

MANAGING ENTERPRISE IN THE 21ST CENTURY

BMSW4006_LON

A Taste of Italy

Marco Gizzi (2117750), Luigi Testaguzza (2120829), and Davide
Ambrosiani (2117749).

Lecturer: Mushfiqur Rahman

9th September 2022

Cover Letter

Luigi Testaguzza, Owner/Operator

Marco Gizzi, Owner/Operator

Davide Ambrosiani, Owner/Operator

A taste of Italy

100 Shoreditch, London, E16JN

July 25, 2021

John Smith

Bank xxx

249 Bermondsey street

London, SE1 3UQ

Dear Mr. Smith

We are pleased to enclose the business plan for A taste of Italy. Inside, you have a full description of our business. A thorough assessment of opportunities in the marketplace, and a detailed plan. We look forward to the possibility of working with you to make A taste of Italy successful in the coming months and years.

We are eager to hear your comments and answer any questions you may have. You can reach us at +44 7356434572.

Thank you for your time and attention.

Sincerely,

Luigi Testaguzza, Marco Gizzi and Davide Ambrosiani

Executive Summary

We strive to serve Londoners authentic Italian cuisine. We consistently deliver wholesome, fresh meals thanks to our seasonal menu, which was developed using the finest Italian ingredients and locally obtained fresh ingredients. We also suggest a different, unique pizza dough.

With our Pinsa, we can deliver a very different product compared to the normal pizza that most of our competitors are serving. Starting from the shape which is not round, but it has an oval shape, this dough stands from the other thanks to its friability, crunchy outside and soft inside, given by the natural leavening of 48 hours (about 2 days), makes it a high digestible food.

We based our menu on fresh seasonal products sourced from local farms combined with finest Italian products to create authentic and healthy meals for our customers.

The restaurant is in the vibrant and dynamic Shoreditch which offers a wide range of potential customers. We are open from Wednesday to Saturday, from 10:00 am to 11:00 pm.

The objectives we are looking for are:

- Expand the business in other countries
- Build a brand which is going to represent the Italian cuisine in the world
- Find local suppliers to have the best products to be focused on serving the best quality food
- Supporting local communities and found raising for no profit organizations (homeless, etc.)
- Make sure to have a professional team by providing tools for the work and daily trainings.

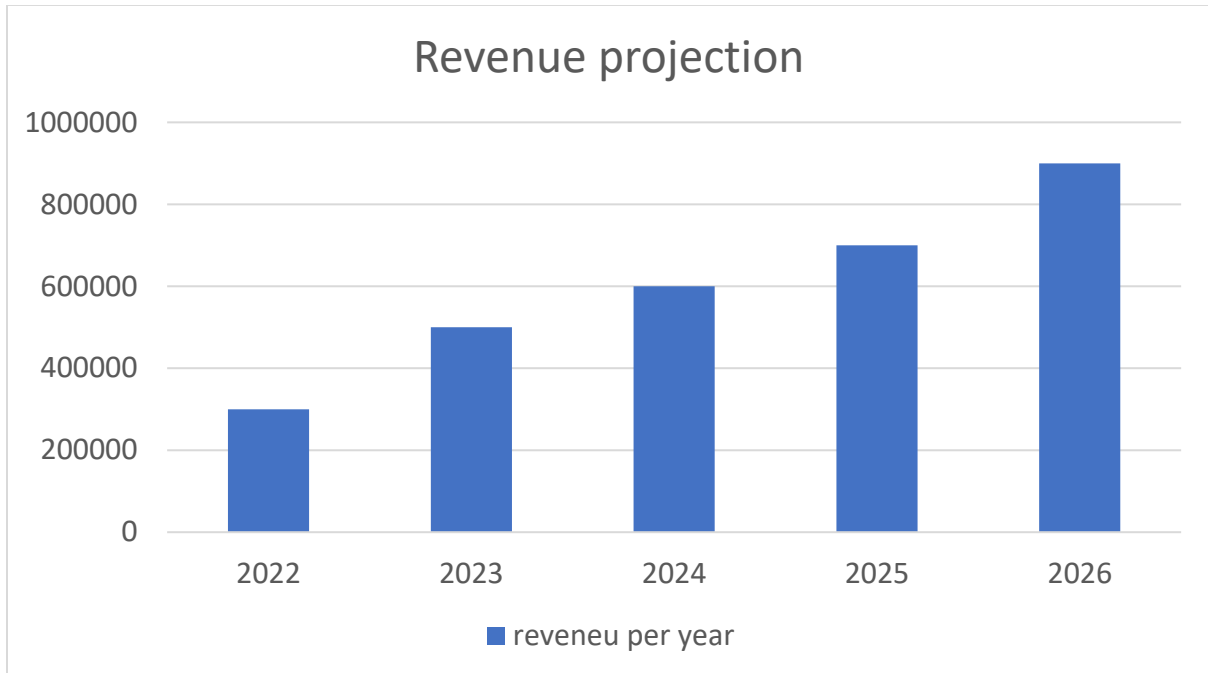
Market Niche:

- Family-style
- Contemporary casual

What motivates our customers to come to our restaurant is:

- Lifestyle reason (healthy food)
- Fast service
- Locally sourced products

Financial targets:



The graphic shows the revenue projections of the business in the next five years, as we can see in the first year 'A taste of Italy' generate £300,000 revenue expecting to arrive, by the end of 2026, to £1,000.000.

Non-financial targets:

- We aim to reduce our wastage amount adjusting our Menus and Offers accordingly
- Organic waste will be sent to farms and used to feed animal or plants
- We want to reduce food wastage-related losses in our business by selling our ready-to-eat products with 50% discount
- Help the community to buy premium quality products at affordable prices.

The business operates in functions:

1. Marco will be the operational of the restaurant, managing:
 - Production of goods and service
 - Buy raw materials
 - Control of quality.

2. Davide will cover the financial side of the business:

- Raising Finance
- Preparing Budget
- Preparing Final Accounts.

3. Marketing and Human Resources will be managed by Luigi. He will be responsible for:

- Advertising
- Promotions
- Market research
- Recruitment and selection
- Health and Safety.

The owners will cover management positions at first to avoid any additional staffing cost, plus they will ensure a stronger quality control to products and a oversee the service and operations through the day.

As founders we combine over 30 years' experience from diverse hospitality backgrounds which allow us to oversee different aspect of the business not losing our main objective which is to represent the Italian cuisine in the world.

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1. Business Description and History

The name of the restaurant is “A taste of Italy” owned by Luigi Testaguzza, Marco Gizzi and Davide Ambrosiani. The legal form of the business is Partnership. The mission of the company is to serve Londoners typical Italian cuisine based on our seasonal menu and our mouth-watering Pinsa characterized by a crunchy outside with a soft inside with artisan hand-stretched oval shape. Leavening for 72 hours, the pinsa will give you all the taste of a classic pizza with a lighter consistency. We understand that most of our customers are health-conscious but due their busy life they have little time to prepare a healthy meal. That is why most of our clients come for our seasonal menu which allows us to serve always high standard quality products and our special pizza which has a high digestibility. In the area where we will operate the competition is very high, there’s plenty similar businesses who offer Italian cuisine and pizza assuring also fast meal. What makes us different from our competitors is that we can offer either a fast meal, such as our Pinsa, or the choice to sit and enjoy typical Italian cuisine based on a seasonal menu combined with a wide selection of some of the finest Italian wines. The restaurant is in the vibrant and dynamic Shoreditch which offers a wide range of potential customers. We are open from Wednesday to Saturday, from 10:00 am to 11:00 pm.

(Yelp, 2022).

2. Business structure

The company is a partnership owned by three people: Marco Gizzi, the bar manager, who oversees operations, Luigi Testaguzza, the general manager, who oversees marketing and human resources, and Davide Ambrosiani, the floor manager, who oversees finances.



3. Product or service Description

There are many Italian restaurant in London, especially in Shoreditch, where the restaurant is located. What makes us different is the seasonal menu which allows us to always offer something different to our customers as we are constantly searching to combine locally sourced products from farms and small food industry with typical Italian products so that even our regular customers can have different choices avoiding finding on the menu the same meals and dishes.

We also offer an amazing and authentic Pinsa romana which is made from a special dough invented in Rome. What makes our dough different from others is that is fermenting between 48 to 72 hours allowing it to develop its complex flavour profile. It has an oval shape different from the circular shape of the standard pizza, and thanks to the fermentation of the dough the pizza is crunchy on the outside but at the same time soft in the inside and it is easy to digest thanks to the lower amounts of gluten and lots of water.

We had a lot of positive feedback from our customers about the unbelievably light and crunchy crust and its high digestibility.

(Malavenda, 2022).

4. Market analysis and Trends

4.1. Market Research

Customer profile/Demographic analysis

Age: 33 to 55.

Gender: 52% men - 48% women.

Married: 38% yes - 62% no.

Occupation: Offices clerk, Health and Care, Teachers.

Income (per year):

0 to 50,000£	46%
50,000£ to 100,000£	24%
100,000£ to 150,000£	20%
Over 150,000£	10%

According to Yann (2022) the UK food industry trends are:

- Healthy eating habits
- Plant-Based food
- Alternative proteins
- Planet-friendly.

Based on this data we can say that the product we offer can suit these needs since our menu is seasonal, always assuring the freshness of the product and our handmade Pinsa also helps us to offer to the customers a different product from our competitors and a fast service since we do takeaway as well.

4.2. Marketing Strategy



The total revenue for Italian restaurant in UK was £60,000.000 in 2021 compared to the previous year of £120,000 there was a significant loss due to the pandemic, but we can see in 2022 the revenue went higher than 2020 and estimated to reach £200,000.000 in 2023.

There are over two thousand Italian restaurant and in Shoreditch, where the restaurant is located, we can find around 200 businesses if we include pizza shop as well.

We identify our main competitors in:

Franco Manca, Pizza pilgrims, Bellavita, Zizzi.

All these businesses are in the same area, so they are our biggest competitors.

The market size for Shoreditch Italian restaurants is: £ 10,000.000.

Our competition:

	Market share	Revenue (2022)	Pricing policies	Promotional strategies
Franco Manca	10%	£1 million	Pizza price between £10 and £15	Social media, Email promotions
Pizza Pilgrims	15%	£1.5 million	Pizza price between £9 and £16	Websites, events, social media
Bellavita	15%	£1.5 million	£40 per person	Websites, social media
Zizzi	20%	£2 million	£50 per person	Websites, social media Email promotions
Others	50%	£5 million		Websites, social media Email promotions

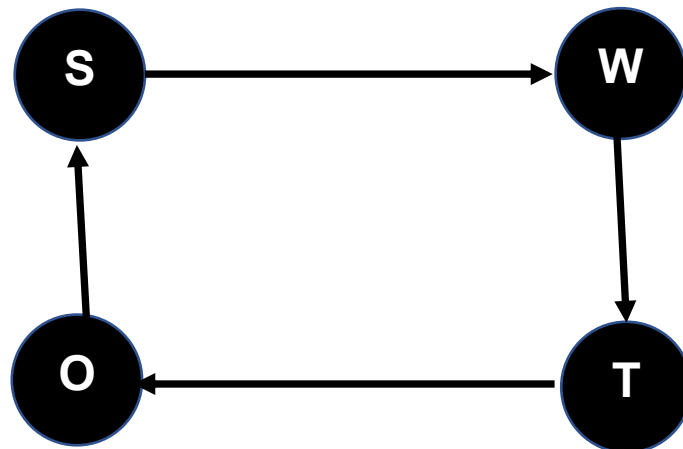
4.3. Swot analysis

Strengths:

- High service level
- Professional staff
- Great customer experience is delivered
- Special offer/menu
- Unique dough of pizza
- Seasonal menu with locally sourced food.

Weaknesses:

- Low brand awareness
- Difficult to import product
- Facing competition with established brand.



Opportunities:

- Growing customers interest in healthy food
- Potential growth introducing food delivery app
- Build online engagement with our brand
- Relationship with online influencers.

Threats:

- Rising fixed costs
- Weakening supplier relationship
- Home delivery competitors
- Intensifying competition from other brand in the area.

We used the SWOT analysis to identify strengths and weaknesses of the business but also to have an overview of what opportunities exist in the market and the threats we might face.

Some of the strengths of the business are our Pinsa and locally sourced menu which help us to differ from the competition. We are aware that our main weaknesses come from the fact we are a new business and there are already established Italian restaurant and pizza shop in the area where we operate. So we need to be careful on how we advertise the business to win the competition. The opportunities for 'A taste of Italy' are focused on trying to get new customers, we will work with influencers on the social medias we use to make the restaurant more visible to the people in the area, trying to improve our delivery service.

Alongside with opportunities we need to keep in mind the threats we might face as for example, after the Brexit it is challenging and expensive to import food from Italy.

(Shaw, 2022).

4.4. Pestle Analysis

Political	• Resignation of the PM • Brexit limited the flow of Italians coming to the country • Problems to import Italian products
Economic	• Inflation rate in UK increased to 7% • This might cause the rising of menus
Social	• People more aware on healthy food and planet friendly solutions • Our special dough with high digestibility and seasonal menu
Technological	• Active social media marketing • Improved Wi-Fi in the store
Legal	• Business registered with HMRC • Staff must have the right work in the country • Employees must have a written contract including benefits. • Pension scheme • Health and safety

Environmental	• Solar panels • Locally sourced food • Zero waste menu
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We decided to use the PESTLE analysis to define threats and opportunities in the business's external environment. Helping us to make right decisions based on the circumstances after we have a comprehensive understanding of the external environment elements, that may have an impact on our restaurant.

Threats might be represented by the recent resignation of the PM which might bring changes to legal requirements for restaurant in UK and the challenges we are facing now mainly caused by Brexit; which limited the flow of Italians people to the country and also importing food from Italy can be quite expensive.

On the other hand, we see as an opportunity to pursue environmentally friendly practices that help our business reduce its impact on the Earth, this can be achieved by minimizing food wastage and solar panel installation.

(Pestle Analysis, 2022).

4.5. Target Marketing

Our business can be represented by these four categories:

1. Family-style
2. Contemporary casual
3. Casual dining
4. Fast casual.

The primary targets of the restaurant are:

- Families
- Young healthy conscious students.

The secondary targets are:

- Organisations events.

We noticed most of our customers are men/women with children looking for a healthy and tasty meal, in this case we always suggest something from the menu for the parents and we usually propose for the kids our Pinsa, which is very easy to digest and at the same time very tasty for a kid.

To marketing and advertise our business, we mostly focus our strategies on social media. Since we think these are the best platform to advertise the restaurant being sure to find enough people that would be interested on what we offer.

Our primary target was to attract young and healthy conscious students. But since we noticed that our customers are more adult, we will start to advertise our business to this market segment.

Our Market niche is:

- Middle class men/women
- married, with children
- age: 30 to 50
- income: £50,000 to £100,000

(Indeed, 2022).

4.6. Market potential – Positioning

As suggested by Mehlman, S. (2022), a product or service's market potential is an assessment of the sales you can anticipate from it.

Market potential = Market size x unit price.

Considering that the market size for the Italian restaurant in Shoreditch is £10,000.000 we can ideally determine the potential market of the business. Our unit price is £12 so our market potential would be: $10,000.000 \times 12 = £120,000.000$.

This is a just a forecast which assumes that every customer in the area comes to our restaurant. And is, of course, too good to be true. We want to take into consideration all our main competitors and, we cannot expect that every consumer likes our service or product better than the others.

We identify our market niche as:

- Family-style
- Contemporary casual
- Casual dining
- Fast casual.

We believe this market niche is large enough to ensure the growth of the business.

We are also located in a great area, Shoreditch, despite there's already many other businesses that offer pizza. But the Pinsa we offer to our customers, is a very different product. The most of our competitors, offer mainly Neapolitan style pizza or American style pizza. Considering the pizza shop who generate the highest revenue, Pizza Pilgrims, they only offer pizza. Our restaurant, also offers a seasonal menu giving us the opportunity to be able to satisfy both customers that want a pizza and who would like to have just an authentic and healthy meal from the Italian cuisine.

The price of our service will be targeted to the middle end of the market.

4.7. Pricing Strategy

We are aware that "A taste of Italy" will need to do more than just serve delicious meals and give nice service to be successful. To increase consumer traffic, we'll use a marketing strategy by being proactive rather than reactive in our marketing efforts and keeping up with current market trends, we will continuously work to win over new clients.

Being an Italian restaurant, we understand that our market is competitive. Since there are many businesses which offer Italian cuisine and pizza, we try to be different. Offering our Pinsa, we are the only business proposing this special pizza dough.

The price of the Pinsa starts at £8 for the basic Margherita and can arrive at £15 with the one containing truffle, which is the most expensive.

For the menu pricing we also take into consideration the pricing strategy of our competitors and we decided to offer almost the same prices:

Starters: 5£ to 8£

Pasta: £9 to £14

Main courses: £12 to £16

Desserts: £4 to £5.

(Haag, 2013, p. 24).

4.8. Distribution, Advertising, and Promotion.

To raise consumer knowledge of "A taste of Italy", we'll use different marketing strategies. Word-of-mouth and in-store promotion will be our key strategies. Due to the significant traffic in the selected shopping places, this marketing package will be by far the most affordable and successful of all of them:

- Brochures available in-store that outline our philosophy and idea
- Wall posters
- Unique Design
- In-store demonstrations of the making the Pinsa
- Catering for events.

4.8.1. Social media platforms

Thanks to our social media pages (Facebook, Instagram, and Twitter), we can advertise our business and the consumer may quickly view our menu, location on a map, and business hours. In the future, we could consider phone applications alongside fax or email orders.

(Haag, 2013, pp. 25-26).

5. Operations

Facility: the size of the restaurant is 455 square feet spread in 2 floors. With an open kitchen and view on the street. The full capacity is 120pax between restaurant and bar.

Location: A Taste of Italy is a handmade restaurant situated in Shoreditch (United Kingdom), close to Shoreditch High Street overground. That allows us to increase customers and incomes based on its location.

Operating costs: heat, light, water, internet, and general upkeep with a total cost of £1,250 per month.

Tools and equipment:

- *Kitchen:* Stoves, extractors, friers, ovens, refrigerators, freezers, and kitchen tools (pans, knives, etc.) with a total cost of £15,000.
- *Bar:* Refrigerators, draft beer, and bar tools (shakers, bar spoons, etc.) with a total cost of £5,000.

Suppliers: our suppliers are local based within London, the products we are aiming to buy are fresh and seasonal. We agreed with them a better percentual share between the businesses to avoid any future disputes which may follow to an agreement closure.

Production workflow: all our product will be made from our kitchen team through the day, delivered to the consumers from our FOH team (Front of house team), and supervised by the owners.

Risk: cooking fires, cuts and burns, slips and falls, unfocussed employees, etc.

All the statements above can be solved by training and managing the team to improve and develop the skills needed to fulfil the Business's daily tasks.

Safety measure: guggle, safety glasses, gloves, fire extinguisher and fire blankets.

There will be staff trained as fire marshal, first aider and evacuation staff assigned in the restaurant. Therefore, the owners will cover the positions mentioned to avoid any additional staffing costs.

The hazardous materials will be stored in a separate room and all the discarded waste will be properly disposed and collected by a local company.

Membership: our business has joined free organization group such as the “National Restaurant Associations” which allow us to receive great benefits and discounts for our products. The membership permits us to have a better understanding of the law regulations that our business will follow.

Research and developments: we are creating new handmade food products and improving some of the existing. Providing fresh and seasonal products to experience and taste unique dishes through the different seasons.

Quality control: the quality control is respected under the UK law regulations, providing safety records and checklist completed day by day.

Outline of daily activities: the business is open to Tuesday to Saturday from 10am to 11pm.

Contingency planning: we want the business to continue, so we create options that will keep going our business.

There could be various situations that might put in risk the success of our business:

- Issues between founders. If one of the founders wants to leave the business, we will need to share the costs of the third share between the remaining two. Having a substitute candidate could retain money loss
- Business failure due to lack of incomes. In case the business can't break even for over a year, we will need to seize the activity into a smaller reality with simpler operations.

Guest satisfaction feedback: we implement our consumers feedback asking the email address to send a satisfactory card to be discretionary completed.

5.1. The business operates in functions

Marco will be the operational of the restaurant, managing:

- Production of Service delivering services to the customer
- Buy Raw Materials ensuring the best quality and freshness of the products

- Control of Quality ensuring day-to-day check list are completed.

Davide will cover the financial side of the business:

- Raising Finance to increase our capital to spend for any daily function of the restaurant.
- Preparing Budget: calculating net incomes, tracking the spending, and creating a plan to adjust them
- Preparing Final Account.

Marketing and Human Resources will be managed by Luigi. He will be responsible for:

Human Resources

- Recruitment and selection: he will be interviewing and selecting qualified candidates
- Staff training: we will use an online platform to train our staff
- Industrial relations which mean employment relationship, dealings with working time and working conditions
- Health and safety creating a plan to prevent risks of an accident.

Marketing

- Advertising our products, creating video and shared on social
- Market Research to improve our product of the 20% by December 2022
- Promotion to gather more costumers
- Selling Products with a goal of 50% more incomes by the end of 2022.

6. Technology plan

Technologies are important for a business and allow an organized and a smarter approach to the operation. We'll introduce in our business are the following:

- Online ordering system
- Online stock management
- Contactless payments
- Printers
- Cash drawer
- Customers services review online.

Strengths: safety, speed, and efficiency. Manage stockage. Recorded operations. Customers loyalty and preferences.

Weaknesses: system crashes. Equipment failures. Repairing costs. Staff trainings.

Opportunity: Optimization of stock management and flexible ordering system based on seasonal availabilities; retention of costs related to food wastage.

Treats: Staff- related costs due to a fast-changing supply might increase, as the daily offer must be adjusted accordingly.

We want to empower our connection with our community and between all people who will be part of it. We will possibly launch several platforms where customers can give suggestions, openly express opinions, and share experiences. Therefore, in 2–3 years' time will introduce Ordering and Pay at the Table and Kitchen Display Screens to acquire safety, speed, and efficiency for the business.

7. Management and organization

The restaurant it's based on Italian homemade cuisine made by years of experience and studies, we are specialized on creating new handmade products. Therefore, the owners will cover management positions at first to avoid any additional staffing cost, plus they will ensure a stronger quality control to products and a oversee the service and operations through the day. As founders we combine over 30 years' experience in the hospitality sector.

Luigi Testaguzza: is our General Manager. He studied Marketing in London (London, UK).

"My goal was to open a restaurant. I'm confident and an enthusiastic individual with years of service experience. I enjoy helping customers and individuals providing high quality service. Always happy for new challenges and a passion for the hospitality"

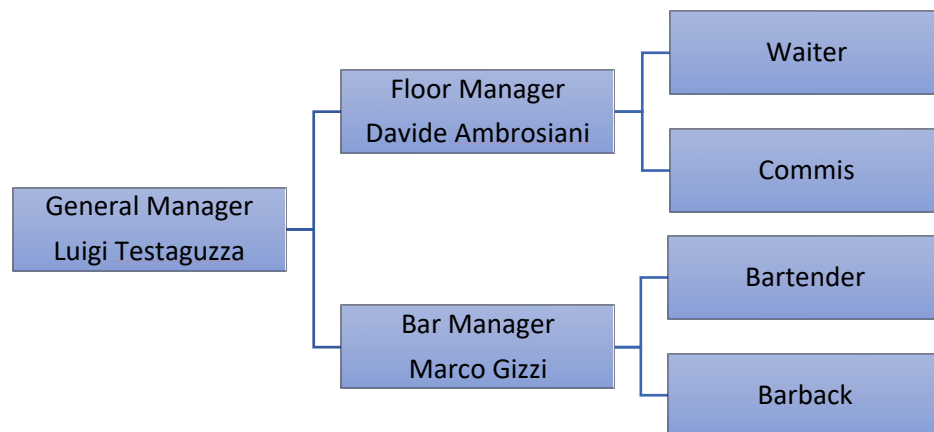
Davide Ambrosiani: is our Floor Manager. He studied Business and Management in London (London, UK).

"After 15 years of working in different companies, taking care of the floor and customers experiences I wanted something mine. The opportunity to be part of the business gave me what I was looking for. I'm not afraid of responsibility and I can manage my time and tasks to achieve the best results. I'm comfortable being both a good team player and as a self-organized individual.

I'm ready to make changes and I'm not afraid to stand out. The hospitality industry is both my job and my passion."

Marco Gizzi: is our Bar Manager. He studied Business and Management in London (London, UK).

"I always loved the idea to open my own business and after 10 years in the hospitality sector. I made my experiences and I feel confident in opening one with my friends. I'm ambitious and successful at consistently delivering the highest quality service. I'm a fast worker and I always go an extra mile to sell more and keep guests happy. Curiosity and a love of experimentation with different drinks. I am a self-starter and adept at controlling bar inventory, managing bar and server orders, and developments for the team."



Salaries: now will be shared by the 3 owners in equal part leaving a sharing for the employees which will receive a salary based on our incomes.

8. Social responsibility and sustainability

We want to be sustainable as much as we can since our first steps. We will import from our home country Italy, long life products only. To reduce shipping costs, and to acquire high quality products. For everyday produce and offer we will rely on local factories and farms.

- We want to help our community by implementing a 20% discount on the entire menu on Tuesdays. For our employees we will implement a 50% discount to eat at the restaurant at any time.

- Food wastage is a common issue in restaurants, we aim to reduce our wastage amount adjusting our Menus and Offers accordingly. Plus, all organic waste will be sent to farms and used to feed animals or plants.
- We want to reduce food wastage-related losses in our business by selling our ready-to-eat products with 50% discount, when those items are expiring on the day.

9. Development, milestones and exit plan

9.1. Development Plan

The focus will be to train our staff to the point that they will overtake some of our duties allowing us to focus on the growth of the business.

Having the financial ability to open one or more Restaurants and Deli Stores around the London area.

Maintaining the authenticity and the quality of food and ingredients, even on large scale operations.

“Keep it Local” mindset. Within two or three years of operations, we aim to differentiate our offer in order to provide great Italian authentic products mixed with local natural produce.

9.2. Milestones

A Taste of Italy aims to be an important part for the hospitality sector by providing a memorable customer experience where the consumer can taste the real meaning of Italian food.

The authenticity of our products and service will always be the first of our core values, respect and true passion follow immediately after. We don't do it for us, we do it because we want to keep sharing the importance and preciousness of simple things, everyday.

We expect our business to break even and turn to profit around the end of December 2022.

9.3. Exit Plan

If A Taste of Italy won't be able to achieve its goals and must declare failure, the owners will share the dept's costs and pay back the suppliers. After the closure is completed, we'll try to recover the money loss by opening a smaller business. It will focus to on selling Italian handmade food products to supermarkets or privates.

10. Financial Data

Financial statements are written records that convey the business activities and the financial performance of a company. Financial statements are often audited by government agencies, accountants, firms, etc. to ensure accuracy and for tax, financing, or investing purposes (Murphy, 2022).

Financial statements include:

- Profit and loss account
- Income statement
- Cash flow statement
- Balance sheet.

For our business we invest £20K each partner (Marco, Luigi and Davide) for the equal sharing. To get support for our business we decide to not get any loans from banks, instead we decide to sell 9% of our business to our families (3% each family) and in return we receive £10.000 from each family (for a total of £30k). Now that it's only a small business, giving away the 9% of the business to our families is the best option, because we still keep the company as a family business, and we remove the risk of getting in debt with the bank and may not be easy to pay back, if the company doesn't make profit right away from the beginning.

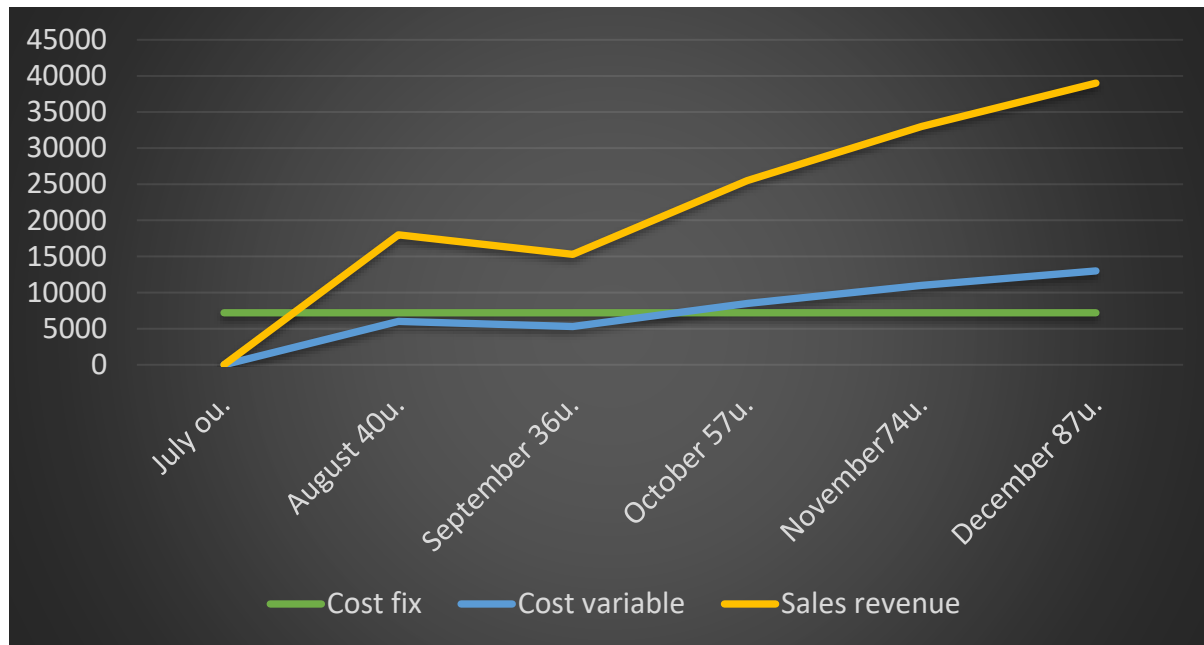
10.1. Profit/loss account

Month	Fix Cost	Var. Cost	Tot. Cost	Sales Revenue	Profit/Loss
July 0u.	£7,200.00	£ 0.00	£7,200.00	£ 0.00	£ - 7,200.00
August 40u.	£7,200.00	£ 6,000.00	£13,200.00	£ 18,000.00	£ 5,800.00
September 36u.	£7,200.00	£ 5,300.00	£12,500.00	£ 15,900.00	£ 3,400.00
October 57u.	£7,200.00	£ 8,500.00	£15,700.00	£ 25,500.00	£ 9,300.00
November 74u.	£7,200.00	£11,000.00	£18,300.00	£ 33,000.00	£ 14,700.00
December 87u.	£7,200.00	£13,000.00	£20,200.00	£ 39,000.00	£ 18,800.00

The above, is a table showing the first 6 months of the business, that states when we are in loss and when we are in profit, and we calculate with the fix cost additional to the variable cost and we remove from the sales revenue. Also, we can see how much our selling price is by dividing sales revenue with the unit sold and we have a cost of £72 per unit. The total cost for the company per unit is £24, which is 1/3 of the selling product.

10.2. Break Even Analysis

When the company reaches a break-even point, the total sales are equal expensive. This means that you're bringing in the same amount of money you need to cover all your expenses and run your business. When you are break-even, your business does not profit. But it also does not have a loss. The first time you reach a break-even point means that the business starts to turn in positive. When you are break-even, you're finally making enough to cover your operating costs. (Mike, 2022).



In this graphic we can see our business movement in the first 6 Months.

The green line represents our cost fix that are always the same amount of money, this includes:

Rent: for the rent we spend £4,000.00 a month

Utility bills: we include water, electricity, gas, WIFI, phone with a total of £1,500.00.

Maintenance: for maintenance we talk about repair utilities fix general problem for the restaurant, and most important keep save the place for the staff and costumer. Total amount £400 a month.

General expenses: this is the pot for the money that will cover damage product, broking glass or plates, uniform, anything happen daily we can use this pot and recover the amount later. Total amount £1,000.00.

Marketing: we cover all the rules that will look to improve the business and how to promote and to find new solution to evolve and progress in our business. Total amount £300 a month.

As the graphic above shows, our break-even point it will arrive in October after selling over 50 of our products at £8,200.00.

This also show how much revenue we get during this first years and, shows that the business is make profit already after the second month from the opening.

10.3. Cash flow statement

A cash flow statement is a financial statement that provides aggregate data regarding all the income and outcome of the company. It also includes all cash outflows that pay for business activities and investments during a given period. A company's financial statements offer investors and analysts a portrait of all the transactions that go through the business, where every transaction contributes to its success. This statement is one of the most important and is divide by operating, investing and financial activities. The summary of these three segments is called net cash flow. (Adam, 2022)

Cash statement July-December 2021		
Net income	£	37,120.00
Operating activities		
Inventory use	£	47,000.00
Account payable	£	60,000.00
Others	£	2,400.00
Total cash operating	£	109,400.00
Investing activities		
Start inventory	£	14,000.00
Marketing	£	1,800.00
Total investing cash.	£	15,800.00
Financial activities		
Sharing Equity	£	60,000.00
Investors	£	30,000.00
Insurance	£	10,000.00
Total financial cash	£	100,000.00

Outcome July- Dec. 2021	
Total outcome	£ 87,000.00
Rent	£ 24,000.00
Marketing	£ 1,800.00
Utility bills	£ 9,000.00
General expenses	£ 6,000.00
Maintenance	£ 2,400.00
F.B.	£ 43,800.00

Above we report all the income and outcome of the company, to have good cash flow statement we need 3 main point that will summarize the income, and are:

- **Operating activities:** include any spending or sources of cash that are involved in a company's day-to-day business activities.
- **Financial activities:** Cash generated or spent on financing activities shows the net cash flows involved in funding the company's operations.
- **Invest Activities:** Cash flows from investing activities provide an account of cash used in the purchase of no long term or long-term assets– that will deliver value in the future.

Also shows the outcome of the company that include all the expenses we have like rent, bills, food and beverages and any others outcome we have in our company.

10.4. Income Statement

The Income Statement is one of a company's core financial statements that shows their profit and loss over a period. The profit or loss is determined by taking all revenues and remove all the expenses. The income statement is one we used in both corporate finance and accounting. The statement shows all the money use for bills, expensive and activities. As a statement its very clear and focus more on the details (CFI Team, 2022).

Income statement for year 2022		
Income	1st Quarter	2nd Quarter
Gross Sales	£ 45,900.00	£ 97,500.00
Net Sales	£ 27,540.00	£ 58,500.00
Gross Profit	£ 2,000.00	£ 43,300.00
Expenses	1st Quarter	2nd Quarter
Marketing	£ 900.00	£ 900.00
Rent	£ 12,000.00	£ 12,000.00
Utility Bills	£ 4,500.00	£ 4,500.00
Maintenance	£ 1,200.00	£ 1,200.00
Insurance	£ 5,000.00	£ 5,000.00
General Expenses	£ 3,000.00	£ 3,000.00
Food & Beverage	£ 15,300.00	£ 32,500.00
Total Expenses	£ 43,900.00	£ 59,100.00
Net Income Before Tax	£ 2,000.00	£ 38,400.00
Net income After Tax	£ 1,600.00	£ 30,720.00
Net Profit	£ 1,600.00	£ 30,720.00

For our business we divided the year in quarters and the above chart shows the first two quarters of the year 2021. Even in the first quarter we achieve just a little amount of net profit, but in the second one there is an increment of £29,120.00, this shows that we improve the marketing of the company with some changes and the business get this big amount of profit during this period of the year. If we keep doing well at the of the closing year our prospective is to arrive over £80,000.00 pound of net profit from the company.

10.5. Balance Sheet

The term balance sheet refers to a financial statement that reports a company's assets, liabilities, and shareholder equity. Provide the structure of the company in what as invest into the company

and how much money as to spend. In short, it's what the company owns. Balance sheets can be used with other important financial statements to conduct fundamental analysis (Fernando 2022).

Assets		Liabilities	
Cash	£ 60,000.00	Notes payable	£ 20,000.00
		Account payable	£ 60,000.00
Inventory	£ 6,000.00	Interest payable	£ 13,640.00
Supplies	£ 6,000.00	Taxes payable	£ 59,760.00
Insurance	£ 10,000.00	Total liabilities	£ 153,400.00
Rent	£ 24,000.00		
Equipment	£ 2,400.00		
Utility bills	£ 9,000.00		
General expensive	£ 6,000.00		
Total assets	£ 153,400.00		

Above it's our balance sheet over the last 6 months of the year 2021.

In the assets we find all the money we spent for inventory, fix cost that we had in the past 6 months of the company. In the liabilities we have all the cash available for the company in notes also money in account and other investments, if we have.

As shows above the total assets and the total liabilities is in perfect balance, with the same amount of money. This statement it's the summary and structure of our business and give us a good company that has good assets and liabilities that ensure that all the expenses are paid or in process but are already counted on the finances of our company.

11. Conclusion

In conclusion of our business plan, we make a point to understand all the roles and all the details we need to be fully focused on the business and how important it is to have a good plan to succeed. We understand how important it is to have good team members, where everyone is focusing on different roles and having a good communication and trust. This, will bring you to achieve your result.

We believe that if we stay focused in our goal and everyone does the duty for the business, we can count on each other and achieve the goals we have in common from when we start. Thanks to this restaurant, we could open up the market to something different. We might be able to involve not only London, but we could expand our culture and way of seeing our food to the world.

We hope that also the rest the world will love our food, to go a bit further than our competitors and be recognized as proper brand.

For the next five years we will be focusing on keep finding new ways of creating and elaborating our food and products. We think that we will achieve after five years our first million on sales revenue. This, will give us courage and motivation, showing that with hard work the business can evolve and stay competitive. Together with a strong marketing strategy, our development and improvement will continue. So we could finally expand our brand with more restaurant around the world.

12. Appendix



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Managing Enterprise in the 21st Century – BMSW4006



A TASTE OF ITALY

AUTHENTIC ITALIAN RESTAURANT

A Taste of Italy

Marco Gizzi (2117750)
Luigi Testaguzza (2120829)
Davide Ambrosiani (2117749)

Lecturer: Mushfiqur Rahman

15th August 2022

Trawsnewid Addysg; Trawsnewid Bywydau
Transforming Education; Transforming Lives

28/08/2022


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Introduction

We are 3 friends that decided to open an authentic Mediterranean food restaurant based in London, providing to the consumer a memorable experiences with different tastes of Italy.

We are responsible for the business structure and subdivided in 3 section: Luigi for the marketing, Davide for the financial and Marco for the business's organization.

Our background come from the hospitality sector. Our team can manage different business's departments . We want to spread our culinary traditions all around the world.

Business Description and History

We open our business to give the best result of Italian product in all the variation possible.

Our history is that we are a group of friends meet occasionally in different conference and decide together to use our knowledge to open a restaurant that will match our ideas of hospitality.

(Yelp, 2022)

Aim and Objectives

The **Aim** of our business is to reach new consumer and make our product more visible in the world market.

The objective we are looking for.....

1. To reach consumers from all different ages.
2. To expand our culture around the world.
3. To prepare new methods for our food.
4. To give memorable experience for our food.
5. To expand our business with more restaurant.

(Yelp, 2022)

Mission and Vision

We strive to serve Londoners authentic Italian cuisine. We consistently deliver wholesome, fresh meals thanks to our seasonal menu, which was developed using the finest Italian ingredients and locally obtained fresh ingredients. We also suggest a different, unique pizza dough.

Our vision is:

- Expand the business in other countries
- Build a brand which is going to represent the Italian cuisine in the world
- Find local suppliers to have the best products to be focused on serving the best quality food
- Supporting local communities and fund raising for no profit organizations (homeless, etc..)
- Make sure to have a professional team by providing tools for the work and daily trainings.

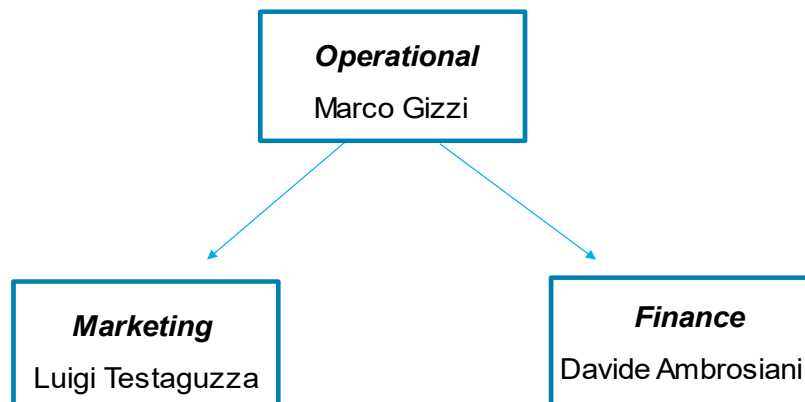
(Yelp, 2022)

Legal Requirements to start a business

- **Food business registration**
 - **Alcohol license**
 - **Pavement license**
 - **Liability insurance**
 - **The Music License**

(Jarvis, 2022)

Business Structure



(O'Reilly, 2022)

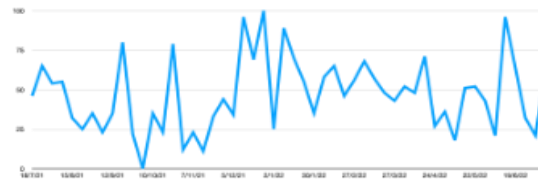
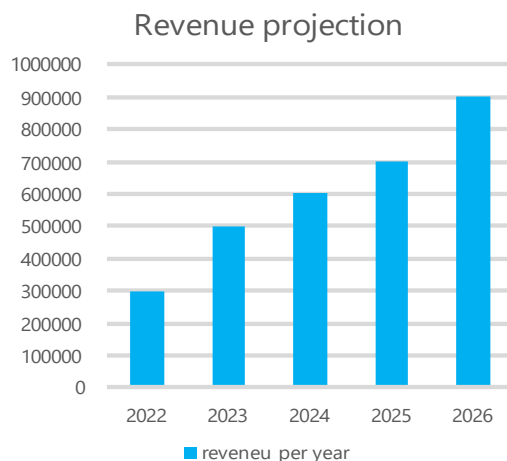
Product or Service Description

With our special pizza dough, we can deliver a very different product compared to the normal pizza most of our competitors are serving. Starting from the shape which is not round, but it has an oval shape, this special pizza dough stands from the other thanks to its friability, crunchy outside and soft inside, and the natural leavening of 48 hours (about 2 days) makes it a high digestible food.

We based our menu on fresh seasonal products sourced from local farms combined with finest Italian products in order to create authentic and healthy meals for our customers.

(Indeed Editorial Team, 2021)

Marketing Analysis and Trends



(Chart Italian cuisine Google Trends, 2022)

Marketing Analysis and Trends

About us: small business, Italian cuisine, seasonal menu, special pizza dough and locally sourced food

Market research

Customers:

- Age – 33 to 55
- Location - Shoreditch
- Income – 1800 to up to 3000 per month
- Gender – both females and males

What motivates our customers to come to our restaurant is:

- Lifestyle reason (healthy food)
- Fast service
- Locally sourced products
- Seasonal menu

Market Niche:

- Family-style
- Contemporary casual
- Casual dining
- Fast casual

Market Potential:

- Great positioning area
- The price of our products is placed in the middle end of the market

(Kuligowski, 2022)

SWOT Analysis

Strengths:

- High service level
- Professional staff
- Great customer experience is delivered
- Special offer/menu
- Unique dough of pizza
- Seasonal menu with locally sourced food.

Opportunities:

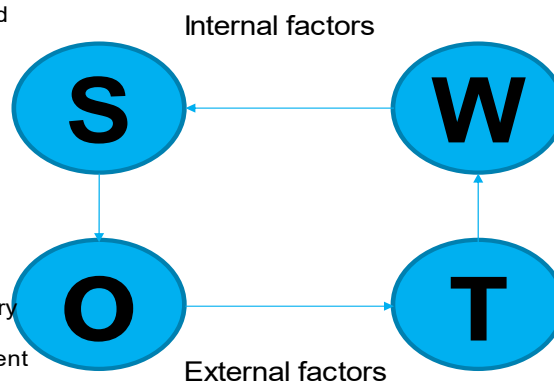
- Growing customers interest in healthy food
- Potential growth introducing food delivery app
- Build online engagement with our brand
- Relationship with online influencers

Weaknesses:

- Low brand awareness
- No website or app
- Difficult to import product
- Facing competition with established brand

Threats:

- Rising fixed costs
- Weakening supplier relationship
- Home delivery competitors
- Intensifying competition from other brand in the area



(Shaw, 2022)

PESTLE Analysis

(Pestle Analysis, 2022)

Political	• Resignation of the PM • Brexit limited the flow of Italians coming to the country • Problems to import Italian products
Economic	• Inflation rate in UK increased to 7% • This might cause the rising of menus
Social	• People more aware on healthy food and planet friendly solutions • Our special dough with high digestibility and seasonal menu
Technological	• Active social media marketing • Improved Wi-Fi in the store
Legal	• Business registered with HMRC • Staff must have the right work in the country • Employees must have a written contract including benefits. • Pension scheme • Health and safety
Environmental	• Solar panels • Locally sourced food • Zero waste menu

Operations

The business operates in functions.

Marco will be the operational of the restaurant:

- Production of service
- Buy raw materials
- Control of quality

Davide will cover the financial side of the business:

- Raising finance
- Preparing budget
- Preparing final accounts

Marketing will be managed by Luigi. He will be responsible for:

Marketing

- Advertising
- Market research
- Promotion
- Selling products

(O'Reilly, 2022)

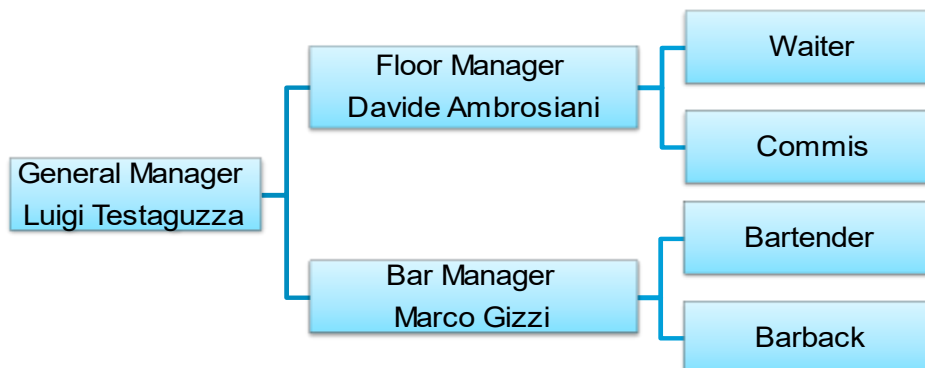
Technology Plan

Technologies are important for a business and allow an organized and a smarter approach to the operation. We'll introduce in our business are the following

- Online ordering system
- Online stock management
- Customers services review online
- Contactless payments
- Printers
- Cash drawer

Management and Organization

The owners will cover management positions at first to avoid any additional staffing cost.



Social Responsibility and Sustainability

We want to help our community by implanting a discount of the 20% on the entire menu on Tuesday.

All organic waste will be sent to farms and used to feed animal or plants.

Selling our ready-to-eat products with 50% discount, when those items are expiring on the day.

Development, Milestone, and Exit plan

Development Plan

The focus will be to train our staff to the point that they will overtake some of our duties allowing us to focus on the growth of the business.

Milestones Plan

A Taste of Italy aims to be an important part for the hospitality sector by providing a memorable customer experience where the consumer can taste the real meaning of Italian food.

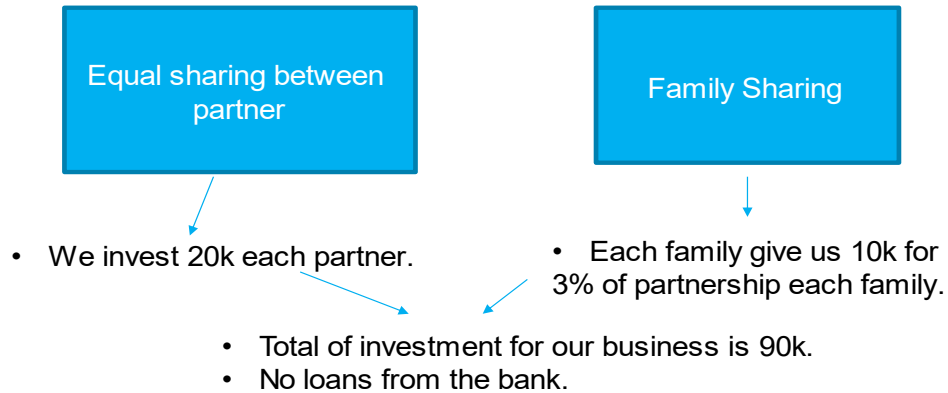
Exit Plan

If must declare failure, the owners will share the dept's costs and pay back the suppliers. It will focus to on selling Italian handmade food products to supermarkets or privates.

(Markovitz, 2018)

Financial Data

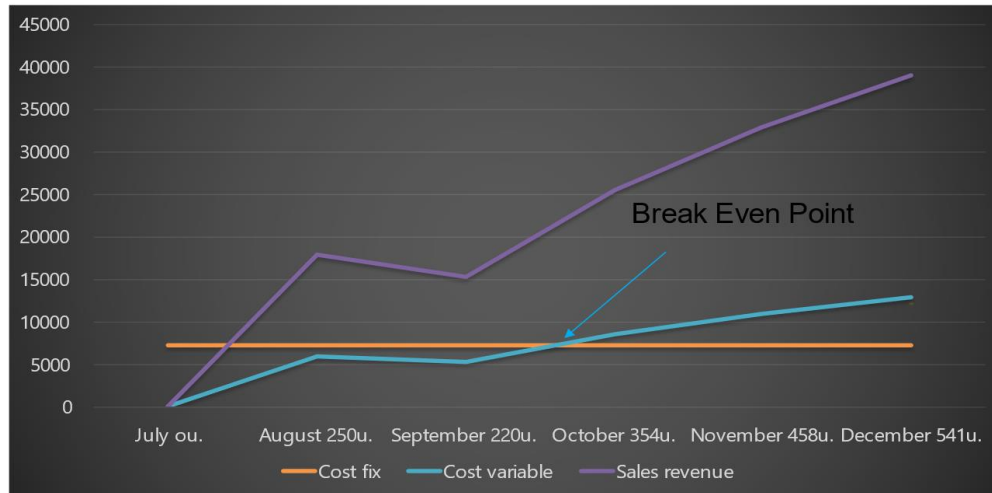
THE FINANCIAL FROM OUR BUSINESS ARE



Profit and Loss Account

Month	Fix Cost	Var. Cost	Tot. Cost	Sales Revenue	Profit/Loss
July 0u.	£7,200.00	£ 0	£7,200.00	£ 0	£ - 7200
August 250 u.	£7,200.00	£ 6,000.00	£13,200.00	£ 18,000.00	£ 5,800.00
September 220u.	£7,200.00	£ 5,300.00	£12,500.00	£ 15,900.00	£ 3,400.00
October 354u.	£7,200.00	£ 8,500.00	£15,700.00	£ 25,500.00	£ 9,300.00
November 458u.	£7,200.00	£11,000.00	£18,300.00	£ 33,000.00	£ 14,700.00
December 541u.	£7,200.00	£13,000.00	£20,200.00	£ 39,000.00	£ 18,800.00

Break Even Analysis



Cash Flow Statement

Cash statement JulyDecember 2021		Outcome July Dec. 2021	
Net income	£ 31,120.00	Total outcome	£87,000.00
Operating Activities		Rent	£24,000.00
Inventory Use	£ 46,000.00	marketing	£ 1,800.00
Account Payable	£ 60,000.00	utility bills	£ 9,000.00
Others	£ 2,400.00	General expenses	£ 6,000.00
Total Cash Operating	£ 103,400.00	Maintenances	£ 2,400.00
Investing Activities		F.B.	£43,800.00
Start Inventory	£ 14,000.00		
Marketing	£ 1,800.00		
Total Investing Cash.	£ 15,800.00		
Financial Activities			
Sharing Equity	£ 60,000.00		
Investors	£ 30,000.00		
Insurance	£ 10,000.00		
Total Financial Cash	£ 100,000.00		

(Furhmann, 2021)

Income Statement

Income statement for year 2022		
Income	1st Quarter	2nd Quarter
Gross Sales	£ 45,900.00	£ 97,500.00
Net Sales	£ 27,540.00	£ 58,500.00
Gross Profit	£ 2,000.00	£ 43,300.00
Expenses	1st Quarter	2nd Quarter
Marketing	£ 900.00	£ 900.00
Rent	£ 12,000.00	£ 12,000.00
Utility Bills	£ 4,500.00	£ 4,500.00
Maintenance	£ 1,200.00	£ 1,200.00
Insurance	£ 5,000.00	£ 5,000.00
General Expenses	£ 3,000.00	£ 3,000.00
Food & Beverage	£ 15,300.00	£ 32,500.00
Total Expenses	£ 43,900.00	£ 59,100.00
Net Income Before Tax	£ 2,000.00	£ 38,400.00
Net income After Tax	£ 1600	£ 30,720.00
Net Profit	£ 1600	£ 30,720.00

(Kenton, 2022)

Balance Sheet

Assets		Liabilities	
Cash	£ 90,000.00	Notes payable	£ 20,000.00
		Account payable	£ 60,000.00
Inventory	£ 6,000.00	Interest payable	£ 13,640.00
Supplies	£ 6,000.00	Taxes payable	£ 59,760.00
Insurance	£ 10,000.00	Total liabilities	£ 153,400.00
Rent	£ 24,000.00		
Equipment	£ 2,400.00		
Utility bills	£ 9,000.00		
General expensive	£ 6,000.00		
Total assets	£ 153,400.00		

(Kenton, 2022)

Conclusion

During courses and studies, we are understanding the important values of marketing, operating and financial activities.

We understood the values of having good partner that are fully engage with the business and how important is to have all the rules cover.

After the reported analysis, the business shows to possess exceptional chance on the market.

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Thank you!

Any Question?

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