

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

Business plan for a restaurant in a selected city of Russia

Maksim Poptcov

© 2018 CULS Prague

1. Summary

This thesis considers the theoretical teachings, based on scientific literature, as well as a business plan for a new public catering enterprise in the practical part of the work, based on the theory described.

The theoretical part describes the basic knowledge associated with writing a business plan, its structure, as well as the various situations that arise in the process of its development.

The practical part describes the developed business plan for gastropub "Creed", based on the teachings described in the theoretical part. The practical part gives a clear vision of the whole picture of the business plan, namely its operational, marketing and financial aspects.

In the course of practical work, various methods of analysis, comparison and forecasting, such as SWOT analysis, NPV analysis, market analysis, competitive analysis, cash flow analysis, balance sheet analysis, breakeven analysis were used.

These results indicate that the restaurant's payback period is from one to two years.

Keywords: Business plan, restaurant, marketing plan, organizational plan, financial plan, services, customers.

2. Objectives

The purpose of this thesis is the correct development of a business plan for the creation of a public catering establishment and evaluation of its effectiveness, the study of its main theoretical knowledge based on extensive lists of literature, and practical aspects of drafting a business plan in general and in the field of hospitality (restaurant business plan).

To achieve this goal, it is necessary to solve the following main objectives:

1. Investigate and write out the main theoretical questions arising in the preparation of a business plan;
2. Study the structure of the business plan, the procedure for recording the costs of its development;
3. Create a business plan for the restaurant "Creed";
4. Describe operational and marketing plans in detail;
5. Analyse the main financial indicators of the enterprise and draw appropriate conclusions about the results of its work;

The object of the research is the "Creed" gastropub, which is being created.

The subject of the study is the development of a business plan for LLC “Creed” to establish a catering facility in Orenburg.

3. Methodology

The work uses methods of financial, economic and strategic analysis, comparison.

In the operating part of the diploma, a method such as SWOT analysis is used to assess the current situation and future business prospects, the main task of which is the definition of Strengths, Weaknesses, Opportunities and Threats.

In the marketing plan, the following methods are used:

- Market analysis is carried out by identifying market trends, by elementary Internet surfing and by reading customer reviews.
- Comparison of competitors. This analysis is done by comparing prices, attendance, working hours, the interior and the services they provide.
- Analysis of the target market, which allows to identify potential customers by such parameters as location, social status etc.

To implement the financial plan, methods such as:

- The Net Present Value analysis is used to estimate the profitability of projects or investment.
- The method of finding a break-even point to clarify the amount of money that needs to be earned so that the enterprise does not bring losses.
- Method of forecasting earned and spent funds. The forecast is based on the earnings and expenses of several restaurants in Orenburg.

All methods are described in detail in the theoretical part.

4. Conclusion

In conclusion, it can be said that in this thesis the main theoretical knowledge, documented by an extensive list of literature, and the practical aspects of creating a business plan for a new hospitality enterprise, namely a restaurant in the city of Orenburg (Russia), were described.

In this work, the main issues arising in the preparation of a business plan were investigated. The detailed structure of the business plan was studied. In accordance with this structure, which was mainly studied and described based on L. Pinson's book “Anatomy of the Business Plan” (2008), the business plan of the gastropub "Creed" was compiled, as well as the main organizational, marketing and financial indicators of its activities for the first year and three years of work.

The organizational part of the plan was devoted to organizational details of business. In this part, the main aspects of the business, its products and services were described. The services that the

restaurant will provide have been described in a separate table, divided into types of services such as catering services, manufacturing services of products of public catering, sale services of public catering products and purchased goods, leisure services, other services and their detailed description. Further, a SWOT analysis was conducted, where the main strengths and weaknesses of this business plan were identified. In the administrative part of the organizational plan, a legal structure describing the ownership rights of the restaurant was described, the duties of personnel and management were described in detail, financial accounting system and a security system were described.

The marketing plan shows the results of market analysis, which consist of target market, market trends and competitor analysis. For analyzing of these parameters different and proper data was used. Therefore, for comparison of competitors data from their financial reports was taken. For recognition of market trends reviews from the internet were taken. Demographic data was used to determine target market. Apart from the market analysis marketing strategy was described. In this section were described all the activities related to methods of sales and distribution, price policy, branding (with created logo), sales strategy, sales incentives, advertising strategy, public relations and networking.

In the final section of the business plan, all the predicted financial data necessary to identify the full picture of the business were calculated. For the forecast, the averages of popular restaurants in the city of Orenburg were taken. This plan describes the actions indicated in the organizational and marketing plans in the money. Cash flow statement for 12 months helps to know that the restaurant will earn approximately 179928 EUR that is almost 82% of total investments. The financial plan was prepared taking into account all the factors affecting the price change.. It was estimated that the project requires 220000 EUR, which will be received as a result of the owner's investment (50%) and bank loan (50%). There were also three monthly break-even analyzes with different scenarios (best, worst, basic). Based on the results of the main analysis, a break-even point of 22,013 EUR was identified. At the end of this section, an analysis of the NPV was made, which says that these investments can be justified.

5. References

Literature

1. Pinson, L. (2007). *Anatomy of a business plan*. Warriewood, N.S.W.: Woodslane Press.
2. Spurga, R. (2004). *Balance sheet basics*. New York: Portfolio.
3. Cafferky, M. and Wentworth, J. (2010). *Breakeven analysis*. New York: Business Expert.

4. Booker, J., Aldcorn, J. and Kraft, D. (2010). *Financial planning fundamentals*. Toronto: CCH Canadian Limited.
5. Agtarap-San Juan, D. (2007). *Fundamentals of accounting*. Bloomington, IN: AuthorHouse.
6. Langabeer, J. (2008). *Health care operations management*. Sudbury, Mass.: Jones and Bartlett Publishers.
7. Yakimenko, M., Saak, A. (2012). *Hospitality Management*. St-Petersburg: Piter.
8. Ramachandran, N. and Ram, K. (2014). *How to read a cash flow statement*. New Delhi: McGraw Hill Education (India) Private Limited.
9. Kuregyan, S. (2013). *Intellectual property: the economic aspect*. Erevan: Armbook.
10. Primm, S., Roncevich, T. (2007). *Mobile Pet Grooming Company*. Upstart Business Consulting Group.
11. Belverd, E., Needles, M. (2011). *Principles of Accounting*. South-Western Cengage Learning.
12. Sarsby, A. (2016). *SWOT Analysis*. The Leadership Library.
13. Kawasaki, G. (2014). *The art of the start*. New York: Portfolio.
14. Weinberg, J. (2008). *The Everything Guide to Starting and Running a Catering Business*. Avon: Adams Media.
15. Westwood, J. (2004). *The marketing plan*. London, England: Kogan Page.
16. Sharma, A. (2012). *The Mind of Business Plan: Think Through Your Business Plan*.

Internet Recources

1. Dynamicbusinessplan.com, Legal Business Structure, Anon (n.d.). Available at <https://www.dynamicbusinessplan.com/legal-business-structure>
2. Thestartupgarage.com, Executive Summary, Wiki Admin, Anon (n.d.). Available at https://thestartupgarage.com/tsgwiki/Executive_Summary
3. Finans.trader.uz, SWOT Analysis, Anon (n.d.). Available at http://finans.trader.uz/language_russian_forex_financial-terms_swot-analysis_category_13_page_39_id_7206.html
4. Study.com, Restaurant Organizational Structure - Video & Lesson Transcript, Anon (n.d.). Available at <https://study.com/academy/lesson/restaurant-organizational-structure.html>
5. Memrise.com, Learn GCSE Business Studies and much more on Memrise, Anon (n.d.). Available at <https://www.memrise.com/course/74766/gcse-business-studies/6/>