**BUSA 7800 Lab Session 03: Business Idea and the Five Forces Model**

**I. Group Project Questions**

*Please upload your Group Project answers to the D2L site before Midnight Today. At the top of your answer sheet include the full names of your teammates and the name of your chosen company.*

***4. Project Introduction and Background***

*Question #1 – Your Start-up Opportunity*

Describe your start-up opportunity. How will your idea make money? Who will you sell to? How will you be different?

Start-up opportunity: In-house Restaurant Ordering System (Communication standard between customer and chefs) – POS. This idea has already been established in Japan where customers order their food through an automated ticket booth, sit down and the kitchen prepares and gives them their food. By automating this process of a restaurant POS system, it makes it more efficient for consumers to order without having to wait for a waiter/waitress which increases the restaurant’s attractiveness in today’s market. Once a restaurant in Vancouver can establish this type of system, they will be the next hottest restaurant for tourists to try out which can present a lot of profits annually. This product will primarily target the food market in terms of local restaurants, or cafes in the Lower Mainland, where there’s a monthly subscription for maintenance and support from the business owners. McDonald’s and Starbucks have something similar to this but how will we be different from them? We will aggressively market our product to the general public to increase the likelihood of buyers to invest in this service and the fact that this is more of a sit-down in-house meal than a simple takeout.

*Question #2 – Member Background*

Link your team members' background (education, work experience, related hobbies etc.) to the rationale for starting this organization. Is the opportunity a good fit?

**Anderson**

* Worked in retail with foods(cotton candy stand at PNE)
* BCIT diploma in CIT

**Peyman**

* CST diploma from BCIT
* Worked in food industry “The Boathouse”

**Khang**

-          Diploma in Computer Information Technology (CIT) at BCIT

-          A lot of work experience with customer relations (Ledcor as a Project Coordinator, Community Solutions as a Team Lead, and Shaw Communications as a Tech Support Agent)

-          I love eating out at restaurants and have experienced a variety of dining standards across the Lower Mainland

***6. Competitive Analysis – Five Forces Model***

*Question #3 - Threat of New Entrants*

Identify any barriers to entry that your company has. Are the barriers significant?

i) Start up costs may hinder the initial entry and creation of the business idea. This barrier can be crucial for competitors who want to enter the food market with a POS system type of service. Due to the overhead costs and the uniqueness of the system, we can estimate that it would be tough for other people to enter this market.

ii) The market for the app may not be very profitable due to the fact that there are a lot of restaurants out there that don’t produce a high enough return where they can invest in our product, and let alone the monthly subscription to the company for maintenance and support. This barrier could make it more unattractive for others to enter, thus making this barrier less significant compared to others.

iii) This idea can actually be very profitable as it can change the entire food industry in the Lower Mainland with a potential to expand nationally across Canada. If that’s the case, that means more people would want to enter the market and would be easier to implement as there are pre-existing software and hardware to make this idea work. If more people enter this market with the idea of a in-house POS system, it would be harder for us to maintain our customers which means potential price-cuts or product differentiations.

*Question #4 - Bargaining Power of Suppliers*

Does your firm have many suppliers to choose from or only a few? What can you say about the inputs that you need?

* POS suppliers (In terms of hardware, physical material)
  + Example source: https://goo.gl/UNZtxm
  + There are a massive variety of materials that will support our idea of an in-house POS system. How we will filter them out is in terms of quality of service, customer reviews, and machine reliability rates.

*Question #5 - Bargaining Power of Buyers*

Does your firm have few or many buyers? Do buyers have a lot of choice for what you sell?

* Few buyers because it’s aims at B2C customer relations whereas majority of restaurants in the Lower Mainland focus on a B2B frontier.
* Buyers will not have a choice initially due to the fact that there are few-to-none organizations out there in the Lower Mainland that has properly marketed this idea to local restaurants. McDonald’s and Starbucks focus solely on take-out whereas us will focus on dine-in in a more efficient manner.