



Hotpot Business



PLAN FOR PHS 428

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TABLE OF CONTENTS

1. Executive Summary

1.1 Business Overview 1

1.2 Mission and Vision Statement 1

1.3 Company Objectives 1

1.4 Keys to Success 1

2. Company Description

- 2.1 Business Name and Structure
- 2.2 Location
- 2.3 Nature of the Business
- 2.4 Industry Background and Trends

3. Products and Services

- 3.1 Menu
- 3.2 Pricing Strategy
- 3.3 Future Products and Strategy

4. Market Analysis

- 4.1 Target market and Customer Segments
- 4.2 Market Needs and Trends
- 4.3 Competitor Analysis
- 4.4 Market Growth Potential

5. Marketing and Sales Strategy

- 5.1 Branding and Positioning
- 5.2 Promotion and Advertising Plan
- 5.3 Distribution Channels
- 5.4 Sales Forecast



6. Operation Plan

- 6.1 Business Location
- 6.2 Production Process
- 6.3 Supplier and Inventory Management
- 6.4 Quality Control Measures
- 6.5 Health, Safety and Regulatory Compliance

7. Management and Organization

- 7.1 Ownership Structure
- 7.2 Organizational Chart
- 7.3 Management Team and Roles
- 7.4 Staffing Plan and Training
-

8. Financial Plan

- 8.1 Startup Plan
- 8.2 Revenue Model
- 8.3 Projected Income Statement
- 8.4 Cash flow Forecast.
- 8.5 Funding Requirements and Statement

9. Risk Analysis and Contingency Plan

- 9.1 SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)
- 9.2 Risk Mitigation Strategies

10. Appendices

- 10.1 Teamwork
- 10.2 Market Research Data
- 10.3 References

1 Executive summary

Hotpot is a student-focused food company aiming to solve key food challenges at the University of Lagos—poor hygiene, high food prices, and overcrowded food spots. Based on student survey feedback, popular demands include more access to akara, stir fry pasta, and chocolates.

Hotpot will offer clean, affordable, and fast meals tailored to student needs, using hygienic practices, digital ordering to reduce queues, and a menu focused on local favorites. Our goal is to become the go-to food brand on campus by making eating healthier, quicker, and more satisfying every day.

1.1 Business Overview

Hotpot is a specialized food vendor strategically located on the University of Lagos campus. We are focused on solving a widespread problem for students and staff: the lack of convenient, affordable, and nutritionally sound meal options. We stand apart by offering a menu of familiar, home-style dishes that evoke a sense of comfort while being packed with the nutrients necessary for a demanding academic and professional lifestyle.

1.2 Mission and Vision Statement

Mission

Hotpot exists to provide delicious, nutritious, and budget-friendly meals tailored to the needs of students, lecturers, and administrative staff at the University of Lagos. We are committed to serving meals that are both satisfying and accessible, making every day dining simple and stress-free for the campus community.

Vision

To become the number one student-focused food brand at the University of Lagos, with a long-term goal of expanding to other campuses across Lagos State and throughout Nigeria, transforming campus dining experiences nationwide.

Company Objectives

HotPot is committed to transforming the student dining experience at the University of Lagos and beyond.

Our key objectives are as follows:

Short-Term Objectives (0–1 Year)

- Establish a fully operational food service outlet near the UNILAG campus.
- Develop a menu focused on student favorites (e.g., rice, pasta, beans & bread, smoothies).
- Maintain lofty standards of food hygiene, taste, and affordability.
- Launch a mobile ordering system for faster service and delivery.
- Build strong brand awareness within the UNILAG community through campus-based promotions and partnerships.

Medium-Term Objectives (1–3 Years)

- Reach and retain a customer base of at least 5,000 regular weekly users within UNILAG.
- Optimize operations using customer feedback to improve speed, taste, and service quality.
- Hire and train staff for efficiency and consistency.

Long-Term Objectives (3+ Years)

- Expand Hotpot's presence to other major university campuses across Lagos State and Nigeria.
- Develop a line of retail-ready packaged meals for quick pick-up and off-campus sales.
- Position Hotpot as a leading student-focused food brand known for quality, reliability, and innovation.
- Integrate eco-friendly packaging and sustainability practices into daily operations.

2. Company Description

2.1 Business Name and Structure

The business is registered under the name Hotpot. It operates as a limited liability company and is structured as a food service enterprise specializing in the preparation and delivery of fast, hygienic, and affordable meals. The management team includes a General Manager, Kitchen Supervisor, Logistics/Delivery Coordinator, and a Digital Marketing Officer. Additional part-time staff will support operations during peak hours.

2.2 Location

Hotpot is located within proximity to the University of Lagos (UNILAG) main campus, ensuring easy access for both on-campus and off-campus students (including areas such as Yaba, Bariga, and Akoka). This strategic location also allows for efficient delivery to hostels and lecture halls through walk-in, pre-order, and app-based services.

2.3 Nature of the Business

Hotpot is a student-centered quick-service food brand that provides ready-to-eat meals tailored to the needs of students and staff. Our offerings include local staples such as rice, pasta, beans and bread, smoothies, snacks, and student favorites like akara and stir-fry pasta. We prioritize:

- Hygienic food preparation
- Affordable pricing
- Quick service and delivery

Informed by direct student feedback, Hotpot is built to solve common campus food issues: poor hygiene, overcrowding, limited variety, and soaring prices all of which were identified in our UNILAG food survey.

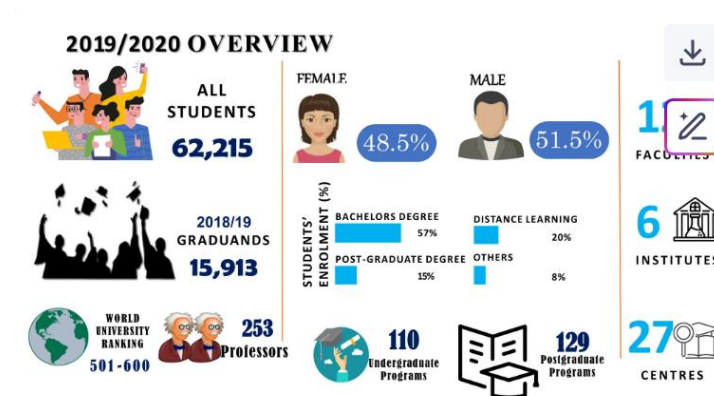
2.4 Industry Background and Trends

The Nigerian food service industry is undergoing a transformation driven by changing lifestyles, increasing urbanization, and the rapid growth of the student population. University campuses present a unique opportunity for targeted food solutions, especially among students who demand affordable, hygienic, and accessible meal options.

At the University of Lagos (UNILAG), the demand is substantial:

- With a total student population of 62,215, including over 15,000 annual graduates, the need for daily meals on and around campus is constant.
- 57% of students are enrolled in bachelor's degree programs, most of whom are full-time students likely to dine on campus.

- There is a near-equal gender distribution (51.5% male, 48.5% female), requiring diverse food options that appeal to different preferences.
- The campus hosts 110 undergraduate and 129 postgraduate programs across 12 faculties, 6 institutes, and twenty-seven centers, creating multiple high-traffic zones ideal for food outlets or delivery hubs.



3. Products and Services

3.1 Menu

Hotpot offers a carefully curated menu based on survey insights from students at the University of Lagos.

Our meals are affordable, nutritious, and tailored to student preferences. The menu features:

Main Dishes

- Jollof/Fried/White Rice with assorted proteins
- Stir-fry Pasta & Noodles (Chicken, Beef, Egg options)
- Beans and Bread/Plantain/Yam combos
- Swallow and Soups (Eba, Amala, Pounded Yam with Egusi, Ogbono, Efo Riro, etc.)

Local Favorites

- Ofada rice with sauce
- Akara & Pap (weekend special)
- Porridge (Yam or Beans)

Snacks & Drinks

- Meat/Chicken Pie
- Cakes & Pastries
- Smoothies, Fresh Juice, Soft Drinks
- Chocolates and light packaged snacks

We'll offer daily/weekly rotating specials and meal bundles to keep the menu fresh and exciting.

3.2 Pricing Strategy

HotPot adopts a value-based pricing model designed to balance affordability with consistent food quality.

Survey data from over 300 UNILAG students indicates that the preferred price range for main meals is ~~₦800–₦1500~~. This price band aligns with typical student discretionary spending while outperforming competitors in hygiene, portion size, and convenience.

Pricing Tiers

Tier	Price Range	Meals	Target Audience	Approx Gross Margin
Budget Meals	₦500–₦800	Beans & bread, akara, basic pasta	Price-sensitive undergraduates	35–40%
Standard Meals	₦1000–₦1500	Rice & chicken, swallow combos	Majority of students & staff	45–50%
Premium Packs	₦1500+	Ofada with assorted meat, combo packs with drinks/snacks	Majority of students	50–55%

Additional Pricing Incentives

- Loyalty Discounts: Reward points redeemable for free meals after repeat purchases.
- Combo Deals: Meal + drink/snack bundles at discounted rates.

- Bulk Order Rates: Special pricing for group orders and hostel deliveries.
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3.3 Future Products and Strategy

To meet evolving student preferences and capitalize on market trends, HotPot will expand its product line and enhance its service model over the next 18 months.

Future Product Lines

1. Packaged Ready-to-Eat Meals: For hostel resellers and convenience store shelves.
2. HotPot Mini Meal Boxes: Affordable snack-sized portions for breaks between lectures.
3. Custom Smoothie Blends: Featuring trending flavors and health-focused options.
4. Breakfast-Only Line: Pap, akara, toast, boiled eggs — targeting early lectures and morning campus crowds.

Strategy for Growth

- Launch a dedicated HotPot mobile app for ordering, delivery, and payment
- Introduce subscription meal plans for weekly/monthly prepaid bundles
- Partner with student influencers and campus organizations for promotion
- Expand delivery radius to cover off-campus areas (Yaba, Akoka, Bariga)
- Roll out food kiosks/pop-ups at key UNILAG event location

4. Market Analysis

This section presents an analysis of the UNILAG food market, substantiated by a comprehensive survey conducted with 116 respondents from the campus community. The findings reveal clear opportunities for a new, differentiated food business.

4.1 Target Market and Customer Segments

The survey data confirms that the target market is a young, dynamic population with specific dining habits.

- **Gender and Age:** The survey sample was primarily composed of females (64.7%) and males (35.3%), with the largest age group being 18-24 years old (75.8%).
- **Occupation:** A significant majority of respondents identified as students (86.2%), with the remaining as staff and other occupations.

This data validates our focus on the student demographic, which is large, socially active, and a key driver of campus food trends. Our hotpot business is perfectly positioned to cater to this youthful, experience-seeking segment.

4.2 Market Needs and Trends

The survey highlights critical factors that influence dining choices on campus, which our hotpot business is designed to address.

Key Dining Influencers: When asked what factors influence their choice of a restaurant, respondents ranked the following as most important (based on a separate tally sheet):

- Good taste: 108 votes
- Affordable price: 99 votes
- Good environment and ambiance: 95 votes
- Healthy and hygienic food: 94 votes
- Fast service: 86 votes
- Variety of options: 78 votes

Spending Habits: The data shows that the UNILAG community is willing to spend it on value. A considerable number of respondents reported spending an average of ₦ 1,000 - ₦ 1,500 on a single meal, indicating a market that values quality and is willing to pay for it.

Demand for Novelty: The survey also found that 34.5% of respondents prefer "International/Continental" food, demonstrating a clear appetite for new, non-traditional cuisine on campus.

Our hotpot concept directly aligns with these needs by providing great taste, a high-quality, hygienic dining environment, and a variety of healthy, fresh ingredients, all in a unique setting.

4.3 Competitor Analysis

The survey helped to identify the most popular food vendors on campus, revealing their strengths and, more importantly, their weaknesses.

- Most Patronized Vendors: The survey data shows that the most frequently patronized food vendors on campus are:
 - Korede spag
 - Seun spag
 - Mavins

- Iya Moria

Gaps in the Market: While these competitors have a strong presence, they fall short in several areas that our business can leverage:

1. Mama Put and other local canteens are patronized for their affordability and taste, but they often lack the hygienic standards, variety, and comfortable ambiance that many customers desire.
2. Seun spag and korede are known for their brand and consistency, but their offerings are standardized fast food, which lacks the personalized and interactive experience of hotpot. Furthermore, they do not offer the fresh, healthy variety that a sizable portion of our target market seeks.

Our hotpot business will capitalize on these weaknesses by offering a communal, hygienic, and customizable dining experience that none of the current market leaders provide.

4.4 Market Growth Potential

The survey results strongly indicate that the UNILAG market is not only receptive to hotpot but is ready for it, showing significant growth potential.

High Interest Level: A remarkable 82.8% of respondents stated that they are familiar with hotpot cuisine. More importantly, an overwhelming 81% of them expressed interest in having a hotpot restaurant on campus. This figure is a powerful validation of the market's readiness and validates our business idea.

Pricing Validation: The survey also helped to validate a viable pricing strategy. When asked what they would be willing to spend on a hotpot meal, most respondents chose the ₦ 2,500 - ₦ 3,500 range. This

aligns perfectly with the premium-yet-affordable positioning of our business and indicates a clear path to profitability.

Adversary (Challenge)	How Vendors Cope	Our Strategic Leverage
Unstable Electricity & Power Outages	Despite the official ban on generators at UNILAG, vendors manage to use them, increasing their fuel costs by 15-20% per day. - Food spoilage rates increase due to intermittent refrigeration, leading to a 10% waste on perishables. The noisy operation and risk of being shut down affect business consistency and reputation.	Invest in a small solar and inverter setup to provide reliable backup power during occasional grid outages. Market our restaurant as a dependable, climate-controlled "escape" from campus power issues.
Fluctuating Raw Material Prices	- Frequently adjust menu prices (e.g., Korede spag increases prices by ₦1000-₦1500 whenever ingredient costs rise) To maintain low prices, they may reduce portion sizes or switch to lower-quality ingredients. - This erodes customer trust and consistency, a key reason for customer dissatisfaction.	- Establish long-term supply agreements with vendors for bulk purchasing to stabilize costs. Our pricing model allows for a more stable price, which we can market as a guarantee of value. We can highlight our commitment to high-quality, fresh ingredients regardless of market changes.

Health & Hygiene Scrutiny	- Basic, reactive cleanliness efforts, often visible to customers (e.g., wiping down tables on demand). They rely on their outdoor or informal settings, where customers have lower hygiene expectations. Vulnerable to health inspection closures or negative word-of-mouth that can spread Qui expectations. < media.	- Heavily market our state-of-the-art, transparent kitchen and official health certifications. Our clean, modern ambiance directly addresses the primary hygiene concerns of customers. This positioning establishes our brand as the trusted, premium, and safe dining option on campus.
Lack of Product Differentiation	- Vendors primarily compete on price and a slight variation of a common menu item (e.g., different spaghetti recipes). This creates a crowded market where customer loyalty is based on the cheapest or most convenient option at that moment. They are highly vulnerable to any new vendor offering a slightly lower price.	- Our business introduces a fundamentally unique, interactive culinary experience to the market. - We are not competing on a "race to the bottom" in price, but rather on value and experience. Our brand is built on being a destination for a social activity, not just a place to grab a meal.
Limited Seating & Ambiance	- Vendors like Korede spag and Seun spag often have limited or no comfortable seating, catering mostly to "grab-and-go" orders. This limits their revenue potential and prevents them from attracting large groups or customers who wish to relax.	- Our business is designed to be a social hub with ample, comfortable seating. We encourage groups to gather, increasing order sizes and customer dwell time. We are not just selling food; we are selling in a comfortable and fun environment, which is a key value

		proposition that no other competitor provides.
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5. Marketing and Sales Strategy

5.1 Branding and Positioning

Hotpot will be branded as a student-first, fast-casual food brand that is clean, tasty, and trustworthy.

Branding efforts include:

- A catchy logo and slogan
- Branded packaging
- Consistent color schemes and uniforms

5.2 Promotion and Advertising Plan

- Campus activations: free tastings, welcome-week promotions, and festival sponsorships
- Social media marketing: via WhatsApp, Instagram, and TikTok
- Influencer partnerships with campus reps and student leaders
- Referral programs and loyalty points to retain regular users.

5.3 Distribution Channels

- Walk-in sales at the main outlet
- Pre-ordering via WhatsApp or web portal
- In-house delivery to hostels and lecture halls.
- Campus pop-up stands during high traffic events

5.4 Sales Forecast

Month 1–3 (Launch):

- Projected daily orders: 50–100
- Estimated monthly revenue: ₦1.2 million

Month 4–12 (Growth):

- Projected daily orders: 150–250
- Monthly revenue target: ₦4–5 million

Year 2:

- With expansion and app integration, target 5,000+ regular users
- Projected annual revenue: ₦60–80 million

6. OPERATION PLAN

The operation plan outlines how the hotpot business will function on a day-to-day basis. It encompasses location strategy, production processes, supply chain management, quality assurance, and compliance with safety and health regulations.

6.1 Business Location

The proposed hotpot restaurant will be located in a prime urban area known for its commercial activity, proximity to educational institutions, and strong foot traffic. The ideal location is a commercial property measuring between 200–300 square meters, providing adequate space for dining, kitchen, storage, and administrative functions.

Key Location Features:

- **Visibility:** Ground-floor location with signage visible from the main road.
- **Accessibility:** Close to public transportation hubs, with parking availability for 10–15 vehicles.
- **Demographics:** Young professionals, students, and families who seek dining experiences.
- **Lease Terms:** A minimum 3–5year renewable lease agreement to ensure operational stability and enable brand establishment.

Interior Design:

- Dining Area: Equipped with customizable hotpot tables (single and communal), capable of seating 60–80 customers.
- Décor: Modern oriental aesthetic with bamboo, wooden textures, warm lighting, and ventilation designed to minimize steam buildup.
- Kitchen Area: Commercial kitchen compliant with health regulations, segmented into broth preparation, protein/veg slicing, plating, and dishwashing.
- Storage: Cold rooms, freezers, and dry storage for inventory control.

6.2 Production Process

The core value proposition of the hotpot business is a self-cooked, interactive dining experience. The restaurant will offer a menu of broth bases, protein options, vegetables, seafood, tofu varieties, and side dishes, allowing customers to customize their hotpot.

Production Workflow:

1. Procurement & Delivery (6:00 AM – 8:00 AM):
 - Fresh produce and meat delivered early from contracted suppliers.
 - Delivered items undergo inspection for freshness, labeling, and temperature compliance.
 - Items are immediately stored using FIFO and HACCP standards.
2. Ingredient Preparation (8:00 AM – 10:30 AM):
 - Broths are prepared in bulk using in-house recipes and kept warm in soup kettles.
 - Proteins are sliced (beef, chicken, lamb, seafood) into hotpot-ready portions.
 - Vegetables are washed, trimmed, and portioned.

- Sauces and condiments are restocked at a self-service station (including soy sauce, sesame oil, chili paste, garlic, vinegar, satay, etc.).

3. Service Hours (11:00 AM – 10:00 PM):

- Customers choose both base(s) and ingredients from menu or set platters.
- Orders are assembled by the kitchen and delivered raw to customer tables.
- Each table is equipped with individual or shared induction stoves.
- Waiters guide first-time users on cooking methods and safety.
- Ongoing support provided for broth refills, ingredient top-ups, and dish clearing.

4. Closing and Cleaning (10:00 PM – 12:00 AM):

- Unused but safe leftovers stored or discarded.
- Equipment (pots, ladles, plates) washed, sterilized, and dried.
- Kitchen deep cleaned; inventory updated for the next day.

6.3 Supplier and Inventory Management

A robust supply chain and inventory control system are essential for consistent quality, food safety, and cost management.

Supplier Strategy:

- Meat and Seafood: Sourced from certified butchers and fishmongers, with weekly contracts ensuring consistent supply and pricing.
- Vegetables and Tofu: Partnering with local farms and wholesale markets for fresh daily supply.
- Asian Spices & Condiments: Monthly importation or sourcing through specialty retailers.

- Non-perishables and Equipment: Ordered monthly from national wholesalers (noodles, sauces, canned ingredients, cutlery, napkins).

Inventory Management:

Software-Based System (e.g., Toast, MarketMan, or customized Excel tool):

Real-time stock tracking.

Reorder alerts.

Expiry management.

Daily and weekly consumption reports.

Storage Practices:

Cold storage below 4°C; freezer storage below –18°C.

Raw and cooked items stored separately to avoid cross-contamination.

Use of color-coded containers for meat, seafood, vegetables.

Waste Management:

Unsold items recorded and analyzed to adjust portioning and minimize waste.

Food waste is disposed in accordance with municipal sanitation laws.

Recyclable packaging and biodegradable disposables prioritized.

6.4 Quality Control Measures

A reputation for clean, safe, and delicious food is critical in the food service industry. The hotpot business will employ both proactive and reactive quality assurance systems.

Food Quality Assurance:

Ingredient Testing: Random checks on texture, smell, color, and taste.

Temperature Monitoring: Thermometers in cold storage units logged every 3 hours.

Broth Standardization: Recipes documented; flavor tested by head chef before service.

Portion Control: Digital weighing scales to ensure consistency.

Customer Feedback Loop:

Comment cards and QR-code-linked digital feedback forms at each table.

Immediate response to any service complaints or food-related issues.

Monthly analysis of reviews (Google, Instagram, WhatsApp) to identify trends.

Internal Audits:

Weekly kitchen inspections by supervisors.

Monthly unannounced audits by management.

Quarterly third-party audit to maintain objectivity and food safety credibility.

6.5 Health, Safety, and Regulatory Compliance

Compliance is non-negotiable and reflects the professionalism of the brand.

Legal Compliance:

- Business Registration: Registered with the Corporate Affairs Commission (CAC).
- Licensing: Food Handler Permit, Fire Safety Certificate, and NAFDAC food premises registration.
- Employee Health Screening: All staff undergo pre-employment health screening and routine checkups.

Health & Safety Measures:

Sanitation:

- All surfaces sanitized every 2 hours.
- Hand sanitizers are available at entrance, restrooms, and each table.
- Cleaning logs are maintained for restrooms, kitchens, and dining area.

Employee Training:

Mandatory completion of food hygiene and safety course (initial + refresher every 6 months).

Emergency response drills for fire and medical emergencies.

Fire Safety:

- Fire extinguishers are placed at strategic locations.
- Emergency exit signs are illuminated and accessible.
- Staff trained in the use of extinguishers and evacuation plans.

7. MANAGEMENT AND ORGANIZATION

The strength of the business lies in its people. A well-structured management team will ensure efficient execution of strategy, operational excellence, and a strong organizational culture.

7.1 Ownership Structure

The business is structured as a Limited Liability Company (LLC), allowing for flexibility in management, tax advantages, and protection of owners' personal assets.

Founder A (Managing Director – 60%):

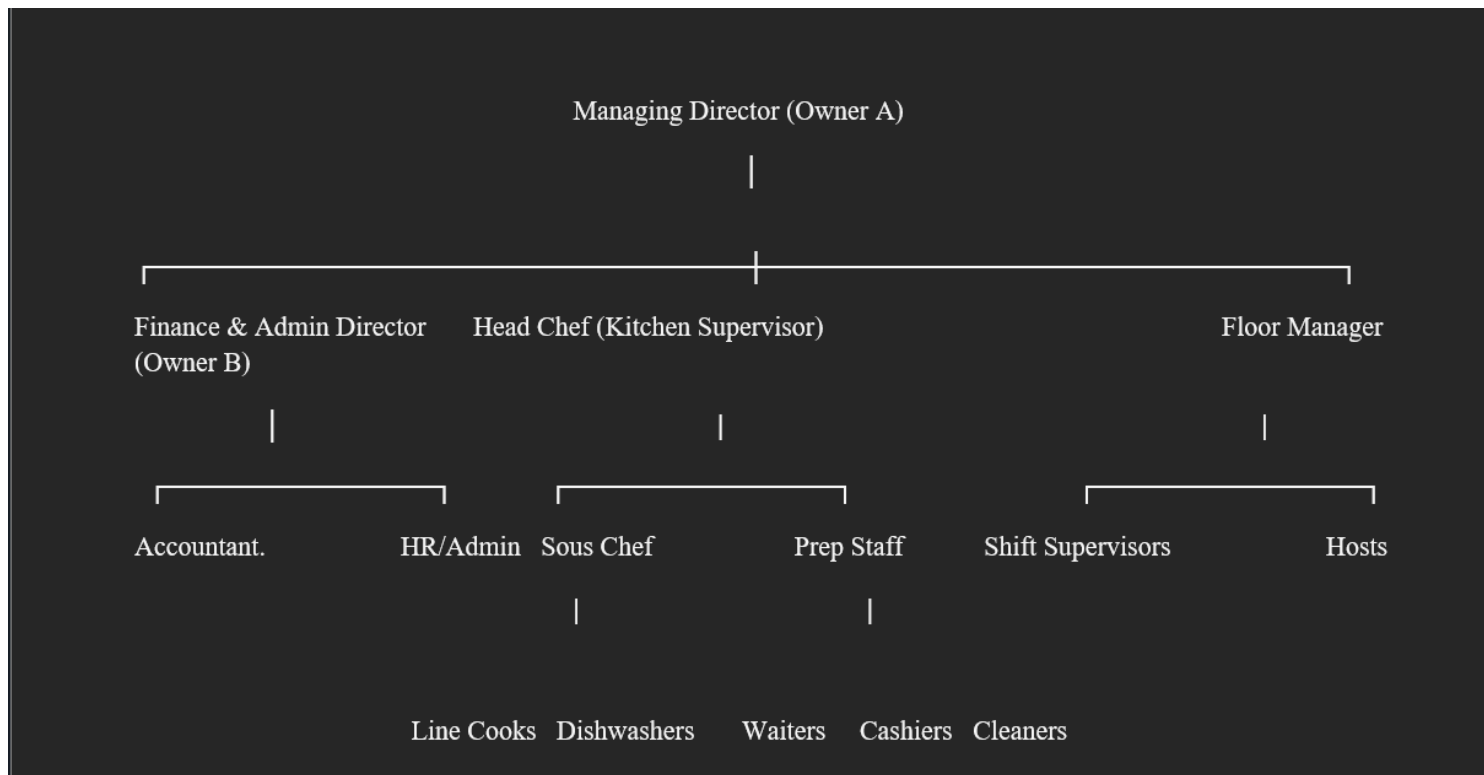
Responsible for day-to-day operations, marketing, staffing, and supplier relations.

Investor B (Financial Director – 40%):

Provides capital investment, oversees financial performance, and long-term strategy.

An operating agreement outlines decision-making procedures, capital contributions, profit-sharing, and dissolution protocol.

7.2 Organization Chart



7.3 Management Team and Roles

Managing Director (Founder A):

Oversee all departments, sets goals, monitors performance.

Approves budgets, marketing campaigns, and expansion initiatives.

Financial Director (Partner B):

- Manages financial records, tax filings, and audits.
- Advises on investment and capital structure.

Head Chef:

- Leads kitchen operations and innovation.
- Ensures food quality, staff performance, and adherence to hygiene standards.

Floor Manager:

- Coordinates front-of-house operations.
- Manages reservations, customer complaints, and staff scheduling.

Accountant:

Tracks income, expenses, payroll, and generates financial reports.

HR/Admin Officer:

Recruits, trains, and manage staff contracts and welfare.

7.4 Staffing Plan and Training

A. Staffing Requirements:

- Kitchen Team: 2 chefs, 2 sous chefs, 3 assistants, 2 dishwashers
- Service Team: 1 floor manager, 2 supervisors, 6 waiters/hosts, 2 cleaners
- Admin Team: 1 cashier, 1 accountant, 1 HR officer, 1 inventory clerk

- Security: 1 night guard (external contract)

B. Recruitment Strategy:

- Local recruitment drives in hospitality schools.
- Online job platforms and referrals.
- Behavioural and technical interviews with kitchen trials.

C. Training Program:

- Week 1–2: Orientation on mission, SOPs, food handling.
- Week 3–4: Role-specific skills training (cooking techniques, POS usage, customer service).
- Ongoing: Monthly workshops, peer reviews, certification renewal.

D. Incentives:

- Performance-based bonuses.
- Meal allowances and transportation stipends.
- Staff-of-the-month recognition and internal promotion pipeline.

Chapter 8 – Financial Plan

8.1 Startup Plan

The startup plan for Hotpot covers the initial expenses needed to establish and run operations effectively. This includes lease agreements, renovations, kitchen equipment, furnishing, initial stock, licensing, marketing, and technology setup.

Item	Estimated Cost (₦)
Lease and Renovation	2,500,000
Kitchen Equipment (stoves, refrigerators, cookware)	3,200,000
Furniture and Décor	1,000,000
Initial Inventory (food, condiments, packaging)	800,000
Licenses and permits	150,000
Marketing and Branding	250,000
Technology (POS, software, app setup)	300,000
Contingency (10%)	820,000
Total Estimated Startup Cost	9,020,000

8.2 Revenue Model

Hotpot's revenue will come from multiple streams:

- Dine-in and takeaway orders.
- Delivery services (in-house and via third-party platforms)
- Special event catering
- Packaged ready-to-eat meals.
- With an average order value of ~~₦1,200~~–~~₦1,500~~ and an estimated 150–250 daily orders in the first year, monthly revenue is projected at ~~₦4~~–~~₦5~~ million.

8.3 Projected Income Statement (Year 1)

The projected income statement below estimates the financial performance of the business during its first year of operations. All figures are presented in Nigerian Naira (₦).

1. Revenue

- Estimated Range: ~~₦48,000,000~~ – ~~₦60,000,000~~

Assumptions:

- Average monthly sales between ~~₦4,000,000~~ and ~~₦5,000,000~~.
- Driven by customer demand, pricing strategy, and seating capacity utilization.

2. Cost of Goods Sold (COGS)

- Estimated Range: ~~₦21,600,000~~ – ~~₦27,000,000~~
- Basis: COGS is projected at approximately 45% of total revenue (including food ingredients, beverages, and consumables).

3. Gross Profit

- Estimated Range: ₦26,400,000 – ₦33,000,000
- Gross Margin: ~55%
- Explanation: This reflects the profitability after deducting direct food and beverage costs, before overhead expenses.

4. Operating Expenses

Estimated Range: ₦18,000,000 – ₦20,000,000

Breakdown:

- Rent & Utilities: ₦4,000,000 – ₦5,000,000
- Staff Salaries & Benefits: ₦10,000,000 – ₦11,000,000
- Marketing & Promotion: ₦2,000,000 – ₦2,500,000
- Miscellaneous/Admin Expenses: ₦2,000,000 – ₦2,500,000

5. Net Profit

Estimated Range: ₦8,400,000 – ₦13,000,000

- Net Margin: 15–20%
- Interpretation: This profit level indicates strong financial sustainability, with the ability to cover all costs while achieving industry-competitive returns.

8.4 Cash Flow Forecast

Hotpot will maintain a positive cash flow by ensuring steady daily sales, efficient inventory management, and prompt receivables collection. In the first 12 months, projected monthly inflows are ₦4–₦5 million, with outflows averaging ₦3.2–₦3.5 million. This results in a monthly surplus of ₦800,000 – ₦1,500,000, which will be reinvested into marketing, equipment upgrades, and working capital.

8.5 Funding Requirements and Statement

To successfully launch operations, Hotpot requires an estimated ₦9.02 million in startup capital. This capital will provide the financial foundation for setting up the restaurant, purchasing equipment, covering initial operating expenses, and ensuring smooth business operations during the ramp-up phase.

1. Startup Capital Requirement (₦9.02 million)

The total startup capital will cover the following major categories:

- Leasehold improvements & interior setup – ₦3,000,000
 - Kitchen equipment & furniture – ₦2,500,000
 - Licensing, permits & legal fees – ₦500,000.
 - Initial inventory & supplies – ₦1,500,000
 - Pre-launch marketing & branding – ₦520,000
 - Working capital reserve (salaries, utilities, misc.) – ₦1,000,000
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2. Funding Sources

The startup capital will be raised through a diversified funding strategy:

1. Owner Equity Contribution

Founders will contribute a sizable portion of the initial capital to demonstrate commitment and reduce dependence on debt.

2. Investor Partnerships

Strategic partners may be invited to inject capital in exchange for equity stakes, providing both funding and advisory support.

3. Bank Loans or Microfinance Facilities

Additional financing may be secured through commercial bank loans or microfinance institutions, ensuring sufficient liquidity during the early stages of operation.

3. Contingency Reserve

A 10% contingency reserve (₦902,000) will be maintained to safeguard against unforeseen expenses such as equipment breakdowns, unexpected regulatory requirements, or cost fluctuations in raw materials. This ensures financial resilience and uninterrupted operations.

4. Repayment Strategy

External financing (bank loans or microfinance facilities) will be repaid over a 2–3 year period from operating profits. With projected net margins of 15–20%, Hotpot is expected to generate sufficient cash flow to meet repayment obligations while ensuring reinvestment in business growth.

5. Strategic Benefits of This Financing Approach

- Balances risk between equity and debt.
- Provides operational flexibility while reducing over-leverage.
- Strengthens credibility with investors and lenders through equity participation.

- Ensures liquidity through a prudent contingency reserve.
- Hotpot business proposal

Chapter 9 – Risk Analysis and Contingency Plan

9.1 SWOT Analysis

A SWOT Analysis is a strategic tool used to evaluate a business's Strengths, Weaknesses, Opportunities, and Threats. It helps identify internal advantages and limitations, while also analyzing external factors that can affect growth and sustainability. By conducting a SWOT analysis, Hotpot Food Brand can align its strategies with market realities, capitalize on strengths, address weaknesses, seize opportunities, and prepare for potential challenges.

Strengths:

Strong understanding of student needs through surveys.

Prime location close to UNILAG campus.

Affordable, hygienic, and quick service tailored to student preferences.

Menu built around popular, familiar local meals.

Integration of mobile ordering and delivery.

Weaknesses

Limited brand recognition at launch.

Dependence on student population for primary revenue.

Initial operations restricted to one outlet.

Narrow product range at launch compared to established competitors.

Opportunities

Expansion to other universities and retail sales of packaged meals.

Launch of mobile app, subscription meal plans, and influencer partnerships.

New product lines such as smoothies, breakfast options, and snack packs.

Growing demand for hygienic, affordable food options in student communities.

Threats

Rising food costs due to inflation.

Competition from campus cafeterias, roadside vendors, and nearby eateries.

Regulatory changes in food handling, licensing, or packaging.

Potential health crises or pandemics affecting operations.

9.2 Risk Mitigation Strategies

Operational Risks

Supply Chain Disruption: Multiple suppliers per key ingredient, emergency stock of non-perishables.

Equipment Failure: Quarterly maintenance schedule, emergency repair fund.

Staff Shortages: Cross-train employees, maintain on-call part-time staff.

Financial Risks

Cash Flow Shortfalls: Maintain a 3-month operational reserve, monitor sales vs expenses daily.

Cost Inflation: Negotiate fixed-price supplier contracts, adjust pricing gradually.

Market Risks

Reduced Student Spending: Target local communities, offer meal bundles and loyalty rewards.

Increased Competition: Maintain quality, innovate menu, strengthen customer service.

Regulatory Risks

Policy Changes: Stay connected with industry associations, appoint compliance officer.

Health & Safety Risks

Maintain strict hygiene protocols, regular staff training, and safety drills.

Switch to delivery-only and contactless payments during health crises.

10.1 Teamwork

The project was developed through collaborative efforts, with each team member assigned specific roles and sections to ensure efficiency, clarity, and balance of workload. Responsibilities were shared as follows:

- Uwazurike Odinaka Francis (Matric No: 190808033)

Contributed to Chapters 4 and 5.

- Fakorede Timothy Oluwasegun (Matric No: 190908011)

Worked on Topics 6 and 7 in collaboration with the team.

- Adepoju Delight Adebayo (Matric No: 210808508)

Responsible for Chapters 8 and 9.

- Ibegbunam Onyinye Vivian (Matric No: 190808073)

Contributed to the Table of Contents and Chapters 1 and 2.

- Adetayo Mathew (Matric No: 190808064)

Contributed to the chapter 3 and 10 and also responsible for the general project coordination

Coordination and Collaboration

The team adopted a structured approach to ensure smooth progress throughout the project. Regular group discussions were held (both in-person and virtual) to review progress, exchange ideas, and align contributions. Each member presented drafts of their assigned sections for peer review, which fostered constructive feedback and consistency across chapters.

Task allocation was based on individual strengths and interests, ensuring quality delivery in each section. Collaboration tools such as shared documents and messaging platforms were used to streamline communication and integrate all parts into a cohesive final report.

10.2 Market Research Data

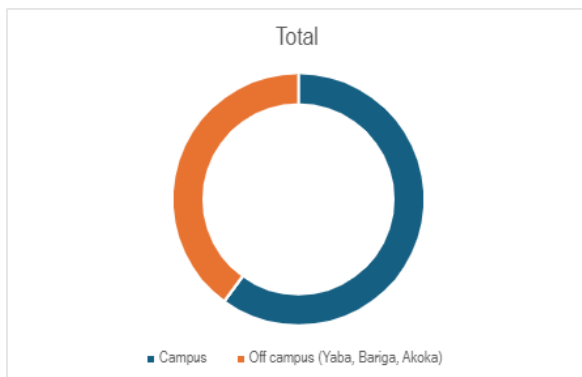
The market survey (26 respondents) provided insights into student food consumption patterns and preferences.

Key Findings:

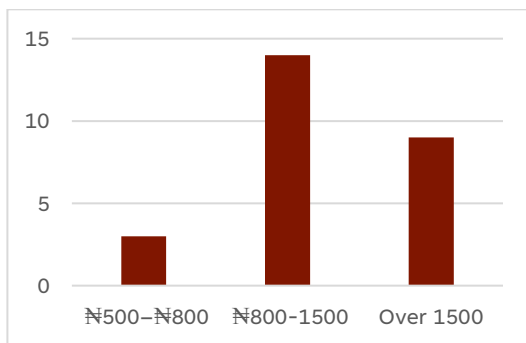
- **Demographics:** Majority were undergraduates, mostly on-campus students.
- **Buying Behavior:** Students purchased 1–2 meals per day; rice, pasta, and snacks were the most preferred.
- **Decision Drivers:** Hygiene and taste were the most critical factors when buying food.
- **Ordering Preferences:** Over 90% were open to food delivery, with mobile apps (Chowdeck, Glovo, etc.) as the most preferred ordering channel.
- **Loyalty Program:** A majority expressed interest in a student loyalty scheme.
- **Challenges Faced:** Increased food prices, reduced quality, and cold/average-tasting meals.
- **Opportunities:** Students requested more *Pizza*, *Ofada rice*, *Ice cream*, and *milkshakes*.

Supporting Charts & Tables:

- Figure 10.1: On-campus vs Off-campus Respondents (Pie Chart)



- Figure 10.2: Average cost on food (Bar Chart)



- Figure 10.3: Importance of Hygiene, Taste, Price, Packaging, Customer Service (Stacked Bar)



- Figure 10.4: Willingness for Delivery (Pie Chart)

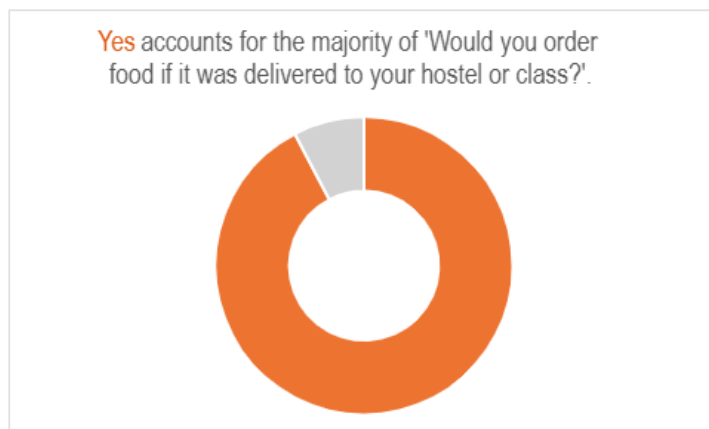


Figure 10.5: Preferred Order Method (Bar Chart)

