

Food Heaven's Business Plan

***Business Plan for:
"Food Heaven"***

INDEX TO THE BUSINESS PLAN:

1. Introduction
2. Executive Summary
3. Company History
4. Market Analysis <ul style="list-style-type: none">◎ Description of the total market◎ Industry trends◎ Target market◎ Competition
5. Products and Services <ul style="list-style-type: none">◎ Description of product◎ Proprietary issues◎ Comparison to competitor's products
6. Marketing Strategy <ul style="list-style-type: none">◎ Overall strategy◎ Pricing policy
7. Management <ul style="list-style-type: none">◎ Form of business organisation◎ Management team◎ Management responsibilities◎ Staffing plan
8. Planned Capital Expenditures
9. Operating Plan
10. Financial Data <ul style="list-style-type: none">◎ Cost of sales◎ Monthly operating expenses◎ Variable costs◎ Income projections◎ Cash flow projections

1. Introduction

- ❖ Food Heaven is a newly established small business venture that needs clear guidelines as how to continue to develop as a successful sole trader

2. Executive Summary

- ❖ Food Heaven recognises the need for development in the planning, organising, directing and control fields of the business. Because management have to play the double role of owners and managers, they face some difficulties being both generalists and specialists. Each role they plan demands different skills and this plan is an attempt to clarify what needs to be done and who needs to do it

3. Company History

- ❖ Food Heaven was begun when two people noticed a gap in the market that they thought could be filled. With the skills that Busi Thambo displayed in the kitchen and the delicious meals she prepared; and the good sense of Joe Smith on the administrative side; these two saw an opportunity for a successful business in the catering field. Having decided that they could fill a gap in the market, Food Heaven was begun and has, to date, been highly successful in securing new business and catering to the needs of the customer

4. Market Analysis

The food industry is characterised by fad and fashion – this introduces risk into the market but there is always space for good value for money cooking

1. Description of total market

- ❖ Food Heaven forms part of the hospitality and catering industry, including hotels, restaurants, café's and takeaways. It is an outsourced catering company

2. Industry trends

The industry seems to be moving out of big organisations and into self-employment and the home industry type market which provides more opportunity for growth. Fast food and convenience is the norm

3. Target Market

- ❖ Food Heaven's target market is the local community – we provide for small event catering in the community

4. Competition

Food Heaven faces some very stiff competition. An analysis of the market shows that there are many professional and private companies, as well as casual and part-time companies that exist in this segment. We believe, however, that the food and service we provide is good value for money and therefore will be capturing a significant sector of the local market

5. Products and Services

1. Description of Product

- ❖ Food Heaven provides basic meals; function catering and provision of waitron facilities. All our catering is done exclusively on someone else's premises

2. Proprietary Issues

- ❖ Food Heaven insists that all of Busi's recipes, along with the way she presents her meals, are her own and should not be used by any other catering company or food preparation centre without her written approval

3. Comparison to Competitor's Products

- ❖ Food Heaven believes that they offer a very competitive service in terms of value for money and good taste

6. Marketing strategy

1. Overall Strategy

- ❖ Food Heaven relies heavily on word-of-mouth. We also plan to target function co-ordinators and local clubs to see if we can secure steady contract work. We plan to advertise in the local supermarkets and local newspaper

6. Marketing strategy continued...

2. Pricing Policy

- ❖ Food Heaven is aiming for the mid-range segment of the market, but not the cheapest. We offer value for money without compromising the ingredients, preparation or presentation

7. Management

1. Form of Business Organisation

- ❖ Food Heaven is operating as a sole trader

2. Management Team

- ❖ Busi Thambo and Joe Smith

3. Management Responsibilities

- ❖ Busi will be in charge of the operations side of the business –food production and services

- ❖ Joe will head up the marketing, administration and finance fields

4. Staffing Plan

- ❖ Food Heaven will make use of casual, hourly paid labour as and when required. We will provide the initial training and try to use support staff where possible

8. Planned Capital Expenditures

- ❖ Ideally Food Heaven will not buy anything substantial and therefore the capital input will be minimal. We will take out a loan which we plan to repay over six months to finance some basic equipment, while the hire of all other equipment will be figured into costing

9. Operating Plan

- ❖ Food Heaven needs to first secure a loan upfront to make sure that we are able to buy and hire what we need to function. We plan to operate out of our home premises using the equipment we have managed to buy or hire. We will be catering for dinner parties, business functions and weddings – not exceeding 150 people at a function.
- ❖ Contracts with local suppliers must be set up and discounts must be negotiated in return for steady or exclusive business

10. Financial Data

1. Cost of Sales

- ❖ Food Heaven will have to take into account the ingredients, equipment purchase and hire and preparation time in calculating the cost of sales

2. Monthly Operating Expenses

- ❖ Although Food Heaven has not yet paid salaries, we intend to begin paying our managers on a monthly basis. The hire of the equipment, as well as the water and electricity bills, will have to be included into our monthly calculations of fixed costs

3. Variable Costs

- ❖ Food Heaven's variable costs will include any additional staff we will need to employ, as well as all ingredients and consumables that we need to purchase

4. Income Projections

- ❖ Food Heaven needs to work out a schedule of how many functions they will need to cater to be able to cover their costs. We estimate that we will need to cater at least 6 more new functions (minimum 50 people per function) to be able to break even and pay back our loan

5. Cash Flow Projections

- ❖ Food Heaven is a new company and so it is difficult to give an accurate projection of our cash flow. We can, however, expect that business will be fairly steady throughout the year with an increase over the festive season in November/December. Thereafter we can expect a slight slump in January with a marked difference over the July and August winter season in Cape Town

CURRICULUM VITAE – BUSI THAMBO

NAME:	Busi Thambo
AGE:	30
DATE OF BIRTH:	1 June 1972
MARITAL STATUS:	Married
RESIDENCE:	Durban
EDUCATION:	Formal: Diploma in Food Catering, Natal North College (1995) Informal: Roslyne's Cookery School (various courses on food prepared in different countries) Guy Wright's Home Cooking Course (a distance-learning course on preparation of fish dishes)
WORK EXPERIENCE:	Early Work History Head Chef at "La Bella Donne" in Westville (Dec 94 - Dec 97) Cooking instructor (at home from Jan 93 – Jan 99). Current Work Expertise I have been involved with "Food Heaven" on a full-time basis since February 2000. During this time I have catered for many functions - of up to 150 people, including weddings, 21 st s, birthday parties and auctions. I have also been involved in the development of my own book of recipes (which I plan to market shortly). I have always been interested in the preparation of new dishes and find that my friends and clients tend to enjoy the meals that I prepare for them. Joe Smith and I have found that his talents on the business side, combined with my talents on the cooking side, have stood us in good stead in the marketplace where there is a need for what we call "good-value cooking". Cooking has always been one of my passions and I intend to carry this through in my business too.

CURRICULUM VITAE – JOE SMITH

NAME: Joe Smith

AGE: 36

DATE OF BIRTH: 23 July 1968

MARITAL STATUS: Single

RESIDENCE: Durban

EDUCATION: Formal: BCom Degree, University of Stellenbosch (1989)
Book-keeping (Level 1), Academy of Learning (1990)

Informal: Pastel Partner Accounting (computer-assisted training for Book-keeping)
Excel spreadsheet design and use (Berea Computer Training Centre)

WORK EXPERIENCE: **Early Work History**

Clerk at the Post Office, Berea (July 90 - Dec 92)
Teller at YOUR BANK, Berea Branch (Jan 93 – Feb 95).
Bookkeeper for Federal House Exchange, Johannesburg (Mar 95 – Sept 99)

Current Work Expertise

I have been involved with “Food Heaven” on a full-time basis since February 2000.

During this time, I have opened our bank accounts and kept our books up-to-date for the full period.

I have also been involved in securing a client base and managing the financial side of the venture.

I have known Busi Thambo as a good friend for years and our business relationship is one based on strong ground. With her talents in the kitchen, and my business acumen, “Food Heaven” has grown enormously. We now cater at least 10 functions a week and there is still a growing demand for our services.

Our business has a sound financial base (our assets exceed our liabilities) and we are hoping to expand further with your support.