Q1) Sales and Profit Analysis (September and October 2023):

Key Observations & Trends:

1. Strong Overall Revenue
   - The outlet generated ₹880K in gross sales over two months.
   - Discounts totalled ₹88.8K (about 10.1% of gross sales), which is moderate but worth monitoring

2. Commission Impact
   - Zomato accounted for the major share of commission costs (₹72.7K) vs Swiggy (₹17.4K).
   - This indicates higher sales volume through Zomato, but also higher cost impact.

3. Healthy Gross Margin
   - COGS is ₹308.3K (~35% of gross sales), leaving a gross profit margin of ~54.75% before tax.
   - After deducting taxes, net profit remains strong at ~51.96% of gross sales.

4. High Profitability
   - Net profit of ₹457.5K over two months is very healthy, indicating strong cost control and effective operations.

5. Potential Areas of Concern
   - High dependency on Zomato for sales may reduce negotiation power and keep commission costs high.
   - Discounts are substantial — need to analyse if they are actually boosting sales or just eroding margins.

In Short:

- The BS Outlet showed strong sales and profitability in Sept–Oct 2023, with solid margins and efficient cost management. However, reliance on Zomato and substantial discounts could impact long-term profitability if not managed strategically.

Q2) Performance Evaluation of BS Outlet

Looking at the P&L statement for Sept & Oct 2023, the outlet's performance is financially healthy and shows signs of strong operational control.

1. Revenue & Sales Trends

- Total Gross Sales over the period: ₹12.8 lakh.
- Average Order Value (AOV): ₹264 — a good mid-range positioning for the QSR segment.
- Volume Driven: 4,846 orders, with the majority coming from dine-in customers (5,021 orders) and strong presence on Zomato (2,838 orders).
- Menu categories like Burgers (₹5.46 lakh) and Combos (₹2.02 lakh) dominate sales, showing a clear product-market fit.

2. Cost Management & Margins

- Gross Margin is 54.67%, meaning the outlet retains more than half of every rupee earned after covering food and supply costs.
- Net Margin is 51.92%, which is high for the QSR industry — this suggests good cost discipline and efficient operations.
- COGS % at 34.99% is within a healthy range (QSR benchmark: 30–35%).
- Commission % is 10.34% — slightly high, mainly due to Zomato/Swiggy charges. Increasing direct dine-in/takeaway orders could reduce this.

3. Operational Strengths

- Strong dine-in footfall indicates solid brand pull in the local market.
- Product mix is healthy — not overly dependent on a single SKU, though the "Nikku Singh – Veg" burger is clearly a hero product.
- Balanced category revenue, with beverages and sides also contributing to basket value.

4. Areas for Improvement

- Delivery Commissions (₹1.32 lakh) take a visible bite from profits. Incentivizing customers to order directly or use takeaway could help.
- Long-tail menu items (bottom 5 items) contribute negligible revenue — these could be removed to simplify operations and reduce inventory waste.
- Category promotions on mid-performing segments like "Momo Bros!" and "Fries & Sides" can push average ticket size further.

5. Overall Efficiency & Market Positioning

- The high margins and sales spread across dine-in and delivery channels show that the outlet is operationally efficient and well-positioned in its market.
- The brand stands out in the local QSR scene for affordable yet unique menu offerings, translating to repeat customer visits and strong loyalty.

6. Other Metrics to Track for Ongoing Performance

- To maintain and improve performance, the outlet should regularly track:
    - ➢ Repeat Customer Rate – to measure loyalty.
    - ➢ Order Preparation Time – to ensure service efficiency.
    - ➢ Channel Profitability – margin per channel (dine-in, Swiggy, Zomato).
    - ➢ Employee Productivity – sales per staff per shift.
    - ➢ Waste % – cost of unsold or expired inventory.
    - ➢ Customer Feedback Scores – to maintain service and food quality standards.

In short:

The BS outlet is running profitably with industry-leading margins and a strong product mix. The focus now should be on reducing delivery dependence, trimming low-selling items, and boosting mid-range categories to keep growth sustainable.

Q3) Sales Enhancement Strategy

Our 90-day growth plan focuses on three pillars: visibility, loyalty, and independence. In Month 1, we will dominate local attention with daily social media buzz, targeted Swiggy/Zomato ads, and irresistible happy-hour combos. By Month 2, a loyalty program and faster prep times will turn first-timers into repeat customers. Month 3 shifts the game — driving direct orders through exclusive offers, hosting a 'Burger Festival' to own our neighbourhood buzz, and building a community that chooses us over aggregators. The result? More sales, stronger margins, and a brand that customers actively seek out.

BS Outlet – 90-Day Growth Plan

Focus: Visibility → Loyalty → Independence

<u>Month 1 – Quick Wins & Visibility Boost</u>

- **Goal**: Grab attention fast, fill seats, and create buzz both online & offline.
  - Social Media Power Play: Post daily specials, behind-the-scenes prep reels, and "Burger of the Day" highlights — especially Nikku Singh – Veg as our hero product.
  - Paid Swiggy/Zomato Promotions: Run ads during peak weekend hours to push our top 5 bestsellers and high-margin items like beverages & fries.
  - Happy Hour & Combo Launch: 4–6 PM Snack Deals + Family Meal Packs to boost off-peak sales.
  - Menu Clean-Up: Begin phasing out bottom 5 least-sellers to declutter the menu and free up kitchen bandwidth.
  - Feedback QR Cards: On all tables & takeaway bags — ₹20 off next visit for completed feedback.

<u>Month 2 – Customer Loyalty & Operational Tweaks</u>

- **Goal**: Turn first-timers into regulars and improve service speed for both dine-in & delivery.
  - Loyalty Program Rollout: "Buy 5 Burgers, Get 1 Free" for dine-in & takeaway customers.
  - Referral Scheme: ₹50 off for every successful friend referral.
  - Prep Optimization: Pre-prep ingredients for top 10 sellers to reduce cooking time by 15–20%, improving delivery ratings.
  - Upsell Training: Train staff to suggest sides/beverages with every burger — lift Average Order Value (AOV).
  - Aggregator Profile Refresh: Update menu photos, descriptions, and highlight premium dishes first to attract bigger ticket orders.

<u>Month 3 – Brand Building & Direct Order Growth</u>

- **Goal**: Reduce aggregator dependence and strengthen local brand recall.
  - Direct Ordering Push: Offer 10% lower prices on DotPe/WhatsApp orders compared to Swiggy/Zomato.
  - Community "Burger Festival": Weekend event with limited-edition burgers, live cooking demos, and influencer invites.
  - Targeted SMS/WhatsApp Campaigns: Personalized offers based on past orders — e.g., "Your favourite Veg Snacker is 20% off today!"
  - Review Drive: Encourage reviews on Google & Zomato in exchange for small freebies (e.g., free dip or ₹30 off next visit).

Why This Works:

- Immediate Boost: Month 1 captures attention with our bestselling products & strategic promos.
- Sustained Growth: Month 2 builds loyalty, speeds service, and increases per-order revenue.
- Long-Term Profitability: Month 3 shifts customers toward low-cost direct ordering and strengthens community ties.

Addressing Weaknesses & Capitalizing on Strengths:

- Weaknesses Identified:
  - High aggregator commissions (~10.34% of revenue).
  - Low-selling items creating menu clutter.
  - Limited engagement outside aggregator platforms.

- How We Fix It:
  - Drive direct orders via exclusive offers & in-house customer database.
  - Trim menu to focus on high-margin, high-demand items.
  - Boost offline events & loyalty programs to keep customers returning.

- Strengths Identified:
  - Strong gross sales & proven product-market fit.
  - Dine-in leadership and strong performance of signature burgers.

- How We Maximize:
  - Make Nikku Singh – Veg & other bestsellers the centrepiece of marketing.
  - Increase average spend with premium limited-edition launches.
  - Leverage dine-in strength with events & upselling tactics.

QUESTION 4

1. First Question — Where Will the Money Go?

- Burger Singh offers different formats depending on budget, space, and footfall:

Format	Investment Range	Best For
Cloud Kitchen	₹18–25 lakh	Only delivery, low rent, small space.
Food Court Outlet	₹25–30 lakh	Malls & high-footfall complexes.
Express Model	₹32–40 lakh	Small dine-in + takeaway, fast service.
Dine-In Restaurant	₹50–60 lakh	Full seating, high brand visibility.
Drive-Thru / Large Format	₹65–70 lakh+	Highways, big spaces.

- With ₹1 crore, I can:

- Go **big** with one premium dine-in store and still have a large safety cushion.
- Or open **two smaller outlets** to spread risk and tap different markets.

2. The Reality of Running Costs

➢ Based on our analysis + industry norms:

- **Food cost:** ~40% of sales.
- **Delivery commission:** 23% of delivery sales (Swiggy/Zomato).
- **Other expenses:** ~35–40% (staff salaries, rent, utilities, marketing).
- **Franchise fee & royalty:** Included in operational costs.

3. Example — One Dine-In Store's Numbers

➢ If the store makes ₹20 lakh/month:

1. Food cost → ₹8 lakh
2. Delivery commission (30% of sales online) → ₹1.38 lakh
3. Other expenses → ₹7 lakh
4. **Profit left → ₹3.6 lakh/month (~18% margin)**

➢ That is roughly ₹43–44 lakh/year.
At that rate, I could recover my investment in **2–2.5 years** (faster if sales grow).

4. My Game Plan for ₹1 Crore

➢ **Option 1:**

- Open **one large dine-in store** (~₹55 lakh)
- Keep **₹45 lakh aside** for marketing, working capital, and maybe a second outlet later.

➢ **Option 2:**

- Open **two smaller outlets** (~₹25 lakh each)
- Spread the risk and enter two different local markets at the same time.

5. Why I Like the Idea

- **Unique brand position** → Indian-style burgers, which stand out in the QSR space.
- **Multiple formats** → Can adapt to any location size and budget.
- **Franchise support** → Supply chain, menu innovation, promotions already handled.

6. But… Let's Be Real About the Risks

- Heavy dependence on delivery platforms can hurt margins.
- Location is everything — the wrong spot can sink the store.
- First few months will likely be slow while building awareness.

7. My Final Take

Yes — I'd invest, but only with **a prime location and tight cost control**.
₹1 crore gives me room to breathe, experiment, and even expand.

Personally, I'd **start with one strong dine-in store plus a smaller outlet**.
That way, I get brand visibility, multiple revenue streams, and I'm not betting the whole farm on a single location.