

TABLE OF CONTENTS

1.0 Executive Summary	2
2.0 Company Description	2
2.1 Mission Statement	2
2.2 Competencies	2
3.0 Situation Analysis	3
3.1 Cost Structure	3
3.2 SWOT Analysis	3
3.3 External Analysis	4
3.3.1 Bargaining Power of Buyers	4
3.3.2 Bargaining Power of Suppliers	4
3.3.3 Competitive Rivalry	4
3.3.4 Threat of Substitute Product	4
3.3.5 Threat of New Entrants	4
4.0 Buyer Analysis	4
4.1 Demographic Profile	5
4.2 Key factors influencing decision making	5
5.0 Strategy	5
5.1 Product Market	5
5.2 Target Market	5
5.3 Positioning Statement	6
5.4 Key points of difference	6
5.4.1 Theme based ambiance	6
5.4.2 Indian Services	6
5.4.2.1 Henna	6
5.4.2.2 Photography booth	6
5.4.3 Cosmopolitan Indian Cuisine	6
6.0 Marketing Promotion and Advertising Strategy	7
6.1 Loyalty Program	7
6.2 GroupOn Deals	7
6.3 KZMP (104.9 FM)	7
6.4 Word of mouth	7
7.0 Financials	7
7.1 Daily Sales	7
7.2 Important Assumptions	8
7.3 Break-Even Analysis	8
8.0 Contingency	9
Appendix – A (Estimated Bill)	
Appendix – B (Menu)	

1.0 Executive Summary

The project contemplates an Indian theme based fine-dining 80 seat restaurant offering typical rural Indian ambiance and toothsome Indian cuisine. Paneer butter masala, Chicken tikka masala, Hyderabad biryani along with Rawa idli and traditional Chai-tea are all on the menu.

Since there is no Indian theme based restaurant in Dallas area that accommodates the desired traditional Indian settings for Indian-American as well as Native American population, the demand for the restaurant is very attractive.

The gross area for the restaurant will be 3000 square feet. The décor will feature accented oval shaped wooden planks with white and cream colored table cloths encircled by pillows and cushions to sit on. Dinner style tables will be surrounded by wooden chairs with comfortable seating cushions.

Sales projections assume around 840 customers per week resulting weekly sales of \$14,000, or \$771,740 annually. The total initial investment requirement is estimated at USD 220,000, of which 41% is for the furniture. The project is financially viable with around 56% return on investment in two years with a breakeven in just 14 months.

The project will create employment opportunities for 17 persons.

2.0 Company description

The restaurant will be called “DHABA”, which is just another name for traditional roadside Indian restaurant. The restaurant will offer traditional rural Indian setting with delicious delicacies of India. Customers will have a wide range of food representing almost more than 10 states of India. It will include complimentary services like Henna and traditional Photo booth.

The restaurant will be open 7 days a week, from 10:00 AM to 10:00 PM.

2.1 Mission statement

Our mission is to provide a unique and relaxing dining experience to the customers. We will strive to achieve this goal by providing exotic ambience, quality food ingredients and great customer service.

2.2 Competencies

- Distinct Indian spices & ingredients
- Trained chefs
- Exotic ambience
- Variety of food

3.0 Situation Analysis

3.1 Cost Structure

Fix Cost	
Shop Lease	\$ 54,000
Furniture	\$ 90,000
Kitchen Equipments	\$ 10,000
Advertisement	\$ 8,000
Cars	\$ 4,000
Licenses	\$ 5,000
Total Capital per year	\$ 171,000

Variable Cost per day	
1 Manager	\$ 360
2 Cook	\$ 240
2 Assistant Cook	\$ 120
6 Server	\$ 288
4 Delivery Boys	\$ 240
2 Cashier	\$ 120
Grocery	\$ 350
Utilities	\$ 60
Gas	\$ 60
Misc.	\$ 50
Sales Tax on Revenue	\$ 169
Total Daily Cost	\$ 1,697.15
Monthly Cost	\$ 50,914.44

3.2 SWOT Analysis

<p style="text-align: center;"><u>Strengths</u></p> <ul style="list-style-type: none"> • Ethnic Cuisine(Distinct Spices & Theme) • Separate kitchens for Veg & Non-Veg • Fine Dining • Lower-Price Menu • Special Offers/Menu on Indian festival dates • Highly motivated workforce 	<p style="text-align: center;"><u>Weakness</u></p> <ul style="list-style-type: none"> • Amateurs in the market • Niche target market
<p style="text-align: center;"><u>Opportunities</u></p> <ul style="list-style-type: none"> • Extending services to Catering • Generate traffic during slow times • Selling restaurant products like salad dressing, baked goods 	<p style="text-align: center;"><u>Threats</u></p> <ul style="list-style-type: none"> • Price fluctuation: Huge fluctuations in prices of supplies may occur. • Local restaurants. • Rising operation cost. • Price war • Food reviews and Bloggers

3.3 External Analysis:

3.3.1 Bargaining Power of Buyers:

Within a restaurant industry, the bargaining power of customers is very essential aspect. This is because the prices should always be kept not higher than the competitors' prices. In this case customer's power is strong as customer might set the price. As soon as prices are increased way too much, the clients will leave our restaurant and find another one. However, the idea of our business is that we are the restaurant for students that provide food and drinks for quite reasonable prices. So this power can be medium.

3.3.2 Bargaining Power of Suppliers:

The suppliers of raw materials usually have power over industries. The bargaining power is in the price for the materials provided. Some industries have a lot of suppliers, but some do not. Those industries that have only few suppliers can suffer, because suppliers can charge any price they want. In case of the restaurant industry, the bargaining power of suppliers is quite weak. This is because restaurants do not produce their own food, but buy from butchers, farmers, etc.

3.3.3 Competitive Rivalry:

Competition among firms is very high in restaurant industry. People always need to eat and a lot of them like to do it in restaurants. Therefore, more and more restaurants are being opened, causing higher competition. As a result, one of the main aims for each restaurant is to gain a competitive advantage among other restaurants. This can be done in several ways: changing prices, improving product differentiation or providing special discounts. The prices should be carefully made and not exceed the competitors' prices. As soon as it is getting clear that the number of customers has been decreased, the new offers such as product differentiation or special discounts can be provided in order to get back old customers and attract new.

3.3.4 Threat of Substitute Product:

As there are a lot of other restaurants in the city and each of them offer their specific kind of food, the threat of substitute products becomes very high. One of the main solutions of decreasing the threat is to keep in touch with customer preferences and offer wide range of products. If this solution is implemented successfully, the restaurant can maintain a competitive advantage over rival firms and be able to keep customers rather than lose them to substitute restaurants.

3.3.5 Threat of New entrants:

The threat of new entrants to the market in the restaurant industry is very high. It is because there are extremely low barriers to entry. It is not so expensive to start up the restaurant business. That is why there are often a lot of new entrants.

4.0 Buyer Analysis

Objective of doing the buyer analysis is to do a demographic profile of potential patrons of Indian food in the US, Identify some factors while making a decision to dine out and finally establish the target market and need that is to be satisfied.

4.1 Demographic Profile:

Among a sample of 500 respondents to a survey conducted at urban and suburban locations and a price range of 12-18 dollars per person per meal, 51 percent were females and 49 percent were males, 44 percent had bachelor degrees and 33 percent had post graduate degrees, 50.1 percent of respondents were professionals. These statistics indicated that patrons of Indian restaurants are more educated and affluent than the average population.

4.2 Key factors Influencing decision making:

Some of the key factors which were highly influential in decision making were quality of food, hygiene, Authentic cuisines, Menu variety offered, Atmosphere, vegetarian choices, availability of new items.(Tandoori tastes: perceptions of Indian restaurants in America, Bharath M Josiam; Prema A Monteiro, International Journal of Contemporary Hospitality Management; 2004;)

Keeping the statistics in mind, the target market for the restaurant is not going to be based on a geographical divide, encouraging customers from all across the globe to experience Indian cuisine in an ambience which sets out culturally different standards than existing Indian restaurants.

The Restaurant will cater to more affluent people, who are more likely to have sampled different cuisines and have travelled widely and would like to inhale an aura of Indian culture through the restaurants theme and ambience while dining out.

A customer's perception of value for a given price will be considered for designing the Menu prices.

The average cost of a meal per person for an Indian restaurant in the US is 13-18 dollars(Data collected from Opentable.com), Keeping in light the value perception of the target market, The menu prices have been designed , Which would give enough buying potential to customers.

The market potential for Indian food Industry in the US is rising with Indian Americans comprising about 2.81 million people, alone or 3.18 million, combined with one or more races, about 1% of the U.S. population, the country's third largest self-reported Asian ancestry group after Chinese Americans and Filipino Americans, according to American Community Survey of 2012 data.

With More relaxation in the country's Immigration policies and rising number of native Americans wanting to be more adventurous and explore various cuisines, The restaurant is sure to capture a significant share of market potential volume.

5.0 Strategy

5.1 Product market:

The restaurant is seeking to enter the Food and Hospitality Industry in the US.

5.2 Target Market:

The market segmentation is done using dimensions inclusive – demographic (Race, Household size), Socioeconomic (Income, Education) and Psychographic (personality).

The Restaurant will cater to more affluent people, who are more likely to have sampled different cuisines and have travelled widely and would like to inhale an aura of Indian culture through the restaurants theme and ambience while dining out.

5.3 Positioning Statement:

Because the restaurant caters to a more educated and highly sociable class of customers, the restaurant is going to using a differentiation positioning, which involves seeking a less competitive smaller market niche among the existing Indian restaurants.

5.4 Key points of difference:

Most Indian restaurants existing in the market focus on providing its customers with Indian cuisine, relying solely on Taste, price and word of mouth promotions to attract customers.

The new restaurant will have the following key points of difference from its existing competitors:

5.4.1 Theme Based Ambience

The restaurant is going to be based on a 'Dhaba' Theme (Dhaba is the name given to roadside restaurants in India. They are situated on highways and generally serve local cuisine). It will be characterized by mud structures and cots to sit upon (called 'chaarpai' in Hindi/Urdu, while eating, also hosting regular seating for customers if desired. The food has a 'homemade' feel to it.

5.4.2 Indian services

The restaurant will host services to its customers to indulge them in Indian culture. Some services planned to start off include:

5.4.2.1 Henna booth

Indian henna designs, also referred to as Mehndi, are especially significant for Indian women, although people of other cultures and nationalities incorporate the intricate designs of the tattoos into their celebrations as well. Henna is highly regarded in Ayurvedic medicine for its ability to eliminate infection and impurities and soothe the stomach.

5.4.2.2 Photography booth

The photography booth provides the customers a chance to go back home with a souvenir to remember, by allowing them to adorn themselves with traditional Indian jewels and clothes like turbans and kurtas.

These key differences are sure to capture a significant market share volume.

5.4.3 Cosmopolitan Indian cuisine

India is a country with an amalgamation of cultures, traditions and customs with 29 states. Each state has its authentic cuisine which is local to its own territory. By offering cuisines from more than 10 Indian states, Dhaba is sure to attract customers to its tables.

6.0 Marketing Promotion and Advertising Strategy

6.1 Loyalty Program

The loyalty club members will receive special discounts on their final bill based on their level on the program. Dhaba will also offer complimentary meal to its registered customers on their birthdays. A recent report from the National Restaurant Association explains how this simple technique can increase as much as 15% due to repeat business.

6.2 GroupOn Deals

GroupOn is a very powerful tool to spread the brand awareness. It has a huge customer base and it customizes and filters the deals based on the location and preference of the user. Dhaba will offer some special deals on GroupOn website.

6.3 KZMP (104.9 FM)

KZMP (104.9 FM) is a World Ethnic formatted radio station based in Dallas, Texas, USA. The station broadcasts mainly in English, but also has programs in five south Asian languages – Hindi, Punjabi, Bengali, Gujarati and Persian. Because of its vast popularity among local Indian population, advertisements on this platform will play a crucial role for our target market.

6.4 Word of mouth

Once customers will enter the restaurant, our exotic ambiance, great food and friendly staff will leave an excellent impression on them, that they will recommend our restaurant to their friends and family.

7.0 Financials

7.1 Daily Sales:

Daily Sales	Numbers	Average Price	Total
Breakfast	15	\$ 8.59	\$ 128.85
Lunch	20	\$ 12.30	\$ 246.00
Dinner	50	\$ 18.16	\$ 908.00
Delivery	35	\$ 15.34	\$ 536.90
Beverages	60	\$ 4.66	\$ 279.60
Cold Drinks	30	\$ 0.50	\$ 15.00
		Total Daily Revenue	\$ 2,114.35
		Monthly Revenue	\$ 63,430.50

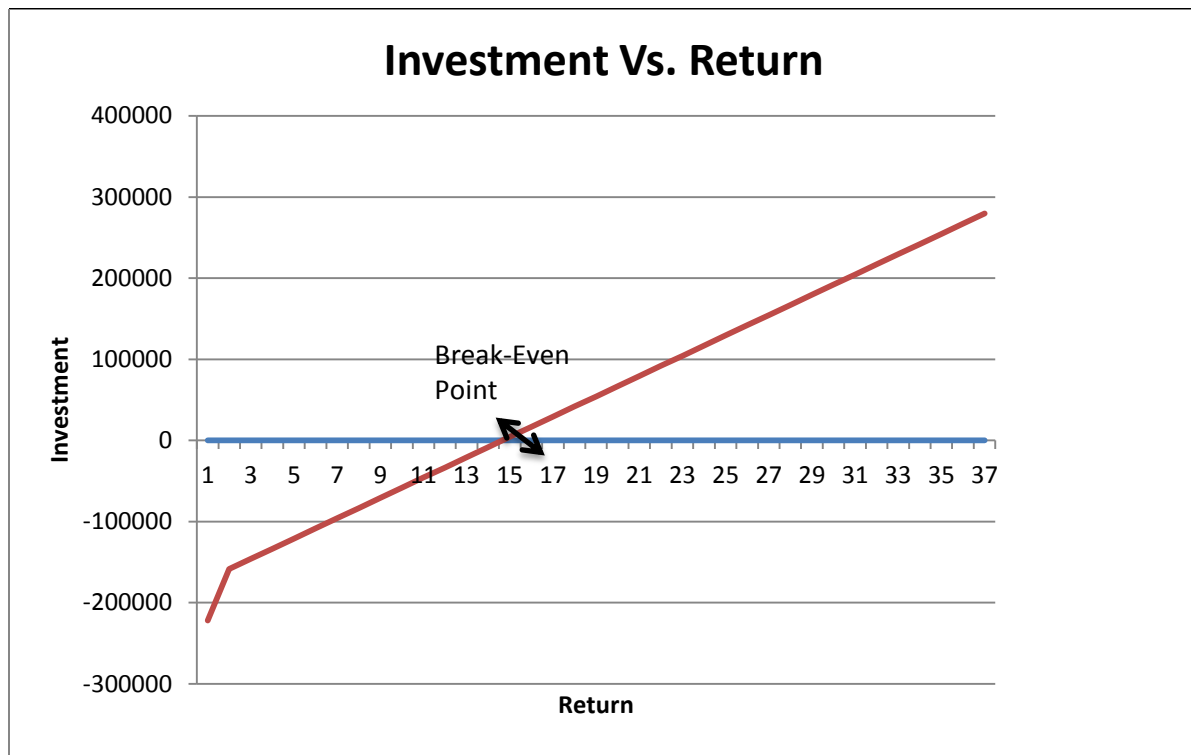
7.2 Important Assumptions

- Meal price ranges from \$8 to \$20.
- Average prices are calculated by making different combinations of food items.
- The restaurant is comprised of 3000 Square Feet.
- The restaurant will employ 17 persons.
- For simplicity, daily sales are taken as an average of a week.

7.3 Break-Even Analysis

Months	Total Investment	Revenue	Investment After Revenue
1	\$ 221,914	\$ 63,431	\$ 158,483.94
2	\$ 209,398	\$ 63,431	\$ 145,967.88
3	\$ 196,882	\$ 63,431	\$ 133,451.82
4	\$ 184,366	\$ 63,431	\$ 120,935.76
5	\$ 171,850	\$ 63,431	\$ 108,419.70
6	\$ 159,334	\$ 63,431	\$ 95,903.64
7	\$ 146,818	\$ 63,431	\$ 83,387.58
8	\$ 134,302	\$ 63,431	\$ 70,871.52
9	\$ 121,786	\$ 63,431	\$ 58,355.46
10	\$ 109,270	\$ 63,431	\$ 45,839.40
11	\$ 96,754	\$ 63,431	\$ 33,323.34
12	\$ 84,238	\$ 63,431	\$ 20,807.28
13	\$ 71,722	\$ 63,431	\$ 8,291.22
14	\$ 59,206	\$ 63,431	\$ (4,224.84)
15	\$ 46,690	\$ 63,431	\$ (16,740.90)
16	\$ 34,174	\$ 63,431	\$ (29,256.96)
17	\$ 21,657	\$ 63,431	\$ (41,773.02)
18	\$ 9,141	\$ 63,431	\$ (54,289.08)
19	\$ (3,375)	\$ 63,431	\$ (66,805.14)
20	\$ (15,891)	\$ 63,431	\$ (79,321.20)
21	\$ (28,407)	\$ 63,431	\$ (91,837.26)
22	\$ (40,923)	\$ 63,431	\$ (104,353.32)
23	\$ (53,439)	\$ 63,431	\$ (116,869.38)
24	\$ (65,955)	\$ 63,431	\$ (129,385.44)
25	\$ (78,471)	\$ 63,431	\$ (141,901.50)
26	\$ (90,987)	\$ 63,431	\$ (154,417.56)
27	\$ (103,503)	\$ 63,431	\$ (166,933.62)
28	\$ (116,019)	\$ 63,431	\$ (179,449.68)
29	\$ (128,535)	\$ 63,431	\$ (191,965.74)
30	\$ (141,051)	\$ 63,431	\$ (204,481.80)
31	\$ (153,567)	\$ 63,431	\$ (216,997.86)
32	\$ (166,083)	\$ 63,431	\$ (229,513.92)
33	\$ (178,599)	\$ 63,431	\$ (242,029.98)
34	\$ (191,116)	\$ 63,431	\$ (254,546.04)
35	\$ (203,632)	\$ 63,431	\$ (267,062.10)
36	\$ (216,148)	\$ 63,431	\$ (279,578.16)

- The value in bracket shows Profit.



8.0 Contingency

If because of some unforeseen circumstances, the plan could not work as expected then the following strategy can be applied.

- **Catering:** As there is a significant amount of Indian population living in Dallas area, the number of traditional Indian events and functions would demand a good catering service. Our trained chefs and distinct Indian spices can provide a great food for these occasions. So, if the plan doesn't work out as expected, transition to catering business will be our alternative.