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Strategic Plan

An effective strategic planning process provides a framework to make decisions on how to allocate organisational resources, address challenges and take advantage of opportunities that arise along the way. Strategic planning describes the process for developing an organisational strategic plan (Haines, 2016).

Haines (2016) mentioned that the following five elements of strategic plan can be used to provide a framework for assisting organisations with strategic planning:

- ☐ Define mission, vision, activities and values to provide the framework for identifying strategic goals
- ☐ Scan the environment using SWOT analysis – SWOT stands for strengths, weaknesses, opportunities and threats. The overall scope of the SWOT analysis will be based on the mission of an organisation
- ☐ Identifying and prioritising strategic issues
- ☐ Define strategic goals and objectives
- ☐ Establish an implementation plan and schedule

The strategic plan focuses on establishing and guiding the future direction of an organisation, setting priorities, identifying obstacles and opportunities that may limit or enable the organisation to carry out its mission.

1. Description of Organisation

Bontal Trading Transport Tourism services (Pty) Ltd (hereafter “Bontal”) is an independent and 100% Black Female owned private company, by Ms. Tebogo Manakana, venturing into the Tourism and Hospitality industry. Bontal has identified and negotiated an opportunity to purchase the Moyo UShaka African cuisine restaurant from the Fournews franchise group. Moyo UShaka Marine World is located in Durban on the Durban beach and Pier.

Due to Bontal’s limited experience in the restaurant industry, Mr Bonga Dube has been brought in to head up operations. Mr Bonga Dube is a restaurant turnaround specialist who has had numerous successes in the industry.

Bontal is a registered Private Company incorporated in 2013 and consists of a single shareholder who is based predominantly in the Gauteng Province but intends to relocate to Kwa-Zulu Natal Province up successfully securing the funding required to purchase the Moyo UShaka franchise.

Bontal has identified the Moyo franchise as its initial business venture due to the established franchisor systems developed by the Fournews entity which is the franchisor. Fournews has an established franchisor track record with a number of brands under its operations with a national footprint.

With the financing required, Bontal intends to purchase the Moyo UShaka franchise as a going concern and conduct renovations on the franchise to give it a new fresh look based on the Moyo brand. The financing requires also includes working capital which will be required for the initial 6 months of operations post funding.

2. Organisational Mission

“Celebrating Africa Together United” – In this day in age people live different lives and stand by different principles but one thing that will always bring everyone together regardless of Race, Social Status, political Affiliation and Religion that is Good Quality Food, Good Customer Service and a Tranquil Environment.

3. Long-term Objectives

The Bontal has identified the following goals and objectives to be achieved under the Moyo franchise:

- Formalize firm funding arrangements with the targeted funders, including formalization of amount of funding and exit strategies.
- Secure proposed funding amount by end July 2016.
- Purchase identified franchise by August 2016.
- Commence site renovations in August 2016.
- Launch new renovated sight by September 2016
- Provide sufficient training for our employees and ensure transfer of skill from top down
- Implement the appropriate management control systems for the various elements of the business.
- Establish and provide a good working environment for Bontal employees as well as develop relationships with the company’s potential customers by meeting with their decision makers and plotting a mutual plan for success.
- Regularly conduct research into the restaurant Tourism and Hospitality industry in order to not only have a comprehensive understanding of the global and local market developments but also the industry composition and challenges, current statistics and future trends.

4. Industry Description

Restaurants, the food industry

South Africa, the largest foodservice market in Sub-Saharan Africa, has a large and highly competitive hospitality industry. Hospitality and tourism are the fastest growing sectors in the South African economy, offering a wide range of accommodation and attracting a mix of business and holiday travellers. Growth in international travel and rising room rates has bolstered the market, despite the country’s weakened economy overall.

Despite the impact of the recent global economic recession, data released by Statistics South Africa reveal that the total income generated by the South African food and beverage industry increased by 11.5 percent in October 2014 compared with October 2013. Food sales contributed 13.0 percent, bar sales 2.9 percent, and other income 3.3 percent. Among the sectors within the food and beverage industry, the main contributors to the 11.5 percent annual growth in total income for October 2014 were takeaway and fast-food outlets at 15.2 percent, restaurants and coffee shops at 11.0 percent, and catering services at 5.3 percent.

Total income generated by the accommodation industry increased by 8.0 percent in October 2014 compared with the previous year, with income from accommodation increasing by 9.3 percent, the number of stay units increasing by 6.9 percent, and the number of stay unit nights sold increasing by 2.2 percent. Growth in the hotel industry is linked to foreign tourism, which is expected to grow considerably in the future.

South Africa's world-renowned wines and cuisine draw millions of tourists to the country, and tourism is a major contributor and one of the fastest growing sectors of the South African economy. It accounts for 8.3 percent of the country's Gross Domestic Product (GDP). Tourist travels to South Africa has increased since the end of apartheid in 1994. According to recent tourism figures, numbers of international tourists to South Africa has increased. There were 1,277, 825 million foreign visitors to South Africa in March 2014, an increase of 3.4 percent in comparison to 1,235, 930 million in March 2013.

The sector is concentrated and dominated by independent and franchised foodservice players. It includes contract catering who tailor their services and products to high-end consumers. In general, the players do not import food and beverages directly; instead they buy local and imported products from local manufacturers, wholesalers, and distributors. In order to capture consumer traffic, convenience stores, shopping malls, supermarkets, and airports play a vital role within the industry.

The foodservice industry is comprised of the commercial and institutional/service sectors. The commercial sector includes hotels, restaurants, fast food independents, fast food chains, clubs, and national parks/resorts. Within the commercial sector, the franchise industry continues to grow due to a shift in consumption away from eating at home.

(South Africa HRI Sector Report 2014)

The South African restaurant, fast food and catering sector, which generated revenue of approximately R49.28bn in 2015, promotes entrepreneurship and is estimated to provide approximately 200,000 local jobs.

The food and beverages sector, as classified under SICCode 6420, includes the following categories:

- Independent restaurants and fast food outlets;
- Franchised restaurants and fast food outlets;
- Pubs, bars and shebeens, or taverns;
- Coffee shops and tearooms;
- Businesses that supply take-away meals and beverages; and
- Outsourced catering companies.

Independent Food and Beverage Service Providers

Since 2010, independent restaurants, fast food outlets, coffee shops and pubs have come under increasing pressure. Contributing factors include the challenging economic environment, food inflation, increasing operating costs, power outages/load shedding, dwindling customer numbers, and more recently, water shortages in many areas. Independent food and beverage service providers also cite the growing competitiveness of the local restaurant and fast food market as a major challenge.

However, stakeholders report that middle and upper income earners are increasingly supporting South Africa's premium restaurants and that fine dining establishments catering for the upper Living Standards Measures (LSM) market segment generally continue to be well patronised. 'Pop-up' artisanal food markets,

street food and gourmet food trucks have also become a feature of the local culinary landscape. Other trends driving the industry are discussed under Influencing Factors.

Although many of South Africa's full service restaurants continue to be well supported by high-income earners, as well as by foreign tourists, numerous independent establishments have not been able to remain afloat and have closed their doors. The local dining scene's high profile casualties include Moyo V&A Waterfront, Moyo Pier and Moyo Pretoria, which have been liquidated. In accordance with a business rescue plan formulated in 2014, five restaurants in the Moyo chain were sold to Fournews Developments. They are presently being operated as successful franchises.

Performance Review of the Industry

Statistics South Africa reports that South Africa's food and beverages sector generated revenue of just under R49.28bn in 2015, compared to around R45.72bn in 2014, representing year-on-year growth of 7.8%.

Preliminary figures released by Statistics South Africa in April 2016 show that the industry generated R4.06bn in revenue at current prices during the month of February 2016, representing growth of 9.8% compared with February 2015. However, if measured in real terms, at constant 2012 prices, growth in total monthly income compared to the corresponding period of the previous year was 3.4%. The following are key findings relating to income generated during the month of February 2016.

- Monthly income at current prices generated by food sales across all segments amounted to more than R3.42bn, with bar sales and other non-specified income generating R539.1m and R101.7m respectively.
- Restaurants and coffee shops generated almost R1.84bn in sales revenue and recorded annual growth of 11.3 % at current prices compared to February 2015. However, if measured in real terms, at constant 2012 prices, the segment recorded real annual growth of 5.3%.

Size of the industry

Statistics South Africa reports that South Africa's food services sector generated total income of almost R49.28bn in 2015.

The latest figures published in Statistics South Africa's Statistical Release P6420 - February 2016, show that the restaurant/coffee shop segment generated just over 46% of the sector's total income during the period 1 December 2015 - 29 February 2016, while the fast food and catering segments contributed 38.2% and 15.7% respectively.

According to the Department of Labour, it is estimated that approximately 200,000 people work in the industry. However, some stakeholders believe that the number of employees is higher, given that many establishments provide casual employment to foreign nationals, many of whom are not in possession of valid work permits. Reliable statistics relating to the number of people working in the informal sector are not in the public domain. 24% of all franchises in South Africa are fast food franchises.

Market Leaders

Restaurants and Fast Food

- Yum Restaurants International's Kentucky Fried Chicken (KFC) is the leading fast food brand in South Africa. Significantly, South Africa is the second-largest market for KFC in the developing world after China.
- Famous Brands is the largest branded food service franchisor in Africa. The group's largest food franchise brands are Steers, followed by Wimpy and Debonairs, which are all home-grown brands. Debonairs, which is the leading pizza franchise in Africa, serves on average over 2.4 million pizzas per month.
- Spur Corporation's flagship Spur Steak Ranches brand is one of South Africa's leading family restaurant chains.
- Taste Holdings is also a major player in the local fast food market. The group's multi-brand portfolio includes The Fish & Chip Co, which has emerged as South Africa's leading fish and chips brand. The global mega-brands Domino's Pizza and Starbucks Coffee Company are also part of the Taste portfolio. The group aims to expand its Domino's Pizza trading footprint to 125 outlets, by converting its existing St Elmo's and Scooters franchises to the Domino's brand.
- Nando's, with a global network of over 1,000 restaurants in 30 countries, across five continents, is generally viewed as South Africa's most successful food franchise export.
- Ocean Basket, with market share of around 40%, is a leading player in South Africa's seafood restaurant segment. With more than 200 restaurants across 16 countries, the South African seafood specialist has emerged as the sixth-largest seafood casual dining restaurant group in the world.
- Golden Fried Chicken is also a major player in the local market. The company's home-grown fried chicken brand, Chicken Licken, has been described by the Wall Street Journal as the world's largest non-American-owned fried chicken franchise.
- Other major players include the Shanduka Group, which operates the McDonald's mega-brand in South Africa through the Auram Restaurants Company; Grand Parade Investments, which is licensed to operate Burger King and Dunkin' Donuts locally; and Gold Brands, whose Chesa Nyama brand is currently the fastest-growing brand in South Africa. According to Stelio Nathanael, the founder and Managing Director of the Chesa Nyama chain, the company's target is 500 restaurants by 2017.

Market

The volatility and vulnerability of the South African rand, which briefly breached R18 to the US dollar in January 2016, remains a serious concern. A weak rand drives up the price of fuel and other imported products and this invariably increases inflationary pressures. The sustained weakness of the South African rand and rising inflation are expected to result in further interest rate hikes. During the course of 2015, inflation, as measured by the Consumer Price Index (CPI), remained within the Central Bank's target range. However, economists say that the weakness and volatility of the local currency, the worst drought on record, water and electricity supply shortages and the sharp increase in food prices will cause inflation to rebound during the course of 2016. CPI inflation rose sharply from 5.6% in January 2016 to 7% year-on-year in February 2016, but slowed to 6.3% year-on-year in March 2016. Food inflation increased from 6.6% in January 2016 to 9.8% year-on-year in March 2016. Statistics South Africa reports that the price of fruit and vegetables soared in March 2016, rising by 18.7% year-on-year.

The food services sector is particularly vulnerable to economic pressures, as eating out constitutes a non-essential, or luxury expenditure. The profitability of the sector is therefore disposable income-sensitive.

Although the escalation of living costs and rising indebtedness have placed the discretionary incomes of low and middle-income consumers under pressure, South Africans continue to have an appetite for fast food and the local Quick Service Restaurant segment has proved to be relatively resilient to adverse economic conditions. Stakeholders report that double-income families are increasingly attaching greater importance to factors such as convenience and value-for-money.

During lean years, franchised chains have generally fared much better than independent restaurants, as the support systems provided by franchisors provide a degree of security to franchisees. However, challenging trading conditions, resulting from higher overheads, power outages and reduced discretionary spending on the part of consumers, have necessitated cost containment, diversified menu options and innovative marketing strategies in the industry. Many food service outlets have modified their menus to include “value propositions” that are less expensive than similar meals prepared at home. According to Pierre van Tonder, CEO of Spur, the chain’s specials, such as their Monday nights’ ‘Buy one burger, get one free’ value offering, have been extremely well received by cash-strapped consumers.

Competition

South Africa’s full service and quick service restaurants, take-away outlets, bars, coffee shops and caterers operate in a highly competitive market. Small independent operators compete for business alongside international super-brands, such as McDonald’s and KFC. While dominant players use brand recognition, marketing budgets and greater supply chain leverage to their advantage, smaller players tend to carve a niche for themselves in the communities where they operate. Market research reveals that large restaurant chains face stiff competition from those smaller restaurants that offer food and service of a high standard. According to some analysts, South Africa’s formal fast food sector is also experiencing competition from low-cost take-away outlets operating in the informal sector.

Although many stakeholders have expressed their misgivings about new brands flooding the domestic market, most agree that South Africa has market depth and is yet to reach saturation point. Stakeholders agree that innovation is key in this highly competitive market and that in order to retain their competitive edge, players in the food service industry need to continually enhance their customers’ overall experience of the brand.

Within the uShaka Marine facility, our predominant competition will be:

1. Cargo Hold on the promenade
2. Wahooz on the promenade
3. Piatto – restaurant and grill
4. Ocean Basket
5. Wimpy
6. Panarotties – Pizza Pasta
7. Maestro continental
8. Centre court

9. Spur – Steak Ranch

10. Nadia's Curry Cafe

5. Competitive Analysis

Competitive analysis can be defined as categorizing competitors and evaluating their strategies to determine their strengths and weaknesses comparative to those of Moyo Franchise products or services. Competitive analysis is seen as an essential part of the marketing plan for a business (Fleisher and Bensoussan, 2015).

5.1 SWOT Analysis

The SWOT analysis is a business tool that is aimed at knowing the strengths, weaknesses, opportunities and threats involved in a project or business activity. It starts by defining the objective of the business activity. The SWOT analysis identifies the internal and external factors that are important to achieving the business activity. Strengths and weaknesses are usually internal to the organisation, while opportunities and threats are usually external (Hollensen, 2015). The SWOT analysis of Moyo franchise is as follows:

STRENGTHS	WEAKNESS
<ul style="list-style-type: none">• African cuisine restaurant• Premium location• Higher end target market• Moyo is an established brand• Fournews Development is an established franchisor	<ul style="list-style-type: none">• Stores current need for renovations• Service standards at store have dropped• Turn-around strategy will require about 6– 12 months to fully implement
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• New renovations will increase sales revenues• Working capital budget will enable increase marketing• Introduction of a take away aspect to the restaurant• Hosting of new events and strategic function partnerships	<ul style="list-style-type: none">• Increase competition from new restaurants at the marina• Weak economic performance• Increase in input costs• Reduction in tourism numbers for the Durban beach areas

6. Key Success Factors

Strategy and Key Success factors

The mission will be achieved by adopting the following strategic objectives: -

- Become the dominant force with-in the region in the food Industry
- Provide the best Quality food
- Provide the best Service and give a relaxing tranquil environment
- Increase revenue and maximise profits and grow the business in the region
- Unite all nations and create Business and social networking safe Environment as MOYO provides a wide variety of food offering catering for most of South African Cuisine and Other African and international Cuisine. Hence “Celebrating Africa Together United”
- Become the preferred service provider.
- Good governance, legal compliance and sound financial discipline

7. Growth Potential Strategies

Growth strategies are common methods a company or organisation can use to expand its business (McDonald and Wilson ,2016). The business expansion is mostly due to a company’s financial situation, the competition or even due to government regulation. The Ansoff’s Product-market matrix suggests that an organisation’s attempts to grow its business depend on whether it markets new or existing products in a new or existing market. From the Ansoff’s Product-Market matrix a series of suggested growth strategies that set the direction for business strategy are discussed as follows:

Market penetration – selling more of the same product or services to the same type of customers. For the market penetration strategy, the business focuses on the market or products it knows well.

- Market development – selling the existing products to new type of customer. For the market development strategy, the business focuses on a new geographical market or new distribution channels to create a new market segment.
- Product development – selling new products or services to existing customers. For the Product development strategy, business focuses on introducing or developing new products into an existing market.
- Diversification – selling new products to new customers. For the diversification strategy, the business focuses on marketing new products in the new market.

For MOYO to sustain its long-term growth and set itself apart from other competitors, certain factors have been identified that need to change and have designed a turn-around strategy which is meant to maximise on the key factors that make MOYO the brand that it is today and still keep the vision of “Celebrating Africa Together United”.

- The Revamp -Will bring about much need change In terms of the look of the restaurant. It will make the desired impact with regards to look and feel, new features will be put in place like an “UP STAIRS EXCLUSIVE LOUNGE” this will be an exclusive lounge designed to maximise the look and service rendered with the idea behind it being based on the premium Whiskies Bottles only (Imported) or local and Premium Cigar’s (Cohhibars) will being sold in the lounge. This will cater for the premium group of people who want to be private but still be in the mist of people, this will provide that exclusivity while still providing the same service
- ON the PIER- There will be an outdoor takeaway counter to cater for those who just want to buy food on the Go, those who want to enjoy their food on the sand/beach. Quick food will be prepared either (pre-made) or made on the spot. This will give us the edge to capture both markets: Dinners and Takeaways. A selected Menu will be prepared for The PIER to cut down on the waiting time.
- Buffet Section- By far this will make the most impact, this will be a permanent feature in the MAIN restaurant. We will engage with Celebrity Chefs to host, have different type of Chef/ Cuisine Weekly. Our Customers will have the opportunity to the order and be served by the Chef “we call it Chef in Motion”. The reason for this is that since we are “Celebrating Africa Together United” its gives the opportunity to try other African Cuisines which are not on our official menu by doing this, we invite different cultures to participate in the theme for the particular week which will also go hand in hand with the design layout of the section of where the Buffet will be located will be designed according the weeks Food theme.
- Additional Bar- Currently there is one service bar which services the entire Restaurant, and it is located downstairs as part of the restaurant, with the Revamp, another Bar will be build upstairs in order to service the restaurant and the Exclusive lounge section. The bottom Bar will be changed into a beach bar servicing the beach down stairs and the outer part of the restaurant. By doing this we minimise and cut down on time spend to deliver food and drinks to tables. We increase productivity and speed up service turnaround.

- Service level – there is a huge need to improve on the current service levels and attention needs to be placed specifically on the Speed of Service. Special attention to waiter’s attitudes, store culture and ambience. Training needs to be done to ensure we can improve service levels. As Waiter are essentially the face of the store Brand they are the first and last point of contact with our customers, hence their attitude and the stores culture has to be the right in order to deliver the perfect experience. Intense Training on Both Staff and waiters needs to be conducted as soon as possible and on an on-going basis. Its goes without saying that with “the right attitude, you will always yield positive results”.
- The right faces in the right places will achieve results we will reshuffle current staff making sure no one loses their Job but like in any business no one can afford to carry dead weight.
- Curio Shop - There is extra space which we intend to use it as and basically we will sale African Hand Hade artefacts. We will sell our MOYO merchandise and we will also engage the people from the community who can make some of these items to bring their samples to give them a chance to showcase their talent on a platform which is versatile in terms of customer base.



BUSINESS PLAN

OF

BONTAL TRADING TRANSPORT TOURISM SERVICES (PTY) LTD



1. Executive Summary

Business Description:

Bontal Trading Transport Tourism services (Pty) Ltd (hereafter “Bontal”) is an independent and 100% Black Female owned private company, by Ms. Tebogo Manakana, venturing into the Tourism and Hospitality industry. Bontal has identified and negotiated an opportunity to purchase the Moyo Ushaka African cuisine restaurant from the Fournews franchise group. Moyo Ushaka Marine World is located in Durban on the Durban beach and Pier.

Due to Bontal’s limited experience in the restaurant industry, Mr Bonga Dube has been brought in to head up operations. Mr Bonga Dube is a restaurant turnaround specialist who has had numerous successes in the industry. Bontal is a registered Private Company incorporated in 2013 and consists of a single shareholder who is based predominantly in the Gauteng Province but intends to relocate to Kwa-Zulu Natal Province up successfully securing the funding required to purchase the Moyo uShaka franchise.

Bontal has identified the Moyo franchise as its initial business venture due to the established franchisor systems developed by the Fournews entity which is the franchisor. Fournews has an established franchisor track record with a number of brands under its operations with a national footprint.

With the financing required, Bontal intends to purchase the Moyo uShaka franchise as a going concern and conduct renovations on the franchise to give it a new fresh look based on the Moyo brand. The financing requires also includes working capital which will be required for the initial 6 months of operations post funding.

Target markets:

Bontal’s target market includes but not limited to:

- International Tourist Market
- Local Tourist Market
- Local Residents Market
- Corporate Market
- Family Market
- Cruise Ship Market
- Entertainment Market

Competitors:

The local restaurant, Tourism & Hospitality market in uShaka Marine world is dominated by a few players namely:

1. Cargo Hold on the promenade
2. Wahooz on the promenade
3. Piatto – restaurant and grill
4. Ocean Basket
5. Wimpy
6. Panarotties – Pizza Pasta
7. Maestro continental
8. Centre court
9. Spur – Steak Ranch
10. Nadia's Curry Café

1.1 Objectives

The Bontal has identified the following goals and objectives to be achieved under the Moyo franchise:

- Formalize firm funding arrangements with the targeted funders, including formalization of amount of funding and exit strategies.
- Secure proposed funding amount by end July 2016.
- Purchase identified franchise by August 2016.
- Commence site renovations in August 2016.
- Launch new renovated sight by September 2016
- Provide sufficient training for our employees and ensure transfer of skill from top down
- Implement the appropriate management control systems for the various elements of the business.
- Establish and provide a good working environment for Bontal employees as well as develop relationships with the company's potential customers by meeting with their decision makers and plotting a mutual plan for success.
- Regularly conduct research into the restaurant Tourism and Hospitality industry in order to not only have a comprehensive understanding of the global and local market developments but also the industry composition and challenges, current statistics and future trends.

The Company

Overview

Bontal Trading Transport Toursim Services (Pty) Ltd (hereafter “Bontal”) is an independent, 100% Black female owned and managed company established to identify and take advantage of commercial opportunities specifically in the tourism and hospitality sector. Bontal has identified the Moyo franchise as that unique opportunity specifically relating to the Moyo uShaka marine world franchise located on Durban Beach, Durban. Bontal intends to take over the Moyo uShaka franchise as a going concern from the franchisor.

Bontal through the Moyo franchise intends to become a dominant force in the region in terms of the restaurant industry.

1.2 Mission Statement

“Celebrating Africa Together United” – In this day in age people live different lives and stand by different principles but one thing that will always bring everyone together regardless of Race, Social Status, political Affiliation and Religion that is Good Quality Food, Good Customer Service and a Tranquil Environment.

Economic Empowerment & Development Impact

- Bontal is a hundred percent (100%) black female owned company.
- Business established in the Tourism and Hospitality sector specifically food industry.
- Employment opportunities will be at least 80% historically disadvantages individuals

Health and Safety

- Worker and public safety is of utmost importance to us and we value quality.
- Treat every minor incident of safety negligence at work in a very serious light.

1.3 Strategy and Key Success factors

The mission will be achieved by adopting the following strategic objectives: -

- Become the dominant force with-in the region in the food Industry
- Provide the best Quality food
- Provide the best Service and give a relaxing tranquil environment
- Increase revenue and maximise profits and grow the business in the region
- Unite all nations and create Business and social networking safe Environment as MOYO provides a wide variety of food offering catering for most of South African Cuisine and Other African and international Cuisine. Hence “Celebrating Africa Together United”
- Become the preferred service provider.
- Good governance, legal compliance and sound financial discipline

MOYO Franchise

MOYO means heart. It is a translation from the Sanskrit language Swahili. Moyo – the destination for a unique African dining experience. Inspired by the traditions and values of our ancestors, moyo is a

celebration of, and commitment to, the beauty of Africa, and the industry of her people. Our famously warm hospitality and modern African ambiance make the moyo experience an unforgettable one.

Moyo was born of one man's passion for all things African – from art and design to music, cuisine and crafts. In 1998, moyo started as a small 120-seater restaurant in Norwood, Johannesburg, serving exceptional African cuisine amidst soulful vibes. Today, live African music and a unique African dining experience are the benchmarks of the five evocative moyo establishments that now form part of the Fournews Developments portfolio. Situated in some of the most iconic South African sites, the Cape Town moyo stores can be found in Blouberg and Kirstenbosch; the Durban store at Ushaka Marine World and the Johannesburg stores at Melrose Arch and Zoo Lake.

Moyo embodies Africa's finest urban cuisines, with diverse dining options ranging from relaxed lunch meals to romantic dinners. The Origins menu is broad and bold, offering visitors a taste of the continent, while also appealing to the local by offering classic South African favourites with a twist. The Life menu introduces café-style breakfasts and lunch with an African spin for quick on the go meals. A special menu for children broadens the appeal to the entire family. The extensive cocktail and wine list offers options that can be perfectly paired with any moyo meal or simply enjoyed on their own.

For your added pleasure, moyo scouts Africa for the best artistic talent. Colorful costumes, dramatic acts and fancy footwork of dancers will ensure that you leave delighted. With a song on the lips of the Wishy-Washy ladies, you will be welcomed to the age-old tradition of the African hand-washing and face painting ceremonies. Moyo is all about Celebrations... Our stores are all geared to host events, whether small and intimate, or large and extravagant, your event at moyo will be unique as we infuse it with authentic African style and ambiance.

Moyo Ushaka is a uniquely Durban destination offering the perfect place in which to relax and watch the world go by. Cocktails at the Beach Bar, exquisite views of the Indian Ocean, tropical weather, exotic flavours and soulful vibes– this is Africa at its laidback best.



Franchise Analysis

The Moyo Group was formally placed under business rescue on 30 March 2014. Moyo Waterfront in Cape Town, Moyo Pier in Stellenbosch and Moyo Groenkloof in Pretoria have since been liquidated. The

remaining Moyo restaurants have been acquired by Fournews Developments and Moyo Melrose Arch, Moyo Zoo Lake, Moyo Ushaka Marine World, Moyo Kirstenbosch and Moyo Blouberg are now operating as franchises.

Fournews Developments reports that the conversion of Moyo from an independent restaurant chain to a franchise model has been successful. According to Alan van der Westhuizen, Executive Manager: New Business Sales at Fournews Developments, the company is currently looking for prospective Moyo sites and franchisees in the Cape Winelands and are also in the process of building a new Moyo restaurant on the Zimbabwean side of the Victoria Falls.

Moyo uShaka is uniquely positioned on Durban beach by the pier. The franchise has three distinct cost centres which drive the revenue generation of the restaurant:

The Main Restaurant

- o 1620 seater restaurant
- o Located right on Durban beach
- o Provide a buffet and a La carte dining experience.
- o Managed and operated by a staff compliment of 90
- o Able to host events and functions independently

The Pier

- o 250 seater restaurant
- o Located right on the Durban beach pier
- o Provides a buffet and a La carte dining experience.
- o Managed and operated by a staff compliment of 30.
- o Able to host events and functions independently

The Distribution Centre

- o Storage and warehousing centre
- o Located right behind main restaurant
- o Handles all stock requirements of main restaurant and pier
- o Managed and operated by a staff compliment of 6.

The current MOYO uShaka is trading below threshold and way below the expected mark and we as Bontal in conjunction with Fournews have identified a number of reason and factors behind it.

- The operator who is currently running the store doesn't have enough experience or vision to enable to increase margins through increased sales or increased efficiencies.
- The franchise is currently managed by an employee and thus the level of commitment required or provided by an owner manager operation is not there resulting in below par revenue levels.

- Staff Attitude and culture is absolutely wrong they have a lazy and negative approach to customers
- The Stores (MOYO) current look is old and thus it is in need of an urgent renovation which will improve revenue figures.
- The introduction of an improved local marketing and sales strategy to drive the required increase in revenue through increased customers and increase events and functions.

3. Product/Service

- The product is MOYO, a Vibrant Diverse and Dynamic Franchise Restaurant. It offers a place of relaxation and peace at the same time a Variety and Diverse Cuisine with African Culture, this incorporated in the Design of the Store and the Menu as well.
- MOYO offers a true African experience which makes for a very unique and different experience than all other competitors, the personal touch MOYO staff have with their patrons meaning that every customer that comes through to eat, drink or just spend time in the store they are offered a true African experience. MOYO is the only Restaurant that will offer dishes for and towel for customers to wash their hands, African style, the only restaurant that will Wash customers hands and feet as they relax and enjoy the food celebrating the Africa we have together united as one Nation through food.
- MOYOs plating or presentation of their food and the dishes used is very African and that is very unique amongst other things, this it makes it truly a different experience and provides a unique service
- The furniture is uniquely curved by hand every single one of them that gives a personal touch.
- MOYO has a unique food taste and the main reason is that most product and dishes are made in Store all developed In-house by Professional Chefs making it an unique experience
- The service is next to none, because of the personal touch style of service, the washing of hands in African dishes, the washing of feet while eating or relaxing the, the personality of the Waitrons serving customers, All that transpires and relates to a great service giving us the reason to say truly we Celebrating Africa Together United.
- The location of the Store makes it in the perfect position it is in the pinnacle and centre of attraction on the USHAKA MARINE WORLD AND THE PIER
- USHAKA MARINE WORLD is situated right next to the Ship Dock Port where all the passenger Ships Dock meaning that all cruise ship see MOYO as the first Point of Vision as they come through and we have to maximise on that fact.
- Tourist, local, be they International, they see MOYO and MOYO at the PIER when they visit the Marine
- That on itself gives the restaurant and extra edge amongst others Restaurant around the Marine.
- MOYO is the only Restaurant on the Ushaka Marine World that has its own unique and African Menu it caters for all African Cuisine unlike the rest they only specialise on a certain Cuisine e.g. Italian, Portuguese.
- MOYO has wide variety of the menu which most tourist who visit the Ushaka want to experience this and it sort of seals there purpose of visit.



- MOYOs prices are very affordable slightly cheaper than most of the Restaurants we seat in the middle of the pricing range where your normal person middle class earning and low class earning will still afford to have a decent meal and enjoy the experience at the same time.

Action Plan – Growth Strategy

There are identified factors that need to change and have designed a turn-around strategy which is meant to maximise on the key factors that make MOYO the brand that it is today and still keep the vision of “Celebrating Africa Together United”.

- The Revamp -Will bring about much need change In terms of the look of the restaurant. It will make the desired impact with regards to look and feel, new features will be put in place like an “UP STAIRS EXCLUSIVE LOUNGE” this will be an exclusive lounge designed to maximise the look and service rendered with the idea behind it being based on the premium Whiskies Bottles only (Imported) or local and Premium Cigar’s (Cohhibars) will being sold in the lounge. This will cater for the premium group of people who want to be private but still be in the mist of people, this will provide that exclusivity while still providing the same service.
- ON the PIER- There will be an outdoor takeaway counter to cater for those who just want to buy food on the Go, those who want to enjoy their food on the sand/beach. Quick food will be prepared either (pre-made) or made on the spot. This will give us the edge to capture both markets: Dinners and Takeaways. A selected Menu will be prepared for The PIER to cut down on the waiting time.
- Buffet Section- By far this will make the most impact, this will be a permanent feature in the MAIN restaurant. We will engage with Celebrity Chefs to host, have different type of Chef/ Cuisine Weekly. Our Customers will have the opportunity to the order and be served by the Chef “we call it Chef in Motion”. The reason for this is that since we are “Celebrating Africa Together United” its gives the opportunity to try other African Cuisines which are not on our official menu by doing this, we invite different cultures to participate in the theme for the particular week which will also go hand in hand with the design layout of the section of where the Buffet will be located will be designed according the weeks Food theme.
- Additional Bar- Currently there is one service bar which services the entire Restaurant, and it is located downstairs as part of the restaurant, with the Revamp, another Bar will be build upstairs in order to service the restaurant and the Exclusive lounge section. The bottom Bar will be changed into a beach bar servicing the beach down stairs and the outer part of the restaurant. By doing this we minimise and cut down on time spend to deliver food and drinks to tables. We increase productivity and speed up service turnaround.
- Service level – there is a huge need to improve on the current service levels and attention needs to be placed specifically on the Speed of Service. Special attention to waiter’s attitudes, store culture and ambience. Training needs to be done to ensure we can improve service levels. As Waiter are essentially the face of the store Brand they are the first and last point of contact with our customers, hence their attitude and the stores culture has to be the right in order to deliver the perfect experience. Intense

Training on Both Staff and waiters needs to be conducted as soon as possible and on an on-going basis. Its goes without saying that with “the right attitude, you will always yield positive results”.

- The right faces in the right places will achieve results we will reshuffle current staff making sure no one loses their Job but like in any business no one can afford to carry dead weight.
- Curio Shop - There is extra space which we intend to use it as and basically we will sale African Hand Hade artefacts. We will sell our MOYO merchandise and we will also engage the people from the community who can make some of these items to bring their samples to give them a chance to showcase their talent on a platform which is versatile in terms of customer base.

Strategic Analysis

Strength Analysis	
Strength	<ul style="list-style-type: none"> *African cuisine restaurant *Premium location *Higher end target market *Moyo is an established brand *Fournews Development is an established franchisor
Strategy Components	Strategic Areas of Focus and / or Risk Mitigation Recommendations
Quality Guarantees	Based on Moyo franchise model - guarantee of superior quality.
Competence	Build on existing critical and core competencies needed for business growth
Competitive Skill	Continuously evaluate the company's unique competitive skill(s)/advantage(s) and communicate this to all stakeholders
Experience Curve	Continue to improve and increase learning to accelerate experience curve or acquire experienced staff in key areas
Reputation	Continuously monitor key factors affecting business reputation and build on established mitigation plan to address as well as exploit advantages
Organizational Design	Continuously analyze organizational/functional design for efficiency and effectiveness
Management	Build on and develop existing management skills
Technical Skills	Employ experts and build on a develop existing technical skills
Weakness Analysis	

Weakness	· Stores current need for renovations
	· Service standards at store have dropped
	· Turn-around strategy will require about 6 – 12 month to fully implement
Strategy Components	Strategic Areas of Focus and / or Risk Mitigation Recommendations
Market Image	Identify the appropriate brand awareness strategies and implement the relevant marketing and PR programmes – this done in conjunction with the franchisor – Fournews development.
Marketing Skills	Invest in the appropriate marketing skills, either internal or external
Market Education	Design and implement strategic educational programmes and drives in order to make the market aware of our latest products and services
Financial Resources	Convince investors of the viability of needed strategic changes
Opportunity Analysis	
Opportunity	· New renovations will increase sales revenues
	· Working capital budget will enable increase marketing
	· Introduction of a take away aspect to the restaurant
	· Hosting of new events and strategic function partnerships
Strategy Components	Strategic Areas of Focus and / or Risk Mitigation Recommendations
Prospects	Evaluate cost and profitability of new customer groups and target appropriately
Markets	Perform a target market analysis and profitability analysis to decide impact of expanding into new markets
Product/Service Enhancement	Compare the impact of product/service line expansion to the needs of potential customers
Vertical Integration	Evaluate impact on current business model and consider all threats associated with integration
Market Growth	Confirm statistics and prepare for expansion on the basis of profitable growth
Threat Analysis	
Threat	* Increase competition from new restaurants at the marina
	* Weak economic performance
	* Increase in input costs
	* Reduction in tourism numbers for the Durban beach areas
Strategy Components	Strategic Areas of Focus and / or Risk Mitigation Recommendations

Regulatory environment	Constantly be abreast of current and proposed business related regulatory changes.
Business Cycle/Climate	Invest in new product/service lines if possible, built flexibility in business model and labour practices
Buyer/Supplier Power	Being a franchisee is very beneficial as it enables the company to address certain threats such as increase in costs as a larger entity to secure bulk pricing.
Entry Barriers	Look for ways to add value in order to ensure more barriers to entry for competitors to your current customers. We will align ourselves with certain enterprises and communities to ensure we can create the necessary demand for our products but most importantly this will create barriers to entry for new potential competitors through introduction of loyal incentives.

Risk Analysis

TYPE OF RISK	RISK LEVEL	MITIGATING FACTORS
Market Risk	Medium	High-end restaurant industry is on a positive growth path.
Operational Risk	Low	Moyo franchise model systems are in place.
Liquidity Risk	Low	Secure sufficient working capital from the funder.
Credit Risk	Low	Most product and services are provided on a COD basis.
Foreign exchange risk	Medium	Local sales and thus local currency to be used. Forex can impact input cost prices.
Natural Risk	Low	Low chances of extreme weather conditions in Durban beach area.
Social Risk	Low	UShaka Marina is well managed and maintained thus limited social risk.
Technological Risk	Low	Moyo franchise model systems in place are technologically advanced.

4. Sales and Marketing Strategy

Marketing Channels

Marketing Strategy Overview

Branding

Some branding strategies to be employed by Bontal will resemble, but will not be limited to the following:

1. Bontal will ensure congruence with market trends and direction at all times. Start to create in-roads to the market place by making use of industry networks, organizations and platforms that are free and content driven.

2. Make use of business networks, chambers of commerce, social events and functions to build awareness, create partnerships in the local area (media, business, civil and labour) and form relationships that can be leveraged in future to assist with branding, positioning and promotion of the company's services.

Advertising

1. Bontal will research the industry in our target market area to focus on and endeavour to form relationships with credible and reputable media partners – Media and Communications companies are always looking for partnerships and most of these can be utilized at minimal or low cost.

2. Bontal will seek co-branding initiatives that spread advertising costs while increasing brand awareness and expanding the organizational foot-print. There are numerous companies within the target market area that are willing to pay to co-brand, provided Bontal has the right deal/ or marketing opportunity for them in place.

Public Relations

Public Relations efforts in this regard will include:

1. Contacting and article submissions to newspapers, magazines, trade publications on industry issues to provide them with new and fresh content through the featuring of local and regional information, service information etc. that are available at Moyo. Bontal will choose relevant publications, editorials, local newspapers and online blogs where it can submit industry relevant articles.

2. Such published articles may then be included in the pre-defined communications to provide third party endorsements and boost credibility. Contact information links will ensure that such enquirers' contact details are captured for inclusion in the marketing campaigns.

3. Develop a sustained public relations effort, with on-going contact between key editors and top-level personnel across the relevant industries in South Africa.

4. Develop a regular and consistent package update programmed for the major target media keeping key editors and industry stakeholders abreast of all new developments at Moyo.

Bontal plans to reach its target market through conventional marketing methods, which have been proven to be effective. They are:

1. Lead Generation Program.

Bontal will do a direct and regular online mailing to potential customers.

2. Databases

Register on all databases of registered companies that require our services in order to be included in all new contract and service opportunities.

3. Print media.

This includes newspapers, brochures, flyers and other special promotional items to market the company.

4. Referrals.

Referrals will form a considerable portion of the company's business.

5. Radio.

Bontal will engage different radio stations for marketing and brand awareness purposes.

6. Business Development.

Including cold canvassing, business development, networking; this will be managed by the Director.

7. Strategic Partnerships

WE intend to put MOYO as the centre of attention with in Durban. Our plan is to Affiliate the store with Travel, Agency, Hotels B&Bs we will offer them packages that will benefit them as well as the store. Some will receive incentives and some commission depending on the agreed Packages

- ☐ We will partner with Events companies and Event Organisers, Music markers and Fashion designers to Host some of their launches Music shows or any other high profile events at MOYO. We can cater for the premium events in the lounge and others in the main Restaurant

- ☐ We will also partner will local business and corporate business we will offer them packages for companies to Host Meetings, After Parties, Seminars, business Breakfast/lunch meetings.

- ☐ We will also partner with local Government, Tourism Department, offer them packages that will be competitively priced. We plan to become affiliated with most of the Tourism events that will be held in Durban such as the Durban July, J&B MET and many more. We plan to be the preferred Pre-launch and After Launch venue.

- ☐ We will also partner with sporting agencies and fraternities e.g. Amazulu and other Celebrity Agencies. The reason for this is that our society hangs around where the celebrities are, if we can get the approval of the rich and the famous, the rest will follow.

Marketing Programs

1. Procure and establish industry databases nationally that are split into industry sectors and segments, designations, addresses, e-mails and contact numbers.

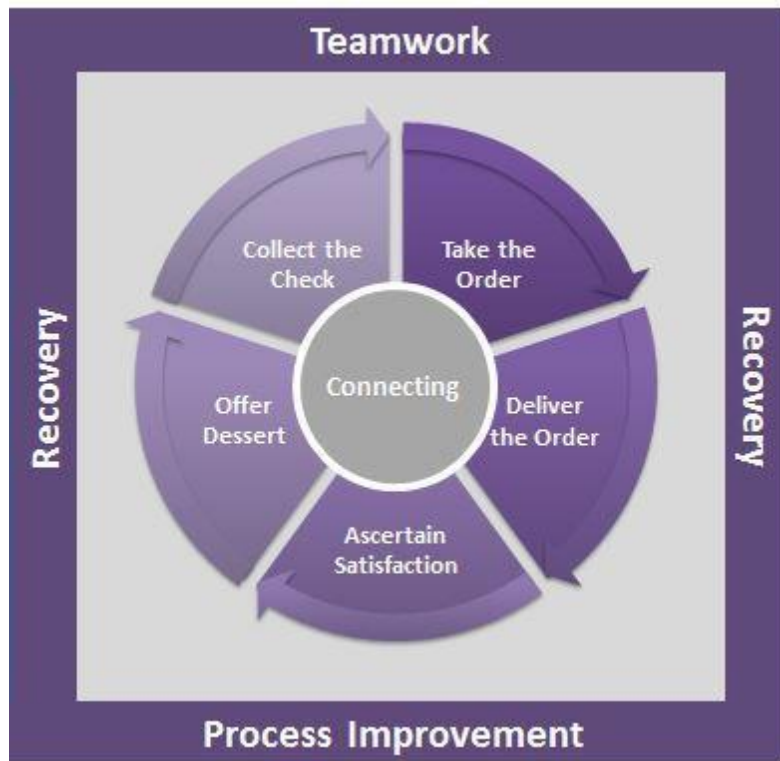
2. Use databases to create mailing lists for service launches and niche e-campaigns.

3. Conduct client satisfaction surveys, industry needs analysis, develop and manage several on-going rewards and recognition/ customer loyalty programmers, etc.

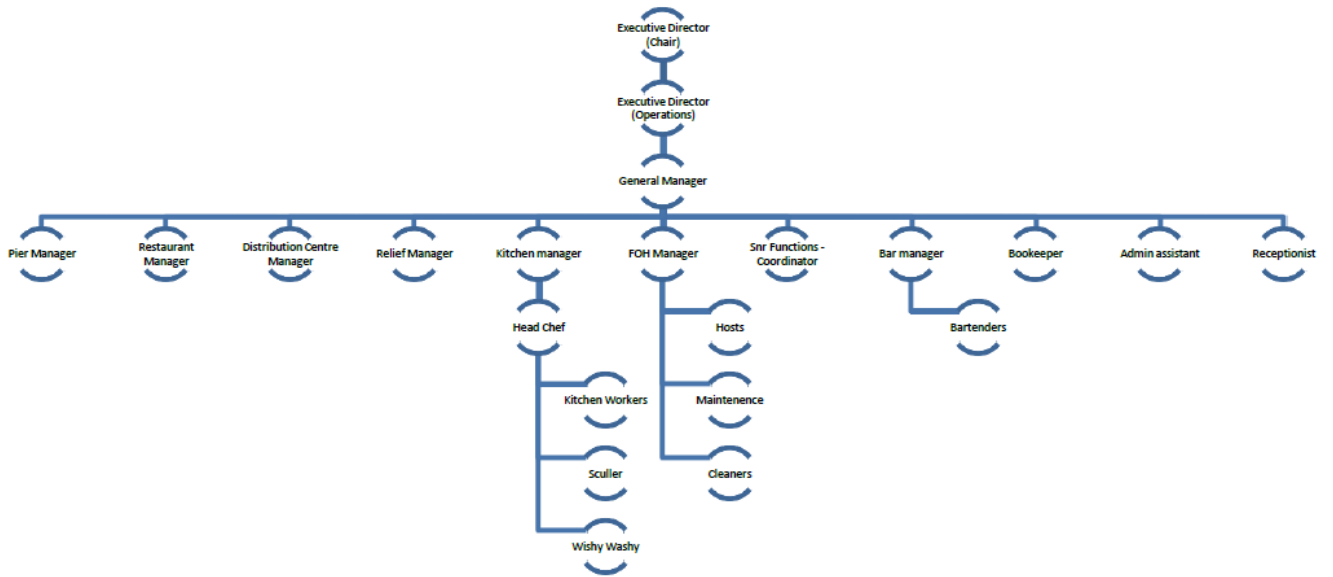
4. Use above and below the line tactics, e.g. brochures and flyers, newsletters (print and online), publications and editorial adverts/ banners in relevant magazines, online surveys and competitions, etc.

Revenue Model

Bontal's revenue model is based the standard restaurant franchise revenue model. This model is centred on the provision on high end African cuisine to the local and tourist market in the Durban Beach area. Revenue is generated from sale of food and beverages. Bontal's revenue model is strengthen by the fact that it is a franchise model spearheaded by the Fournews development company which is an established franchise player. Below is a diagrammatic outline of the business model.



Management & Employee Organogram



6. Key Management Personnel

Executive Director: Chair

Ms. Tebogo Manakana

Executive Director: Operations

Mr. Bonga Dube

Moyo uShaka currently has a staff complement of 126 employees.

Employer and all employees will abide by the labour and tax regulations of the republic and the Basic Conditions of Employment Act.

PAYROLL						
PERSONNEL PLAN (5% growth)						
#	Job Description	Year 1	Year 2	Year 3	Year 4	Year 5
Directors						
1	Executive Director (Chair)	R 600,000	R 630,000	R 661,500	R 694,575	R 729,304
1	Executive Director: Operations	R 420,000	R 441,000	R 463,050	R 486,203	R 510,513
2	Sub-total	R 1,020,000	R 1,071,000	R 1,124,550	R 1,180,778	R 1,239,816
Management						
1	General Manager	R 342,000	R 359,100	R 377,055	R 395,908	R 415,703
2	Relief Manager	R 168,000	R 176,400	R 185,220	R 194,481	R 204,205
3	Kitchen Manager	R 252,000	R 264,600	R 277,830	R 291,722	R 306,308
4	FOH Manager	R 456,000	R 478,800	R 502,740	R 527,877	R 554,271
1	Head Chef	R 102,000	R 107,100	R 112,455	R 118,078	R 123,982
1	Snr Functions Co-ordinator	R 144,000	R 151,200	R 158,760	R 166,698	R 175,033
1	Bar manager	R 60,000	R 63,000	R 66,150	R 69,458	R 72,930
13	Sub-total	R 1,524,000	R 1,600,200	R 1,680,210	R 1,764,221	R 1,852,432
General Staff						
15	Kitchen Workers	R 540,000	R 567,000	R 595,350	R 625,118	R 656,373
8	Bartenders	R 240,000	R 252,000	R 264,600	R 277,830	R 291,722
3	Maintenance	R 100,800	R 105,840	R 111,132	R 116,689	R 122,523
6	Sculler	R 144,000	R 151,200	R 158,760	R 166,698	R 175,033
30	Host	R 360,000	R 378,000	R 396,900	R 416,745	R 437,582
3	Wishy Washy	R 54,000	R 56,700	R 59,535	R 62,512	R 65,637
7	Cleaners	R 168,000	R 176,400	R 185,220	R 194,481	R 204,205
72	Sub-total	R 1,606,800	R 1,687,140	R 1,771,497	R 1,860,072	R 1,953,075
Administrative Staff						
1	Bookeeper	R 180,000	R 189,000	R 198,450	R 208,373	R 218,791
1	Admin Assistant	R 42,000	R 44,100	R 46,305	R 48,620	R 51,051
1	Receptionist	R 36,900	R 38,745	R 40,682	R 42,716	R 44,852
3	Sub-total	R 258,900	R 271,845	R 285,437	R 299,709	R 314,695
90	Total Employees	90	90	90	90	90
	Total Pay Roll	R8,560,500	R8,988,525	R9,437,951	R9,909,849	R10,405,341

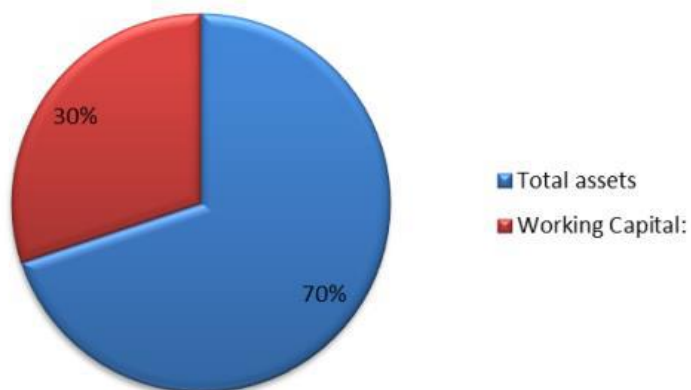
7. Financial Plan

Financial Dashboard

Bontal's requires financing to initiate procure the Moyo uShaka franchise, renovate the franchise and working capital. Bontal's loan requirements total R4,955,000.00 these funds will be allocated as follows:

Funding Requirements	
Expenses	
Office expenses	R 5,000.00
Lease Deposit	R 500,000.00
Total Start-up Expenses	R 505,000.00
Assets	
Working Capital	R 1,000,000.00
Business Purchase Price - Moyo Durban	R 1,000,000.00
Renovations - Turnkey	R 2,500,000.00
Total Assets	R 4,500,000.00
Total Project: Assets + Expenses	R 5,005,000.00
Cash Contribution	
Own Contribution - cash	R 50,000.00
Own Contribution - overdraft	R 0.00
Total Contribution	R 50,000.00
Total Loan Required:	R 4,955,000.00
Loan Structure	
Total assets	R 3,500,000.00
Working Capital:	R 1,505,000.00
Total Project Cost:	R 5,005,000.00
Less Own Contribution	R 50,000.00
Total Funding amount:	R 4,955,000.00
Initiation Fee: (1%) vat inclusive	R 56,487.00
Total Loan Amount including fees:	R 5,011,487.00

Loan Breakdown



Breakdown of Office Expenses

This allocation is for the initial office supplies required such as:

- Ink, Software and additional requirements not already accounted for.

Break down of Renovations

- See franchise agreement

Breakdown of Working Capital

- Working capital is allocated for the running of operations for the initial 90 days post funding.
- Increase marketing and advertising

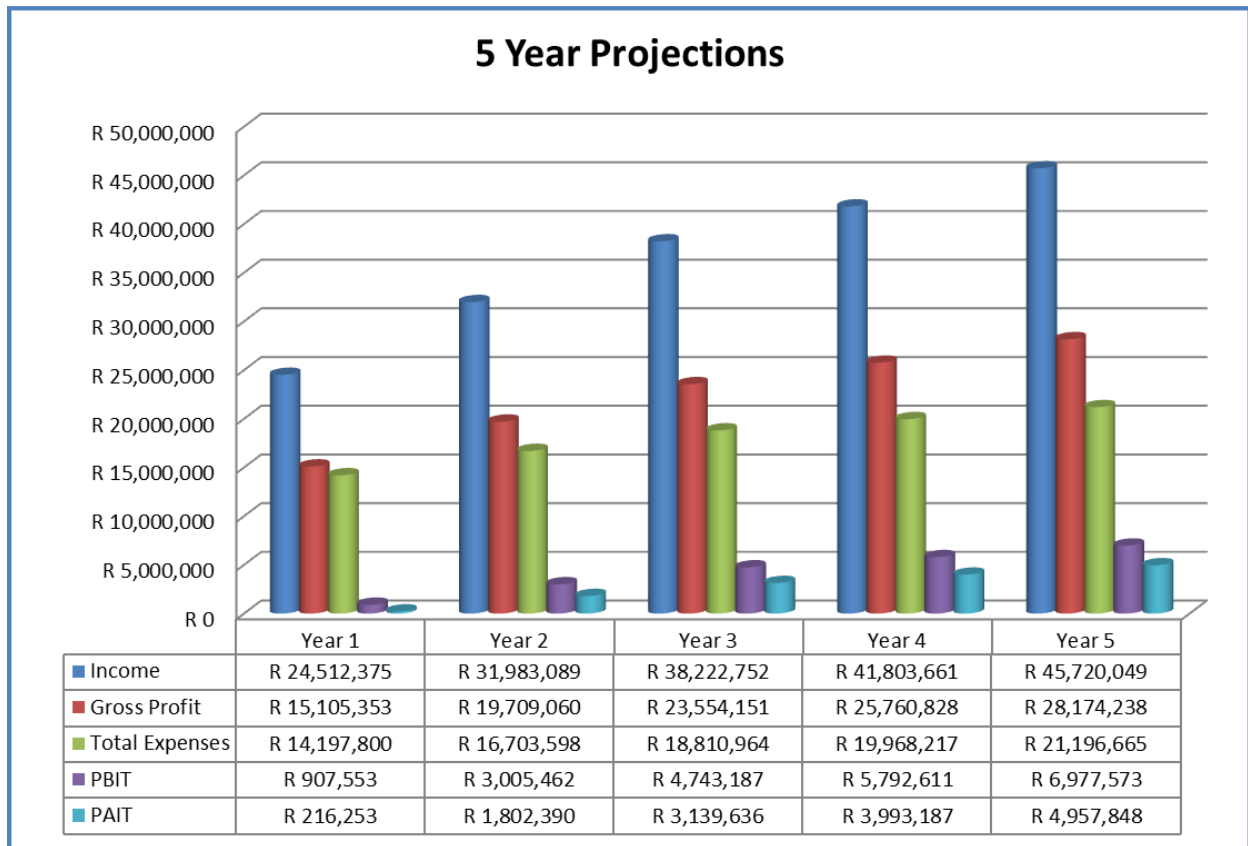
TABLE: FINANCIAL VIABILITY ANALYSIS

Financial Viability Analysis	
Is this business currently making a profit (existing businesses only)?	No
Will this business make a Profit or Loss in the first year of post finance operations?	Profit
What will the first year Profit or Loss (After interest and tax) be based on all assumptions?	R 216,253
When will this business achieve break-even point? (to year target)	Month 6
What will the cash flow look like in the year ahead - Positive or Negative?	Negative
How much money will have to be borrowed to make this business plan succeed?	R 5,005,000.00
What interest will be charged on all debt finance (business loans) in the first year of operations?	R 607,201.75
During the 1st year, the lowest bank balance will be R?	R 229,048.14
During the 1st year, the highest bank balance will be R?	R 1,056,487.00

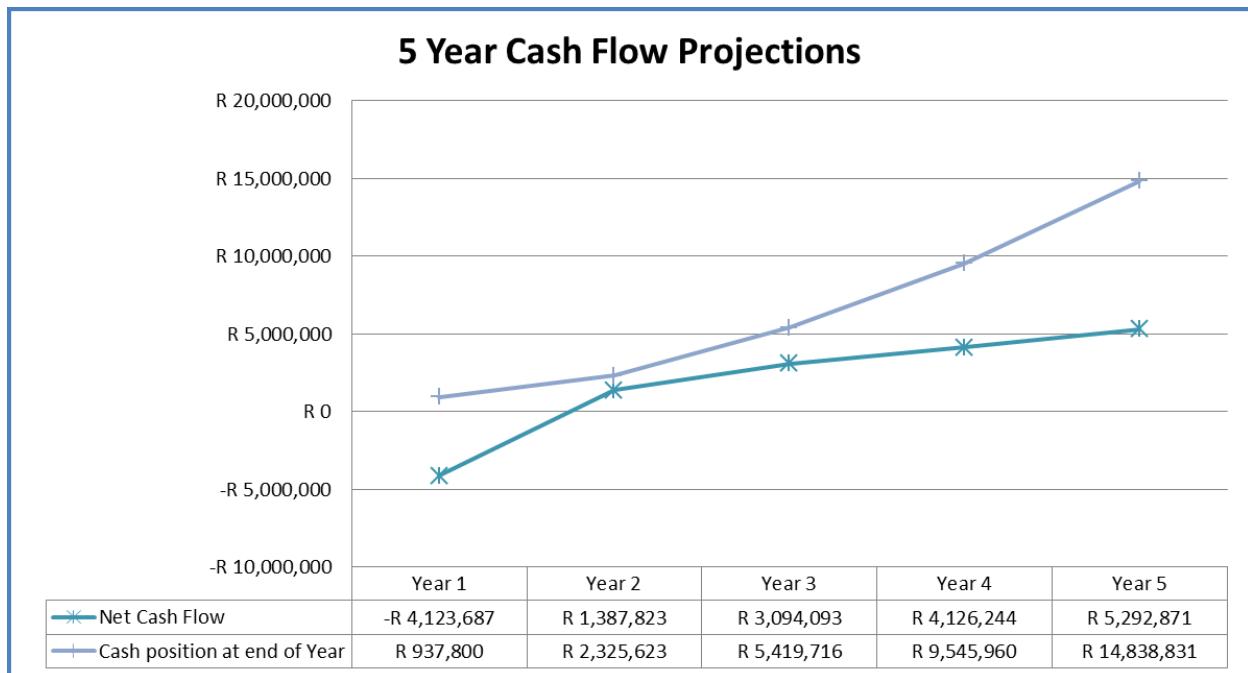
Break-Even Levels

Break-Even Analysis		
Year 1		
Total Year Sales		R24,512,374.84
Monthly Break-even revenue:		R 1,183,150.00
Current Average Gross Profit		R 1,258,779.42
Assumptions		
Estimated Fixed Costs for Year 1		R 14,197,799.95
Estimated Revenue for Year 1		R 24,512,374.84
Break-even point:		Month 6

Graph: Profit and Loss Projections



GRAPH: CASH FLOW PROJECTIONS



Financial

- It is the intention of the shareholder is to seek debt financing for 100% of the total capital requirements; for the purpose of this business plan and financial projections model, the owner has assumed that the total capital requirement amount will be treated as a “debt bearing instrument and / and asset finance instrument”, attracting an annual interest rate of 13%, with monthly instalments (capital and interest) repayable for a period not exceeding 5 years (60 months).



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