

# **TAMING OF THE BREW**

**MBA607 FINANCIAL MANAGEMENT**

**GROUP 17**

**CASUAL DINING RESTAUNT**



# Restaurant Business

A restaurant business serves food and drinks to customers for on-premises consumption, with the aim of providing a dining experience that includes a menu of various dishes, drinks, and desserts. The business may vary in size and type, from small, family-owned establishments to large, chain restaurants. There are several types of restaurant businesses, each with its own distinct features and target audience. They include:

- Fine dining restaurant: These restaurants offer upscale dining experiences with high-quality ingredients, and exceptional customer service.



- Fast-casual restaurant: These restaurants provide quick, affordable, and casual dining experiences with limited table service, but a wider range of food options than fast-food restaurants.
- Fast-food restaurant: These restaurants offer fast, convenient, and affordable food options for customers on-the-go.
- Casual dining restaurant: These restaurants offer a more relaxed atmosphere with moderately priced menus, table service, and a casual dress code.
- Ethnic restaurant: These restaurants specialize in cuisine from specific regions or countries, such as Italian, Chinese, or Mexican food.
- Family-style restaurant: These restaurants typically serve large portions of home-style cooking in a family-friendly atmosphere.
- Food truck: These mobile restaurants operate out of trucks or trailers and offer a variety of food options at outdoor events, festivals, and other locations.



# CASUAL DINING RESTRAUNT

A casual dining restaurant offers a comfortable and informal environment for customers to enjoy meals at moderate prices with table service and casual dress code. Decor is less luxurious than fine dining restaurants. These restaurants serve appetizers, entrees, and desserts, and are a popular choice for family, friends, and business meetings. Prices are moderate, and the proposed restaurant aims to offer unique menu items, high-quality customer service, and a memorable experience centered around specialty coffee drinks and food options.



# PESTEL Analysis:

PESTEL analysis is a framework used to evaluate the external factors that can impact a business.

Political:

- Changes in political leadership or policies can also impact the industry, such as changes in minimum wage laws or immigration policies that can affect the labor force.

Economic:

- Economic factors such as inflation, exchange rates, and interest rates can impact the purchasing power of consumers, which can affect restaurant sales.

Social:

- Trends in consumer preferences, such as a growing interest in healthy and sustainable food options, can affect the type of menu items offered and the way restaurants operate.



## Technological:

- Advancements in technology can impact the way restaurants operate and interact with customers, such as the use of online ordering and delivery services, mobile payment options, or digital menu displays.
- The use of technology in the back-of-house operations, such as inventory management and kitchen automation, can also impact the restaurant industry.

## Environmental:

- Concerns about the environmental impact of food production and waste can affect the restaurant industry, with consumers seeking out environmentally sustainable options.
- Changes in weather patterns and natural disasters can also impact the availability and cost of certain ingredients.

## Legal:

- Compliance with food safety and hygiene regulations is essential for restaurants, with violations leading to fines, legal action, and damage to the restaurant's reputation.
- Other legal considerations include labor laws, such as minimum wage and overtime requirements, and intellectual property laws that protect restaurant trademarks and recipes.



# PORTER analysis:

Porter's Five Forces is a framework used to analyze the competitive environment in an industry.

Porter analysis:

Threat of New Entrants:

- The restaurant industry is highly competitive, and new entrants can disrupt the market.
- Barriers to entry, such as obtaining permits and licenses, finding a suitable location, and building a loyal customer base, can limit the threat of new entrants.

Bargaining Power of Suppliers:

- Suppliers of food, beverages, and other goods can impact the profitability of a restaurant.
- The bargaining power of suppliers can be high if they have a limited number of customers or if their products are unique.



## Bargaining Power of Buyers:

- Buyers in the restaurant industry are typically individual consumers or businesses.
- Buyers have high bargaining power when there are many restaurants to choose from, and they can easily switch to a competitor.

## Threat of Substitutes:

- Substitutes in the restaurant industry include other types of food or beverage establishments, such as fast food chains or convenience stores.
- The threat of substitutes can be reduced by offering unique menu items, providing exceptional customer service, and creating a memorable dining experience.

## Rivalry Among Existing Competitors:

- Rivalry among existing competitors is high in the restaurant industry, with many established brands and independent operators competing for market share.
- To compete effectively, restaurants can differentiate their products, provide exceptional customer service, and leverage technology to enhance the dining experience.

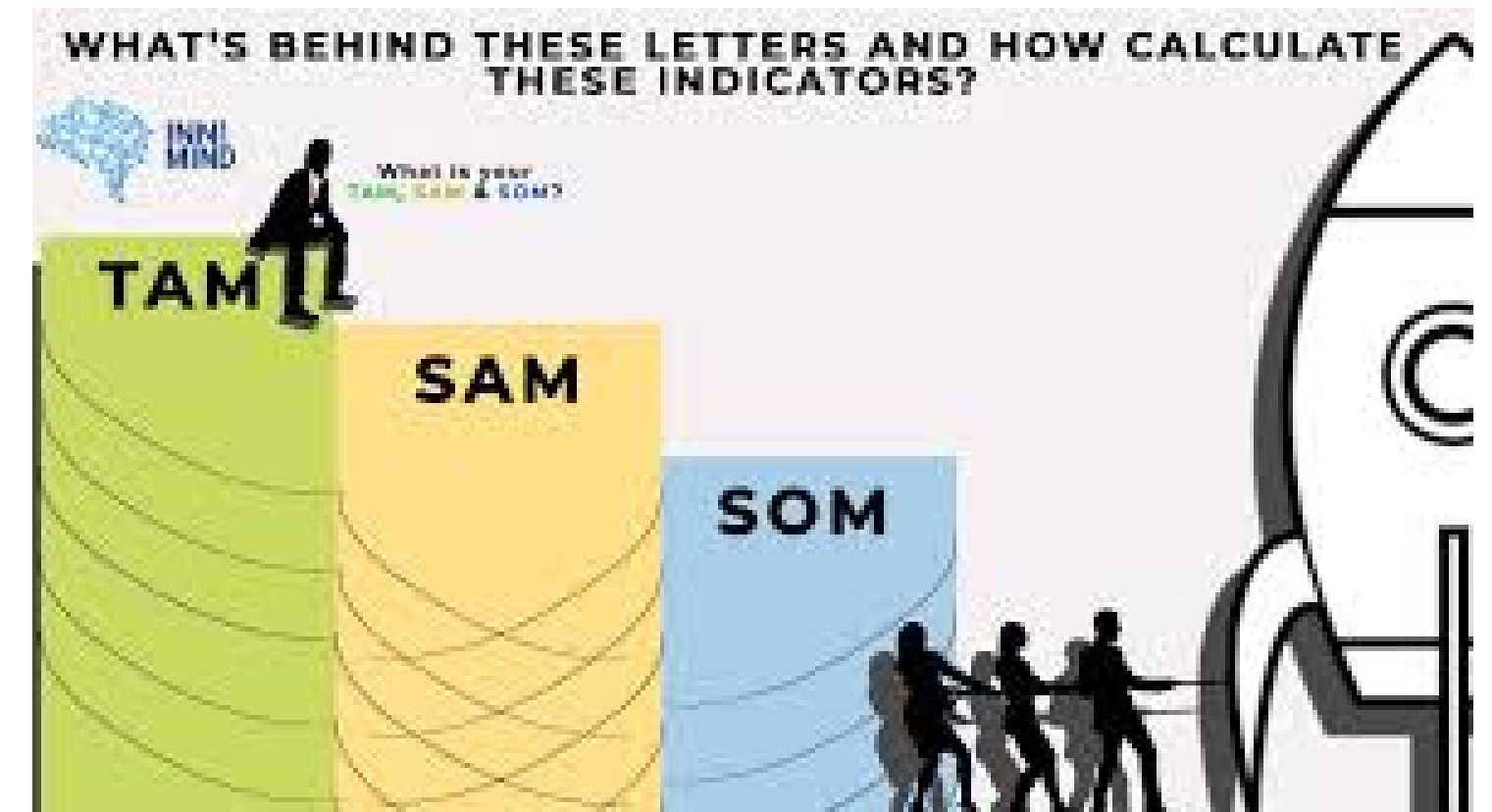


# TAM-SAM-SOM:

TAM (Total Available Market) represents the total market demand for a product or service. In the case of a restaurant, the TAM would include all consumers who dine out or purchase food, regardless of the type of cuisine or dining experience.

SAM (Serviceable Available Market) represents the portion of the TAM that the restaurant can realistically serve. In the case of a restaurant, the SAM would include all consumers who are interested in the type of cuisine, location, price range, and dining experience offered by the restaurant.

SOM (Serviceable Obtainable Market) represents the portion of the SAM that the restaurant can realistically capture. In the case of a restaurant, the SOM would include all consumers who choose to dine at the restaurant instead of a competitor.



Here's the TAM-SAM-SOM analysis::

- TAM: The total available market for restaurants includes all consumers who dine out or purchase food. This can be a large number, ranging from families to professionals, tourists, and special occasion groups.
- SAM: The serviceable available market for a restaurant would include consumers who are interested in the type of cuisine, location, price range, and dining experience offered by the restaurant. For example, if the restaurant specializes in Italian cuisine and is located in a busy city area, the SAM may be narrowed down to those consumers who are interested in Italian cuisine and are located within a certain radius from the restaurant.
- SOM: The serviceable obtainable market for the restaurant would be the portion of the SAM that the restaurant can realistically capture. This can be affected by factors such as the quality of food and service, reputation, marketing, and competition. For example, if the restaurant has a loyal customer base, receives positive reviews, and has effective marketing strategies, it can capture a significant portion of the SAM.

Overall, a TAM-SAM-SOM analysis can help a restaurant business to identify its potential market size, target customers, and competition, as well as develop strategies to expand its market share and increase its profitability.

## **Business Overview**

1. The Coffee Restaurant Business is a full-service coffee shop and restaurant that offers a variety of coffee, tea, and food items to customers. The business will be located in a high-traffic area with a strong customer base. The shop will be open seven days a week, from 7 a.m. to 9 p.m.

### **Products and Services**

2. The Coffee Restaurant Business will offer a range of products and services, including:  
Beverages: Drip Coffee: Freshly brewed coffee served in a mug.

Espresso: A shot of strong, concentrated coffee served in a demitasse cup. Americano: Espresso shots diluted with hot water to create a coffee similar in strength to drip coffee. Latte: Espresso shots mixed with steamed milk and topped with a layer of frothed milk. Cappuccino: Espresso shots mixed with equal parts of steamed milk and frothed milk. Mocha: Espresso shots mixed with steamed milk and chocolate syrup, topped with whipped cream. Iced Coffee: Chilled drip coffee served over ice. Cold Brew: Coffee brewed with cold water over an extended period of time, served over ice. Nitro Cold Brew: Cold brew coffee infused with nitrogen gas to create a creamy, smooth texture.

## Pastries and Snacks:

Croissant: A flaky pastry made with butter and yeast.

Muffin: A sweet, cake-like bread with various flavours such as blueberry, chocolate chip, or banana nut.

Scone: A small, sweet baked good with flavours such as blueberry, cinnamon, or chocolate chip.

Bagel: A dense, chewy bread typically served with cream cheese, butter, or jam.

Breakfast Sandwich: A sandwich with eggs, cheese, and choice of meat, served on a bagel or croissant.

Avocado Toast: Toasted bread with mashed avocado, topped with various ingredients such as feta cheese, tomatoes, or poached eggs.

Fruit Bowl: A mix of fresh fruit such as strawberries, blueberries, and bananas.

## Target Market

The target market for the Coffee Restaurant Business includes coffee and tea enthusiasts, young professionals, families, and tourists. The business will also cater to the needs of the local community by providing a comfortable and relaxing environment for people to gather and socialize.

## Marketing Strategy

The Coffee Restaurant Business will focus on the following marketing strategies to attract and retain customers:

- Social media and online marketing campaigns
- In-store promotions and discounts
- Customer loyalty programs
- Partnership with local businesses and organizations
- Collaborations with local artists and musicians to host events

## Financial Plan

The Coffee Restaurant Business will require an initial investment of INR 25,70,890. The funds will be used for the following purposes:

- Rent and leasehold improvements
- Equipment and furniture
- Inventory and supplies
- Marketing and advertising expenses
- Salaries and wages
- Other operating expenses



## Revenue Streams

The Coffee Restaurant Business will generate revenue through the following streams:

- Sales of coffee, tea, and food items
- Catering services
- Merchandise sales
- Event hosting and venue rentals