

XYZ Eatery

Business Plan

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1. Executive summary

XYZ Eatery is seeking funding of ZARXXX to set up an Afrocentric fast food outlet in ABC Township, Johannesburg. Based on research, plausible assumptions and financial analytics that have been included in this business case, XYZ Eatery can make net profits after tax of ZARXXX by year 5 of operation at a penetration of X% of the total addressable market in ABC Township.

XYZ Eatery is a small food outlet focused on serving traditional African grub to its primary target market in and around the ABC area. The eatery is also a proudly 100% black woman owned venture, based presently only in Johannesburg, but with the aim of rolling out operations nationwide with a particular focus on malls/ centres in township areas.

XYZ Eatery seeks to bring locally relevant food items and a unique menu building option to the community served by the ABC Shopping Mall, provided they can secure a rental space within the Mall.

The vision for XYZ Eatery is to become the most well-known and recognised name in African food takeaways in the country. Our unique value proposition lies in the design of our menu – which incorporates traditional African food elements (like samp, pap, meat, tripe, fat cakes, etc.) that will be individually priced per portion, and added together as customers *build their own dishes* and pay only for what they want.

There is currently little competition given the type of eateries in operation at the ABC Mall, and XYZ Eatery is confident that they will be more than able to serve the niche ~XX thousand target market within the ABC area, at least once a month from the date of launch currently earmarked for November 2017.

2. Analysis of the current situation

THE SITUATION

The ABC Mall currently has only two food-serving tenants; being Romans Pizza and Fish & Chips. As an African-centric business, XYZ Eatery is concerned about two things within this setup:

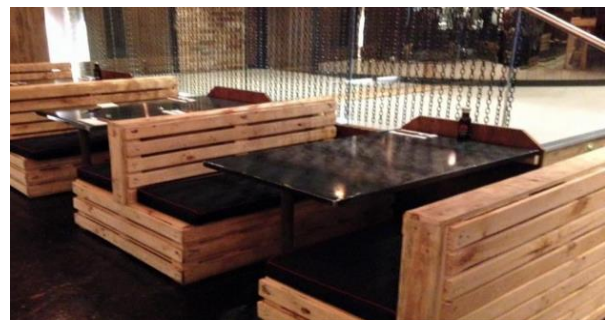
- **The clear gap in the provision of XXX** at the Mall, especially given that there are predominantly XXX living in and around the area
- **The XXX quality offered** by these limited options to those local residents who either want to grab something to eat over a short lunch, or who wish to entertain the whole family for a meal at the Mall every once in a while
- XXX ...
- XXX ...

THE PROPOSED RESOLUTION

XYZ Eatery proposes to fully address these concerns by XXX meals to not only counter act the consumption of empty calories, but to also create a space that feels like a home away from home given all of the relevant and delicious food offerings.

The company was founded essentially to improve XXX through XXX.

Some images follow to give the reader an idea of what the setup will be for XYZ Eatery.



3. Business overview

3.1. Ease of doing business XXX

- Region: Sub-Saharan Africa
- Income Category: XXX
- Population: XXX
- GNI Per Capita (US\$): XXX
- City covered: XXX

According to XXX, it will be relatively easy for XYZ Eatery to start operating within South Africa, as it ranks #/# in ease of doing business.

Categories that were evaluated are listed below.

- Overall (#/#)
- Starting a business (#/#)
- Dealing with Construction Permits (#/#)
- ...
- ..

No.	Description of procedure	Time	Costs
1	Reserve the company name <i>Agency: Companies and Intellectual Property Commission (CIPC)</i>	... days	ZAR XXX
2	Register the company at the Companies and Intellectual Property Commission (CIPC) <i>Agency: ...</i>	... days	ZAR XXX

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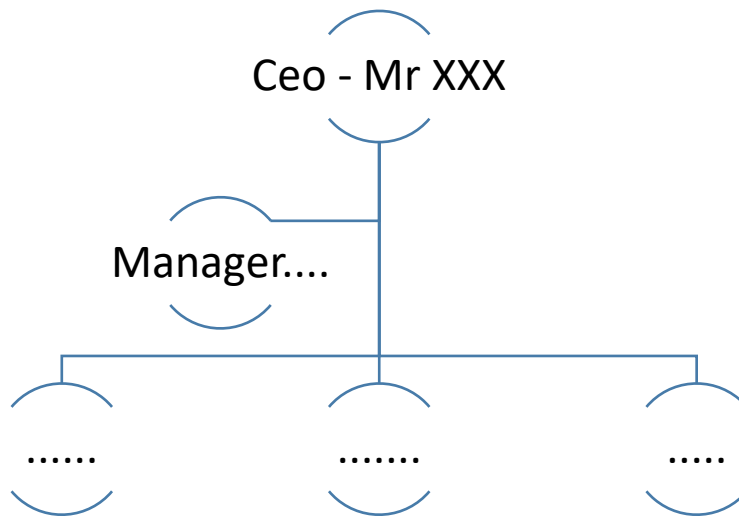
3	xxx	... days	ZAR XXX
4	yyy	... days	ZAR XXX
5	zzz	... days	ZAR XXX

3.2. Company overview

XYZ Eatery was founded in 2017 as an African answer to the need for truly traditional options, at affordable prices. The food outlet is currently seeking to serve residents of and those working in and around the ABC area in Johannesburg, South Africa; through providing both eat-in and takeaway options to its clients.

Our chosen location for launch in November 2017 is the ABC Mall which is situated in ABC Township and is the only formal retail offering in the node. It is a semi-enclosed, single storey shopping centre, where the banks and line shops are located in the enclosed section of the centre, while the majority of the larger shops face onto the parking area. The centre is also easily accessible off the XXX road, via taxi from the onsite taxi rank and on foot from the surrounding township. The Mall serves clients from LSM X to Y (discussed in detail under target market analysis section).

3.3. Our team



3.4. Our offering

XYZ Eatery will initially provide clients with a quick takeaway XXX meal option, or an opportunity to sit down and enjoy a hearty meal at our outlet. We will serve with excellence and heart, ensuring our clients return for more of our feel-good food and feel-good ambience.

Our menu

XYZ Eatery will offer the following menu items – which can be coupled in any way the client wishes to create delicious, customized dishes.

Food items

- Samp @ RX
- Mabele @ RX
- Mogodu/ Tripe @ RX
- Skop/ Smiley @ RX
- Amancina x2 @ RX
- Wors x1 @ RX
- Gravy @ RX
- Steamed bread @ RX
- Pap @ RX
- Magwinya/ Fat cake @ RX
- Chakalaka @ RX
- Potato salad @ RX



- Liver & giblet skewer 6 pc @ RX
- Chicken necks and legs @ RX
- Boiled egg (with aromat) @ RX
- Grilled mealies @ RX
- Creamy spinach @ RX
- Fried cabbage @ RX
- Chicken wings X 4 @ RX
- Lamb stew @ RX
- Beef stew @ RX
- Chicken Stew @ RX
- Coleslaw @ RX
- Tjhotlo @ RX
- Soup of the day @ RX

Cold beverages (all Kingsley)

- Still water @ RX
- Cola 500ml @ RX
- Cola Light 500ml @ RX
- Ginger Beer 500ml @ RX
- Lemon 500ml @ RX
- Granadilla 500ml @ RX
- Pineapple 500ml @ RX
- Fruto Mango juice 340ml glass @ RX
- Fruto Mediterranean juice 340ml glass @ RX
- Fruto Tropical juice 340ml glass @ RX

3.5. Values and objectives

Our company values are...

- **EXCELLENCE:** without which we believe no organization can succeed. We therefore build our team only from like-minded, excellence-driven individuals who seek to provide all of our clients with what they want and need – without prejudice or presumption
- **XXX**
- **XXX**

Our objectives are to ...

- Achieve consistent and fair profits at XX% minimum gross margins
- Grow our business by a conservative XX% per annum, while maintaining our principles

- ...
- ...

3.6. Vision, mission & tagline

- *Our vision is* to become the most well-known and recognised name in African food takeaways in the country.
- *Our mission is* not only to offer great tasting African food prepared by a skilled cook with a love for the same cuisine, but to do so with efficiency, courtesy and warmth. Our dining environment is simple but welcoming, with African art displayed all around to reinforce the African ambience.
- *Our tagline is* XXX

4. Competition

4.1. Key competitors

The following analysis of key direct competitors help us to determine our positioning in the industry and how we can better position our value proposition. One of our competitors within ABC Mall are XXX and XXX.

Competitor 1 XXX fast facts:

- Describes itself as XXX restaurant

- Offers however a wide selection of items on menu, ranging from XXX to a whole host of XXX options (such as ...)
- Their menu also offers ...
- Do not currently have
- Do have website displaying their XXX and menu selection
- They also have an active XXX
- Poor ratings on XXX and other XXX platforms – mostly due to poor XXX

Competitor 2 XXX fast facts:

- They are known for being extremely XXX
- Offers ...
- Their menu also offers ...
- Do not currently have
- Do not have website
- Poor ratings on XXX and other XXX platforms – mostly due to poor XXX

Competitor 3 XXX fast facts:

- They are known for XXX
- They only offer ...
- Their menu also offers ...
- Do not currently have
- ...
- ...

5. Understanding the industry

The local fast food industry in South Africa is booming, bringing in more than RXX-billion annually, according to ... The percentage of adults who buy fast-food at least once a month increased from XX% in 2009 to more than XX% in 2015.

A XXX report predicts that fast food in South Africa will witness an annual growth rate of XX% for the 2014 to 2019 period. In 2014, there were XXX new takeaway stores. That figure is set to increase by X% every year, according to YYY.

According to a ZZZ article, the reason for this continued growth in SA versus other African countries – despite XXX, XXX and XXX – involves several factors, listed below:

- **A broadening black middle class**, which has ...
- **A strong meat-eating and dining-out culture**, particularly ... given social and psychologically affiliations of meat with wealth and welfare
- ...
- ...

5.1. Major industry challenges and mitigating strategies

CHALLENGE 1: An increasingly competitive and XXX

- XXX new takeaway stores were opened in SA in XXX alone
- Calls for more reactive product differentiation strategies as a fundamental means of carving out market share

PROPOSED APPROACH: Outperform the competition through XXX

- XYZ Eatery differentiates itself by offering XXX within the convenience of an eatery in a mall setting
- We also appeal to our target market within the lower LSMs through offering an average price point of ~RXX, well within their budget for a quick but tasteful meal

CHALLENGE 2: XXX

- XXX
- XXX
- XXX

PROPOSED APPROACH: XXX

- XXX
- XXX
- XXX

6. Market analysis

ABC is one of Johannesburg's youngest townships. It was established in xx, as a relocation area for informally settled households from yy. In less than 23 years, ABC has grown into a bustling neighbourhood covering approximately XXX km with an estimated population of more than XXX.

A large group of young and upcoming adults make up XXX% of the population. Those who are economically active comprise XXX% of the population (~XXX), XXX% of whom are employed in mostly

elementary or XXX occupations, including craft and related trades, service work, shop and market sales and machine assembly.

ABC residents experience low to moderate living standards, XX% in the LSM X-X category and XX% in the LSM X-X category. The ABC community also relies heavily on public transport, mainly on minibus taxi services.

The City of Johannesburg recognizes ABC Township as a priority development area in line with ... The City plans to build ... Eskom is currently upgrading Y sub-station to provide sufficient bulk supply for future development in the area. Johannesburg Water is currently planning to install XX toilets, a 25 Megalitre water reservoir, and to upgrade the current water main to supplement the existing reception area. The Johannesburg Roads Agency is also planning to ...

Despite its socio-economic challenges, ABC township is a vibrant neighbourhood with residents that are optimistic and determined to make better lives for themselves.

XYZ Eatery will target the most relevant consumer categories, amounting to a total target market size of XXK economically active residents of ABC and visitors to the Mall:

- The B... consumer, accounting for ~XXK of the economically active population
- The C... consumer, accounting for ~XXK of the economically active population
- The F..., accounting for ~XXK of the economically active population
- The G..., accounting for ~XXK of the economically active population

7. Pricing approach

XYZ Eatery will charge relatively higher rates than the typical street vendor, and an at par menu with other Mall resident competitors. At the same time, the eatery will ensure that menu items remain ...

Please refer to the proposed menu selection under section 4.3. *Our Offerings*.

8. Sales strategy

Based on research presented, we will use the 7Ps of marketing to penetrate the market



(1) Product/ service ...

(2) Place: ...

(4) Promotion: ...

(5) Physical evidence: ...

(6) People: ...

(7) Process: ...

We are mindful of the fact that there is stiff competition amongst fast food companies in South Africa; and will therefore focus on engaging with an experienced and professional company within the sales and marketing space to carry out our strategy.

XYZ Eatery will make use of the following marketing and sales levers to both attract and retain loyal customers:

- **Introduce our business to the community** with a simple and cost-effective, but impactful pre-launch campaign, and launch
- **Leverage extensively on ...**
- **Encourage ...**
- ...
- ...

9. Financial analysis

XYZ Eatery will break even in its y year of operation, with a very small startup requirement of RXXK to get the operation off the ground. The eatery will start making positive NOPATs (Net Operating Profits After Tax) of ~RXXK in year x, ~RXXK in year y and ~RXXK in year z.

By targeting only the ... population within the selected target segments, in ABC township, XYZ Eatery will reach X% market penetration by year 1, reaching XX clients each month. By year 5 of operation, the eatery is projected to reach a very conservative XX clients each month at X% penetration, averaging a total of XX meals per day.

Some of the major financial assumptions follow below:

- Total targetable market is XX people
- The average breakfast selling price is ~RXX and includes ...
- The average lunch selling price is ~RXX and includes ...
- The average dinner selling price is ~RXX and includes ...
- ...
- ...