

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

Business Plan for a Gastronomic Restaurant

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

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Business Administration

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Business Plan for a Gastronomic Restaurant

Objectives of thesis

The subject of the study is the business plan for the restaurant

The object of research is the restaurant.

The Objectives of Bachelor Thesis are:

- analysis of the theoretical foundations of business planning;
- development of the business project of the restaurant;
- development of measures aimed at stabilizing and increasing profits in restaurant.

Methodology

In a market economy, planning is carried out through business planning, which is implemented in the business plan and must adhere to the following principles:

- scientific;
- system (unity);
- coordination;
- integration;
- accuracy.

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- Abrams R. (2010): Successful Business Plan Secrets & Strategies, 5th ed., Palo Alto, CA, The Planning Shop, 2010, 414 p. Barringer B.R. (2015): Preparing effective business plans: an entrepreneurial approach, 2nd ed., Upper Saddle River, NJ, Pearson, 2015, 288 p. Barrow C., Barrow P., Brown R. (2008): The business plan workbook: the definitive guide to researching, writing up and presenting a winning plan / C. Barrow, P. Barrow, R. Brown.
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Declaration

I declare that I have worked on my bachelor thesis titled "Business Plan for a Gastronomic Restaurant" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 14.03.2019

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I would like to thank doc. Ing. Mansoor Maitah, Ph.D. et Ph.D. for his help, recommendations and patience while supervising my bachelor thesis.

Podnikatelský plán gastronomické restaurace

Abstrakt

Tato bakalářská práce se zabývá implementací a zdokonalením zcela nové gastronomické rodinné restaurace se sídlem v Praze.

Cílem teoretické části je podat jasné znalosti a zahrnout všechny základní aspekty podnikatelského plánování. Získané znalosti je založeno na literárním výzkumu z různých online a papírových zdrojů.

Praktická část poskytuje základní informace o tom, jak bude očekávaná společnost postupovat a jak bude ukazovat svůj cíl. Praktické výpočty jsou provedeny pro potvrzení, že projekt je nákladově efektivní. Aby bylo prokázáno, že tento obchod je funkční, byla provedena další opatření: analýza trhu, SWOT analýza a podrobný finanční plán, výpočet celkových nákladů a start-up rozpočtů, hodnocení efektivity projektu. Posouzení rizik bylo provedeno i na konci podnikatelského plánu.

Podle provedených výpočtů bude návratnost investic dosažena za 20 měsíců, což ukazuje, že podnikatelský záměr je ziskový.

Klíčová slova: obchodní plánování, vývoj, restaurace, SWOT analýza, obchod, start-up, analýza trhu, efektivita projektu, finanční plan.

Business Plan for a Gastronomic Restaurant

Summary:

This bachelor thesis deals with implementing and improvement of brand-new gastronomic family restaurant based in Prague.

The aim of the theoretical part is to give the evident knowledge and comprise all fundamental aspects of business planning. The acquired background is based on literature research from different online and paper sources.

Practical part indicates a knowledge about how the expected company will be advanced and shows its aim. The practical calculations are provided to confirm the project is cost-effective. To prove that this business is workable the further actions were done: market analysis, SWOT-analysis and detailed financial plan, calculation of total costs and start-up budget, project effectiveness evaluation. Also, the risk assessment was done in the end of the business plan.

According to the calculations conducted, the return on investment will be got in 20 months, what shows, that the business plan is profitable.

Keywords: business planning, development, restaurant, SWOT analysis, business, start-up, market analysis, project effectiveness, financial plan.

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1 Introduction

Every day, almost every adult spends an unimaginable amount of time to take his children from school, afterwards drive them to some extra classes, art schools and so on. If adults do not spend time on this, then they expend another important resource - money for those teachers, schools and, of course, nannies who look after their children during the working days. Thereby, the object of this bachelor thesis is to create a business plan for new restaurant in Prague. It will be a restaurant in which it will be possible not only to relax with friends, but also apart from that, without some additional expenses diversify the leisure time of your children.

Despite this „child concept“, adults will also be able to fully enjoy this restaurant. Cuisine of different nations of the world, vegan food, gluten free dishes – everything can be found just in one place.

A lot of people may say that the restaurant business is a hackneyed business that is already irrelevant and uninteresting. But what could be more relevant than satisfying people's daily needs? Nowadays, people waste a lot of time on choosing exactly where they would like to get rid of hunger. In which of the restaurants to go, so that everybody was satisfied, and everything was delicious? Where to eat to get top level service?

The author of this bachelor thesis was inspired by his family at first and wanted to make the other`s family life easier by creating such a convenient place. The main goal is to save the two most important resources of humanity like money and time. Even extremely rich people want to save their money. Thus, the same thing is with time, isn't it?

The thesis consists of two main parts: theoretical and practical. The first part explains what the business plan is. It highlights the concept of business planning by means of showing the main scientific sources for business planning research at first and then giving us the general characteristics of a business plan. The second part introduces the concept of a restaurant, at first. Then, with help of own researches and calculations author explains the benefits of this business.

2 Objectives and Methodology

2.1. Objectives

The subject of the study is the business plan for the restaurant

The object of research is the restaurant.

The Objectives of Bachelor Thesis are:

- analysis of the theoretical foundations of business planning;
- development of the business project of the restaurant;
- development of measures aimed at stabilizing and increasing profits in restaurant.

2.2. Methodology

Planning is the definition of the content and sequence of specific actions to achieve the goals. It allows looking into the future of the business, developing a strategy and tactics of production and economic activities of the enterprise and, as a result, leads to the intended goal with a more efficient result.

In a market economy, planning is carried out through business planning, which is implemented in the business plan and must adhere to the following principles:

- scientific;
- system (unity);
- coordination;
- integration;
- accuracy.

Plan helps identify all sorts of difficulties and problems, provide directions and measures to eliminate, overcome or minimize the consequences of adverse events. A business plan or, in other words, an enterprise development plan, an entrepreneurial plan or a business concept, reflects the initial strategic situation and the development perspective of the business, firm, enterprise or its division.

According Ludolph and Lichtenberg (2002), business plan contains the following interrelated elements:

- business idea;
- the philosophy of the enterprise;
- the specificity of the enterprise's position in the market;

- strategic objectives of the enterprise and the enterprise development plan developed on their basis (Ludolph & Lichtenberg, 2002).

The management of an enterprise developing a plan should systematically think through, and then logically and clearly state their ideas and views. Based on the business plan, for example, one can draw conclusions about the quality and competence of management, the chances and risks of the enterprise, as well as its possible profitability. The business plan solves the main task of the economy within the framework of a particular enterprise: choosing the most efficient way of distributing factors of production while simultaneously solving the problem of limited resources in terms of maximum satisfaction of social needs. The business plan gives an objective idea of the development of the enterprise and answers the main questions: "Is it worth investing in this project?" and "Will this project bring in income that will not only pay back costs but also bring profit?".

The goal of any business plan is the desired result of the activity achieved on the given space within a certain interval of time, that is, "here" and "now".

There are many different methods of developing a business plan, the most common of which are:

- methodology proposed by UNIDO (United Nations Industrial Development Organization),
- methodology of the European Bank for Reconstruction and Development (EBRD),
- methodology of TACIS (Technical Assistance for the Commonwealth of Independent States).

It should be borne in mind that the requirements of investors may differ. It should be noted that all the methodologies have common basic blocks, but the logic of information delivery differs, the details of some sections are different (the presence of, for example, sub-items "Environmental Assessment" or "Monte Carlo Risk Analysis", etc.), which depends on requirements and specifics specific bank or organization.

Depending on the main goals or main approaches of the information used, the regulatory framework, the ways of obtaining and agreeing on certain final target indicators, it is customary to distinguish between the following research methods:

- experimental,
- normative,
- balance sheet,
- settlement-analytical,

- program-target,
- reporting and statistical,
- economic-mathematical and other.

The following research methods were used to compile the restaurant business plan:

- *the calculation and analytical method* is based on the dismemberment of the work performed and the grouping of the resources used by elements and interrelations, the analysis of the conditions for their most effective interaction and the development on this basis of draft plans;
- *the reporting and statistical method* consists in the development of draft plans based on reports, statistics and other information characterizing the actual state and changing the characteristics of the enterprise's activities;
- *the method of economic analysis* allows to divide economic processes (phenomena) into separate components, to examine their content and interaction among themselves, as well as the impact on the whole of the entire business process. Factors influencing the decision of the main tasks of the business plan are determined, as a result of which measures are developed that allow achieving the main goals of the organization;
- *the normative method* is based on the use of norms and standards, with the help of which the planned indicators are substantiated. Therefore, the reliability of calculations in the business plan directly depends on the quality of development of the regulatory framework of this organization;
- *the economic-mathematical method* is based on the application of probability theory, network planning, linear programming and other mathematical methods;
- *the forecasting method* of planning is based on forecasting. The results of forecasts can not be perceived as reliable and guaranteed information. But the reality of the business entity's business depends on the realistic prediction of the initial data used in drawing up the business plan (Santamarta, 2010).

In a market economy, planning is carried out through business planning, which is implemented in the business plan. It contains comprehensive, clear and understandable information about the business idea, business strategy, legal and share structure, initial financing, the profile of the enterprise and services, as well as market chances and risks. Therefore, the business plan is the basis for the enterprise to achieve its goals. When

developing a business plan, the company's management should systematically think through, and then logically and clearly state their ideas and views.

3 Literature Review

3.1. Concept of a Business Plan

To create a restaurant business plan, it is necessary to analyze the scientific sources and to define the concept of the phenomenon "business plan" and the features of the business plan of the restaurant.

3.1.1. The Main Scientific Sources for Business Planning Research

The issue of business planning is quite widely covered by foreign experts: C. Barrow, P. Barrow, R. Brown (Barrow, Barrow, Brown, 2008), J.Covello, B. J Hazelgren (Covello, Hazelgren, 2011), B.Ford, J.Bornstein, P.Pruitt (Ford, Bornstein, Pruitt, 2007) and others.

S.Matson (2015) studied the main concepts and definitions of business planning. R. Abrams (2010) analyzed successful business plan strategies. Barringer B.R. (2015) proposed entrepreneurial approach for preparing effective business plans. T.Chahine (2016) pays his attention to social entrepreneurship. B. Ryan, S. Scott, J. Brennan (2016), R. Rubens (2002), S.Norrie (2015) give recommendations for preparing and developing a business plan. The data sources are presented materials such as: why business plan is necessary, major goals, objectives and business planning functions, stages of developing a business plan, including the structure, the content of its sections and calculation of the main technical and economic indicators.

B. Ryan, S. Scott, J. Brennan (2016) gave comments on the sections of the business plan, revealing the essence of the issues discussed in them. The authors give their definition of a business plan: „A business plan is a program of activities and / or business development of an economic entity, where a strategy and tactics are developed to achieve the organization's goals. The business plan is based on the needs of the market and the possibilities of obtaining the necessary production resources “(Ryan, Scott, Brennan, 2016).

R.Rubens (2002) recommends four main rules for starting the development of a business project:

- to choose the type of activity in which an entrepreneur can easily navigate and have an idea about this area;
- to start from small;
- to set specific goals and objectives;
- to draw up a detailed action plan for the implementation of the project (Rubens, 2002).

B.R.Barringer in the textbook "Preparing effective business plans" (2015) discussed in detail issues related to the planning of the enterprise, the analysis of the external and internal environment, including competitors and consumers, the development and implementation of the business plan, the organizational preparation of the enterprise and personnel for the planned changes (Barringer, 2015). After the business plan is compiled, it is necessary to engage in promoting it to the market. B.R.Barringer in one of the chapters describes how to correctly create a project presentation. To promote the business plan, such factors of communication as presentation and negotiations can be used on the market. A successful presentation cannot take place without preparation. For the apparent ease of successful presentations is the careful preparation of the speech, the selection of the most suitable demonstration materials, the collection and compilation of the necessary information, the definition of the time frame, the place and time of the presentation. The presentation should reflect seven aspects:

- the enterprise and its products;
- the market;
- marketing strategy;
- financial tasks;
- the team implementing the business plan;
- the purposes for which money will be directed;
- conditions and terms of investment (Barringer, 2015).

At the same time, approaches to interpreting the definition of a business plan and defining its main elements are different. Also, despite the existence of a number of business development plans (TACIS, EBRD, UNIDO, etc.), which are successfully used in world practice, a single approach has not been created.

3.1.2. General Characteristics of the Business Plan

To date, a number of interpretations of the concept of a business plan are known. In particular, C. Barrow, P. Barrow, R. Brown (2008) invest in the definition of the essence of the business plan, such components as:

- presentation of a system of proofs that will convince an investor in the project's usefulness;
- determination of the degree of viability and future stability of the enterprise;
- prediction of business risks;
- specification of business prospects as a system of quantitative and qualitative indicators of development (Barrow, Barrow, Brown, 2008).

Covello, B. J Hazelgren (2011) describe the business plan as "a written document, which describes the essence of the entrepreneurial idea, the ways and means of its implementation, and describes the market, production, organizational and financial aspects of the future business, as well as features of management of it (Covello, Hazelgren, 2011).

The definition of R.Rubens (2002) is close to this interpretation. R.Rubens the business plan considers as a document that contains a system of time and space connected with the purpose and resources of measures and actions aimed at obtaining the maximum profit as a result of the implementation of the entrepreneurial idea (Rubens, 2002).

According to F. Ludolph and S. Lichtenberg (2002), a business plan is a complex document reflecting the main aspects and performance indicators of the enterprise, giving a full objective view of the project. Business plan is a concise, understandable and reliable description of the proposed business. The business plan allows to manage the enterprise, therefore it can be presented as an integral element of planning and as a guide for execution and control (Ludolph & Lichtenberg, 2002).

In the special literature there is a somewhat narrower interpretation of the business plan, in particular, as:

- a comprehensive description of business and the environment in which it operates;
- a means of bringing new ideas to individuals able to finance their implementation;
- a communication on the sale of a business idea, etc.

Therefore, the most generalized essence of the business plan can be disclosed through the following definition. The business plan is a document in which, in order to test a certain business idea, the market, production, financial, marketing, organizational, and other aspects of its implementation are described in detail, and the feasibility of investing in a new business project (or expansion of an already existing business) is substantiated.

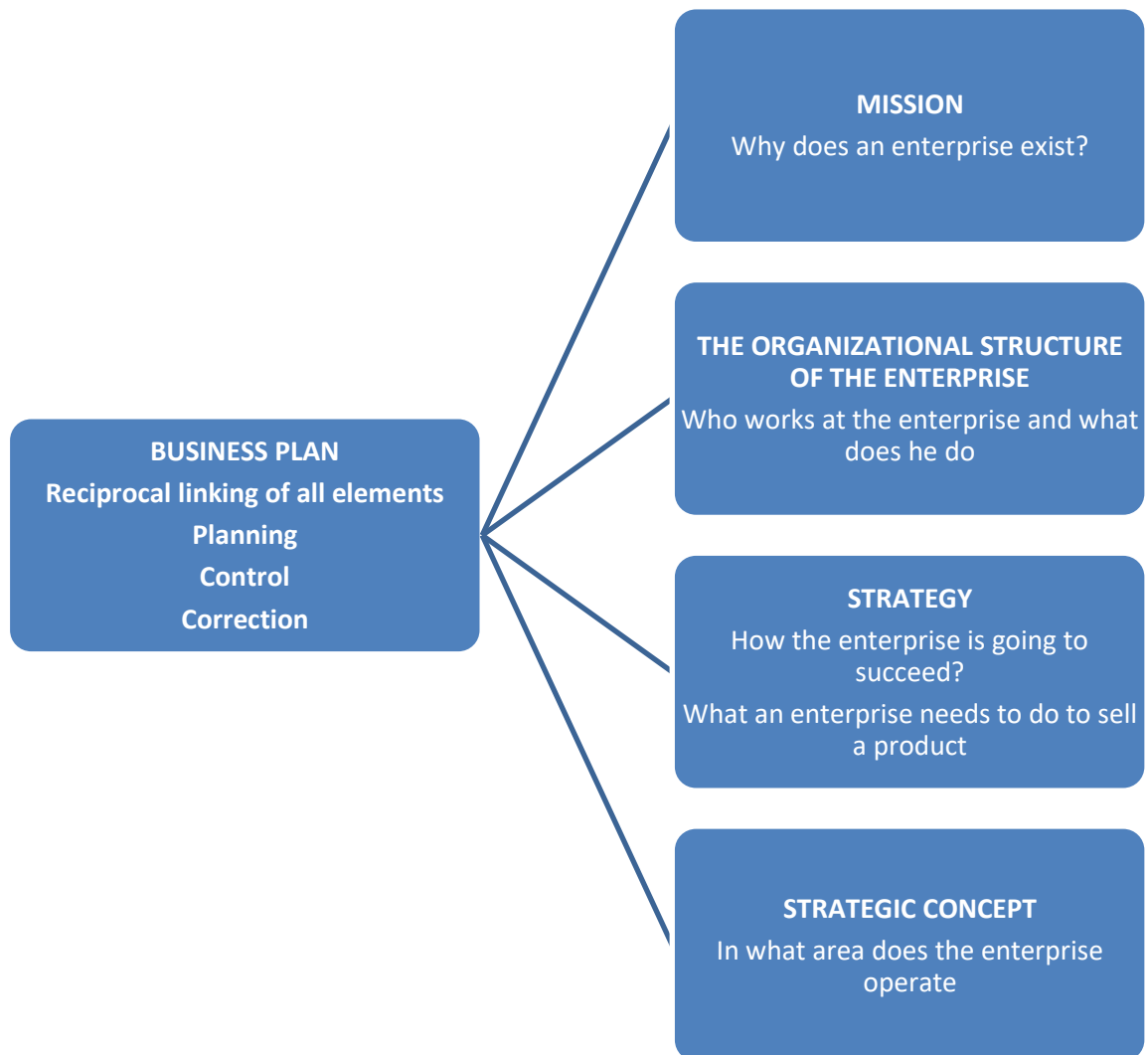
The business plan covers a period of three to five years, and in its financial part the first planned year should be painted monthly or quarterly.

A business plan is necessary for:

- definition of the ultimate goals of business organization;
- implementation of the planning function;
- clear formulation of the functions and purpose of future products;
- definition of the target category for which the proposed products are intended;
- analysis of the situation on the market;
- study of competitors and ways to deal with them;
- definition of ways of promotion in the market of the concrete goods;
- calculation of financial costs;
- obtaining investment for business organization.

Before starting developing a business plan, it is necessary to determine the objectives of this development. And based on this, to evaluate the business plan on various criteria, which will allow to organize the planning process with the least expenses. The Scheme for planning a business plan is shown in Figure 1.

Figure 1: The Scheme for planning a business plan



Source: Rubens R. (2002): *How to Prepare Your Business Plan*

Currently, there are the following types of business plans, which are classified according to the following criteria:

- investment;
- for planning the activity of the enterprise;
- for financial recovery of the operating enterprise;
- for development of enterprise development strategy.

2. The planning object is:

- an enterprise as a whole (new or current);
- associations (groups) of enterprises;
- investment project (business direction).

3. For end-users:

- for the internal use of the entrepreneur himself or the management of the enterprise (as a means of self-organization);
- investors, banks, shareholders;
- Regional administration;
- business partners (buyers, sponsors, lessors).

4. By the duration of the tasks to be accomplished:

- strategic (long-term);
- tactical (medium-term);
- operational (short-term).

5. The complexity of the project is distinguished by projects:

- simple;
- complex;
- Very complex.

6. Under the terms of confidentiality:

- official;
- working.

7. The flexibility of plans distinguishes between planning:

- directive (static);
- indicative.

8. At the stage of development, organizations are distinguished:

- large-scale;
- fuzzy;
- small.

9. At the stage of project development at the time of drafting a business plan, distinguish:

- idea,
- preliminary design,
- working project,
- pilot batch,

- active production.

10. By volume, the following are distinguished:

- Concise business plans,
- detailed business plans.

11. According to the design features are:

- business plans with applications,
- business plans without applications.

12. The approach to development can be developed:

- a hired team of specialists, and the initiators of the project participate in the preparation of the initial data;
- initiators of the project, and methodological recommendations are obtained from specialists (bankers, lawyers, auditors), potential consumers, investors.

13. On the used financial simulation program:

- Project Expert;
- Alt Invest;
- COMFAR Expert, etc.

Business plan for enterprise development - one of the most common types of business plans, it is useful not only for large companies, but also indispensable for small and medium-sized businesses. This business plan describes the main aspects of the business, possible pros and cons of development and ways to address potential problems. The business plan of development helps to thoroughly analyze ideas, identify shortcomings, and evaluate the experience of competitors.

When developing a business start-up plan, the economic feasibility of a business idea is checked, the possibility of implementing it in one or another organizational form is analyzed. Staged compilation of such a business plan at the same time allows you to identify deficits (in market analysis or management) and weaknesses in the lack of equity). Thus, the development of a start-up business plan is something like the first "rolling out a project", which helps to avoid serious situations that may already occur at the initial stage of enterprise creation. In addition, the business plan for creating an enterprise is the basis for the first

negotiations with banks, leasing companies, venture capital companies and organizations that promote economic development. With their help, you can finance the start phase and the launch phase in production, trying to attract as much money as possible for business development. A professionally compiled business plan for creating an enterprise is the basis for a successful start of any business.

3.2. Features of Developing a Restaurant Business Plan

3.2.1. The Main Tendencies of the Development of Restaurant Business at the Present Stage

The tendencies of the development of enterprises of the hotel and restaurant industry, which have received development in recent decades, include:

- 1) deepening the specialization of hotel and restaurant institutions;
- 2) the establishment of international hotel and restaurant chains;
- 3) development of a network of small enterprises;
- 4) the introduction of computer technologies into the hospitality industry.

Recently, in addition to traditional full-service restaurants, specialized enterprises with a shorter range of services offered more and more began to appear. Specialization of the enterprises is the most diverse. Restaurants can focus on serving a representative of a particular segment of the tourist market: for example, customers who devote their vacation to the golf course, skiing, horseback riding, tourists travelling to congresses, exhibitions, fairs, etc. (Chahine, 2016).

Recently, due to the significant growth of tourism and economic preconditions, there is a tendency to increase the capacity of some new restaurants. The construction of larger restaurants is primarily due to economic considerations. With increased capacity, the feasibility of using more powerful and modern technological and engineering equipment will increase, the ratio of working space to the total increases, the auxiliary area is reduced, as well as the area of corridors, hallways, passages in relation to the area provided directly to restaurants, which leads to reduction of specific building costs. In large restaurants, the work of service personnel is used more rationally, the number of administration is reduced in a specific way, and customers can be given a larger set of services while reducing the cost of restaurants.

At the same time, domestic and foreign experts in the field of construction and operation of restaurants note that the increase in the capacity of restaurants is appropriate to a certain limit, after which restaurants become hard-headed.

Deepening the specialization of hospitality enterprises is interdependent with such an important trend as the formation of international chains, which play a huge role in the development and promotion of high standards of service.

It is very difficult to manage a restaurant business to create an effective system for quality control of the service, quality of the dish and manage the implementation of standards. A good tool for quality control is a checklist of quality, where waiters and administrators make complaints and comments, as well as those that restaurant employees hear in consumer conversations with each other. For a clear, well-coordinated work of all units in a restaurant, you need to set rules - standard work, procedures. In order for it to be valid, the standard work data must be written collectively, connecting those employees who will then work on these standards. People are more likely to accept those rules that they prescribe themselves, and often resist those who go from above and do not take into account all the nuances of the work of each process. An additional bonus will be team cohesion and increased responsibility for implementing their rules.

There were a lot of opportunities to find new ideas and technologies. The main thing is to implement them in the life of the restaurant, to attract their employees to this. It gives the following benefits:

- 1) an innovation is introduced in the work of the restaurant,
- 2) the responsibility is raised in the staff,
- 3) the future skeleton of personnel reserve is being built.

Consequently, for a successful plan for the development of a restaurant business, it is necessary to draw up a clear and correct business plan.

3.2.2. Planning Directions in the Restaurant Business

In today's conditions of increasing competition in the sector of providing restaurant services to enterprises, there is a need for constant preservation and increase of competitiveness,

which is possible only when planning the restaurant business. Planned activity of restaurant business enterprises should cover the following main areas.

1. Implementation of general target planning, which provides for the definition of vision, mission, goals of the company. A significant number of major global hotel companies and restaurants formulate their vision of a company's place in a special Mission Statement, which is a brief statement of company-wide goals, strategies and values. This information is communicated to all employees of the company, and sometimes to clients. The declaration should pay attention to the company's policy regarding customers, suppliers, distributors, competitors. The main purpose of this document is the declaration of the direction of development of the company for 10 -20 years. But it should be noted that the goals are a mobile category. This means that the system of goals can be reviewed by the company and put forward new goals if the previous ones do not provide the optimal development of the enterprise.

2. Implementation of strategic planning (3-5 years) covering:

- formation of the general corporate strategy of enterprise development,
- Portfolio analysis,
- creation of strategic divisions (strategic business units (SBUs), business fields) of a restaurant company.

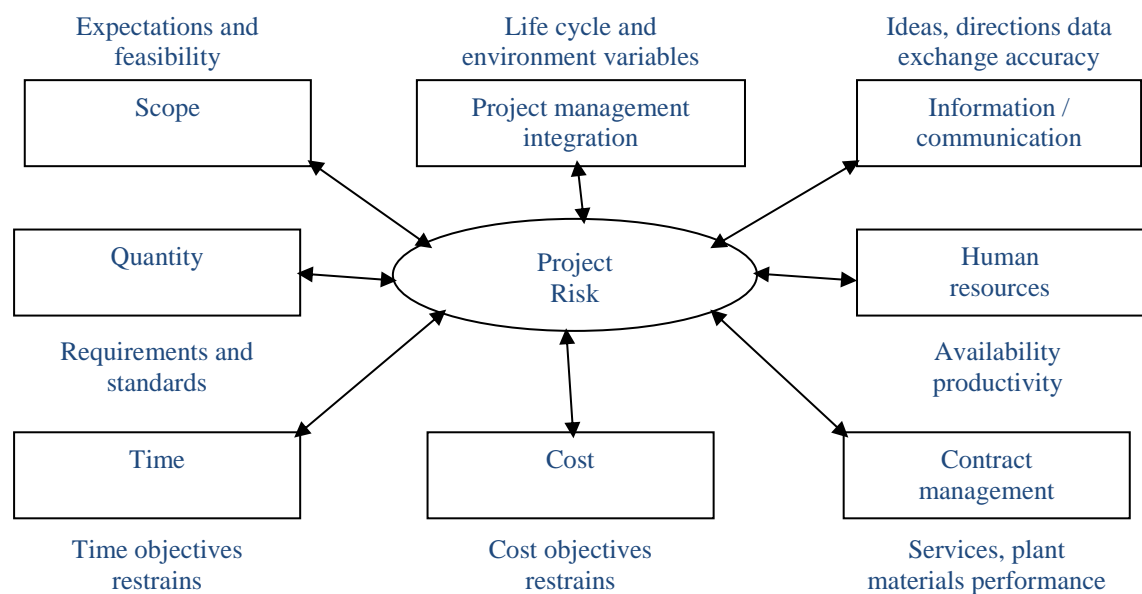
Strategic business units, as a rule, are characterized by the following features:

- SBU is one or more related business areas under which strategic planning is conducted at the enterprise;
- SBU independently competes in the market with other entities;
- SBU management controls the factors that influence the profitability of a restaurant establishment.

At the present stage, a large number of restaurant networks carry out their activities in several directions: they cooperate with tourism companies, airlines, shopping and entertainment centres. Expansion of the fields of activity, as a rule, is associated with additional investment of funds, therefore the next direction of planning is the planning of the necessary amount of financing of the enterprise and its structural divisions and business units.

To identify any possible risk is indispensable in setting up any business. It is crucial to pay attention to the risk factors since they may impede the feasibility of the business. Project manager should cover the tasks of risk management and identify the business opportunities. (Deeprise, 2002). The various risk management components are the following:

Figure 2 The various risk management components



Source: David Hillson, "Managing risk in projects" Farnham, England: Gower. 2009.

3. Provision of the enterprise and its subdivisions with financial resources. This area is connected with the implementation of financial planning of the enterprises of the restaurant business, within the framework of which a draft financial plan of the enterprise should be developed. The main elements of the draft financial plan, as a rule, are:

- income and expenditure plan
- a plan for the receipt and use of funds,
- balance plan of the enterprise development,
- plan for the formation and use of financial resources.

In addition, at this stage of strategic planning, the company's management should carry out a portfolio analysis in terms of the expediency of the future existence of individual SBUs: to

assess the degree of return on funds invested in new strategic units, as well as which of them are profitable in the long run and which require get rid of.

4. Planning a new business or its directions. As a rule, such planning involves the choice of one of the following development options:

- intensive growth, which involves searching for additional opportunities for growth based on the company's internal resources (for example, increasing sales of products and services in already developed markets, offering new services, entering new target markets);

- Integrated growth, which involves the acquisition of enterprises that are contractors for operational activities in relation to the company. For example, Marriott developed its own restaurant system, which included six distribution centres serving a restaurant network at Marriott Hotels. These centres also cooperate with other restaurant establishments;

- diversified growth, which is carried out by joining companies of enterprises that are functionally and technologically unrelated to a hotel or restaurant business. For example, hotels, restaurants, airlines can make and sell goods for their regular customers (souvenirs, t-shirts, perfumery). An example is the Hard Rock Cafes restaurant, which sells clothing with restaurant symbols.

Implementation of this direction of strategic planning involves the use of such an instrument as business planning. The business plan is to be developed when creating a new hotel or restaurant business or justifying the feasibility of introducing new directions of activity (or products) at these enterprises. It is usually developed for a period of three to five years, as planned calculations for longer periods can be false. The development of a business plan facilitates the internal management of the enterprise on the basis of mutual reconciliation of financial, material and labor resources and allows creating the preconditions for saving and increasing the funds of investors.

3.2.3. Description of the Restaurant Business Plan

One of the most important stages in creating a restaurant is its business plan for future activities. He is the basis of financial management as a newly created, and already operating company. It is important for a newly created firm to determine the reason for success and show experience in this area. The development of a business plan for a new firm is carried

out in a phased manner, and the ultimate goal of this development is the rationale for the feasibility of establishing this enterprise or the implementation of its investment programs. The first component of a business plan to create a new company is the choice of the main type of statutory activity.

From the study of the developed business plan, it is possible to foresee a number of measures that will ensure improvement of the planned financial and economic results of the enterprise's activity:

- to choose the related activities, that is, to diversify the basis of their business, to reduce financial risks, given that the restaurant business is very sensitive to a number of objective or force majeure factors: political, economic, infrastructural;
- it is desirable to choose such types of core activities that would be priority over the period, would have certain tax incentives, that is, first to lay in the business plan stabilizing financial factors and factors of bankruptcy prevention;
- The effectiveness of the organizational structure of the enterprise can be achieved by reducing the number of staff, for example, as a result of displacement of posts, which will reduce the cost of wages and accrue it after a decrease in the number of staff. In this case, it must be taken into account that the employee who combines posts has the right to make an allowance.

The development of a business plan is a very labor-intensive process in the organization's operations and usually requires considerable time and money. When organizing this process, it should be taken into account that it will include three main stages:

1st stage - preparatory;

2nd stage - the stage of direct development of a business plan project;

3rd stage - the stage of implementation of the business plan, within which the presentation of the business plan and its implementation in the activities of the organization.

The effectiveness of the business plan is largely determined by the rationality of constructing processes for its development and application of appropriate procedures. There is the system of procedures that should underlie the process of business planning:

1) organizational procedures. The rational organization of processes for developing a business plan is based on compliance with certain principles, in particular:

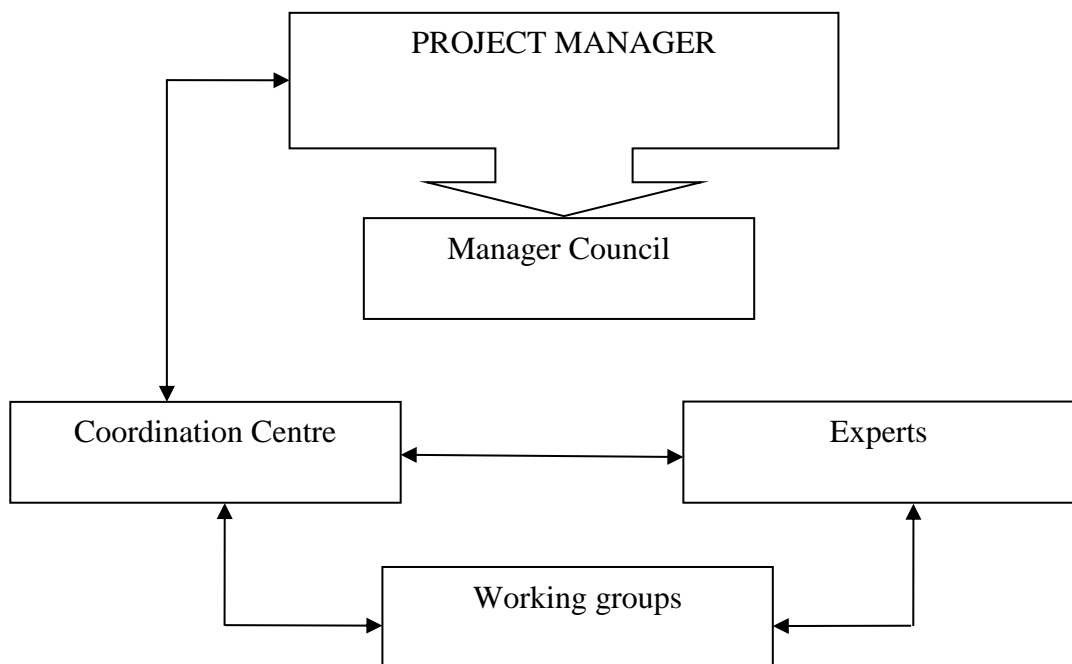
- a clear division of responsibilities between business planning entities in the organization and coordination of their actions;
- ensuring interconnection and co-ordination between separate sections of the business plan when it is developed;
- bringing the main provisions of the business plan to all interested parties.

Organizations must be logged in to a group of business plan developers:

- the head of the organization, who can act as the initiator of business planning and coordinator of the actions of the performers;
- authors of business ideas;
- specialists of the organization, qualified in various spheres of its activity (managers, financiers, marketers, lawyers, technologists, etc.);
- Independent external experts and consultants;

Structure for the management and administration is shown in Figure 3.

Figure 3 Structure for the management and administration



Source: TAP University(2009).The Project Manager's Role and Interpersonal Skills

It is clearly from the Figure 3 that manages the project manager of the business plan. The final link (links) - working groups.

The person responsible for the success of any company project is the project manager (Tap University, 2005), who is required to have deep inquisitive skills in respect to the project. Tap University describes that the roles and responsibilities depend on the size and type of the project (Tap University, 2005). Project manager's main roles and responsibilities in respect to implementation of providing catering service in a large setup, the project chosen, include:

Planning the whole project after learning how onsite cafeteria in a company should work, this will entail writing project management plan and developing schedule for the project. Executing the project since its initialization to completion, project manager will implement setting of required building through materials, resources and logistic support (Martin 2006).

Projects manager will also have a role of team building, making decision in critical situation, negotiating with different stakeholders, and motivating workers involved in setting up the onsite catering services, this is crucial, since the project manager often will not have formal authority over most of the people involved in the project (Levin.2010).

Progress of setting up an onsite catering unit will be monitored by project manager, through proper documentation, ensuring the adopted plan is adhered to, and planned schedule is followed.

As explained by Kerzner Project manager will have responsibility of controlling the project (Kerzner 2009). In respect to ensuring, that catering unit being set up adheres to required specification, and the standard adopted for the facility is met gradually, as the project implementation goes on. In addition, after completion of the project, the project manager will be responsible for designing control system that can manage and detect arising issues.

It is duty of project manager to declare Closure of catering unit being set up by the company, in case of any emerging issue that would lead to termination of the project.

According to Project management interpersonal skills (Project management interpersonal skills 2009) most of the project manager work is based on communication, out of which near

half of it is spent on communication between team members. Thus for catering unit facility project implementation, the project manager will have responsibilities of effective communication with different stakeholder and within team members.

Project managers work closely with the team members of the project and stakeholders. Effective project managers require good project management skills, technical knowledge and interpersonal skills. Interpersonal skills are needed for project managers to manage project effectively, they are vital to the successful outcome of a project.

Roles of the project team are shown in Table 1.

Table 1 Roles of the project team

Link of Management	Position	Role
Manager Council	Project Manager	The head of the project team responsible for the project management, the achievement of the project objectives within budget, on time and with a given level of quality.
	Project Curator	Senior manager, who oversees the project, provides oversight and support to the project financial, material, human and other resources. The curator of the project is responsible for achieving the ultimate goals of the project and realization of benefits for the organization
Coordination Centre	Project Coordinator	Project Coordinator assists project managers; executes the administrative functions, which involve mainly paperwork. Project Coordinator prepares and distributes memoranda, which allow you to monitor the progress of the work on the draft project managers, customers and company personnel. Project Coordinator plans meetings.
Experts	Business analyst	Business analyst provides two-way relationship between subject matter experts (functional

		specialists) Customer and Contractor specialists through requirements gathering, processing, documentation and communication of specialists of the Contractor, as well as by bringing these results to representatives of the Customer
Working groups	Specialists	Specialists perform tasks in their project areas

Source: Project management interpersonal skills (2009)

2) planning procedures and technologies. The validity of a business plan and the possibility of its further effective implementation essentially depend on the efficiency and timeliness of the implementation of planning procedures. Planning procedures used in business planning are:

- goal orientation and goal-setting, through which the organization defines benchmarks for the results of the implementation of the business idea; regulates the goals of business planning, thus providing the best motivation for both the management and the subordinates to their implementation. In this context, it should be noted that the stated goals of business planning are the best motive for implementing a business idea than the objectives described at the verbal level;
- ensuring the timeliness of developing a business plan - through planning the timing of the implementation stages of business planning;
- procedures for analysis and evaluation of the current state of the organization's functioning;
- Forecasting of the future positive and negative state of the organization's development, using extrapolation methods, constructing probabilistic scenarios, etc. At the same time, it is necessary to ensure multivariate planning, which will allow you to quickly react to dynamic changes in the market environment, prepare them in advance and avoid (or minimize) risks. Using economic and mathematical methods in developing a business plan can provide more convincing to this document, optimize achievement of expected results and forecasting risks;

- description of the technologies of transition from the modern to the desired state of development of the organization in the process of implementing the business plan, including substantiation of means, terms, responsible executors of the planned activities, etc.;

- definition of necessary resources for implementation of business ideas and sources of their provision, including planning of the maximum possible losses of time, money, health, efforts, etc. from the business plan subjects in order to implement the business idea;

3) procedures for collecting and processing information. In the process of developing a business plan, it is very important that information resources and, accordingly, procedures for collecting and processing information be very important. Sources for obtaining information for writing a business plan may include: Internet resources, marketing agencies, business clubs, enterprises databases, official statistical reporting of state authorities and local governments, other statistical information, scientific works and information from the media, data of marketing and sociological research, etc. When working with information resources, secondary information should be scanned and the validity of the key information should be weighed in order to prevent distortion of facts when drawing up a business plan;

4) procedures for writing a business plan project. They are based on the use of appropriate techniques and planning methods. The order of formation of the structure of the business plan and the processes for its development is determined by the methodology that underlies business planning. Depending on the method chosen, the business plan may have a structure:

- a) stipulated by the requirements of customer;
- b) standard, formed on the basis of international standards or domestic methodological recommendations for the development of a business plan.

When preparing a project, it is necessary to adhere to certain recommendations:

- The business plan should be structured and divided into sections, be conclusive and concise;

- in the business plan, information should be provided in an accessible form;

- The business plan should not be overloaded with technical details and statistical data (for better perception of information, it is necessary to use charts, graphs, tables, diagrams);

- The business plan must be objectively evaluated, it is necessary to familiarize with it all personnel who are directly involved in the design and implementation of the project in order to avoid mistakes and shortcomings;
- the business plan should use the information only from trusted sources;
- in the business plan applications the entire list of the main participants of the business project and their contact information should be presented in order to be able to clarify or confirm the initial data.

The structure of the business plan is a written description of a project, the amount and timing of its implementation. Such a plan characterizes the expediency of its existence. The structure and content of the business plan plays an important role in the beginning of the enterprise. A single structure does not exist when drafting a project, each enterprise includes sections based on its goals and objectives.

The structure of the restaurant business plan is shown in Figure 4.

Figure 4 Scheme of the restaurant business plan structure



Source: Rubens R. (2002): *How to Prepare Your Business Plan*

So, the structure of the restaurant business plan includes a number of elements, each of which has its own importance.

Consequently, the need to draft a restaurant business plan is due to the fact that the business plan:

- is an integral part of the internal planning of the restaurant, one of the most important documents that are being developed for a restaurant;
- is an effective management tool;
- helps restaurant institutions determine prospects for growth in the business, control their situation, and even shows what and when to do to meet expectations about the effectiveness of a business project.

Consequently, the prospect of conducting a successful modern business in the area of outsourcing services is bound to be the business planning of a restaurant business. Managers and managers need to make every effort to achieve a high level of business planning. The business plan needs constant updating, improvement, correction, etc., especially in the restaurant business, as the needs of consumers are constantly increasing. That is why entrepreneurs need to expand their services, to offer more offers to consumers, because satisfied customers are increasing the image and profit of the company. And this is its main goal.

4 Practical Part

4.1. The concept of the restaurant

Imagine the restaurant where you can have the tastiest meal in the city and spend the precious minutes of relaxation after the daily hustle and bustle. That's exactly what "Gem of Prague" was created for! Situated in one of the leading business-centres of the city, the restaurant offers multinational cuisine that will satisfy even the most exquisite taste.

Are you in mood for spicy Indian curry? Do you want to feel the spirit of an old Italian town? To "travel" to Ancient China with the help of only one cup of traditional tea? Or hear the joyful rhythm of Greek Sirtaki and enjoy every piece of original baklava? All these things you can experience just entering "Gem of Prague".

The novelty features of "Gem of Prague" which distinguish it among many other restaurants in the area is the easy access and wide range of meals representing cuisine of different cultures. In addition, vegetarian and gluten-free food is available.

Thus, these peculiarities make "Gem of Prague" the perfect space for coffee breaks, lunch-times, informal meetings with colleagues, as well as business meetings on the highest executive level.

The total area of the restaurant equals 300 m². Divided into two main areas, namely, Eastern and Western halls, the restaurant serves as a common ground of two worldviews – Eastern and Western, creating the multicultural atmosphere.

"Gem of Prague" is located in the premises of Klamovka Business Centre. Therefore, its primary target audience is the workers of the companies renting the offices in the same building.

Considering the fact that most of the workers are family people aged 30 to 50 with children, according to the results of the survey, moreover, children of many workers study at Nessi English Preschool nearby, it would be appropriate to create special areas for the youngest restaurant's visitors.

The areas are to be equipped with all the necessary facilities for children to have fun and rest. The entertainment staff will provide all the necessary attention and care for the little ones, which will allow the visitors to attend business meetings held in the restaurant at more flexible schedule and will eliminate the common problem of busy parents – difficulties finding a person to leave a child with.

As a result, the child-friendly restaurant will be especially attractive to the business people trying to combine their successful careers and family life.

Business objectives

The primary objectives for the enterprise include:

- establishment of the restaurant in the innovative format, appropriate for different types of business meetings and lunches;
- stable development of the restaurant using the business strategies which are the most appropriate for its format, target audience and objectives;
- creating and preserving excellent reputation due to high-quality service;
- organization of business lunches for small and medium group of workers;
- becoming the main venue for large-scale business meetings of the senior managers in the area;
- receiving stable income;
- achieving a recognition as the first restaurant being both business- and family-oriented.

Keys to success

- universal character, which makes the restaurant the best choice for visitors of different nationalities;
- a wide range of meals, representing the cuisine of various cultures all over the world;
- child-friendly policy, especially attractive to the working parents;
- creative design and pleasant atmosphere that evokes the desire to come back to the restaurant again and again;
- high quality of food and service, helpful and polite staff, attentiveness to details;
- convenient location in a major business centre as an important factor providing constant number of visitors and, as a result, stable demand and income.

Table 2 Stages of project realization

Stages	Terms
Signing the investment contract	2 weeks
Obtaining the funding	1 month
Registration in the state authority agencies	1 month
Preparation of lease documents	1 month
Purchase and installation of equipment	2 weeks
Personnel hiring and training	1 months
Conducting the marketing campaign	6 months

Own research

4.2. Market analysis

Since the restaurant business is highly developed in Prague as a popular tourist destination, the weak and strong points of other restaurants in the area should be analyzed in order to estimate the competitiveness and choose the most appropriate development strategy.

We consider the restaurants “Wine O’Clock Shop Prague” and “Be Bop Lobby Bar” as the main competitors by reason of the similar cuisine and service they provide, the peculiarities of their format, as well as location.

In particular, “Wine O’Clock Shop Prague” is a cozy small restaurant situated at Liliová 1069/16, Staré Město. Due to its small area, the restaurant is intended for the groups of maximum 10-12 visitors. The restaurant sells wines of large spectrum from Czech Republic and Southern Italy, including Aglianico del Vulture, Primitivo di Manduria, Gioia del Colle, Fiano Minutolo and Falanghina. [30]

Italian and Czech cheese, prosciutto and salami from small productions and farms are the chief appetizers of “Wine O’Clock Shop”.

“Be Bop Lobby Bar” is another popular place for meetings, located at Stepanska 40, Nové Město. The restaurant offers a wide selection of cocktails and liquors and is considered to be one of the best bars in Prague.

“Be Bop Lobby Bar” is a part of the hotel Alcron, which is associated with gastronomic charms and luxury.

The bar is renowned for its history that goes back to 1932 when the famous award-winning hotel Alcron was opened. “Be Bop Lobby Bar” is always highly estimated by the visitors, in particular, for its excellent cuisine, gracious service and beautiful surroundings. [24]

The analysis of competitiveness was conducted according to the following criteria: location, opening hours, interior design style, cuisine, dining options, advertisement, security, service, price range, and target audience.

Table 3 Estimation of competitiveness of the restaurants in Prague on a scale of one to five for each factor

№	Factors of competitiveness	Name of the restaurant			
		Wine O'Clock Shop Prague	Points	Be Bop Lobby Bar	Points
1.	Location	Liliová 1069/16, 118 00 Praha 1, Czech Republic, Staré Město	4	Stepanska 40, 110 00 Praha-2, Czech Republic, Nové Město, Praha 1	4
2.	Opening hours	5 p.m. – 11.30 p.m.	3	8 a.m. – 1 a.m.	5

3.	Interior design style	Tiny bar with cozy atmosphere	4	Art deco style, pleasant atmosphere	5
4.	Cuisine	Italian, Mediterranean, European	4	International, vegetarian, gluten-free meals	5
5.	Dining options	Lunch, dinner, reservations, takeout, late night, delivery	4	Lunch, breakfast, dinner, late night, delivery, reservations, takeout	5
6.	Advertisement	In local media	4	In local media	4
7.	Security	High level	5	High level	5
8.	Service	High level	5	High level	5
9.	Price range	CZK 160-350	4	CZK 151-350	4
20.	Target audience	Romantic, special occasions	3	Families with children, large groups, romantic, business meetings, special occasions	5
	TOTAL		40		47

Sources: Wine O'Clock Shop Prague, official website; Be Bop Lobby Bar, official website; TripAdvisor, Inc. American travel and restaurant web-site.

4.3. Company Description

Restaurant business is one of the most attractive spheres for investment. Nowadays, restaurants can be viewed as important venues for social interaction where people hold negotiations or just relax after a long day at work discussing the latest news.

Visiting a restaurant has become a vital part of everyday life, especially for business people. It's very important not only to find a place with the food and service of high quality, but also nice interior and pleasant atmosphere. Therefore, to achieve success in restaurant business it's necessary to meet such basic demands, as well as to offer special services that will attract the diverse clientele.

At working days, the major part of the restaurant's visitors will be the workers of the enterprises situated in Klamovka Business Centre and their children. At weekend, the restaurant will be appropriate not only for lunches or business meetings, but also for special occasions and family celebrations.

In terms of its format, "Gem of Prague" is a casual dining restaurant. That is, it combines the features of premium-class service and meal with the accessibility for wide range of visitors.

Casual dining restaurants have been gaining popularity globally, being an intermediate stage between classical fine dining restaurants and fast casual restaurants. It's an optimal type of establishment, since it allows more opportunities for service and design [26].

Such a format has the following advantages:

- wide meal selection;
- healthy well-prepared food;
- a well-run clean facility;
- acceptable prices.

The total area of the restaurant includes:

- two halls (Eastern and Western): 170 m²;
- kitchen: 60 m²;
- children's play area: 50 m²;

- mini-bar: 20 m².

The estimated number of seats:

- Western hall: 50;
- Eastern hall: 50;
- children's play area: 20;
- mini-bar: 10.

Goods and services:

- dishes of multinational cuisine;
- vegetarian food;
- gluten-free food;
- alcoholic drinks;
- corporate events;
- business meetings;
- special occasions;
- family holidays;
- delivery service.

Table 4 SWOT-analysis

<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
<ul style="list-style-type: none"> - convenient location; - innovative format of both business- and family oriented restaurant; 	<ul style="list-style-type: none"> - lack of the formed image of the restaurant; - lack of large-scale advertising. 	<ul style="list-style-type: none"> - restaurant business is a flexible profitable industry; - establishing a chain of multicultural cuisine restaurants of this type; 	<ul style="list-style-type: none"> - possibility of emergence of similar competing restaurants; - change of customers' needs;

<ul style="list-style-type: none"> - the benefit of childcare service; - fast and high quality service; - cooperation with the enterprises located in the business centre and organization of corporate events on an ongoing basis. 		<ul style="list-style-type: none"> - possibility to attract visitors other than workers of Klamovka Business Centre; - weekend workshops for children as a non-core activity; - widening the range of childcare services, i.e. organization of children's celebration etc. 	<ul style="list-style-type: none"> - unfavourable governmental policy; - decrease in paying capacity of citizens; - rising level of inflation.
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Source: Cadle, J. Business Analysis Techniques. 72 Essential Tools for Success

Taking the results of SWOT-analysis into consideration, the conclusion is that “Gem of Prague” is a highly competitive enterprise with a significant number of growth opportunities.

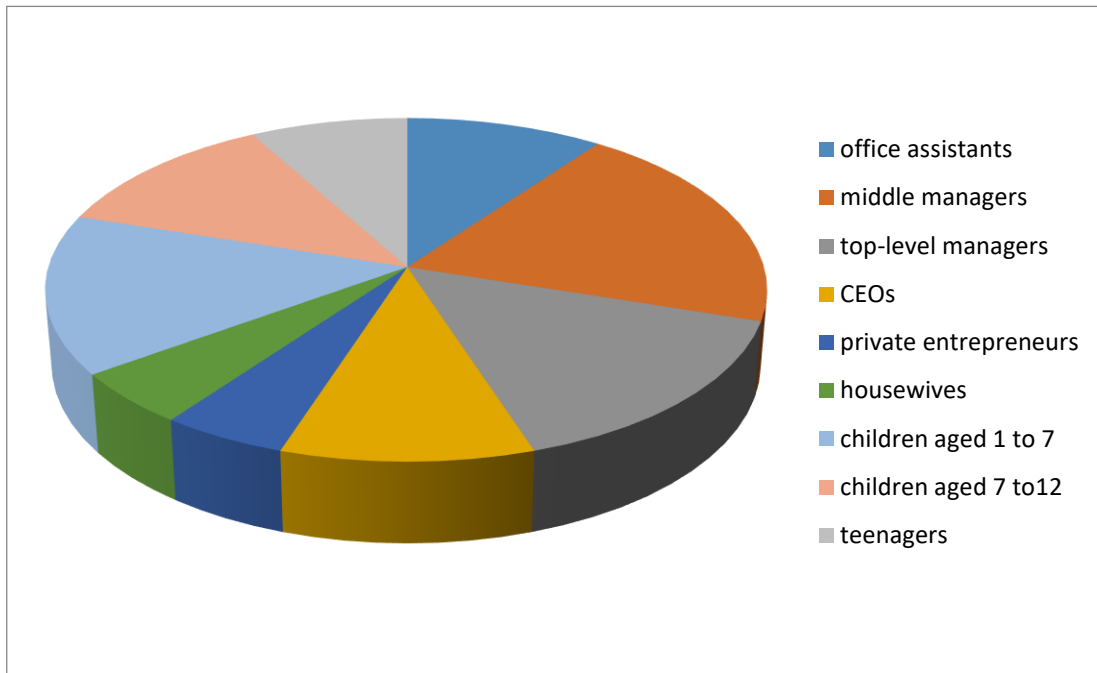
The weaknesses, in particular, a lack of formed image and large-scale advertising, can be eliminated gradually by means of local advertising that will extend in the course of the restaurant development.

According to the statistical data of the area, the target audience of the restaurant can be represented by the following social groups:

- office assistants: 10 %;
- middle managers: 20 %;
- top-level managers: 15 %;
- CEOs: 10 %;
- private entrepreneurs: 5 %;

- housewives: 5 %;
- children aged 1 to 7: 15 %;
- children aged 7 to12: 12%;
- teenagers: 8 %.

Figure 5 Representation of the restaurant's target audience



Own calculations

It's crucial to take into account and thoroughly analyze the needs of each group of visitors in order to provide the highest quality of service, making their stay at the restaurant enjoyable.

The menu of the restaurant will include:

- soups;
- salads;
- hot dishes;
- desserts;
- cold snacks;
- hot snacks;
- gluten-free meals;

- confectionery;
- chocolate goods;
- cocktails;
- alcoholic drinks;
- non-alcoholic drinks.

4.4. Management and Organization

4.4.1. Company ownership

The restaurant will be owned by Koninklijke Ahold Delhaize N.V., an international food retail group, well-known for its e-commerce businesses and supermarkets. 21 local brands of the group employ more than 375,000 associates at 6,500 stores, being represented in 11 countries. The formats of Ahold Delhaize include hypermarkets, supermarkets, online groceries, drugstores, wine and liquor stores, as well as convenience stores and online non-food stores.

The brands of the company are active not only in the Czech Republic, but also in the United States, Germany, the Netherlands, Belgium, Luxembourg, Romania, Serbia, and Greece.

The founders of the restaurant are Thomas Baker and Peter Brown. Mr. Baker will also act as a general manager and executive chief of the enterprise, while Mr. Brown – as a managing partner.

Mr. Baker is an accomplished restaurateur with more than 30 years of experience in this sphere. He currently owns several restaurants in the USA, Germany and the Netherlands. Having worked as a manager for chains of restaurants for more than 15 years, he has a profound knowledge of what the perfect restaurant should be.

Mr. Brown is certified in Restaurant and Hotel Management and has 20 years of working experience in international business management. The restaurants under his management were awarded by numerous honours, including Michelin Stars and NRA Awards.

4.4.2. Personnel management

“Gem of Prague” will be open seven days a week from 8 a.m. to 1 a.m., which is typical of a casual dining restaurant. Consequently, the working schedule for the personnel will be set from 7.30 a.m. to 1.30 a.m.

The restaurant’s management team will consist of individuals whose working experience in restaurant business or connected spheres will be not less than 5 years. Thus, the high professional level will be ensured.

Nevertheless, young workers for the positions of waiters, bartenders, cashiers, dishwashers and cleaning staff will be hired. Flexible shift schemes will be provided for those workers who are obtaining higher education.

For the restaurant the following personnel is needed:

General Manager: 1.

Front of the House Manager: 1.

Assistant Manager: 6.

Executive Chef: 1.

Cook: 10.

Bookkeeper: 2.

Cashier: 2.

Childcare staff: 15.

Waiter: 15.

Bartender: 2.

Driver: 3.

Dishwasher: 5.

Cleaning Staff: 10.

The number of workers for each position was designated in accordance with the restaurant's size, format and peculiarities of service. Increase the staff is planned in the course of the restaurant's development and widening the range of its services [27, p.92 – 95].

According to the character of work, the requirements for different positions in the restaurant will be as follows:

Table 5 Qualification requirements for the workers

Position	Education	Personal qualities	Job experience
General Manager	Higher education	Ability to motivate, coach, and train employees, stress-resistance, excellent interpersonal skills, ability to handle affairs diplomatically, strong organizational skills, attention to detail, politeness	Necessary, not less than 10 years
Front of the House Manager	Higher education	Attention to detail, problem-solving skills, stress-resistance, fast decision-making, excellent interpersonal skills, being a team player, organizational skills	Necessary, not less than 5 years
Assistance Manager	Higher education	Excellent communication skills, stress-resistance, good business awareness, problem-solving skills, being a team player, planning skills	Necessary, not less than 5 years
Executive Chef	Special education	Culinary expertise, creativity, self-motivation, being a	Necessary, not less than 10 years

		team player, excellent communication skills, attention to detail, ability of multitasking, safety consciousness	
Cook	Special education	Culinary expertise, cleanliness, stress-resistance, creativity, strong motivation, attention to detail, being a team player	Necessary, not less than 5 years
Bookkeeper	Higher education	Knowledge of bookkeeping principles, organizational skills, strong motivation, being disciplined, excellent data entry skills	Necessary, not less than 5 years
Cashier	Specialized courses	Stress-resistance, alertness, honesty, good communication skills, good memory, excellent math skills	Necessary, not less than 3 years
Childcare staff	Pedagogical education	Outgoing personality, excellent communication skills, confidence, ability to engage, friendliness, excellent organizational skills	Necessary, not less than 5 years
Waiter	Secondary education or specialized courses	Punctuality, attentiveness, hospitality, politeness, good memory, excellent communication skills	Desirable but not necessary
Bartender	Secondary technical education or specialized	Outgoing personality, basic math skills, friendliness, good organizational skills	Desirable but not necessary

	bartending courses.		
Driver	Driving courses, a license is necessary	A sense of responsibility, alertness, stress-resistance	Necessary, not less than 3 years
Dishwasher	No special education needed	Attention to detail, time-management skills, stress-resistance	Desirable but not necessary
Cleaning Staff	No special education needed	Self-motivation, ability to complete the tasks without direct control, attention to detail, knowledge of cleaning chemicals, being a team player	Desirable but not necessary

Own research with help of Dias, L.P. Human Resource Management

Hiring will be conducted on a competitive basis regarding personal qualities and previous work experience.

The responsibilities of the staff are the following:

General Manager:

- hiring and firing personnel;
- training, supervising and counselling staff;
- establishing standards for the employees;
- dealing with vendors and suppliers;
- preparing reports to the restaurant's owners;
- preparing sales and marketing projects;
- purchasing supplies and food;
- promoting the restaurant;
- coordinating all business operations;
- managing human and administration resources;
- developing strategies for the restaurant's growth;
- arranging schedules for staff.

Front of the House Manager:

- ordering inventory;
- planning events;
- monitoring trends in the restaurant business and making improvements;
- ensuring safe working practices;
- coordinating staff;
- monitoring and managing cleaning and catering contracts;
- booking the tables;
- providing warm welcome to the visitors.

Assistance managers:

- monitoring inventory;
- coordinating orders, sales processes and payments;
- assessing personnel performance;
- motivating employees;
- analyzing customer needs;
- handling visitors' complaints;
- providing regular audits;
- maintaining high level of service;
- ensuring the progress of the restaurant's objectives.

Executive chef:

- providing directions for the kitchen operations;
- controlling the operations in the kitchen;
- training and motivating the cooking staff;
- maintaining the productivity of the employees;
- providing supervision during preparation of meals;
- assisting the staff in food preparation;
- substituting for the employees absent;
- planning, developing and updating menu;
- determining requirements for meal presentation;
- following the food budget;
- identifying the problems in the kitchen and coping with them.

Cooks:

- preparing the menu items;
- following the executive chef's instructions;
- storing the ingredients according to the standards set;
- cleaning up the inventory and food preparation area;
- measuring and mixing food items according to the recipes;
- taking care of leftover food.

Bookkeeper:

- keeping records of food and supplies budget, expenditure and revenues;
- reviewing the daily receipts;
- comparing receipts with the budget of the restaurant;
- ensuring the staff is recording their working hours in accordance with the schedule;
- providing weekly financial reports;
- keeping records of the sales tax.

Cashier:

- taking payments by cash, credit cards, checks etc.;
- presenting change to customers;
- assisting in food packing activities;
- computing and recording transactions.

Childcare staff:

- looking after the groups of 10-15 children;
- entertaining the children;
- organizing performances and operating puppets;
- providing gaming activities.

Waiters:

- preparing tables;
- maintaining cleanliness in the dining area;
- greeting and serving customers;
- presenting the menu;
- taking accurate orders;

- delivering orders;
- answering customers' questions;
- making suggestions concerning the food and beverages;
- ensuring the visitors feel welcome;
- collecting the bill;
- following cash handling policies.

Bartenders:

- greeting customers;
- presenting the menu of beverages;
- making suggestions on beverages;
- providing additional information and answering the customers' questions;
- preparing beverages in accordance with set standards;
- keeping the bar area clean;
- serving snacks in addition to beverages;
- providing clean and attractive glasses and bottles;
- recording orders accurately;
- ensuring the customers ordering alcoholic drinks are of legal drinking age;
- processing payments.

Drivers:

- loading and unloading food, beverages and equipment;
- transporting delivery to the assigned destinations;
- providing professional interaction with customers;
- processing order paperwork;
- maintaining the car and equipment in sanitary conditions;
- protecting the restaurant's facilities and goods;
- working in coordination with other members of the restaurant's staff.

Dishwashers:

- ensuring the necessary number of clean utensils;
- washing specific kitchen utensils by hand;
- controlling the operation of washing machines and reporting of any technical problems;
- storing the kitchen items in an appropriate manner;

- cleaning garbage cans.

Cleaning Staff:

- vacuuming and scrubbing the floor;
- cleaning surface areas, counter surfaces and windows;
- ensuring cleanliness of sinks and toilets;
- keeping the premises of the restaurant tidy.

4.4.3. Start-up Summary

Table 6 Start-up planning

Start-up Expenses	
Stationery etc.	6,000 CZK
Legal	10,000 CZK
Expensed Equipment	60,000 CZK
Rent	20,000 CZK
Other	20,000 CZK
Total Start-up Expenses	116,000 CZK
Start-up Assets	
Cash Required	560,000 CZK
Start-up Inventory	10,000 CZK
Other Current Assets	40,000 CZK
Long-term Assets	480,000 CZK
Total Assets	1,090,000 CZK

Total Requirements	1,206,000 CZK
Start-up Funding	
Start-up Expenses to Fund	116,000 CZK
Start-up Assets to Fund	1,084,000 CZK
Total Funding Required	1,200,000 CZK
Assets	
Non-cash Assets from Start-up	520,000 CZK
Cash Requirements from Start-up	564,000 CZK
Additional Cash Raised	0 CZK
Cash Balance on Starting Date	564,000 CZK
Total Assets	1,084,000 CZK
Liabilities and Capital	
Liabilities	
Current Borrowing	600,000 CZK
Long-term Liabilities	0 CZK
Accounts Payable (Outstanding Bills)	0 CZK
Other Current Liabilities (interest-free)	200,000 CZK
Total Liabilities	800,000 CZK
Capital	
Planned Investment	

Owner/founder	400, 000 CZK
Other	0 CZK
Additional Investment Requirement	0 CZK
Total Planned Investment	400,000 CZK
Loss at Start-up (Start-up Expenses)	(116,000 CZK)
Total Capital	284,000 CZK
Total Capital and Liabilities	1,084,000 CZK
Total Funding	1,200,000 CZK

Own calculations

4.5. Marketing and sales management

4.5.1 Marketing strategy

The marketing objectives of the restaurant include:

- return on investment in two years;
- achieving the necessary financial results;
- brand creation and promotion, i.e. establishing recognizable style (original menu, characteristic features of service etc.), development of unified standards for meal preparation and service, organizing an advertising campaign;
- working with the staff of the restaurant, in particular, selection of management team, development of the unified system for personnel motivation, training the staff in accordance with the restaurant's concept, ensuring professional and career growth of the staff;
- building the corporate culture that would comply with the aims and objectives set.

Marketing as a set of procedures is aimed at creation of the conditions under which the restaurant is able to successfully perform its tasks.

The marketing operations of the restaurant include:

- analyzing the customers and the changes in the target audience;

- assessing market opportunities of the restaurant;
- investigating the competitive enterprises;
- developing measures for the restaurant's promotion;
- planning the restaurant's growth;
- price forming policy.

Given the fact that information is better remembered in printed rather than oral form, it would be appropriate to prefer restaurant advertising in printed sources to television or radio.

Moreover, advertisements in magazines are more effective as compared to newspapers for a number of reasons:

- higher quality of reproduction;
- longer term of existence;
- significant numbers of readers who can be regarded as prospective customers;
- prestige and reliability.

The restaurant will also make use of direct mailers, billboards and flyers to local businesses. Billboards will provide customers' awareness of the new restaurant, they will be ordered for the first several months. Flyers and mailers will help to bring in customers by means of advertising sales promotions.

Thus, the essence of the promotional plan is to attract people's attention, draw them in to the restaurant and then provide a superior experience of food and service.

In addition, the advertisements will be placed on a number of web-sites. The advertisements on the Internet should correspond to the general thematic of the web-sites. Such type of advertising will allow us to make the influence of the campaign more precise.

Later, with the development of the restaurant, its own web-site is planned to be launched. Apart from the main information about the location, services and meals, it will contain the special sections for customers' reviews to ensure the feedback. Thus, visitors of the web-site will familiarize themselves with the impressions on the restaurant and make positive conclusions about it.

Moreover, a section on the restaurant's staff will be provided. In these section the brief characteristics of the staff will be posted, their role in the restaurant's operation, as well as their special achievements and awards.

Such measures will enhance the positive image of the restaurant and help to widen its customers' base.

To strengthen the customer loyalty, the individual approach to every client will be maintained, which presupposes the following activities:

- providing the regular customers with the latest information on new services and special offers;
- discounts for regular customers;
- anniversary and holiday cards;
- special birthday offers;
- discounts and prizes as part of promotional campaigns;
- charity events for schools, community centres and senior citizens;
- trade shows.

4.5.2. Marketing programs

Considering the fact that the restaurant provides a child-care service, it would be appropriate to arrange some special programs for children. In particular, once a month the restaurant will organize "Gem of Prague tours" for young visitors aged 7 to 12.

The children, brought to the restaurant by their parents or teachers, will be divided into groups of 10 – 12 persons. The entertainment staff and managers will guide them through the restaurant's premises describing the activities of staff members, speaking about the history of different multinational dishes served at the restaurant, and showing the process of cooking. The tour will include free lunch. i.e. hot meals, sweet desserts and beverages.

Besides, the establishing of Sunday cooking courses for children from 8 to 12 and teenagers is being planned. During the classes, kids will learn how to cook healthy, wholesome food and try their hand at preparing multinational meals. All the process will be supervised by restaurant's chef-cooks and members of staff.

The “Gem of Prague cooking courses” are a great way not only to develop useful cooking skills, but also to make friends. Thus, such a special offer will certainly attract more customers with children. The regular customers will get a 20 % discount.

4.5.3. Pricing policy

Pricing policy of a restaurant will be built on the principles of productive capacity maximization. The food costs will account for 28 to 35 % of the gross income.

In setting the menu prices, the following practices will be made:

- adjust the prices for seasonal food, such as fruit (apricots, oranges, cherries, mango, strawberries, melon, pineapple, grapes etc.) and vegetables (beans, peas, garlic, lettuce, corn, cucumbers, peppers, potatoes, pumpkin etc.);
- mix high-cost and low-cost meals in the menu;
- designate specific times for costs and prices review;
- take non-monetary factors into consideration when setting prices;
- use all ingredients in multiple dishes, which will ensure maximum freshness of the food as well as prevent its spoilage;
- set market prices for highly volatile foods;
- include inventory in calculations of total food expenses [28, p. 220 – 225].

In order to avoid the temporary price surges, it’s necessary to balance lower cost ingredients with expensive items, as well as to choose food that has stable prices to compensate for the prices that fluctuate frequently.

4.5.4. Sales strategies

As the restaurant will mostly provide service for the office staff working in the same building or in the nearby area, the restaurant should work fast at peak times. Consequently, it’s crucial to keep a good crowd balance, maintaining a stable level of visitors, so that the restaurant doesn’t look empty, but at the same time has enough seats not to turn the customers away.

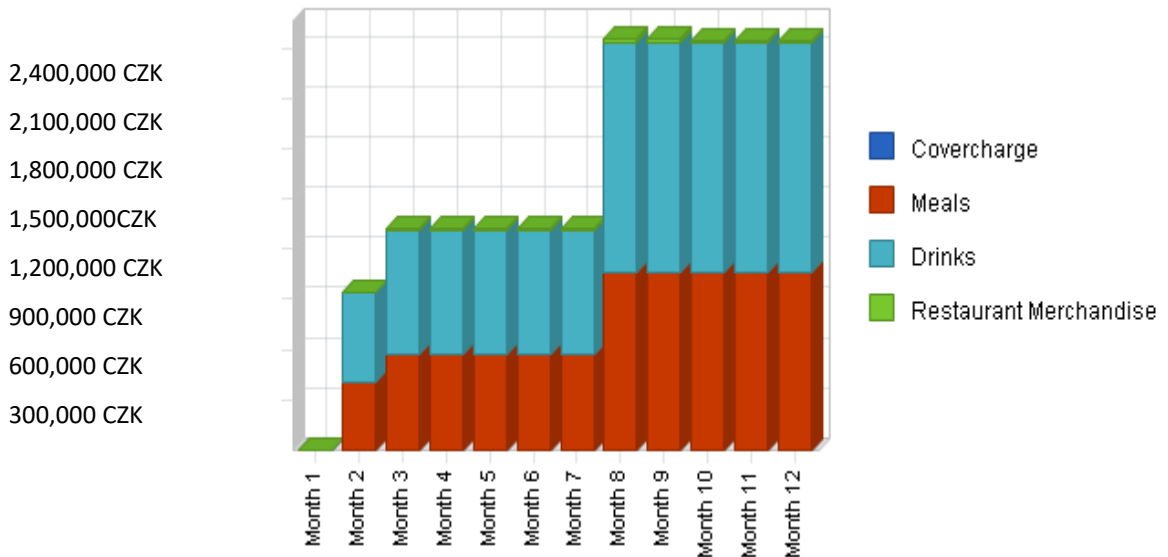
Developing repeat business is the key successful sales strategy. The service due to which every customer who comes in wants to return later should be provided. To achieve that, special menu days will be introduced, discount cards and a regularly updated menu.

Also types of meals sell better and conduct surveys will be analysed to establish a program of customer feedback. Such data will allow us to investigate the tastes of the audience and match them, as well as encourage more people to choose “Gem of Prague”.

Moreover, the organization of a business/home delivery system is being planned that will provide delivery of orders in about half an hour. Such a fast service will contribute to the positive image of restaurant as well.

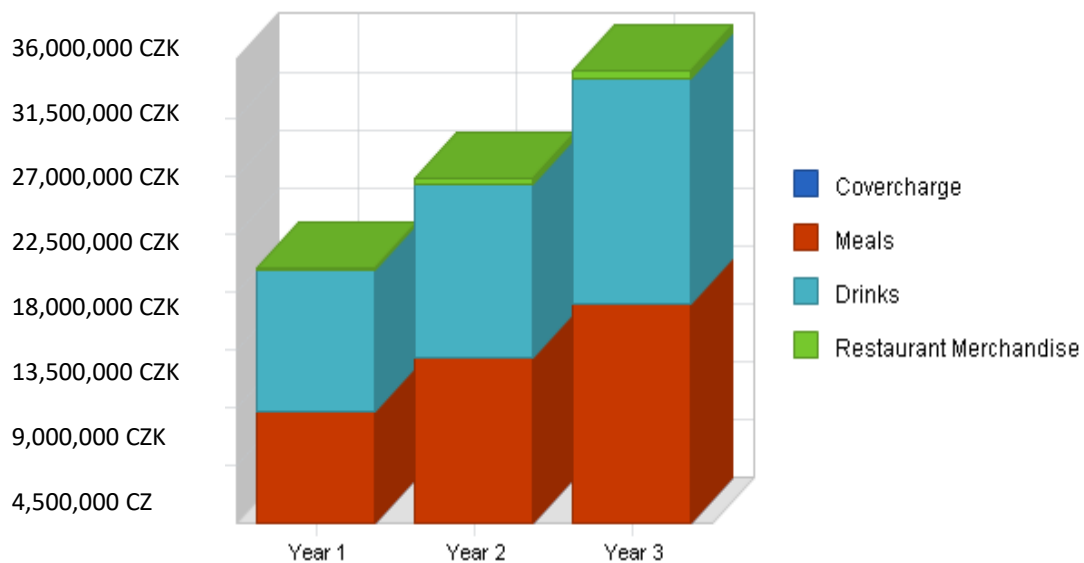
According to this planning, the sales forecast will be as follows:

Figure 6 Sales Monthly



Own calculations

Figure 7 Sales by 3 years



Own calculations

4.6. Financials

4.6.1. Calculations of profit and expenditure

Table 7 Calculations of monthly salary payments for personnel

	Number	Salary payment	Total sum
General Manager	1	45,000 CZK	45,000 CZK
Front of the House Manager	1	40,000 CZK	40,000 CZK
Assistant Manager	6	25,000 CZK	150,000 CZK
Executive Chef	1	50,000 CZK	50,000 CZK
Cook:	10	30,000 CZK	300,000 CZK
Bookkeeper:	2	25,000 CZK	50,000 CZK
Cashier:	2	15,000 CZK	30,000 CZK

Childcare staff:	15	30,000 CZK	450,000 CZK
Waiter:	15	25, 000 CZK	375,000 CZK
Bartender:	2	22,000 CZK	44,000 CZK
Driver:	3	20,000 CZK	60,000 CZK
Dishwasher:	5	25,000 CZK	125,000 CZK
Cleaning Staff:	10	20, 000 CZK	200,000 CZK
Total:			1,919,000 CZK

Own calculations

Table 8 Forecast of the restaurant's profit per month

Name	Number of meals sold per day	Price for an item, CZK	Profit per month, CZK
Salad Caesar	30	450	405,000
Greek Salad	40	470	564,000
Berry Salad	35	450	472,500
Garden Deluxe	35	350	367,500
Chicken, Bacon and Avocado Salad	40	400	480,000
Shrimp Salad	30	420	378,000
Mozarella An Carozza	10	500	150,000
Warm Artichoke and Spinach Dip	20	400	240,000
Potato Croquettes	15	450	202,500
Fried Ravioli Carbonara	10	650	195,000
Cheese Ravioli	10	600	180,000

Steak Stroganoff	15	500	225,000
Chicken Curry	10	550	165,000
Kadai Chicken	20	550	330,000
Mango Fish Curry	30	200	180,000
Crispy Spring Roll	35	250	262,500
Deep Fried Squid Tentacles	35	200	210,000
Special Chinese tea	40	100	120,000
Green tea	40	100	120,000
Coffee	35	150	157,500
Juice	20	150	90,000
Soft drinks	10	150	45,000
Mineral water	10	100	30,000
Cocktails	24	300	21,6000
Wine	7	3800	79,8000
Cognac	10	1700	51,0000
Total:			22,172,200 CZK

Own calculations

Table 9 Calculations of expenditure on equipment

Title of equipment	Primary cost, CZK	Life cycle, years	Annual depreciation charge, CZK
Cabinet oven	30,000	10	5,000
Refrigerator	50,000	10	3,000
Electric stove	10,000	10	1,000
Refrigerated case	30,000	10	3,000
Tables	20,000	10	6,000
Rack track	15,000	10	1,500
Dispenser	10,000	10	1,000

Air conditioner	21,000	6	3,500
Exhaust fan	13,000	6	2,167
Office equipment	50,000	4	12,500
Furniture	60,000	10	6,000
Bar counter	15,000	10	1,500
Total:			46,167 CZK

Own calculations

Table 10 Calculations of total expenditure

Title	Cost				
	Number	By month	By year	One-time purchase	Total cost
Lease of premises	300 m ²	50,000	600,000		600,000
Purchase of equipment				46,167	46,167
Purchase of kitchen utensils	1	30,000	40,000	25,000	65,000
Purchase of a car	2			380,000	760,000
Purchase of computer equipment	1			20,000	20,000
Spending on advertising		75,000	900,000		900,000
Creation of web-site, web hosting				20,000	20,000

Salary payments for personnel		1,919,000	23,028,000		23,028,000
Taxation		363,660	781,660		781,660
Unexpected expenses				241,834	241,834
Total:					26,462,661

Own calculations (in CZK)

4.6.2. Project effectiveness evaluation

Return on investment is calculated by the following formula:

$$r = (V_f - V_i) / V_i$$

where r = return on investment,

V_f = final value,

V_i = initial value.

Thus, the profitability of the restaurant during the first year will be the following:

$$(82,367,640 / 26,606,640) \times 100\% = 30,9\%.$$

The discount rate equals 15%.

$$\text{Net present value} = 82,367,640 / (1 + 0,15) + 82,367,640 / (1 + 0,15)^2 =$$

$$= 7,162,404 + 6,228,177 = 133,905,810.$$

Table 11 Return on investment

Year	0	1	2
Revenue		82,367,640	82,367,640

PV		7,162,404	62,28,177
Expenditure	12,201,167		
NPV		-5,038,763	1,189,414

$$5,038,763 / 6,228,177 = 0.8.$$

Own calculations

Consequently, the term for return on investment is 20 months.

4.7. Risk assessment

Although the general forecast for the restaurant is optimistic, certain risks can emerge. As a result, it's necessary to identify the possible risks in order to prevent any negative effects on the enterprise.

Among internal risks are:

- hiring incompetent staff;
- poor performance of workers;
- lack of cohesion between personnel;
- critical staff members leaving the restaurant;
- loss of the premises rented;
- problems with licensing;
- money mismanagement;
- inability to withstand competition.

External risks include:

- poor quality of food items supplied;
- global strikes of workers;
- low level of demand;
- unfavourable economic situation in the country;
- restaurant business being not profitable industry anymore;
- natural disasters.

To cope with the risks, it's crucial to provide effective planning of resources, constantly search for new business strategies, pay attention to trends in the restaurant business, introduce innovations, investigate the market, ensure high level of personnel competence, as well as maintain friendly atmosphere between staff members.

5 Conclusion

Restaurant business is always in demand, since nowadays restaurants are viewed not only as places to have a meal, but also as venues for business negotiations, meetings with friends and family leisure.

In this business plan the concept of a restaurant established in a new format is presented, namely both business- and family oriented, and justified the reasons why this enterprise is economically viable. The keys to success of the restaurant are its universal character, child-friendly policy, convenient location as well as high level of service and food quality.

The market and the main competitors is also analyzed in order to understand better what position the restaurant will take and what its strengths and weaknesses are as compared to the restaurants in the area.

Based on the demographic data, the target audience was detected and investigated the main social groups it consists of. Thus, the main target audience is the workers of the offices in Klamovka Business Centre as well as their children and families.

Special attention is paid to the characteristics of staff, in particular, skills and experience needed. Moreover, a detailed description of responsibilities of the personnel was provided.

Understanding that marketing strategy is one of the most important aspects of the project, the suggestion of several marketing programs was made which will be of interest both for children and adults. In addition, the use of practices of customer loyalty programs will be made.

The pricing policy will be based on a number of principles that will help to maximize the profit.

As for the sale strategies, the principle of repeat business will be followed, that is to provide the service and food of the highest quality, which will make the customers visit the restaurant constantly.

In order to improve and develop the restaurant, the launching of a web-site will be done where the visitors will be able to comment on the service and food. Such a strategy will provide a feedback and help to attract new customers.

According to the calculations conducted, the return on investment will be got in 20 months.

Given that restaurant business is highly profitable in Prague, the idea of the restaurant to be attractive in terms of investment was considered.

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