

**Snoek - Fish & Chips** **Business Plan**

**Introduction**

Snoek - Fish & Chips will be running as a fast-food restaurant in Centurion, Pretoria, and Gauteng, supplying a combination of great food at competitive prices, served in a cosy atmosphere. The restaurant will meet the demand for snack-type of fast food, which will be consumed when the families visit our restaurant before and after shopping at Checkers. The restaurant will also cater to the needs of the teenagers, youth, and the working population in the area.

In the present-day competitive environment, it is becoming an increasingly complex task to differentiate the product offering and the food outlet from the competitors. However, Snoek-Fish & Chips will penetrate the market by low prices and offering excellent quality food to capture a sizable market share in the future. The interior of the restaurant will be made in such a way that it will attract both young and old customers alike for repeated visits with their families.

The products offered will include traditional magwenya, chips, and a choice of unique signature dipping sauces that are made by our township entrepreneurs. This plan outlines the marketing, operations and the financial aspects of the proposed business.

**Marketing**

Snoek - Fish & Chips is poised for the intense competition from several similar fast foods running in Centurion. The restaurant will have formulated marketing strategies in such a way that it meets the following needs of the target market. The needs found are

1. to have some South African Traditional dishes with flavour preferably fried items,

2. our turnaround time in faster service,

3. give interest in a comfortable and warm atmosphere for eating in

4. clean fast-food environment,

5. meeting the status needs of our clients.

Our marketing analysis involves both an internal and external environmental analysis of the proposed market. While our plan uses SWOT analysis for seeing the internal environment, the PEST analysis is used for analysing the external environment.

**Marketing Analysis**

**SWOT Analysis**

The SWOT analysis eases linking the strengths of the organization to the opportunities available in Centurion apart from supplying a chance to analyse whether these strengths can be converted into critical success factors for the firms. It also allows an organization to prepare strategies to convert weaknesses and threats to strengths & opportunities, respectively.

**Strengths**

The product offerings of the restaurant shall be its foremost strength, because of the location and the target customers. We will offer clean fried food at the same level as it was done by our larger food retail competition chain stores like KFC and McDonald's while keeping our brand standard using our key strengths in outsourcing cheap quality products from out-and-coming entrepreneurs. With the data collected, we have noticed that the current trend in PRETORIA is people are looking for outlets where they can either dine or eat on the go.

Our food value items will add to the strength of the market already existing and create dynamics for the youth hang-out spot and enjoyment. Reasonable prices and the value for money concept as compared to competitors in the market are other factors that add strength to the company. The innovative interior and layout of the restaurant will add to customer satisfaction. Skilled, experienced, and customer-focused staff (of over 3 years of experience) with training plans, and competitive reward policies in place to ensure staff commitment and minimize the risk of staff turnover will be added strength.

**Weaknesses**

Difficulty in differentiating the product offerings is the most important weakness of the restaurant. Under health considerations, tourists may not consume fried items in an unknown location. Lack of current brand awareness will affect the sales growth in the first years. There is no variety of foods offered by the company. This will make the customers go to other restaurants where they have a choice. Competition in this sector is on the rise, which will affect the business.

**Opportunities**

An increasing number of people from other provinces and tourists is likely to have a positive influence on the business of the restaurant (Centurion City Council, 2009). There has been an increase in the number of foreign students living and studying in Pretoria (Higher Education Statistics Agency, 2004), and this has increased the student population in Centurion, which offers an opportunity for the restaurant. With the aid of IT tools, and advertising on the World Wide Web the company can attract more local people and tourists as its customers. The economic downturn makes people prefer to spend money on food at a reasonable price. The PRETORIA consumer is more discerning and at the same time, more open to new tastes and cultures. There is an opportunity to supply more to the consumer

**Threats**

The saturation of the market with newer, slicker fast-food restaurants sprouting up, and possibly restaurant chains from oriental offering other exotic food varieties expanding in Gauteng and more particularly Pretoria is a real threat. The competition from multinational fast-food restaurants like Fishways, Fish & Chips Groups, KFC, McDonald's, and Burger King poses a serious threat to the business of Snoek-Fish & Chips Even though most patrons are health conscious and obesity problems among the people also threaten the future of the business. The restaurant must consider market maturity, where customers have real choices and switching costs are low. Fast food restaurants are a highly fragmented sector, which leads to an elevated level of competition. Smoking will be another threat, as our restaurant is a free smoke zone and our customers who smoke may not visit for short breaks. With new government regulations also including the national minimum wage and a new business tax, fixed costs will be added. Despite the growth of the catering market, the rate of failure in the catering business increases. With the emphasis on the government's hygiene issue, it influences Tumi's hygiene management.

**PEST Analysis**

Political Factors

Political factors that are occurring in Pretoria can greatly influence the growth of our restaurant around Centurion, Gauteng. Some of the few examples of political factors which we noticed are things like tax reforms or Health and safety guidelines. We are aware that once our establishment has been set up these regulations will affect our business. We have taken proper decisions to minimize the impact of such regulations. From purchasing, cooking, and packing to delivery, our restaurant is responsible to take care of the food products

Health regulations are changing from one province to another. The regulations in Cape Town and KZN will differ if compared to Gauteng and Northwest where strict food regulations are implemented.

Economic Factors

If the inflation rate increases in the economy where our restaurant is running, it will affect the prices of the ingredients. As a result, menu prices will go up and most of the time people avoid ordering food from a restaurant or going outside for shopping.

Consumer disposable income is another economic factor that can affect the food industry. If people have more disposable income, they will hang out with family and friends and typically will order food from restaurants like Starbucks, KFC, Subway, McDonald's, or any local restaurant.

Social Factors

Several social factors can affect our restaurant business negatively or positively. Nowadays people are more health conscious. This means that they will prefer organic food instead of junk food. This social factor might affect our restaurant menu. Generally, restaurants cater to both types of customers i.e., spicy or junk food, and organic food lovers to increase their customer base.

Another good example is people's busy lifestyle and late hours work in the office. Such people are always busy with their routines and have no time to cook food, work out or sleep. They prefer quick fast food, juice/still/carbonated drinks, and coffee in their routine. Examples of other social factors include vegetarians, pet-loving, and transgender customers. It is exceedingly difficult to keep all types of customers happy.

Technological Factors

Technology is the most dynamic factor of pestle analysis. Rapid technology advancement and change can and will affect our restaurant business for sure. How to take care of our small restaurant business when the staff is off? We can have a closer look at our employee's leave matrix and other operations by installing CCTV Cameras control with your mobile phone. Few businesses use a manual register to take care of restaurant accounts and other related operations. There are several restaurant management and accounting software for example *Yoco Card Machines and Online Payments* and *QuickBooks Online* with so many options and processes. If this software is used properly, it can increase the flow of increase and profitability.

Environmental Factors

Both the internal and external environment of our restaurant is especially important to consider. The look and appearance should have a place for some indoor plants and take care of cleanliness regularly while the external surroundings should be clean and hassle-free for outdoor sitting so that customers can easily reach our place. We also do what is big in recycling material and implement a proper food waste management policy. Donate leftovers to charity and needy people. We know that every environmental impact is crucial for business expansion and a loyal customer base

Legal Factors

Legal and local bodies can influence our restaurant business. These regulatory authorities often visit the different areas of the restaurant like the kitchen and store to check the different food items' quality and expiry, staff, and other hygiene conditions.

**SMART Objectives**

Our specific plan for our business is to enlarge the operations of our restaurant to become a full-fledged restaurant in the future and possibly a leading franchise in South Africa. The measurable aim is to achieve a sales growth of at least 15% in the second year of operation. Part of our achievable aim is to enhance the brand equity of the company in the fish and chips sector. The realistic aim is to have a net after-tax margin of 18% on total revenues by the third year of operation. The time-bound aim is to expand the business in five more cities of Gauteng in the next three years.

**Identification of Target Markets**

The South Africa fast food market size was valued at $2.7 billion in 2018 and is expected to reach $4.9 billion by 2026, registering a CAGR of 7.9% from 2019 to 2026. South Africa is the largest food service market in sub-Saharan Africa with a large and highly competitive hospitality industry. Despite negative impacts on several economic parameters of the country, the food service industry is expected to experience considerable growth during the forecast period. Similarly, the country has a large number of domestic as well as international restaurant chains; thereby, fuelling the growth of the fast-food segment.

This is attributed to an increase in demand for diverse types of fast-food products from the target customers. According to Southern Africa Food Lab, over the past five years, there has been an increase in the consumption of convenience food due to the rise in the availability of takeaway vendors. As per their prediction, fast food items such as hamburgers, koftas, fried chips, and vetkoek, are expected to gain immense popularity and are expected to be consumed regularly as part of the daily diet. Moreover, the easy availability of fast-food products is expected to influence cooking practices, that is, decrease the frequency of home cooking; thereby, increasing the dependency on fast food products. The target market for Snoek-Fish & Chips consists of Teenagers, Youth, and the Family line staying in the suburbs of Pretoria and the surrounding cities and tourists visiting the city for sightseeing and on pleasure trips to Pretoria areas.

According to a survey by Local Research Company, fast-food restaurants in Gauteng's top ten cities have risen by 8.2% to more than 1450 outlets in 2009 (Financial, 2009). This underpins the potential for the proposed venture. While Snoek-Fish & Chips will target customers in all age groups, the focus will be more on Teenagers, Youth, and the Family line.

The following table supplies information on the customer segmentation in Centurion. Four segments and seven variables, which include psychographic (Lifestyle), behavioural (Spending occasions, Benefit sought), and profile aspects (age, income, and occupation cycle), are divided into the market in table 3. The market for Snoek - Fish & Chips will be among the customers in the ‘Potential’ and ‘High-Value’ segments.

[Business Ideas](https://ascconsultants.co.za/how-to-start-a-food-business-in-south-africa#STEP_1_Decide_on_the_Product_You_Want_to_Sell)

[Breakdown of finances](https://docs.google.com/spreadsheets/d/1FzTyiwMGICHCf2rls1L_YfqcqWTlZODNwVGPvIoLUJo/edit#gid=0)

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| --- | --- | --- |
| All The Stock and The Material We Need for The Business | | |
| Description Medium Fast-Food Combo | | |
| This Is Our Combo That Consists of these 20 products only | | |
| [Spaza Fryer Electric 2 x12 LT PKPSEF12LT](https://wedoall.co.za/products/fryer-gas-pkp12) |  |  |
| [Toaster Sandwich Press TCG-9](https://wedoall.co.za/products/toaster-sandwich-press-tcg-9) |  |  |
| [Spaza Fryer Basket SFBPKP](https://wedoall.co.za/products/spaza-fryer-basket) x2 |  |  |
| [Spaza Fryer Basket SFBPKP](https://wedoall.co.za/products/spaza-fryer-basket) x2 |  |  |
| [Spaza Fryer Basket SFBPKP](https://wedoall.co.za/products/spaza-fryer-basket) x2 |  |  |
| [Spaza Fryer Basket SFBPKP](https://wedoall.co.za/products/spaza-fryer-basket) x2 |  |  |
| [3 Division Bain Marie FM BNMR9007O7](https://wedoall.co.za/products/bain-marie-3-division-econo-floor-model-bnmr9007o7) |  |  |
| [5 Burner Gas Griller GSEQ1032O7](https://wedoall.co.za/products/griller-5-burner-floor-model-gas-ezy-grill-gseq1032o7) |  |  |
| [3 Burner Boiling Table Straight GSEQ1003O7](https://wedoall.co.za/products/boiling-table-3-burner-straight-floor-gas-ezy-grill-gseq1003o7) |  |  |
| [Beverage Cooler 748L 2 Door Sliding ES1140SL-E](https://wedoall.co.za/products/fridge-beverage-coolers-sliding-2-door-es1140sl) |  |  |
| [Flue Pipe 400mm FP400](https://wedoall.co.za/products/flue-pipe-400mm-fp400) |  |  |
| [Extraction Canopy Flat Back 1800 Galvanised PKPECWTF1800G](https://wedoall.co.za/products/extraction-canopy-wall-type-1800-with-filters-galvanised-ecwtf1800g) |  |  |
| [Rain Cowl 400mm RC400](https://wedoall.co.za/products/rain-cowl-400mm-rc400) |  |  |
| [Rain Cowl 400mm RC400](https://wedoall.co.za/products/rain-cowl-400mm-rc400) |  |  |
| [Extraction Fan 400mm, 220v 0.18kw EF400220V](https://wedoall.co.za/products/extraction-fan-400mm-220v-0-37kw-ef400220v0-37kw) |  |  |
| [Chip Dump CDA0001](https://wedoall.co.za/products/chip-dump-340-x-630-x-489mm-anvil-cda0001) |  |  |
| [Chip Dump CDA0001](https://wedoall.co.za/products/chip-dump-340-x-630-x-489mm-anvil-cda0001) |  |  |
| [Insert Lid S/Steel Half (I) INH9001](https://wedoall.co.za/products/bain-marie-insert-s-steel-half-lid-value-inh9001) x4 |  |  |
| [Insert S/Steel Half 150MM (I) INH9150](https://wedoall.co.za/products/bain-marie-insert-s-steel-half-150mm-value-inh9150) x4 |  |  |
| [Insert Lid S/Steel Full (I) INF9001](https://wedoall.co.za/products/bain-marie-insert-s-steel-full-lid-value-inf9001) |  |  |
| [Plain Top Table 1100mm S/Steel Legs SDTA2008O7](https://wedoall.co.za/products/plain-top-table-1100mm-titan-1-0mm-stainless-steel-legs-sdta2008o7) |  |  |
| [Double Bowl Sink 1600mm Mild Steel Legs Centre SDSN9010O7](https://wedoall.co.za/products/sink-double-bowl-center-1600mm-econo-9000-sdsn9010o7) |  |  |
| [Fryer DF-81](https://wedoall.co.za/products/fryer-df-81) |  |  |
| [Insert S/Steel Full 150MM (I) INF9150](https://wedoall.co.za/products/insert-s-steel-value-full-150mm-i-inf9150) |  |  |
| [Chipper Cutter FYP-01](https://wedoall.co.za/products/chip-cutter-fyp-01) |  |  |
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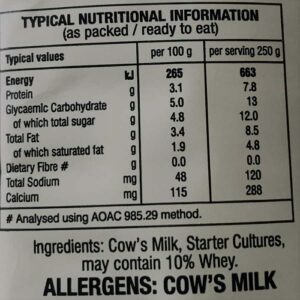
**Here Is A Quick Navigation**

[STEP 1: Decide on the Product You Want to Sell](https://ascconsultants.co.za/how-to-start-a-food-business-in-south-africa#STEP_1_Decide_on_the_Product_You_Want_to_Sell)

Firstly, decide what product or group of products want to sell.

Knowing your product category will inform the [**type of regulations**](https://ascconsultants.co.za/resources/food-legislation-standards-guidelines) you will have to comply with, in your business. You may decide to sell cooked food at a restaurant or in a food truck, perhaps open a meat deboning plant or butchery or run a sandwich shop. You must know what you want to sell, determine its quality characteristics and ensure that the product complies with food safety requirements and legislation.

### Nutritional Analysis and Labelling (where applicable)



If your product is not sold immediately after preparation, you must conduct a nutritional analysis that you will need to put on the packaging and/or labelling.

The nutritional analysis will determine your product’s nutritional composition and follow labelling requirements as per **Regulation R146** (Regulations relating to the labelling and advertising of foodstuffs).

### Shelf-life Study (where applicable)

In addition, you may have to conduct a shelf-life study validation. This helps determine how long your product will last on the shelf before it is unsuitable for consumption. Your study should take into account the following:

* Physical characteristics of the products.
* Sensory properties.
* Microbiological properties.
* Chemical properties of the product.

After you have conducted shelf-life studies, you will have to put either the “Best Before Date” or “Expiry Date” on the product label.

[STEP 2: Implement Processes to Ensure Product Safety and Quality](https://ascconsultants.co.za/how-to-start-a-food-business-in-south-africa#STEP_2_Implement_Processes_to_Ensure_Product_Safety_and_Quality)

You should implement relevant processes in your food business that will guarantee [**product safety and quality**](https://ascconsultants.co.za/the-difference-between-food-safety-and-food-quality-explained)**.**

**Examples of processes could be (to only mention a few):**

* Temperature control to maintain the cold chain if your product is temperature-sensitive.
* Housekeeping, cleaning and hygiene measures to ensure your product is prepared in a safe, clean and uncontaminated environment.
* Personnel Hygiene practices for your Staff to prevent cross-contamination.
* Waste control to prevent improper storage of waste that can end up contaminating the final product.
* Pest control measures to prevent pest infestation, which if uncontrolled, could lead to product contamination.
* Maintenance of equipment and facilities to prevent contamination by foreign materials.
* Traceability procedures detailing traceability from receiving raw materials to final product dispatch.

You must ensure that you keep documentation. For example, a Standard Operating Procedures **(SOP)** specifying how the above will be done in the facility. Record keeping is important to ensure there is evidence of complying with these requirements.

[STEP 3: Ensure Your Premises and Equipment are Suitable](https://ascconsultants.co.za/how-to-start-a-food-business-in-south-africa#STEP_3_Ensure_Your_Premises_and_Equipment_are_Suitable)

The construction, design (layout) and location of food premises and equipment should not pose a health hazard and should always promote Food Safety. The hygienic handling and protection of food from all types of contamination are key.

### What are the Most Basic Food Safety Requirements?

[**Regulations R638: 2018**](https://ascconsultants.co.za/wp-content/uploads/2018/08/R638-of-2018-Regulations-governing-general-hygiene-requirements-for-food-premises-the-transport-of-food-and-related-matters.pdf) is the most basic food safety legislation **every** food handling business must comply with.

As per **Regulation 5** (requirements for food premises) of **Regulations R638**,  food premises must be suitable for food handling. Therefore, the food premises must be kept in a condition that does not:

1. create a health hazard for food and
2. designed in a way that prevents proper cleaning.

**Food premises must protect the food from contamination or spoilage from:**

* poisonous or offensive gases
* vapours
* odours
* smoke
* soot deposits
* dust
* moisture
* insects or other vectors
* other physical, chemical (including unintended allergens) or biological contamination
* pollution
* rain
* any other agent whatsoever

In essence, the food premises must be sufficiently covered and protected from any possible source of contamination.

[STEP 4: Get the Necessary Training for You and Your Staff](https://ascconsultants.co.za/how-to-start-a-food-business-in-south-africa#STEP_4_Get_the_Necessary_Training_for_You_and_Your_Staff)

### What Food Safety Training do I need as Food Business Owner and as a Food Handler?

All food business owners or managers or any person recognised as a person in charge of the food premises must get [**food safety training**](https://training.ascconsultants.co.za/course/food-safety-practices-for-persons-in-charge-of-food-premises-course-fs01/)**.**

The training requirements are set out in Regulation 10 of the R638: 2018. In addition to the training of the persons in charge, ALL food handlers must also receive food safety training annually.

A person in charge who has been found competent can provide this training.

It is the responsibility of the person in charge to keep all training records proving successful training. Should the person in charge not be comfortable providing this training, they may ask a food safety training institution like [**ASC Consultants**](https://ascconsultants.co.za/) to conduct training. Our[Regulation R638:2018 Training](https://ascconsultants.co.za/online-food-safety-for-persons-in-charge) has proven to be the most popular of all our training interventions.

[STEP 5: Attain a Business Licence and a Certificate of Acceptability](https://ascconsultants.co.za/how-to-start-a-food-business-in-south-africa#STEP_5_Attain_a_Business_Licence_and_a_Certificate_of_Acceptability)

To legally sell any foodstuff in South Africa, except unprocessed agricultural products, you must apply for a Certificate of Acceptability from the local authority, which would typically be your municipality. This certificate must be in place before you start trading.

Once you have applied for the certificate of acceptability [**(See Annexure A of the regulation on page 31)**](https://ascconsultants.co.za/wp-content/uploads/2018/08/R638-of-2018-Regulations-governing-general-hygiene-requirements-for-food-premises-the-transport-of-food-and-related-matters.pdf), the municipal environmental inspector will visit your food premises and inspect the following:

* Food premises in general whether they are conducive for food handling.
* Surrounding areas and their potential to contaminate food manufactured at your premises, as well as your risk mitigation measures should there be a possibility of contamination.
* Waste and pest control measures were put in place.
* Training file for you as a person in charge and that of your staff members.

Your application should be processed by the local authority as soon as possible. An Inspector may require more information from you after the submission of your application.

It is essential to note that the COA must be displayed in an area visible to the public. Should that not be possible, the COA must be immediately available upon request.

A COA **cannot** be transferred from one person to another and/or from one food premise to another.

[STEP 6: Comply With All Other Relevant Legislation](https://ascconsultants.co.za/how-to-start-a-food-business-in-south-africa#STEP_6_Comply_With_All_Other_Relevant_Legislation)

### What Legislation Do I need to Comply with as a Food Business?

You must comply with all other relevant South African laws and regulations, including municipal by-laws. These include have a valid business licence, health and safety as well as zoning permits. If you sell alcoholic beverages, you definitely must have a[liquor licence](http://www.thedtic.gov.za/legislation/legislation-and-business-regulation/national-liquor-authority/application-procedures-and-forms/), which you will need to apply for through your [province’s liquor board](http://www.thedtic.gov.za/legislation/legislation-and-business-regulation/national-liquor-authority/application-procedures-and-forms/) . Other relevant regulations include the following:

* The Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972
* Basic Conditions of Employment Act 75 of 1997
* Tax Law; SARS, VAT, Income Tax, Customs Tax,
* Companies Act 71 of 2008,
* Close Corporations Act 69 of 1984,
* Consumer Protection Act 68 of 2009 and the Competition Act 89 of 1998.

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* The Foodstuffs, Cosmetics and Disinfectants Act 54 of 1972
* Basic Conditions of Employment Act 75 of 1997
* Tax Law; SARS, VAT, Income Tax, Customs Tax,
* Companies Act 71 of 2008,
* Close Corporations Act 69 of 1984,
* Consumer Protection Act 68 of 2009 and the Competition Act 89 of 1998.

[STEP 7: Implement a Recognised HACCP System Certification](https://ascconsultants.co.za/how-to-start-a-food-business-in-south-africa#STEP_7_Implement_a_Recognised_HACCP_System_Certification)

HACCP certification is normally optional depending on customer requirements but there are specific industries where HACCP Certification is compulsory as per Regulation R908 of 2003 and associated amendments. HACCP Certification is compulsory for the following food business

* ALL PROCESSORS OF READY -TO -EAT HEAT TREATED MEAT PRODUCTS AS DEFINED IN SANS 885
* All PROCESSORS OF READY -TO -EAT HEAT TREATED POULTRY PRODUCTS AS DEFINED IN SANS 885
* PEANUT HANDLING FACILITIES (PACKING AND MANUFACTURING)