

Written Business Plan

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Managing Enterprise in the 21st Century (BMSW4006 BIRM)

Executive summary

The presented business plan is for the catering and personal chef hiring company under the name “Ivan Events”, located in Birmingham, UK. The plan will include the market analysis, the competitors, key customers analysis, marketing plan, and financial plan.

Table of Contents

Company overview	4
Products and services:	4
Market audit:	4
Competitor analysis:	5
SWOT analysis:	5
PESTLE analysis:	8
Target market:	9
Corporate market:	9
Private market:	9
Marketing plan:	10
Brand value and preposition:	10
Promotional strategy:	10
Management team:	11
Financial plan:	11
References:	13

Business Plan: Ivan Events

Company overview

The presented plan is for the company named “Ivan Event”. The company will serve in the catering and private chef hiring sector, making it specifically for the catering industry operating organization. The company is located in Birmingham, UK. Birmingham is one of the most attractive business spots with its affordable office spaces, new developments in the corporate world and pool of talent; therefore, operating in such a market will benefit the company to a greater extent. The company will provide its services to corporate, private and non-profit organizations.

Products and services:

The services that the company is offering include corporate and social events catering, bar catering, corporate meetings and luncheons catering and personal catering with the facility of hiring the chefs. The company will serve all kinds of events which are not limited to corporate, social events, galas, weddings and non-profit events for fundraising purposes. The company will also provide bar catering services if it is requested by the customers. The food options will range from western to eastern cuisine along with gourmet food to six-course meals. The creativity in the food and the culinary expertise are the main areas of focus of the company. The pricing of the services will be based on the event types and the services availed by the customers.

Market audit:

The market for catering companies is expected to grow over the next few years as the increase in consumer spending and increase in corporate development will lead to increased market operation for the catering companies. As a result, the profit of the industry is also expected to increase. With such an optimistic future, it is beneficial that the companies will have an extended level of operation.

Moreover, the corporate marketing events are expected to increase along with the team dinners and luncheons. Such situations will lead to the high business opportunities that can be availed by the catering companies with the help of creativity in the food and other services. Holiday events and private events such as birthdays and weddings are also expected to be increasing as disposable income will increase in the future (Bode, 2005). Therefore the market will provide a great opportunity to do business with increased profit.

Competitor analysis:

The competition for the company is based on two types of competitors, direct and indirect. Direct competitors include the other catering companies which are operating in the market, either for a long time or are new entrants. There are around 5054 catering companies in the market of UK, and therefore most of them, which work at the national level serving in all cities along with the region-specific companies, is the direct competition for the company.

However, there is another competition present for the company which might not be taken as the competition is more likely to be in the form of a threat. It is in direct competition for the company. These include the restaurants, delis, and some supermarkets which provide premade meals and the food prepared at home by the customers themselves. Restaurants and home-cooked food can provide high competition since they are easy and relatively inexpensive to the catering services. These both have their own potential to affect the competition rate and, therefore, can influence the growth of the company (Bode, 2005). In such a situation, it is important that the company will get a competitive advantage either with the help of creative food options or the pricing of the services. The increasing growth of the market will bring increased competition as well; therefore, the Ivan events should prepare itself to stand out in this competition.

SWOT analysis:

SWOT analysis of the market will be presented in order to develop insights into the external and internal factors affecting its growth:

Strengths:

The strength of the market include:

Strong distribution network:

The distribution network of the market is very strong, which makes the delivery of the products and services to the end customers very quick and efficiently. This distribution network will include all the meetings with the dealers and the suppliers and the analysis of the needs of the market along with the supply of the products and services that are required by the market (Callot, 2004).

Costing:

The costing system is very competitive, and therefore, the companies are able to hold their prices effectively.

Relationship with suppliers:

Suppliers are a very important component of the supply chain of any industry, and in the catering industry, this relationship is very positive, letting the company benefit from it (Collie and Sparks, 2000).

Return on investment:

The return on investment in the catering industry is relatively higher as compared to some other industries.

Skilled workers:

The working abilities of the workers, including chefs and servers, are of a high level; therefore strong workforce is present (Rasa, 2022).

Strong diversity:

Not only in the food but also in the workforce, diversity helps companies to stand out from the rest of the market.

Greater market expansion:

The expansion rate of the market is increasing with each day, and therefore it is easier for the companies to get higher profits.

Social media influence:

The influence of social media will help the market to grow and increase its competitive advantage.

Weakness:

Low R&D:

Though creativity is the key to the market, however innovation is still lacking in the catering industry as there is a lower level of research and development present in the industry (Salma Abdullah, 2019).

Higher inventory costs:

Since the catering industry has to store a lot of inventory, therefore, the inventory costs increase.

High rental expenses:

The rental expenses are high as the rate of the business and domestic properties are increasing rapidly.

Limited cash flow:

There isn't much investment present in the industry, and most businesses work with personal investment and profit generation, limiting the cash flow.

Higher turnover rate:

Since the employment is based on part-timers mostly and there are many attractive opportunities outside of the market, the employee turnover increase.

Higher market share of some products:

Some of the products, such as food type and services options, are more popular, limiting the growth of the other options.

Centralized system of decision-making:

The decision-making system of the industry is very centralized, and therefore, any trend in the market will affect all the companies.

Opportunities:

The opportunities of the industry include the development of the online delivery system of the services to the customers, which helps to decrease the hassle; moreover, the technology which is used for the industry is decreasing in price along with higher income growth. Expansion of population is also present in the market benefit it in general. The increase in the inflation rate after a pandemic can benefit the companies, and the training of the employees increase the profit rate.

Threats:

The competition is very high, which is increasing with each day (Dzhum, Ksenz, Mikhailova and Malkhasjan, 2019), and there are few numbers of raw material suppliers. The customers are changing their preferences as well; therefore, the trends in the market are also changing. However, the pandemic is reduced to a large extent; however, the threat is still present, inducing many restrictions (Rasa, 2022).

PESTLE analysis:

Factors	Impact
Political	• Political stability to flourish the growth • Health and safety-related policies • Taxation
Economic	• The general growth of the market • Growing labour costs • Fluctuation taxes (Collie and Sparks, 2000)
Social	• Awareness about the organic food industry • Change in the lifestyle • Growing population and increase in the diversity of the food and services
Technological	• Advancement in technology • Development of software to support the business (Rasa, 2022) • Technology for the promotion of the business
Legal	• Changing legislation • Food quality and hygiene requirements • Increase in safety standards • Legal wage rate • An essential program for the welfare of employees
Environmental	• Cleanliness

	• Working in collaboration with the government for the environmental struggle • The shift in the consumer focus on the environmental issues
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Target market:

There are two types of markets that the company will focus on:

- Corporate market
- Private market

Corporate market:

Corporate markets are business which is looking for services to entertain their clients or reward their employees. These businesses are the major part of the catering market as the increase in the growth of the market will increase the demand of the catering companies as well. The corporate market will focus on business meetings and working lunches. These meetings and working lunches can be tailored according to the need of the customers. They look for menus suitable for these events since there are different types of employees and customers present on their list; therefore, the need for the menu to adapt to these differences is also very important. They focus on cost-saving options as cost reduction is a main concern for the business.

Private market:

Private markets are the individual clients who look for service providers for personal events such as personal events or non-profit organizations for fundraising purposes. These events include weddings, birthdays, family dinners and other personal-level events, and fundraising events which are held for the richer part of the society. These customers look for a company that is able to provide a unique experience for the guests coming over. Not only weddings or birthdays, but fundraising events also tend to provide their visitors with the experience that they will remember so that the increase in charity will happen eventually. They can spend higher costs for the guests to remember their events. Therefore, they are more paying than the corporate customers who are willing to save the price.

Marketing plan:

Brand value and preposition:

The exception of the image of the company is only possible if it stands out in the values it is giving to its customers. The values that the company focuses on include:

- Affordable and higher quality services in the catering
- Trained staff to prepare customized orders
- Creativity and uniqueness in services
- Handling complex and important events

The presented market plan is based on the advertisement strategy or the promotional strategy since the other 3 Ps are already provided in the previous segments.

Promotional strategy:

The promotional strategies that the company will focus on include:

- Cold calling and business sales calls

Cold calling of the business calls sales are effective in making an impression on the businesses; therefore, they can be used as a promotional strategy.

- Word of mouth

Word of mouth is only possible from the customers; therefore, providing a greater experience is important.

- Industry membership and advertisement

The membership can be provided to the customers to turn them into returning customers.

- Partnership with popular local suppliers

Partnership with the local suppliers will not only increase word of mouth but also provide the high-quality raw material

- Use of social media and website

Social media and website is the latest development in the industry, providing it to be more active through these platforms. These are cheaper means of promotion, yet their impact is very high.

Management team:

The management team will include

- Owner
- Managing director
- Head chef

Chef employees

- Catering staff head

Catering Staff

- Head Bartender
- Head of technical support and purchasing department
- Head of the sales department
- Event manager

Financial plan:

The financial plan of the company is presented with the key revenue and costs areas which will affect the company

The revenue of the company will be collected from the bar catering and events sales generated from a corporate and private companies. Whereas the cost includes the wages of the employees, expenses on utilities and supplies and marketing expenses.

The financial plan of the company will be included with the assumption about the events that are catered in the first year, which is expected to be 12 in a year and each of them to be around £5,000. Therefore the investment that is generated from the lottery is £50,000, whereas the income generation will be £60,000, providing the company with a profit of £10,000.

The cash flow of the company will include the key consumption of the funds of the company that include the commercial kitchen lease, kitchen equipment, transportation vehicle, insurance, working capital and the marketing of the company.

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