

Task 3: Detailed Business Report

Executive Summary

This report proposes opening a food truck business along with the mutual consent of the partners. The name as per discussion has been proposed as "Royal Hut on Wheels". The customers who cannot go for a royal treatment in higher class restaurants can enjoy the taste of the food in this food truck. The target customers are made aware of the availability of the fusion menu in the truck. Proper research has been done analysing the market scenario with tools like SWOT and PESTEL. On establishing the business various problems can come under both the external as well as the internal environment. This report has identified those problems with proper recommendations to overcome.

Introduction

A profitable concern which tells about a commercial activity comprises a business as soon as possible. In the 21st century, managing the employees is the main concern to make the business successfully. The employees should be physically fit and skilled to run the business operations. Partners sharing the same values with a good track record together click a business. Through the partnership, everyone is profitable, the partners as well as the customers. Through proper field research assessing the social issues, the partners can improve community relationships (Vanclay, 2020). The proposal for operating a business with partners will attract potential customers. Generating different ideas among the partners can make the business run smoothly. A detailed plan for the proposed business has been discussed in this report. The report also analyses the target market with tools like SWOT and PESTEL to find out its competitors. Social and economic responsibility has geared up the partnership in finding the alternatives of the products or services rendered (Silveira et al., 2018). The partners in the proposed business are communicative, mutually understanding and flexible to changes. The main objective of the business is to find out the secret to human feelings and emotions and thereby add spice to their daily routine life through efficient products or services.

Proposed Business Plan

The partners are proposing the idea of opening a food truck business named "Royal Hut on Wheels". The food proposed will have a fusion menu, a twist of sugar and spice. The food truck will be on wheels in the centre of the city, beside the park. Customer base selection will be based on the income strategy. The purpose of the business is to target the needs of lower and middle-income level customers. Customers always have the desire to go for new products and new services (Yoon and Chung, 2018). The place chosen for the business is well populated. People come to visit the park with their families, friends, be at the weekend or other days. Besides the park, the mall also attracts a lot of people of different cultures and earning groups, resulting in attracting more customers. Offices and other shops are also there in the mall where people come for work. They can avail the food prepared by the truck during lunchtime. Raw materials at a reasonable price will be procured from the wholesale market. Preparation of food will maintain good quality standards with proper packaging and also a reasonable pricing strategy. The partners will work as the leaders of their own business to retain the successful rate (Fahlevi et al., 2019).

Selection of the team

The partners are disciplined and passionate about starting the business. The team has a clear vision for the proposed business and will work together to define the business structure. This will help in elimination among the partners. To avoid complications and conflict, a working framework is to be maintained with proper delegation of responsibilities. No overlapping of roles is to be ensured. Software should be there which will help in new and innovative product development and selecting a market strategy (Soltani-Fesaghandis and Pooya, 2018). They are also combining our abilities to reach our proposed goal as soon as possible. Honesty and transparency are the two key points for working together. Any food chain business benefits when the team members are working together. It helps to build a good working environment and boost the morale of the partners. In turn, it will attract a pool of potential customers and improve profitability in the end. The perception of the team members may differ but will emphasize our end products and customers (Seriwatana and Charoensukmongkol, 2021). An excellent and passionate leader with good communication skills makes a good kitchen team and builds trust among each other.

Market Audit

A proper examination and analysis have been done to justify the marketing strategies and how effective they are in the external environment in the market. SWOT analysis tool to find out the strengths and weaknesses of a business proposal. Threats and opportunities are also identified, thereafter.

Strengths: The major strength is the determination to work devotedly and diligently giving the best. They can operate our business late on weekends in the location where generally most of the restaurants close by 10 p.m. For late-night parties, they can offer snacks to the customers.

Weaknesses: The absenteeism of any one member in emergencies can create a workload for the others. This may result in late delivery of food to the customers.

Opportunities: Our strengths and weaknesses of ours can be taken as opportunities to improve. Society can provide the areas of potential resources for the opportunities (Rutti et al., 2021).

Threats: The food truck can face challenges from the government and corporations for any legal constraints. Sometimes they can also face charges in the customer's trends. If the threats are identified, they can always make a plan for those issues.

PESTEL analysis has also been done to plan for the market audit. The various factors identified are:

Political: Government rules and regulations of taxes and tariffs may create a rise in the pricing strategy.

Economical: The business can be successful when they have a clear understanding of the needs of customers and how much they can afford the services.

Social: Although the business will provide comfort foods to the customers, they will also arrange food for needy people at times. The partners will try to cater food free of cost to government awareness programmes. Going beyond the purpose, they will go for mandatory inspections of the food quality that will not harm society (Borraz et al, 2022).

Technological: They will use different technologies to promote business-like advertising on social platforms. Slowly, they will develop an app for the delivery of foods within a limited distance.

Environmental: Proper maintenance of garbage and waste products will be arranged to make everything environment friendly.

Legal: They will abide by the legal rules and regulations from the local government.

Financial Plan

The business also has a proposal for the financial plan of the business of food truck. Acquiring trucks generally cost between £5,000 and £8,000, so it's better to take a truck on a lease, which will cost around £2500. But if the business clicks they can afford the truck. The cost of procurement of raw materials will be around £9,000 and with other necessary items like dishes, packaging it will rise to £15,000. With the inventory storage, the cost will incur around £10,000. So, it is clear if the business partners can get the grant, it will be within their budget, resulting in some excess amount which they can use in decorating the truck and invest in other promotional activities.

Problems with the plan

Even after they come up with a valid business proposal for a food truck, there is a still long road frontwards in making the business successful. The food truck business running is not a nine to five job with expected holidays may be at the weekend. A significant amount of personal time will invest in business operations. Various problems can be faced by the business while establishing the food truck business. Some of the problems identified are:

- **Permits and rules:** the place where they are proposing the parking of their food truck is happening. There is a need for various permits required to run the truck. No permission from the health department with proper food safety measures can disrupt the business.

The license for the truck with the seller's permit can only make sure the truck is authorised properly.

- Location constraints: overall location selected may seem to be too fruitful but they are subject to some constraints. It is quite difficult to mark their presence in that locality as there are several other food trucks are also present.
- Inventory: Inability to acquire the raw materials and other equipment through an established supply chain may affect their business operations. They may face difficulty in managing the inventory (Kittipanya-Ngam and Tan, 2020). Inadequate space for storage in bulk creates a hindrance in acquiring materials in time.
- Menu: They will always try to make the customers happy. However, some menus may create a problem in preparing when the customers will have no time to wait. That particular menu can require a lot of raw materials also creating a greater cost for our business.
- Limited workforce: Since only five people are working initially, it may be time taking to cater to customer needs. Taking care of the supply chain, inventory, cooking, delivering, serving and marketing requires a lot of workforce. They may face a burden of work with varied responsibilities.
- Inefficiency in the kitchen: They are thinking at present that a small kitchen could satisfy the customers. Mismanagement of the waste generated hinders the ability for long-term sustainability (Facchini et al., 2018). More efforts are required by them to save time and money in the kitchen.
- Lack of discipline and coordination and proper planning among us may sometimes be the reason for failure. Poor marketing and sales strategy may hamper prospects in business operations.

Recommendations

They can eradicate the problems with the proposed recommendations:

- To eradicate the confusion for permits and regulations, they are going to talk with the other local truck owners. The proposal for the food truck business should be placed to the seller in such a valid way, that the seller gives the licence required. They will show quality checked products and equipment to the food and health department to ensure safety measures.

- They need to make sure about our market beforehand. They can lease a spot for parking and arrange for some sitting or waiting areas by side. The challenge for the selection of location can be solved with the proper market survey.
- The food supply or the supply of raw materials should be well connected. They can arrange for the storage space in the nearby garage or at their homes so that when they will come for the truck, they can easily make them available. They will try for less cost incurring measures. They will balance the food waste eco-system (Baron et al., 2018).
- They are focusing on the short menu instead of going for a big menu like a meal. In this manner, they can solve the problem of taking more time to deliver food.
- They are confident enough to carry out the multiple responsibilities in running the business. The motto is also to improve efficiency in the kitchen that saves both time and money. An appropriate commercialised kitchen can solve the problem of inefficiency in the kitchen.
- Identification of support mechanisms in the food business by overcoming the safety standards of food and water can save the business in need (Evans et al, 2022).
- Extensive market research will be done by them to find out the emerging trend of the food they have decided on the menu. Uncovering several questions will help them to make efficient strategic decisions.
- They have decided to create a fusion menu that is not available in any trucks in that area. Menus like chicken pizza with a twisted topping of chicken kebab in Middle-East style can attract a pool of customers.
- A list of the necessary supplies like utensils, gloves, dishes, containers and others will be prepared by them at the onset of every week.
- Buying a new truck may not be cost-effective. Rather they will lease a truck in the first case. Later on, on prospering, they will buy our truck.

Conclusion

The report can be concluded on the note that the proposed business plan can be made successful by maintaining proper rules and regulations. They will always be determined and confident enough to carry out all the duties and responsibilities with total dedication. The food truck nowadays is a profitable business though it requires a lot of investment and market survey to know the tastes preferences of the customers. The study of the market through the SWOT and PESTEL analysis bring about the different barriers for establishing the business within the external as well as internal environment. They will offer quality food at a minimum price for

lower and middle-income level people. A successful food truck business brings high revenue to them. They will create a brand image for us by building trust with the customers. They are going to do give customers freshly prepared cooked food without keeping them waiting for long. They are also keeping provisions for pre-booking slots for bulk orders. The weaknesses are identified, so it is easy to make them their strength and grab opportunities from the competitive market. Proper environmental studies enabled them to understand the marketing constraints in the outside world where there are numerous competitors and no place to play a monopoly business.

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