

Business Proposal

Name of business - Alibaba's Burger N' Bite

Business owners - Partnership 50% share each

Mission statement - To create an enjoyable experience for everyone. To prepare and cook fusion food, fried the right way.

A mission/vision statement though consist of a few sentences can express the fundamentals of the business and attract customers by defining the restaurant's vision and values. By including dining experiences in the mission statement will ensure the business appeal to consumers (ApplInstitute, 2022).

Aims and Objectives of Business - The business aims to adhere to the following:

- To serve homemade gourmet burgers and fried chicken
- To create a friendly and family-oriented ambience
- To operate hygienically, well organised, and create a warm welcome restaurant
- Fresh food priced at affordable prices
- To provide a reliable delivery service
- To attract customers and create a loyal customer base.

(Tutorialspoint, 2021).

Introduction

The rationale comes after we spotted a gap in the market for halal gourmet burgers and fried chicken. We have decided to cater to the needs of the local community of Swansea which according to Stats Wales (2021) recorded the population of Black and Asian community to be of 15,500 residents. We will incorporate the 7 P's into the marketing ideas and the business plan. To create a story like Nando's (2021), the birth of Alibaba's will be in Swansea on St Helens Road which is the heart of the mixtures of cultures and flavours from around the globe. The concept is to integrate Asian flavours with British food, by adding twists such as the Bangladeshi signature Naga chilli which will create innovative food to the local community while using only locally sourced and freshly produced Welsh lamb and poultry to produce mouth-watering burgers

and fried chicken. There are a couple of local competitors which is good as it proves that there is a demand for gourmet burgers in the vicinity. There is always an influx of foreign students from the Middle East and South Asia annually. Plenty of scope to offer a delivery service with so many student apartments going up as there is a demand for students (Wales Online, 2021).

Product/Service

The business will be catering for Burger and fried chicken lovers with a twist of Bangladeshi style spices from the American model of smash burgers. We will aim to reinvent the American style gourmet burgers, by using fresh ingredients by preparing freshly made patties to order like Hardees who are famous for using their signature line of Thickburgers, which are cooked with 100% Black Angus beef patties (Hardees, 2020).

Marketing Activities

For a new business in such a highly competitive market correct marketing is crucial to survive, the marketing needs to be strong from the start to create a successful business (British business bank, 2021). Benefits of advertising are:

- It spreads the name
- Boosts sales
- Helps attract customers
- Grows the business reputation
- Helps reach target market

We will draw up a plan on how to reach our target market through advertising strategies. We will go through tried and tested methods such as newspapers, billboards, social media and cover a five-mile radius of leafletting through doors. Door to door leafletting can be rewarding in sales to drive up the business (Spotio, 2021). To verify the leafletting campaign has been successful we will add vouchers to the menu that can be redeemed in store or over phone or a food app. Flyers are a viable choice of marketing as they are a cheaper option to spread the word. Design them affectively with relevant information and get to the point which can be an advantage. Some other activities we might consider are:

- Sponsoring a local sports team
- Advertising in the local shops

- Community centres with discount for staff
- Competition and offers on social media
- Word of mouth
- Creating a questionnaire for customers to get feedback on how to improve.

The 7P's of Marketing Mix

- **Produce** – The food will be prepared freshly on the premise
- **Physical resources** – location will be on St Helens Road
- **Pricing** – pricing of food will include a profit margin
- **Promotions** – will include social media and leafleting
- **People** – quality of food and service from Alibaba's Burger N' Bite
- **Physical evidence** – collection of service and dining in and decoration to suit
- **Process** – cooking to order meals and fresh quality of food.

(Gandolf, 2022).

Market research Questionnaire

Market research is important to getting correct and relevant information for new business services or produce from research collected straight from future consumers. Market research will help businesses find their target market and help get helpful points of view and feedback from customers about their service and produce (Investopedia, 2021). Good market research helps the company make a better-informed decision and become an organised better service provider and some of the benefits are:

- It will helps strengthen the business
- It lessens the business investment risk
- Helps discover threats and potential opportunities
- Spotting the gap in the market
- It helps to find trends in the market
- Makes sure your ahead of the competition

(Turquoise, 2022).

From the market research we compiled regarding the importance of when ordering a takeaway 85% of people said the quality of food was important, so we need to ensure the quality of our produce is of high standard. We asked the question of what they would like to see on the menu with 56% response of people asking for meat-based burger and sourcing local produce which came back with 92% of consumers in favour, so it is important to search for locally sourced and prime cuts of meat and samples from local farmers. People would like regular discounts and promotional offers as results came back with 100% in favour of that, so we will introduce loyalty card stamps, collect an amount, and get a free burger meal and we will also offer percentages off certain amount spent online or in store. We asked what a reasonable price for gourmet burger meals is, 46% came back with the price range of £5-7. We need to make sure our prices are in line with our competitor or slightly cheaper to be competitive.

Physical Resources

The business will be brick based with the premise on St Helens Road Swansea city centre because it is very multicultural area with a variety of shops in the area. The physical resources will be used where the business will operate from (Study.com, 2022) to the daily running of the business to preparation of the food and take stock. The physical resource needed within the business are:

- Kitchen equipment, cookers, microwave, ovens, sinks
- Tableware, tables and chairs, cutlery
- Lighting and decoration.

We will also be using click-based resources via ordering online through the website, food apps and over the phone so food can be ordered to be ready to pick up or delivered to door connecting customers to restaurant and takeaway in vicinity.

One of the leading food apps in the marketplace is Just Eat making it easier for click based orders. The cost of the IT equipment to set up the click-based system charges an initial £699 to set up and 13-14% commission on sales.

Financial Resources

The two partners have a total of £100,000 to start the business from personal savings. There are also Welsh business grants available and are recommended. New business start-ups can access grants up to £10,000 (Banc, 2021). The preferred method of borrowing would be through SME from the Welsh government.

The cost of fixtures and fittings for shop are:

- Shop front labour and materials £5000/£6000 from AAI Swansea
- Signage £2500
- Rent £12000 annually
- Rates £6000 annually
- Business insurance £3000 includes public liability and buildings/contents
- 4 Tables and 16 chairs £2000 from Gwydr upholstery
- Cooker, Fryer, ovens, kitchen accessories £10000
- Canopy and extractor fan £7500
- Tiling walls, floors, and steel walls £7000
- Solicitor's fees £1500
- Marketing £5000

The running cost are:

- Accountant fees £4000 (annually)
- Stock weekly (drinks, poultry etc) £1500
- Staff wages (7 staff including 2 drivers) £2800 (total weekly)
- Gas £3500 (annually)
- Electricity £2500 (annually)
- Water £2000 (annually)
- Phone bill and broadband £1200 (annually)

Due the rise in energy prices from April 2022 and uncertainty in the economy after Covid some of these prices may vary. The price of electricity and gas has risen by Ofgem with a cap of 54% from April (British Gas, 2022).

Human Resources

The Human resources department usually referred as HR is responsible for the recruitment, hiring of employees within the larger organisation. HR is also in charge of creating and inserting policies within the company for guidance for

employees and to have a relationship between the company and staff. Having a good HR team is crucial to improving and maintaining a good morale in the business. Also, HR can scout the job market for additions to improve the team and keep them competitive. The HR team also deal with compensations and benefit employees by meeting the legal requirements (Tech Targets, 2022). As Alibaba's is a small business set up by two partners, we will take upon the responsibilities on dealing with HR part of the business. They will draw upon previous experience of running businesses and previous employment history within the industry. The previous experience includes owning their own successful and unsuccessful businesses in the catering industry. In working in the catering industry for almost 20 years they can use this experience to deal with difficulties and draw up a realistic business plan and forecast. This will help the partners decide which roles will suit which employees best. We will be hiring chefs, servers, and delivery drivers.

One of the partners has previous experience in working within the Assurance finance department (Assurance Accountancy, 2022) including some knowledge of marketing within Assurance who also deal with marketing firms we have insight in how marketing will help a new business venture. There will be certain responsibilities that are shared depending who is on duty. The buying of stock and ordering, checking the stock control and the sourcing of which companies deliver and are competitively priced and the quality of goods. Our aim is to use locally produced goods where available.

Business legal

The employees will receive insurance which cover liability cover in case of accidents occurring on the premise. The average cost of these start at £4.67 a month depending on terms and conditions. In a running business it is important to have correct level of legal cover in case of any proceedings against you from complaint so to safeguard your company it is important to have the right level of public liability cover with Hiscox, they cover you up to £10 million in legal cover (Hiscox, 2022).

Job Description

For the position of kitchen chef

The Job role will require 30 hour shifts per week, additional hour depending on trade, skills in preparing burgers, cutting fresh potatoes into chips, and prep of salads. Keeping workstations clean which adhere to the certificate in food hygiene. Competitive annual salary including benefits such as discounted meals for staff. Experience not essential but would be preferred and should have genuine passion for creating homemade burgers. Be willing to learn, develop and improve own skills, always being proactive and having effective communication skills. We are all about finding engaged staff, highly motivated, talented people to represent the brand that we want to build. We will be looking for employees to fill this position. Also, we will require a DBS check to make sure you are suitable for the role, Visa checks to make sure you have the right to work. The employees will be given a contract if their employment is longer than 6 months. We will meet the national minimum wage which stands at £8.91 per hour (Gov.Uk, 2022). The staff will be provided with insurance which will include liability cover for accidents.

SWOT Analysis

<u>Strengths</u>	<u>Weaknesses</u>
• Owners have 20 years' experience in the hospitality • Location in the heart of • array of fast-food eateries • Locally sourced produce • Competitively priced • The menu meets Halal dietary requirements • Social media advertising is free of cost • Owner operated lower operating cost • Cost effective menu	• Saturated market • Competitive market • Limited product mix • Easily copied business model • New to the market • Small premise compared to competitors • Established food business in area
<u>Opportunities</u>	<u>Threats</u>
• To become an established brand • Expansion opportunities	• Not being able to meet demands

• To enhance reputation • Market development • Quality service • Customers Disposable income • Loyalty cards • Delivery service and food app	• High staff turnover due to dissatisfaction of meeting staff needs • Healthy lifestyle trends • Imitation • New food places opening near by • Price increase of energy companies and food produce
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Strengths

One of the main strengths is the location of St Helens Road being in the heart of array of fast-food places. Information gathered from my questionnaire up to 53% of people either visit the street on a daily or weekly basis. Key aspect of the primary market research was the question of local sourced produce which came back in the favour 92% which was one of the main objectives of the company. Also, having a Halal menu and plant-based food was important to owners as it attracts another variety of customers with the market research coming back with figures for Halal food in favour of 62% and plant-based food at 19% which shows a growing market in peoples' eating habits. In 2020 plant-based food went into overdrive with it appearing in bakeries to pizza, lattes and, dirty burgers and even Mcdonalds indulged into the market adding a McPlant menu moving vegan menu to a side, as analysts did market research and forecasted plant-based food market to grow by 11.9% by 2027 and could be valued at more than \$70 billion dollars (Russell, 2022).

Opportunities

Expansion opportunities will be there if the company can build a good customer base and get local social media influencers to recommend products as growing market of influencer's brands teams up with them to grow their product to the target market. According to market research in 2020 showed that the budget for influencers grow by 65% in many business models (Big commerce, 2022). Loyalty card collecting 10 stamps by customers will be offered free products in return. Delivery service is a fast-growing market as people eating habits change with families preferring to eat at home.

Cashflow

12-MONTH CASH FLOW FORECAST



Alibaba's burger n bite

Key: These cells auto-calculate and are locked so you can't edit them. Insert your own text/numbers into these cells as relevant.

Select your starting month:

January

Cash in-flows	Description (as required)	Starting point	MONTHS												TOTAL
			January	February	March	April	May	June	July	August	September	October	November	December	
Value of your Start Up Loan		£10,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	£10,000
Other sources of cash or equity		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Existing assets for business purposes		£33,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£33,000
Expense for business	£57,000	£20,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£20,000
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total cash in-flows (A)		£63,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£63,000

Cash out-flows	Description (as required)	Starting point	MONTHS												TOTAL
			January	February	March	April	May	June	July	August	September	October	November	December	
Cost of sales		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Existing assets for business purposes		£33,000	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£33,000
Rent or premises costs		£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£12,000
Business rates for your business premises		£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£6,000
Utilities (gas, electricity, water)		£667	£667	£667	£667	£667	£667	£667	£667	£667	£667	£667	£667	£667	£8,004
Insurance		£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£250	£3,000
Telephone and internet		£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£1,200
Marketing and advertising expenses		£416	£416	£416	£416	£416	£416	£416	£416	£416	£416	£416	£416	£416	£5,000
Stock		£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£72,000
Equipment purchase or leasing		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Postage, printing, stationery		£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£24,000
Bank charges		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600
Professional fees (legal, accounting etc.)		£2,750	£2,750	£2,750	£2,750	£2,750	£2,750	£2,750	£2,750	£2,750	£2,750	£2,750	£2,750	£2,750	£33,000
Your salary (if PSB is in deficit)*		n/a	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Your salary (over and above your PSB needs)*		£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£2,000	£24,000
Staff costs		£11,200	£11,200	£11,200	£11,200	£11,200	£11,200	£11,200	£11,200	£11,200	£11,200	£11,200	£11,200	£11,200	£134,400
Start Up Loan monthly repayment*		£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£6,000
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Enter other		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total cash out-flows (B)		£80,433	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

Your net cash flow (A-B)	£2,567	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Your monthly opening business bank account balance	£33,000	£35,567	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Your closing cash position	£35,567	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

The cash flow chart highlights some of the goods being paid in advance. This is called prepayments such as paying for stock, rent in advance of three months, rates, building, contents and staff insurance and liabilities, gas and electric, water and telephone/internet from the above cashflow. A prepayment is like a deposit with set time to meet a payment date and deposit is usually part payment of a total owed. In some cases, like gas and electric are usually paid by estimate until reading of meter is taken (Sumup, 2011). Prepayment can help with budgeting more effectively (Look After My Bills, 2021). Prepayment can help a business understand how much profit it is making in any given month. Prepayments paid over several months can help spread the amount and in doing so will paint a more accurate picture on how the business is doing. Only the month the prepayment is made will be affected in profit margins (Go cardless, (2022)).

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