

The Rave Restaurants

Business Plan



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Disclaimer Statement

The market analysis and financial projections presented herein represent the Rave Restaurant’s best judgment and reasonable assumptions of future events and circumstances; all other information contained herein has been obtained from sources deemed reliable. However, no warranty or representation, expressed or implied, is made as to the accuracy or completeness of any information contained herein, and same is submitted subject to errors and omissions, and no representations or warranties of future Rave Restaurant performance or market trends are intended and such are expressly disclaimed.

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Executive Summary

Executive Summary

Rave restaurant is African style Restaurant with high-quality food. This restaurant intends to establish in 2018. Rave restaurant will be representing authenticity of African food Restaurant.

Rave restaurant is a business that has been conceived with a purpose to promote African food by connecting them with potential consumers in Georgia especially those in Atlanta. During the marketing process, Rave Restaurant will use all the possible approaches to market its products especially meetings with customers

Location:

Ownership

This establishment will be owned by Ola Duroshola, Olumuyiwa Oke, Ademola Latinwo and Lekan Arogun.

Industry Overview

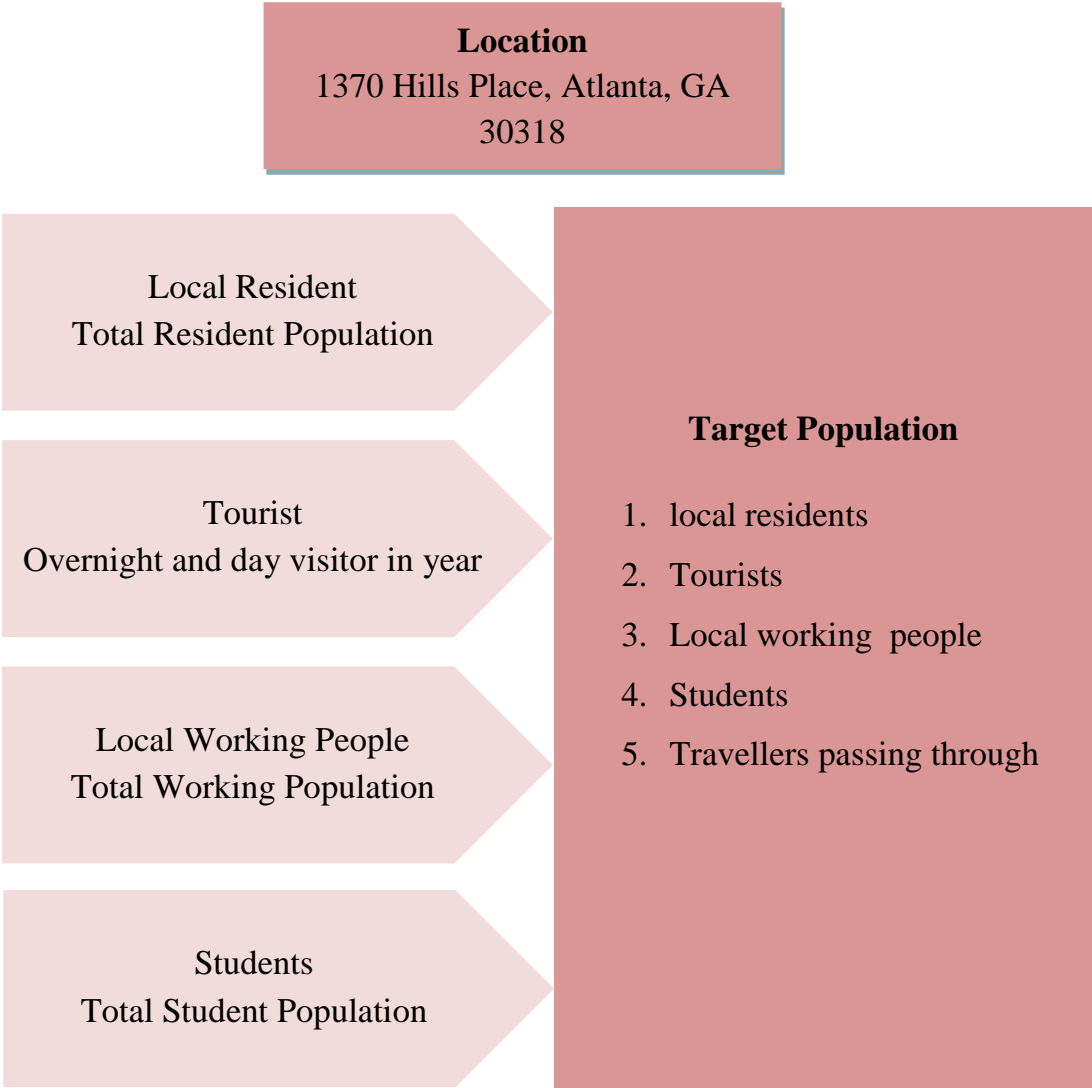
Currently, Restaurant industry in the USA is growing fast with economy. Past data on Sales Growth in the USA, Employment Generation in the USA, and New Restaurants Establishment in USA show tremendous growth of restaurants industry and potential to continue this growth in future.

Consumer Behavior

The consumers in the USA are spending \$30 on a frequent basis on full services restaurant in a single visit. Using this trend in consumer behaviour we are pricing our product in between \$1.99 to \$ 15.99.

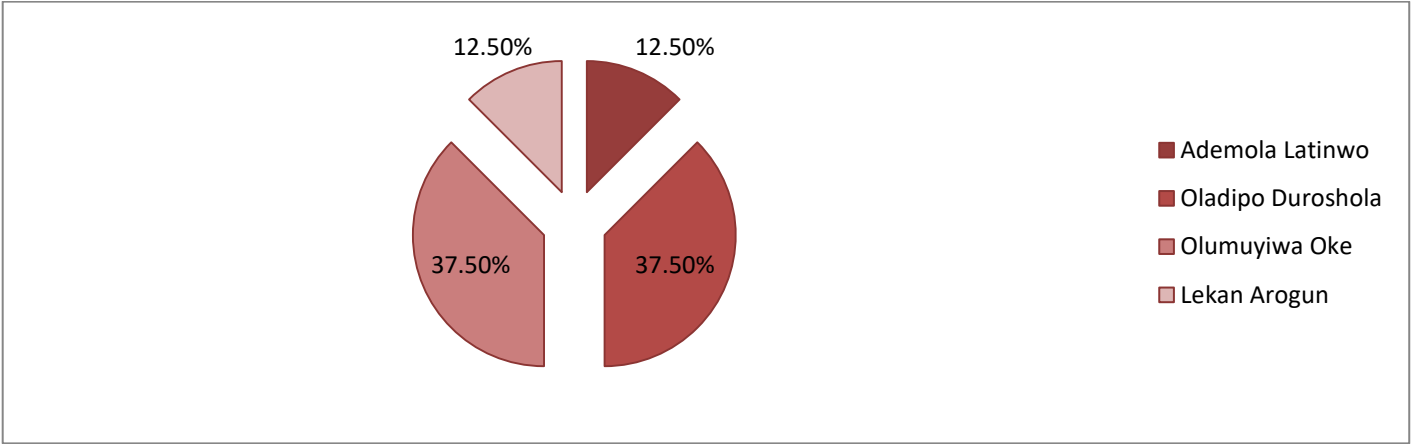
Market Overview

Atalanta City is one of the populous cities in the USA. About 420,003 Citizen are residing in Atalanta City. Our restaurants targeting African origin segment of market. These segments of market contain about 30% of the whole population.



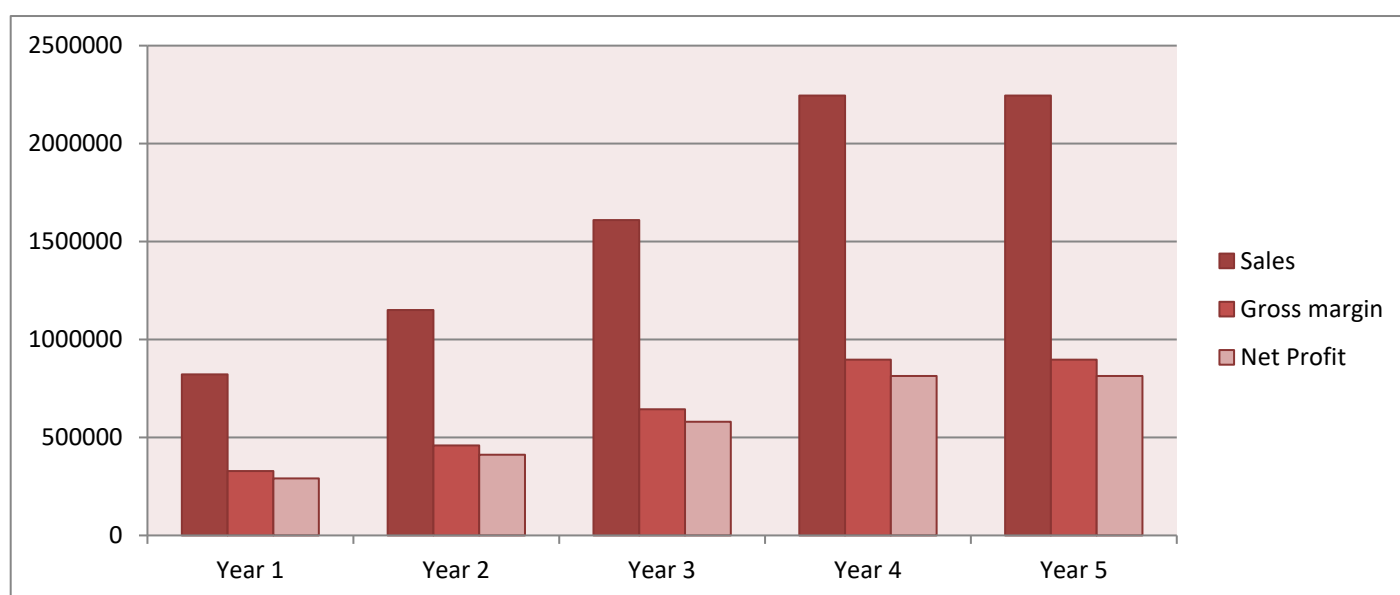
Financial Summary

Rave Restaurant requires funding of \$ 350,000. Partners of business can raise those funds using direct investment into business. The company currently has no debt.

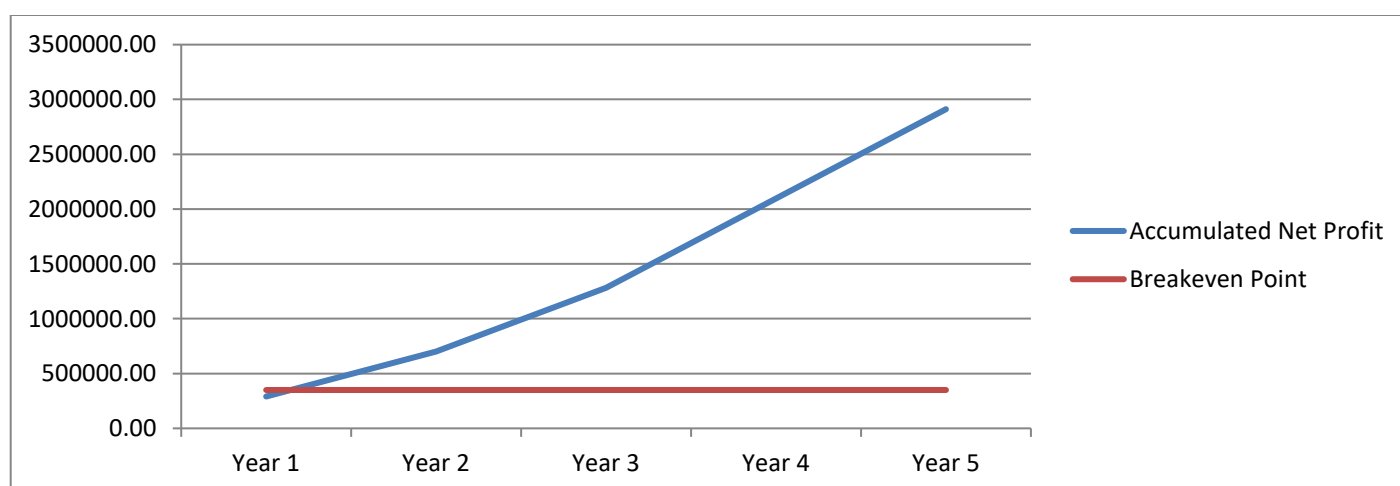


Sales, Gross Margin and Net profit

	Sales	Gross margin	Net Profit
Year 1	821250.00	328500.00	290490.00
Year 2	1149750.00	459900.00	411378.00
Year 3	1609650.00	643860.00	580621.20
Year 4	2244750.00	897900.00	814338.00
Year 5	2244750.00	897900.00	814338.00



Breakeven Analysis



Breakeven point for this business is at \$ 350,000. According to this graph breakeven point is in between 1 year and 2 year. **Breakeven Point≈ 14 Months**

Company Overview

Business information:

Business name: *Rave Restaurant*

Industry type: Restaurant industry

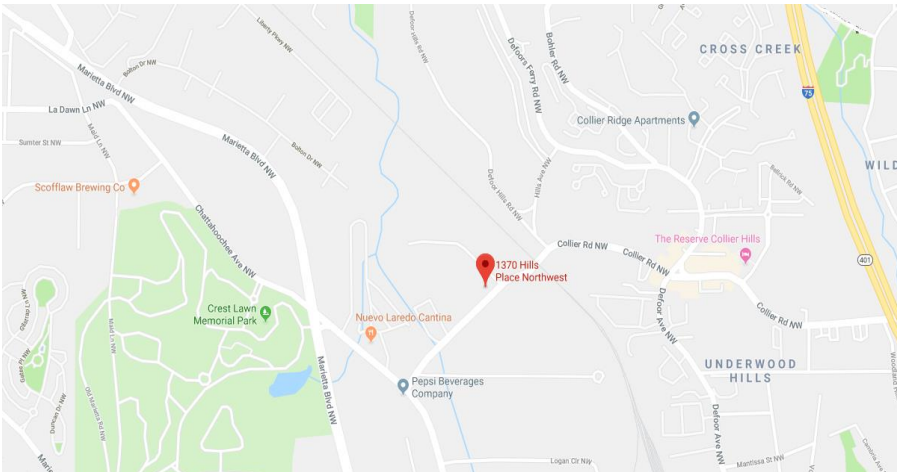
Business structure: Partnership

Incorporated as: MOLAR Investments Group, LLC

Incorporated on: 2018

Office address: 1370 Hills Place, Atlanta, GA 30318

Business premises information



Space Available:

5264 Square Foot

Type of property:

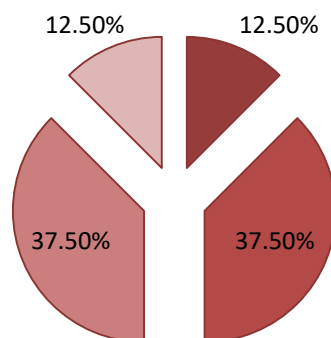
Leased Agreement

No. of table:

15-20

Business location: 1370 Hills Place, Atlanta, GA 30318

Business ownership



- Ademola Latinwo
- Oladipo Duroshola
- Olumuyiwa Oke
- Lekan Arogun

Mission

Rave Restaurant's mission is to provide diners with a truly African dining experience. When it comes time for customers to decide where to spend their dining dollars, Rave Restaurant will strive to become their first destination of choice.

By following this mission, Management expects to see a lucrative return on their investment, allowing for future profitability and growth.

Objectives

The following are five objectives that ***Rave Restaurant*** will seek to achieve:

1. Become selected as the "Best African restaurant in town" by the local restaurant guide.
2. Feature traditional African cuisine at an affordable price.
3. Serving only high quality products made with authentic African ingredients

Keys to Success

Management has spent extensive time understanding what diners look for in their dining experience. For most, dining is more than just the consumption of food; it is a form of indulgence and entertainment. Diners expect more than just excellent food. Service, atmosphere and comfort are also important factors in diners' overall satisfaction.

According to the Zagat 2017 Results & Dining Trends, the following five items represent the greatest issues that ***Rave Restaurant*** must address to be successful.

1. Noise Level
2. Service
3. Crowds
4. Foods
5. Prices

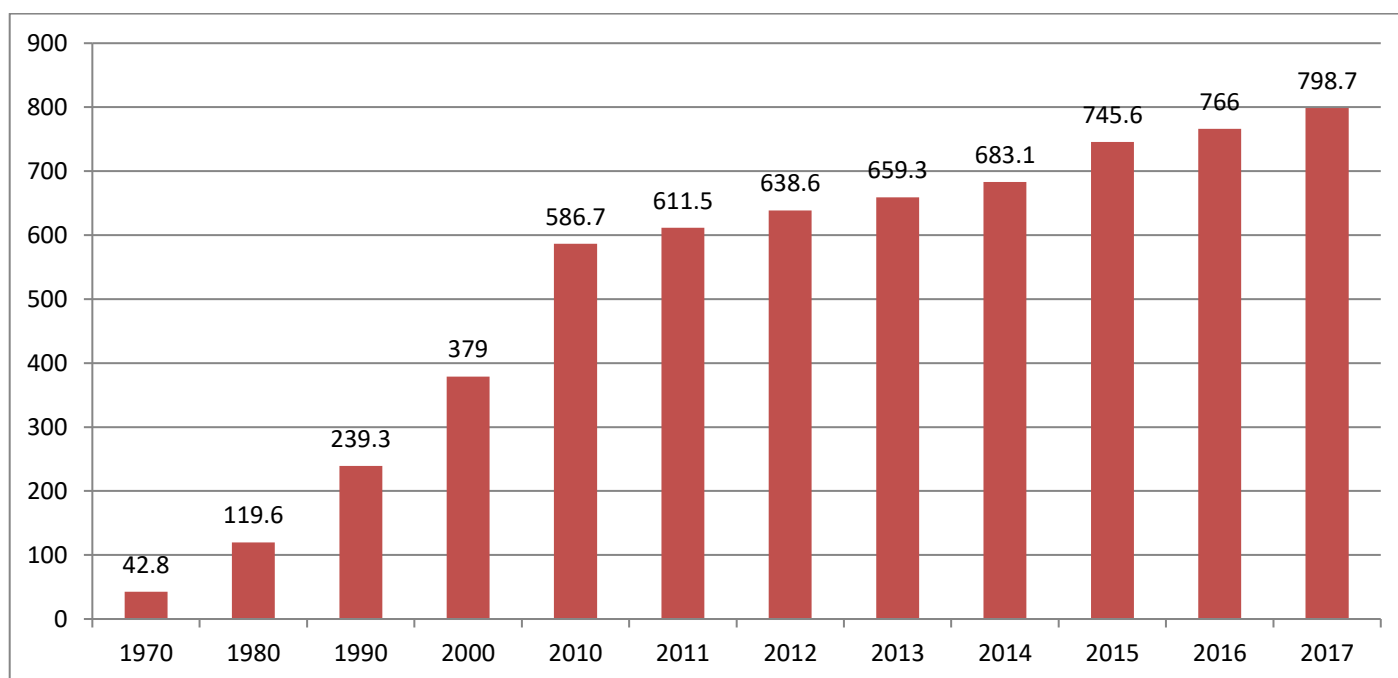
Industry Overview

Industry Overview

Restaurant industry at a glance

- \$799 billion: Restaurant industry sales.
- 1 million+: Restaurant locations in the United States.
- 14.7 million: Restaurant industry employees.
- 1.6 million: New restaurant jobs created by the year 2027.
- 10%: Restaurant workforce as part of the overall U.S. workforce.
- 9 in 10: Restaurants with fewer than 50 employees.
- 7 in 10: Restaurants that are single-unit operations.
- 9 in 10: Restaurant managers who started at entry level.
- 8 in 10: Restaurant owners who started their industry careers in entry-level positions.

Restaurant Industry Sales Growth In billions of current Dollars

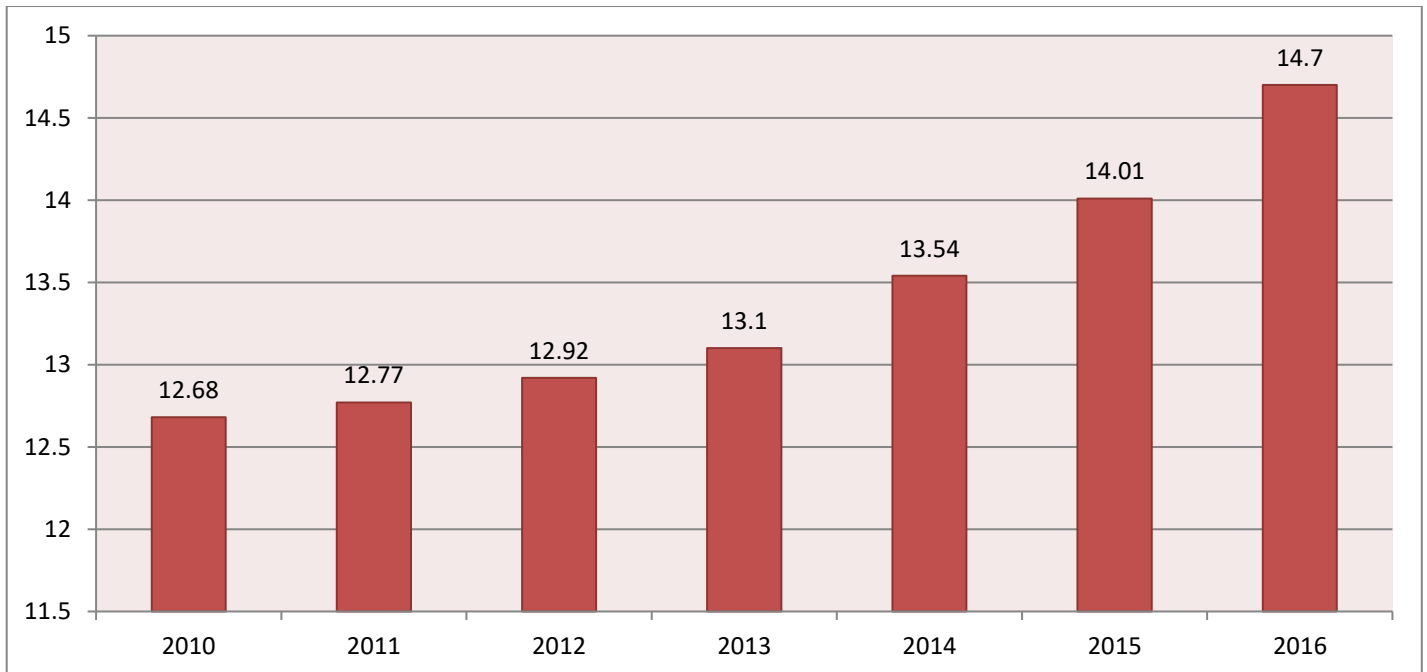


This statistic shows the restaurant industry food and drink sales in the United States from 1970 to 2017. In 2016, food and drink sales of the U.S. restaurant industry amounted to approximately 766 billion U.S. dollars.

In 2016, food and drink sales in the United States restaurant industry amounted to 766 billion U.S. dollars, up from 798.7 billion U.S. dollars in the previous year. Restaurants in the United

States have created a booming industry that employed more than 14 million people nationwide in 2015. **Sources: National Restaurant association**

Number of employees in the restaurant industry in the United States in millions

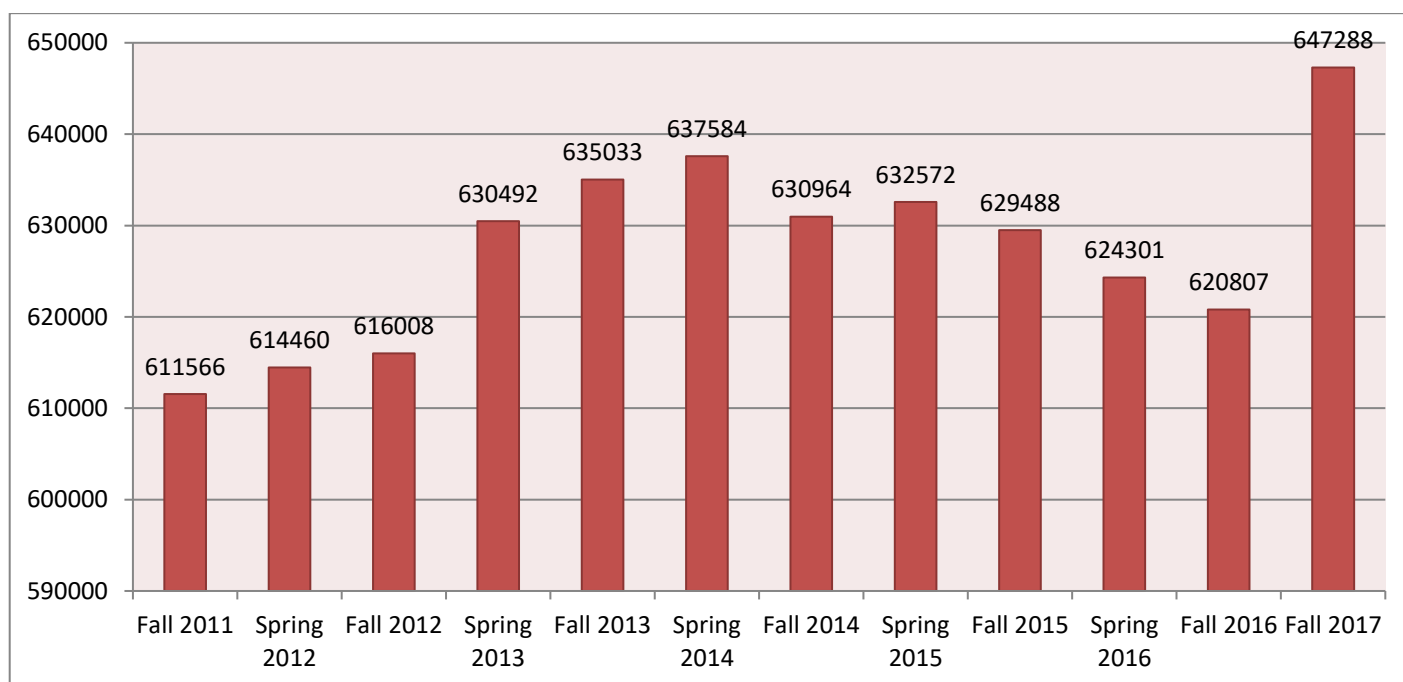


Unsurprisingly, the majority of food and drink sales in the U.S. restaurant industry take place in commercial restaurants.

In 2016, full-service restaurant sales amounted to 254 billion U.S. dollars and limited-service sales were 222 U.S. dollars. **Sources: Census.gov**

Growth of Restaurant Industry in USA

Number of restaurants in the United States from 2011 to 2017



There were 190,649 quick service restaurant franchises and 31,480 full service restaurants franchises in the U.S. in 2017.

In 1970, food and drinks sales in U.S. restaurants amounted to 42.8 billion U.S. dollars, this figure has since increased exponentially and, in 2016, it reached 766 billion U.S. dollars.

The restaurant industry in the United States is generally comprised of independent or chain full-service and limited-service restaurants.

There is increase in restaurant establishment from 611,566 in 2011 to 647,288 in 2017.

Accordingly restaurant industry sales grow from 586.7 billion dollars in 2010 to 798.7 billion dollars in 2017 with increase in number employee in industry from 12.68 million to 14.7 million respectively. **Sources: National Restaurant association**

Restaurant industry in Georgia State

Restaurants are a driving force in Georgia's economy. They provide jobs and build careers for thousands of people, and play a vital role in local communities throughout the state.

Restaurant industry at a glance in Georgia State (According to data provided by National Restaurant association)

- 17,900 Eating and drinking place locations in Georgia in 2015
- \$19.6 billion Projected sales in Georgia's restaurants in 2017
- 446,600 Restaurant and foodservice jobs in Georgia in 2017 = 10% of employment in the state

The condition of Georgia's restaurant industry is better than that of the nation. According to the Georgia Restaurant Association (GRA), Atlanta's first quarter restaurant sales volume grew an impressive 3.5% over the same period last year. While half of all national restaurants reported negative sales trends in the first quarter, 71% of 109 independent Atlanta restaurants surveyed by Black Box Intelligence, a research firm tracking the restaurant industry, reported positive comparable sales.

To achieve consistent positive growth, restaurants will need to offer the most innovative products and services with a high value proposition

Market Overview

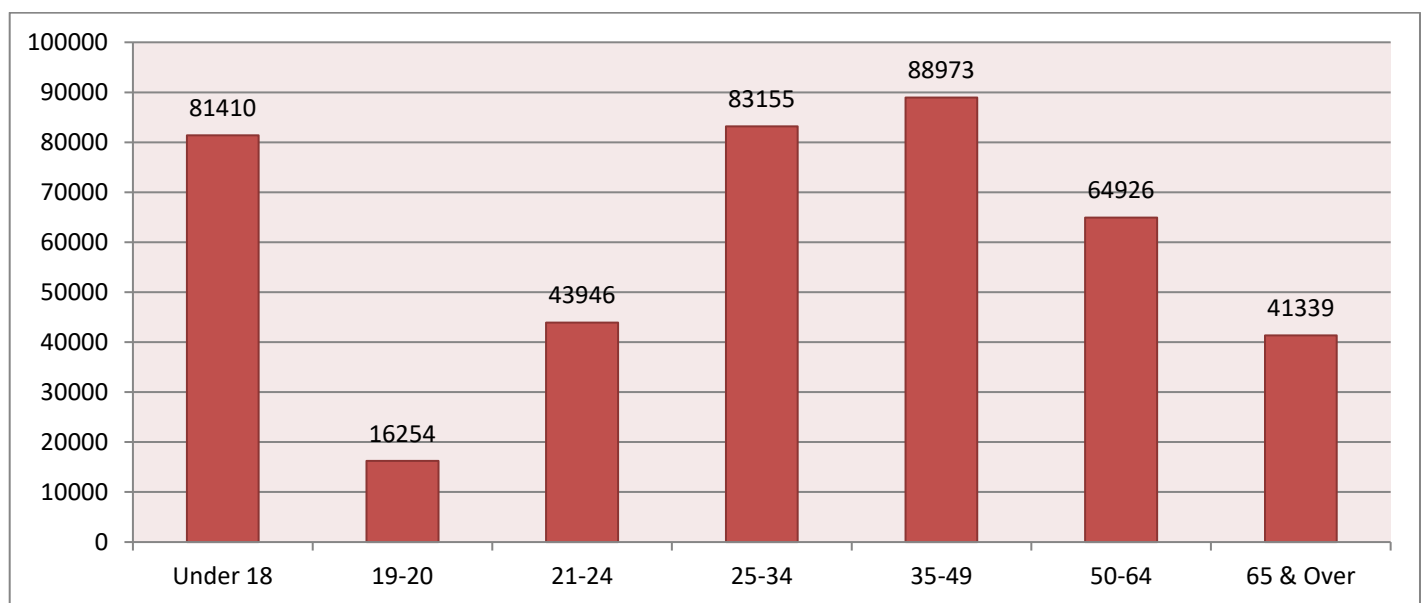
Market Overview

Location: Atlanta city, Georgia, USA

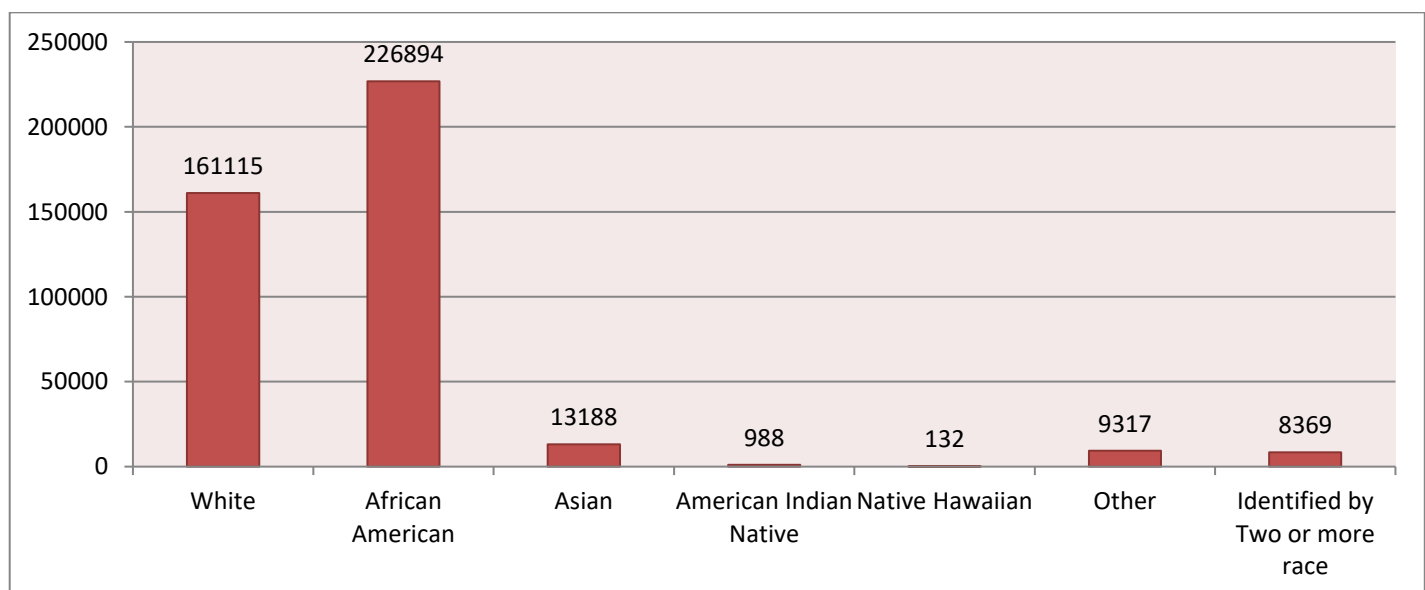
Atlanta is the capital and most populous city of the state of Georgia in the United States. With an estimated 2016 population of 420,003 and it is the cultural and economic centre of the Atlanta metropolitan area and the ninth-largest metropolitan area in the United States.

Total Population: 420,003

Population distribution according to Age



Population Distribution according to origin



Market Segmentation

Rave Restaurant intends to cater to a wide group of people. We want everyone to feel welcome and relaxed in a cosy atmosphere with a wide and varied menu. It is our goal to have "something for everyone" every day on our menu. In looking at our market analysis, we have defined the following groups as targeted segments.

- 1. local residents**
- 2. Tourists**
- 3. Local business professional**
- 4. Students**
- 5. Travellers passing through**

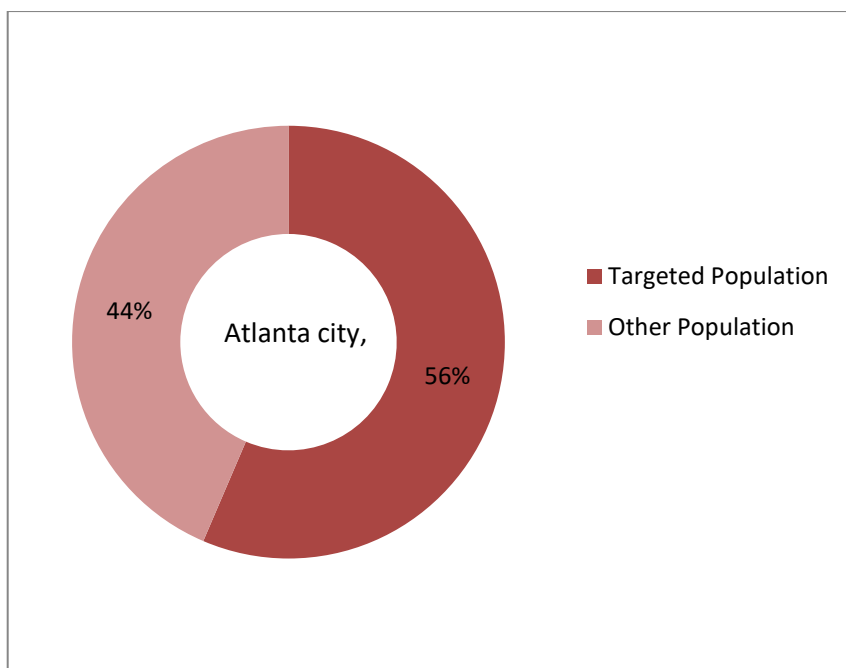
These groups are all potentially strong customer segments. The benefit of this mix of customers is that it helps maintain consistent business throughout the year. For example, while tourism is strong all year long in Florida, it peaks during the summer months. Conversely, the student population is not as strong during the summer as it is from September through June of each year.

The other customer segments (local residents, local business and pass-through traffic on roadway) provide a consistent foundation all year long.

Also, by appealing to several market segments, Rave Restaurant does not become overly dependent on any single consumer group. For example, several local restaurants with primarily student customers do poorly during the non-school months. They must also market themselves anew each year to the incoming students. Rave Restaurant will avoid these peaks and valleys in business with a mix of customers.

Targeted Market

Targeted Population include American population of Age group between 25 to 64 Years both Male and female. **Targeted Market for Rave Restaurant in Atlanta city, Georgia, USA**

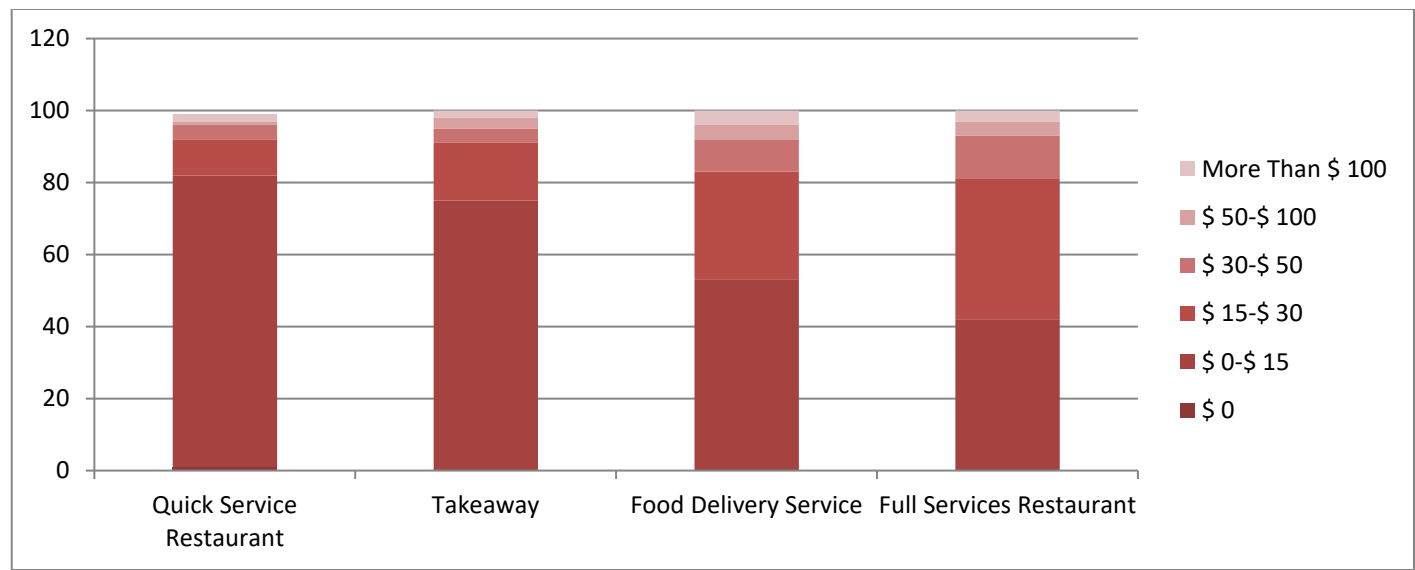


Total Population:
420,003

Population of age range from 25 to 64: 237,054

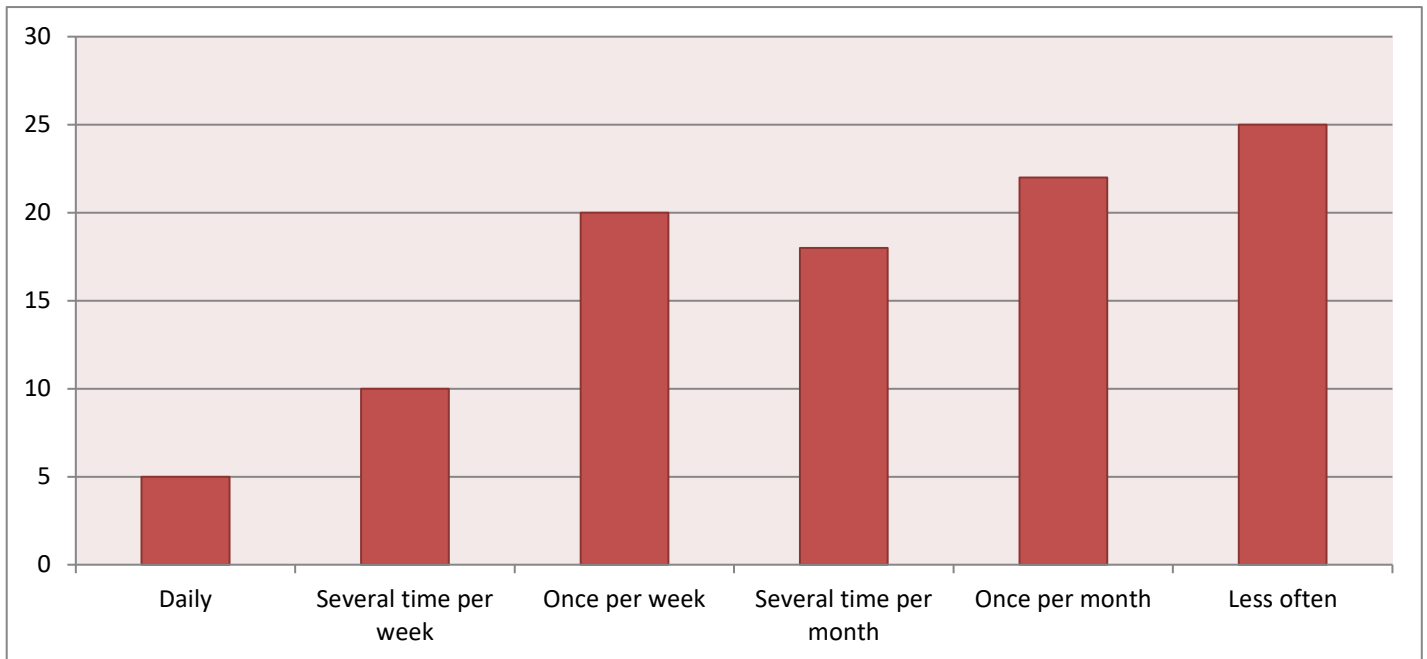
Consumer Behavior

Average Spending per person on food per visit at restaurant



This statistic shows the average spend per person in restaurants in the United States in 2016, by restaurant type. According to statistica.com, 30 percent of the respondents stated that they spent an average of 16 to 30 U.S. dollars per person per visit on food delivery services.

Average Spending per person on food per visit: \$ 30

Frequency of dining out at full service restaurants in the U.S. 2016

This statistic shows the results of a survey conducted in the United States in November 2016. U.S. consumers were asked how often they choose full-service restaurants when dining out. During the survey, 20 percent of the respondents stated that they dined out at full service restaurants once per week.

S.W.O.T Analysis

S.W.O.T. analysis

Strengths	Weaknesses
<i>Increasing demand of personalised offering</i> <i>High barriers to entry</i> <i>Highly experience owner operator</i> <i>Ability to sell product online</i> <i>High foot traffic area located on Main Street</i> <i>Access to parking</i>	<i>Competitor can offer similar product quality</i> <i>Limited start-up cost</i> <i>Limited flexibility in price</i> <i>As a new business, the Company must build its credibility</i>
Opportunities	Threats
<i>Continued expansion for online sales</i> <i>Ability to develop additional stores</i> <i>Acquisition of additional round of capital</i> <i>Affiliate relations with related vendor</i> <i>Increasing demand for healthier food</i> <i>Changing customer habits and new customer group</i>	<i>Change in regulation can impact the business</i> <i>Insurance cost are continually increasing</i> <i>Increase in price inputs can cause upward pricing.</i> <i>Saturated fast food market in developed economy</i> <i>Trend toward healthy eating</i> <i>Increasing market share of fast food chain restaurants</i>

Competitive Analysis

Competitor in Food Restaurant Industry

Delray Beach, Florida represents too much competition for the restaurant industry. This also indicates there is scope for more restaurants. The direct competitor for Beg for More Izakaya Restaurants is regular local restaurants and specialty food restaurants.

There is also indirect competition from the instant food products available in the retail market and large fast-food chain operator. Following Figure Shows different competition for Beg for More Izakaya Restaurants in Delray, Florida:

General Competition for Beg for More Izakaya

Direct Competition

Head Indirect Competition

Local Regular Restaurant

Speciality Restaurants

Fast Food Chain

Instant food Retail

Direct Competition

Competition From local brand is more important than competition from the Large food chain. Local Store creates appalling experiences for the customer. Local customer prefer them because they let them feel at home, tourist prefers them because change from everyday life.

Competitor in African Food Restaurant Industry

Competitor	Price	Food Quality	Waiting Time	Services	advertising	Website	Customer review
Spice Bistro	High	Good	Average	Fair	Fair	Yes	Fair
kokorico restaurant and lounge	Average	Good	Low	Excellent	Nil	No	Excellent
Mena Restaurant	Average	Excellent	Low	Excellent	Fair	Yes	Excellent
Meskerem African Fusion	Average	Excellent	Low	Fair	Fair	Yes	Good
Bahel	Fair	Excellent	Average	Fair	Fair	Yes	Excellent

Competitor	Price	Food Quality	Waiting Time	Services	advertising	Website	Customer review
Desta Ethiopian Kitchen	Fair	Good	High	Good	Fair	Yes	Excellent

Competitor in Other Food Restaurant Industry

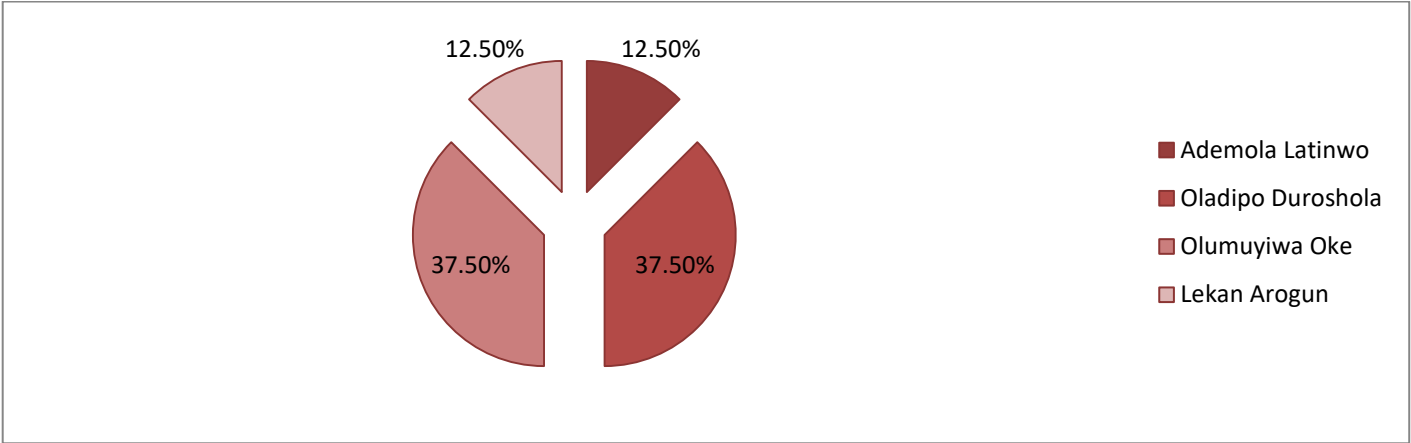
Competitor	Type of Cuisine	Price	Food Quality	Waiting Time	Services	advertising	Website	Customer review
Havana Sandwich Shop	Cafe	High	Good	Low	Good	Fair	Yes	Excellent
Lips	Dinner	Average	Excellent	High	Good	Good	Yes	Excellent
Nam Phuong Restaurant	Vietnamese	Average	Excellent	Low	Excellent	Fair	No	Excellent
Purnima Bangladeshi Cuisine	Asian	Average	Excellent	Average	Excellent	Good	Yes	Excellent
Food Terminal	Malaysian	Average	Excellent	High	Good	Fair	Yes	Excellent
La Mei Zi	Chinese	Average	Excellent	Average	Good	Fair	Yes	Excellent

Indirect Competition

Main indirect competition is from food chain giants and instant food product available in the market.

Organizational Planning

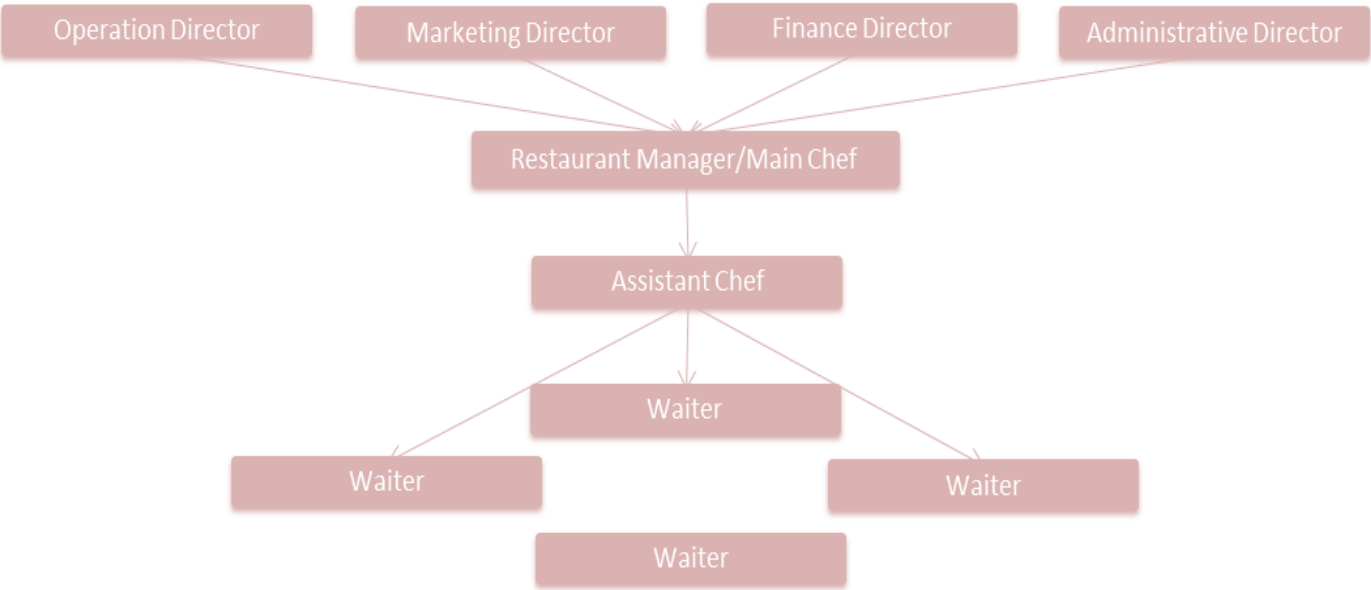
Ownership Structure



Management Team

Name of Partner	Ademola Latinwo	Oladipo Duroshola	Olumuyiwa Oke	Lekan Arogun
Location	Atlanta, GA	Atlanta, GA	Atlanta, GA	Atlanta, GA
Experiences	10 years	14 years	6 years	5 years
Field of Work	Restaurant industry	Clinical consulting	Clinical consulting	IT consulting
Level of Working	Operation and Management	Management and Consulting	Management and Consulting	Management and Consulting
Educational Qualification	B Sc.	B Sc.	B Sc.	B Sc.
Partnership Share	12.5%	37.5%	37.5%	12.5%
Role In Business	Operation Director	Financial Director	Administrative Director	Marketing Director
Email Id				
Contact No				

Organisational chart



Staffing

Job Title	No. of Employee	Expected staff turnover	Skills or strengths
Director	04	-	Management Skill
Restaurant Manager/Main Chef	01	3 Years	African and American Food cooking
Assistant Chef	01	2 Yeas	African and American Food cooking
Waiter	04	1 Years	Good Communication
Total	10	-	-

Recruitment Plan

Requirement Identification	<ul style="list-style-type: none"> • Identify Gap and determine Job Responsibility for job position • Identify Qualification and Experiences required
Advertising	<ul style="list-style-type: none"> • Local New Paper and word of mouth using friends and relatives • Online Portal like Indeed, LinkedIn, and Monster.com
Resume Collection and Review	<ul style="list-style-type: none"> • Evaluate resume according to Qualification experiences
Interviewing	<ul style="list-style-type: none"> • Determine type of interview like Face to face interview, Demonstration
Selection	<ul style="list-style-type: none"> • Select best Match to your job position
Making Offer	<ul style="list-style-type: none"> • Use negotiation techniques to determine compensation • Write the offer letter or employment agreement

Training programs

Staff should be trained in Operation Guideline, Safety Guideline and workplace Policy. This training helps develop standardized working environment.

To improve skill of chefs, they will be motivated to participate into different workshops, Webinar and competitions. Managers will be trained in accounting, operation and leadership skill.

Webinar

Workshops

Competition

Skill retention strategies

Standard operating procedures, safety Guideline and Policy Guideline are provided for retain skill of employee for continuous Quality, safety and harmonization in working environment.

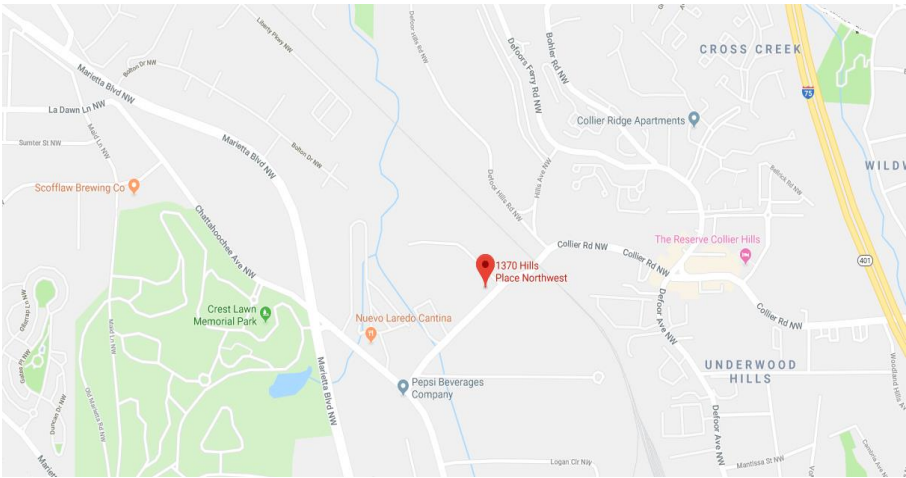
SOP

Policy Guideline

Safety Guideline

Marketing Planning

Place



Space Available:
5264 Square Foot
Type of property:
Leased Agreement
No. of table:
15-20

Business location: 1370 Hills Place, Atlanta, GA 30318

Working Hours:

Day	Working Hours	Happy Hours
Monday	05:00 PM - 02:00 AM	-
Tuesday	05:00 PM - 02:00 AM	-
Wednesday	05:00 PM - 02:00 AM	-
Thursday	05:00 PM - 02:00 AM	-
Friday	05:00 PM - 02:00 AM	-
Saturday	05:00 PM - 02:00 AM	-
Sunday	05:00 PM - 12:00 AM	-

Product Strategy



Promotional strategy



Print Media Advertising: Brochures and Guides, Newspaper, Business Card, Banners.

This type of advertisement can create awareness in local resident about our business.

Mail-out and Media Release

Mail out and media release creates brand recall to customer.

Online Advertising and Social Media Campaign: Google AdWords, Facebook, and Website

This advertisement targeted to Food and Restaurant interested people in Delray city in Florida, USA

Event and give away

An event helps our brand to create strong presences in market and reach people efficiently.

Brand Building

Online

- Business Website
- Post Your Menu Online
- Use Social Media
- Develop a Customer Database
- Brand Your Restaurant Digitally
- Optimize for Search Engines and Local Traffic
- Engage Your Customers
- Take Orders Online

Objective

Building Brand
Name in market
after Opening

Print

- Brochures and Guides
- Banners
- Post cards
- Flyers
- Billboards
- Newspaper
- Local Publishing
- Mail-out

Guerrilla marketing

- Event and give away
- Word of mouths

Growth Strategy

Rave Restaurant

Highest-quality coffee	Customer Service	Vertical Integration	Store design & Atmosphere
<p>Rave Restaurant believes to maintain standards for the selection, roasting and fresh delivery of products and beverages.</p>	<p>Rave Restaurant goal is to develop customers who are “enthusiastically satisfied” every time they visit a our store. The Company depends on a high level of repeat business and views the quality of its customer interaction with employees as critical to its long-term success.</p>	<p>In order to manage costs and ensure compliance with the Company’s rigorous standards of freshness, quality and consistency, the company controls its raw material sourcing, and retail sales. The company believes this vertical integration in future provides significant competitive advantages.</p>	<p>Rave Restaurant stores are designed to suggest a sense of sophistication and style that reinforce the Company’s distinctive brand image. Stores are typically configured to accommodate a high volume of traffic while retaining an inviting, casual atmosphere.</p>

Four pillars of Marketing Plan

Online Marketing

Online Partnering

Restaurant search and discovery service

- Yelp
- Foursquare
- Urbanspoon
- Zomato
- TripAdvisor

Objective

Increase customer
through online
channel

Partnering

Objective

Increasing Revenue
Stream and reduce
operating cost

- Local Delivery Services
- Local Community Services
- Partnering with grocery chain for raw material
- Partnering with grain importer

Expansion Strategy

- Start a food chain
- Franchise or license
- Join forces with an existing restaurant
- Experiment with another concept completely like Taiwanese restaurant
- New Restaurant in new geographic location outside Florida
- Go global - Cross the border

Objective

Expand Business
for more revenue

Exit Strategy

Objective

Exit from business
in case of failure

Sell It

- A sale is always an option: the question is how much can you get for your company?. The key is to find suitable buyers who assign a high value to your company. Generally, the more potential buyers, the better, since then you can establish a market price.

Financial Planning

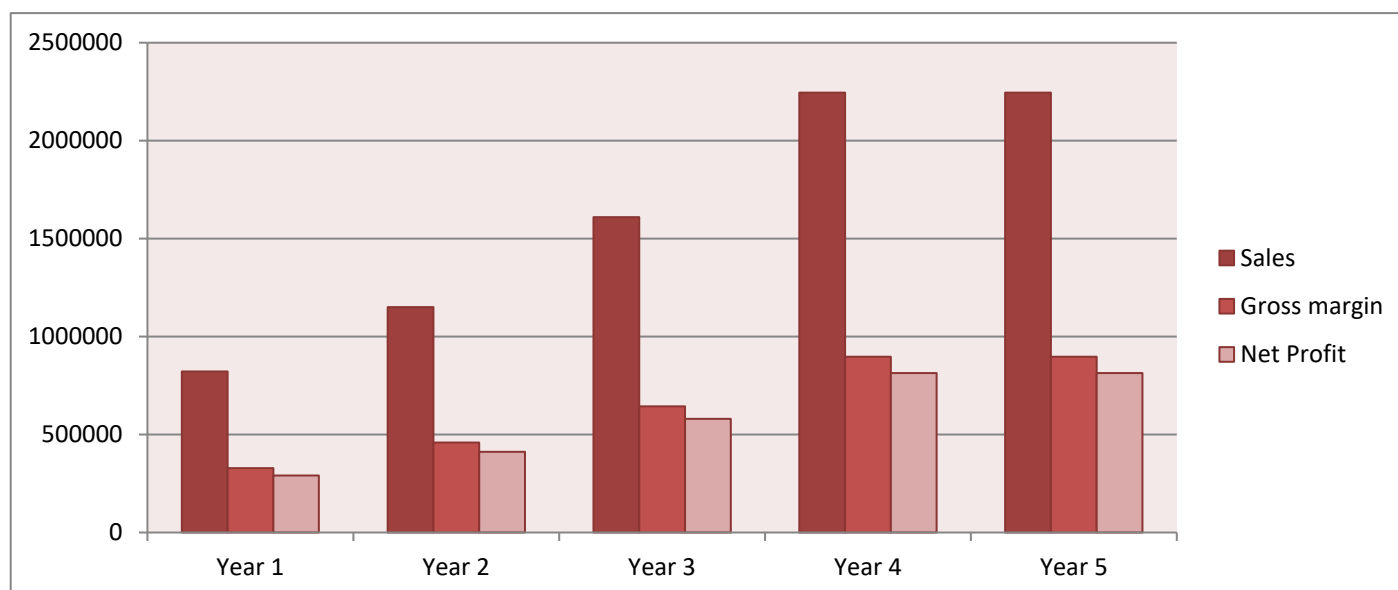
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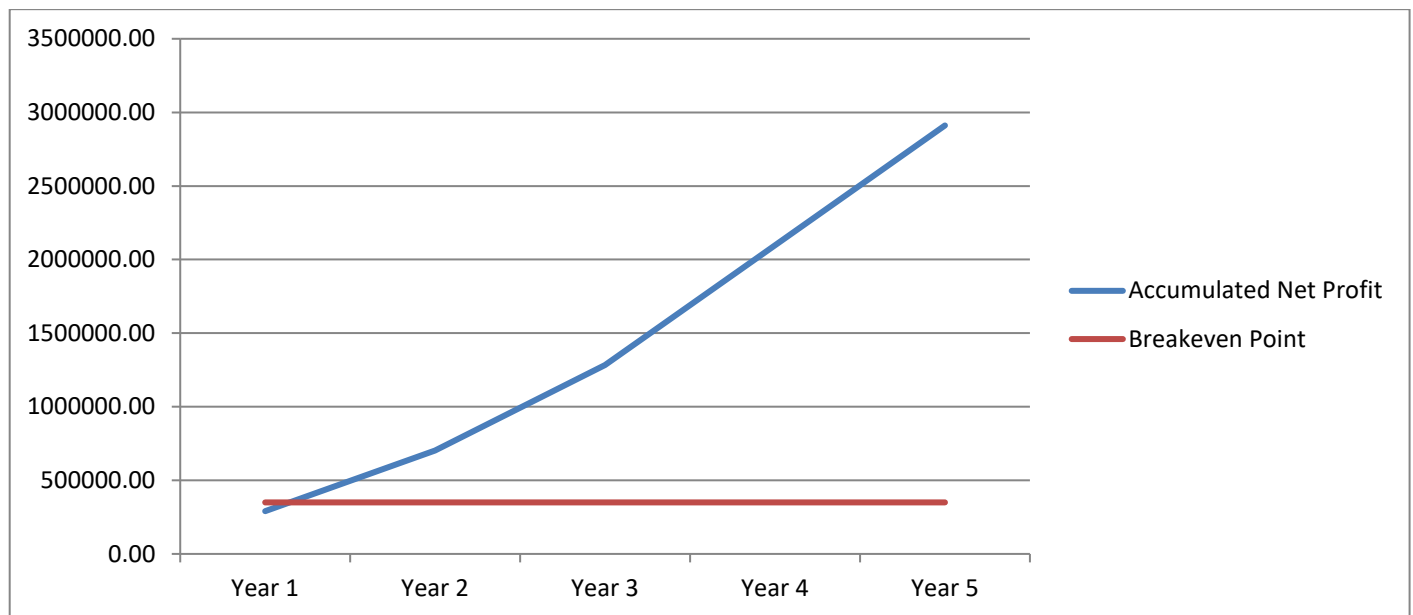
Sales, Gross Margin and Net Profit

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Year 5	2244750.00	897900.00	814338.00



Breakeven Analysis

Calculation:



Breakeven point for this business is at \$ 350,000. According to this graph breakeven point is in between 1 year and 2 year.

Accumulated Net profit till Year 1 = \$ 290490.00

Profit Contribution per month in Year 2 = $\$411378.00 / 12 = \34281.5

Breakeven Point \approx 14 Months

Sales Forecasting

Assumption:

1. Assume increment in **average customer visit per day** by 40% per year.
2. Assume **Average spending per person per visit \$ 30.**
3. Average customer spending of **food is 70%** and **Liquor is 30%** of total spending.
4. Cost of Raw Materials 40% of Total Sales.
5. Personal cost 20% of total sales

Year	Average customer visits per day	Estimated customer visits per Year	Average spending per person	Forecasted Sales per Year	Cost of Raw Material	Personal Cost
Year 1	75	27375.00	30.00	821250.00	328500.00	164250.00
Year 2	105	38325.00	30.00	1149750.00	459900.00	229950.00
Year 3	147	53655.00	30.00	1609650.00	643860.00	321930.00
Year 4	205	74825.00	30.00	2244750.00	897900.00	448950.00
Year 5	205	74825.00	30.00	2244750.00	897900.00	448950.00

Start-Up Funding

Particulars		Amount
Start-up Assets	Land and Buildings	125000.00
	Furniture and fixtures	75000.00
	Equipment	25000.00
	Tools	2500.00
	Other fixed assets	2500.00
	Total Fixed Asset	230000.00
Start-up Expenses	Legal	500.00
	Stationery & Sign	500.00
	Office Supplies (Computer, Printer)	400.00
	Uniforms	1000.00
	Insurance	1000.00
	Equipment Rent & Security Deposit	500.00
	Cash Register/Software	250.00
	Restaurant premises	500.00
	Bathrooms Repair (Materials/Labour)	350.00
	Floor & Wall Coverings (Materials/Labour)	2500.00
	Paint	2500.00
	Lighting & Lamps (Materials/Labour)	500.00
	other remodeling expenses	1000.00
	Waste Management System	500.00
	Initial promotional cost	8000.00
	Cash in Hand(Initial Operating cost)	100000.00
	Total Start Up Expenses	120000.00
Total Funding		350000.00
Direct Investment		
	Ola Duroshola's Investment	131250.00
	Olumuyiwa Oke' Investment	131250.00
	Ademola Latinwo's Investment	43750.00
	Lekan Arogun's Investment	43750.00
Total Investment		350000.00

Projected Profit and Loss

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Total Sales	821250.00	1149750.00	1609650.00	2244750.00	2244750.00
Personal Cost	164250.00	229950.00	321930.00	448950.00	448950.00
Cost of Raw Material	328500.00	459900.00	643860.00	897900.00	897900.00
Gross Margin	328500.00	459900.00	643860.00	897900.00	897900.00
% of Margin	40%	40%	40%	40%	40%
Operating Expenses					
Sales and Marketing	6000.00	6000.00	6000.00	6000.00	6000.00
Depreciation (5%)	3750.00	3750.00	3750.00	3750.00	3750.00
Utilities	2000.00	2000.00	2000.00	2000.00	2000.00
Legal	500.00	500.00	500.00	500.00	500.00
Stationary	500.00	500.00	500.00	500.00	500.00
Total Operating Expenses	12750.00	12750.00	12750.00	12750.00	12750.00
Earning	315750.00	447150.00	631110.00	885150.00	885150.00
EBITDA	315750.00	447150.00	631110.00	885150.00	885150.00
Sales Tax (8%)	25260.00	35772.00	50488.80	70812.00	70812.00
Net Profit (EAT)	290490.00	411378.00	580621.20	814338.00	814338.00