

Written ReportBusiness Plan

by Petar Artyuhov

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Student name: PETAR ARTYUHOV

Student ID: 2123090

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Lecturer: David Jenkins

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1. Introduction

A start-up business is referred to as a newly introduced business that is typically placed ¹⁶ in the early stages of development. New venture creation pursues innovative ideas that allow it to connect with high potential (Taylor *et al.* 2019). Start-up businesses often deal with original products and the use of new technologies as well as concepts. New business development is highly conscious about dynamic growth and development that can significantly contribute to evolving industries. The aim of this report is to provide a new business idea in the field of food service. Moreover, this report will provide details of the target market in the UK, including marketing strategies for the new venture.

2. Overview of the business idea, products and services

The name of the company will be SpiceFusion. It will be a fast-food company that mainly offers its products online. Specifically, this company will offer Indian-Pizza Fusion, Thai-Mexican Fusion, Italian-Indian Fusion as well as Vietnamese-French Fusion. SpiceFusion will be the UK-based fusion food delivery company that primarily serves the UK people. Prior to this, SpiceFusion will be widely focused on people's preference for fusion food items, including the use of Tandoori chicken, vegetables and Indian spices on Pizza, which will be the main attraction of this company. ¹² As per the report of 2020/2021, an average of 88 grams of pizza is consumed per person per week in the UK (Wunsch, 2023). Not only this, SpiceFusion intends to establish its business with an online process based on pick-up and delivery. They will enable app-based delivery systems to reach distant areas and meet customer satisfaction. Apart from this, fusion products will be based on sushi rice, herbs sauces, and Tacos, as well as use toppings. Moreover, Indian Spices or seasonings will be the prime essence generator of SpiceFusion's food items that make their products more delicious.

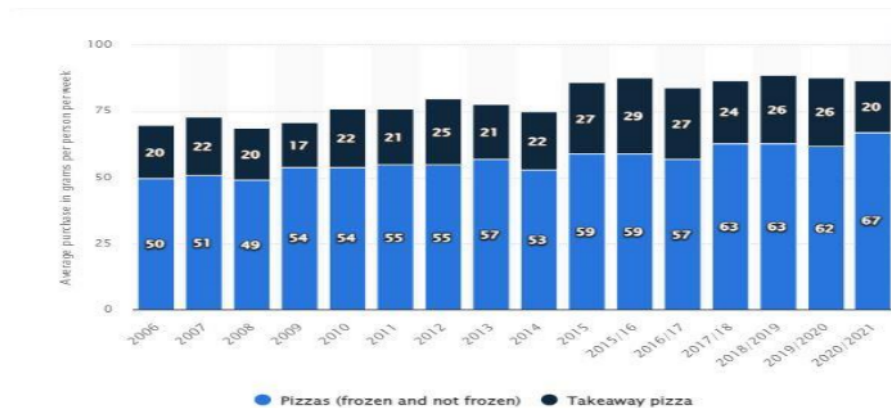


Figure 1: Average rate of purchase of pizza per person per week in the UK
(Source: Wunsch, 2023)

3. Legal format of the start-up company

For this reason, the advantages and disadvantages of the legal structures need to be analysed.

Legal structures	Advantages	Disadvantages
Private company	• Separate legal entity • Control over ownership	• Limited access to capital • Difficulty in attracting talents
Limited liability partnership	• Flexibility of income decision	• No perpetual existence
Sole proprietorship	• Owns all profits • Start-up cost is low • Privacy level is maximum	• May be unable to retain high-calibre employees

Table 1: Advantages and disadvantages

(Source: Self-created)

SpiceFusion will be based on sole proprietorship as a legal entity allowing it to operate a business with certain activities or functions. As opined by Khurana *et al.* (2020), the sole proprietorship is

one of the simple legal formats of business where an individual is responsible for all aspects. With this respect, the start-up company SpiceFusion will be based on the alignment of business partners to gain support from service delivery. On the contrary, sole proprietorship enables firms to deal with direct profit retention in terms of facilitating business opportunities. Most importantly, a cost-effective business structure can be developed by SpiceFusion to achieve high profits. In the UK, 20% of total income has to be paid by Spice Fusion as per the legal taxation format (Taxoo, 2023). Moreover, flexible taxation can be the core opportunity for SpiceFusion to develop its business as a start-up in the UK.

4. Management of the company

SpiceFusion will be a sole proprietorship company that will mainly focus on building its management with a centralised form. Prior to this, SpiceFusion managed its operation as per ownership control before the influence of the hierarchical system. In words of Hrabal *et al.* (2021), a centralised management structure indicates the owner has complete control over staff and others to manipulate business activities to reach the level of competence. Considering this, it can be highlighted that the owner will be responsible for developing a strategic plan, raw material sourcing, menu selection, financial management, marketing, and sales generation. The centralised organisational structure will be suitable for the company to be supervised by the owner and it will enhance the centrality of business functions.

On the other hand, SpiceFusion will initiate its operation with 10-12 employees as per requirements. Specifically, the cook and helping hands will play a key role in managing operations flawlessly. Employees will be focused on preparing dishes as per orders, and the distribution partners will help to deliver them to the customer. According to Pascoe (2022), employee support is necessary for maintaining relations between Kitchen staff, delivery partners and overall administrations to maintain goodwill. The authority will follow the participative leadership style which will be beneficial to encourage manpower base for better productivity. In this regard, they may be a higher professional chef, finance management and partnering with reputed delivery companies to gain expert support. In the words of Derval (2023), a professional chef can help to include numerous fusion items as per their expertise that can allow firms to grow sustainably. Therefore, a centralised management structure can help SpiceFusion manage and control all business operations activities.

5. ¹Target market and marketing strategies the company will adopt to reach their customers

In the case of analysing target markets, market segmentation concepts have been applied to identify target customers.

Segmentation

<i>Demographic</i>	- SpiceFusion will mainly target young aged customers between 18-30 - Low-medium and high-income group
<i>Behavioural</i>	- Price sensitive customers - Online-order preferences
<i>Psychographic</i>	- Food enthusiasts. - Cultural explorer - Fusion food lovers
<i>Geographic</i>	Urban and metropolitan cities in the UK

Table 1: Market Segmentation of SpiceFusion

(Source: Self-developed)

Targeting: In this context, SpiceFusion will mainly target Generation Z and millennial customers as they are likely to purchase and eat pizza at least once a week. Not only this, customers who are preferred to explore fusion food items will be more preferable for SpiceFusion to grow rationally in the target market. From the viewpoint of Hwang *et al.* (2021), food enthusiasts have highly preferred to taste new food items that feasibly grow the interest of new food delivery companies. With this, SpiceFusion can subsequently increase in the target market.

Positioning



Figure 1: Positioning map

(Source: Self-created)

In regard to analysing marketing strategies, the 4 P's of marketing strategies have been analysed in the case of SpiceFusion:

Product: SpiceFusion will offer fusion products such as Indian Pizza Fusion, Thai-Mexican Fusion, Italian-Indian Fusion as well as Vietnamese-French Fusion. Specifically, they will provide pizza as their primary product to attract target audiences.

Price: For this, they will apply an *affordable pricing strategy* to run their business initially to retain customer satisfaction. As opined by McGrath *et al.* (2021), a reasonable pricing strategy is helpful in convincing customers to pay for quality products and contributes to sales demands.

Place: Digital platforms will be used for marketing, as SpiceFusion will be focused on offering products via apps. SpiceFusion will develop an online distribution network to manage its business processes and operate effectively.

Promotion: In case of advertising, ¹⁴ social media platforms such as Facebook, Instagram and Websites will be developed by SpiceFusion. Most importantly, YouTube content creators will be assigned by SpiceFusion for promotion and the *content marketing* will enhance the company's reputation.

6. Use of social media & Website to promote the company product or service

SpiceFusion will use social media and websites to promote its fusion products and influence online delivery services. For this, they will create a page on social media by using the company's name and raising awareness through the links to follow their pages. After that, images of food items and short video clips will be uploaded by SpiceFusion to attract people and follow their page. Different taglines such as "Healthy Pizza", "Pizza with Indian condiments fusion", and others can be used by SpiceFusion to promote their products. As studied by Wibowo *et al.* (2020), social media is playing a pivotal role in promoting products to reach a wide range of customers. Not only this, Instagram reels can be utilised by the company in case of launching new products that can easily allow them to gain positive responses from audiences. With this, comments and shares will be used as a market reach response of SpiceFusion to promote their products in the target market. On the other hand, the websites of SpiceFusion will be easier to access as they will be developed based on a user-friendly concept. As opined by Solem *et al.* (2023), the website is helpful in providing product information to the target customers and helps ensure seamless business connections. Moreover, High-quality content such as videos, images and other related items will also be easily uploaded to the web pages of SpiceFusion, which can immensely be effective in attracting customers. Apart from this, using reviews and different testimonials will be widely effective in encouraging people to think rationally and allow them to refer others to purchase from SpiceFusion.

7. Evaluation of the business idea

Prior to evaluating the business idea, the SWOT analysis model was applied in the context of the start-up business SpiceFusion in the UK.

<i>Strengths</i>	<i>Weaknesses</i>
• An innovative business idea • Use of healthy leadership to maintain constant service • Good amount of investment • New products portfolio as fusion products such as Indian Pizza fusion.	• Lack of knowledge about market demands • Extreme reliance on debts or loans. • Limited financial and human capital.
<i>Opportunities</i>	<i>Threats</i>
• Demand for fusion food products is increasing rapidly. • Growth of just-in-time delivery technology. • Low taxation gives an effective opportunity to SpiceFusion in the UK market.	• Threats from other competitors in the UK in online food delivery will lead to a threat to SpiceFusion. • Extreme reliance on food fusion concepts can lead to a threat to them.

Table 2: SWOT analysis

(Source: Self-developed)

From this, it can be analysed that food fusion business ideas of SpiceFusion can be widely appreciated as it enables them to attract young customers and generate sales. In this context, expert skills and advice will have to be granted by SpiceFusion to deliver unique products with unique platters that can influence customers to purchase again and refer others. On the other hand, a lack of knowledge about products needed in the current market can be a crucial weakness for firms (Vissak *et al.*, 2020). Not only this, the Growth of just-in-time delivery systems based on the technology will be an opportunity for SpiceFusion to promote its business in the UK market. Moreover, SpiceFusion's competitors can be Franco Manca, easyPizza and Prezzo, which can threaten SpiceFusion in the UK market.

8. Cash flow forecast for the first 12 months

SpiceFusion		
Cash Flow Statement		
	For the Year Ending	31-12-2023
	Cash at Beginning of Year	25,000
Operations		
Cash receipts from		
	Customers	5,05,200
	Other Operations	
Cash paid for		
	Inventory purchases	-14,000
	General operating and administrative expenses	-52,000
	Wage expenses	-15,000
	Interest	-13,500
	Income taxes	-32,500
Net Cash Flow from Operations		3,78,200
Investing Activities		
Cash receipts from		
	Sale of property and equipment	20,000
	Collection of principal on loans	10,000
	Sale of investment securities	7,000
Cash paid for		
	Purchase of property and equipment	-35,000
	Making loans to other entities	18,000
	Purchase of investment securities	15,000
Net Cash Flow from Investing Activities		35,000
Financing Activities		
Cash receipts from		
	Issuance of stock	3,500
	Borrowing	5,000
Cash paid for		
	Repurchase of stock (treasury stock)	
	Repayment of loans	6,000
	Dividends	10,500
Net Cash Flow from Financing Activities		25,000
Net Increase in Cash		4,38,200
Cash at End of Year		4,63,200

3-Year Cash Flow

	For the Year Ending	31-12-2020	31-12-2020	31-12-2021
	Cash at Beginning of Year	15,700	3,65,400	4,22,450
	Cash at End of Year	3,65,400	4,22,450	7,40,745
Operations				
	2020	2021	2022	
Cash receipts from				
Customers	7,05,000	7,60,020	7,38,772	
Other operations				
Cash paid for				
Inventory purchases	-2,64,000	-2,50,400	-3,19,440	
General operating and administrative expenses	-1,00,000	-1,23,200	-1,35,520	
Wage expenses	-1,23,000	-1,35,300	-1,38,830	
Interest	-13,500	-14,850	-11,035	
Income taxes	-32,800	-36,080	-39,688	
Net Cash Flow from Operations	1,71,700	2,00,190	94,259	
Investing Activities				
Cash receipts from				
Sale of property and equipment	3,40,000	35,060	4,20,056	
Collection of principal on loans				
Sale of investment securities				
Cash paid for				
Purchase of property and equipment	-75,000	-82,500	-90,750	
Making loans to other entities				
Purchase of investment securities				
Net Cash Flow from Investing Activities	2,65,000	-47,440	3,29,306	
Financing Activities				
Cash receipts from				
Issuance of stock				
Borrowing				
Cash paid for				
Repurchase of stock (treasury stock)				
Repayment of loans	-34,000	-37,400	-41,140	
Dividends	-53,000	-58,300	-64,130	
Net Cash Flow from Financing Activities	-87,000	-95,700	-1,05,270	
Net Cash Flow	3,49,700	57,050	3,18,295	

Table 3: Cash flow chart of SpiceFusion

(Source: Self-developed)

Based on this table, it can be stated that cash flow management of the new business is essential; otherwise, financial turmoil can be persistent (Khan, 2022). In this consensus, SpiceFusion will have to be focused on maintaining its opening balance to gain high profits after closing. As per the preliminary investment of SpiceFusion, it can be stated that £25000 will be its overall budget for business development. After a monthly increase, it can be reached £50000 in 12 months. Therefore, SpiceFusion will get high-end financial support in case of proper planning and implementation.

9. Conclusion

Thus, it can be concluded that the new business idea of SpiceFusion will be based on fusion pizza delivery in the UK market. In this context, it can be stated that Indian Pizza Fusion will be the main product of SpiceFusion. For this, an affordable pricing strategy will be applied to satisfy their target customers between the age group of 18-30 years. SpiceFusion will use social media platforms and websites in the segment of promoting products in the target market. Moreover, it can be highlighted that SpiceFusion will utilise £25000 amounts concerning start-up investment that will not be exceeded.

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