

# PROJECT REPORT

NEW VENTURE PLANNING & MANAGEMENT

MEE1017

WINTER SEMESTER 2019-20

By

MOHINI NATH  
YASH KUMAR RUNGTA  
ATHUL RAJEEV M  
Saumyaa Sinha  
UKSHAY SHARMA

B.Tech. in Mechanical Engineering

## 1. Product

BreadPitt is a full service multi - cuisine restaurant/café located in Vellore, Tamil Nadu, India. The restaurant features a full menu of moderately priced "comfort" food influenced by Indian, American and Italian cooking traditions, and based upon the best recipes in the world! We specialize mainly in the baked goods and dessert and make sure the customers have the best time. Board games and a space for performers make the place a fun and vibrant place for hang-outs!



## 2. Core Product Offerings

- Pizzas (by the slice or whole): Italian style gourmet pizzas featuring different seasonal, fresh, organic ingredients each day
- Sweet Baked Goods: High quality cookies, brownies & special items available as desserts or as treats throughout the day
- Breakfast Pastries: Rotating selection of traditionally crafted, freshly baked muffins, scones, croissants & danishes.
- Beverages: Freshly brewed gourmet coffee & natural bottled drinks (fruit sodas, bottled water, iced tea)

### 3. USP

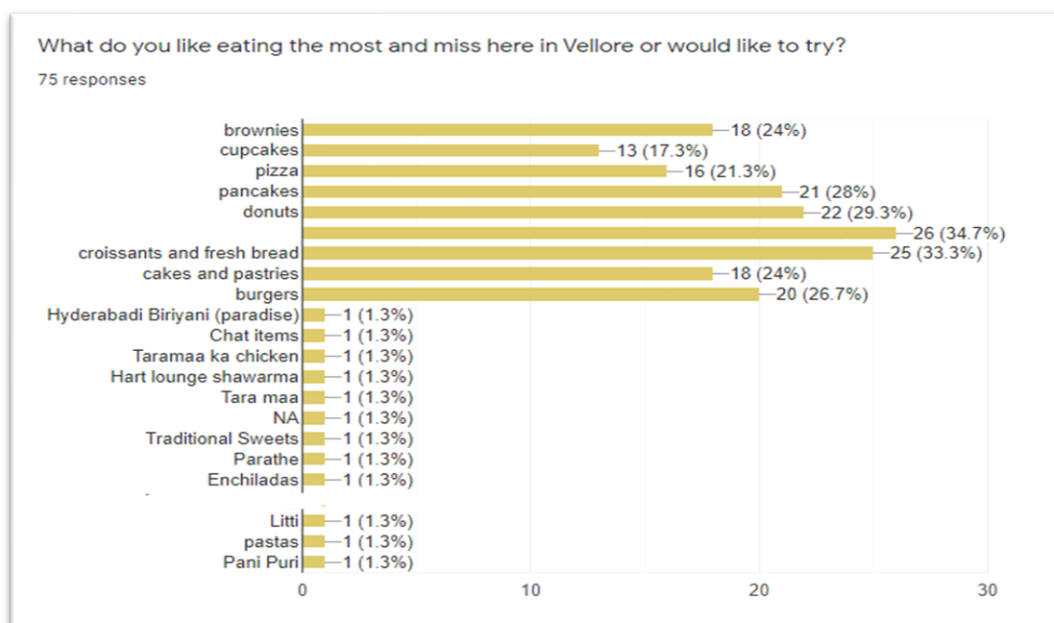
- Close by
- Multi cuisine
- A place to just “hang out” and host events like open mics
- Median pricing

### 4. Market Survey

#### Menu planning

#### Based on popular opinions

- |             |                                |
|-------------|--------------------------------|
| 1. Brownies | 6. Croissants and fresh breads |
| 2. Cupcakes | 7. Cake and pastries           |
| 3. Pizza    | 8. Burgers                     |
| 4. Pancakes | 9. Cold desserts               |
| 5. Donut    |                                |



#### Based on discussion + market research:

#### Savory

- |               |                |
|---------------|----------------|
| 1. Pizza      | 3. fresh bread |
| 2. Croissants | 4. Burger      |

5. Puff

Sweet:

1. Donuts
2. pastries
3. Brownies
4. Pancakes
5. Cup cakes

6. Sheppard's pie

6. Cookies
7. Cold desserts- new one every day of week
8. Candy floss

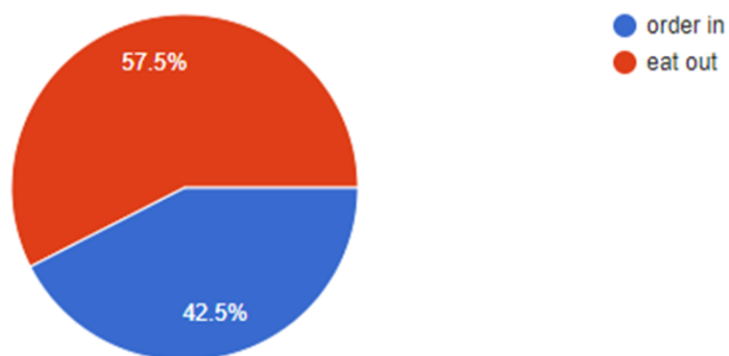
Beverage

1. Tea
2. Coffee
3. Canned juices/drinks
4. Basic coolers

Channels of distribution

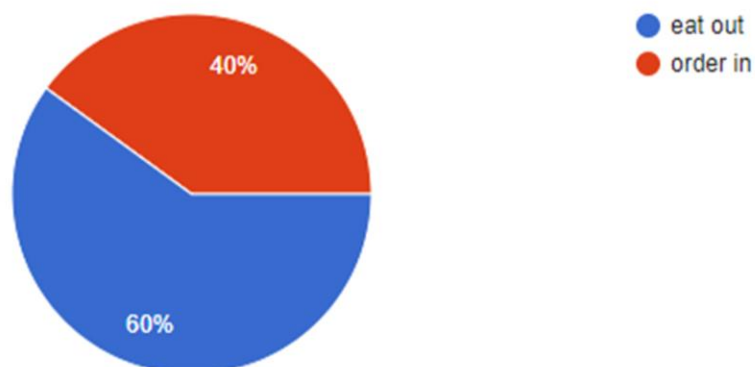
do you prefer to order in or eat out

73 responses



Do you prefer to eat out or order in?

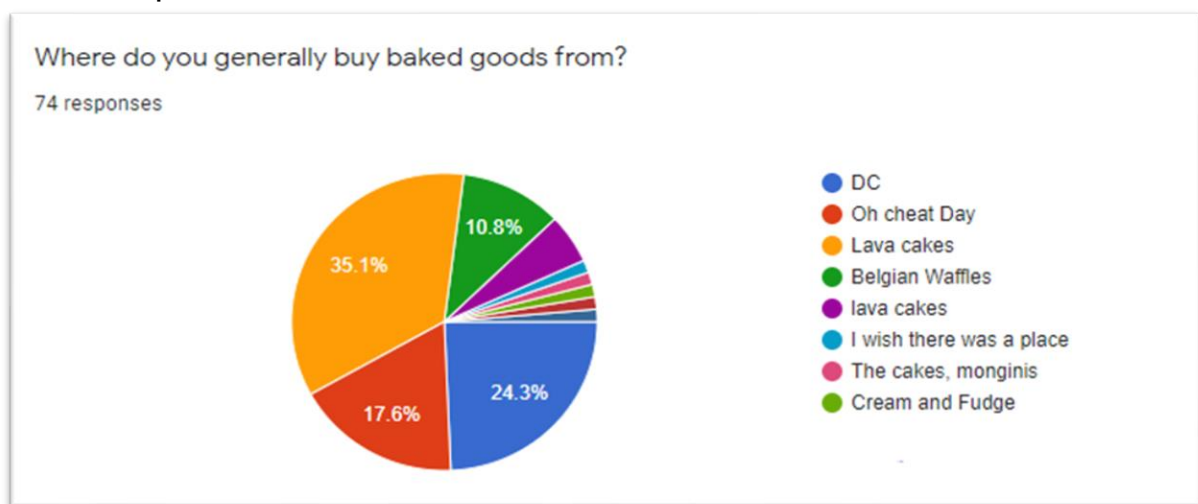
75 responses



A large number of people prefer ordering in so we will look to collaborate with Food delivery Apps such as Swiggy, Zomato & Uber Eats

### Competition analysis

#### List of competitors



#### Major competitors and why people choose them

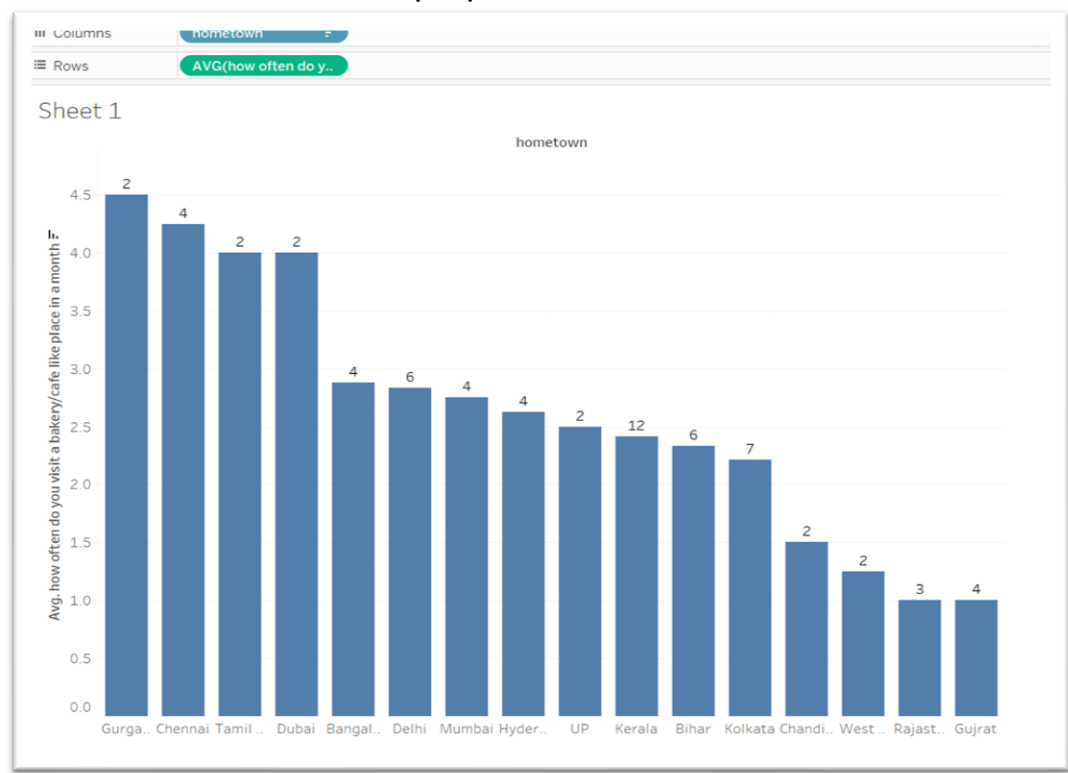
Name	What they're doing right	What they're doing wrong/missing
Oh cheat day	<ol style="list-style-type: none"> <li>1. Ambience</li> <li>2. Taste</li> <li>3. Novelty</li> <li>4. Near by</li> <li>5. Variety</li> <li>6. Good quality</li> </ol>	<ol style="list-style-type: none"> <li>1. Expensive</li> <li>2. Small space</li> <li>3. Good for snacks but not proper meals</li> </ol>
Lava cakes	<ol style="list-style-type: none"> <li>1. Good taste</li> <li>2. Fast delivery</li> <li>3. Low cost</li> </ol>	<ol style="list-style-type: none"> <li>1. Overcrowded</li> <li>2. Average ambience</li> </ol>
DC	<ol style="list-style-type: none"> <li>1. Variety</li> <li>2. On campus</li> <li>3. Delivers to hostel</li> </ol>	<ol style="list-style-type: none"> <li>1. Average taste</li> <li>2. On the expensive side</li> <li>3. AC doesn't generally</li> </ol>

		work
Belgian Waffle	1. Cheap 2. Good quality	1. Lack of savory items 2. Distance

- Most places visited are close by to the VIT campus
- The prices vary a lot with cheat day being very expensive and lava cakes being very cheap
- Most have a good ambience and variety
- All of them deliver

### Customer segmentation:

#### 1. Based on the state of people who visit



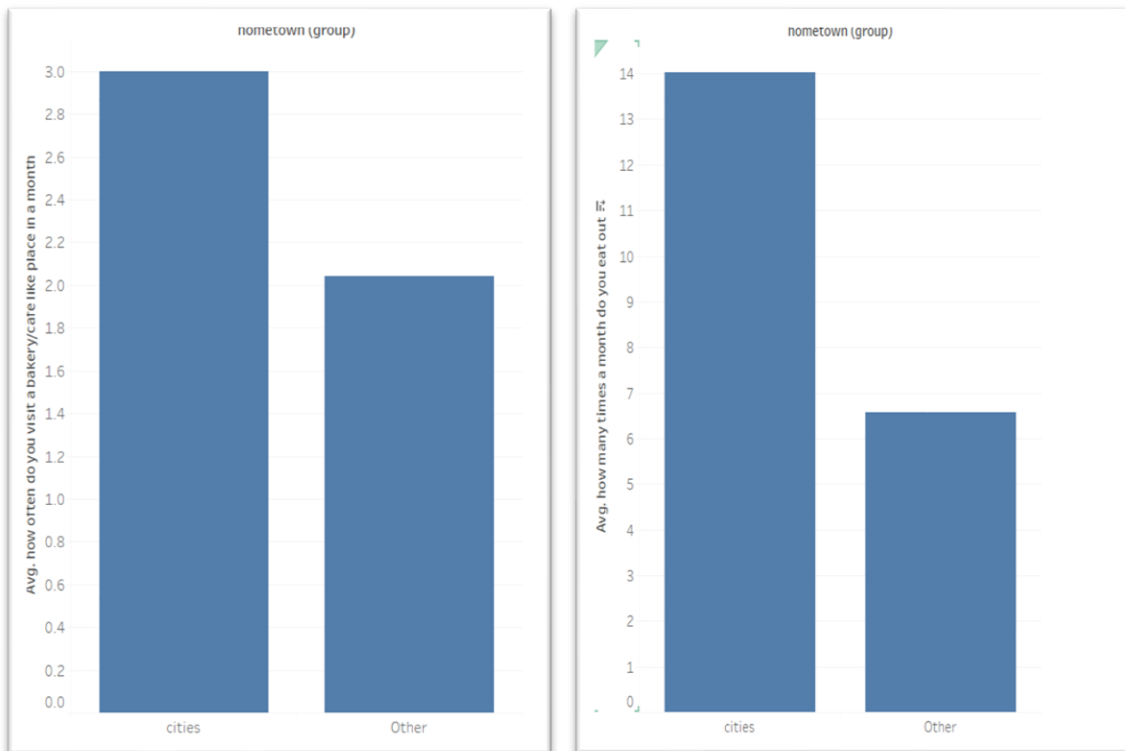
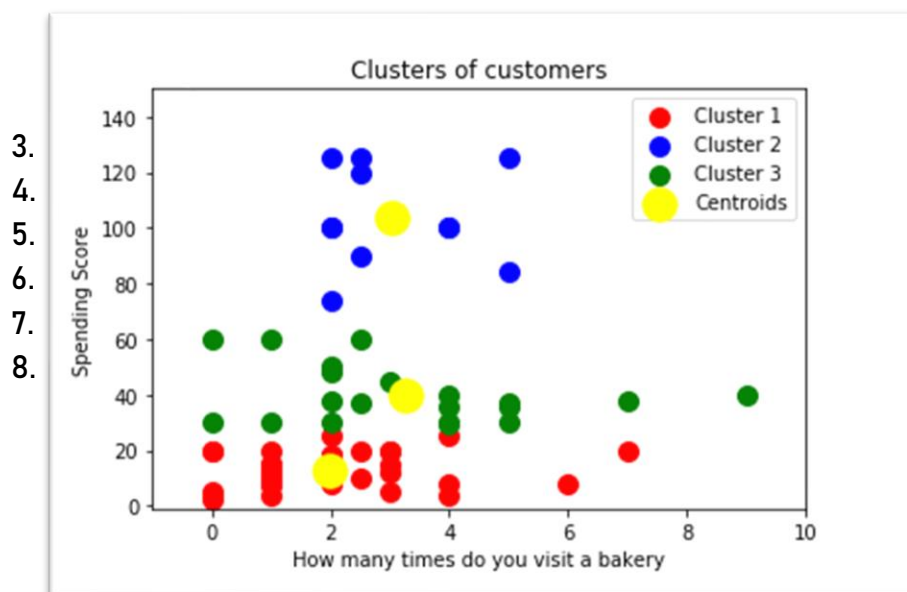


Figure 1 : People from cities go to bakeries more often & eat out more generally

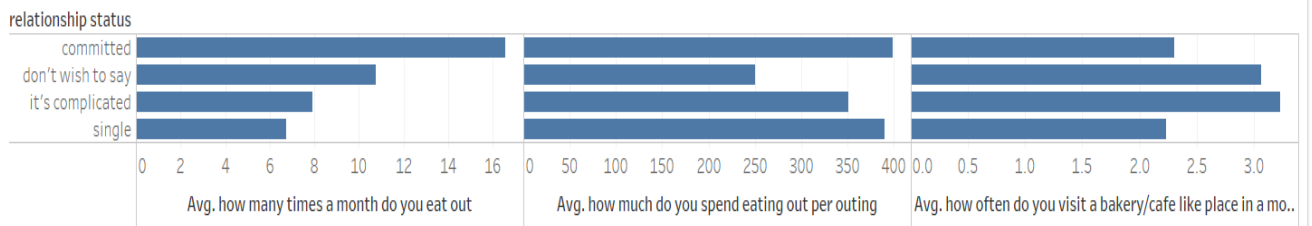
## 2. Based on spend a month

- Cluster 1: people who spend less but go to bakeries often enough or in proportion to spend(already customers)
- Prepare more value meals and offers for people in cluster 1
- Cluster 2 and 3: people who spend a lot on food but don't go to the bakery in proportion
- Introduce events, workshops and gatherings to target cluster 2 and 3
- Keep some savoury items in the menu for people in clusters 2 and 3



### 3. Based on relationship status

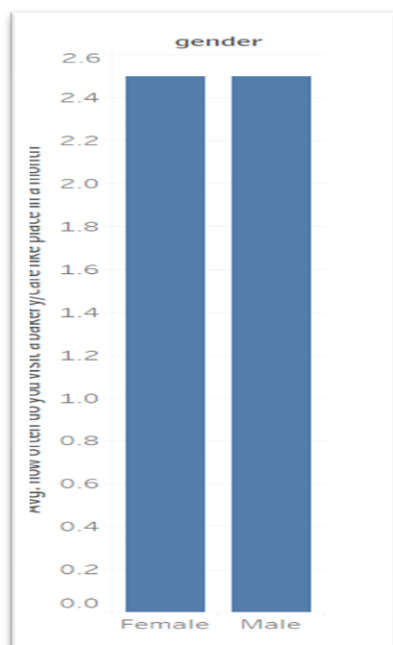
Sheet 1



- People in relationships tend to eat out more
- Spend per outing is similar between single people and people in relationships
- No trend observed in relationship status of people visiting bakeries
- However since people in relationships eat out more we should target them.

### 4. Based on gender

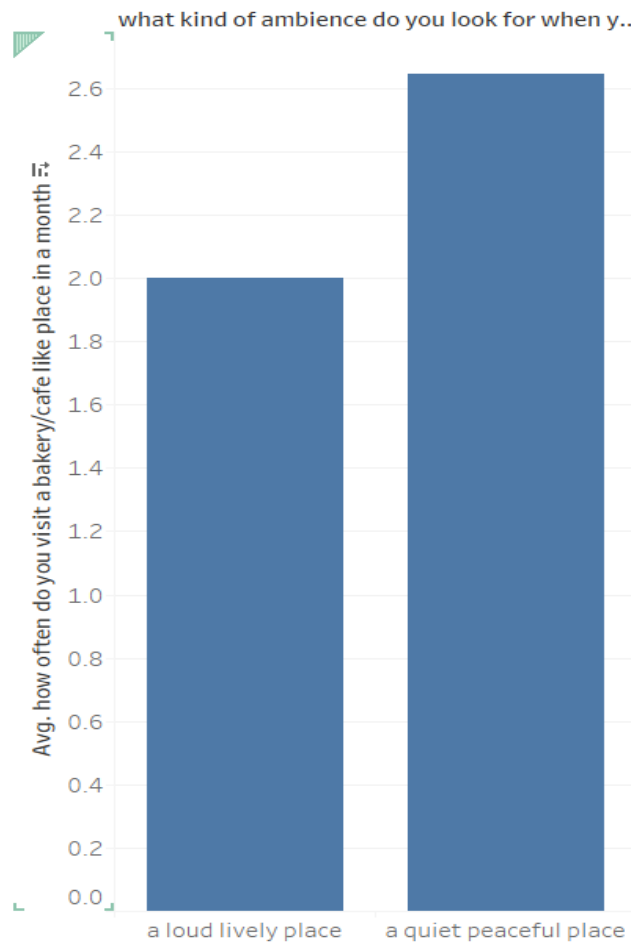
Men and women go to bakeries equally

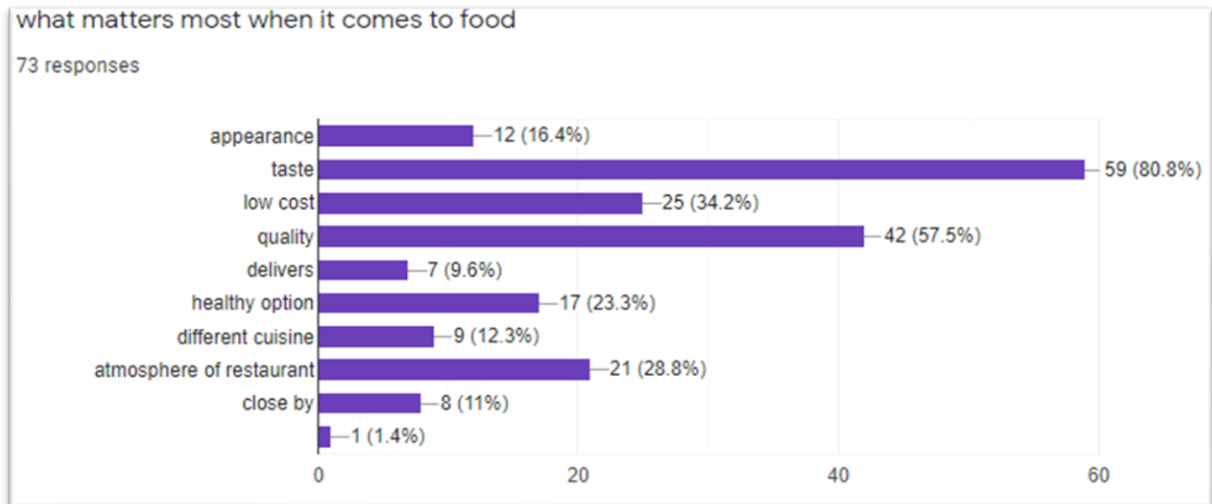




## Atmosphere & Décor

- More people who visit bakeries want a quiet peaceful atmosphere





#### Customer groups of special interest for target advertising

- people in relationships (to acquire this group)
- low to medium spenders
- high spenders (to acquire this group)

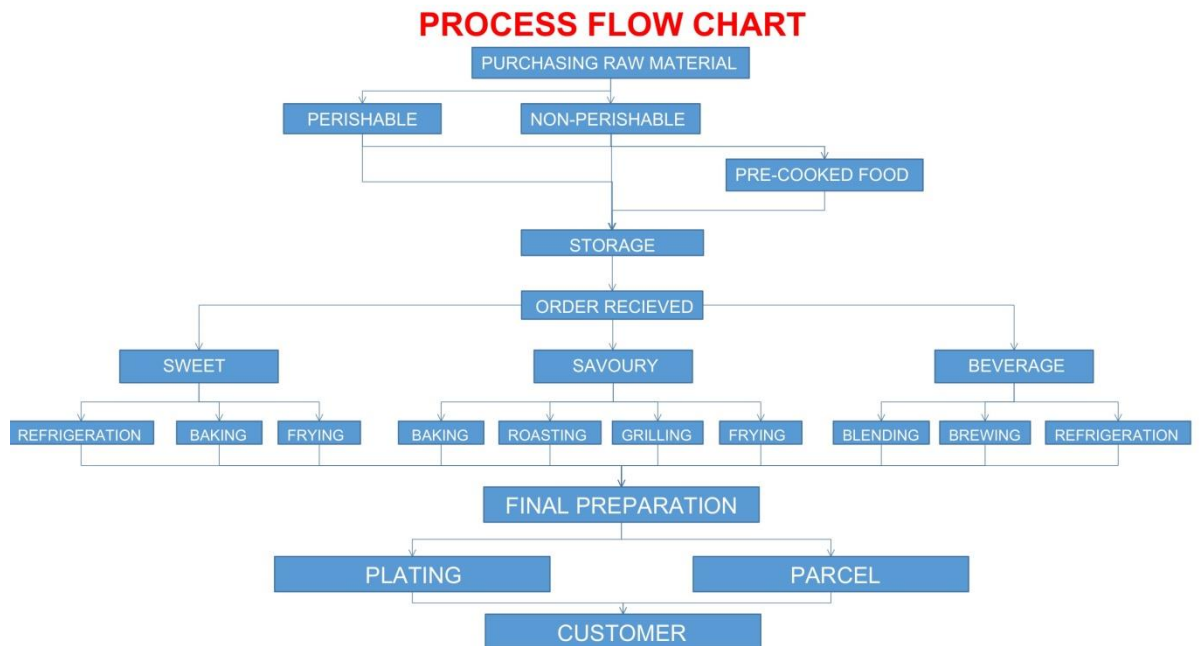
#### current expenditure per meal

Average spend a person a meal: Rs.370

For people who are low to medium spenders: Rs.330

For people who are high spenders: Rs. 560

## 5.Process Flow Chart



## 5. List of Machinery, Equipment & Tools required

Following is an approximate measurement of the expenses that will be incurred with the purchase and setting up of machinery, equipment and tools required for the production of our products as well as creating an ambience.

### Machinery:

ITEM	COST (in INR)	POWER
• Oven	1,85,000	36KW
• Microwave	6,899	1500W
• Stove	4,295	Gas
• Refrigerator	41,500	275W
• Fryer	9000	320W
• Candy floss machine	11,000	900W
• Ice-Cream maker	85,000	1/230/50

• Blender	2249	300W
• Food Processor/ Chopper	1690	120W
• Kettle	1600	1000W
• Coffee Brewer	78,000	1000W
• Dishwasher	36,000	1800W
• Grill	1699	700W
• Toaster	1835	830W
• Pasta Machine	1495	Manual
• Air Conditioner		

### Cooking Equipment:

• Mixers	1299	350W
• Electric Whisk	2249	300W
• Work Table	10,000x2	
• Oven Thermometer	200	

### Cooking Aids:

• Kitchen Knives	1600
• Rolling pin and board	700
• Dough Slicer	700
• Cooker/ Cooking pot	3000
• Cupcake tray	2100
• Cake Mould	2000
• Shelving Racks	4000
• Sieve or Sifter	300
• Measuring cups	500
• Measuring Jar	3000
• Offset spatula	1500
• Cookie cutters	300
• Pastry Blender	1000
• Kitchen Scale	600
• Kitchen Timer	700
• Piping Bag and tips	500
• Dough Scraper	400
• Pie Pan	800
• Pastry Brush	150
• Hand Sink	10000
• Ladle	900
• Tongs	600
• Skewers	600
• Grater	600
• Custard Cups	1200
• Pastry Cloth	500
• Pepper Crusher/Salt and Pepper Shaker	1000

• Steel Strainer	2000
• Wooden Spoons	2500
• Mesh Skimmer	850
• Funnel	300
• Garlic Press	500
• Vegetable Peeler	350
• Ice-Cream Scooper	400
• Cake Server	1400
• Can Openers	750

### Miscellaneous:

• Baking Trays	4000
• Chopping Boards	850
• Cutlery	6000
• Spatula	250
• Pans	7000
• Mixing Bowls	3500
• Aluminium Foil/ Cling Film	2000
• Butter Paper	2000
• Aprons/Hair nets	1500
• Canisters/ Miscellaneous Containers	9000
• Ice Tray	950
• Oven Gloves	900

### Ambience:

• Furniture	20000
• Board Games	6000
• Lighting	10000
• Curtains	5000
• Miscellaneous Decor	9000

## 7.Raw Materials Required

Item	Supplier/Brand	Location	Price (Rs)
Bread improvers	Biolaxi Corporation Spell Organics	Chennai Chennai	270/kg 225/kg
Wheat and Rye flour	Satheesh CO (Aashirvaad Wheat Flour) Nizam Exports	Vellore Vellore(D)	46/kg 35/kg
Pulverized Sugar	Rathna Traders(British Empire) Dhanraj Sugars Private Limited Satheesh CO	Vellore(D) Vellore(D) Vellore	40/kg 40/kg 1760/bag(50Kg)
Salt and sodium reduction	Cavestono Chemicals East India Crops And Goods Export Private Limited	Vellore(D) Vellore(D)	2.3/kg
Eggs	PK Organic Farm Malliga Farms Emperor Agro Farm	Vellore Vellore Vellore	6.5/piece 10/piece 12/piece
Dairy Products	Aavin Milk Arasu Agency (Hatsun) Hatsun Agro Product Limited	Vellore Vellore Vellore	
Margarine			
Baking soda	NutroActive Baking SODA Ultra Pure 350 gm BAKE KING Baking SODA 250gm	Store Store	279 150
Baking powder	Indiana Baking Powder Pure 500g Ccads Baking Powder, 125 Gm	Store Store	175 189
Flavoring agents	Nithi Foods	Store	300-550
Fruits	Fresh Diet  Ur Green	Gandhi Nagar East Sathuvacheeri	
Tea	Brooke Bond Red Label(1Kg) Lipton Yellow Label Tea(250g)	Store Store	470 196
Coffee	Nescafe Signature Blend Coffee Premix for Vending Machine, 1kg Nescafe Classic Coffee, 500g	Store  Store	361  1030

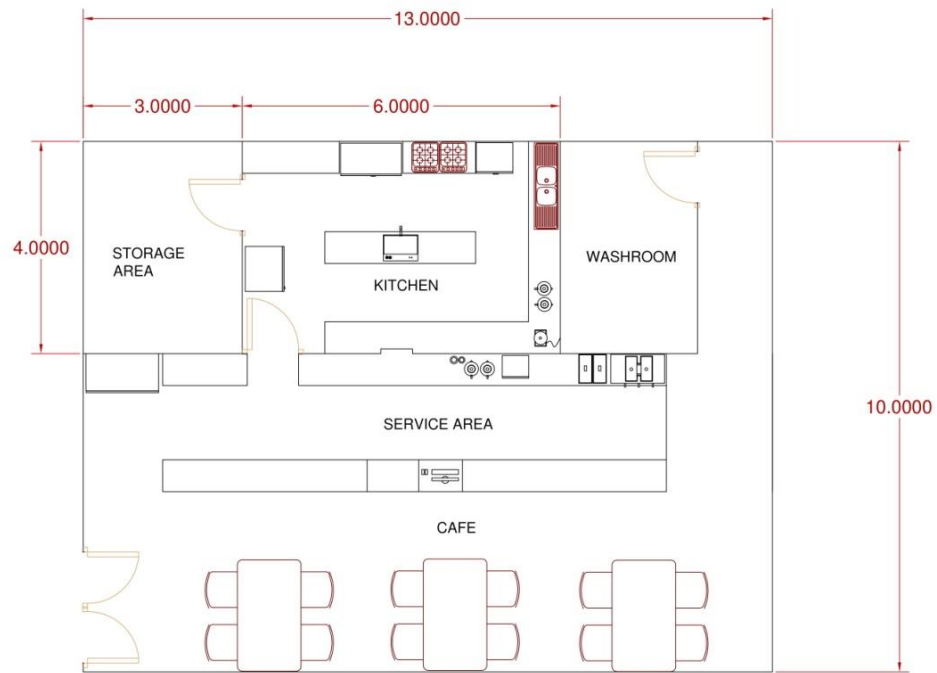
## 8.energy consumption

Machine	Wattage	Hours Used per day	Power Consumption (Watt-Hour per day)
Oven	2400	8	19200
Microwave	1500	5	7500
Refrigerator	200	24	4800
Fryer	2000	6	12000
Candy Floss Machine	900	3	2700
Ice-Cream Maker	1650	3	4950
Mixer/Whisk	1000	5	5000
Blender	400	4	1600
Food Processor/Chopper	400	3	1200
Kettle	2400	7	16800
Coffee Brewer	2000	7	14000
Grill	1700	6	10200
Toaster/Sandwich Maker	600	7	4200
Dishwasher	1800	9	16200
Air Conditioner	3500	12	42000
Lighting	4500	12	54000

*Total Energy Consumption:*  
*day*

*216,350 Wh per*

## 9.Land & Building Layout



## Cost of set up and balance sheets



PARAMETER	MEASURE	UNIT
Length	13	m
Breadth	10	m
Area	130	m2
Rate rent	₹ 60.00	per sq ft per month
Area	1400	sq ft
TOTAL COST OF LAND	₹ 84,000.00	per month

Interior decoration	₹ 20,00,000.00
---------------------	----------------

MACHINERY	
ITEM	COST (in INR)
Oven	₹ 30,000.00
Microwave	₹ 6,899.00
Stove	₹ 4,295.00
Refrigerator	₹ 1,40,000.00
Fryer	₹ 9,000.00
Candy floss machine	₹ 11,000.00
Ice-Cream maker	₹ 85,000.00
Blender	₹ 2,249.00
Food Processor/Chopper	₹ 1,690.00
Kettle	₹ 1,600.00
Coffee Brewer	₹ 78,000.00
Dishwasher	₹ 36,000.00
Grill	₹ 1,699.00
Toaster	₹ 1,835.00
Pasta Machine	₹ 1,495.00
TOTAL	₹ 4,10,762.00

COOKING EQUIPMENTS	
Mixers	₹ 1,299.00
Electric Whisk	₹ 2,249.00
Work Table	₹ 20,000.00
Oven Thermometer	₹ 200.00
TOTAL	₹ 23,748.00



COOKING AIDS	
Kitchen Knives	₹ 1,600.00
Rolling pin and board	₹ 700.00
Dough Slicer	₹ 700.00
Cooker/ Cooking pot	₹ 3,000.00
Cupcake tray	₹ 2,100.00
Cake Mould	₹ 2,000.00
Shelving Racks	₹ 4,000.00
Sieve or Sifter	₹ 300.00
Measuring cups	₹ 500.00
Measuring Jar	₹ 3,000.00
Offset spatula	₹ 1,500.00
Cookie cutters	₹ 300.00
Pastry Blender	₹ 1,000.00
Kitchen Scale	₹ 600.00
Kitchen Timer	₹ 700.00
Piping Bag and tips	₹ 500.00
Dough Scraper	₹ 400.00
Pie Pan	₹ 800.00
Pastry Brush	₹ 150.00
Hand Sink	₹ 10,000.00
Ladle	₹ 900.00
Tongs	₹ 600.00
Skewers	₹ 600.00
Grater	₹ 600.00
Custard Cups	₹ 1,200.00
Pastry Cloth	₹ 500.00
Pepper Crusher/Salt and Pepper Shaker	₹ 1,000.00
Steel Strainer	₹ 2,000.00
Wooden Spoons	₹ 2,500.00
Mesh Skimmer	₹ 850.00
Funnel	₹ 300.00

MISCELLANEOUS	
Baking Trays	₹ 4,000.00
Chopping Boards	₹ 850.00
Cutlery	₹ 6,000.00
Spatula	₹ 250.00
Pans	₹ 7,000.00
Mixing Bowls	₹ 3,500.00
Aluminium Foil/ Cling Film	₹ 2,000.00
Butter Paper	₹ 2,000.00
Aprons/Hair nets	₹ 1,500.00
Canisters/ Miscellaneous Containers	₹ 9,000.00
Ice Tray	₹ 950.00
Oven Gloves	₹ 900.00
TOTAL	₹ 37,950.00

Garlic Press	₹ 500.00
Vegetable Peeler	₹ 350.00
Ice-Cream Scooper	₹ 400.00
Cake Server	₹ 1,400.00
Can Openers	₹ 750.00
TOTAL	₹ 48,300.00

AMBIENCE	
Furniture	₹ 20,000.00
Board Games	₹ 6,000.00
Lighting	₹ 10,000.00
Curtains	₹ 5,000.00
Miscellaneous Decor	₹ 9,000.00
TOTAL	₹ 50,000.00

TYPE	TOTAL
MACHINERY	₹ 4,10,762.00
COOKING EQUIPMENTS	₹ 23,748.00
COOKING AIDS	₹ 48,300.00
MISCELLANEOUS	₹ 37,950.00
AMBIENCE	₹ 50,000.00

Machine	Power Consumption (Watt)	Hours Used per day	Total Power Consumption (Watt-Hour per day)	Quantity
Oven	2400	8	57600	3
Microwave	1500	4	12000	2
Refrigerator	800	24	38400	2
Fryer	2000	5	20000	2
Candy Floss Machine	900	3	2700	1
Ice-Cream Maker	1650	3	4950	1
Mixer/Whisk	1000	5	20000	4
Blender	400	4	1600	1
Food Processor/Chopper	400	3	2400	2
Kettle	2400	4	19200	2
Coffee Brewer	2000	4	8000	1
Grill	1700	6	10200	1
Toaster/Sandwich Maker	600	5	6000	2
Dishwasher	1800	9	16200	1
Air Conditioner	3500	15	210000	4
Lighting	90	15	67500	50
Total consumption per day			496.75	KWh
Total electricity cost per day			₹ 1,318.00	

Item	total quantity used in a day in kg	Cost per kg or quantity	Total cost
Bread improvers	0.5	225	112.5
Wheat and Rye flour	20	35	700
Pulverized Sugar	10	40	400
Salt and sodium reduction	2	2.3	4.6
Eggs(piece)	50	10	500
Dairy Products	0.5	40	20
Baking soda	0.5	150	75
Fruits/Veggies	10	25	250
Tea	0.5	50	25
Coffee	0.5	50	25
Flavoring agents	0.1	400	40
Edible Oil	3	100	300
Chocolate	5	100	500
Total cost per day			2952.1



ITEM	MAINTENANCE COST (INR) - Annually
Oven	1500
Microwave	2000
Refrigerator	2665
Fryer	5000
Coffee Brewer	5600
Grill	9800
Dishwasher	11300
Air Conditioner	4000
Building and Structural	5000
Miscellaneous	2000
TOTAL	₹ 48,865.00

Type of Promotion/Advertisement	Cost in INR
Specialist Magazine	4500
Flyers/Leaflets/Pamphlets	1500
Social Media	12500
Promotion via Free Sampling and Tasting	3000
Sponsorship	8500
TOTAL	₹ 30,000.00

Fixed Cost	₹ 25,70,760.00
SP per month	₹ 7,35,000.00
VC per month	₹ 3,64,382.68
Break even months	6.94

Total Revenue per month	₹ 7,35,000.00
Total Profit per month	₹ 3,70,617.32

Fixed cost
Type
MACHINERY
COOKING EQUIPMENTS
COOKING AIDS
MISCELLANEOUS
AMBIENCE
Construction cost
Total fixed cost

Number of customers expected per day
Avg amount per customer
Revenue in a month

Total cost
₹ 4,10,762.00
₹ 23,748.00
₹ 48,300.00
₹ 37,950.00
₹ 50,000.00
₹ 20,00,000.00
₹ 25,70,760.00

70
₹ 350.00
₹ 7,35,000.00

Variable cost		
Type	Cost per year	Cost per month
Advertisement and promotion cost	₹ 30,000.00	₹ 2,500.00
Miscellaneous Maintenance cost	₹ 48,865.00	₹ 4,072.08
Electricity consumption		₹ 39,540.00
Land rent	₹ 10,08,000.00	₹ 84,000.00
Raw material cost		₹ 88,563.00
Labour cost		₹ 1,20,000.00
Interest on loan (1% of fixed cost)		₹ 25,707.60
Total variable cost per month		₹ 3,64,382.68
Cost per customer		₹ 173.52
Margin per customer		₹ 176.48

S. No	PRODUCT	Average CP	Average SP	Profit	GST rate	GST amount
1	Pizza	₹ 80.00	₹ 150.00	₹ 70.00	5.00	₹ 3.50
2	Croissants	₹ 40.00	₹ 120.00	₹ 80.00	18.00	₹ 14.40
3	fresh bread	₹ 20.00	₹ 50.00	₹ 30.00	0.00	₹ 0.00
4	Burger	₹ 25.00	₹ 80.00	₹ 55.00	5.00	₹ 2.75
5	Puff	₹ 20.00	₹ 75.00	₹ 55.00	18.00	₹ 9.90
6	Sheppard's pie	₹ 50.00	₹ 150.00	₹ 100.00	18.00	₹ 18.00
7	Donuts	₹ 20.00	₹ 100.00	₹ 80.00	18.00	₹ 14.40
8	pastries	₹ 20.00	₹ 80.00	₹ 60.00	18.00	₹ 10.80
9	Brownies	₹ 30.00	₹ 80.00	₹ 50.00	18.00	₹ 9.00
10	Pancakes	₹ 60.00	₹ 150.00	₹ 90.00	18.00	₹ 16.20
11	Cup cakes	₹ 20.00	₹ 60.00	₹ 40.00	18.00	₹ 7.20
12	Cookies	₹ 5.00	₹ 20.00	₹ 15.00	18.00	₹ 2.70
13	Cold desserts	₹ 20.00	₹ 90.00	₹ 70.00	5.00	₹ 3.50
14	Candy floss	₹ 2.00	₹ 20.00	₹ 18.00	5.00	₹ 0.90
15	Tea	₹ 5.00	₹ 30.00	₹ 25.00	5.00	₹ 1.25
16	Coffee	₹ 5.00	₹ 30.00	₹ 25.00	5.00	₹ 1.25
17	Canned juices/drinks	₹ 10.00	₹ 50.00	₹ 40.00	5.00	₹ 2.00
	TOTAL		₹ 1,335.00	₹ 903.00		₹ 117.75

Amount including GST
₹ 153.50
₹ 134.40
₹ 50.00
₹ 82.75
₹ 84.90
₹ 168.00
₹ 114.40
₹ 90.80
₹ 89.00
₹ 166.20
₹ 67.20
₹ 22.70
₹ 93.50
₹ 20.90
₹ 31.25
₹ 31.25
₹ 52.00
₹ 1,452.75

On monthly basis			
Average GST rate	Total profit	Total GST	Profit after GST
13.04	₹ 3,70,617.32	₹ 48,328.01	₹ 3,22,289.31
	TOTAL ANNUAL INCOME (after GST)		₹ 38,67,471.73

INCOME TAX			
Assessment Year		2021-22	
Tax Payer		Firms	
Net Taxable Income		₹ 38,67,471.73	
Relief		₹ 5,00,000.00	
Tax rate		30%	
Total Tax Liability		₹ 10,10,241.52	
ANNUAL NET PROFIT		₹ 28,57,230.21	

**THANK YOU.**