and we desire to increase our reach to other parts of the south eastern states.

4.13 description of the edge of service

service	1
Denominatio n	Cooked food
Packaging	Packaged in plates

4.14 Marketing Plan Price

Consumers are willing to pay highest N 1,200, average of N600 and lowest of N250 for every plate of food.

Our competitors' prices ranges from highest of N1,500, an average of N500 and the lowest of N400.

The average price we charge for every plate of is N300.

This gives us advantage over our competitors because they charge higher than what we are charging. So, we would be able to command great patronage because of our price.

4.15 Market positioning strategy

The firm has not gained more ground in the market. So with good advert and price, we seek to gain more position in the near future.

4.16 marketing mix implementation tools

From time to time we would announce our services on the radio, promote it through the internet, and carry out periodic sales promotion.

4.17 Channel of distribution

Customers will deal directly with us.

4.18 Start-up promotion

For start up promotion, we would print banners and posters.

4.19 Alliances

The alliance we would enjoy from friends and customers would help us enjoy increase in our customer base.

4.20 Marketing calendar and Budget

For every six month we would print notebooks that is customized, banners and posters. We would carry out announcement in radio twice every week. All will cost us N32,000 per year.

5.00 Production Plan

5.11 The Project

The project is the establishment of a restaurant, an outlet where food would be sold to customers who would either eat it there or take it to their various places. This is due to the increasing demand for restaurant services in Nigeria. Today, the services of restaurants are on the increase due to the busy nature of people today. That is why this came into existence to meet the need for restaurant services. We are out to bridge the gap between the demand and supply for restaurant services in Nigeria.

5.12 Production Process

The production process follows suit; raw food materials are washed and cut where necessary, it is then cooked with ingredients added to it. After the food is done, it is then transferred to coolers from where it would be served to customers in plates.

5.13 The Production flow chart

Washing of raw food material ----- cutting where necessary ----- cooking ----- adding of ingredients ----- serving to customers.

6.10 Management and Organisational structure

The main promoter is the owner of the company and holds all the share of the company. He is;

ANYAKA, OSMOND IFEANYI ----- 100%

Our financial adviser is Olumo Financial Advisor Nig Ltd; 252 Presidential road Enugu, email: info@olumofinance.com.ng, website: www.olumofinance.com.ng, telephone number: 0803 909 9921

Our legal adviser is Nwakanma solicitors; 07 Ziks Avenue , Enugu, Enugu State.

Email: nwakanmasolicitors@gmail.com. phone number: 0816 344 6767

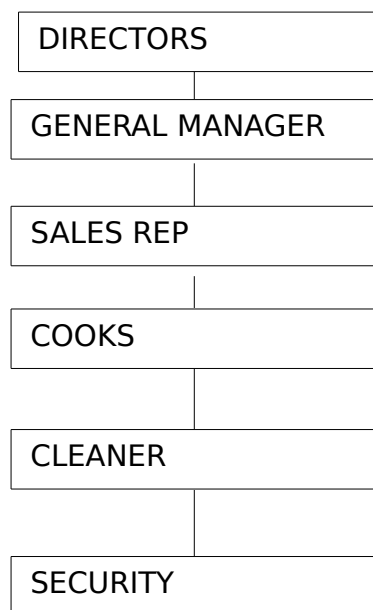
6.11 Management team

DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
GENERAL MANAGER	HND in business management	1 year working experience at Chitis Bakery.	Overseas the day to day operation of the business.
Sales rep	OND in FST	Worked with Ada Cakes	Collecting of money from customer.
COOKS	WAEC	Different restaurants	Cooking of food.
CLEANER	WAEC	No experience	Cleans the restaurant.
SECURITY	WAEC	No experience.	Safe guards company's property.

Our future management needs.

The company currently is employing 7 persons, and would increase its number of staff to over 28 persons after 5 years of operation.

6.12 Organizational structure



6.13 The personnel plan

S/N	POSITION	NO. OF STAFF	SALARY PER STAFF PER MONTH	TOTAL ANNUAL SALARY
1.	General manager	1	N40,000	N480,000
2.	Sales rep	1	N22,000	N264,000
3.	Cooks	3	N15,000	N540,000

4.	Cleaner	1	N10,000	N120,000
5.	Security	1	N10,000	N120,000

6.14 Organization's values and norms

Integrity, faithfulness, truth, faithfulness and diligence.

7.10 Legal, regulatory, social, and environmental issues

7.11 Legal Issues

There are no legal issues for now.

7.12 Regulatory and environmental issues

The service is not regulated, but on the process of registration with corporate affairs commission. The car wash business does not create any environmental hazard.

8.0 Financials

8.11 Equipments

S/ N	INVESTMENT	QT Y	UNIT COST (N)	TOTAL COST (N)
1.	Building (Rent)		6,000	72,000
2.	EQUIPMENTS			
	i) Pots	1	38,000	38,000
	ii) Freezer	1	45,000	45,000
	iii) Plates			12,700
	iv) Generator	1	48,000	48,000
	v) Spoons			3,800
	vi) Tables and chairs			24,000
	vii) Gas cookers	2	18,000	36,000
	TOTAL INVESTMENT			279,500

8.12 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service	108,000	144,000	216,000

Quantity			
Sales per unit	N300	N300	N300
TOTAL	N32,400,00 0	N43,200,00 0	N64,800,00 0

8.13 General cost of Administration

Item	Current (For existing projects only) (N)
SALARIES	1,524,000
FUELLING	52,000
TELEPHONE	32,000
ELECTRICITY	24,000
ADVERTISING	64,000
TOTAL EXPENSES	1,696,000

8.14 Working Capital Projection

8.15 Start Up Capital Needed

S/ N	ITEM OF EXPENDITURE	AMOUNT (N)
1.	Fixed asset investment (equipment and machines)	233,700
2.	Working capital	1,200,000
3.	Pre-operating expenditures	136,000
	TOTAL	1,569,700

8.16 Financing Plan

S/ N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	1,200,000
2.	Others	500,000
	TOTAL	1,700,000

8.17 Schedule of Depreciation

S/ N	ITEM OF DEPRECIATION	INITIAL VALUA	SCRAP VALUA	LIFE SPAN	DEPRECIATION
1.	Generator	48,000	8,500	10 years	3,950
2.	Pots	64,200	8,000	10 years	5,620
3.	Freezer	45,000	6,000	10 years	3,900
4.	spoons	3,800	300	10 years	350
5.	Tables and chairs	24,000	4,000	5 years	4,000

6.	Gas cookers	36,000	9,000	10 years	2,700
					N20,520

8.18 Final Accounts projection

PARTICULARS	YEAR 1, AMOUNT (N)	YEAR 2, AMOUNT (N)	YEAR 3, AMOUNT (N)
SALES	32,400,000	43,200,000	64,800,000
OTHERS	-----	-----	-----
NET SALES	32,400,000	43,200,000	64,800,000
LESS EXPENSES:			
SALARIES	1,524,000	1,524,000	1,524,000
FUELLING	52,000	56,300	62,000
TELEPHONE	32,000	38,200	40,900
ELECTRICITY	24,000	24,000	24,000
ADVERTISING	44,000	44,000	44,000
EQUIPMENTS	233,700	----	-----
BUILDING (Rent)	72,000	72,000	72,000
REPAIRS	20,000	20,000	20,000
TOTAL EXPENSES	3,021,700	3,298,900	4,326,900
PROFIT BEFORE TAX/INTEREST	29,378,300	39,901,100	60,473,100
LESS INTEREST	-----	-----	-----
PROFIT AFTER INTEREST	29,378,300	39,901,100	60,473,100
LESS DEPRECIATION	20,520	20,520	20,520
TAXABLE PROFIT	29,357,780	39,880,580	60,452,580
LESS TAX (10%)	2,935,778	3,988,058	6,045,258
PROFIT AFTER TAX	26,422,002	35,892,522	54,407,322
NET PROFIT	26,422,002	35,892,522	54,407,322

8.19 Cash flow Projection

CASH FLOW	YEAR 1. TOTAL (N)	YEAR 2. TOTAL (N)	YEAR 2. TOTAL (N)
CASH IN:			
SALES INCOME	32,400,000	43,200,000	64,800,000
RE-INVESTMENT			
TOTAL CASH IN	32,400,000	43,200,000	64,800,000
CASH OUT:			
SALARIES	1,524,000	1,524,000	1,524,000
FUELLING	52,000	56,300	62,000
TELEPHONE	32,000	38,200	40,900
ELECTRICITY	24,000	24,000	24,000
ADVERTISING	44,000	44,000	44,000

OTHER EXPENSES	1,325,700	1,592,400	2,612,000
TAX	2,935,778	3,988,058	6,045,258
TOTAL CASH OUT:	5,957,478	7,286,958	10,372,158
NET CASH FLOW	26,442,522	35,913,042	54,427,842

Risks Analysis and Mitigants

9.10 Risk Contingent Analysis

S/ N	RISKS	MITIGANTS
1.	Bad debts	To curtail the effect of losing money as a result of debt, we have resolved not to sell our products on credit.
2.	Theft	To tackle the issue of theft, we have made provision for maximum security of our properties, and also employed security personnel.
3.	Accident	To checkmate the incidence of accident, we have made adequate provision

		for safety and would implement all preventive measures.
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9.11 Contingency Plan

To tackle negative events that may happen unexpectedly and affect the smooth operation of the business, we have agreed to invest in insurance as the business grows so as to cater for unforeseen circumstances that may occur.

9.12 Exit Strategy

In the case where the business is experiencing steady loss, the exit strategy to employ may include; bringing in new investors or selling the business off.

10.0 Other Consideration, Conclusion and Recommendation

10.11 Economics Justification

The benefits that are attached to the business make it of paramount importance. It will provide jobs to people, serve as a source of income, serve the need of the entire populace, and serve the good of the community where it is located.

10.12 Commercial Viability

Looking at the cash flow projection, the business would be able to generate N26,442,522 N35,913,042 and N54,427,842 as profits after 1st, 2nd and 3rd year of production. Thus, we are very optimistic that the business is a very commercially viable one.

10.13 Conclusion/Recommendation

Based on the above information supplied about our planned restaurant business, we greatly believe that the business would grow and expand greatly within the next five (5) years of production, thus, we recommend that the business be sponsored.