

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Diploma Thesis

Business Plan of Sangam Restaurant

Sejal Amitbhai Patel

© 2018 CULS Prague

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

Sejal Amitbhai Patel

Business Administration

Thesis title

Business Plan of Sangam Restaurant

Objectives of thesis

The main aim of this thesis is to create a business plan for an Indian restaurant called Sangam in Prague.

Methodology

This diploma thesis will be divided into three parts.

The first part is a theoretical one and will be based on the literature search. It will define the current state of knowledge in the field of business, management and marketing.

The second part will rely on the theoretical part and it is the key component of the thesis. The author will use the method of quantitative research such as statistical methods. The researcher will also use secondary sources of information.

The final part will conclude the results of the previous parts and author's own recommendations for the selected company.

The proposed extent of the thesis

60 – 80 pages

Keywords

business, plan, marketing, restaurant, Indian food

Recommended information sources


KELLER, K L. – KOTLER, P. *Marketing management*. Upper Saddle River: Pearson Prentice Hall, 2012. ISBN 978-0-13-600998-6.

KOTLER, P. – KELLER, K L. *Marketing management*. Harlow: Pearson, 2015. ISBN 9781292092621.

PINSON, L., JINNETT, J. 2006. *Steps to small business start-up*. 1st ed. Chicago: Kaplan.

PINSON, L. 2008. *Anatomy of a business plan the step-by-step guide to building your business and securing your company's future*. Chicago: Out of Your Mind...and Into the Marketplace.

SUOMEN UUSIRITYSKESKUKSET RY 2011. *Becoming an Entrepreneur in Finland*. Suomen Uusyrityskeskukset Ry.



Expected date of thesis defence

2018/19 WS – FEM (February 2019)

The Diploma Thesis Supervisor

Ing. Stanislav Rojik, Ph.D.

Supervising department

Department of Management

Electronic approval: 28. 11. 2018

prof. Ing. Ivana Tichá, Ph.D.

Head of department

Electronic approval: 29. 11. 2018

Ing. Martin Pelikán, Ph.D.

Dean

Prague on 30. 11. 2018

Declaration

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

In Prague on 30 November, 2018

Acknowledgement

I would like to thank Ing. Stanislav Rojik,Ph.D for providing all support and consultation for completing this report . I would also like to express y sincere gratitude to all the respondents who took their to fill up the questionnaire and response to all my queries without any hesitation .Lastly, my special thanks to my family and friends, for their moral support to complete this report.

Business Plan of Sangam Restaurant

Abstract

Prague is getting more popular and growing city with various cultures and people. Being part of a culture, the cuisines and food appearance are necessary. Indian food is popular all over the world and in Prague. Indian food is well known for its freshness, nutrition taste due to spices used to make the recipes. It is in demand as daily food selection in many countries like the United States of America, Canada, Australia, Germany and has been slowly growing up now in Czech Republic. So, plan of a restaurant in Prague was found as best idea.

The aim of this thesis is to create a business plan for an Indian restaurant called Sangam in Prague and providing better eating experiences for the people of Prague and to get recognition of Indian food in Czech Republic. The business plan is made only for learning purpose.

The restaurant will recall the Indian culture with the highlights of décor tone. By a well designed menu, high quality of food and excellent friendly service and capacity of accommodating 90-100 people at a time.

In this thesis, observations through questionnaire and interview methods are used during the research processes. The interview was done at a Indian restaurant in Prague to gather the information and experiences of running a restaurant. In addition to this, observation methods were used. It has created a positive feedback from the customers. There were certain limitations and challenges faced while developing a thesis as few respondents not interested to fill the questionnaire.

However, the interview helped the author to understand the business and its major aspects.

Keywords: Business plan, marketing, restaurant, Indian food.

Obchodní plán restaurace Sangam

Abstrakt

Praha je stále populárnější a rostoucí město s různými kulturami a lidmi. Jako součást kultury je nutná kuchyně a vzhled jídla. Indická strava je populární po celém světě a v Praze. Indická jídlo je dobře známé díky svému čerstvosti, chuti na výživu díky kořením používaným k přípravě receptů. To je v poptávce jako denní výběr potravin v mnoha zemích, jako jsou Spojené státy americké, Kanada, Austrálie, Německo a pomalu vyrůstá v České republice. Takže plán restaurace v Praze byl považován za nejlepší nápad.

Cílem této diplomové práce je vytvořit podnikatelský plán pro indickou restauraci Sangam a poskytnout lepší stravovací zážitky pro lidi v Praze a získat uznání indické kuchyně v České republice. Podnikatelský plán je určen pouze pro účely vzdělávání.

Restaurace si vzpomene na indickou kulturou se zvýrazněnými tóny dekoru. Dobře navržené menu, vysoká kvalita jídla a vynikající přátelské služby a kapacita pro přizpůsobit 90-100 lidí najednou.

V této diplomové práci se během výzkumných procesů využívají pozorování metodami dotazníků a rozhovorů. Rozhovor se uskutečnil v indické restauraci v Praze za účelem shromáždění informací a zkušeností z provozování restaurace. Kromě toho byly použity metody pozorování. Vytvořila pozitivní zpětnou vazbu od zákazníků. Při zpracování diplomové práce existovaly určité omezení a výzvy, neboť jen málo respondentů neměl zájem vyplnit dotazník.

Rozhovor však pomohl autorovi pochopit podnikání a její hlavní aspekty.

Klíčová slova: obchodní plán, marketing, restaurace, indická jídla.

Klíčová slova: Business Plan, Marketing mix,

Table of content

1 Introduction.....	11
2 Objectives and Methodology.....	12
2.1 Objectives.....	12
2.2 Methodology.....	13
2.3 Limitations	14
3 Literature Review.....	15
3.1 Business Plan of an organization.....	15
3.1.1 Definition of Business Plan	15
3.1.2 Meaning and Purpose of Business plan	15
3.2 Components of a Business Plan.....	17
3.3 Analysis of External Environment.....	21
3.3.1 PESTLE Analysis.....	21.
3.3.2 Porter’s Five Forces.....	24
3.3.3 Competitors and Rivalry Analysis.....	28
3.4 Analysis of Internal Environment.....	30
3.4.1 Marketing Mix.....	30
3.4.2 Market Strategy and Implementaion.....	33
3.4.3 Financial Aspects.....	35
4 Practical Part: Business Plan of Sangam restaurant.....	38
4.1 Company Background.....	38
4.2 External Environment and its Analysis.....	42
4.2.1 PESTLE factors.....	42
4.2.2 Porter’s Five factors.....	44

4.2.3 Competitors Analysis.....	45
4.3 Internal Environment and its Analysis	42
4.3.1 Marketing Mix.....	47
4.3.2 Market Segmentation	48
4.3.3 Marketing Strategy.....	50
4.4 Financial Aspects of Sangam	53
4.5 Operations of Sangam.....	57
4.6 SWOT Analysis.....	59
5 Results and Recommendations	62
Conclusion	64
References.....	65
Appendices.....	70

Appendix A Questionnaire Sample Form

Appendix B Restaurant Menu

List of pictures

Figure 1	Purpose of a business plan.....	16
Figure 2	Component of a business plan.....	18
Figure 3	PESTLE Analysis factors.....	22
Figure 4	Porter's five forces.....	25
Figure 5	SWOT Analysis.....	36

List of tables

Table 1.	Restaurant Opening time.....	39
Table 2.	Daily Sales Ticket and Cash Calculation.....	41
Table 3.	Sangam Competitors Analysis.....	46
Table 4.	Estimate of Initial investment.....	53
Table 5.	Estimate of Development expenses.....	53
Table 6.	Estimate of Operational expenses.....	54
Table 7.	Estimate of Marketing expenses.....	55
Table 8.	Estimate of Human resources expenses.....	56
Table 9.	Estimate of Taxes.....	56

List of abbreviations

HR	Human Resources
PESTLE	Political, Economical, Social, Technological, Legal, Environmental
QMS	Quality Management System
SWOT	Strengths, Weaknesses, Opportunities, Threats
TQM	Total Quality Management

Introduction

Prague has noticed a huge change in eating habits of its people with the passage of time. The influence of more number of people travelling to Czech Republic and Czechs travelling to other countries and specially India has changed the culinary idea in Prague and other cities of the country. The growing diversity can be seen very clearly due to growing number of food markets, widen selection of items available in supermarkets and local shops. Even the growing number of restaurants with various cuisines is responsible to change the people attitude towards food and services.

In the past five years Indian cuisines are becoming more liked options in Prague due to various concepts and its cooking methods. Also the adjustment of taste as per requirements of locals to satisfy their taste buds and meet the appetite is possible. The thesis is implemented to analyse and develop a business plan of a restaurant. It does not necessary to be used as actual plan but it may serve as a solid foundation as well as learning material about the business. It may help to prove the fine dining experience and adding new colour and charm in the overall gastronomy landscape of Czech Republic.

The research is conducted to organize a plan by collecting necessary data, to understand challenges faced if any while developing a business and its marketing plans. Thesis topic addresses and tries to understand an importance of coordination of activities in a restaurant business and if any specific policy created by the company. It is also developed to generate a new business idea and to support the businesses in Czech Republic.

2. Objectives and Methodology

2.1 Objectives

The aim of research is to understand what business plan is and how to create its marketing plan. What policies and ideas can be created to integrate all activities of a business, how these policies may affect the business and its people, industry or country, how to solve the consequences and effects of policies if any new ideas to integrate activities in best possible way to enhance business growth. The analysis of the information collected will help to understand the effectiveness of strategies used by the company to promote business. The research findings can be similar to that of other research carried out may be with same interest. My research may help any industry to get an idea about how to present a specific country or region to their target market. This study may give important reference to future research in business and its marketing plan.

As written above, the goal of this thesis is to create a business plan and marketing strategy for a restaurant based in Prague. The plan will be used for funding and the marketing strategy that will examine how to relate and grow on the restaurant present customer base. In addition to this, the financial possibility of the restaurant will be analysed using its sales figures from on-going activities and projected near future gains and expenses.

Cooperation and partnership is necessary for business plan, its development and growth leading to overall development of the company. The main question that this thesis and plan to answer is the following:

What is the most suitable business structure for a restaurant?

Which business plan idea best suits this project?

What marketing plan can be applied effectively, specifically in relation to customer retention/gaining new clients?

Is the business plan practically, and financially feasible?

2.2 Methodology

The research was based on secondary research was done by reading of articles, books and observation of websites of many restaurant, understanding their business pattern. Meeting people to have industry experience along with running business and understanding the profitability ideas. Finally, the CEO of an Indian restaurant was chosen who has experience of running a business more than 8 years and has gained in depth experiences of restaurant operations.

To elaborate, the theoretical framework of this thesis is the description of business plan, its components, marketing plan and financial aspects and so on. The theoretical information is based on secondary data collection from literature and through an analysis carried out from different sources like websites of the companies in Czech Republic.

For practical part, the very important is the interview of the company owner that was held and which was used to gain deep understanding of the concept and research objective. Also, source like company documents, books, official website, procedure were used. Analyzation of the data was used to prepare captions and tables. As it is known, questionnaire survey is most common method that is used to collect information about the matter and its uses. It is also less expensive way to reach more people by use of different mode of communication and distribution .It can be rather done very quickly and has a most chances of reliability of the data collection due to more valid responses. Response quality is better because respondents may gather and consult sources needed to respond well (University of Tennessee net).

In this research as well, questionnaire was conducted that is based on filling multiple choice different questions. Approximately 100 questionnaire were distributed to the people .The survey was conducted in near the restaurants and so the targeted customers are those who visit the restaurant regularly or they have experience of the restaurant. The respondents were chosen keeping in mind their diversity to ensure more reliable and results. There are 10 questions in the survey form and it includes single and multiple choice questions. The matter covers the general information about the respondents dining habits, their age and interest, expectation towards a

restaurant, their choice of food. Each respondent were allowed 2-4 minutes to answer the questions.

The English version of the questionnaire is in Appendix 1.

2.3 Limitations

The thesis work is based on more of practical than theory, so there may be few limitations. As far as theory is concerned it is more related to business plan and its components. However, it is not an exclusive review of business plan in general and does not include all components of business and its marketing strategy. The thesis targets more on how a business plan can benefit a new business .The marketing strategies are focused towards customer retention and targeting new customers by catering them best quality services, and may be launching beneficiary programs. The thesis most part is the business plan and analyzation of the company and it tries to understand the consumer base, demographics for the restaurants particularly in Prague area with established customer base. It also focuses on marketing plan including PESTLE Analysis, Porter's five forces that influence the businesses.

3. Literature Review

3.1 Business Plan of an organization

3.1.1 Definition of business plan

“A business plan sets out your objectives, estimates and financial forecasts. It will help you establish where you are, where you are going, and how you intend to get there. A well-prepared business plan demonstrates your determination to start a successful business. It will help convince your bank manager, suppliers, and contacts, that you know what you are doing.” -Midland Bank Customer Information Booklet: Starting a Business (1999) (Butler, p.7, 2013).

3.1.2 Meaning and Purpose of Business plan

Business Plan is the planning of a business that works from. It is presented as a written document which reflects out the business idea into a detailed and inclusive model plan. A business idea may be great and seems successful, but until there is a plan to back it up, it is simply a thought, which generates a lot of questions. The aim of the business plan is to expand upon and answer the questions brought forth by the idea. For example, if the business idea is to start a new coffee shop which focuses on high-end, single-origin coffees, then it brings up questions of how the idea will be implemented, what differentiates it from others, and what sort of objectives it has. The purpose of a business plan is to give an answer to these questions. (Butler, p.1, 2013).

The purpose of marketing strategy should be to identify and then communicate the benefits of what business offers to target market. Once created and implemented strategy, company should monitor its effectiveness and make any adjustments required to maintain its success (Business link, 2011).

Figure 1: Purpose of a business plan



Source: Harvard Business Review Press

The creation of a business plan is itself beneficial to an entrepreneur as it enforces them to take a close and honest look at their ideas, capabilities, objectives and the overall viability of the business. The plan is commonly done at the outset of ventures, but ideally it should be kept up-to-date and reviewed on a regular basis, for example, annually. (Butler, p.1-4, 2013)

As mentioned above, a business plan is used to answer key questions that develop around business ideas, namely: who, what, where, when, why, how and how much. The plan should define the company's goals, both in the long and short-term, why they are attainable and how they will be reached, and what metrics will be used to measure the success and progress of the venture. It should spell out how the plan will be implemented, what costs are expected, both for the start-up expenses and the general operating costs and what kind of budget the company will operate on. It should also provide a forecast of profitability, sales estimates, and give a very clear

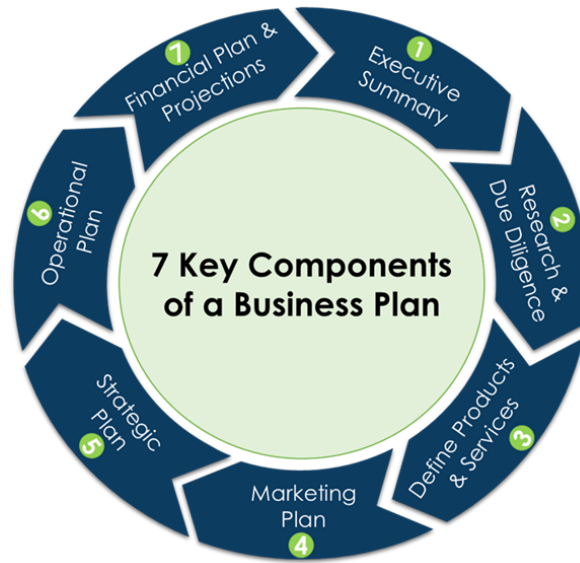
picture of the company's financials. The demand for the service/product and the target markets should be defined in the plan and backed up with facts and statistics where possible, and there should also be an analysis of the risk factors facing a company and what the market competition looks like. (Pinson, p.2, 2008) (Butler, p.1, 2013).

In addition to providing a clear blueprint for the entrepreneur, a business plan has other uses. Business plans are often used to seek investments, loans, partners or co-operative partners and some countries they are necessary when applying for the Start-Up Grant provided by the government. For these reasons, it is vital that the plan be clearly written, easy to understand and detailed. It's also important that the plan catches the attention and interest of the reader. It should demonstrate whether the venture is a valuable investment, and that it can pay back any loans and debts with interest. (SuomenUusyrittyskeskukset Ry, 2011)

3.2 Components of a Business Plan

Once the business plan is defined, it is important to consider its components as well to make it a successful plan. The business plan should cover the points like objectives of a business, well defined and appealing format, projection of sales and profit, financial overview. The cover page is the first thing a reader will see when evaluating a business plan. As such, it should grab their attention, be neat, organized and contain relevant information about the company. The cover page should display the logo of the company, and be consistent with the brand image that they are trying to portray. There should also be the company's address, website and contact information, as well as the contact information of the owner. Some business plans contain a confidentiality statement like the one seen below. (Pinson, p. 18-21, 2016)

Figure 2. Components of business plan



Source: Acuvity Consulting –Business Plan Framework

Company’s Executive Summary: The business plan should have the executive summary of the company along with details of management and its member profiles, their education, interest. The Company ownership, name of company if it is privately or publicly held company. If it is registered as a limited liability company with ownership of individual. The company owner experience, his degree/ diploma and university.

Company Objectives: The overall aim of this project is to create a fully operational restaurant as part of business to strengthen its presence in the hospitality sector (the parent Group located at Prague already has a strong foothold in the same sector and owns two restaurants as well by foraying into the domain of fine dining. The aim of the project would be a fully operational fine dining Restaurant, catering the needs of high end customers.

Product and Services: The product is an element of the marketing mix in customer relationship. It comprises everything that is offered to a customer - a product presentation, the product’s benefits, and especially its quality, must be emphasized. It is important to customize and differentiate the product so that it will successfully meet the needs, wants and values of customers. The quality of the product must meet customer expectations so well that the customer is willing to buy the product

again and to increase existing business of the company (Lahtinen and Isovitta 1994, 117).

Marketing and Sales: It explains all activities that are used to promote a product and sell it. It is very wise decision to include in the business plan to make sure its realistic and achievable. A strong marketing and sales plan mean you have a n idea on how the company product will be taken to the market. (Business link, 2011).

Customers need: It is very important to understand the consumers need and demand. It will help the firm to create a product and services accordingly .It may also help to highlight the current development happening in the company to or to indicate the gaps in the market that can fill with new products and services. If the company know the challenges that it might face, its easy to offer the solutions. It is also well worth to keep a watch on developments and innovation happening the industry .If the company knows the current market trend well in advance; it can anticipate what they will need and get it as per the requirement. (Business link, 2011).

Position: The focus of marketing position should ensure that product and spices are meeting the needs of customers and the company wants to build long-term relationship with those customers. In order to achieve this , the company hold create a flexible strategy that can meet the demand and expectation of the customers .It can also help to understand the new markets that can be targeted successfully.(Business link, 2011).

Production: There are four main types of production that are in increasing order of complexity and a decreasing of flexibility. The job work or unit production in which products are manufactured. Each and every product may differ in shape ,size, design, construction price and quality. The production in batches in which the demand of the market is sufficient to justify manufacturer the similar products. The bulk production in which components, semi finished and finished products are manufactures on a continuous, repetitive basis for sale in mass market, using standardized designs and production methods (Morden 1997, 175).

Operations and Information Technology: The business plan also needs to fous on operational capabilities and any improvements to be planned. There are a variety of ways in which the application of Information technology can yield distinctive

competence and competitive advantage within the operational context. Information Technology developments are basis for advanced operational and manufacturing system. Distinctive competences can be developed and achieved in the area of logistics and distribution, operational networks management, international manufacturing and distribution (Morden 1997, 186).

Financial Plan: The only element in the marketing mix which directly produces sales revenues is the price of a product. It has an essential influence on how well the product is sold. The company focuses its profits through its pricing (Lahtinen and Isovitta 1994, 127).

The main objectives of pricing decisions are establishing the standard price, consider the change in price, and determine the discount allowed and payment policy and terms. The price must be comfortable to both company and customer. The price must be set based on costs, demand and competition. There are four alternative price policies: high-price policy (market-skimming pricing), low-price policy (market penetration pricing), standard market price policy and price discrimination policy (different price is charged for different customers for the same or slightly different product) (Lahtinen and Isovitta 1994, 127-131).

While deciding the prices product assortment and product range, the objectives and resources of the company, capital investments, competition, the standard of service, target market needs to be considered (Lahtinen and Isovitta 1994, 81-83).

Cost savings: Applications of information Technology are used to get the operational saving of cost in manufacturing, inspection, processing of transaction, administrative activities (Morden 1997, 186-188). The application of operational systems based upon information technology also benefits for product differentiation and the offer of enhanced customer service too. Example include: Customized specification, design, engineering and production etc (Morden 1997, 188).

In short it is very important to remember the interaction of all the factors that influence the success of any business as shown in the below Figure and explained further.

3.3 Analysis of External Environment

External environment comprises of factors that affects the business and need to careful consideration. They are explained in this thesis through PESTLE Analysis, Porter's five forces and Competitors Analysis.

3.3.1 PESTLE Analysis

PESTLE analysis is widely used as a basis for understanding and analyzing the evaluation process of any business. It is often used as models in evaluating external environment of any business too. (Gupta, 2013). A business interacts with its external environment while its operational stage and factors are more or less uncontrollable by the business (Cadle, 2010). Also it forms the basis for the identification of opportunities and the threats.

The companies that are successful know and recognize the trends and manage to create new solutions for themselves and the customers. Designer gown was created to meet the needs of ladies who could no longer fit into their short dresses and wanted physically and psychologically comfortable dresses at office or events. A direction of events tends to develop a trend which is more predictable and reveal the shape of the future along with provision of strategic direction. The health and nutrition awareness among the masses has brought increased government policies and rules and negative publicity for the firms who are selling unhealthy food. Cultural change also might bring new opportunities or threats, many companies offer social-cultural forecasts. Market research is necessary to determine an opportunity's profit potential.

Figure 3: PESTLE Analysis



Source: www.presentermedia.com

A PESTLE analysis may help when assessing the risk arising from the impact of external factors as below:

Political environment: It may be altered by the government's influence on a country's infrastructure. This may include tax policy, environmental regulations employment laws, , trade restrictions, tariffs, reform and political stability. Charities may need to consider where a government does not want services or goods to be provided.

The Political-Legal Environment The political and Mandatory recycling laws have boosted the recycling industry and launched dozens of new companies making new products from recycled materials. There are two major trends are the increase in business legislation and the growth of special-interest groups. (Kotler- Keller, Marketing Management,2012 ,p.84)

Economical environment: It includes economic growth, interest rates, exchange rates, inflation, wage rates, working hours and cost of living. The available purchasing power in an economy depends on current income, prices, savings, debt, and credit availability. As the recent economic downturn vividly demonstrated, trends affecting purchasing power can have a strong impact on business, especially

for companies whose products are geared to high-income and price-sensitive consumers.(Kotler- Keller, Marketing Management, 2012,p.77)

Socio cultural environment: It includes cultural aspects, health and safety consciousness, population growth rate and various demographics. The Sociocultural Environment that we absorb and define our relationships to ourselves, others, organizations, society, nature, and the universe. People are getting concerned about the homeless, crime and victims, and other social problems. At the same time, they are suggesting a growing market for social-support products and services such as health clubs, cruises, and religious activity like television, video games, and social networking sites. Other cultural characteristics of interest to marketers are the high persistence of core cultural values and the existence of subcultures.(Kotler- Keller, Marketing Management, p.78)

Technological environment: The Technological Environment is the essence of market capitalism to be dynamic and tolerate the creative destructiveness of technology as the price of progress. For instant arrivals of mobile phones hurt the landline and the Internet hurt them both. When old industries fight or try to ignore new technologies, their businesses decline. for instance ,Tower Records had ample warning that its music retail business would be hurt by Internet downloads of music . Its failure to respond led to the liquidation of all its domestic physical stores in 2006.(Kotler- Keller, Marketing Management, p.81)

Legal Environment: It includes any law which may impact on the charities' operations, including NGO regulation and criminal and terrorist legislation which will differ from country to country. It consists of laws, government agencies,and pressure groups that influence various organizations and individuals. Sometimes these laws create new business opportunities. (Kotler- Keller, Marketing Management, p.84)

Environmental environment: It includes an awareness of climate change that may affect service delivery methods. The Natural Environment In Western Europe,“green”parties have pressed for public action to reduce industrial pollution.In the United States,experts have documented ecological imbalances, and observed companies such as the Sierra Club carry these concerns into political and social action. Environmental regulations hit certain industries hard. Recycling process

companies and public utilities have invested billions of dollars in pollution-control equipment and environmentally friendly fuels, making hybrid cars, low-flow toilets and showers, organic foods, and green office buildings everyday realities. Opportunities are for those who can match prosperity with environmental protection and laws.

Companies will definitely recognize the requirement to integrate environmental issues into the firm's strategic plans. Trends in the natural environment for marketers to be aware of include the shortage of raw materials, especially water; the increased cost of energy; raised pollution levels; and the changing role of governments. (Kotler-Keller, Marketing Management, p.80)

3.3.2 Porter's five forces

The five forces is a framework for understanding the competitive forces that shapes the competition in an industry and drive the economic value among the industry.

“Porter's insights started a revolution in the strategy field and continue to shape business practice and academic thinking today. A Five Forces analysis can help companies assess industry attractiveness, how trends will affect industry competition, which industries a company should compete in—and how companies can position themselves for success.” (Michael Porter in his classic 1979 Harvard Business Review article)

The configuration of the five forces differs by industry. In the market for hospitality and food producers, the bargaining power of the hotels and restaurants that place huge orders for food are strong, while the threat of entry, the power for suppliers and the threats of other product are more common. The proliferation of substitute forms of food and the power of the food producers and distributors who supply services, the critical input, are important. The most important force, however, is not always obvious. For example, even though rivalry is often fierce in commodity industries, it may not be the factor limiting profit. Huge returns in the hospitality industry, for instance, are the result of a superior product—as Hilton and Marriott, the world's leading hospitality brands and also learned with the advent of innovative product. In such a situation, innovation with the substitute product becomes the number one strategic priority. Industry structure grows out of a set of economic and operational

characteristics that determine the strength of each competitive force. We will examine these drivers in the pages that follow, taking the perspective of an incumbent, or a company already present in the industry. The analysis can be readily extended to understand the challenges facing a potential entrant.

Figure 4: Porter's Five Forces



Source: www.mindtools.com

Bargaining power of buyers: Customers use their power forces to cut down or to lower down the prices or ask for more services at present prices and tries to get more value for themselves. Their power is extreme when they in large numbers compared to competitors who are providing them services, also products are most similar and represent more cost for the buyer and there is less switching cost to move business from one to other competitors. They can be rivals of each other, if the products are more or less the same. For instant, despite of fragmentation of buyers, airline companies have difficult time to make a differentiated product and create buyers loyalty. Switching cost for customers is almost like nothing and budget airlines lessen the price levels. (www.isc.hbs.edu)

Bargaining power of suppliers: Major companies from all over the industry buy raw material from different suppliers. Powerful suppliers can use their negotiating power to charge higher rates. They can even demand more favorable conditions from the competitors. If there is monopoly of suppliers or less numbers of them for

required raw material, or other supplier dispatching process in time consuming, the powerful suppliers will generate more power. For instance, the major suppliers of airlines industry are engines, fuel, airports, aircraft .each has huge groups. Airlines companies many times face high cost of changing them and necessity of using major airports.

Threat of new entry: New entrants into an industry bring new capacity and a desire to gain market share. It puts pressure on current players to keep low prices and tries to retain customers by spending more on costs of marketing or advertisements etc. Thus rate of investment necessary to compete rises. Particularly when new entrants are differentiating from other markets competitors, they can use existing capabilities and cash flow to shake up competition, as Pepsi did when it entered the bottled water industry, McDonalds did when it began to offer its food online, and KFC did when it entered the franchisee distribution business. Therefore, the threat of new entry affects the profit figure of an industry,. When the threat is high, the existing players must hold down their prices or boost investment to deter new competitors. In coffee shop business, for example, there is low entry barriers mean that Starbucks must invest aggressively in modernizing stores and menus. The threat of entry in an industry depends on the size of entry barriers that are present and on the reaction of entrants can expect from present competitors. If barriers for new are less, new comer expect little retaliation from the entrenched competitors, the threat of entry is high and industry profitability is moderated. It is the threat of entry, not entry actually occurs, that holds down profitability.

Barriers to entry: There are seven major sources: 1. Supply-side economies of scale. These economies arise when firms that produce at larger volumes enjoy lower costs per unit because they can spread fixed costs over more units; employ more well efficient technology, or deals with better terms from suppliers. Supply-side scale economies determine entry by forcing the aspiring entrant either to come into the industry on a large scale, or to accept a cost disadvantage. Scale economies can be found in every activity in the value chain is most important varies by industry. (Harvard business review. 2008)

1. Economies of scale: The very important scale economies are found in the supply chain and media advertising and publicity. In small-package delivery, economies of

scale arise in information technology and national logistical systems (Harvard business review. 2008).

2. Demand side benefits of scale: These advantages are also known as network effects, arise in industries where a customer's willingness to pay for a company's product increases with the number of other customers who also patronize the company. The customers may trust bigger companies more for a crucial and hard to find product. They may also value being in a "network" with a larger number of fellow customers. For instance, online auction participants are attracted to Amazon because it offers the most potential trading partners. Demand side benefits of scale also discourage new entry by limiting the willingness of customers to buy from a new producer and by lowering the price, the new comer can command better till he builds up a large base of customers. (Harvard business review. 2008)

3. Customer switching costs: Switching costs are fixed costs that buyers face when they change suppliers. The cost may be there due to a buyer switches vendors, alter product specifications, and retrain employees to use a new product, change or modify processes or information systems. The larger the switching costs, the harder it will be for an entrant to gain customers. The change in menu is an example of a product with high switching costs. Once a restaurant has created a menu, the cost of moving to new supplier will be high because of differed price list training the kitchen staff to learn recipe as per the raw material available from the new vendor (Harvard business review. 2008)

4. Capital requirements: Huge amount of capital is required to enter the market to compete with the present competition. Capital may be necessary not only for fixed facilities but also to extend customer credit, develop inventories, and cover start-up losses. The barrier is particularly big if the capital is required for unrecoverable and therefore harder-to-finance expenditures, such as exclusive advertising or development. The huge capital requirements in certain industry limit the flow of likely entrants. Conversely, in profession like tax preparation or accounting or travel services, capital requirements are minimal and potential entrants plentiful. It is important understand the degree to which capital requirements alone deter entry.

5. Incumbency advantages independent of size. Despite of their size, incumbents may have cost or quality advantages that is not available to potential rivals. These

advantages can be as proprietary technology, preferential access to the best raw material sources, and availability of the most favorable geographic locations by luck, established brand, or long working experience that has allowed incumbents to know how to produce and sell more efficiently. Entrants try to ignore such advantages due to lack of experience. Target, Kaufland and Ikea, for example, have located stores in freestanding far sites rather than regional shopping centers where department stores are well established.

6. Unequal access to distribution channels: The new entrant must, secure distribution of its product or service. A new food item, for example, must displace others from the restaurant menu via price breaks, promotions, intense selling efforts, or some other means. The more limited the wholesalers are, the more existing competitors have tied them up, the tougher entry into an industry will be. Sometimes a barrier to access the distribution is so high that new entrants must bypass distribution channels or create their own. Thus, startup of low-cost airlines have avoided distribution through travel agency (who tend to have established higher-fare carriers) and have encouraged passengers to book their own flights via the internet.

7. Restrictive government policy: Government policy can play a role of obstacle or help new entry directly. Government directly limits or even forecloses entry into industries through, for instance, licensing requirements and restrictions on foreign investment. Regulated industries like liquor retailing and airlines are visible examples. An expensive patent rules that protect proprietary technology from imitation or environmental or safety regulations that rise scale economies facing newcomers. (The Five Forces That Shape Industry Competition. Harvard business review • 2008, p. 27)

3.3.3 Competitors and Rivalry Analysis

Competition and rivalry exists among the competitors in terms of price discounting, new product and services, publicity, advertisement, marketing. If it is high, it will limit the industry profit on the intensity of their competition and on factor they compete. If there are many competitors, the intensity will be greatest .In this situation, it is very difficult to avoid poaching business. Without an industry leader, desirable practice for the industry as a whole go without any force, thus slowing

down the growth of industry. Slow growth will give rise to fights for market share. In all industry, there are exit barriers to certain level . This will forces the rivals to be in market even if they make less profits or complete loss. Due to this, the profitability of healthy competitors suffers. (Harvard business review • 2008)

Rivals are strictly committed to their business and aspire for leadership, especially if they have goals to perform beyond economic performance in the specific market. The strength of competition and rivalry reflects the intensity and basis of competition. The size on which competition and rivals compete on same dimensions, have a major influence on profitability. It destroys profitability if focus only on price because price competition will transfer all profits to the customers directly. Products and services of competitors are nearly identical and very less switching cost for buyers. This will encourage them to lower price to win new customers. Garment industry price wars is the situation of the industry. (Harvard business review • 2008)

Marginal cost is low and fixed cost are high. This will put high pressure on competitors to lower down the prices below their average costs, may be near to their marginal cost to get the incremental customers still making some contribution to fixed cost. Paper industry faces this problem, if demand is not growing as per expectation. Capacity must be expanded to be more efficient. The need for large capacity expansion, as in hotel industry, will disturb the supply demand balance and may lead to long period of overcapacity and price cut down. (Harvard business review • 2008)

The product is perishable. Perishability creates strong temptation to lower the price and sell the product when it still has a value. More products are perishable like vegetables as they rot, models of mobile phones as they soon become obsolete, thereby losing its value. Hotel accommodations are perishable in the sense that all its capacity are unused and can never be recovered. Competition and rivalry on the basis of features of a product , support service time of delivery, brand image is like to destroy profits as it improves customers value and support higher prices. Rivalry also focus on such dimensions improves value relative to substitutes and increase

entry barriers for new entrants. (The Five Competitive Forces That Shape Strategy, Harvard business review • 2008)

When all competitors aim to meet the same needs and compete on same attributes, there will be zero-sum competition as a result. In this situation , one firm's gain is often another's loss, driving down profitability. Price competition runs stronger risk compared to other non price competition this may not happen if companies take care to segment their markets, targeting their low-price offerings to different customers. It is possible to make rivalry positive sum, or actually increase the average profitability of an industry, when each competitor aims to serve the needs of different customer segments, with different mixes of price, products, services, features, or brand identities.(Harvard business review • 2008)

This type of competition not only support high profits but also expands the industry as the demand is fulfilled well. The opportunity for positive-sum competition will be greater in industries serving diverse customer groups. With a clear understanding of rivalry, strategists can sometimes take steps to shift the nature of competition in a more positive direction. (Harvard business review • 2008)

3.4 Analysis of Internal Environment

3.4.1 Marketing Mix:

Marketing mix and purchase intention the concept of 4 P's - (product, price, place and promotion) of marketing was first suggested by E. Jerome McCarthy and these are the most commonly used variables which constitute a Marketing mix. (McCarthy, J. 1960). Marketing Mix is the set of controllable variables that the firm can use to influence the buyer's response (Kotler and Armstrong, 2011). As the marketing concept kept evolving, in the late 70's marketers felt the need to update the marketing mix. Three new variables were added to the 4 P's in the year 1981 by Booms & Bitner. It was known as the extended marketing mix. This now allowed the extended Marketing Mix to include products that are services and not just physical

things. Every company has its own favorable marketing mix. It adopts the one most suited to the organization's needs.(Kotler and Armstrong, 2011).

Product: Product in marketing mix consists of set of offering that product convey to its customers. Companies try to create their products considering different factors which include:

Needs of customers: Products should be designed keeping minds different needs of the products like earlier mobile used to have basic features like calls, music, camera but keeping in minds needs of the product companies have introduced many features in coming years.

Quality: Product must be having high quality standards as customers day by day are becoming aware and knowledgeable.

Value for money: Product should not be mismatch between product offering and price both must go hand in hand.

Services: As time has passed consumers became aware of importance of after sales services offered by companies so focus should be on providing good services to existing customers.

Place: Place mainly consists of distribution channels. It is said that when product advertisements come up it should be available for buying keeping this in mind companies try to give importance to availability part of products. Also delivery becomes crucial element in recent time as many companies offers their product for buying online. Displaying product range at stores, Outlets becomes important when product is in range of consumer goods.

Price: Price becomes sole determining factor when many product are existing in market offering same set of product and services. Some companies try to implement different price strategy as per demands of markets. In placing price strategy companies must understand profit part also. Some companies have low price strategy and some may try high price strategy to cater customer needs in particular demographics e.g. Apple products- High price strategy (Kotler and Armstrong, 2011).

Promotion: The most important' element in any company. Promotion consists of wide range of activities ranging from branding of product to final sales. It is single most factor that set apart product from its competitors whether product is tangible or

intangible. Nowadays social media has become powerful medium to carry out promotions. Apart from its video ads, mobile marketing, and mailers become crucial elements. Promotions are activities which help to communicate with customers about products and services with the help of advertising, sales promotion and personal selling (Armstrong and Kotler, 2009, page 63). Various ways are used by the a company to promote its products and services such as advertising campaigns, organizing events, sponsorship, publicity through blogs, creating page on Face book, Instagram, Twitter, publishing reviews on Google, Trip Adviser, as Nowadays online marketing and social network playing plays a vital role for the promotion of products and services. They are also using the social media and billboards for the reason they started promoting effectively at various places and events like the sporting events.

People: In nay service it is the people hwo play important role in service counterpart..This includes employees and the customers The attitude and action of the employees can certainly affect the the success of services Same way the behaviour of other customer at any place, for instance Movie theatres or restaurant affects the experience of other individual

Process: The important objective of marketing is to identify the needs and wants in the market so that the services can be designed accordingly to cater the needs this also includes the design of the service to be delivered .Ultimately it reflects how marketing mix is coordinated to provide quality and consistent service to the customers. To achieve this, steps that are involved in process plan need to followed .A company must breakdown the process into logical steps and sequence .It must identify the steps that introduce the highest prospect of something going wrong due to judgement choice and chance. It must also set tolerance standard for providing a performances band for functioning.

Physical evidence: The intangible nature of service means that the consumers are unable to judge a service before its consumption thus increasing the risk in consumption and purchase decision It is an important element of marketing mix. To reduce the level of risk by offering tangible evidence of the nature of services It can be in many forms. The place ,where the service is delivered are the major evidences of the service delivered ,for instance , the clean environment in shopping mall can help to assure potential customers regarding their price decisions. The other example

is Mattoni that adds sparkle to the social life, refreshes top athletes and amateur enthusiasts by creating events.

3.4.2 Marketing Strategy and Implementation

Philip Kotler says: Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and the profit potential, 2014

Aspects of Strategic marketing

In this section it is explained the analysis of strategic marketing. It is very important to follow the elements saying understanding of the market and factors influencing it (Drummond, Graeme, Ensor, John, & Marketing. 2001). The marketing manager will have to delimitate the present market, to develop market segmentation, to evaluate segments: size, growth of demand, and to develop a competition analysis based in the competitive positioning. Also is important in strategic marketing to follow a deep internal analysis in order to (Accountants., McShane, P., &Accountants., 1988).

Some factors very important to the intellectual capital. For instance, diverse capabilities and skills and daily routine of an organization (Prahalad et al., 2004) are too crucial in order to determine weaknesses and strengths and their effect on future success of the business. (Kotler 2000)

Marketing Strategy: The key to the marketing strategy is focusing on the speed, health and fitness, and recreational skaters. With a strict adherence to this maxim, success will be ensured. Our services and products will exceed the expectations of the customers.”

Marketing Objectives

- Maintain positive, strong growth each quarter
- Achieve a steady increase in market penetration.
- Decrease customer acquisition costs by 1.5% per quarter.
- Financial Objectives

- Increase the profit margin by 1% per quarter through efficiency and economy-of-scale gains.
- Maintain a significant research and development budget (as a percentage relative to sales) to spur future product developments.
- Achieve a double- to triple-digit growth rate for the first three years.

Positioning: The Company will position itself as the premier aftermarket skating accessory company. This positioning will be achieved by leveraging competitive edge: industry experience and passion. The management is able to use its vast experience and personal passion for the sport to develop innovative, useful accessories for a broad range of products.

The single objective is to position a company as the premier manufacturer, serving the domestic market as well as the international market. The marketing strategy will seek to first create customer awareness concerning the offered products and services and then develop the customer base. The message that a company will seek to communicate is that it offers the best-designed products and accessories. This message will be communicated through a variety of methods like Web site, which will provide a rich source of product information and offer consumers the opportunity to purchase. A lot of time and money will be invested in the site to provide the customer with the perception of total professionalism and utility for company's products and services. The second marketing method will be advertisements placed in numerous industry magazines. The industry is supported by several different glossy magazines designed to promote the industry as a whole. In addition, a number of smaller periodicals serve the smaller market segments within the industry. The last method of communication is the use of printed sales literature. The two previously mentioned marketing methods will create demand for the sales literature, which will be sent out to customers. The cost of the sales literature will be fairly minimal, because it will use the already-compiled information from the Web site.

3.4.3 Financial aspects

The financial plan contains detailed plans, budgets and calculations related to the business' operational budget, start-up costs, and profit/loss estimates for at least three years. It also contains a break-even analysis, which defines the minimum sales needed to balance costs and expenses with no profit. The budget and start-up costs include the personal budget for the owner of the restaurant as a salary. (Butler, p. 107, 2013). The major expenses that to be kept in mind while drafting a business plan as as below:

Start-up Expenses: The start-up expenses assume a land, rent, renovation, machinery. These are fixed and long term cost which a company take time to recover.

Operational Budget: Raw material, stationery, the labour costs including part-time worker, the salary of the entrepreneur.

Income & Expense Forecast The income and expense forecast takes into account rising prices and increases in operations costs over the course of several years,

SWOT Analysis of an organization:

The analysis and overall evaluation of strengths, weaknesses, opportunities and threats are called SWOT Analysis. It is the way of monitoring both internal and external marketing environment Any business units must analyze the key macro and micro environment factors that affects the ability to earn the profits. A company must establish a marketing intelligence system to track records trends and relate opportunities to develop and make profit (Kotler, Marketing management, 14th Edition)

Each company needs to define its specific mission and vision within its spectrum.

A television company might define its mission as, "To target major television studios and become their supplier of choice for display technologies that represent the most advanced and reliable display arrangements." Notice this mission does not attempt to win business from smaller television studios, offer the lowest price or venture into non lighting products. (Kotler, Marketing management, 14th Edition).

The assessment of strengths and weakness must look beyond the firm's resources and product offerings to examine processes that meet customers' needs. This will help offering solutions to customers' problems, rather than specific products. Achieving goals and aims depends on creating capabilities by matching strengths with market opportunities. . (Kotler, Marketing management, 14th Edition).

Weaknesses can be converted into strengths with strategic investment. Threats can be converted into opportunities with the right resources. Weaknesses that cannot be converted become limitations which must be minimized if obvious or meaningful to customers or other stakeholders. A widely used framework for organizing and utilizing the pieces of data and information gained from the situation analysis encompasses both internal and external environments one of the most effective tools in the analysis of environmental data and information. . (Kotler, Marketing management, 14th Edition).

Figure SWOT Analysis



Source: Kotler, Marketing management, 14th Edition

Marketing opportunity is an area of buyer need and interest that a company has a high probability of profitably satisfying. There are three main sources of market opportunities. The first is to offer something that is in less supply. The second is to supply an existing product or service in a new or superior way. This last method often leads to a totally new product or service. Marketers need to be good at spotting opportunities. A company may benefit from converging industry trends and

introduce hybrid products or services that are new to the market. Major cell manufacturers have released phones with digital photo and video capabilities. A Company may make a buying process more easy and efficient. Consumers can use the Internet to find more books than ever and search for the lowest price with a few clicks. A company can customize a product or service. A company can introduce a new capability. It may be able to deliver faster product or service. Wolt, a local food delivery company in Czech Republic discovered a way to deliver food by its GPS system. A company may be able to offer a product at a much lower price. To evaluate opportunities, companies can use market opportunity analysis (MOA) too. (Kotler, Marketing management, 14th Edition).

Finding an attractive opportunities is one thing, and to be able to take advantage of them is the other way. The company had to please big clients, yet each was becoming tougher to satisfy, eating up time and resources. The company's top managers must analyze the market, its strengths and weaknesses. The big question is whether it should limit itself to those opportunities for which it possesses the required strengths, or consider those that might require it to find or develop new strengths. (Kotler, Marketing management, 14th Edition p.48)

4. Practical Part: Business Plan of Sangam restaurant

4.1 Company Background

Company Executive Summary: The restaurant business plan is made to give better idea before its actual execution of business. It may be used or play just as a guideline for the company. It may be updated when required to ensure the progress track and to understand its financial status .It can also help to keep the goodwill and company strategy up to the mark. The Company ownership and its name can be privately held. It can be registered as a limited liability company with individual ownership. The owner has experience in food industry and currently employed in same sector and holds the Bachelor degree from a well-known university.

Company Objectives: The aim of the company is to provide quality food and services and to operate restaurant as part of business to strengthen its presence in the hospitality sector .The parent company has a strong foothold in the same sector and owns restaurant as well by foraying into the domain of fine dining. The overall objective of the project is to establish fully operational fine dining restaurant, catering the needs of its customers and to gain the most top position in its cuisine and specialties.

The company may promote and do this business as they are from Indian origin and believe in themselves to prove their expertise. Also, the cuisine that they are going to provide is famous all over the world. It will sell the product to locals and international tourist from all over the world visiting Prague. Their target customers are from all age group 0 to 59 and above. The company also wants to target singles, couples, and families with children. The ambience of the restaurant will be decorated with traditional look to give a home and cosy feeling. The customers will also be able to read the brochures to know all about recipes and their signature delicacies. It will offer nothing but freshly cooked food with fresh ingredients all served with latest trend and home care style.

Company location and facilities: The restaurant will be located within the vicinity of Karlin, on Sokolovska Street, Prague 8 which is near to city centre at walking distance It is easily accessible to/from metro and tram station. The location can also

be navigated on the website. Its range in size from 100-120 meter square and accommodate 90-100 guests. The space will be well equipped with modern furniture with cleanliness and open feeling. It is important for them to get an idea of number of people within the radius of 8 to 10 kilometers, parking facility and easy access.

The restaurant will be open 7 days a week with hours as follows:

Table 1: Restaurant opening time

Days	Open - Closes Hours:
Monday	11AM–11PM
Tuesday	11AM–11PM
Wednesday	11AM–11PM
Thursday	11AM–11PM
Friday	11AM–11PM
Saturday	11AM–11PM
Sunday	12AM–11PM

Source: Authors Creation

Legal Form: The restaurant will be organized as a sole proprietorship, wholly owned and operated by the owner in Traditional Home-Style Restaurant. Sangam is registered in the city of Prague.

Products and Services description: Their products are all time favorites, traditional items from Indian cuisine like butter chicken, Jeera Aloo, Chicken Tikka Masala, Palak Paneer, Mix Vegetarian, breads, rice varieties. It may also sell merchandised products like beverages and alcohol. In addition to this, it will also provide, home delivery, take away, and buffet lunch in an excellent manner and friendly customer service to support the ambience of fun, energetic and youthful life style.

Product description: The restaurant main product will be vegetarian and non-vegetarian Indian recipes with lunch and La carte Menu. The food will be served with variety of breads and rice which are available in more than 20-25 different flavors and taste. For instance, items like Poppadums, chutney, yogurt, pickles, Bombay aloo, Sevamatar, Malaikofta, Begun Bartha, Palak Paneer, Butter chicken, Chicken tikka masala, Lamb Rogan Josh, Vegetable biryani, Hyderabad biryani, Chicken biryani, lamb biryani, Kashmiri pilau, special fried rice, jeera and

cashew rice ,muttonpilau,chapati,,variety of paratha ,plain naan, cheese naan,lachanaan, garlic naan and deserts like ice cream , GulabJamun ,Kheer. (Items subject to change as per ingredients available in local market and new variants to be included)

Suppliers: Because of their years of experience, the owners will established relationships with qualified suppliers. These vendors can provide reasonably priced products, and delivery of goods according to the schedule.

Management Controls: Sangam will practice sound management procedures in order to control costs, insure quality of product and provide friendly customer service. The following systems will be used by management:

Order Guide: The restaurant will use specific order guide to track order history and maintain designated levels of product in their stock.

Weekly Inventory: The Management will conduct a weekly stock check to determine valuation for use in the preparation of weekly profit and loss reports.

Daily Inventory Tracking record: Daily inventory will be used on specific items and the movement will be compared to sales information to make sure designated products have been properly accounted for.

Administrative and sales systems: With a limited staff, it is crucial that it remain current with daily cash outlay. The purchase of a point of sale system which is called KASA will immensely help them with these daily administrative reports: The below table explains the

Table 2: Daily Sales ticket Sample Calculation

RESTAURANT TICKETS				
Ticket restaurant:				
100 Kč	x	1	=	100 Kč
90 Kč	x	1	=	90 Kč
85 Kč	x	1	=	85 Kč
80 Kč	x	1	=	80 Kč
70 Kč	x	1	=	70 Kč
75 Kč	x	1	=	75 Kč
50 Kč	x	1	=	50 Kč
40 Kč	x	1	=	40 Kč
35 Kč	x	1	=	35 Kč
30 Kč	x	1	=	30 Kč
		TOTAL		655 Kč
Sodexo:				
100 Kč	x	1	=	100 Kč
90 Kč	x	1	=	90 Kč
85 Kč	x	1	=	85 Kč
80 Kč	x	1	=	80 Kč
70 Kč	x	1	=	70 Kč
60 Kč	x	1	=	60 Kč
50 Kč	x	1	=	50 Kč
40 Kč	x	1	=	40 Kč
35 Kč	x	1	=	35 Kč
30 Kč	x	1	=	30 Kč
		TOTAL		640 Kč
Check:				
80 Kč	x	1	=	80 Kč
100 Kč	x	1	=	100 Kč
		TOTAL		180 Kč
TICKETS TOTAL				1,475 Kč
Cash:				2,000 Kč

Source; Authors research:

Daily calculation and Cash Control: Sales and receipts recorded by the point of sale system will be compared to actual cash and credit card deposits on a daily basis. Acceptable over/short amounts will be limited to CZK100 per day. Discrepancies greater than CZK100 will prompt management to conduct an immediate audit to account for the difference. Monthly totals will be compared to actual Profit and Loss

statements for accuracy. Credit card Cash, debit card and cash receipts will be deposited in a deposit account.

Monthly Prime Cost Report: Sangam will prepare a monthly report that shows the gross profit margin after cost of goods sold and labour cost has been deducted from the sales revenue. The primary cost for this type of restaurant is expected from 55% to 60%. Proper control of this cost is the single most effective measure of management's ability to operate the restaurant.

Purchasing Records/Payables: A part time accountant will process and record invoices and daily credits, discount check. Reports detailing cash expenses, bank payments by check, and accounts payable transactions will be readily available. Check disbursements will be prepared by the bookkeeper. Signing authority will be checked for the general operating account and that will be given to the general manager.

4.2 External Environment and its analysis

Every company has to face external environment factors to compete in an industry and its analysis is extremely important and can be done through PESTLE Analysis and Porters five factors Analysis. Competitor's analysis in particular can also be done separately

4.2.1 PESTLE Factors Analysis:

It is an effective method to analyze a business and its external factors that affects it. It comprises of 6 main factors as below:

The restaurant is the biggest in Indian context with its inside seating capacity of 250 in fine dining category with over 150 sitting capacity in garden area. It accounts to 35 % share of business Indian fine dining context. We still need to understand other restaurant criteria to fit in ourselves to the pestle situation. We are big brand holding at present second most demanding restaurant in Czech Republic leading Indian restaurant brands. Many celebrities from India like PT Usha -athletes, Anshuman Gaekwad -former prince, Siddharth Malhotra- an actor have visited our restaurant.

The restaurant reach is within the vicinity of Prague at present but planning to extend its branches in Vienna and Budapest

Political Environment: The restaurant is non-smoking restaurant and they are supposed to maintain and follow standards of laws for non-smoking set out with firmness and consistency. Many other strict rules in terms of food industry have to be followed that are laid down by Czech government. There is competitive pricing by its competitors and its important factor that it has to keep in mind at all time. There can be political changes that matters great as if there is any civil unrest in a country or may be increase in prices of raw a material, the product selling may fall down. At present the restaurant does not face any cross border situation except the situation that was arise due to introduction GST in India in 2017. As the restaurant welcomes groups from India there was a fall in income due to delay in payment from corporate from India. The restaurant has to stay in touch with the policies and changes In India so that it can adapt to all changes accordingly.

Economic Environment: As the recent economic downturn has plagued the economy, companies had to restructure their sales and marketing campaigns greatly. Also, with fewer amounts of profits they had to undergo changes internally and re-think upon how to enter the market. Also the economic conditions have the highest influence on a business, regardless of what trade it is in. Though, in IBN favor, the economic downturn that started in 2008 resulted in increased sales of its beverages mainly as people were being laid off from jobs, they were spending time with family at home or friends

Social Environment: These factors greatly impact the restaurant, as its authentic Indian restaurant it has to remain in line with the strict and stark differences of cultures especially in India. Also, it has to communicate its image as a well-known brand in local market for the customers so that the people can associate it with themselves as something that connects the countries together. Usually, the social implications are seen in marketing campaigns for example certain countries have religious festivals, so the restaurant has to keep in line with all those festivals in order to understand the psyche of their market and how they can encase the opportunity.

Technological: With the introduction of the new age in technology, firms have completely integrated themselves with all the recent trends that have taken place. To mention a recent trend that has greatly picked up something that almost every business is turning toward is Social Media. The social media explosion has allowed for increasingly interactive engagement with the consumers with real time results so IBN has to stay ahead of all the developments that take place with keeping in mind usage of technology by young people for their benefit and how can it reach them in order to keep on increasing brand recall and brand engagement.

Legal Environment: There can be many legal constraints on the liquor and beverage industry. For instance, one very famous incident took place in India, where Pepsi was accused of using contaminated water, given a lab test that was done upon the water flowing. My intention to put this example here to understand that Changes in any legal terms May affect our restaurant as it is connected to India and many other countries for some of their product like kingfisher from India Heineken from Netherlands, mogo a special menu item created and the ingredients are imported from Africa.

Natural Environment: These factors can affect the restaurant indirectly as changes in environment or climate may lead to changes in price of raw material and final changes to buying price of raw material that is needed to produce food, alter its trade and profit generation as these factors affect agri-businesses much more directly.

4.2.2 Porters Five Forces

Bargaining power of suppliers: It ranges from high to moderate .Limited number of restaurant equipment manufacturing units, specialised product like Tandoor cost. That results in high switching cost due to less number of machine suppliers. The restaurant faces limited threat of forward integration and increasing food raw material and labour cost

Bargaining power of customers: It are also high .Buyers have many other restaurants to choose in terms of food variety and its prices .Major portion of the sales is through the walk-in customers and remaining from the food delivery or party orders. Switching cost is low as the price of few products are comparatively very low due to generic nature of the product and also possibility to serve in the form

of merchandised products. Final customers prefer food quality in terms of freshness convenience, ambience, and portability i.e. easy to carry parcels.

Threat of new entrants is from modern to high: Government regulations are very strict towards food industry So it makes the operations difficult for existing and even ore hard for new entrants the unit cost of product is low and contuse to decrease with use of latest technology that enhances economies of scale. Brand loyalty of existing restaurants dominates the market new entrants that struggle to develop their brand loyalty for a generic product .Visiting any local restaurant one can find other but similar product that are offered. Market high growth rate at least over the next 3 to 4 years. High distribution cost that includes transportation, delivery charges and commission affects the restaurant ability to have island wide presence.

Threat of substitute: It is also high as it may exists in the form of other cuisine offered or other so called menu items with less quality raw material for instance boneless chicken may be substituted as chicken with bone but by same recipe name .Innovative product with just adding different flavours could also be considered as substitute

4.2.3 Competitors Analysis

The restaurant will face direct and indirect competition. There are more than 4000 restaurants in Prague and comprises of Italian, Turkish, Mexican, Lebanese, Czech, Indian, Vietnamese, Chinese's, Thai. Overall there are more than 40 Indian restaurants in Prague catering the Indian cuisine.

It has many advantages over its leading competitors (Indian Jewel, Curry House, Himalaya group, Curry Palace, K-Two Brothers etc.).Unique concept, high degree of enthusiasm and friendly staff, merchandise items that support the company to create a brand image. Its food is made of 100% fresh ingredients compared to most restaurants with same concept that use frozen items. Food without preservatives, innovative packaging will be point of attraction for take away and delivery.

Table 3: Sangam Competitors Analysis

Name of restaurant	Indianby Nature	Curry Palace	Indian Jewel	Himalaya	Curry House
No of branches	2	None	None	2	None
Location	City centre	Suberb	City centre	City centre	Suberb
Ambiance	Excellent	Very good	Very good	Good	Good
Social Media	Yes	Yes	Yes	No	Yes
Delivery	Yes	Yes	Yes	Yes	Yes
Catering	Yes	Yes	No	No	Yes
Open Bar	Yes	Yes	Yes	No	Yes
Happy hours	Yes	Yes	Yes	No	Yes
Virtual menu	Yes	Yes	Yes	Yes	Yes
Gallery	Yes	Yes	Yes	Yes	Yes
Online reservation	Yes	Yes	Yes	By mail	Yes
Opening time	Mon-Fri (11am-11pm) SatSun (12am -11pm)	Mon-Fri (11am-11pm)	Mon-Fri (11am-11pm)	Mon-Fri (11am-11pm)	Mon-Fri (11am-11pm) SatSun(12am-11pm)
Reviews	Excellent	Excellent	Excellent	Good	Good
Payment system	All cards and cash	cards ,cash	Visa card and cash	Only by Cards	All cards

Source: Authors Analysis

From the above table we can see that the competitors are among the top best and many of them providing almost similar and at par services. Out of them few are centrally located and possess strong attributes to face the competition.

Analysis of Internal Environment

The marketing strategy of any company is very important aspect and need careful attention keeping in mind its marketing mix factors as below for long term success.

4.3 Internal Analysis of Sangam

4.3.1 Marketing Mix

Product: Sangam offers food product and its services to its customers. The product offered by them are Indian cuisine items through its selective menus, catering services, food delivery etc. It provides a wide range of dishes with exclusive taste that target customers in terms of their appetite interest. It includes and upgrades new items in the menu as and when required. It also caters any items of Indian cuisine as per the customer interest in specific. Products are of high quality and delicious taste.

Place: The Company operates in 3 different branches in Prague at the initial stage with a possibility of planning future extension. It has innovated and introduces unique food items of Indian cuisine that represent many regions of India. The product are available in restaurant or by delivery through its own delivery van or through a partnership with Delivery Company like Damedlo, Euro best etc. The company is producing food that is in demand in the market and tourist groups that are visiting Prague from India and other countries. It focuses on customers of all age with a personal touch factor. The location is very important factor when it comes to food business and when things come to competitive market strategy. Place is where the company activities are carried out and where products are available to target customers. Considering food at present time everyone needs it on daily basis. The restaurant place is important because these food products and services became a part of daily life of an individual. It could be educated or uneducated, professional or unprofessional (Armstrong and Kotler, 2009, p.63). Its sells its product and services

in two ways, one is in restaurant and second is virtually by its reservation system, online presence in the form of website.

Price: The restaurant being a successful company takes special care to set prices for its products such as festive and student discounts, payment periods, credit terms if possible only for the groups , list price and allowances that come together to set up the price for products. To consider the price structure of the restaurant in Czech Republic it depends on the size and level of exclusivity, options, range of items and its ingredients, prices range from affordable to expensive. There is of course high rivalries and intense competition in the market and because of that some food items have high prices in compare to other restaurants.

Promotion: Promotions are activities which help to communicate with customers about products and services with the help of advertising, sales promotion and personal selling (Armstrong and Kotler, 2009, page 63). Various ways are used by the restaurant to promote its products and services such as advertising campaigns, organizing events, sponsorship, publicity through blogs, creating page on Face book, Instagram, Twitter, publishing reviews on Google, Trip Adviser, Yelp as Nowadays online marketing and social network playing plays a vital role for the promotion of products and services. They are also using the social media and billboards for the reason they started promoting effectively at various places and events like the sporting events.

4.3.2 Market Segmentation

Prague has growth appeal and attracting lots of international tourist and local are also spending time and money for recreation and other activity which has great slot especially on weekends we target as per age group gender income and our concept will have broader appeal It is our goal to be the hip destination for fine dining and other services As per survey we know that locals are very fond of Indian cuisine and off course international tourist from all over the world.

Market/ Industry Trends Full-service restaurants experienced high growth in past 3 years, people want new variety and flavor in food. The company looks for speed of service along with entertaining and fun experience to adopt global life style in friendly environment. People also want entrepreneur to be computer literate and they come from various ethnic background.

The enhanced performance resulted from a general improvement in the economic situation, consumers' increased preference for eating out and from innovations and investments in foodservice.

Sangam's target customer is a wide range of people: businessman, officers, couples, families, high-end single, students, and tourists. It will bring new tasty flavors of food and relaxing experiences of dining in a cozy restaurant atmosphere with a wide selection of menu to everyone, who always feel welcome at Sangam. The market segments can be defined as following groups:

1. Businessman, officer people: This group will be one of the biggest parts of customers who have stable income and may spend for drinks, good food and tips generously. At lunch, officers in the neighborhood are the main clientele of our restaurant. Still, businessmen often have business meetings requiring an impression to their clients or dealers. It is more likely that they need a fresh and new eating-place to relax and support the work.

2. Couples: As a matter of fact, the weather in Prague is quite good in summer a good time can be spend however especially in winter there is limitation of flow of guest due to bad weather sometimes and so that entertainment places for couples are limited. Restaurant can be the best choice for them to have a romantic date in the evening specially. They can offer an intimate and charming atmosphere with helpfulness encouraging couples arrives. However, the young people normally have careful consideration towards their payments. They may skip starters and chose only main course with a glass of wine.

3. Family: Sangam surely is great place for family dinner. The restaurant will have big space, special and selective menu and cozy atmosphere that are excellent for a meal of family members. In the Indian culture, sharing of the food is common so family share together at home and the food is best when they feel like home. Therefore, this spirit will be kept and developed in Sangam with the hope of connecting people and raising love.

4. Singles and Students: This group will be a part of customers but their bills will not be a big number. High-end singles have money and often have dinner outside but they could not spend a lot for many times of eating out. Students who truly want to try new food and enjoy hangout with friends, however their budget is not allowed for a full-course dinner and eat out frequently. There can be discount on food facility for the students especially on certain occasions.

5. Tourists: Prague is the very attractive city for tourists in Czech Republic during the years. The favourable location in the capital would be an advantage to welcome vacationers in summer and winter. Besides, with affordable price and wide selective menu, clean environment, and warm staffs, it would be the choice of tourists when they seek for an eating-place.

4.3.3 Marketing and Sales Strategy

The restaurant will position itself as a people choice and an ideal eating-place with tasty food, helpful service at reasonable price in a great ambience. It will focus on maintaining the quality of food and service to appeal customers. Therefore, their objective is to do marketing to build up the identity of itself in the community by letting people know about that. Their marketing strategy will be very simple and cost-effective. It will make use of social media, contact with famous bloggers and have a big Opening day. Then, the traditional advertisement through newspaper may not be skipped. Word-of-mouth will be the most effective and cheapest marketing program that it will utilize as the core tactic. The estimated budget for marketing in the first year is approximately 50,000 CZK per year.

Its sales strategy is focusing on locals and there would be big differences between winter and summer. It estimate that the peak season for restaurants is from May till November and December due to Christmas and other events , Opposite to this , the quite season is during the winter time (specially from January until March) with the prediction of a lost. Hence, it will plan to have some marketing strategies in winter to push up the sales.

The core strategy of marketing can be as follows

1. Retention of existing customers

It is very important to retain customers for any business. This can be achieved by offering and meeting their expectation by excellent quality service making them feel at home experience , best dining experience ,these customers will also help to recommend the product and services to their friends and relatives but also to other people of the society and bring success to our business.

2. Creating Brand Image

It is a new brand that will offer Indian cuisine with grilled food with open bar . It will be category leader in Prague and in future opening its franchisee in Vienna and Budapest and many more destination in Eastern Europe. For this investment invite will be created on its website for those who are interested to be a partner of this project. The franchisee profile eligibility will be decided on the basis of factors like investment of 2 million CZK onwards, investor's interest, passion, local market knowledge, capacity of development and work experience.

3. Brand Specialization: The restaurant aims to create brand new recipes of Indian cuisine and mouthwatering curries and Barbeque at live station and counter .All product catered to quality assurance check and guidelines to ensure customers health. It may also sell Franchisee in future.

Benefits of becoming franchisee

- 1) Brand Support,
- 2) The support in terms of staff hiring
- 3) The replacement of staffs

- 4) Quarterly audit support
- 5) Software and marketing support.
- 6) Exclusive territories
- 7) Complete pre and after opening support
- 8) Growth oriented transparent work policies
- 9 Proven and Tested Unique Business model.
- 10 Excellent margins.
- 11 Continued Research and development to provide new mouthwatering delicacies

4. Getting New Prospects

The full-service Indian restaurants category is growing in numbers and consolidation with the best chances for Brand's group restaurants that prove effective. It is expected to record significantly high performance over the forecast period than that over the review period. Sales of full-service restaurants are expected high prices due to the expected positive development of the Czech economy and market consolidation between 2015 and 2019.

Sales Forecast: Sales forecasts are estimates of a business' sales over a given period of time and should also estimate the direct costs of sale, or cost of goods sold (CGS). In addition, to this they should explain the numbers behind the estimates. The direct cost of sales of CGS in this sale forecast include all ingredients, packaging and hours of labor involved in the creation and sale of Sangam products.

Daily Customer and Ticket Projections

Based on the calculations for turnover and current customer flow, the estimate is that Sangam will need to serve 75-80 customers per day, with an estimated average sale of 200 CZK/sales in the first year.

According to the survey of their customers over 50% estimated that they spend between 510CZK when visiting a restaurant, and another 15-25% said they spent over this amount. With these numbers, it is safe to assume an average of 200-250CZK per customer transaction in the first year of operation. Second and third year estimates are based on a modest sales and customer increase of 5% per year, the

average ticket price is also adjusted for the current inflation rate in Prague. All of the projected sales amounts include Value Added Tax or VAT.

4.4 Financial aspects of Sangam

The financial Planning of restaurant is crucial and very important aspect. It is presented with inclusion of components. The cost to open the restaurant is estimated at CZK10, 00,000.

Table 4 Estimate of initial investment

Projected costs and revenues indicators	Amount in CZK
Initial capital requirement	200,000
Capital own investment	500,000
Bank loan	200,000
Financial Reserves	100,000
Projected Sales per month(approx)	300,000
Total Project Investment	10,00,000

Source: authors Analysis

The initial investment is 200000 CZK that need to be deposited in bank account. The owners have decided to invest 50% of the capital in addition to the opening bank balance. and keep 10% as reserves so that it can be used in case of contingency.30% of investment is projected as Sales every month. Bank loan is less as the owners do not wish to have loan burden on the company

Table 5 Estimate of development expenses

Development cost indicators	Amount in CZK
Restaurant furniture and fixtures	250000
Tableware, glassware, kitchen, and bar equipment	120000
Décor and painting	50000

Acquisition of Permits and licenses	4000
Acquisition of company Insurance	14000
Accounting cost	7000
Order and Payment Technology	48000
Maintenance cost (per month)	2000
Menus Printing expenses	10000
Total	500000

Source: Authors Analysis

The development costs are approximate and have been calculated in the Project Costing. The Fixed Costs (purchase of the building, kitchen equipment, dining room furniture etc.) have been estimated too. Any changes to these fixed costs will affect the total project cost. The majority of the expenses are in furniture fixtures and equipment totally CZK3, 70,000. The location requires some build-out and renovation totally CZK 50, 000 and will require approximately 60 days to complete. The owners will sub-contract the work themselves. CZK200, 000 of the start-up costs will be funded by the owners. The owner's source of funds is a combination of liquid assets and marketable securities, primarily from their existing catering business.

Table 6 Estimate of operational expenses

Operating cost indicators	Amount in CZK
Security deposit (typically one month of rent)	25000
First-month rent	25000
First-month utilities(gas,electricity,water)	8000
Internet , phone service, office administration cost	2000
Food and beverages cost	80000
Total	300000

Source: Authors Analysis

In the initial month the cost seems to be high due to additional rent deposit to be paid along with actual rent. Also Food and beverage due to random buying or may be no contact of exact suppliers who can deliver the goods at better terms. There can also be an increase in the overhead costs, due to heating and lighting of the building or restaurant interior works in progress

Table 7 Estimate of marketing expenses

Marketing and Publicity Indicators	Amount in CZK
Promotional event	4000
Banner and Signage if any	6000
Fliers and coupons	7000
Business cards	3000
Catalogues and Leaflets	5000
Online /Internet/Website and SEO Advertising	10000
Advertising and public relations services	10000
Restaurant-opening event	5000
Cross branding	0
Total cost	50000

Source: Author's Analysis

The cost of marketing is a bit higher as it is initial stage and the companies have to invest this amount. Online marketing is major part along with public relation amounting to nearly total cost of marketing budget .Using social media and cross branding could be used to drop down the cost on marketing and advertising. Also direct communication to customers to enhance and spread word of mouth will play a very important idea.

Table 8 Estimate of Human resource expenses

Human resource indicators	Amount in CZK
Staff Salary and compensation	160000
Health Insurance and Social Security	20000
Employee and payroll administration cost	5000
Total	185000

Source: Authors Analysis

***The above calculations are based on 10 employees and their working time as per 8 hours day / 40 hour week basis. Local employment rates and population data :Each worker /resource will only work up to a maximum of 8 hours per day which is 100% of each worker's allocated work units).Building alterations take longer than expected and until alterations are completed.

(Increased Costs: The increased costs would be due to the extra hours of pay. This is calculated by the cost per hour X by the number of extra day X by the number of hours work in each day. For instance amount to: $18 \times 5 \times 8 = 720$.

Table 9 Estimate of Taxes

Tax indicators	Amount in CZK
Sales Tax / 15% VAT	45000
Music Tax	2000
Garbage collection charges	2400
Road taxes for the space of 10 cars	4600
State tax or Corporate taxes if any	2000
Total:	56000

Source: Authors Analysis

The VAT amounts to 15% of Total sales. Rest other taxes are as shown the table .

The projected profit margin expected to be gained by 2.5 - 3 years.

The difference can be used for contingency and taxes.

Total Sales: Based on the numbers in the tables above and estimating 140-150 sales days per year Sangam sales projections is an estimate of the first year of sales, as

well as a layout of our products and the cost of goods sold. The sales estimate for the first year of sales are based off of the previous two seasons of sales with the cookie cart, and the customer survey of average expenditure at cafés. These numbers are also calculated using a 'Sales Budget' chart shown in Appendix C: Sales Budget-Sales Estimates and CGS for individual products, which estimate the number of specific products sold the cost of producing each product and calculates the overall sale margin.

The direct cost of goods sold is broken-down by product Sales Budget- Sales Estimates and CGS for individual products. For a more detailed financial breakdown and estimate of yearly sales, CGS and expenses.

4.5 Operations of Sangam:

The team of employees will work together to achieve business objective and run restaurant operations for 90-100 sittings capacity. The product that they are interested to trade are Indian cuisine food and beverages due to long lasting experience in hospitality industry and already running two successful restaurants at competitive price . Among which, one of the top market leaders. The market focus is locals in Prague, Czech Republic and International. The marketing plan will be including the designing of website, Search engine optimization, face book, other associated or free website, flyers, business cards, and internet and locals markets at the starting, middle and end phase of the year as per their marketing plan projection. Sangam aim is to respect and cater best authentic service to customers and food industry. The task must be completed. The only constraint or deadline is the Grand Opening day. However, it is recommended to set deadline for each individual to complete their task on time.

The restaurant remains opens seven days a week for lunch and dinner requiring multiple shifts. The owner will write the schedules. The schedules will be written in a manner that will allow the ability to increase or decrease hourly labour according to sales volume in order to maintain a consistent labour cost control.

Proper labelling and rotation techniques, accompanied by ample storage facilities will ensure that high quality prepared product will be sufficiently available to meet the demands during peak business hours. Replenishment and on-going preparation will continue during off peak business hours.

The restaurant manager will be responsible for ordering, receiving and maintaining sufficient inventory to meet production demands. Ordering schedules will be staggered with perishable products being ordered multiple times per week to preserve freshness. Standard grocery and supply orders will be ordered less often, according to a predetermined schedule and storage capacity.

The owner will rely on operational checklists to verify that each work shift has been properly prepared for and to insure the operational standards are followed before, during and after work shifts.

The restaurant layout, including the dining room, kitchen and serving line, has been designed for efficiency and flexibility to accommodate the fluctuation in customer traffic and peak meal periods.

Upon arrival, guests will be greeted immediately by either the assistant manager or a server and asked for the seating preference. Drink orders will be taken and guests can munch on our complimentary rolls. Once the customer's order is taken, the order will automatically be printed to a requisition printer located in the grill area. The grill cook will use the printed ticket to keep track of orders and place the meal under the heating lamps until the order is complete. The kitchen preparation line has been designed to be operated by a minimum staff of 2 line cook and a maximum of 4 cooks. This design allows line staffing to be adjusted to the business volume. Shift changes for all staff will involve cleanup, restocking and preparation. All monies will be settled at the end of each shift. The closing shift will involve designated closing duties that will leave the restaurant clean and fully prepared for the next day.

4.6 SWOT Analysis of Sangam

The SWOT analysis as mentioned in the relevant section helps businesses to be aware of both the internal factors which could impact the business (Strengths and Weaknesses), as well as, the external factors (Opportunities and Threats). Its strengths lie in the skills in the field, as well as a background in business, excellent customer service experience and an existing customer base. There is room for improvement though, as the weaknesses show. Time management, production planning and delegation need to grow and strengthen, so they too can be turned to strengths over time.

There are many opportunities present in this plan, including the relatively low competition in the chosen location and the strong interest of the local clients in having more options for restaurants. However, the risk of not getting funding, and having a high interest but low turnout are also very really threats, both of which could damage the progress of starting the business.

Strategic Assumptions and Limitations

Risk Analysis is key for a company to be aware of any assumptions made in regard to its value proposition, market trends and estimates. It is also positive to be aware of the limitations of a business plan. Sangam has made the following assumptions in this plan. (Suomen Uusyrityskeskukset Ry, p. 15-16, 2011). A steady annual sale increase. Made assumptions based on limited customer feedback, demographic and psychographic data. There is a demand for better service and better offerings. It can offer something other restaurant cannot offer.

These assumptions have been based off of experiences of its the part-time operation and on the survey conducted with customers from the Prague area. It should be noted that business plans are meant to change, grow and shift over time, and they are not meant to be concrete things. This plan has several factors that limit it, the first being the need to estimate and average out the numbers. It is rarely possible to know the exact costs and expenses of building, renovations and rents until a specific location is found and acquired, as such, this plan has had to use educated guesses based on research into the various areas.

Further limiting factors have to do with the customer survey. As it only had 90-100 respondents, that limits the reliability of the survey, the majority of respondents were males, and so it cannot be considered a representative sample of the Prague area. The survey was not fully satisfied by all respondents, as they did not seem to be interested to put initial on the paper. Over all, while the survey has proven to be a very useful tool in creating the business plan, the data from it should be used while keeping the above limitations in mind.

Strengths: The restaurant has authentic Indian taste and ambience of the restaurant that appeals home feel .The owner of the restaurant respect values and culture of home country and possess experience of fine dining and restaurant business since long years along with strong organization and management skill .It has well trained educated staff who are always ready to provide excellent customer service .The capacity of restaurant that occupies more than 100 guests at a time. The prices are affordable and helps in creating value for its good quality products

Weaknesses: It is first business venture with huge capacity so the new staff requirement should be well efficient and must have experience and time management skills–They should know appropriate food production ie not making too much product .The owner has to develop more delegation skills to ensure development of business and staff .Lack of capital as compared to the requirement. Some people may find Indian food spicy and hot so may not like the taste. Price can be a matter to some customers as its fine dining restaurant. Overload of work due to increased demand. To find a talented staff in Indian restaurant is a hard task as they require special skills to make food and breads specially. The company may face Lack of capital in case planned extension of project.

Opportunities: The location of Sangam is near to Krizikova Metro and tram station that makes easy access to the restaurant. There is very less competition in the area of Prague 8. The area is primarily residential with steady population/demographics. There are many new construction of offices near the area can bring new customers - Customers are active local people who are very much interested in having more

restaurant with different food offers. Local's people likes Indian cuisine Increased number of Indian and International travelers is visiting Prague who can be targeted by well-designed web present. The company can enjoy bulk buying and acquisition of competitors due to its leverage of successful and reputed brand

Threats: Capital and investment cost that is involved is high. In addition to this, industry growth rates encouraging new entrants and competition from local and other Indian restaurant

Local people may opt for only local food rather than Indian sometimes. Increased number of new restaurant with different concept and unique selling point. The location is not exactly in central town. Parking limit due to main road and its monthly available on paid terms. High rate of interest and slow turnout.

Text...

5. Results and Recommendation Results

Results: The questionnaire is carried out to collect information about the matter and its uses. Response quality is better because respondents found quite positive for giving answers. It was conducted on the basis of filling multiple choice different questions. Approximately 100 based on the questions of single and multiple choice, it is observed that most people were non vegetarian. The respondents liked to dine out for dinner on majority cases, 30 % were of age between 20-29 and they interest in good quality food with less price .With regards to expectation towards a restaurant, 30 likes cosy and traditional set up.

Recommendations

In my view, there are few recommendation suggested to the company are as below There are no constraints associated with each individual task, means that there is no date set by which a company has to stick to it.

1. Managing the Cash Flow: This part is very crucial as you need to observe how much money is being spent versus the amount of money coming in, to better understand the cash position in hand to avoid any unknown circumstances and failure.

2. Regular Evaluation of Financial Reports – Evaluation on the company’s financial outcomes in a regular basis like daily basis sales, weekly or monthly is high recommendable.

Its few products seems to be of high price which cannot be affordable to all income group so I recommend to create a menu keeping the price same but including more items with some Chef Specialty item.

3. Negotiation with suppliers: Depending on the accounting system of the business, and existing employees, it can limit the need of accountants and any related accounting fees. It should improve the buyback policy in order to buy the raw material at lower cost from the suppliers by investigating the suppliers market,

negotiating on prices, asking suppliers if any incentives available with the purchase of product to certain limits. The company should create strong data base for existing and new customers.

4. Retention of employees: An affordable compensation benefit program is recommended to lower down the extra human resource cost that occurs due frequent change in staff. In additional, student or housewives can be hired to work for them with average but attractive salary along with free of cost food or some incentive.

Conclusion

The whole thesis can be separated into three parts: Theoretical part, research part and implementation part. The theoretical part gives detailed information on how to build the framework of a business plan. The main theory parts including external and internal analysis of industry , markets and competitors, marketing and sales, operations, team skills. In research part, two methods were applied in the thesis. From the interview and practical section, a comprehensive SWOT analysis towards the business idea was given. While in questionnaire part, the results were analysed through different questions. In the final part, the implementation plan gives the investors clear possible directions towards the operation of an Indian restaurant. The plan presents process of building restaurant, necessary steps of preparing Indian foods, and marketing plan for promoting restaurant.

The purpose of the business idea is to let more people know about India and Indian culture. As Prague is very beautiful city and this business idea can promote the relationship also. Still, there are some improvements of this project. For example, in the research part, I could find more professional experts on restaurant operation in order to make the research more convincing

However, the project may also bring some benefits:

- 1) The project can give Prague citizen another look on India. Currently, there are not many channels for people to know this country directly except from media. This restaurant seems as in India | since from the interior to the food are all representing Indian style. The people will have total feeling when in the restaurant. From this restaurant, they can know more culture issues related to India. For example, some Indian important festivals.
- 2) There are already some corporation between Czech Republic and India. For example, in education field, industry field. It would be nice if the fields of cooperation can expand to culture area. More diversity cooperation in different fields can deepen the two countries relationship. In addition, as the city is developing local tourism, the restaurant could become one of the tourist destinations for Prague city as there are very few quality Indian restaurants in the whole Czech Republic.

References

Pinson, L. 2013. Anatomy of a Business Plan: A Step-by-Step Guide to Building a Business and Securing Your Company's Future. United States: Out of your mind into the marketplace US Publisher.

Kotler, P. and Armstrong, G. (2012).Principles of marketing. Boston: Pearson Prentice Hall.

Kotler, P. and K. L. Keller, Marketing management, 14th or 15th, 2013 or 2015

Kotler, P., Armstrong, G. and Cunningham, P. (2005).Principles of marketing. Toronto, Ont.: Pearson Education Canada.

Michael E. Porter and co authored with Mark R. Kramer (2006) The Five Competitive Forces That Shape Strategy.

Kotler, P., Keller, K.L., Brady, M., Goodman, M., Hansen, T.; Marketing Management; Pearson 2009; ISBN-13 978-0273718567

Kotler, P.Kotler on marketing; Free Press (Simon & Schuster UK Ltd); ISBN 0-684-86047-3

Philip KOTLER, Kevin lane KELLER, Marketing management, Kotler-Keller - marketing management, 14thedition.pdf.reader,ISBN 13: 978-0-13-210292-6

Kotler, P. and Armstrong, G. (2012).Principles of marketing. Boston: Pearson Prentice Hall.

Harvard Business Review from “How competitive forces shape strategy” by Michael E. Porter, March 1979

SuomenUusyrityskeskuksetRy,(2011).Becoming an Entrepreneur in Finland.SuomenUusyrityskeskukset Ry.

Lerner, J., Fulks, D. and Staton, M. (2004). Schaum's easy outlines bookkeeping and accounting.

Food Drink Europe (2015). European Food and Drink Industry 2014-2015. [ebook] Brussels:

Michael E. Porter and coauthored with Mark R. Kramer (December 2006) The Five Competitive Forces That Shape Strategy.

Boone, L., Kurtz, D. 1992. Contemporary Marketing. Fort Worth, TX: Dryden Press. "Developing Your Strategic

"SWOT Analysis- Strengths, Weaknesses, Opportunities, Threats." PMI- Plus, Minus, Interesting. 1999.

Jaffe, J. (2010). Flip the funnel. 1st ed. Hoboken, N.J.: John Wiley & Sons. Jänkälä, S. (2016).

Lerner, J., Fulks, D. and Staton, M. (2004). Schaum's easy outlines bookkeeping and accounting. New York: McGraw-Hill.

NICHOLSON, L. India. Brno: Computer Press, 2009. 400 pp. ISBN 978-80-251-2701-8.

PALATKOVÁ, M. International Tourism: Analysis of the Position of Tourism in the World Economy: The Importance of Tourism in International Economic Relations: European Integration and International Tourism. Praha: Grada, 2011, 221 pp. ISBN 978-80-247-3750-8.

Arcgis.com. (2017)

<http://www.arcgis.com/home/webmap/viewer.html>

Bensoussan, B. and Fleisher, C. (2012). Analysis without paralysis. 2nd ed. Upper Saddle River, NJ: Pearson.

Hughes, A. (2003). The customer loyalty solution. New York: McGraw-Hill.

Bragg, S. (2013). What is the difference between gross and net income? - Questions & Answers – AccountingTools.Accountingtools.com.

<http://www.accountingtools.com/questions-and-answers/what-is-the-difference-between-gross-andnet-income.html>

Buckley, M. (1997).The structure of business. London u.a.: Addison Wesley Longman.

Butler, D. (2013). Business Planning: A Guide to Business Start-Up. 1st ed. Burlington: Routledge.

Creswell, J. (2014). A Concise Introduction to Mixed Methods Research. Lincoln, Nebraska:

SAGE Publisher.

Doran, G. T. (1981). "There's a S.M.A.R.T. way to write management's goals and objectives".

Fifield, P. (2007). Marketing strategy. 3rd ed. Oxford: Elsevier.

GIS Geography. (2017).What is Geographic Information Systems (GIS)? - GIS Geography.

<http://gisgeography.com/what-gis-geographic-informationsystems/>

Hyken, S. (2016). The New Moment of Truth In Business.[online] Forbes.com.

<https://www.forbes.com/sites/shephyken/2016/04/09/new-moment-of-truth-in-business/#116b709b38d9>

International Business Publications, USA. (2015). Finland Investment and Business

Investopedia,(2015)

<http://www.investopedia.com/terms/p/profit.asp>

Lotich, P. (2016). Example Business Goals and Objectives —The Thriving Small Business.

<http://thethrivingsmallbusiness.com/examples-of-business-goals/>

Osterwalder, A. and Pigneur, Y. (2010). Business model generation. 1st ed. Hoboken, NJ:

Paley, N. (2008). The Marketing Strategy Desktop Guide. 2nd ed. London: Thorogood.

Peterson, S., Jaret, P. and Schenck, B. (2010). Business plans kit for dummies. 3rd ed. Hoboken, N.J.: Wiley Pub.

Pinson, L. (2008). Anatomy of a business plan the step-by-step guide to building your Business and securing your company's future. Chicago: Out of Your Mind...and Into the Marketplace.

Pinson, L. and Jinnett, J. (2006). Steps to small business start-up.

<https://www.prh.fi/fi/kaupparekisteri/yritystenlkm/lkm.html>

Schaefer, P. (2017). Why Small Businesses Fail: Top 7 Reasons Startups Fail and How to Avoid Failure. Business Know-How.

<http://www.businessknowhow.com/startup/business-failure.htm>

The Basics of Crowdfunding.(2013). Entrepreneur.

https://www.ted.com/talks/tim_urban_inside_the_mind_of_a_master_procrastinator

<https://managementmania.com/cs/podnikatelsky-plan>

<https://www.scribd.com/presentation/27083085/How-To-Write-A-GREAT-Business-Plan>

<https://www.entrepreneur.com/business-opportunities>

<https://managementmania.com/cs/marketingovy-mix-4c>

<https://www.scribd.com/doc/31480149/Promotional-Mix>

<http://www.acuvity.com/blog-10/2017/1/24/where-is-your-business-headed-7-key-components-of-a-solid-business-plan>

<http://www.studymode.com/subjects/t-mobile-marketing-mix-page1.html>http://www.examtutor.com/business/resources/studyroom/marketing/market_analysis/5_market_segmentation.php

<http://www.doingbusiness.org/data/exploreeconomies/czech-republic>

https://www.mindtools.com/pages/article/newTMC_08.htm

<https://www.isc.hbs.edu/strategy/business-strategy/Pages/the-five-forces.aspx>

<https://educheer.com/term-paper/porter-five-forces-brief-outline/>

<https://hbr.org/2008/01/the-five-competitive-forces-that-shape-strategy?>

<https://studylib.net/doc/18895375/the-five-competitive-forces-that-shape-strategy>

http://www.academia.edu/12105909/porters_5_forces_strategic_management

https://mpra.ub.uni-muenchen.de/41840/1/MPRA_paper_41840.pdf

Appendices

Appendix A. Questionnaire Sample Form

Hello, I am student of Masters in Business Administration in Prague and working on my Master's Thesis as a part of my studies. You are cordially invited to participate in my research survey. I would highly appreciate your valuable answers and suggestions. Please fill this survey form with multiple choice questions. Thank you so much in advance for your best cooperation.

Please tick mark correct option.

1. Please specify your gender:

Male Female

2. Marital Status

Single Married with kids Married without kids

3. Which category below includes your age?

17 or younger 18-29 30-39 40-49 50-59 or older

4. Annual Income Range

Below 20,000 20,000-30,000 31,000-40,000 41,000 and above

5. How often do you eat in a Restaurant?

Daily

Once a week

Once a month

Other (please specify)

6. What kind of food do you prefer?

Veg

Non veg

Other (please specify)

7. When going to a restaurant which criteria are important for you?

Dining Environment and Restaurant Concept

Food Quality

Service

Price

Convenience

Other (please specify)

8. What style of restaurant would you prefer?

Traditional

Homey and Cosy

Modern

9. What time do you prefer to visit a restaurant?

Breakfast (6am-11am)

Lunch (12pm-4pm)

Dinner (5pm-11pm)

10. How do you prefer the food to be served?

Simple

Crafted

Flavourful

Appendix B. Restaurant Menu

STARTERS

Onion Bhaji	65Kč
Crispy fried curly kale & onion fritters, signature chutney	
Papadums	55Kč
Crispy thin bread of lentil flour served with mango chutney and mint sauce 7	

SOUP

Tamatar Soup	60Kč
Light soup of tomato flavoured with fresh coriander and Indian spices	

MAIN COURSE: NON - VEG

Butter Chicken 7	215Kč
Tandoori chicken cubes in a tomato, butter and fenugreek sauce	
Chicken Tikka Masala 7	210Kč
Chicken tikka with tomato, onion, ginger and dried fenugreek leaves	
Chicken Vindaloo	200Kč
Chicken and potato cooked in tomato based gravy with Goan paste	
Chef's Special Chicken Masala	210Kč
Medium – spiced semi dry chicken prepared with bell pepper and onions	
Lamb Kashmiri	225Kč
Tender Lamb pieces cooked in true Kashmiri style	
Lamb Saag	220Kč
Medium spiced lamb prepared with creamy spinach, bell pepper and onions	
Fish Curry 4	245Kč
Tandoori fish tikka cooked in green bell pepper, whole spices and tomato gravy	

MAIN COURSE: VEG

BhindiMasala	195Kč
Okra Sautéed-fennel, onion, dried mango powder	
Aloo Gobi	180Kč
Potatoes, cauliflower, onion, tomato, ginger and fresh coriander	
Mixed Veg 7	165Kč

Assorted fresh vegetables and cottage cheese cooked with homemade style	
Aloo Baingan	180Kč
Aubergine with onion-tomato masala flavoured with spices	
MalaiKofta	195Kč
Cottage cheese and potato dumplings seasoned with, nuts, and sauce.	
PalakPaneer 7	180Kč
Cottage cheese cooked in creamy spinach gravy	
Chana Masala 7	185Kč
Traditional chickpeas masala with tea leaves, onion, whole spices	
Dal Tadka	170Kč
Yellow lentils with ginger, tomato and green chilli	

SIDE DISHES

Mixed Veg Salad	65Kč
Salad with house dressing	
Chicken Salad 5	90Kč
Cucumber Raita	65Kč
Yoghurt with cucumber, mint and toasted cumin	
Red Onions	40Kč
Mango Chutney/Mint Chutney/Tamarind Chutney	

RICE

Vegetable Biryani 8	145Kč
Pulao Rice 7	105Kč
Basmati Rice	75Kč

TANDOORI BREADS

Naan	50Kč
Butter Naan	55Kč
Garlic Nan	50Kč
Punjabi Paratha	60Kč

DESSERTS

Gulabjamun 7	55Kč
--------------	------

Kheer	50Kč
Masala tea	50Kč
Coffee	40Kč

PLEASE NOTE:-

Take away plastic container 15Kč

Weight all starters 150gm

Weight all main courses 300gm

Dear Guest,

Please specify your dietary needs

List of food allergens which are subject to legislative labelling in accordance with directive 1169/11 EU

1. Cereals containing gluten - It is not celiakii, products thereof
2. Shellfish and products thereof - belong among the kinds of food which endanger life
3. Eggs and products thereof - belong among the kinds of food which endanger life
4. Fish and products thereof
5. Peanuts and products thereof - belong among the kinds of food which endanger life
6. Soya beans (soya) and products thereof
7. Milk and products thereof - belong among the kinds of food which endanger life
8. Hard shell fruit and all the products thereof - all kinds of nuts
9. Celeriac and products thereof
10. Mustard and products thereof
11. Sesame seeds (sesame) and products thereof
12. Sulfur dioxide and sulphites concentration of more than 10 mg, ml/kg, l, expressed as SO₂
13. Sundial lupine and products thereof
14. Shellfish and products thereof

There is a need to set miles stone to succeed in completion of tasks that are delivered in order to achieve the project objectives the following tasks must be achieved: First target is completion of construction and building work ,Location finalization and POP ceiling.

Interior Design/ structure of establishment on time along with registration and procurement of license for food business and sale of liquor Setting items, order, supplier, payment, finance details. Creation of entertaining Menu and pricing.

Web content : menu, new item, result ,table order, home order, login id ,user password ,access for various info ,user can change password ,suppliers info ,menu show ,order type ,table no ,time, date, order cost .

Promote good values of the company culture.

Hospitality, Food manufacturing and sell of highest quality food to customers and keep customer happy with all our products.

Preparation for restaurant Grand Opening.

Set targets for growing the business.

Restaurant budget software and Budget methodology to set finance, HR, project (food, facility, marketing and operation} marketing /sales, operation and logistics system and procurement. New Staff appointment and preparing housekeeping schedule

Training sessions to be scheduled to all new recruits.

The task duration and the scheduled start and finish dates.

The project work needs to be finished as per estimated time and ready for operation List of Supplements...