

Instituto Superior de Ciências do Trabalho e da Empresa



**Innovative Business Plan:
Creation of a Fast Healthy Food Chain: “MyTaste”**

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Abstracto

O seguinte plano de negócios tem a intenção de descrever a criação rápida de uma cadeia de restaurantes saudáveis chamada "MyTaste", como veremos posteriormente, "MyTaste" distingue-se entre os outros restaurantes pelo seu serviço único, opções de alimentos saudáveis e sua estratégia de preços.

Iremos a descrever minuciosamente todo o conceito do nosso restaurante, analisaremos o mercado em que temos a intenção de iniciar as nossas operações, criaremos um análise SWOT, definiremos os nossos planos de marketing, tecnológicos, organizacionais e estratégias financeiras, descreveremos os requisitos necessários para implementar essas estratégias e naturalmente vamos a criar uma previsão financeira da viabilidade do nosso projecto.

Decidimos dividir a escrita de nosso plano de negócios de acordo com nossas forças e interesses. Gregório de Harlez escreveu Capítulo 2: Revisão da Literatura, Capítulo 3: Definição do conceito e do Mercado e Capítulo 4: Plano de Marketing.

Luis Adrianza escreveu o Sumário Executivo, Descrição da empresa, Objectivos do Plano de Negócios, Introdução, Capítulo 5: Planos de implementação, Capítulo 6: Avaliação financeira e o Capítulo 7: Internacionalização e Responsabilidade Social.

O capítulo 8: Planos de Saída e a Conclusão foi escrito por Gregory de Harlez e Luis Adrianza em conjunto.

Iremos desenvolver o nosso plano de negócios de uma forma de análises descritiva. Será composto basicamente de três fases de desenvolvimento, na primeira fase vamos a elaborar o conceito do nosso negócio, na segunda fase vamos avançar em analisar as forças de mercado no qual o nosso negócio vai se desenvolver, e a terceira fase será composta de a criação de uma variedade de estratégias de desenvolvimento.

No final do nosso plano de negócios, poderá encontrar uma breve conclusão e uma estratégia de saída do negócio. Temos escrito o plano de negócios e preparadas todas as nossas hipóteses com base em várias fontes de informação de alta qualidade, para que o plano de negócios seja tão realista quanto possível, no entanto nem todas as informações estavam disponíveis em mãos, por isso algumas das nossas suposições eram baseadas teoricamente, portanto, existe um risco de que a nossa análise possa ser tendenciosa, assim que procedi mos em nossos métodos de análise de uma maneira lógica e com a informação disponível.

Abstract

The following business plan intends to describe the creation of a fast healthy food chain called “MyTaste”, as we will see further on, “MyTaste” distinguishes itself amongst other restaurants by its unique service, healthy food options and pricing strategy.

We will thoroughly describe the entire concept of our restaurant, analyze the market in which we intend to initiate operations, will create a SWOT analysis, define our marketing, technological, organizational and financial strategies, describe the requirements needed for implementing such strategies and of course we will create a financial forecast of the viability of our project.

We decided to divide the writing of our business plan according to our strengths and interests. Gregory de Harlez wrote Chapter 2: Literature Review, Chapter 3: Defining the Concept and Market and Chapter 4: Marketing Plan.

Luis Adrianza wrote the Executive Summary, the Company Description, the Business Plan Objectives, the Introduction, Chapter 5: Implementation Plans, Chapter 6: Financial Evaluation and Chapter 7: Internationalization & Social Responsibility.

Chapter 8: Exit Plan & Conclusion was written by both Gregory de Harlez and Luis Adrianza.

We developed our business plan in a descriptive way of analysis. It will consist basically of three phases of development, in the first phase we will elaborate the concept of our business, in the second Phase we will proceed in analyzing the market forces in which our plan will develop, and the third phase will consist of creating a variety of development strategies.

At the end of our business plan you can find a brief conclusion and an exit strategy from the business. We have written the business plan and prepared all our assumptions based on several sources of high quality information, in order for the business plan to be as realistic as possible, however not all information was available at hand, so some of our assumptions were based on theory thus, there is a risk that our analysis might be biased, thus we proceeded in our analysis methods as logically as possible with the information available.

Keywords

Business Plan, Restaurant, Entrepreneurship, Market Analysis

Classifications of the JEL Classification System

M20 – Business Economics General

M21 – Business Economics

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Sumário Executivo

O Conceito

A maioria dos trabalhadores europeus almoça em restaurantes, mas com os horários cada vez mais cheios e uma crescente sensibilização para uma alimentação saudável, os trabalhadores já estão perguntando-se se está no seu melhor interesse comer fora todos os dias, e não só por questões de saúde, também devido ao aumento dos custos sobre os seus orçamentos. O nosso conceito é simple: nós propomos boa comida feita de maneira saudável e fresca, com ingredientes orgânicos, e servida mais rapidamente do que o fast food, tudo isso em um ambiente agradável e com um preço razoável. Temos a intenção de entregar os nossos produtos mais rápido do que concorrentes pela alta tecnologia e, através da utilização de novos métodos de serviço ainda não disponíveis nos restaurantes de hoje em dia.

A Historia

Nós reconhecemos esta oportunidade, quando, como estudantes em Portugal começamos a analisar os hábitos alimentares dos trabalhadores em Lisboa, fomos encontrando vários factores-chave que foram semelhantes aos costumes dos trabalhadores dos nossos países, como por exemplo, muitos trabalhadores comem fora diariamente por causa da falta de tempo para cozinhar em casa, todos eles esperam um serviço rápido durante o almoço por causa do horários apertados e muitos trabalhadores comem refeições leves devido a questões de saúde. Assim, vimos um nicho no mercado e começamos a pensar em como criar uma cadeia de restaurantes saudáveis com preços competitivos.

A Empresa

Embora a nossa empresa ainda tem de ser fundamentada, MyTaste Empresa BV é planeada para ser estabelecida no final do 2009, e deve começar suas operações em meados do 2010 com a abertura de seu primeiro restaurante, no entanto, estas condições dependem do financiamento de que estamos actualmente procurando. Os seus fundadores, Gregório de Harlez e Luis Adrianza foram realizando pesquisas e analisando o mercado de Amesterdão para a sua noção do restaurante, desde o final do 2008 com a esperança de fundar seu premer restaurante juntos.

O Mercado

Temos orientado a cidade de Amesterdão, como a base para nossas operações iniciais. Amesterdão é a sexta maior área metropolitana da Europa com cerca de sete milhões de pessoas, tem cerca de 1,5 milhões de pessoas trabalhadoras na Grande Amesterdão tornando a cidade em uma economia saudável e diversificada que poderia apoiar o nosso conceito de restaurante. Muitas grandes empresas tanto holandesas e internacionais têm suas sedes em Amesterdão, como a Philips e ING.

Posição Competitiva

A localização escolhida para o nosso restaurante (A área de Oosterdoekiland ou o sul de Amesterdão), já têm vários restaurantes que vão desde o serviço completo e caro, ate comida rápida e barata, de acordo com a nossa pesquisa de mercado, nenhuma destas opções estão satisfazendo actualmente as necessidades do mercado de muitos trabalhadores que desejam uma opção saudável e rápida. O conceito MyTaste predomina entre a concorrência, pela sua carteira de produtos saudável, os preços competitivos, a qualidade e rapidez do serviço oferecido, as nossas políticas eco friendly, todas estas características nos distinguiriam entre nossa concorrência.

Management Team

Inicialmente, a equipa de gestão será composto pelos proprietários, Gregório de Harlez e Luis Adrianza, que também são os criadores do conceito e seriam uma excelente equipa para começar as operações de MyTaste. Gregório de Harlez é fluente em as novas tendências no mercado e sabe muito do mercado neerlandês, Luis Adrianza está actualmente trabalhando em um fornecedor de software da indústria e do comércio a retalho, é fluente em finanças e contabilidade, ambos estão confiantes de que possuem a motivação e as competências empresárias para abrir um restaurante.

O Futuro

Nosso objectivo inicial seria o de estabelecer um restaurante rentável e provar o sucesso do nosso restaurante no mercado de Amesterdão. Como veremos mais tarde, em mais detalhe, nós gostaríamos de abrir restaurantes a nível internacional e as possibilidades estão abertas para vender o nosso conceito como franchising, inicialmente mas gostaríamos de expandir nossos negócios através dos lucros acumulados.

Finanças

Projectamos um crescimento moderado para o nosso conceito de restaurante, com lucros em 2011 e 2012. Não entanto, precisamos de um empréstimo inicial de 45.000 euros para iniciar nossas operações, estes fundos estão actualmente a ser procurados entre os nossos familiares e amigos, e se não conseguirmos obter a totalidade do montante, buscaríamos outras fontes de financiamento, como um empréstimo bancário.

Executive Summary

The Concept

Most European workers have their lunch at restaurants, but with schedules getting busier and an increasing awareness of healthy diets, workers are now asking themselves if it is in their best interest to dine out daily. This not only because of health related issues but also due to the increasing costs on their budgets. Our concept is simple: we propose good food made with healthy, fresh, and organic ingredients, and served faster than restaurants and even fast food restaurants, all this in a nice atmosphere and at a reasonable price. We intend to deliver our products faster than competitors by the high use of technology and through new methods of service unseen in today's restaurants.

Background

We recognized this opportunity when, as students in Portugal we began analyzing the eating habits of workers in Lisbon. We found several key factors that were similar to the customs of the workers from our home countries, such as, many workers dine out daily because of lack of time to cook at home, they all expect quick service during lunch time because of tight schedules and many workers eat light meals because of health concerns. Thus we saw a niche in the market and began thinking of how to create a healthy fast food chain with competitive prices.

The Company

Though our company has yet to be founded, MyTaste Enterprise BV is planned to be established in late 2009, and shall begin its operations in mid 2010 with the opening of its first restaurant, yet these terms depend on the funding that we are currently seeking. Both of its founders, Gregory de Harlez and Luis Adrianza have been conducting research and analyzing the market in Amsterdam for their concept restaurant, since late 2008 in hopes of establishing their first restaurant together.

The Market

We have targeted the city of Amsterdam in the Netherlands as the base for our initial operations. Amsterdam is Europe's sixth largest metropolitan area with around seven million people; it has a workforce of around 1.5 million people in Greater Amsterdam, making the city a healthy and diverse economy that could support our restaurant concept. Many large

Dutch and international companies are headquartered in Amsterdam, such as Phillips and ING.

Competitive Position

The locations chosen for our restaurant (Oosterdoekiland area or the Amsterdam South axis) already have several restaurants ranging from full service and expensive to fast food and cheap, according to our market research, none of these options are currently satisfying the market needs of many workers who wish a healthier and faster option were to dine. The MyTaste concept would stand out amongst the competition by its healthier product portfolio, the competitive prices, the quality and quickness of service offered, our eco friendly policies, all these would set our business apart from our competition.

Management Team

Initially the management team would be composed by the owners, Gregory de Harlez and Luis Adrianza, who are also the creators of the concept and would be an excellent team to begin the operations of MyTaste. Gregory de Harlez is keen on new marketing trends and knows very well the Dutch market, Luis Adrianza is currently working in an IT software provider for the retail industry and is fluent in finance and accounting, both are confident that they have the motivation and entrepreneur skills to open a restaurant.

The Future

Our initial objective would be to establish a profitable restaurant and prove the success of our restaurant in the Amsterdam market. As we will see later in more detail, we would like to open restaurants internationally and are open to the possibilities of franchising our concept, but initially we would like to expand our business through retained earnings.

Financials

We project a moderate growth for our restaurant, with reported incomes in 2011 and 2012. We do however require an initial loan of 45,000 Euros to begin our operations, these funds are currently being sought through family and friends, and if we do not succeed in obtaining the whole sum we would seek other sources of financing such as a bank loan.

Company Description

MyTaste Enterprise BV. Is a business based in Amsterdam that will operate the food chain restaurants, under the name “MyTaste” that provides fast and fresh healthy food mainly targeted to workers who do not have the time to cook nor to have a full meal at a restaurant and wish to eat fresh and healthy foods. The company headquarters would be located in Amsterdam.

Company Mission:

‘My Taste’ is the perfect place to spend a quick, healthy and affordable lunch in a nice atmosphere. We are a fast and fresh food chain, for those in a hurry for a quick HEALTHY bite. Our food is always made with top quality ingredients that ensure the freshness of our food, which shall be moderately priced, an option where you can dine every day, without digging a hole in your pocket.

Our restaurants will be characterized by the use of IT in speeding up and assisting our customers during the ordering processes.

We consider being partners with not just our customers and investors, but also our suppliers, employees, community and environment; we realize that all of them are essential to our success and should treat them accordingly.

Our goal is to offer value to our customers by providing them fresh and healthy food the way they like it, for the price they like and to secure sustainable growth that allows us to expand moderately our chain of stores internationally and of course annual profitability.¹

Services:

Our restaurants are casual places where workers can be assured a fast and excellent service of fresh food, varying from salads, sandwiches, pastas, and a variety of pastries in the morning and a wide selection of drinks.²

The restaurants are aimed to be of quick service, and we achieve this through the use of IT in key areas in the ordering process. We will equip our restaurants with self service machines

¹ Mission developed according to the suggestions of “The Successful Business Plan”

² For a more detailed view of our offerings please see the Menu section under our Concept explanation.

(Self service kiosks, touch Pc's) where the customer can order and customize his choice of food, there will also be available a variety of pre-made food in special take away fridges, where the customer can quickly grab a meal, the freshness of these pre-made meals is guaranteed through the storage and the labeling which will indicate the time it was prepared.

In the future, we will equip our website with an ordering option, where the customers can prepare the orders at the convenience of their offices, homes or wherever they maybe, they will be able to select the time that they wish to pick it up, and we can prepare the meal minutes before his or her arrival, assuring complete freshness.

Development to date:

MyTaste Enterprise BV is planned to be established in late 2009, and shall begin its operations in mid 2010 with the opening of its first restaurant, yet these terms depend on the funding that we are currently seeking. Both of its founders, Gregory de Harlez and Luis Adrianza have been conducting research and analyzing the market in Amsterdam for such restaurants, since late 2008 in hopes of establishing their first restaurant together.

Legal Status and Ownership:

We shall register our company in the Netherlands, Amsterdam as a limited Liability company (B.V). Our company will be named MyTaste Enterprise BV, and our restaurants will operate under the name "MyTaste".

We will have 10.000 shares issued with a value of 2 Euros each initially. Gregory De Harlez will own 3.500 shares; Luis Adrianza will own 3.500 shares and the company will retain 3.000 shares for future distribution.

Funding of the company will come initially from an investment of Greg de Harlez in the sum of 10.000 Euros and as well from Luis Adrianza in the sum of 10.000 Euros. The company will seek the additional funding that sums up to 45,000 Euros required to initiate its operations from family members.³

³ The legal entity of our company was decided after reviewing carefully information from different sources about starting Business in Holland (see References).

Business Plan Objectives

General Objectives of MyTaste Enterprise BV:

We have taken our general objectives from our mission statement, and they are as follow:

1. Provide healthy fast food and moderately priced, for workers in a hurry to grab a bite that like to eat healthy.
2. Ensure the freshness of our products by using top quality ingredients
3. Secure sustainable growth, that allows us to expand our stores and concept internationally, and of course annual profitability.
4. Ensure that the use of IT at our restaurants helps us provide a quicker and better service than our competition, giving us a competitive edge.

Specific Objectives of the Business Plan:

- To describe the entire concept of our restaurant and the potential future paths of development
- To analyze the market of Amsterdam in which the restaurant will be operating.
- To create a competitive analysis (SWOT)
- To define our marketing, technological, organizational and financial strategies.
- To define the requirements needed for the implementation and growth of the project.
- To create a financial forecast of the viability of the project
- To define a growth strategy for the internalization of our restaurants
- To define an exit plan for our business.
- To describe the community involvement and social responsibility of the business

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Chapter 1: Introduction

The following business plan was born; when as students in Portugal, we began analyzing the eating habits of workers in Lisbon. We found several key factors that were similar to the customs of the workers from our home countries, such as, many workers dine out daily because of lack of time to cook at home, they all expect quick service during lunch time because of tight schedules and many workers eat light meals because of health concerns. Thus we saw a niche in the market and began thinking of how to create a healthy fast food chain with competitive prices.

Our concept is based on three basic assumptions we described previously, the first being that we currently live in fast paced society, with tight deadlines and busy schedules, thus time is appreciated by all and the way we spend it is highly valued by all individuals. The second assumption is that there are growing concerns at a global level of eating healthy and consuming organical and bio foods, currently there exists limited options were to dine out in a healthy manner, with very few restaurants offering a full range menu of healthy and organic plates, the current options are not enough and as we will identify later the market needs for such restaurants are growing. The third and last, is that with today's current economical crisis affecting all sectors of the economy, everyone is becoming more of aware of their consumption patterns and how they spend their money, thus there is a market need for a fast food restaurant, that serves healthy and organical meals at reasonable prices.

We decided to divide the writing of our business plan according to our strengths and interests. Gregory de Harlez wrote Chapter 2: Literature Review, Chapter 3: Defining the Concept and Market and Chapter 4: Marketing Plan.

Luis Adrianza wrote the Executive Summary, the Company Description, the Business Plan Objectives, the Introduction, Chapter 5: Implementation Plans, Chapter 6: Financial Evaluation and Chapter 7: Internationalization & Social Responsibility.

Chapter 8: Exit Plan & Conclusion was written by both Gregory de Harlez and Luis Adrianza.

The business plan is structured in a logical way and basically consists of three phases of development, in the first phase we will elaborate the concept of our business plan and describe through diverse sources of literature how it seeks to solve diverse problems present in today's society.

In the Second Phase we will proceed to analyze the market forces in which our business will develop, we will also analyze both the internal and external factors that would affect our business operations.

The third phase will consist of creating a variety of development strategies; we will define our implementation policies and requirements. During this phase we will also create a financial forecast that proves the viability of our business project.

At the end of our business plan you can find a brief conclusion and an exit strategy from the business. We have written the business plan and prepared all our assumptions based on several sources of high quality information, in order for the business plan to be as realistic as possible.

Chapter 2: Literature Review

As was explained in the introduction, our basic assumptions are that more and more people want to eat healthy, fast, and inexpensive food. In the literature review below we will analyze research from different authors that will substantiate our hypothesis. We found several scientific articles that confirm our assumptions and from the book *“the restaurant, from concept to operation”* by J.R. Walker, which explains step by step the challenging task of opening a restaurant. We found some interesting insights and anecdotes, which we were able to use and which suggest that our concept is feasible.

Below we will first analyze our three main assumptions one by one: healthy, quick and affordable. Next to our main assumptions, healthy, quick and fast, as well as other arguments that support the concept of our restaurant.

2.1 Healthy

Our first assumption is that nowadays, people want to eat healthier food.

We found two main categories of answers to validate this supposition. Firstly, that people want to have a healthier lifestyle. In other words they want to lose weight by doing more physical exercise and by eating product of better quality. Secondly, we found that eating healthy is a trend.

2.1.1 Obesity

In the western society, more precisely the United States of America and Europe, a large part of the society has become overweight. In recent years more and more research has been done on this subject. In *“Europe's Fight Against Obesity”*⁴ it is said that: “In America, where Krispy Kreme doughnuts and Big Macs seem to be part of the staple diet, more than 30% of the population is obese and more than 60% are overweight. A chain of European obesity studies released earlier this year show many countries from Germany to Finland to Spain are at serious risk of becoming as obese, or more so, than the U.S.”

“The time when obesity was thought to be a problem on the other side of the Atlantic has gone by” Mars Di Bartolomeo, Luxembourg's Minister of Health, said recently, according to the Associated Press.

⁴ Anonymous, *“Europe's Fight Against Obesity”*, Meghan Sapp, Minneapolis, Oct 2005. Vol. 42, Iss. 2; pg. 48

Later in this same article was stated that “French and Germans may be as fat as Americans by 2020, but the Spanish might hit that mark in the next decade. In Spain, where obesity is the second highest cause of preventable deaths, people are opting for stomach bypass surgery rather than a change in diet or exercise. Of the roughly 20 million overweight people in Spain, more than 10,000 have already undergone the surgery.”

Moreover, in “*New EC nutrition guidelines*”⁵ an article published in the Irish Medical Times; we found similar affirmation as in the previous article, to say that the European society is getting fatter. And we discovered an interesting fact, that is to say many children are also overweight. So our concept would not only be attractive just for adults themselves but also for adults that want to change the diet of their children, instead of taking them to the alternative fast food chains like Mc Donald’s. The article further states: “the prevalence of overweight and obesity has increased sharply during the last two decades. In the majority of Member States more than 50 per cent of the adult population is overweight or obese. Furthermore, it is estimated that 21,748,312 million children are overweight in the EU with this figure growing by 400,000 each year.” It is also mentioned in the article that : “Obesity is a risk factor for many serious illnesses including heart disease, type-2 diabetes, hypertension, stroke, and certain types of cancer. Poor nutrition and insufficient exercise are among the leading causes of avoidable death in Europe, and obesity related illnesses are estimated to account for as much as 7 per cent of total healthcare costs in the EU.” As we can see, obesity is not only a dangerous disease but also a costly one, especially for the governments that have to spend a lot of money in health care. That is why fighting obesity has become one of the top priorities of the EU Member States. EU Health Commissioner Markos Kyprianou said: “*The rise of obesity makes improving the diets and physical activity levels of Europeans a top public health priority for the EU in the years ahead.*”

In the “*New EC nutrition guidelines*” article, we can find some examples of measures that the European Commission (EC) is taking at the moment. Examples include the development of stronger advertising codes in the EU concerning the consumption of healthy food. This is good for the promotion of our project, since it is free advertisement. With the government showing concerns for this subject we could see potential opportunities in this. We could for example ask for a loan from the EC to launch our business based on the fact that our concept is in line with one of the EU Health Commissioner’s main goal.

⁵ Anonymous, “*New EC nutrition guidelines*”, Irish Medical Times, Sutton, Jun 15, 2007. Vol. 41, Iss. 24; pg. 31, 1 pgs

“*French Women Do Get Fat; French Women Do Get Fat*”⁶, is another article that supports the ideas of the two first one. But here it is stated that Germany, Finland, Greece, Cyprus, the Czech Republic, Slovakia and Malta have already a higher share of overweight men than the U.S. Among women, only Greece's obesity rate (38%) tops America's (34%).

Eating unhealthy dishes is not the only cause of obesity. A different one is that the portion usually served in a restaurant is too much for one person. This is corroborated by two articles from the Knight Ridder Tribune Business News; “*Fast and healthy? Yes, it's possible*”⁷ and “*Make wise choices when eating on the go*”⁸. It is said that “Volume equals value is where we go wrong”. It means that instead of proposing big meals we could focus more on the quality of the ingredients. The money that we would save on the food quantity could help us to acquire products of better quality.

2.1.2 Trend

Eating healthy and fresh food is one of the major trends in the food industry. For several reasons, the consumer demand towards healthy food is increasing. It is stated in the article “*fresh ideas*”⁹ that: “a Meal preparation with a healthful approach is cropping up everywhere. From high-end restaurants to quick-service chains and non-commercial settings, consumers are demanding more from their meals no matter the place or time.”

Here under is a table with the ten main trends in the food industry for 2009:

Key Trends¹⁰

- Digestive health: the biggest trend
- Feel the benefit: what consumers want most in recessionary times
- Weight management: Bright futures for foods that make you want to eat less
- Energy: new markets waiting to be discovered
- Naturally healthy and free-from: what everyone wants

⁶ Anonymous, “*French Women Do Get Fat; French Women Do Get Fat*”, Wall Street Journal, New York, Apr 11, 2005, pg. A.21

⁷ Dowell S., “*Fast and healthy? Yes, it's possible*”, Knight Ridder Tribune Business News, Washington, Aug 5, 2007.

⁸ Jordan D., “*Make wise choices when eating on the go*”, Knight Ridder Tribune Business News, Washington, Sep 18, 2007.

⁹ Popp J., “*fresh ideas*”, Restaurants & Institutions, Chicago, Jun 1, 2005. Vol. 115, Iss. 10; pg. 52, 3 pgs.

¹⁰ Anonymous, “*Research and Markets: 10 Key Trends in Food, Nutrition & Health 2009: How to Succeed in Recessionary Times*”, Business Wire, New York, Dec 15, 2008.

- Fruit: the future of functional foods
- Kids nutrition: make parents' lives easier
- Healthy snacks for the "me" generations
- Ultra-loyal consumers: niches to help brands ride the recession
- Packaging innovation delivers premium prices

As we can see in the table, healthy food is not the only tendency, but some of the other trends are compatible with our concept. For example, we could serve yogurt that facilitates digestion as dessert. We also could propose healthy energy drinks such as fruit shake with natural energy booster like ginger.

*“Bean appetit!”*¹¹ Is an article that stipulates that a simple bean salad or once-humble legumes can look stylish on the menus of upscale restaurants. And trend-seeking guests as well as those who want more than food that just tastes good are magnetically drawn to such dishes, finding in them the perfect combination of flavor intrigue and healthfulness. As an example of success of a healthy sandwich restaurant we can refer to *“Britain: Fat of the land; Obesity;”*¹² an article published in The Economist. In this article it is show that healthy food chains are an alternative to traditional fast food like McDonald’s. And that cafes and restaurants report an increase in healthy eating. The salads sales of Pret A Manger, a sandwich chain, grew by 63% in a year.

2.2 Quick

Our second supposition is that people and especially office workers want to have a quick lunch. In the article *“Are lunch breaks really for wimps?”*¹³ We found proof that the lunch break is getting shorter. It is said that: “Only one in six workers takes a regular lunch break. And one consequence of the credit crunch is that breaks are getting even shorter as job insecurity increases. Research a few years ago put the average lunch break at 27 minutes and Cary Cooper, occupational psychologist at Lancaster University, says that in the current economic climate it’s getting even shorter.” Another article, *“The lunch hour is no time to*

¹¹ Perlik A., *“Bean appetit!”*, Restaurants & Institutions, Chicago, Mar 2007. Vol. 117, Iss. 3; pg. 34

¹² Anonymous, *“Britain: Fat of the land; Obesity;”*, The economist, London: Mar 6, 2004, Vol. 370, Iss. 8365; pg. 29

¹³ Anonymous, *“Are lunch breaks really for wimps?”*, <http://news.bbc.co.uk/1/hi/magazine/7549300.stm>, August 2008

*eat*¹⁴ comes to the same conclusions as the previous one. Additionally, it states that the traditional lunch break is disappearing and that, according to surveys, the average lunch break is now split into at least seven activities ranging from shopping online, catching up with friends and family and sorting out personal finances. We could also argue the fact that the disappearance of traditional lunch break is maybe more present in the Anglo-Saxons countries that have another work ethic than the other countries of Europe.

As a result we can say that office workers need restaurants that serve fast and that are located near their working place, so they do not have to walk far.

2.3 Affordable

Our third and last assumption is that people would like to have a cheaper alternative to the traditional restaurants. Choosing a cheaper alternative might be due to the general economic situation of a country or individual.

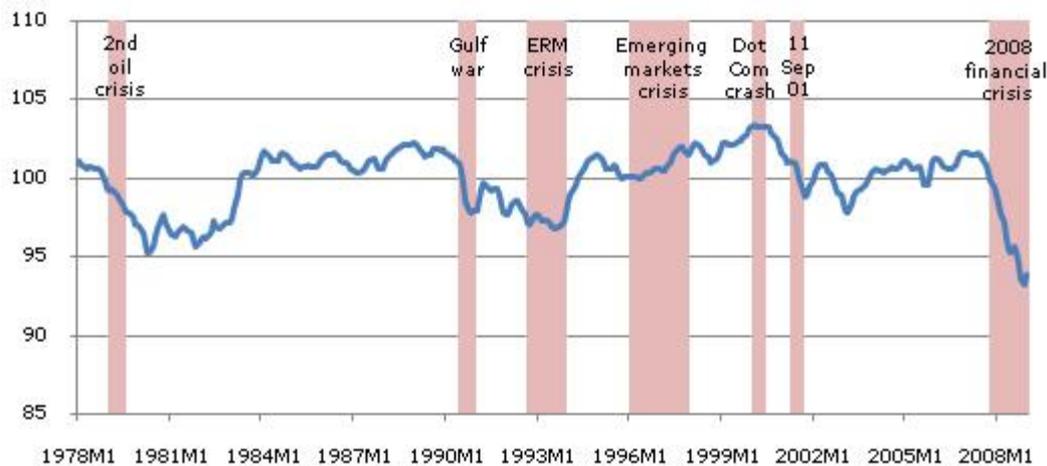
Not all employees can afford to eat his lunch out every day. Or even the office workers who can pay for it might rather save some money for other purposes. This is especially true in time of crisis like the one we are in. According to the European statistical office, the 15-member euro zone officially slumped into recession since November 2008 after its economy contracted by 0.2 percent¹⁵. In the book “the restaurant from concept to operation”¹⁶ it is explained that customers may trade down. For example, people that went usually to upscale restaurants rather go to the neighborhood coffee shop. The one that went to the coffee shops now go to quick service. And those that cannot afford to eat out at all drop out of the market completely. So the intelligent restaurateurs downscale their menu prices to retain market share and even build volume. An extra indicator that shows us that people rather put money away instead of spending it is the Consumer Confidence Indicators that suggests that households are quite pessimistic on the severity of the current financial crisis, and its impact on the economy at large. The graphs below reflect time-series of consumer confidence levels for the major seven OECD (Organization for Economic Co-Operation and

¹⁴ Martin N., “*The lunch hour is no time to eat*”, Telegraph.co.uk. May 2006

¹⁵ “*Eurozone officially in recession: Eurostat*”, http://www.thaindian.com/newsportal/business/eurozone-officially-in-recession-eurostat_100119118.html, November 14, 2008

¹⁶ Walker J. R., “*The restaurant, from concept to operation, fifth edition*”. John Wiley & sons, Inc., New Jersey, 2008, pg 71

Development) member countries and 'OECD Area'. They put the current levels of confidence into a historical context, by comparing the crisis with past important events.¹⁷



As we can see on the graph, the confidence level has never been as low as nowadays. As a consequence of the recession, more and more people are bringing their lunches from home. A piece of writing, *“Luring the Lunch Crowd”*¹⁸ tells us that many conventional restaurants are now offering bargain-priced meals to get people in the door.

Due to the economical context, people are not willing to spend a lot of money to have lunch in a traditional restaurant that is expensive. This context works out well for a lunch place like the one explained in our concept, because it offers cheaper alternatives.

2.4 Similar Competition

Lunch concepts similar to ours have proven to be successful in recent years. This is due to the fact that healthy food is a booming market. But as John R. Walker, Professor of Hotel and Restaurant Management said in his book¹⁹: *“In coming up with a concept for a new restaurant, be a copycat. Look around for winners. Examine their strong points; look for their weak points; find a proven format. Learn the system to avoid mistakes; then improve on it. Initiate and adapt. Great composers build magnificent symphonies on borrowed melodic themes. Similarly, great restaurants take over elements of establish restaurants. There is no*

¹⁷ *“Financial crisis sees collapse in OECD consumer confidence”*, http://www.oecd.org/document/4/0,3343,en_2649_33715_42061060_1_1_1_1,00.html, (28/02/2009)

¹⁸ Leahy K., *“Luring the Lunch Crowd”*, *Restaurants & Institutions*, Chicago, Nov 1, 2008, Vol. 118, Iss. 17; pg. 43, 1 pgs

¹⁹ Walker J. R., *“The restaurant, from concept to operation, fifth edition”*, John Wiley & sons, Inc., New Jersey, 2008, pg 69

such thing as a completely new restaurant concept". This is why we will analyze some restaurants chains, like Exki and Pret a Manger that have the same kind of concept as ours and others such as Mc Donald's that are different but very successful.

Each of the above mentioned restaurants have characteristics that we would like to include in our restaurant as well.

Exki is a healthy fast food chain. From the very beginning Exki has made health its primary commitment. The brand has other beliefs that we think are very important like using fair trade products and being respectful of the environment.²⁰

In Pret a Manger we like the fact that their ingredients are delivered fresh every day. And that it avoids the use of the chemical, additives and preservatives common to so much of the fast food on the market today.²¹

Of course our concept is very different from McDonald's. But McDonald's invented the fast food industry and so some of its reason of success like the speed, cleanliness, service and value will be also present in the core of our business.

2.4 Private Labels

As our concept is in the food sector, we should analyze the trends of the biggest players of that industry, to know the retail stores.

In the past five years, private labels continue to expand their range of products and their market share in the supermarkets around Europe.

Private label products include all merchandise sold under a retail store brand.²² That brand can be the retailer's own name or a name created exclusively by that retailer. Major supermarkets today offer almost any product under the retailer's brand name. Private labels cover full ranges of products, from fresh, canned, frozen, and dry foods, to snacks, pet foods, and many other product groups.

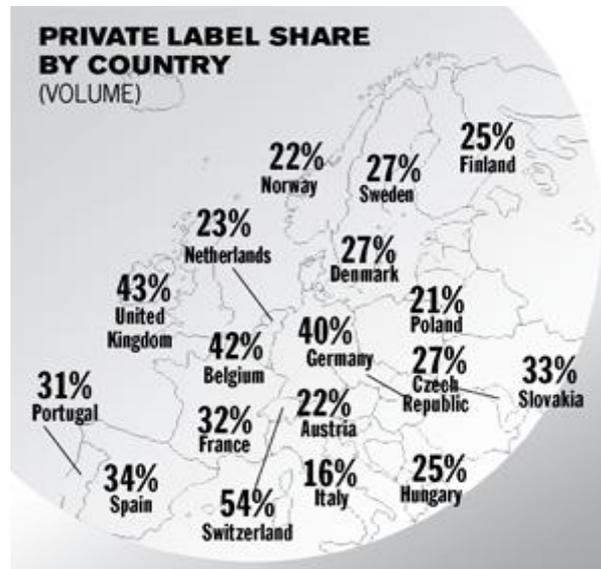
The Nielsen 2008 market share statistics from the Private Label Manufacturers Association (PMLA) demonstrate that market shares for retailer brands increased in nearly two-thirds of the European countries. In some of the key European markets private label products preserved their high market share levels, reaching 40% or more in the United

²⁰ Exki website, <http://www.exki.be/default/en-be.aspx>, (03/06/2009)

²¹ Pret a Manger website, <http://www.pret.com/>, (03/06/2009)

²² Private Label Today, http://www.plmainternational.com/en/private_label_en2.htm, Amsterdam, May 26-27, 2008.

Kingdom, Germany, Belgium and Switzerland; and over 30% in France, Spain and Portugal (see following map for more details²³).



The market share of the private label products is growing because for the consumer it represents the choice and opportunity to purchase quality food at lower cost compared to the manufacturer brands. Furthermore private label items are from equal or better quality than products from manufacturer brands; and due to the fact that the retailer's name or logo is on the package, the consumer is guaranteed that the products meet the retailer's standards. The fact that the consumer is buying more private label products than before indicates the growing concerns of the consumer towards the price and quality of products. This tends to support our third hypothesis that people want to save money and therefore are searching for cheaper alternatives. Another interesting aspect of the PLMA market research is that consumers are increasingly paying attention to logos on the packages, because in their eyes it represents an assurance of quality.

To conclude, we can state that people want to and need to have some places that offer a healthy and quick lunch in a nice atmosphere at a decent price. This is especially true in the business world where time is equal to money.

²³ Private Label Today, http://www.plmainternational.com/en/private_label_en2.htm, Amsterdam, May 26-27, 2008.

Chapter 3: Defining the Concept and the Market

3.1 Introduction

The challenge is to create a restaurant concept that is the best suited to our target market. The concept has to fit the market better than the one presented by the competing restaurants. Décor, menu and style are only the tip of the iceberg of the concept. It also includes the personality of the owner, the appearance of the restaurant staff, the music and the presentation of the food. There are some aspects like the logo, the colors, and the lighting that reinforce the concept.

For a concept to have the possibility to be successful there has to be a market to support it.

As we can see in the figure below; the concept and market are central to the success of the restaurant. They are supported by the menu, prices, service, quality, location, atmosphere, food and management.²⁴ In the following section we will discuss these variables one by one to be able to understand the basic values of the concept.

After analyzing these different sections we will put the image of our restaurant forward, by giving it a name and creating a logo for it. To make it easy for the customer to understand the image we want to promote we will formulate a mission statement and an advertising slogan.

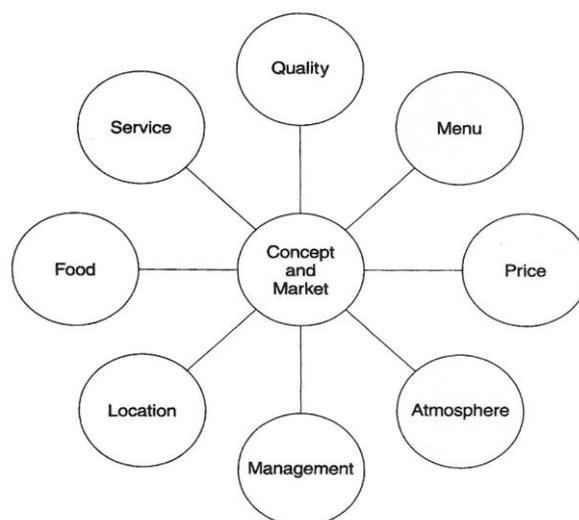


FIGURE 3-1: The concept and market comprise the hub around which the restaurant develops

²⁴ Walker, J. R., *“The restaurant, from concept to operation, fifth edition”*, John Wiley & sons, Inc., New Jersey, 2008, pg 60

3.2 The Concept

Our starting point is that most of the office workers in the European cities are eating lunch in restaurants, which propose good food in a nice atmosphere, or take their sandwiches to the office. Due to the growing concern about consuming healthy food, more and more people are asking themselves if it is in their best interest to eat as often in restaurants. Moreover workers do not always have the time to eat a full meal out. Finally, people cannot go daily to restaurants because of the expensive prices. As a result, workers are increasingly bringing their own food to work, others go to fast food restaurants and others simply skip lunch. So people are not happy with the existing options. Despite the fact that the consumers have different tastes, we found out that they were all interested in similar key points: they want a healthy, fast and inexpensive lunch.

From this analysis we think that we could fulfill the unrealized demand concerning these key points. Our concept is simple: we propose good food made with healthy, fresh ingredients, and served faster than restaurants and even fast food restaurants, all this in a nice atmosphere and at a reasonable price. Our restaurant will be well decorated to make it attractive; but it will not be too comfortable to make a fast rotation of clients possible, again the key point here is freshness which will be reflected in the décor by a natural look. We would like our kitchens to be visible to all; this way we will promote an image of cleanness and freshness. We will serve breakfast, lunch and afternoon snacks, with accompanying beverages.

All our products have to be fresh and of good quality, this is why we will get some of our products directly from a Community Supported Agriculture (CSA) farm. Nowadays the customers expect companies to be socially responsible; so businesses cannot be careless about the community or environmental issues. Due to these reasons we will buy our products locally, use recycled paper, serve coffee and tea from a fair trade label and distribute our leftovers to charities.

Since our target market are business employees, who want a quick breakfast right before they enter the office or a quick healthy break for lunch, our stores will be located in the business centers. Our stores will be open from 07.30 until 17.30 only during weekdays.

Our concept is different from the traditional fast food restaurant in two ways.

The first difference is that we will be able to serve our food faster than regular and fast food restaurants. This is because some of our food will not be made on demand, which is more time consuming. Most of the food will be prepared in advance and then put into to cooling shelves to keep it fresh. Labels on the food will carry the number of calories and the time it was made to ensure the customers of its freshness.

But our main difference, compared to traditional fast food restaurants, is that we will equip our stores with self-service machines. These self-service machines will enable our clients to order and customize their own food. These machines take the service-encounter point out of the service chain and cause for a quicker service.

Both of these services, that will enable our restaurant to deliver food in a faster and more efficient way than our competitors, will be explained in detail in the ‘service’ section of this chapter.

3.3 The Market

As we have mentioned in our concept, our target market will be the office personnel of the European cities. We will attract this group of persons by proposing them a cheaper, faster and healthier alternative than the ‘traditional’ restaurants.

Our target will be constituted out of the existing clients from restaurants, that want something healthier, cheaper and faster and people that do not go to restaurants now because they do not have the time nor the money for it.

We decided to open our first store in Amsterdam since there is a market opportunity (this will be explained in the Marketing plan). After opening several stores in this city, we could target another major Dutch city or a big city in one of the neighboring countries like Belgium or Germany. In the end we would not like to open a single store but a chain of restaurants, since this offers several advantages. In the book “restaurant from concept to operation”, by J.R. Walker there are several of these advantages (that restaurant chains have over independent restaurants) listed:

- Recognition in the marketplace
- Greater advertising clout
- Sophisticated system development
- Discounted purchasing

3.4 Degree of Service Offered

The service offered by a restaurant can vary from none at all for a vending machine that is completely impersonal to a maximum in a luxury restaurant where a table has its own waiter with the presence of a sommelier. In general, the increase in service offered in a restaurant increases the menu prices. In other words: the higher the price, the more personal the service. In a full service restaurant the customer not only pays for the food, but also for the ambiance and the attention of the service personnel. The figure below shows the different kinds of service levels that can be offered by different types of restaurants.²⁵

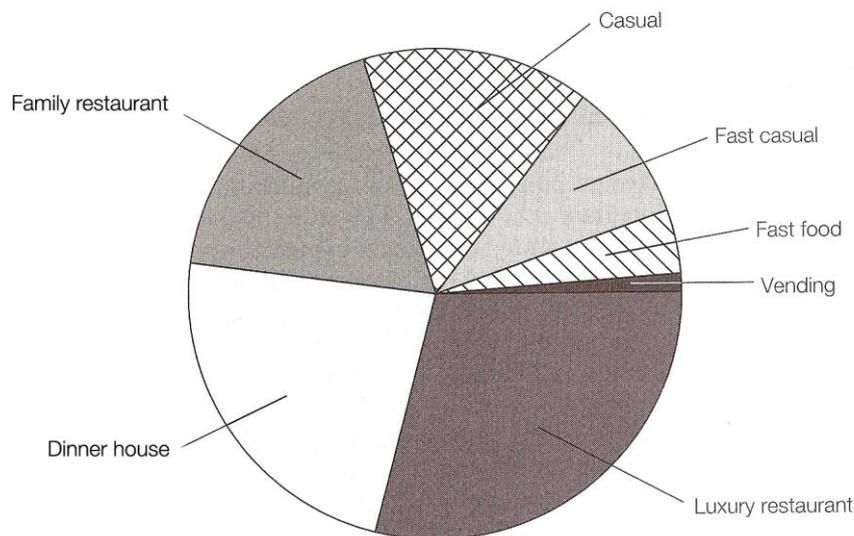


FIGURE 3-3: Different kinds of restaurants require different levels of service

The restaurant we would like to set up could be defined as a fast casual restaurant. Fast casual restaurant is a mix between a quick-service restaurant (QSR) and a casual restaurant. Characteristics of the quick-service restaurants are that time is money, or every second counts. The challenge in these restaurants is to have the staff and the products ready, to serve the maximum number of customers in the least amount of time; there must be a quick turnover time. “The QSR segment drive the industry (regarding turnover time) and includes all restaurants where the food is paid for in advance, thus before service” (Walker J. R., pg 28).

²⁵ Walker J. R., “*The restaurant, from concept to operation, fifth edition*”, John Wiley & sons, Inc., New Jersey, 2008, pg 75

A casual restaurant provides more service like waiting tables and high quality ingredients. The fast casual restaurant offers both main traits of these restaurants: it offers food with relatively high quality ingredients and serves it fast. To be able to deliver our service in a fast way, we offer two options of getting food to our customers.

Since our target are office workers that do not have a lot of time, our restaurant will be provided with fresh food like salads, sandwiches, fruits, etc waiting in the cooling shelves for the client to select. When a customer enters the store he can look around at the available assortment, pick out what he wants and pay directly at the register; this is call the 'supermarket' option. Then he can consume the food either at the restaurant or take it away. Each client serves themselves as in the supermarket. This is faster than the 'traditional' concept of fast food since with this 'traditional' concept customers order what they want at the register, pay and then have to wait while their order is being made. This will enable a faster turnover time then the traditional fast food services.

Next to the pre-made dishes in the cooling shelves there is a second option available to customers that have a little more time. All our stores will be equipped with self-service machines that enable the clients to order and customize their own food. The customer will be able to select his own ingredients and eat his pastas, salads and sandwiches the way he prefers them. These self-service machines work as follows: when a customer enters the store he will see several touch screens. These screens will be divided into three columns; one with a picture of a salad, another with a picture of pastas and a last one with a picture of a sandwich. On the screen, next to the picture of the different items, would be the price of every basic dish. The client has to touch one of the three items proposed. Once he made his choice, a list of ingredients and their prices will appear on the screen. Let's say the customer chooses to have a sandwich, first he will be able to choose between different types of breads, and then he could decide between different types of spreads and toppings in this sandwich. The price of the specific order, together with the number of calories will be visible in the lower right corner of the screen and will change with every ingredient added, so the customer knows at all times what he is going to have to pay and how many calories he will be consuming. When he is done with his selection he can touch on the button 'order' and pay directly through the machine, either by a bank card or by cash. After the payment, the order goes directly from the machine electronically to the kitchen and the client gets a receipt. Since it will take a minute to prepare the sandwich the client can watch how his sandwich is being made through the windows of the open kitchen. When the client gets his order, he can again decide to either eat

his lunch in the restaurant or take it away. This option is longer than the 'supermarket' one but still faster than sandwich restaurants where you have to wait your turn to order the ingredients directly to the people that make the sandwiches. This alternative is to offer customized items to our clients who have more time or for customers that do not like our selection of pre-made salads and sandwiches that can be found in the cooling shelves.

So our restaurant will not require intensive service-interaction; given that the clients pay at the counter and then bring the food themselves on trays to the table.

As we saw in the literature review, a lot of office workers read their e-mail during their lunchtime, so our restaurants will be provided with a free Wireless access to do so. Next to free WiFi there will be newspapers and magazines available for use.

An additional service that we would like to offer is a pickup service for orders made online and later on maybe delivery service. The menu of these services will consist of our standard food, which is everything that is present in the cooling shelves and customizable options. The delivery service will only be available with the purchase of a minimal amount of items. The customers can order through our website; these orders will be electronically delivered to the kitchen, prepared and either put aside for the customer to pick up or delivered. In order to be environmental friendly all our delivery packages will be from recycled paper.

3.5 Menu

Since our restaurant is not in operation yet we will not give a detailed menu in this section, but a more thorough menu can be found in the products section of our Marketing mix, together with some sales volume assumptions.

As explained before we will serve breakfast, lunch and afternoon snacks.

We will offer a full and varied breakfast to start of the day healthy and fresh. Our offers will consist of: different types of home-baked pastries, like croissants and pain-au-chocolate, further we will offer fresh fruit salads, yoghurts with granola, and fresh bread with different spreads, like cheeses, meats and jams. Customers can get their own coffee, tea and fresh orange juice in their own style from the self service machines of high quality.

Our lunch will have an even wider variety of dishes. These will be either available daily pre-made or on order through the self-service machine.

The daily pre-made dishes will consist of standard sandwiches like club sandwich, tuna sandwich, bagel with salmon, regular cheese sandwich and so on. Further there will be salads available also in traditional style like, salad nicoise, caesar salad, goat cheese salad, etc. These traditional sandwiches and salads will be available for picking in the cooling shelves. Next to these salads and sandwiches there will be home-made soups available. These soups will vary depending on the day of the week and there will always be a selection of three different kinds. They will be in big, see-through warming containers and the customer will pour their own bowl. In the cooling shelves there will also be desserts, like fresh fruit salads, fruits of the season, yoghurt which helps digestion, and some additional sweets.

Next to our pre-made dishes we also offer our clients the option of ordering their customized dish through the self-service machines. As explained before there are three main choices a customer can pick from on these screens; sandwiches, salads and pastas. For the sandwiches a customer's choice starts by the picking of the type of bread, then the type of spread, type of vegetable topping and finally the flavor of the sauce. For the salad it starts by selecting the type of lettuce, following the types of cheeses/meat/fish, other vegetable topping and again as ending the flavor of sauce. For the pasta the customer starts by picking the type of pasta and different types of topping and added vegetables.

For lunch-drinks we will still be serving coffee, tea and fresh orange juice. Next to this there will be a wide variety of light and diet soft drinks and drinks with natural energy-boosters. We would also like to offer pre-made smoothies like the brand Innocent.

In the afternoon we will serve home-made style pies, cookies and cakes which will be nice to consume with a coffee, tea and hot chocolate milk. Next to this we will still be serving refreshing fresh fruits.

Since one of the pillars of our concept is healthiness and freshness, we decided that parts of our products like vegetables and fruits will be supplied by a Community Supported Agriculture (CSA) farm. There are two positive aspects in getting food from a CSA farm. Firstly, it will guarantee the freshness of our food. Secondly, it will have a positive effect on our brand image. The CSA model will be explained later in the work.

The coffee and the tea we serve will be fair-trade, because it is important that we show our customers that our company cares about where the products are coming from and that we pick our suppliers carefully.

The food that is not sold during the day will be given to charity in cooperation with an association like 'Food not Bombs'²⁶; 'Food not Bombs' is a nonprofit organization that comes and pick up the food leftovers of restaurants and distributes them to the homeless and poor. By participating in a project like this we contribute to the wellbeing of the community and to our brand image.

A detailed menu will be given in the product section of the marketing plan.

3.6 Prices

As our concept is a chain of healthy restaurants and that we do have the ambition to be internationally present. The prices of our products will be different according to the location of the stores. This is because the cost of living in one country is not equal to another.

There are different factors influencing prices, we must consider the following in our price-calculations²⁷:

- The relationship between demand and supply
- Shrinking guest loyalty
- Sales mix
- The competitions prices
- Overhead costs
- The psychological aspects of price setting
- The need for profit

²⁶ www.foodnotbombs.dse.nl/achtergrond.htm, (25/06/2009)

²⁷ Walker J. R., "*The restaurant, from concept to operation, fifth edition*". John Wiley & sons, Inc., New Jersey, 2008, pg 125

All these elements have to be taken into account when setting the price. Since these elements vary from one market to another, the price has to be calculated according to each market.

3.7 Quality

Having products of good quality is very important, especially with our concept that is based on healthy and fresh food. To have the best quality ingredients, we have to pick our suppliers carefully.

In order to have fresh ingredients we could get some of our products directly from the farm. Indeed, since many years now, Community Supported Agriculture (CSA) has become a popular way for consumers to buy local, seasonal food directly from a farmer. CSA is a partnership of mutual commitment between a farm and a community of supporters which provides a direct link between the production and consumption of food.²⁸ The supporters cover a yearly operating budget of a farm by purchasing a share of the season's harvest.²⁹ In other words, CSA members make a commitment to support the farm all the way through the season, and assume the expenses and the risks of growing food along with the farmer. Members help pay for seeds, fertilizer, water, equipment maintenance, labor, and other aspects of the daily operations of the farm. In return, the farm provides a healthy supply of seasonal fresh products throughout the growing season. We could describe this as to be a win/win situation since both of the parties will have advantages.

Advantages for the farmer:

- Receive payment early in the season.
- The financial risks are shared by the farmer and the consumers.

Advantages for our restaurant:

- To have really fresh food with all the flavor and vitamin benefits.
- Parts of our menu could vary depending on the different vegetables of the season.
- To enjoy locally produced products.
- To be more ecological.

²⁸ Community supported Agriculture, <http://www.localharvest.org/csa/>, (15/06/2009)

²⁹ Community supported Agriculture, <http://www.nal.usda.gov/afsic/pubs/csa/csa.shtml>, (17/06/2009)

Due to the fact that people are more and more concerned about the quality of the ingredients they consume and their growing concern about the environment; we think that our customers will support our choice to get some of the products we need through the CSA system. Those products are not only really fresh; they are also without chemicals, additives and preservatives. The environmental benefits of eating food produced by a CSA go beyond just eating organic, since the local food distribution system ensures a significant reduction in the carbon emissions that are associated with transporting food on long distances.

Furthermore, to ensure our customers that the food we offer is fresh and healthy, our dishes will carry labels which will indicate the time the dish is made that day and the number of calories of that specific dish.

So the fact that parts of our food will be produced in CSA farm will guarantee the freshness of our ingredients. It will also show that our business is concerned with the environment and the local economy, which is good for our brand image.

3.8 Location

According to J.R. Walker a good location for a restaurant that targets office workers is a restaurant situated relatively close to where the professionals work, since they do not have a lot of time for lunch, because of their short lunch breaks.

Therefore all our stores will be situated in large cities that contain many offices. In each city there are in general two main locations where offices are located and would be the best places to locate our restaurant. The first one is in the city centre near the offices buildings. And the second one is in office parks that are usually situated outside the city centre.

Both locations have advantages and disadvantages. The advantage of the city-centre location is that it might also attract other customers, which means higher revenues. The down side of this location is that the rent is usually higher than in the suburbs. For the office park it is exactly the other way around: the advantage is the lower rent and the disadvantage is a potentially smaller clientele.

Whether the stores will be situated downtown near offices or in office parks, two important criteria for restaurants are the visibility and the accessibility.

In order to be visible a restaurant has to catch the attention of the potential clients. The first thing that customers see is the logo and name, so these need to be clearly noticeable and carry out the vision of the company, in our case healthy, fresh and natural. These key factors must not only be reflected in the easily notable logo and name, but in the whole design of the store, this will be explained in the following section named 'Atmosphere'.

The accessibility is another major element for the success of a store. In our situation the restaurants need to be close from the offices, to catch our target group. Especially nowadays, with the worker having shorter lunch breaks, our restaurants have to be within a few minutes walking distance from the customer workplace, since the office employees will not have a lot of time to walk long distances to get their lunch.

3.9 Atmosphere

Before describing in detail the atmosphere and the design of the restaurant we should make clear for ourselves what the main purpose of our restaurant is: to sell meals for nutritional purpose or for pleasure? Up to 75 percent of the meals eaten away from home are for utilitarian purposes, while the other 25 percent are for pleasure (hedonic purposes) (Walker J. R.). Our restaurant is no exception to the rule since almost all our customers will come to have a quick lunch during their short break. But it is not because the customer will not have the time to stay long in the restaurant that he cannot enjoy the experience of eating out. So although our main purpose is to serve food, we want to do this in a nice and pleasurable environment.

All our restaurants will have common features and the same style depending on location and size of the store. We would like them to look attractive and to have a modern facet. Each store should reflect the concept of healthiness and freshness and when a customer enters the store he should be able to see this reflected in the design.

The restaurant exterior design needs to correlate with the design of the restaurant on the inside. Thus the consumption area and the open kitchen, since this is also visible to everyone, will also have to reflect the main concept of healthiness freshness. The outside of the store will be made of a huge glass window with our logo on it. The opening hours and the mission statement will be printed in a nice and modern typography on the entrance door. The consumption-area and the kitchen will be painted white, because white is a light color and therefore makes the room appear bigger. White also gives a fresh and modern look, which we want to promote. This only works though if the room and the kitchen are very clean especially since the kitchen will be visible to all.

Lighting is one of the most important elements in a restaurant design since this has a big impact on the entire atmosphere. All our stores will be equipped with intensity controllable spots. At lunch time the light will be very bright, whereas in the morning and afternoon the lightening will be softer, to spread a more relax and cozy atmosphere.

The dining area will be furnished with high tables made out of wood as well as wooden floor to bring out the natural aspect and hard iron stools to emphasize the design and modern look of the concept.

It is not without a reason that we use hard seats and bold colors combined with bright lights. It is a technique used by the “Quick-service restaurants” to ensure that the customers move after about 20 min. As we can see on the graph below³⁰, showing turnover times of the different types of restaurants, that people who eat in fast food or fast casual restaurants do it in a short time.

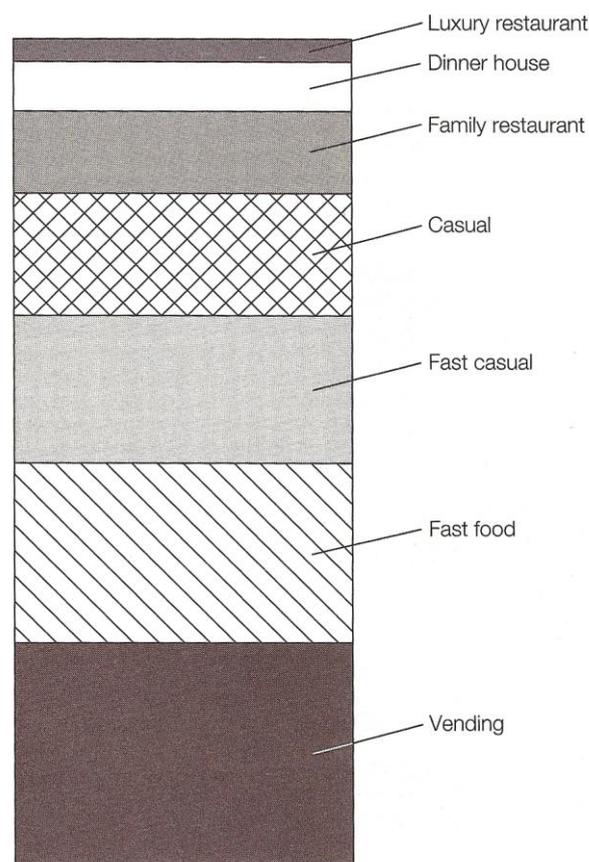


FIGURE 3-4: Different kinds of restaurants have different seat turnover levels

³⁰ Walker J. R., “*The restaurant, from concept to operation, fifth edition*”, John Wiley & sons, Inc., New Jersey, 2008, pg 76

In the main room would also be large cooling shelves for the drinks and the food. Those cooling shelves will be in aluminum, once more to underline the modern aspect of the design.

As we said before, the kitchen will be visible to everyone. This is because we believe that people like to see where and in which condition there food is being made. The fact that the clients can see the cleanness of the kitchen will assure them, and give our restaurant a clean image. We also think that seeing the cook preparing the dishes will bring life to the restaurant; and as it is in the human nature, people like to see other person doing things for them; it might bring value to their dish.

As decoration we could ask young artists to expose their paintings or pictures in our restaurants. This will be a win/win situation as the young artist would have a place to expose and thus a chance to be known. For the store it would add a unique and free decoration that would enhance the modern side of the concept. This will also allow a frequent change in decoration without changing the image of the restaurant.

To bring a special sphere to the store music is also important. But the music has to be different at different times of the day. In the morning people rather hear calm music as usually they are relaxed at the beginning of the day. At lunch we could tune something with more rhythm since people are active at that time. And in the afternoon we could play a lounge type of music that encourages people to cool down in order to make them stay longer thus increasing the bill per customer rather than the quantity of customers.

3.10 Management and Employees

The restaurant operations are split between the front and back of the house. In the back of the house are the areas that include food preparation, dishwashing, sanitation, purchasing, accounting, budgeting and control. The front of the house refers to the host, the servers and the cashiers.

For the front of the house operations we could hire one manager and several servers and cashiers. The manager has to be qualified and have experience in the restaurant business. He also has to have leadership ability, as he will have to give orders to the servers and the cashiers. An important part of his job will be to organize the shift of employees in order that the restaurant would never be overstaffed or understaffed. The manager would have to be a full time employee and have the responsibility of closing the restaurant. He also will have the obligation of writing a daily report of the restaurant operations.

For the jobs of servers and the cashiers we could hire students that are searching for a part time or full time job. These employees do not need specific qualification to be able to work in a fast casual restaurant like ours. Their task will be to remove the left over and dirty trays of the customers, to clean the tables, the toilets and the restaurant, and they could also work as cashiers. There are several advantages of hiring part time students. The first advantage is that their payroll is close to the minimum wage. The second one is that since they could be part time employees we could have more people working during peak hours like lunch and less in the morning when fewer clients are expected. The third one is that student workers are easier to manage and rotate.

The kitchen is one of the most important parts of the back house operations; it is the centre of production. To run the kitchen we need to hire a chef, he will be in charge of the food production and the kitchen. He has to make sure that the food prepared is from excellent quality; therefore he has to check the quality of the ingredients coming from the suppliers and the preparation methods. Together with the manager, the chef will also be in charge of the food purchasing. The chef has the task of teaching and directing his apprentices. He will be the first to arrive at the restaurant in order to prepare the breakfast and ensure all operations are running.

Some of the apprentices could be full time employees; others could be part-time employees. This will depend on what the chef needs during the different periods of the day. Additionally someone has to be appointed to clean the dishes and the kitchen.

The accounting, budgeting and control would be done by the business owners, until now, Luis Adrianza and Gregory de Harlez. They will be helped by the store's manager. When the business will grow and stores will be present in several locations; those operations will be centralized and treated in one location with the help of the DRS software (please view IT implementation plan).

Since we never have opened any restaurants before and that the number of employees to hire depends on several criteria's (for example: size of the store and number of potential customers) the precise number of employees will be calculated in the Operational Implementation Plan. Furthermore it is very important to have a look at the legislation of the country where we want to implement the restaurants. There are legal aspects to take into account while hiring employees like the maximum of hours that employees can work a day or how many hours can a student work.

3.11 Image

It is very important for restaurants to have clear image. Logos, signs, uniforms, menus, and décor should fit together as a whole that comes across to the public as a well-defined image³¹.

3.11.1 Restaurant Name

The restaurant name is part of the image. The name can tell the customer what to expect. When people go to a restaurant called Little Italy or Mama Roma, they will expect those restaurants to serve Italian food.

A name that tells people what to expect, one that is easy to remember, and one that people can pronounce easily is a great asset which can save spending on advertising and promotion. No money is needed for name recognition, because a good name captures this essential element already.

The importance of a good, recognizable, easy to pronounce name is especially true for a concept like ours, as in the future we would like to be present in several countries; and different countries means different languages. Therefore we need a name that can be recognized internationally.

We decided to call our restaurant 'My Taste', because that name reflects one of the principles of our restaurant, to know, that the customer can customize their own food due to our unique self-service machines. The name 'My Taste' will remind the clients of the well known website 'MySpace' where people can tailor their own profile.

3.11.2 The Logo

Customers usually recognize restaurants through the logo design.³² When travelers see a McDonald or a Subway logo, they know what kind of food to expect and they will stop there to eat because it is familiar.

That is why restaurant chain logos are carefully designed to fit the image that the company wants to project. So if we want customer to remember us we need a good logo

³¹ Walker J. R., "*The restaurant, from concept to operation, fifth edition*", John Wiley & sons, Inc., New Jersey, 2008, pg 55

³² Logo design works website, <http://www.logodesignworks.com/restaurant-logos.htm>, (17/07/2009)

design. Hereunder is the logo we chose because it is simple, elegant and fit with the image of our company.

MyTaste ³³

3.11.3 Mission Statement

‘My Taste’ is the perfect place to spend a quick, healthy and affordable lunch in a nice atmosphere. We are a fast and fresh food chain, for those in a hurry for a quick HEALTHY bite. Our food is always made with top quality ingredients that ensure the freshness of our food, which shall be moderately priced, an option where you can dine every day, without digging a hole in your pocket.

Our restaurants will be characterized by the use of IT in speeding up and assisting our customers during the ordering processes.

We consider being partners with not just our customers and investors, but also our suppliers, employees, community and environment; we realize that all of them are essential to our success and should treat them accordingly.

Our goal is to offer value to our customers by providing them fresh and healthy food the way they like it, for the price they like and to secure sustainable growth that allows us to expand moderately our chain of stores internationally and of course annual profitability.³⁴

3.11.4 Advertising Slogan

‘Because you know better’.

³³ Logo made by Julien Van Havere, <http://www.sevendaysmakeaweek.com>

³⁴ Mission developed according to the suggestions of “The Successful Business Plan”

Chapter 4: Marketing Plan

4.1 Introduction

A marketing plan is important because it analyses the potential customers and competitors and it helps to answer the main question: Is there a need for a restaurant?

We decided to open our first store in the Netherlands more precisely in Amsterdam. In this part we will give the important facts about our first market.

The Netherlands has a prosperous and open economy, which depends heavily on foreign trade. The economy is noted for stable industrial relations, moderate unemployment and inflation, a sizable current account surplus, and an important role as a European transportation hub. Industrial activity is predominantly in food processing, chemicals, petroleum refining, and electrical machinery. A highly mechanized agricultural sector employs no more than 3% of the labor force but provides large surpluses for the food-processing industry and for exports. The Netherlands, along with 11 of its EU partners, began circulating the euro currency on 1 January 2002. The country has been one of the leading European nations for attracting foreign direct investments.³⁵

Despite the instability on the financial markets due to the financial crises of 2008 and 2009, the Dutch economy still increased by 2.3% last year.³⁶ Nevertheless, the Netherlands Bureau for Economic Policy Analysis forecasts a contraction of the economy by 0.75% for this present year. Even though the actual economic situation is not clear, the GDP is expected to increase again by 1% in 2010.

In the retail market, there is a mix sentiment between the non-food and food sector. Indeed in 2008, stores selling clothes, consumer electronics or home furniture saw their turnover coming to a halt or even falling. By contrast, total turnover within the food-sector increased by 6%, reaching the highest level of the last seven years.³⁷ This proves that despite the crises, the food-sector is still doing well.

³⁵ CIA, the world factbook, <https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html#Econ>, (17/05/2009)

³⁶ CB RICHARD ELLIS, MarketView: Dutch retail property market, 2008

³⁷ CB RICHARD ELLIS, MarketView: Dutch retail property market, 2008

The restaurant industry has been growing sharply since the sixties. In 1957, there were just over 31,000 food and beverage establishments in the Netherlands, employing 45,000 people and having annual sales of \$545 million. By the end of 2004, the number of restaurants, bars, snack bars and such outlets has not increased dramatically, there are 42,000, but their revenues and staff have ballooned. Currently, some 420,000 people find employment in the food-and-beverage sector, which has gross sales of \$15.4 billion, of which \$6.7 billion in food only.³⁸

Not only due to these general numbers did we decide to enter the Dutch market as our first entry market, the Dutch as potential clients fit with the main characteristics of our concept; healthy, fast and inexpensive food.

For many years the Netherlands has been in the top five of nations with the highest life expectancy. In recent years the country has slipped out of this top five and the government is taking firm actions. Minister of Health, Ab Klink, is setting up national campaigns with food producers, retailers and welfare groups to promote healthy eating habits. They are also investigating more radical options such as extra tax on fatty foods.³⁹ The cooperation of the government and the foundation 'het voedingscentrum', the Dutch Nutrition Centre, funded by the government, has already caused an increase in the total consumption of vegetables and fruits. This is the first increase in 20 years. Further data from the Nutrition Centre confirms that the average Dutch consumer is more concerned with health issues. Healthy fruit drinks and other healthy or functional foods have seen a dramatic increase in sales recently. Furthermore, according to research by the Q&A bureau, Dutch consumers are eating healthier and fewer consumers are visiting fast-food restaurants. According to figures of this research, 21% of the respondents never visited a fast food restaurant compared to 4% in 2004, a significant decrease. The number of people who visited a fast food restaurant once a week fell from 17% to 14% of the total Dutch population.⁴⁰

From this, it can be concluded that there is a trend towards healthier eating habits in the Netherlands.

³⁸ Eating habits of Dutch have switched to dining out on foreign fare, <http://www.godutch.com>, Jan 2006

³⁹ "Dutch government campaign for healthier eating", RNW Press Review, 4th July 2008

⁴⁰ Hedley D., "PulseTracker – healthy eating", Euromonitor, 23 Feb 2007

A recent study, conducted by Reuters Business Insight, investigated the European lunch-habits. They found that ‘eating an extensive, lengthy lunch is out’ and that ‘the new place to consume your lunch is behind the office desk’. Although there are regional differences within Europe, the general trend is that lunch breaks are being reduced to a little more than half an hour ‘pitstops’, due to more hectic lifestyles and longer working hours.⁴¹

That this ‘pitstop’ trend has reached the Netherlands shows a research by Intermediair, that the average Dutch lunch break is 33 minutes. Eighty-nine% of Dutch workers take a lunch break, from this one third goes outside the office perimeter to get something to eat.⁴²

The last of the main characteristics – inexpensive food – especially is a focal point at this moment in time, when the whole world is facing an economic crisis. The Netherlands is also affected by this crisis. In an analysis by the Netherlands Bureau for Economic Policy Analysis, is forecasted that for 2009 the Dutch economy will face a contraction of 0.75%. And because the purchasing power of consumers’ has been affected by the crises, a recent research by the ministry of social affairs showed that one third of the Dutch citizens has become more cautious with big expenses and a quarter of the citizens has become more cautious with expenses concerning the daily groceries.⁴³

From the research by Intermediair, mentioned above, it shows that one third of the food consumed during lunch is prepared and taken from home.

Due to these three main characteristics of our concepts fitting with the consumption environment of the Dutch consumers, we think that entering the food sector in this market is a good and sound choice.

4.2 Market Potential

The market is the total of all actual and potential customers; it is usually segmented into buyers with similar characteristics. Inside these groups are target markets, which are groups identified as the best ones for the restaurant to serve. Since we chose Amsterdam as

⁴¹ Daniel Lord, ‘Future Lunch Solutions’ report; <http://www.globalbusinessinsights.com/report.asp?id=rbcg0067> (20/05/2009)

⁴² ‘Lunch Pauze’, source: Intermediair: <http://www.beelen.net/encyclopedia/iid109/lunchpauze.html> (03/06/2009)

⁴³ ‘Consument past uitgaven aan’, by Maurice de Hond : <http://www.secondsight.nl/page/15270/nl> (10/06/2009)

the starting point for our business, our target market will be the office employees of this city that want to have a quick and healthy break.

How many people in the market are potential clients? How many of them are willing to eat breakfast and/or lunch? These are the question we will try to answer in this part.

According to J.R. Walker the three typical segmentations criteria are: geography, demography and behavior.

- **Geography:** Amsterdam is the capital and largest city of the Netherlands, located in the province of North-Holland in the west of the country. The city is the financial and cultural capital of the Netherlands. Amsterdam is in the top 25 fastest growing urban economies in Europe. The strong position of Amsterdam is based on the emphasized presence of the service sector and its international position. Within Europe, Amsterdam is ranked fourth of the best trade cities after the traditional top three: London, Paris and Frankfurt. These four together are the leaders of European cities with an international business impact.⁴⁴ Many large Dutch and international institutions have their headquarters in Amsterdam, and seven of the world's top 500 companies, including Philips and ING, are based in the city.⁴⁵ Although many small offices are still located on the old canals, companies are increasingly relocating outside the city centre. The South Axis has become the new financial and legal hub. The five largest law firms of the Netherlands, a number of Dutch subsidiaries of large consulting firms like Boston Consulting Group and Accenture, as well as the WTC (World Trade Centre Amsterdam) are located in the South Axis.

- **Demography:** The city has a resident population of a just under 3/4 of a million inhabitants, yet draws its workforce from the 1.5 million people in Greater Amsterdam as well as across the whole Randstad region (Europe's sixth largest metropolitan area with around seven million people) making the city within commutable distance for over half the national population.⁴⁶

⁴⁴ City of Amsterdam, research and statistics, http://www.os.amsterdam.nl/pdf/2008_yearbook_summary.pdf, (24/06/2009)

⁴⁵ Forbes Global 2000 largest companies, http://www.answers.com/topic/amsterdam#cite_note-9, (24/06/2009)

⁴⁶ Introduction to the Randstad region, <http://cordis.europa.eu/randstad-region/intro.htm>, (24/06/2009)

- **Behavior:** Windmills, wooden shoes and tulips are a few of the things that characterize the Netherlands, but the image that the Dutch prefer is one of international business savvy, hard work, tolerance and fairness.

Historically, Holland has always been an outward looking nation. Its coastal geography and advanced skills in wooden ship building ensured that Dutch navigators featured strongly in international exploration, colonization and trade. This gave the country a leading role in international affairs disproportionate to its size. The result was a cosmopolitan outlook and an entrepreneurial attitude that endure to this day.⁴⁷ With this in mind, it can be said that the Dutch have always been internationally orientated and nowadays you can expect to find meals varying from Italy to the Orient and from China to Africa on Dutch dinner tables, especially amongst younger people. The consumption of dairy products is extremely high, which, according to some scientists, accounts for the high average height of Dutch men and women. Most Dutch people still take a packed lunch to work, typically consisting of a sandwich with brown bread and cheese, with a piece of fruit. Dutch office workers often eat a similar meal in their office canteens. Alternatively, they may go for a broodje bal (a meatball on a soft white bun), a sausage roll, a tosti (usually a toasted sandwich with ham and cheese), a broodje kroket (a deep fried meat ragout croquette on a soft bun), soup or a salad, with a buttered roll and a boiled egg.⁴⁸

4.3 Marketing Mix

4.3.1 Place/Location

The location is one of the most important factors in a restaurant success. Indeed, good visibility is imperative to attract clients, especially at the beginning when the restaurant is not well-known. Easy access and convenience are also necessary for the restaurant to work. Especially for our business since the target we aim at, businesspersons, are not willing to spend a long journey between their office and their lunch place in order to save time.

As previously pointed out in the business concept, our restaurant will be located near businesses in order to attract a lot of customers. In Amsterdam, there are many possibilities for implementing a lunch place. We could start our restaurant in the city centre where there

⁴⁷ The Dutch culture, <http://www.nlplanet.com/nlguides/dutch-culture>, (25/06/2009)

⁴⁸ Daily Dutch eating habits, http://dutchfood.about.com/od/aboutdutchcooking/ss/3DailyMeals_2.htm

are numerous workers; or in one off the many office areas situated around the city (for more detail, see the following map).

Amsterdam office sub-markets



Source: Knight Franck

The two best locations for our business would be Amsterdam Centre and South Axis. Those are the best locations because the main offices are situated in those areas. But with a good location comes a high price tag concerning rent. The table hereunder clearly shows the rental prices for the office market in the different parts of Amsterdam. It gives us a good indication of what the cost could be for the rent of a potential location for our restaurant.

Table 1
Amsterdam office market rental ranges 2008

Sub-market	Average rental-range (in EUR)		Sub-market	Average rental-range (in EUR)	
	min	max		min	max
Amsterdam Centre	185	300	Amsterdam East	140	185
Amsterdam IJ-Oevers	225	275	Amsterdam South East	140	210
Amsterdam South	250	300	Amsterdam Omval	285	350
Amsterdam South Axis	275	350	Diemen	125	165
Amsterdam West	145	175	Amstelveen	185	225
Amsterdam Sloterdijk	145	185	Schiphol Centre	275	350
Amsterdam Riekerpolder	185	215	Schiphol Rijk	125	185
Amsterdam Buitenveldert	165	225	Hoofddorp	135	200
Amsterdam North	135	210			

Figures are based on a minimum 500 sq m unit, excluding exceptional trophy assets and the upper floors of towers.

Source: knight Frank, the price is in € per sq m per year

In this section we will analyze the different possibilities that we previously pointed out:

Amsterdam Centre: The area contains a strong mix of residential, retail, leisure and office premises. The majority of large scale office occupiers have left the area as modern office developments offering large floor plate have come to the market in less congested districts. The strip along the south bank of the waterfront at the northern edge of the Amsterdam Centre sub-market is emerging as an office market in its own right. The Oosterdokseiland (A picture of the Oosterdokeiland is available in Appendix A) is the subject of substantial development and have attracted occupiers including Ahold, Vodafone, TomTom and Philip. The city centre rental values range from €185-225 per sq m per year⁴⁹. However, rents can reach as high as €300 per sq m for exceptional space in the best canal houses.

If we choose to open our business in the metropolis, we would do it near the Oosterdokseiland because of the high density of offices and thus many potential clients. That new office park will provide 17 000 sq m for coffee places and restaurants.⁵⁰ Furthermore the new public library is located here. Hundreds of students and faculty members of the two main Universities of Amsterdam, de Vrije Universiteit and the Universiteit van Amsterdam, come here daily to study and make use of the library facilities. So next to our main customer focus group of office employees, these students and faculty members could also be able to enjoy our services.

⁴⁹ 2008 Amsterdam office market report, NL real estate in association with Knight Frank, 2008

⁵⁰ General information's about the oosterdockeiland, <http://www.oosterdokseiland.nl/>, (25/05/2009)

Amsterdam centre enjoys a well designed public transport system, which keeps expanding. Currently the North-East side of Amsterdam is going through a huge reconstruction phase. In this area the construction of a new housing project is creating a whole new living district called IJburg. IJburg is going to be built on six Islands, where 18.000 homes will be built, which can house 45.000 residents.⁵¹ Due to this construction new public transportation lines are being built. A new tram line, number 26, has been created to connect this district with the centre of Amsterdam. The office site of Oosterdokseiland is connected to this new tram line. This means that customers for whom our restaurant is a bit too far located could easily reach us by tram. Furthermore, in April of 2003 the city of Amsterdam started the construction of the Noord-Zuid lijn (North-South line). This is a metro line that connects the North of Amsterdam, on the other side of the IJ-canal, to the South of Amsterdam, the South-Axis. Current planning states that this line will be finished by 2017. Next to this, many Dutch are going to their work by bike. Biking would make it simple and fast for them to come and have lunch at our eating facility.

Amsterdam South and the South Axes: Amsterdam South (please view picture of Amsterdam South in Appendix B) is considered the prime office location in Amsterdam. The development of the South Axis has added substantial levels of high-quality stock to the Amsterdam market, with the sub-market commanding some of the highest rents in the Netherlands. There is a high proportion of financial and business services related occupiers holding large sections of space in the market. Over 24,000 people currently work in the South Axis⁵². Large multinationals such as ING Group, ABN-Amro and Akzo Nobel already have their headquarters in this new area. Since it is considered as the prime location of Amsterdam we could expect to pay between €250-350 per sq meter a year. This office park is situated south of Amsterdam and is easy of access for the employees. Indeed, the Amsterdam South Axis area is situated along one of the country's major transport corridors formed by the motorway A10 and the railway going through Amsterdam South. As mentioned before, by 2017 the South-Axis will be directly connected to the Centre and North of Amsterdam by the new metro line. Furthermore it is located in the neighborhood of both the Schiphol airport and

⁵¹ IJburg, a new city, <http://www.ijburg.nl/>, (25/05/2009)

⁵² Doing business in Zuidas, <http://www.zuidas.nl/smartsite.dws?id=1112&curindex=2>, (29/05/2009)

the cultural centre of Amsterdam. As we can notice in the table below⁵³, the total sq m reserved for the shops in the South Axis is from 15.000.

Category	Office-coefficient	Surface ^a m ² gross floor area	Employees
Offices	30	900.000	30.000
Shops	60	15.000	250
Other facilities	100	223.000	2.230
Total			32.480

^a Rounded off to the thousandth.

4.3.2 Product

The purpose of a restaurant is to satisfy the client's needs, to procure them a memorable experience that they will want to repeat. The main ingredient of a restaurant is the quality of the food; if the clients are not satisfied they will go somewhere else. As was discussed in the concept our restaurant will serve different sandwiches, pastas, salads and pastries.

In this part we will first give a detail menu for all the pre-made products that are standing in the cooling shelves waiting for the clients to pick them up. Then we will provide some examples of combinations that the customers could order through our self-service machines.

This is the complete 'My Taste' menu for our first restaurant in Amsterdam:

Breakfast:

- Pain au chocolat
- Pain au raisin
- Croissant
- A bread basket that goes with a choice of 3 different spreads (selection of jams, cheeses, meats and chocolate spread)
- Eggs (as you desire)
- Fresh fruits of the season
- Fruit salad
- Bio yoghurts with granola

⁵³ Besseling P., Multifunctional land use in the Amsterdam South Axis area - a cost-benefit analysis, June 2005

Sandwiches: (Multiple bread styles: white, brown and wholegrain)

- Club sandwich (ham, cheese, salad leaves and tomatoes)
- Tuna sandwich (tuna fish, salad leaves)
- Avocado chicken
- Chicken curry salad
- American (raw meat, salad leaves and tomatoes)
- Ham (muster, butter or mayo)
- Cheese (muster, butter or mayo)
- Goat cheese and honey
- Smoked salmon
- Mozzarella, tomatoes, pesto and basal
- Veggie of the season (made of seasonal vegetables)

Salads: (A variety of dressing will be proposed on the side of the salad)

- Chicken Caesar salad: (chicken breast, parmesans, cherry tomatoes, cucumber, salad leaves and a topping of your choice)
- Smoked salmon salad: (slices of smoked salmon, cucumber, lemon piece, salad leaves and a topping of your choice)
- Tuna nicoise salad: (tuna fish, tomatoes, hardboiled egg, olives, cucumber, salad leaves and the topping of your choice)
- Shrimp salad: (shrimps, parmesans, cherry tomatoes, salad leaves and the topping of your choice)
- Goat cheese salad: (cold goat cheese, honey, apple slices, nuts and the topping of your choice)
- Pasta salad (cold pasta, basal, cherry tomatoes and mozzarella)
- Tomato & Mozzarella (mozzarella, tomatoes, basal, pesto and olive oil)
- Salad of the season (made of seasonal vegetables)

Soups: (Three different kinds of soups based on the vegetables of the season)

Desserts & Snacks:

- Fresh fruits of the season
- Fruit salad
- Bio yoghurts with granola
- Chocolate mousse
- Cheese cake
- Chocolate cake
- Cookies
- Apple pie
- Raspberry pie
- Strawberry pie

Cold Drinks:

- Water
- Sparkling water
- Soda's (coca-cola, coca-cola light, fanta, fanta-light, icetea and icetea light)
- Fresh squeezed orange juice
- Innocent⁵⁴ smoothies
- Ice coffee

Hot Drinks:

- Max Havelar⁵⁵ coffees (ristretto, espresso, cappuccino, latte, mocha)
- Tea (different kind of organic teas)
- Hot chocolate

Note: Pasta is not in our main Menu, as it would not be available as a premade dish. It would only be possible to order it through our self service machines and through the cashier.

⁵⁴ We chose to sell smoothies from the brand innocent in our store because that brand enjoys a very good reputation because it uses 100% pure and fresh fruit in all of their smoothies. Nothing else. No added sugar. No water. No concentrates. More details in **Appendix A**.

⁵⁵ My Taste will use the coffee beans from the Fair Trade label Max Havelaar. So by drinking in our store, customers will support Fair Trade and improve the lives of tens of thousands of coffee producers. More detail on Max Havelaar in **Appendix B**.

Since we do not only propose pre-made articles that are standing in the cooling shelves but also customized dishes that the customers can order through our self-service machine, we decided to define three typical combinations that we think will be our top selling items. This service will be offered only till 3:00 pm, due to staff limitations (for more details please view the staff implementation plan). To give an example of what customers are able to order through our self-service machines, we will define the three most sold typical combinations for each of our main courses: sandwiches, salads and pastas.

Sandwiches:

Since our first lunch place will be located in the Netherlands we assume that the typical sandwich that will be ordered is an American club sandwich plus cheese.⁵⁶

So for example a customer would first touch the sandwich section on the screen of the self-service machine. He would choose in order first brown bread then chicken, melted cheese, salad leaves, tomatoes and would finish his order by selecting mayo as topping.

Salads:

We suppose that a lot of customer will pick a shrimp salad due to the love of Dutch people for seafood.⁵⁷

So after touching on the salad section of the screen, a customer would begin by choosing lettuce, then shrimps, Gouda cheese, cherry tomatoes, cucumber, lemon juice and olive oil as topping.

Pastas:

We presume that a lot of customer will pick pasta bolognese because it is one of the most famous pasta dishes in the world.

The buyer would start by pushing the pasta section on the touch screen; then he would first choose penne as pastas, followed by bolognese sauce and would finish by picking parmesan cheese.

For a detailed view of the ingredients, prices and estimated sales of each of the above products, please view the implementation plan for products & food purchasing.

⁵⁶ We assume this on the basis that we tried and looked at a lot of menus in different lunch places in Amsterdam.

⁵⁷ This fact is corroborate by two website : <http://holland.angloinfo.com/countries/holland/food.asp> and http://en.wikipedia.org/wiki/Dutch_cuisine (17/07/2009)

4.3.3 Price

The price is the only income generating variable of the Marketing mix. But it is affected by the other variables, for example if the cost of a location is high, the prices charge in a restaurant are probably going to be higher too.⁵⁸ The only solution to avoid high prices is to have a big volume of customers. The table below will give an indication of the price ranges we would like to be able to offer to our customers. As is mentioned before, these prices are an indication depending on many external factors.

Product	Price Range in Euros
Sandwich	3 to 6
Salad	4 to 8
Pasta	4 to 8

A detailed description of the prices will be given in a later chapter.

4.3.4 Promotion

Promotion is the activity by which the restaurateurs are not only attracting new customers but also persuade them to become loyal.

Promotions campaigns can have many different goals such as increasing consumer awareness; improve consumer perception, entice first time visits by customers, create brand loyalty, etc (J.R. Walker, pg127).

Our promotional activities will consist, for the moment, of 2 steps.

Since our restaurant is an entirely new concept, the first thing we need to focus on is getting customers into our restaurant; to entice first time buyers to try the restaurant.

For this first step of our promotion we will distribute flyers before the restaurant opens, to create awareness. These flyers will be distributed in the surrounding of our new establishment, and at the entrance of the office buildings surrounding it. This flyer will contain the main information of our restaurant, such as: name, logo, location (including map),

⁵⁸ John R. Walker, *“The restaurant, from concept to operation, fifth edition”*, John Wiley & sons, Inc., New Jersey, 2008, pg 124

opening hours, website and the date of opening. Furthermore the flyer will state that ‘by showing this flyer you will get a 25% discount on your first meal (valid the first week of opening)’. The purpose of this discount is to entice first time buyers to try the restaurant.

Next to promotion through flyers, we also will create brand awareness through Facebook.

Facebook is a social online community. In recent years more and more people are using social networks online, so we decided to use this medium. We choose Facebook since this is the biggest online social network, which has 200million members.⁵⁹ Next to this, a number of studies and surveys on the internet, looking at the demographics of Facebook users have indicated that many business people are joining the social network. Thus for us Facebook is a very good medium, since business people are very busy people and thus hard to reach to other mediums such as TV, radio and newsletters.

To advertise through Facebook there are two main steps that need to be taken.⁶⁰ We need to start off by creating a company profile. Once you set up a page you can customize it by adding information such as address, website, location, menu link, and many more other information's. Next to this there is the possibility to upload pictures of the restaurant. This is a great way to sell the image of the restaurant to the masses. One of the great aspects of the Facebook restaurant page is that creating a company profile is free. Another great aspect is the ability for other Facebook users to become a Fan of your restaurant. By becoming a Fan this will show on the individual page of the user and it will show on your company profile that you have a certain number of fans. Through this all users that are Fan of your restaurant form a group. This group can be seen as a community where users can share information and experiences about the restaurant.

Next to creating a company profile on Facebook we can use Facebook Advertising. With this option you can create an advertisement that is focused on a certain social group. Creating an ad on Facebook takes only four steps: Design the ad, define the target market, choose the amount of money we want to spend on the diffusion of the ad, and review the ad.

Advertising through Facebook offers several advantages like the possibility of reaching our exact audience with demographic and psychographic filters. Those filters offer many options, such as targeting by location, age, gender, keywords, education, workplace, etc.

⁵⁹ McCarthy C., “Facebook hits 200 millions members, think charity”, http://news.cnet.com/8301-13577_3-10214918-36.html, 8th April 2009

⁶⁰ Facebook advertising, <http://www.facebook.com/advertising/>, (17/06/2009)

Although this promotion campaign will only reach a few thousand people, these people will find this ad very interesting since they are not only located in the city we want to target but also have an interest in for example having lunch near their office.

The previous two steps and other promotional activities will also be explained later on in more detail during the Marketing Implementation plan.

But getting first time customers is not all; one of the most important things in the restaurant business is to create brand loyalty. Indeed what makes the success of a restaurant is to have regular clients.

In order to obtain regular clients we created two different types of loyalty cards that will work with our IT software: the 'regular' and the 'weekly'. These two cards will have the same purpose - to encourage the client to come to our stores on a regular base- but will work differently.

When a client comes to the store he has the possibility obtain a card.

The regular type card is the standard promotion of buy 10 get 1 free. When a customer gets a meal for breakfast/lunch/afternoon snack that is equal or over €6 he gets it registered in his customer card. Once his card registers more than 10 purchases equal to the condition above, it will be valid for one free meal with a maximum value of €6.

The weekly card type is designed to reward our extremely loyal clients; customers that eat everyday of the week in our restaurant. The principle is that if a customer eats from Monday to Thursday in our restaurant, he will get a free dish on the Friday of the same week. This promotion works on the same condition as the regular one, meaning that in order to get the purchase registered on the card, it has to be a meal of a minimum of 6€. The card system contains certain rules, such as the fact that with every meal only one registration will be done, it also has some other features which will be explained later in the IT and Marketing implementation plan.

4.3.5 People

Within any business there are several groups of people that are of vital importance. And thus for any business to succeed there must be a good interaction between three different groups of people, to know: the company staff, the suppliers and the consumers.

This section is dedicated to the analysis of the two first groups since the potential consumers have already been described in the 'Market Potential' section of the 'Marketing Mix'.

The company staff:

A vital element of any organization is to have an appropriate staff.⁶¹ For the company it is very important to recruit the right employees and to train them well. Furthermore consumers make judgments of the service based on the interaction they have with the restaurant staff. Customers are the heart of any organization, but for customers to be satisfied their needs need to be served well, which is done by the employees of the company. To achieve higher levels of satisfaction, a company's employees need to be motivated, competent and knowledgeable. To succeed in today's fast moving business environment, companies need to ensure that their most valuable assets, the employees, have access to the right information and applications, are motivated and proud to handle their responsibilities well.

The composition of the company staff will not be examined in detail since it has already been explained in the 'management and employees' section of the detailed concept and will be furthermore explained later on.

As previously pointed out, the restaurant activity is split into the front and the back of the house.

For the front of the house which is qualified as being the part of the restaurant where the host, the servers and cashiers are located; we will hire a manager that will be in charge of all the employees. For the other job tasks like servers and cashiers we will hire students that are looking for part time or full time jobs. These employees will be trained by the store manager.

Concerning the back of the house which includes the food preparation, dishwashing, sanitation, purchasing, accounting, budgeting and control; we will also appoint one full time employee that will be the chef and try to hire part time employees to be his apprentices.

In order to find the right staff we will seek the help of a Dutch recruitment agency like Monsterboard⁶². To recruit student employees we will make use of the online temporary work agency studentenwerk.nl.

The exact number of employees needed will be calculated in the Operational Implementation Plan section, you can also find details concerning the working hours and average salaries for our initial employees.

⁶¹ Service marketing mix/extended marketing mix, <http://learnmarketing.net/servicemarketingmix.htm>, (21/07/2009)

⁶² Monsterboard recruitment agency, <http://www.monsterboard.nl/>, (21/07/2009)

The suppliers:

As previously mentioned, having products of good quality is very important, especially for a restaurant concept that is based on healthy and fresh food. In order to have the best quality ingredients, we have to pick our suppliers carefully.

Due to the fact that concept is based on healthiness and freshness; we decided that parts of our products, like some off the vegetables and fruits, will be supplied by a Community Supported Agriculture (CSA) farm. The principles of a CSA farm will not be detailed here since it has already been specify in the ‘quality’ part of the concept. The basic definition of a CSA is that a CSA is a partnership of mutual commitment between a farm and a community of supporters which provides a direct link between the production and consumption of food.⁶³

There are mainly two positive aspects in getting food from a CSA farm. Firstly, it will guarantee the freshness of our food. Secondly, it will have a positive effect on our brand image since the products are locally produced.

To be able to get products from CSA farm we could work with a company like Odin. Odin is an organization that works closely with farms that produce bio-products; it exists since 25 years and has a turnover of €20 million.⁶⁴ The principle of Odin is simple; people can order products and pay directly online in their online-shop (<http://www.odin.nl/nl/index.htm>). After selecting the products, the customer have to choose a drop off point (A complete list of drop-off points is available in **appendix E**). As we will order a large quantity of products we will see if it is possible to get delivered directly at the store.

Another positive aspect is that the Odin’s products are certified by two bio logos: Eko and Demeter.



As pointed out in the menu section of the concept and in the product part of the 7 P’s, we would like to offer coffee made from beans that carry the Max Havelaar fair trade label. We think that selling Max Havelaar coffees is a great option for two reasons; because first of

⁶³ Community supported Agriculture, <http://www.localharvest.org/csa/>, (23/007/2009)

⁶⁴ Odin website, <http://www.odin.nl/nl/index.htm>, (23/07/2009)

all their coffee beans are from excellent quality and moreover by distributing products that carry a fair trade label, we show our customers that we do not only care about the quality of the ingredients but also to the conditions in which they were produced. (For more information's about the Max Havelaar company, see appendix D)

Innocent is another brand that we would like to be present in our stores, because it enjoys a good brand image. Indeed innocent is well-known for producing products from excellent quality that are 100% natural; in addition the company is trying to be as green as possible. For example their plastic bottles are made 100% from recycled plastic. (More information's about Innocent in Appendix C).

4.3.6 Process

Our organization has three different ways to deliver its service. The first option for the customer to get his food is to pick the pre-made dishes that are standing in the cooling shelves. The second alternative for the clients is to compose their own dishes the way they like it through the self-service machines that will be present in the lunch places. Next to the two first options that are the services offered in the store we will have an online ordering. These three diverse methods of delivering our services to the customers have largely been explained in the section 'Degree of Service Offered' of chapter 3.

4.3.7 Physical evidence

The physical evidence is a point that has already been treated in the 'Atmosphere' part of the concept so we will not go into much detail. As with most restaurants 'My Taste' will sell meals for nutritional purpose. Indeed our target customers are business people who want to have a quick, affordable and healthy meal. However it is not because the customer will not have the time to stay long in the restaurant that he cannot enjoy the experience of eating out. So although our main purpose is to serve food, we want to do this in a nice and pleasurable environment.

Each of our lunch places should reflect our concept of serving fresh and healthy food in a quick way. Every store should look attractive and modern but should not be too comfortable to permit a high rotation of guests.

In short, the outside of the store will be made off a huge glass window with our logo on it. The consumption-area and the kitchen will be painted white. White is a light color and makes the room appear bigger; it will also give a fresh and modern look, which we want to promote.

All our stores will be equipped with lighting-spots of which the intensity can be controlled. At lunch time the light will be very bright, whereas in the morning and afternoon the lightening will be softer, to spread a more relax and cozy atmosphere.

The dining area will be furnished with high tables made out of wood as well as wooden floor to bring out a natural aspect and hard iron chairs to emphasize the design and modern look of the concept.

We chose this combination of bold colors with bright lights and hard seat to make sure that the client moves after a maximum of 20 minutes of seating. This technique is use by the ‘Quick –service restaurant’.

The pre-made food will lie in nice modern big aluminum cooling shelves, they will look as the one that “Pret a manger” uses in their stores.⁶⁵

In order to have an original decoration we would like to give young artists the opportunity to expose their paintings or pictures in our restaurants. This will be a win/win situation as the young artist would have a place to expose and thus a chance of getting known and for the restaurant it will be a unique and free decoration. This will also allow a frequent change in decoration without changing the image of the restaurant.

4.4 Competition Analysis

All restaurants have competitors. Comparing our own restaurant with the competition is essential. It will give ideas and will help us to find out our strengths and weaknesses. The best way to find these strengths and weaknesses of your competitors is to visit them yourself, which we did, to be able to analyze the service they offer.

As said in the paragraph discussing the four P’s, we narrow the potential location for our store down to two locations in Amsterdam; the Oosterdokeiland area and the Amsterdam south axes.

The development of the Oosterdokeiland will provide an additional 200,000 sq meters of metropolitan functions. The area will be a great place to live, an exciting location for companies, and the perfect location for shopping and going out. For the moment the site contains already Europe’s biggest public library and a music academy but it will also have the

⁶⁵ See Prêt a manger cooling shelves in **Appendix F**

biggest international hotel of Holland and a convention centre. As indicated on the 3D plan below⁶⁶, the purple color Area will be reserved for shops and restaurant.



Since the Oosterdokseiland project is not finished yet, the competition in the restaurant sector is not yet established. However, at the moment the area already contains traditional bars and restaurants, from which we already identified two major competitors: Vapiano and La Place. Both of these competitors are situated in the library building and will be discussed in detail in the following section.

Vapiano is a restaurant that belongs to the famous chain of the same name. It is situated on ground and first floor of the new library. Vapiano is an innovative European concept serving made-to-order fire roasted pizzas, fresh, house-made pasta and salads. All dishes served cost between €6-10.⁶⁷ The concept of Vapiano is simple; every type of foods has its own counter. Customers thus have to wait in line to order their pizza, pasta or salad at a specific counter. At this counter a customer can also order cold refreshments. For hot and fresh-made drinks and desserts there is a different counter.

If Vapiano is compared to our concept, Vapiano serves different types of food (except for salads), have separate, longer waiting lines, and more expensive prices.

The following pictures give a short view of Vapiano in Amsterdam.

⁶⁶ Oosterdokseiland 3D plan, <http://www.oosterdokseiland.nl/>, (20/06/2009)

⁶⁷ Vapiano website, <http://vapianointernational.com/>, (20/06/2009)



The second main competitor situated at the Oosterdokeiland is La Place. La Place is a healthy fast food restaurant, with ‘the market place’ as the main concept. This market concept entails that all products are fresh and displayed in front of the customer in pre-made format. The main dishes are priced around €10 per menu. La Place is the second biggest fast food chain in the Netherlands;⁶⁸ it attracts approximately 35 million customers a year. The La Place in the ‘Oosterdokeiland’ is situated on the top floor of the library. This location gives them the perk of a nice view, but it is only accessible through six flights of stairs or escalators, and only two elevators, which have an approximate waiting time of 5 minutes. The ambiance of La Place in the library is relaxing. The restaurant has dark wooden floors and hard wooden furniture, which invite the guests to stay for a long period. The fact of locating the restaurant

⁶⁸ La place website, <http://www.laplace.nl/La+Place.aspx>, (20/06/2009)

on the last floor of the library and the use of dark colors seems to indicate that their main target of this La Place are the students studying in the library who want a relaxing break. Compared to our concept La Place targets different customers. This becomes evident in the dark, relaxing ambiance and the longer time to reach it.

The pictures below will give an impression of the La Place at the Oosterdokeiland.



All the restaurants in the Oosterdokseiland, besides Vapiano and La Place, could be qualified as ‘traditional’ restaurants. Those establishments have extended menus, serve food slowly and apply high prices due to the complete service they offer.

We will not analyze those restaurants since we have not the same target group.

Amsterdam South Axis is more than just office buildings. The area is attracting places to eat and drink in increasing numbers. Since it is the biggest business area of Amsterdam, there is a wide variety of dining-places in the nearby surrounding of the WTC. The food establishments vary from upscale restaurants like Dyne’s, Sushi Time, Noon, Oliver’s, which have a price range for lunch of €25 and up. Furthermore more there are cafes like De Blauwe Engel Pub, Grand Café Dickys, Gustavino, Koetjes en Kalfjes and Brasserie Pays Bas, which offer lunch dishes from around €15.

Next to these ‘traditional’ restaurants, that cater the customers that want a lengthy lunch, there are establishments like Wagamama, Burger King, Mech, and Eetwinkel de Zwaan that offer seating and take-away, for the more time conscious customers.

Consumers that do not have any time on their hands can get a pre-made lunch on the go at De Broodzaak, Albert Heijn (AH) to go, where no seating is available and prices are below €10.

From all of the above mentioned food establishments, the last two categories can be considered as our direct competition and will be explained in detail in the following paragraph.

First we will analyze the lunch places that offer seating and take away lunches, like our concept offers. The second group of food establishments, that offer only take-away food, will be discussed after this.

Wagamama is a restaurant that serves Japanese noodles. Its menu consists of side dishes, main meals and desserts. Your order is taken on an electronic handheld and zapped through to the kitchen by radio signal where it is cooked immediately.⁶⁹ Their main idea of business is to serve fresh food made with high quality ingredients. Wagamama aims to serve its customers as fast as possible; this means that different dishes are delivered at different times at the same table. Their main dishes cost between 10 € and 15 €.

Compared to our concept Wagamama serves a different style of food (Japanese), and at a higher price range.



Burger King is a fast food chain serving hamburgers, French fries and other fast food items. The Burger King in South Axes is situated inside the Amsterdam south train station. Over the years fast food chains like Burger King have gotten the reputation of serving unhealthy food. This is why it is trying to get a better image by diversifying their range of food by offering salads and other items identified as to be healthy. The menus proposed at Burger King are inexpensive (€5-10) and are served quickly.

⁶⁹ Wagamama website, <http://www.wagamama.com/>, (22/06/2009)

Burger King serves 'unhealthy' food, compared to our concept. Furthermore the ambiance of burger king is unattractive and not made for staying longer than the time it takes for the meal to be consumed.



Mech is an establishment that proposes French style sandwiches and some small salads.⁷⁰ One of the characteristics of this restaurant is that the client can choose at the counter the ingredients that he wants in his sandwich. Mech also proposes breakfast and some American pastries for in the afternoon. The prices range from 3 € to 6 € for the salads and sandwiches.

The main difference of Mech compared to our concept is that Mech offers a less diverse product range, there are no pre-made dishes, and orders are taken at the counter instead of a fast electronic machine, like we will have established in our facilities.



Situated in one of the WTC tower is Eetwinkel de Zwaan. It is a family owned restaurant that proposes homemade style dishes. This lunch place offers each week a different

⁷⁰ Mech pictures, <http://www.nlstreets.nl/NL/winkel/mech--voedsel-dranken-rookwaren-amsterdam/>, (22/06/2009)

soup, salad, pasta, and main dish of meat and fish. The prices for these dishes are €5.50, €10, €12.50, €15, and €15, respectively.

Compared to our concept the variety of dishes offered at Eetwinkel de Zwaan is very limited and their prices are higher. Furthermore, the time to prepare a dish is around 10 minutes, and there is very limited seating.



For the last category of competitors the Broodzaak and AH to go will be discussed subsequently.

De Broodzaak is a bakery that offers pastries and hot beverages as coffee and tea in the morning; and readymade sandwiches to go for lunch. The shop is situated in the train station, next to the Burger King. The asking price for a sandwich is between €3 and €5. Compared to our concept the available food choices of De Broodzaak are very limited since they only serve bread and sandwiches, and in a limited variety. Furthermore the De Broodzaak offers no seating and in addition does not propose choices for customization of your lunch, since all sandwiches are pre-made.



Albert Heijn to go is part of the biggest supermarket chain in the Netherlands, Albert Heijn. The goal of AH to go is to supply already-made dishes and basic consumption goods to people with a busy life. So AH to go is a little supermarket where people can buy items for breakfast and lunch as well as daily necessities like toothpaste and toilet paper.

The store offers a wide range of cold pre-made meals such as; sandwiches, salads, rolls, and other pre-cooked dishes as pastas, woks, and soups that need to be warmed.

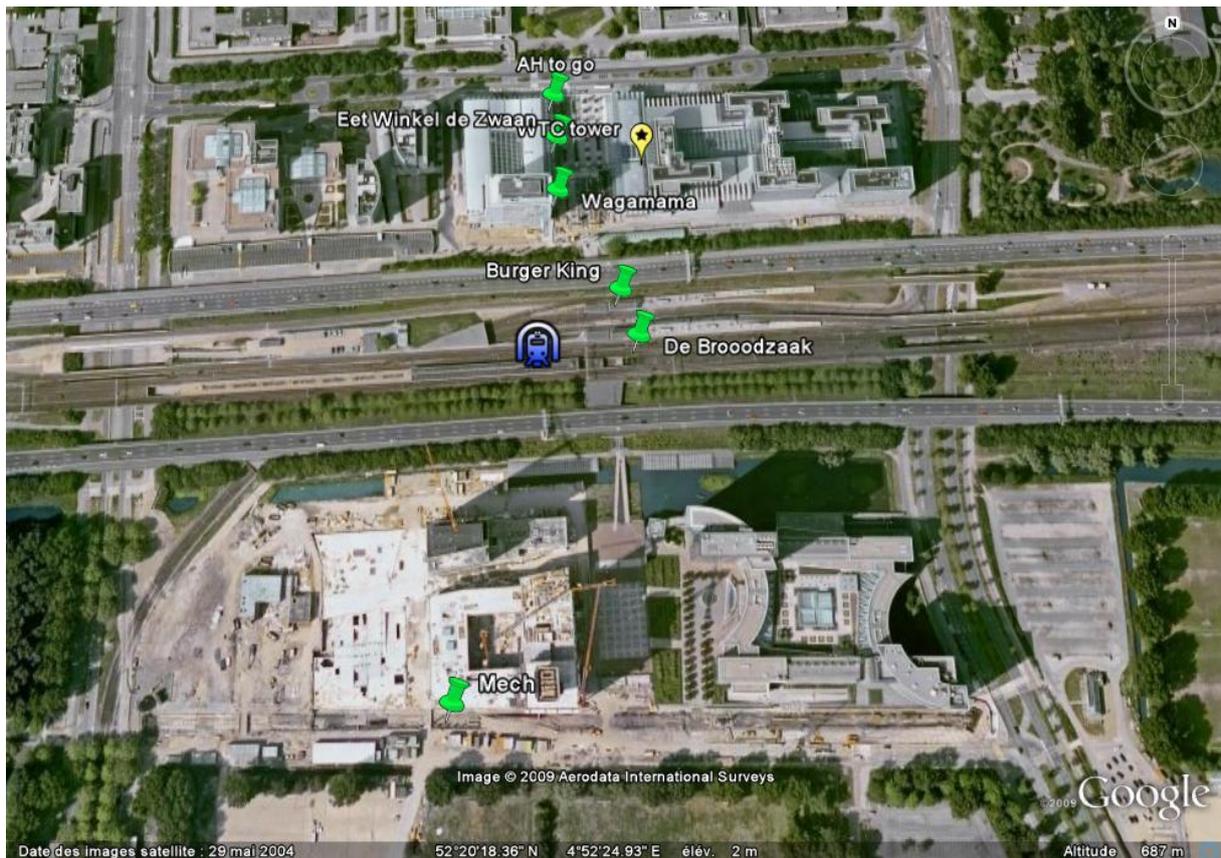
The concept of AH to go is that customers spend on average less than 3 minutes in the store. To be able to do this the stores are equipped with sufficient register space.⁷¹

Again this type of store does not offer any seating, only pre-made dishes and thus there are not customized choices for dishes.



The picture below from Google maps gives a graphical representation the locations of all our direct competitors at the South Axis area.

⁷¹ AH to go, <http://www.ah.nl/artikel?trg=albertheijn/article.winkel.ahtogo>, (22/06/2009)



As can be concluded from the analyses above, none of our direct competitors offer the same kind of concept as we want to offer. Looking at the competition at the Oostdokeland, the area is not fully developed yet and by 2011 many more competitors may have entered this market area. The development of this area offers the positive side that many places will become available to locate our restaurant, but the negative side is that it will be hard to totally analyze our competition, since they have not been established yet.

Comparing all competitors at the South Axis location, Mech is the establishment that comes closest to our concept. Although the concept they offer is similar, our restaurant is still stronger on the aspect of range diversity and time saving.

4.5 SWOT Analysis

In this section a SWOT-analysis of our business will be presented. We will start by the 'internal' strengths and weaknesses. After this the 'market' opportunities and threats will be discussed. The opportunities and threats will be discussed in two sections, one section discussing general market conditions and one section touching upon the specific market conditions of the market in Amsterdam. We will close this section with a concluding overview of the SWOT-analysis in table format.

4.5.1 Strengths

The main strengths of our business are the three pillars our business is build on: healthiness, speed and affordability. Our restaurant will offer healthy food through a wide variety of fresh products coming directly from the Community Supported Agriculture (CSA) farm. This healthiness will be supported by an open kitchen, so customers can see how fresh the products are and how their order is being made; with fresh and healthy ingredients in a clean environment. Our products will be offered at an affordable and competitive price; cheaper than a 'traditional restaurant' and a bit more expensive than the 'standard' fast food restaurant. Although our product will be a bit more expensive than a fast food restaurant, due to the fresh and healthy products, our restaurant will provide an even faster service than 'standard' fast food restaurant offers. This because some products will be available pre-made in cooling-shelves to preserve their freshness, and other products will be available to unique self-service machines, where customers will be able to customize their order. These machines take the service-encounter point out of the service chain and cause for a quicker service, and reduce the service interaction. A part of this fast service is that our restaurant is located conveniently in the office area, so near the office building where our customers, office employees, work.

Next to the three main pillars the atmosphere of our restaurant is also a strength of our concept. The restaurant will be furnished with ecological furniture and will have different young artist expose their art, to have a changing scenery.

Furthermore our restaurant will offer different services, such as a food delivery service, free Wi-Fi access and magazines and newspapers to read.

In addition to these strengths our brand image is a very important strength of our brand. Our brand image is supported by the fact that we buy locally produced products from CSA farms, distribute our leftover food to charities, use recycled paper and serve coffee and tea carrying a fair-trade label.

4.5.2 Weaknesses

The focus customer of our restaurant is the business employee. By focusing on business employees only, we limit our clients' base, and thus do not reach other customer segments such as tourists, students and other potential clients. Furthermore, our restaurant is conveniently located in the office area. Due to the fact that these offices are only open during office hours, from around 7 a.m. to 6 p.m. and only on weekdays, our restaurant will be closed in the evenings and in the weekend, which will reduce our turnover.

4.5.3 Opportunities

In general:

The three main pillars of our restaurant do not only offer strengths, but also opportunities in the market in general. In these times there is a trend for people to have a healthier lifestyle, and eating healthy and fresh food is part of this trend. Another development in the market is that lunch-breaks are getting shorter. Our restaurant incorporates this in the concept by serving customers faster than our competition, which results in a faster turnover time. Next to these movements in the market, momentarily the economy is in a crisis. Especially in situations where the economy is bad, people tend to pay more attention to what they spend, and thus having a cheaper lunch fits in this savings pattern that tends to emerge with an economic crisis.

In addition, we would like to grow our restaurant into a chain, because this could offer several advantages, such as recognition in the marketplace, greater advertising effectiveness, sophisticated system development and discounted purchasing.

In Amsterdam:

Next to the opportunities that our restaurant would have in any market in general, there are certain opportunities that the Dutch market and in specific the regional market in Amsterdam offers. In 2008 for example, the turnover in the Dutch food-sector increased by 6%. Furthermore

the Dutch government is stimulating healthy eating habits among its inhabitants, through national campaigns, which already has turned out to be effective, since for the first time in 20 years the fruit and vegetable sales are up in the Netherlands. Amsterdam, as capital city, has also many opportunities. Amsterdam is ranked in the top 25 of fastest growing urban economies in Europe. The city has a resident population of a just under three quarters of a million inhabitants, yet draws its workforce from the 1.5 million people in the greater Amsterdam area as well as across the whole Randstad region (Europe's sixth largest metropolitan area with around 7 million people). And there are a lot of possibilities for implanting a lunch place in Amsterdam, since many new office parks are under construction and bound to be ready within 10 years.

4.5.4 Threats

In general:

Due to the economic crisis referred to earlier, people are changing their spending patterns and are saving money on for example groceries and food expenses. This fact is an opportunity for our restaurant, since our restaurant can be considered 'cheap' compared to its competitors. However, this fact also brings about that people are cutting back on lunch expenses and resulting in more office workers taking a pre-made lunch from home to the office. The economic crisis furthermore makes it more difficult to find capital to finance our initial restaurant set up, since banks are more careful to whom they give out loans.

In Amsterdam:

Amsterdam, as capital city of the Netherlands, has high rents; this is a threat to our company, since it will be a huge expense in our budget. As was mentioned above in Amsterdam many office parks are still under construction, such as the Oosterdokseiland, the office park we would like to locate one of our restaurants in. Due to this we cannot make a good competitive analysis because we do not know yet which competitors will be located in the Oosterdokseiland once it will be completed.

4.5.5 Conclusions

<p>Strengths:</p> <ul style="list-style-type: none"> ○ Our restaurant will offer healthy and fresh products. ○ The products that we propose are affordable and have competitive prices. ○ The customers are faster served than in the competitors' restaurants. ○ The restaurant will offer additional services. ○ The restaurant atmosphere will be unique. ○ Restaurant accessibility. ○ Strong brand image. 	<p>Weaknesses:</p> <ul style="list-style-type: none"> ○ Limited opening times. ○ Limited client base.
<p>Opportunities:</p> <p><i>In general:</i></p> <ul style="list-style-type: none"> ○ Due to the bad economic situation, people are looking to eat lunch at cheaper places. ○ People want to have a healthier lifestyle. ○ Lunch breaks are getting shorter. ○ Chain of restaurants offers several advantages. <p><i>In Amsterdam:</i></p> <ul style="list-style-type: none"> ○ The total turnover within the food-sector increased by 6% in 2008. ○ Amsterdam is in the top 25 fastest growing urban economies in Europe. ○ Amsterdam is big working population. ○ The Dutch government is setting up national campaigns to promote healthy eating habits. ○ There is an increase in the vegetables and fruit sales in Holland. ○ Many office parks under construction. 	<p>Threats:</p> <p><i>In general:</i></p> <ul style="list-style-type: none"> ○ Office employees take pre-made lunch to the office. ○ More difficult to find financing capital due to economic crisis. <p><i>In Amsterdam:</i></p> <ul style="list-style-type: none"> ○ High rents. ○ Future competitors cannot be analyzed at Oosterdokseiland location.

Chapter 5: Implementation Plans

5.1 Technology Implementation Plan

As stated in our Mission, Technology is key part to our restaurants success, not only will it help us obtain the satisfaction from our customers but it will also allow us to reduce costs and time. We have divided our plan into three key parts, which are as follows: back office operations, front office operations and our Website-WiFi and loyalty program. Below is a complete description of how we intend to use technology in each of these areas:

5.1.1 Back Office Operations:

We intend to use technology in our back office operations, or in other words the kitchen and management area, in order to help assist our chefs and managers in the preparation of the recipes, to reduce preparation times, purchasing, managing inventories and of course reduce errors and costs.

Our kitchen will be equipped with a Kitchen Display (LCD), it will be fully integrated into the POS system, and it will show the orders that need to be prepared, an image of how they should look like, the recipe and an estimated time of preparation. This we intend will ensure accuracy, consistency and quality of each product that is prepared and will enhance the labor efficiency.

Since the kitchen display will be integrated with our POS (Point of Sale) systems, the orders created either by the cashiers, the self service kiosk or via our website, will be automatically displayed in the kitchen, ensuring that the least amount of time is wasted between a customer's order and the actual preparation. Once the order is prepared, the process would conclude once the order is packaged and the label with the time of preparation and amount of calories is placed on the package.

An important key aspect of a restaurants operation is purchasing, inventory control and food costing, and we intend to equip our restaurant with software that integrates all the above (For a more detailed description of the costs for hardware and software licenses, please see Appendix G for a proposal from the DATEC, s.r.o firm).

Our managers will be able, with the use of software to determine in real time the actual inventory, determine when it will be necessary to replenish stock of a certain ingredient, create automatic orders to our suppliers, receive alerts of when the stock level reaches a certain point and also track the costs behind each ingredient, this last element is very crucial since it will help to determine if there are increases in the ingredients, if an increase in the menu price will be necessary and also to determine which products are generating more revenue.

The software solution shall also include a labor management feature, where it will be possible to track the worked schedule of each employee, overtime and reasons for absences. This will help the managers decide and plan out each week according to the forecasted sales and the actual sales.

Financial reporting is also a key factor that we have included in our software requirements. Our managers need to be able to access and create reports from both the front office operations and back office; they need to easily be able to compare the budget with reality, create balance sheets, and keep track of food costs, labor costs and sales.

5.1.2 Front Office Operations:

Our front office operations will be equipped with 1 POS (Point of Sale) system, which can function to take orders and act as a cashier at the same time, it is important to always have an additional point, in case the self service machines fail, the operations will not stop and also for customers who do not wish to place their orders through the self service kiosk can do so through a cashier. There will be at the beginning only 2 self Service Kiosks, and the 3 point of sales will be connected with the kitchen display, which shall display any order that has been created and been paid for.

The POS system, which will be operated by cashiers, shall be equipped with a magnetic strip card reader, for payments with debit or credit cards and with a cash box for cash payments. They will also contain a fingerprint reader, which will be used in conjunction with the labor management feature of our main software to track employee schedules and the operations they perform on the POS.

The Self-service kiosk will be available for customers who wish to create their own orders quickly and easily, by selecting what they want from the menu, they will be able to easily add or

take out ingredients, and we know that the success of this kiosk will depend on the easiness and quickness of use from our customers. The self service kiosk will be equipped also with a magnetic card reader, so our customers will be able to not only order directly from the kiosk, but also conclude the transaction by paying, this will ensure a quick transaction and all the customer would have to do after his payment, would be to collect his order at the counter.

5.1.3 Web Page & Wi-Fi:

Our web page will of course include a brief description of our restaurant, a map with our location and of course a complete description of our Menu. Customers will also have the possibility to actually order online and pay directly, and select the time when they will pick up their order; of course according to the time selected by the customer the order would be displayed on the kitchen display.

The software selected also has a feature to create a customer loyalty program, where the accounts could be created for those customers who would be interested, then with each purchase at our restaurant, their customer cards would be assigned points, and these points could later on be collected as free meals, promotions and others as explained previously.

Technology being a main driver of our business and is so intrinsic with our target market, office workers, we would offer in our restaurants free access to internet via a wireless network, thus providing an important benefit to our customers who wish to stay connected while having their lunch. The wireless network would also be set up by DATEC, s.ro.

For our costs estimations, we have asked for a proposal from the DATEC, s.r.o firm which has a partner in the Netherlands and is specialized in point of sale software for retail companies and restaurants and they offer a solution called DRS (Datec Retail Solution) which would suite our needs perfectly since it is a centralized software which offers inventory management, labor control, sales management, costs control, point of sale software and other functions that are all integrated, would suit our concept and could be managed from a central office with the possibility of expanding from one restaurant to hundreds of restaurants. DATEC also can integrate their software solution DRS to a website, making it possible for customers to create their orders, pay online and for the order to be printed in the kitchen. For a more detailed look at the DATEC firm, please see their proposal (Appendix G) which has brief description of the company and an estimated cost of the project with our requirements, the proposal includes

software, hardware and an estimated cost for a website provided by a business partner of DATEC.

The total costs of the DATEC proposal are: € **14,500.00**

5.2 Marketing Implementation Plan:

We intend to perform both the traditional marketing schemes such as flyers and but we also intend to create a nontraditional marketing plan as we will detail below. In this section we will mainly focus on the promotional aspect of marketing, as we have already covered all other aspects in our market analysis, and we will focus here on how to increase restaurant awareness and sales¹.

Promotional campaigns intend to achieve the following goals⁷²:

1. Increase consumer awareness of the restaurant
2. Improve consumer perceptions of the restaurant
3. Entice first-time buyers to try the restaurant
4. Gain a higher percentage of repeat customers
5. Create a brand loyalty (regular guests)
6. Increase the average check
7. Increase sales at a particular meal or time of day
8. Introduce new menu items.

Further on we will describe several promotions that in some way or another tackle the previous goals, and at the end of this section you will find a table with our marketing budget, in which we have estimated the costs of each section of our plan.

5.2.1 Traditional Advertising:

5.2.1.1.1 Flyers:

In our initial month of operation we would distribute daily flyers amongst the public in our immediate surroundings, not just to people who walk by our restaurant but we would of course target our market by displaying the flyers possibly in the lobbies of the business centers

⁷² Taken from: The Restaurant, from concept to operation

that our in the vicinity of our restaurant. Of course the distribution of flyers would not only be during our initial month, but it would be done at least once a month and in coordination with our email campaign and promotions, for example if there is a promotion created for the “secretary day” not only would emails be sent to our customers but we would also distribute flyers and possibly create an add on a newspaper. As said before the flyers would entice first time customers to try our restaurant and inform of new and existing promotions to old customers.

The creation and distribution of the flyers would be done internally, yet the printing of them would be outsourced (for an estimated cost see below the marketing budget table).

5.2.1 Non-Traditional Advertising and Promotions:

a. Customer System:

With the use of the DATEC software which enables us to use a customer system (costs of software is detailed in the technology plan), we will create cards for the first 100 customers for free, the card system will generate automatically an “X” amounts of points with each purchase of the customer, later on the customer could use his accumulated points for a discount on his purchase or in case of enough points he could have his meal for free, as already detailed earlier.

Another marketing initiative we have planned is to offer the companies in our surroundings the possibility to give their employees cards, and the companies could pre-load the cards with an “X” amount of money, according to their own employee benefits plan. This would be a main focus for our business since we could establish a long term relationship with other companies, thus providing for us a steady base for customers for our business which would equal a steady cash flow. For this scheme we would dedicate a lot of time, though the technological platform would have already been purchased and no other costs would be needed to implement this scheme, we would like for it to be high priority thus elaborating professional leaflets and making direct sales contact with the companies that are in the scope of our restaurant which could be done by the manager and directly by the owners.

b. Website and Email:

This is an important aspect for our restaurant because it can provide benefits to our patrons, increase the restaurant awareness and as a promotional tool amongst business workers has great reach, all this without greatly increasing our budget

We shall encourage our guests to sign up in our website and also to leave their business cards, in order to create an e-mailing list. Guests, who sign up to our website, will automatically become loyal customers and they will receive a customer card the next time they visit our restaurant.

The website will also allow the possibility to create an order from the comfort of anywhere, when the customer creates his or her order through the website he can select the time when he wishes either to pick up the order or to eat at the restaurant. The ability to speed up the preparation and order time has in some cases increased takeout orders in other restaurants by up to 20 to 25%⁷³.

We will create an email list out of our customer database and also actively create advertising campaigns through Facebook as stated earlier, at the beginning to create the awareness and location of our restaurant; of course this advertising campaign would be directed to office workers, and to our customers who would like to receive emails with any news or promotions from our restaurant. Advertising through Facebook has a great advantage and that is that you can automatically select your daily budget and pay according either by clicks or impressions, so it would give us from the beginning control over the total costs of advertising.

All our promotions and advertising campaigns would be coordinated, mixing of course the traditional and nontraditional methods when seen more appropriate, of course we have pointed out already that the non traditional methods take a less financial toll on the marketing budget, since it is mainly an electronic form of attracting customers, and the technology platform we would have already invested since the beginning thus this form of advertising and promotions takes a higher degree of importance.

1 Year Marketing Budget		
Description:	% of Total Budget	Estimated Costs (Euros)
Flyers	52.4	1200
Customer Cards (Hardware)	15.72	360
Facebook	31.88	730
Total:	100%	2290

⁷³ Taken from: The Restaurant, from concept to operation

Note:

The flyers cost is an approximate estimation for printing only, the design and distribution would be done by MyTaste Enterprise BV. The Facebook cost estimation was done with a daily budget for advertising of 2 Euros daily. (For a better description of Facebook Advertising plans please look at <http://www.facebook.com/advertising/?src=pf>)

5.3 Operational Plan:

This section is divided into three key aspects of all restaurant operations, the first aspect will be the staff, the second will be the location, kitchen, health permits and the third will be products & food purchasing.

5.3.1 The Staff:

For the operations of our first restaurant we will need staff for the front office operations and as well as for the back office operations. During the start of My Taste, the management will be done by either Gregory de Harlez or Luis Adrianza, the manager will be in charge of the marketing, finance, employee training, implementation of procedures and other various managerial functions of the restaurant. Since the management will be composed initially by the owners, there will be no assigned schedule and are aware that in many days, the management will clock more than 12 hours work. Of course after expansion of our first restaurant and proven success of the concept, we will hire managers.

Below is a brief plan of how many employees we will need, their activities and an estimation of costs for all the staff, including the management team.

As already clearly stated before, our restaurant is not a full service restaurant so we will not need a high amount of staff for front office operations, we calculate that at the beginning we will start with 2 employees who will act as cashiers, they will assist our customers mainly during the payment of their orders, as they will mainly either collect their meals from the cooled shelves or order and pay directly through the self service machines. The cashiers will also take orders from those customers who do not wish to order directly through the self service machines. They will also clean and take care that all the products in the cooling shelves are in order and available, of course these two employees can assist each other during peak hours, but they will be responsible for all front office operations.

For our back office operations, or in other words the kitchen, we will begin our operations with 1 Master Chef and 1 assistant. The Chef of course will be in charge of the kitchen, he is to prepare all the products, assist management with the tuning of the Menu, prepare standard recipes, seek the best suppliers taking in condition, quality, price and origin of the ingredients. The Chef will also assist the management team in preparing detailed procedures of how to prepare the standard recipes; these procedures are to be prepared as to avoid unnecessary steps and avoiding excess costs and misuse of ingredients, always seeking profitability in each product. The assistant of the Chef will be responsible for the cleaning and order of the kitchen; he is to assist of course the Chef in the preparation of all the products and in the daily chores that the Chef needs assistance.

Food is a key element, if not the most important aspect to a restaurant's success, knowing this we would seek to hire an experienced Chef, specially one who has worked previously in a quick service restaurant and who is well educated in the restaurant business and most importantly believes in our concept.

In summary, to start our operations, we would need to hire in total 5 employees, 2 cashiers, 1 Chef, 1 Chef Assistant and a Manager, the number of employees of course could be raised if needed, but for our current target and opening of operations this number would be enough.

Since our operations do not include the weekend, we can cover all the operations of the restaurant with just 5 employees, our restaurant would be open from 7:30 to 17:30, in total 10 hours.

Since our restaurant will be open 10 hours, and Dutch labor law⁷⁴ allows for workers to work no more than 10 hours, and we will, for our calculations, only hire 4 full time employees (later on we could reduce our labor costs by hiring part time students as Cashiers, but for the beginning, since we do not have experience in the restaurant business, we will hire full time experienced employees).

The Chef and Assistant would possibly have to work and arrive before the opening of the restaurant, so they could possibly work from 06:00 till 15:00 (9:00 hours), on busy days possibly

⁷⁴ For a detailed view of the Dutch labor law, please visit
(<http://www.helpline.nl/law/netherlands/employment%20laws/employment.php>)

till 16:00 (but no more than 10 hours). This would mean that we would only offer our pre made options after 15:00.

The Cashiers schedule will be as follows, since our peak time will be lunch we will need 2 cashiers during that time, so as to avoid paying extra time and hiring more cashiers, one cashier will work from 7:00 until 16:00 and the other cashier can work from 9:00-18:00, this way both cashiers are present during lunch time, and available half an hour before the opening of the restaurant, and half an hour after closing, this half an hour is needed to prepare the restaurant for operation (Cleaning, picking up, closing the point of sale, etc).

With the previous schedules we intend to follow the Dutch Labor laws, we also would avoid paying extra hours, and in case that extra help would be needed due to our success we could hire more staff, but for our current calculations, we will do so with 4 full time employees and the management team. The management (Gregory de Harlez or Luis Adrianza) as owners of the restaurant and concept have agreed a salary package for the manager position (either one of them), and could be subject to modification for hired managers, of course we have taken into account the salaries of our staff and our experience.

Below is a detailed table with an estimation of the salaries and costs of our staff, for these estimations we have used the software Salary Assessor – Consultant Demonstration Version⁷⁵. For a more comprehensive view of the salary data, please view Appendix H.

Staff Costs	Yearly	Per Month
Chef	€ 28,200.00	€ 2,350.00
Chef Assistant	€ 18,600.00	€ 1,550.00
Cashier 1	€ 16,200.00	€ 1,350.00
Cashier 2	€ 16,200.00	€ 1,350.00
Manager	€ 22,200.00	€ 1,850.00
Total:	€ 101,400.00	€ 8,450.00

Note: Costs include Base Salary + Incentives + Payroll Tax

For our staff calculations above we have made the several assumptions, the Chef will be experienced up to 7 years. The Chef assistant and Cashiers will not require experience. We have made an estimate of salaries using as a base the data from the Salary Assessor software. The

⁷⁵ We have downloaded a demo version of this software from:
(<http://www.erieri.ca/index.cfm?FuseAction=LG.SingleDemo&ID=ERISA&source=salarySurveys>)

manager position will be assumed by one of the owners, and the salary package is according to experience and flexibility of the work required.

5.3.2 The Location, Kitchen & Health Permits:

As previously said, our restaurants will operate with open kitchens, we intend for the food preparation process to be visible to all our customers, ensuring them a clean product. Since we do not have an exact location picked out, the planning of the layout becomes more complicated. So below we intend to give a description of how our kitchen will be equipped and an approximate value of the costs involved in equipping our kitchen to our needs.

The size of the kitchen of course always varies to the dimension and characteristics of the location. For our first restaurant we would choose a location between 60 m² and 80 m². We believe that this is enough space to create a dining room for approximately 20-30 people and an open kitchen. Of course the actual square meters needed always depends on the layout of the location, the kitchen , dining room and other facilities, according to our competition analysis and experience we believe this to be a very close approximate of the space needed for our concept and initial restaurant.

Below you can find estimated costs for the yearly lease of the space for the location:

Location Leasing m ² per Year	60	70	80
Oosterdokseiland (Center)	14550	16975	19400
South Axis	18750	21875	25000

Rent Prices m ² per Year	Min	Max	Average
Oosterdokseiland (Center)	185	300	242.5
South Axis	275	350	312.5

Sub-market	Average rental-range (in EUR)		Sub-market	Average rental-range (in EUR)	
	min	max		min	max
Amsterdam Centre	185	300	Amsterdam East	140	185
Amsterdam IJ-Oevers	225	275	Amsterdam South East	140	210
Amsterdam South	250	300	Amsterdam Omval	285	350
Amsterdam South Axis	275	350	Diemen	125	165
Amsterdam West	145	175	Amstelveen	185	225
Amsterdam Sloterdijk	145	185	Schiphol Centre	275	350
Amsterdam Riekerpolder	185	215	Schiphol Rijk	125	185
Amsterdam Buitenveldert	165	225	Hoofddorp	135	200
Amsterdam North	135	210			

Figures are based on a minimum 500 sq m unit, excluding exceptional trophy assets and the upper floors of towers.

Source: knight Frank, the price is in € per sq m per year

Note:

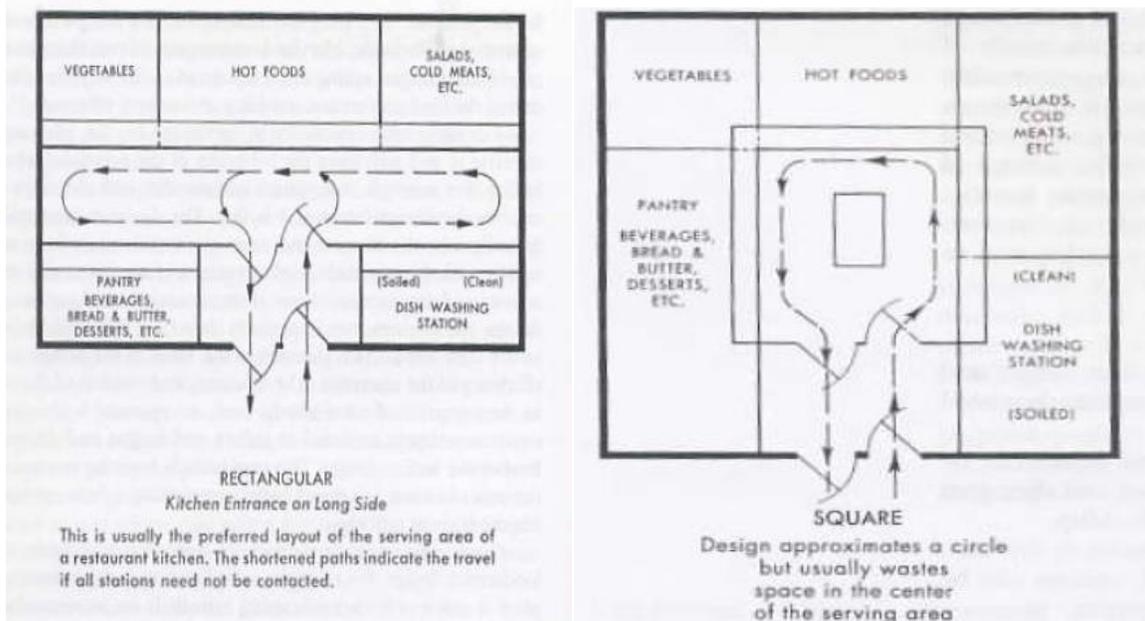
We have also reviewed a different article (Amsterdam Office Market by www.fdpsavills.com⁷⁶) which confirms the price range from the chart above. For our financial analyses we will estimate the cost of our 5 year lease based on the South Axis estimation since they are more expensive, so we have chosen the estimated figure of **21,875 Euros** per year for a **70 m²** location or in other words, around **1,822 Euros per month**, this size of restaurant should be sufficient for our needs, and open kitchen and between 20 to 30 seats.

To maintain a modern look that fits our concept all our visible kitchen equipment will be in stainless steel, the counter where the Chef will prepare the food will also be in stainless steel and will perhaps have a hole in it to drop the garbage or food residues into a container. To reduce

⁷⁶ Amsterdame Office Market Annual Report, (http://www.savills.nl/dotcontrol/filemanagement%5Cfiles%5Cresearch/AMSTER_1.QXD.pdf)

the noise levels between the kitchen and the rest of the restaurant, we would enclose the kitchen area with a glass window.

According to J. Walker⁷⁷ the ideal kitchen is laid out in a circular manner, yet this is impractical, so for our kitchen we would take already proven layouts such as the rectangular or square kitchen and modify it of course to the final location were our restaurant would be.



Source: The Restaurant, from concept to operation; page 240 by J. Walker.

For a restaurant of 20 to 30 seats an our ideal kitchen size would be around 100 to 150 square feet (See the table below), in other words, it would be around 10 m² to 14 m², but since we want to have an open kitchen, the size of this type of kitchen increases around 25% according to J. Walker book, The Restaurant from concept to operation; so in fact we would need a kitchen around 12.5 m² to 17.5 m².

For the Menu of our concept restaurant we would mainly need the following kitchen equipment:

- A cold Storage Unit
- Can Openers
- Cutters and Slicers
- Peelers
- Knife Sharpeners

⁷⁷ Taken from: The Restaurant, from concept to operation

- A griddle and Burners
- A Microwave
- A Toaster
- Beverage Dispensers and Blenders
- Ice Machine
- Coffee Machine
- Dishwasher

Since this would be our first restaurant, we could expect some initial issues with the equipment list and of course it would be discussed in the future with the Chef to be hired, so we can calculate up to a 25% increase in our initial list, for more details see below our cost estimation.

For our kitchen estimation cost we visited the website <http://www.commercialkitchenonline.com> and prepared an order of our kitchen equipment (Blender, Coffee Grinder, Coffee Machine, Juice Extractor, Pasta Boiler, Chargrill, Soup Warmer, Can Opener, Counter Freezer and refrigerator, counters, chilled food displays, dishwasher, insect killer, etc.) for a detailed description you can view the order in Appendix I.

The order made a total sum of **£27,225.10**, which we will increase by 25% to cover additional costs such as additional equipment not covered and miscellaneous costs. The company Commercial Kitchens online provides a leasing option for the equipment (For more information please visit: <http://www.commercialkitchenonline.com/information/equipment-leasing>), which would increase the final cost of the equipment by an additional 30% but would give us the possibility to keep the ownership of the equipment at the end of the contract and of course the easiness of payment through 37 months for full ownership, in other words, our cash flow would be less affected by the leasing option than instead of investing a heavy total sum since the beginning, thus this would be the option we will choose for our calculations.

Below is the table of our estimated kitchen costs:

Kitchen Equipment and Installation Estimated Costs	Costs in British Pounds	Costs in Euros
Initial Total Order	£27,225.10	€ 31,730.85
25% Increase for Extra Unseen Costs	£34,031.38	€ 39,663.57
Leasing Total Costs (+30%)	£44,240.79	€ 51,562.64
Monthly Payments (37 Months)	£1,195.70	€ 1,393.58

1 GBP/Euro Rate as of 10/07/09

€

1.1655

taken from (<http://www.x-rates.com/d/GBP/EUR/graph120.html>)



Note:

We opted for the leasing option, which affects less our operating costs, and though it represents an increase in the total equipment costs, it would allow us to initiate operations with just a monthly payment of **€ 1,393.58**.

Health Permits:

Currently it is very easy to obtain health and operating permits for restaurants in the Netherlands, this thanks to a project called HORECA, which is basically a one-stop-shop for operating licenses. Before entrepreneurs had to obtain licenses and dispensations from more than 18 different authorities, creating a difficult obstacle for those trying to set up a business, but today this is currently not the case thanks to HORECA, and for our project we would intend to use these services, not only benefiting from a savings in time but also costs.

Below is a table with the operating and license costs for a restaurant in Amsterdam:

Yearly Health Permits and License Costs⁷⁸	
First time:	
Restaurant with Terrace	€ 821.00
Restaurant without Terrace	€ 553.00
Renewal of License:	
Restaurant with Terrace	€ 610.00
Restaurant without Terrace	€ 342.00

Note:

The initial restaurant we intend to open will be without terrace, so our License costs for **the first year** will be **€ 553.00** and the **following years** will be **€ 342.00**.

5.3.3 Products & Food Purchasing:

Products:

Below is a brief table with our star products from the self service machines or in other words made by order. We assume these will be the most sold and popular according to our previous assumptions (Dutch taste and preferences), the table includes the product, how it will be composed (ingredients and amounts), an estimated costs for the ingredients, the price of the product and estimation volume of sales which we will also use in our financial forecasting.

⁷⁸ The data was taken from the HORECA website 08/08/09:
(<http://www.loket.amsterdam.nl/loket/centralestad/product/59483/kosten>)

Product			
			
4 pcs. American Club Sanwich with Extra Cheese	Shrimp Salad	Pasta Bolognaise	
Ingredients	Ingredients	Ingredients	
12 Slices of Bread	150 gr. Shrimp	250 gr. Spaguetti	
8 leafs ofLettuce	80 gr. Cucumber	1/2 Onion	
2 Tomatoes	1 Egg	3 tomatoes	
4 Slices of American Cheese	4 slices of bacon	100 gr. Beef mince	
100 grams of Ham	80gr. Cherry Tomatoes	50 gr. Parmesan Cheese	
200 grams of Chicken Breast	1/2 Onion	Others	
8 Slices of Bacon	50ml. Mayonaise		
100 ml. Mayonaise	Lemon Juice		
20ml . Musstard	50 gr. Gouda Cheese		
Extra:	Others		
4 Slices of American Cheese			
EstimatesIngredients Costs:	€ 2.72	€ 2.52	€ 1.85
Percentage of Sales Price	40%	35%	30%
Sales Price:	€ 6.80	€ 7.20	€ 6.15
Estimated Daily Sales Volume	35 Units	15 Units	20 Units
Total Sales	€ 238.00	€ 108.00	€ 123.00
Total Daily Sales Star Products	€ 469.00		

Customer base:	1 hour	10:00 - 14:00
Rotations/hour	3	12
Seats	25	25
Max. number of Customers/hour:	75	300

Notes: Units sold were calculated for peak hours (10:00 to 14:00), based on a rotation of 20 minutes per customer.

We believe the estimation of units sold to be accurate, since of course restaurants never perform at 100% of their rotation capabilities.

Our assumption is that we could manage a rotation of around 100 customers during peak hours during the first year; this information will be used for our financial calculations.

Food Purchasing:

The Chef will be in charge of food purchasing and assurance of the food quality obtained by our suppliers; the manager will assist the Chef in negotiations with the food suppliers and ultimately has the final decision of whether or not to approve the supplier according to costs and quality.

Several of our ingredients will be bought directly through a CSA farm such as Odin as explained previously. At the beginning we can imagine that we would have to pay up front to all of our suppliers since it would be a new company without any credit line, and this fact we will include in our cash flow projections.

Without any previous experiences to rely on for food costs estimations, and with very little data available on the internet about exact food prices in Amsterdam, that our restaurant will use, we have decided that our food costs estimations will be done by calculating a percentage of sales. Though this method is not 100% precise, it can be done in an accurate way according to author J. Walker⁷⁹, and food costs generally consist 30% of the sales price of a product. This information was also confirmed by Ing. Jindrich Hegmon through a short and informal interview, where he confirmed that generally food costs round the 30% range on all plates of “Stipsky Senk”, the restaurant which he owns.

Note: For our financial evaluation we have decided to calculate the **food costs as a 30%** of the total sales, or in other words as 30% of the sales price of each product.

⁷⁹ Author of: The Restaurant, from concept to operation

Chapter 6: Financial Evaluation

Below are a set of financial instruments, such as the Profits and Loss statements, Cash Flow estimations, Balance Sheet, Breakeven Analysis, and projected sales. In this section we carefully estimated the sales figures of our restaurant, which we used to create a profit and loss statement, we have included all costs from our implementation plans and thus believe that the statements below are very close to reality. All sales estimations at their best are close to being planned guesswork⁸⁰ we know that our planned figures will never exactly be obtained number by number and thus we have prepared also estimations and actions in case our sales drop, you can view this scenario “B” after our initial estimations. All tables are accompanied by a set of assumptions that were used to perform the calculations, please take these into account when analyzing the tables.

As you will see below according to our initial estimations, we can state that our concept is indeed profitable, showing a small profit of € 6,061.89 already in the second year, and even a more solid profit during the third year of operations of € 41,861.99; we experienced excellent rates of return on our 45.000 Euro loan of 13, 4% in 2011 and 93, 02% in 2012. During our first year of operations we had a loss of € 43,440.53. A first year loss is normal to all new business, and we can conclude that the main factors that caused such a loss were, first the low sales because our restaurant is new and needs to obtain new customers and of course lacks of brand awareness, and the second because of high operational costs due to investments in the technological platform and also higher health and operational permits costs.

Our breakeven analysis confirmed us what is stated on the profit and loss statements, and that is that during the first year, we did not have enough customers to cover our costs, and thus the loss during that year. In the following years the estimated customers from the sales forecast surpassed those needed in order to breakeven, so during those years we observed a profit.

We also created a cash flow estimation for the year 2010 and 2011, with this tool we analyzed that without the loan of our family (45,000 Euros) and with the agreed terms that you can read in our assumptions, our business would have cash flow problems, but with this loan, our cash flow is positive during the first and second years of operation.

We can wrap up this section by stating that with the projected sales and costs estimations, our business is profitable, of course the return on investment is not immediate, but we can observe that already by the end of the second year of operations we have a profit, we also observed that our restaurant would

⁸⁰ Taken from: The Restaurant, from concept to operation

have a healthy cash flow during the first two years, and without any major costs foreseen in the following years the profitable tendency is expected to continue.

6.1 Profit and Loss Statements:

2010 Profit and Loss Statement

MyTaste: 2010 Profit and Loss Statement

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total 2010
Income:													
Gross Sales	€ 5,278.50	€ 7,176.00	€ 11,592.00	€ 19,320.00	€ 18,457.50	€ 18,871.50	€ 19,941.00	€ 20,217.00	€ 20,148.00	€ 17,181.00	€ 18,768.00	€ 20,148.00	€ 197,098.50
Net Sales													
(Food Costs)	€ 1,583.55	€ 2,152.80	€ 3,477.60	€ 5,796.00	€ 5,537.25	€ 5,661.45	€ 5,982.30	€ 6,065.10	€ 6,044.40	€ 5,154.30	€ 5,630.40	€ 6,044.40	€ 59,129.55
Gross Profit	€ 3,694.95	€ 5,023.20	€ 8,114.40	€ 13,524.00	€ 12,920.25	€ 13,210.05	€ 13,958.70	€ 14,151.90	€ 14,103.60	€ 12,026.70	€ 13,137.60	€ 14,103.60	€ 137,968.95
General and Administrative Expenses													
Salaries and Wages + Benefits	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 58,812.00
Payroll Taxes	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 42,588.00
Rent	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 21,875.04
Direct Operating Expenses	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 7,770.00
Maintenance	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.88	€ 27.88	€ 27.87	€ 334.46
Furniture & Equipment Leasing	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.60	€ 1,393.60	€ 1,393.60	€ 16,723.02
Depreciation and Amort.	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 2,644.00
Utilities	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 6,660.00
Marketing and Advertising	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.84	€ 190.84	€ 190.84	€ 190.84	€ 2,290.00
Technology	€ 14,500.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 14,500.00
Operating & Health Permits	€ 553.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 553.00
Administrative General	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 6,660.00
Total Operating Expenses	€ 28,916.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.04	€ 13,863.07	€ 13,863.07	€ 13,863.06	€ 181,409.48
Net Income Before Taxes	-€ 25,221.08	-€ 8,839.83	-€ 5,748.63	-€ 339.03	-€ 942.78	-€ 652.98	€ 95.67	€ 288.87	€ 240.56	-€ 1,836.37	-€ 725.47	€ 240.54	-€ 43,440.53
Income Taxes	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
Business Losses													
Monthly Losses Carried		-€ 25,221.08	-€ 34,060.91	-€ 39,809.54	-€ 40,148.57	-€ 41,091.35	-€ 41,744.33	-€ 41,648.66	-€ 41,359.79	-€ 41,119.23	-€ 42,955.60	-€ 43,681.07	
Net Income	-€ 25,221.08	-€ 34,060.91	-€ 39,809.54	-€ 40,148.57	-€ 41,091.35	-€ 41,744.33	-€ 41,648.66	-€ 41,359.79	-€ 41,119.23	-€ 42,955.60	-€ 43,681.07	-€ 43,440.53	-€ 43,440.53

2010, 2011 and 2012 Profit and Loss Statement:**MyTaste: Profit and Loss Statement Three-Year Projection**

	2010	2011	2012
Income:			
Gross Sales	€ 197,098.50	€ 316,540.00	€ 338,757.30
Net Sales			
(Food Costs)	€ 59,129.55	€ 94,962.00	€ 101,627.19
Gross Profit	€ 137,968.95	€ 221,578.00	€ 237,130.11
Operating Expenses			
General and Administrative Expenses			
Salaries and Wages + Benefits	€ 58,812.00	€ 59,988.24	€ 61,188.00
Payroll Taxes	€ 42,588.00	€ 43,439.76	€ 44,308.56
Rent	€ 21,875.00	€ 21,875.00	€ 21,875.00
Direct Operating Expenses	€ 7,770.00	€ 7,925.40	€ 8,083.91
Maintenance	€ 334.46	€ 501.69	€ 836.15
Furniture & Equipment Leasing	€ 16,723.02	€ 16,723.02	€ 16,723.02
Depreciation and Amort.	€ 2,644.00	€ 2,644.00	€ 2,644.00
Utilities	€ 6,660.00	€ 7,992.00	€ 9,590.40
Marketing and Advertising	€ 2,290.00	€ 2,335.80	€ 2,382.52
Technology	€ 14,500.00	€ 0.00	€ 0.00
Operating & Health Permits	€ 553.00	€ 342.00	€ 342.00
Administrative General	€ 6,660.00	€ 6,793.20	€ 6,929.06
Loans			€ 9,900.00
Total Operating Expenses	€ 181,409.48	€ 170,560.11	€ 184,802.62
Business Losses			
2010 year Loss		-€ 43,440.53	
Net Income Before Taxes	-€ 43,440.53	€ 7,577.36	€ 52,327.49
Income Taxes	€ 0.00	€ 1,515.47	€ 10,465.50
Net Income	-€ 43,440.53	€ 6,061.89	€ 41,861.99

Assumptions for the previous Profit and Loss Statements:

- As stated in our food purchasing implementation plan, we will calculate food costs as 30% of gross sales.
- Payroll taxes were calculated according to the Dutch labor laws⁸¹ 42% of the total salaries and wages.
- Maintenance was calculated as 2%, 3% and 5% of the furniture and equipment for years 2010, 2011 and 2012 respectively.
- Direct Operating expenses include: telephone, accounting/legal supplies: paper, china, glass, menus, detergent/cleaning supplies and so on.
- Direct Operating Expenses is 3.5% of total costs, Utilities and Administrative costs are 3%, these are calculated according to ratios from J. Walker's⁸² book since it would be very hard to calculate them without being in operation.
- Years 2011 and 2012 experience a 2% increase Salaries, direct operating expenses, marketing and administrative costs, due to inflation.
- We calculated a raise in utilities of 20% for 2011 and 2012 due to rise in sales.
- Corporate income taxes were calculated 20% for the first € 25,000 of taxable profits and 23.5% for profits between € 25,000 and 60,000; according to the Netherlands Foreign Investment Agency⁸³
- The depreciation and amortization was calculated; total kitchen and equipment costs 39,663.57€ / 15 years = Annual depreciation of 2,644.00€.
- We shall receive a loan of 45,000.00 Euros for working capital, from our family to start up the business, it will be paid in 60 months starting the third year of operations and it will be at a 10% interest of the whole sum (Total to pay: 49,500.00 Euros in five years, yearly payments of 9,900.00 Euros).

⁸¹ Information taken 09/08/2009 from:

http://www.belastingdienst.nl/variabel/buitenland/en/business_taxpayers/business_taxpayers-61.html#P2476_94744

⁸² Please view references; The Restaurant, from concept to operation

⁸³ The information was taken 09/08/2009 from the NFIA website: http://www.nfia.com/government_and_taxes.html

6.2 Cash Flow Projections:

2010 Cash Flow Projection

MyTaste: 2010 CashFlow Projection

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total 2010
Cash Receipts													
Income from Sales	€ 5,278.50	€ 7,176.00	€ 11,592.00	€ 19,320.00	€ 18,457.50	€ 18,871.50	€ 19,941.00	€ 20,217.00	€ 20,148.00	€ 17,181.00	€ 18,768.00	€ 20,148.00	€ 197,098.50
Total Cash from Sales	€ 5,278.50	€ 7,176.00	€ 11,592.00	€ 19,320.00	€ 18,457.50	€ 18,871.50	€ 19,941.00	€ 20,217.00	€ 20,148.00	€ 17,181.00	€ 18,768.00	€ 20,148.00	€ 197,098.50
Income from Financing													
Loan Proceeds	€ 45,000.00												€ 45,000.00
Total Cash Receipts	€ 50,278.50	€ 7,176.00	€ 11,592.00	€ 19,320.00	€ 18,457.50	€ 18,871.50	€ 19,941.00	€ 20,217.00	€ 20,148.00	€ 17,181.00	€ 18,768.00	€ 20,148.00	€ 242,098.50
Cash Disbursements													
Expenses													
Food Costs	€ 1,583.55	€ 2,152.80	€ 3,477.60	€ 5,796.00	€ 5,537.25	€ 5,661.45	€ 5,982.30	€ 6,065.10	€ 6,044.40	€ 5,154.30	€ 5,630.40	€ 6,044.40	€ 59,129.55
Operating Expenses	€ 28,916.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 13,863.04	€ 13,863.07	€ 13,863.07	€ 13,863.06	€ 181,409.48
Loan Payments	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
Income Tax Payment													
Cash Reserve													
Other Expenses													
Total Cash Disbursements	-€ 30,499.58	-€ 16,015.83	-€ 17,340.63	-€ 19,659.03	-€ 19,400.28	-€ 19,524.48	-€ 19,845.33	-€ 19,928.13	-€ 19,907.44	-€ 19,017.37	-€ 19,493.47	-€ 19,907.46	-€ 240,539.03
Net Cash Flow	€ 19,778.92	-€ 8,839.83	-€ 5,748.63	-€ 339.03	-€ 942.78	-€ 652.98	€ 95.67	€ 288.87	€ 240.56	-€ 1,836.37	-€ 725.47	€ 240.54	€ 1,559.47
Opening Cash Balance	€ 0.00	€ 19,778.92	€ 10,939.09	€ 5,190.46	€ 4,851.43	€ 3,908.65	€ 3,255.67	€ 3,351.34	€ 3,640.21	€ 3,880.77	€ 2,044.40	€ 1,318.93	
Cash Receipts	€ 50,278.50	€ 7,176.00	€ 11,592.00	€ 19,320.00	€ 18,457.50	€ 18,871.50	€ 19,941.00	€ 20,217.00	€ 20,148.00	€ 17,181.00	€ 18,768.00	€ 20,148.00	€ 242,098.50
Cash Disbursements	-€ 30,499.58	-€ 16,015.83	-€ 17,340.63	-€ 19,659.03	-€ 19,400.28	-€ 19,524.48	-€ 19,845.33	-€ 19,928.13	-€ 19,907.44	-€ 19,017.37	-€ 19,493.47	-€ 19,907.46	-€ 240,539.03
Ending Cash Balance	€ 19,778.92	€ 10,939.09	€ 5,190.46	€ 4,851.43	€ 3,908.65	€ 3,255.67	€ 3,351.34	€ 3,640.21	€ 3,880.77	€ 2,044.40	€ 1,318.93	€ 1,559.47	€ 1,559.47

2011 Cash Flow Projection:**MyTaste: 2011 Cash Flow Projection**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total 2011
Cash Receipts					
Income from Sales	€ 72,450.00	€ 85,820.00	€ 83,720.00	€ 74,550.00	€ 316,540.00
Total Cash from Sales	€ 72,450.00	€ 85,820.00	€ 83,720.00	€ 74,550.00	€ 316,540.00
Income from Financing					
Loan Proceeds	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
Total Cash Receipts	€ 72,450.00	€ 85,820.00	€ 83,720.00	€ 74,550.00	€ 316,540.00
Cash Disbursements					
Expenses					
Food Costs	€ 21,735.00	€ 25,746.00	€ 25,116.00	€ 22,365.00	€ 94,962.00
Operating Expenses	€ 42,640.03	€ 42,640.03	€ 42,640.03	€ 42,640.03	€ 170,560.11
Loan Payments					
Income Tax Payment					
Cash Reserve					
Other Expenses					
Total Cash Disbursements	-€ 64,375.03	-€ 68,386.03	-€ 67,756.03	-€ 65,005.03	-€ 265,522.11
Net Cash Flow	€ 8,074.97	€ 17,433.97	€ 15,963.97	€ 9,544.97	€ 51,017.89
Opening Cash Balance	€ 1,559.47	€ 9,634.44	€ 27,068.42	€ 43,032.39	
Cash Receipts	€ 72,450.00	€ 85,820.00	€ 83,720.00	€ 74,550.00	€ 316,540.00
Cash Disbursements	-€ 64,375.03	-€ 68,386.03	-€ 67,756.03	-€ 65,005.03	-€ 265,522.11
Ending Cash Balance	€ 9,634.44	€ 27,068.42	€ 43,032.39	€ 52,577.36	€ 51,017.89

Assumptions for the previous Cash Flows:

- We shall receive a loan of 45,000.00 Euros for working capital, from our family to start up the business, it will be paid in 60 months starting the third year of operations and it will be at a 10% interest of the whole sum (Total to pay: 49,500.00 Euros in five years, yearly payments of 9,900.00 Euros).
- Opening Cash Balance of the 1st Quarter of 2011 was taken from ending month of the previous accounting year 2010.

6.3 Break Even Point Analysis:

Breakeven Point 2010		Breakeven Point 2011	Breakeven Point 2012
Fixed Monthly Costs	€ 15,117.46	€ 14,213.34	€ 15,400.22
Average Bill - Food Costs	€6.90 - €2.07	€7 - €2.1	€7.14 - €2.142
Total Customers Needed Per Month	3,130	2,901	3,081
Total Customers Needed Yearly	37,559	34,808	36,975
Total Weekly Customer	782	725	770
Total Daily Customers	156	145	154

Note: When we compare the above table to the sales forecast, we can view year 2010 will not breakeven, as it is only forecasted to have 28,565 customers, thus a loss would be expected as pointed out earlier in the Profit and Loss of that year. For the following years 2011 and 2012, we projected 45,220 customers and 47,445 guests respectively, thus a profit would be expected during these years, also forecasted in the P&L's of those years.

6.4 Sales Forecasts:

Sales Forecast for 2010

MyTaste: Forecast Sales for 2010							
Period	Week 1	Week 2	Week 3	Week4	Total # of Guests	Average Check	Total Sales
Mar-10	165	180	205	215	765	€ 6.90	€ 5,278.50
Apr-10	220	245	270	305	1040	€ 6.90	€ 7,176.00
May-10	385	405	435	455	1680	€ 6.90	€ 11,592.00
Jun-10	685	705	695	715	2800	€ 6.90	€ 19,320.00
Jul-10	720	735	615	605	2675	€ 6.90	€ 18,457.50
Aug-10	635	620	745	735	2735	€ 6.90	€ 18,871.50
Sep-10	715	720	730	725	2890	€ 6.90	€ 19,941.00
Oct-10	725	735	745	725	2930	€ 6.90	€ 20,217.00
Nov-10	745	735	710	730	2920	€ 6.90	€ 20,148.00
Dec-10	735	715	525	515	2490	€ 6.90	€ 17,181.00
Jan-10	610	680	705	725	2720	€ 6.90	€ 18,768.00
Feb-10	745	725	715	735	2920	€ 6.90	€ 20,148.00
Total Guests:					28565	Total Sales 2010:	€ 197,098.50

Assumptions for the Sales Forecast of 2010:

- Our restaurant will take around 3 months to get known, and for sales to stabilize.
- We would open the restaurant in spring, thus the weather is good and more workers are willing to walk in search of new place for lunch.
- The average check is calculated from an average of our star products (6.7) and an average of our price range (5.5) plus 0.80 for a beverage.
- We calculated that we can serve 100 customers during peak hours and in total around 150 customers daily. Aprox.750 customers weekly.
- Last 2 weeks if December and July and the first 2 weeks of January and August there is a decline in customers due to holidays.

Sales Forecast for 2011:

MyTaste: Forecast Sales for 2011			
2011	Total # of Guests	Average Check	Total Sales
1st Quarter	10350	€ 7.00	€ 72,450.00
2nd Quarter	12260	€ 7.00	€ 85,820.00
3rd Quarter	11960	€ 7.00	€ 83,720.00
4th Quarter	10650	€ 7.00	€ 74,550.00
Total Guests:	45220	Total Sales 2011:	€ 316,540.00

Assumptions for the Sales Forecast of 2011:

- The average check has been increased in 2011 to 7 Euros due to inflation 2%⁸⁴.
- 1st and 4th Quarter Sales are low because of winter.
- In 2011 the average weekly number of customers increases from 750 in 2010 to 1000.

Sales Forecast for 2012:

MyTaste: Forecast Sales for 2012			
2012	Total # of Guests	Average Check	Total Sales
1st Quarter	10950	€ 7.14	€ 78,183.00
2nd Quarter	12850	€ 7.14	€ 91,749.00
3rd Quarter	12560	€ 7.14	€ 89,678.40
4th Quarter	11085	€ 7.14	€ 79,146.90
Total Guests:	47445	Total Sales 2012:	€ 338,757.30

Assumptions for the Sales Forecast of 2012:

- The average check has been increased in 2011 to 7 Euros due to inflation (2% same as 2011 no forecasts yet)
- 1st and 4th Quarter Sales are low because of winter.
- Sales increased respectively to previous years because now the restaurant holds a place in the market and has brand awareness.

⁸⁴ Inflation forecasted for 2010 according to the European Commission, please view (http://ec.europa.eu/economy_finance/thematic_articles/article13727_en.htm)

6.5 Scenario B: Lower Sales than the Initial Estimations

In this scenario we intend to clarify that as normal, all estimations are never achieved number by number, so we have included in our business plan a second scenario to the one above, where our actual sales fall by around 20% during the first year of operations, then by 10% during the second year and by 5% in our third year of operation.

Scenario B Sales for 2010:

Period	Average Check	Total Sales	Scenario B	
Mar-10	€ 6.90	€ 5,278.50	€ 3,694.95	-30%
Apr-10	€ 6.90	€ 7,176.00	€ 5,023.20	
May-10	€ 6.90	€ 11,592.00	€ 8,114.40	
Jun-10	€ 6.90	€ 19,320.00	€ 13,524.00	
Jul-10	€ 6.90	€ 18,457.50	€ 14,766.00	-20%
Aug-10	€ 6.90	€ 18,871.50	€ 15,097.20	
Sep-10	€ 6.90	€ 19,941.00	€ 15,952.80	
Oct-10	€ 6.90	€ 20,217.00	€ 16,173.60	
Nov-10	€ 6.90	€ 20,148.00	€ 17,125.80	-15%
Dec-10	€ 6.90	€ 17,181.00	€ 14,603.85	
Jan-10	€ 6.90	€ 18,768.00	€ 15,952.80	
Feb-10	€ 6.90	€ 20,148.00	€ 17,125.80	
Total Sales 2010:		€ 197,098.50	€ 157,154.40	-21.60%

Assumptions for the Sales Forecast of 2010 Scenario B:

- From March until June the actual experienced sales are 30% lower than in our initial estimation.
- From July until October sales dropped 20% and less than previous months because of we would increase our marketing activities.
- From November until February we experience only a drop of 10% because our restaurant would already be known and our marketing activities would show the benefits.
- In total we experience lower sales by around 20% in 2010.

Scenario B Sales for 2010:

MyTaste: 2010 Profit and Loss Statement

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total 2010
Income:													
Gross Sales	€ 3,694.95	€ 5,023.20	€ 8,114.40	€ 13,524.00	€ 14,766.00	€ 15,097.20	€ 15,952.80	€ 16,173.60	€ 17,125.80	€ 14,603.85	€ 15,952.80	€ 17,125.80	€ 157,154.40
Net Sales													
(Food Costs)	€ 1,108.49	€ 1,506.96	€ 2,434.32	€ 4,057.20	€ 4,429.80	€ 4,529.16	€ 4,785.84	€ 4,852.08	€ 5,137.74	€ 4,381.16	€ 4,785.84	€ 5,137.74	€ 47,146.32
Gross Profit	€ 2,586.47	€ 3,516.24	€ 5,680.08	€ 9,466.80	€ 10,336.20	€ 10,568.04	€ 11,166.96	€ 11,321.52	€ 11,988.06	€ 10,222.70	€ 11,166.96	€ 11,988.06	€ 110,008.08
General and Administrative Expenses													
Salaries and Wages + Benefits	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,901.00	€ 4,118.00	€ 4,118.00	€ 4,118.00	€ 4,118.00	€ 4,118.00	€ 4,118.00	€ 4,118.00	€ 4,118.00	€ 52,548.00
Payroll Taxes	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 3,549.00	€ 2,982.00	€ 2,982.00	€ 2,982.00	€ 2,982.00	€ 2,982.00	€ 2,982.00	€ 2,982.00	€ 2,982.00	€ 38,052.00
Rent	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 1,822.92	€ 21,875.04
Direct Operating Expenses	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 647.50	€ 7,770.00
Maintenance	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.87	€ 27.88	€ 27.88	€ 27.87	€ 334.46
Furniture & Equipment Leasing	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.58	€ 1,393.60	€ 1,393.60	€ 1,393.60	€ 16,723.02
Depreciation and Amort.	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 220.33	€ 2,644.0
Utilities	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 6,660.00
Marketing and Advertising	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.83	€ 190.84	€ 190.84	€ 190.84	€ 190.84	€ 2,290.00
Technology	€ 14,500.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 14,500.00
Operating & Health Permits	€ 553.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 553.00
Administrative General	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 555.00	€ 6,660.00
Total Operating Expenses	€ 28,916.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 12,513.03	€ 12,513.03	€ 12,513.03	€ 12,513.03	€ 12,513.04	€ 12,513.07	€ 12,513.07	€ 12,513.06	€ 170,609.48
Net Income Before Taxes	-€ 26,329.57	-€ 10,346.79	-€ 8,182.95	-€ 4,396.23	-€ 2,176.83	-€ 1,944.99	-€ 1,346.07	-€ 1,191.51	-€ 524.98	-€ 2,290.38	-€ 1,346.11	-€ 525.00	-€ 60,601.40
Income Taxes	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
Business Losses													
Monthly Losses Carried		-€ 26,329.57	-€ 36,676.36	-€ 44,859.31	-€ 49,255.54	-€ 51,432.37	-€ 53,377.36	-€ 54,723.43	-€ 55,914.94	-€ 56,439.92	-€ 58,730.29	-€ 60,076.40	
Net Income	-€ 26,329.57	-€ 36,676.36	-€ 44,859.31	-€ 49,255.54	-€ 51,432.37	-€ 53,377.36	-€ 54,723.43	-€ 55,914.94	-€ 56,439.92	-€ 58,730.29	-€ 60,076.40	-€ 60,601.40	-€ 60,601.40

Assumptions:

• We would take action to fire one cashier after the fourth consecutive month of sales lower by 30%, the rest of the workload would be covered by the manager, and only when sales pick back up would an extra cashier be hired.

Profit and Loss statement for Scenario B:**MyTaste: Profit and Loss Statement Three-Year Projection**

	2010	2011	2012
Income:			
Gross Sales	€ 157,154.40	€ 284,886.00	€ 321,819.44
Net Sales			
(Food Costs)	€ 47,146.32	€ 85,465.80	€ 96,545.83
Gross Profit	€ 110,008.08	€ 199,420.20	€ 225,273.60
Operating Expenses			
General and Administrative Expenses			
Salaries and Wages + Benefits	€ 52,548.00	€ 59,988.24	€ 61,188.00
Payroll Taxes	€ 38,052.00	€ 43,439.76	€ 44,308.56
Rent	€ 21,875.00	€ 21,875.00	€ 21,875.00
Direct Operating Expenses	€ 7,770.00	€ 7,925.40	€ 8,083.91
Maintenance	€ 334.46	€ 501.69	€ 836.15
Furniture & Equipment Leasing	€ 16,723.02	€ 16,723.02	€ 16,723.02
Depreciation and Amort.	€ 2,644.00	€ 2,644.00	€ 2,644.00
Utilities	€ 6,660.00	€ 7,992.00	€ 9,590.40
Marketing and Advertising	€ 2,290.00	€ 2,335.80	€ 2,382.52
Technology	€ 14,500.00	€ 0.00	€ 0.00
Operating & Health Permits	€ 553.00	€ 342.00	€ 342.00
Administrative General	€ 6,660.00	€ 6,793.20	€ 6,929.06
Loans			€ 9,900.00
Total Operating Expenses	€ 170,609.48	€ 170,560.11	€ 184,802.62
Business Losses			
2010 year Loss		-€ 60,601.40	-€ 31,741.31
Net Income Before Taxes	-€ 60,601.40	-€ 31,741.31	€ 8,729.68
Income Taxes	€ 0.00	€ 0.00	€ 1,745.94
Net Income	-€ 60,601.40	-€ 31,741.31	€ 6,983.75

Assumptions:

- Sales fall by 10% during 2011 and by 5% in 2012, in comparison to our initial estimations.
- We hire a second cashier in 2011 and 2012 to cover the extra sales.

Scenario B Cash Flow for 2010:

MyTaste: 2010 CashFlow Projection													
	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total 2010
Cash Receipts													
Income from Sales	€ 3,694.95	€ 5,023.20	€ 8,114.40	€ 13,524.00	€ 14,766.00	€ 15,097.20	€ 15,952.80	€ 16,173.60	€ 17,125.80	€ 14,603.85	€ 15,952.80	€ 17,125.80	€ 157,154.40
Total Cash from Sales	€ 3,694.95	€ 5,023.20	€ 8,114.40	€ 13,524.00	€ 14,766.00	€ 15,097.20	€ 15,952.80	€ 16,173.60	€ 17,125.80	€ 14,603.85	€ 15,952.80	€ 17,125.80	€ 157,154.40
Income from Financing													
Loan Proceeds	€ 45,000.00												€ 45,000.00
Company Savings			€ 20,000.00										
Total Cash Receipts	€ 48,694.95	€ 5,023.20	€ 28,114.40	€ 13,524.00	€ 14,766.00	€ 15,097.20	€ 15,952.80	€ 16,173.60	€ 17,125.80	€ 14,603.85	€ 15,952.80	€ 17,125.80	€ 202,154.40
Cash Disbursements													
Expenses													
Food Costs	€ 1,108.49	€ 1,506.96	€ 2,434.32	€ 4,057.20	€ 4,429.80	€ 4,529.16	€ 4,785.84	€ 4,852.08	€ 5,137.74	€ 4,381.16	€ 4,785.84	€ 5,137.74	€ 47,146.32
Operating Expenses	€ 28,916.03	€ 13,863.03	€ 13,863.03	€ 13,863.03	€ 12,513.03	€ 12,513.03	€ 12,513.03	€ 12,513.03	€ 12,513.04	€ 12,513.07	€ 12,513.07	€ 12,513.06	€ 173,309.48
Loan Payments	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
Income Tax Payment													
Cash Reserve													
Other Expenses													
Total Cash Disbursements	-€ 30,024.52	-€ 15,369.99	-€ 16,297.35	-€ 17,920.23	-€ 16,942.83	-€ 17,042.19	-€ 17,298.87	-€ 17,365.11	-€ 17,650.78	-€ 16,894.23	-€ 17,298.91	-€ 17,650.80	-€ 220,455.80
Net Cash Flow	€ 18,670.44	-€ 10,346.79	€ 11,817.05	-€ 4,396.23	-€ 2,176.83	-€ 1,944.99	-€ 1,346.07	-€ 1,191.51	-€ 524.98	-€ 2,290.38	-€ 1,346.11	-€ 525.00	€ 4,398.60
Opening Cash Balance	€ 0.00	€ 18,670.44	€ 8,323.65	€ 20,140.70	€ 15,744.47	€ 13,567.64	€ 11,622.65	€ 10,276.58	€ 9,085.07	€ 8,560.09	€ 6,269.71	€ 4,923.60	
Cash Receipts	€ 48,694.95	€ 5,023.20	€ 28,114.40	€ 13,524.00	€ 14,766.00	€ 15,097.20	€ 15,952.80	€ 16,173.60	€ 17,125.80	€ 14,603.85	€ 15,952.80	€ 17,125.80	€ 222,154.40
Cash Disbursements	-€ 30,024.52	-€ 15,369.99	-€ 16,297.35	-€ 17,920.23	-€ 16,942.83	-€ 17,042.19	-€ 17,298.87	-€ 17,365.11	-€ 17,650.78	-€ 16,894.23	-€ 17,298.91	-€ 17,650.80	-€ 217,755.80
Ending Cash Balance	€ 18,670.44	€ 8,323.65	€ 20,140.70	€ 15,744.47	€ 13,567.64	€ 11,622.65	€ 10,276.58	€ 9,085.07	€ 8,560.09	€ 6,269.71	€ 4,923.60	€ 4,398.60	€ 4,398.60

Assumptions:

- At the end of June since we experience such a drop in sales, we would fire a cashier, thus the lower operating expenses in the following months,
- In May 2010, the company would inject 20,000 Euros from its savings to maintain a positive cash flow throughout the year.

Scenario B Cash Flow for 2011:**MyTaste: 2011 CashFlow Projection**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total 2010
Cash Receipts					
Income from Sales	€ 65,205.00	€ 77,238.00	€ 75,348.00	€ 67,095.00	€ 284,886.00
Total Cash from Sales	€ 65,205.00	€ 77,238.00	€ 75,348.00	€ 67,095.00	€ 284,886.00
Income from Financing					
Loan Proceeds	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
Total Cash Receipts	€ 65,205.00	€ 77,238.00	€ 75,348.00	€ 67,095.00	€ 284,886.00
Cash Disbursements					
Expenses					
Food Costs	€ 19,561.50	€ 23,171.40	€ 22,604.40	€ 20,128.50	€ 85,465.80
Operating Expenses	€ 42,640.03	€ 42,640.03	€ 42,640.03	€ 42,640.03	€ 170,560.11
Loan Payments					
Income Tax Payment					
Cash Reserve					
Other Expenses					
Total Cash Disbursements	-€ 62,201.53	-€ 65,811.43	-€ 65,244.43	-€ 62,768.53	-€ 256,025.91
Net Cash Flow	€ 3,003.47	€ 11,426.57	€ 10,103.57	€ 4,326.47	€ 28,860.09
Opening Cash Balance	€ 4,398.60	€ 7,402.07	€ 18,828.65	€ 28,932.22	
Cash Receipts	€ 65,205.00	€ 77,238.00	€ 75,348.00	€ 67,095.00	€ 284,886.00
Cash Disbursements	-€ 62,201.53	-€ 65,811.43	-€ 65,244.43	-€ 62,768.53	-€ 256,025.91
Ending Cash Balance	€ 7,402.07	€ 18,828.65	€ 28,932.22	€ 33,258.69	€ 28,860.09

6.6 Financial Evaluation Conclusions:

We can conclude the previous section by saying that in both our initial estimations and in the less optimistic scenario B our restaurant is profitable. In our initial estimations our restaurant, shows a small profit of € 6,061.89 already in the second year, and even a more solid profit during the third year of operations of € 41,861.99; we these estimations we would experience excellent rates of return on our 45.000 Euro loan of 13, 4% in 2011 and 93, 02% in 2012. Even with a less optimistic scenario like the one above, our restaurant would experience a small profit in 2012 of € 6,983.75 and a rate of return on our loan and company savings of 10,7%.

However in both scenarios our cash flow estimations projected that without our initial loan and with the agreed terms that you can read in our assumptions, our business would have cash flow problems, but with this loan, our cash flow is positive during the first and second years of operation in our initial estimations, yet this loan would not be enough in the case of scenario B and our company would have to use its savings (20.000 Euros) during the first year of operations to maintain a positive cash flow, otherwise we would indeed face negative cash flows.

In the less optimistic scenario B, we would have to take concrete actions to diminish our fixed costs, and we can see that in the case that our sales would be lower by 30% than initially estimated during the first 4 months of operations we would have to fire a cashier to lower our fixed costs and increase our marketing activities in order to increase the restaurant awareness with hope of increases sales.

With the projected sales and costs estimations and also in our scenario B, our business is profitable, of course the return on investment is not immediate, but we can observe in our initial estimations that already by the end of the second year of operations we have a profit, we also observed that our restaurant would have a healthy cash flow during the first two years, and without any major costs foreseen in the following years the profitable tendency is expected to continue. In scenario B however, we observed that the first two years of operations are not profitable, and we would only experience a small profit in the third year of operations, yet our annual rate of return after taxes, during that year is 10,7% which would indicate that to continue this trend in the following years, even in the case of scenario B, our restaurant is indeed more profitable than other types of investment⁸⁵ such as cash deposits (4% annual average), bonds (5% annual average) U.S. Stocks (10% annual average), Foreign Stocks (8% annual average).

⁸⁵ Taken from <http://lloydsinvestment.blogspot.com/2007/01/what-investment-return-should-we-target.html>

However would our restaurant face lower sales than 20% of our initial estimations and without the use of the family loan and company savings, our concept would not be profitable with the costs and conditions we have estimated in our scenario B. So it is keen to point out that in the case of scenario B, if our sales do not recover and maintain lower levels than estimated in scenario B, our restaurant would not be profitable and face major cash flow problems.

We believe that our initial estimations are highly likely to be achieved and even surpassed, our concept would not only be innovative for the Dutch market, setting a new trend but would also be located in the city center, thus we know that the market would be enough to sustain the customer base that our restaurant would need in order to be profitable.

Chapter 7: Internationalization Plan & Social Responsibility

Since our restaurant concept is yet to be proven successful, our internationalization plan can only at this point be very briefly described and based on what we have learned through this master on culture management and how culture affects the business as a whole.

We would of course start by implementing our business plan and proving that our restaurant concept is successful in the Amsterdam market, this would mean opening enough restaurants to cover the needs of this market, and afterwards we would expand in to other markets within the Netherlands that share the same market characteristics as Amsterdam, such as Rotterdam, this would be a traditional strategy to first cover the market needs of the original country where the operations have been started.

Our national expansion would be done through internal investments and we could assume would start after our 4 year of operations, where enough time has passed to prove the concept and gain market awareness.

Our internationalization would be limited initially to the Benelux (Belgium and Luxemburg) market since they share a very common culture with the Netherlands. This process would be done as said before after we cover the needs of the Dutch market and would be done through franchising.

Through franchising we aim to sell our acquired knowledge and proven concept to other interested and potential restaurateurs in the Benelux market, this would of course take time and would be done at a mature stage of the company when we have market presence in the Dutch market.

We have chosen franchising as a means to internationalization, because through this way we could avoid almost all risks of the failure of an operation and benefit through the cash flow obtained by the sales of the franchise itself. Of course after a market has proven to accept our concept, we would be willing to increase our presence in that market through direct investment.

Since all plans tend to change as time passes by, the above mentioned would not be an exception and of course would always depend of our initial success, thus if we are very successful we would of course create a detailed internationalization plan, which could be another internal business plan of its own, but since this business plan is for educational purposes and as said before is not a proven concept, we have limited our internationalization plan to the above

stated, but it's worth mentioning that as stated in our mission, "secure sustainable growth that allows us to expand moderately our chain of stores internationally and of course annual profitability" we do indeed intend to internationalize our restaurant chain.

Community support and social responsibility is not just a part of our mission but it can also be found at the root of our concept. MyTaste is committed to making a positive contribution not only to our community but also by lowering our environmental footprint.

We have recognized our due responsibility in these issues, thus we have adopted several policies in our concept, such seeking suppliers that support fair trade (Max Havelaar), also purchasing bio products (Odin) and having also eco friendly business partners (Innocent). These policies reflect our mission and vision as small new company, it is key to point out that though they are a priority, our primary efforts are directed towards building and growing a healthy business.

Below you can find MyTastes's Company Philosophy; it reflects our desire in being a good corporate citizen and to lower our environmental footprint:

- We will, take responsibility for our actions, as a business but also as individuals.
- We will, deal with our partners, customers, suppliers and community in an honest and fair way.
- Our customers shall receive a consistent service and the highest level of performance by all of us.
- We will, always consider the impact of our decisions on the environment and the community.
- Without profits our business will not survive, so we will try to increase profits in an honest manner and having in mind the impacts that our actions bring to the environment and community.
- We will, respect each other and recognize all the needs of our employees and treat them as part of the MyTaste family.
- Our community is an important priority, thus we shall give back to it and contribute in a positive manner to its health and well being.

MyTaste not only seeks to have great relations with its suppliers but also one with its community, we plan to have a least once a year an activity were all of our employees and as a group give back something to the community, such as planting trees in a local park, planning a sales event were all the profits of that day will be given to a nonprofit organization such as a local orphanage. As stated before, we would also like to give the food that is not sold at the end of the day to an organization such as “Food not Bombs” in this way we would also contribute back to our community.

Amongst other environmental policies worth mentioning and that we would like to include as part of our commitment to our employees and community would be to provide subsidies to the employees who use public transport or those who use an environmentally friendly means of transportations (bicycles, hybrid cars, etc.)

Chapter 8: Exit Plan & Conclusion

According to the research done during this Business Plan, we can affirm that people want to and need to have some places that offer a healthy and quick lunch in a nice atmosphere at a reasonable price. This is especially true in the business world where time is equal to money.

After proven success of the MyTaste restaurant concept, we would open new locations in Amsterdam. This expansion would be mainly financed primarily from retained profits. As such, the owners (Gregory de Harlez and Luis Adrianza) have previously stated their commitment of prioritizing the funds to growth rather than to distribute them amongst themselves.

It is important to point out that as an exit strategy to the business, we would like franchise our concept to other investors, this would give us the possibility to maintain control of the enterprise and benefit from additional incoming from the franchise licenses. However if the opportunity presents itself and both owners agree, we could sell the entire concept or some shares of the company to an investor or possibly a restaurant chain, and in order to prepare for both eventualities, the management and owners would have to actively follow the developments of the industry and competition.

The biggest risk to open operations that we currently face would be timing and sales estimations. In reference to timing, as we previously saw in the market analysis, the scheduled openings of new office parks in Amsterdam are about to happen, thus we have very little time to enter these markets which have low competition, if we succeed in arranging a good lease, with the correct price and time conditions to enter these markets in time for their openings, we are more than confident that we could establish our concept successfully.

As for our sales forecasts, we can conclude that they were done on estimations of average checks and a daily customer base, we analyzed that for our concept to break even it would require a daily customer base of around 150 customers, since we aim to locate our concept in the city center and very close if not in the office complexes of Amsterdam, we know that we could reach more than 150 customers per day, thus we could have a profitable concept, but as said before and as seen in scenario B we can manage to be successful even if our initial sales estimations fall by around 20% during the first year of operations, however if we do not reach the sales of even our more pessimistic estimations, our entire concept would not be feasible, or in other words, it would not break even and we would inquire in loss.

After analyzing the market, preparing sales forecasts, comparing ourselves to the competition, we believe that Amsterdam workers are currently seeking a quick and healthy option were to have lunch, thus we are certain that our concept would be successful, especially since it is a fresh idea that provides a quicker service to customers through the use of the newest retail technologies and by offering freshly pre made dishes ready to be eaten. We also believe that the Amsterdam market meets the requirements for our business to be profitable, especially because it is one of the biggest metropolitan areas of Europe as described in our market analysis and there are plenty of potential customers.

One of our biggest lessons during the preparation of this business plan was that the access to good and accurate information is quite difficult, and at times much of the information was inaccessible, but in spite the difficulties we faced, we managed to accomplish all of our business plan objectives.

Some of our estimations were made according to theoretical averages and logic, thus there is a risk that our forecasts may be biased, though we tried to keep our estimations as close to reality as possible. We believe that being present in the market were the business would operate would enhance the access to information, thus we believe from our initial findings that a further analysis on site, of the market should be made.

We know that the Dutch market is highly competitive and additional to the above said, we still believe that with our educational background, our motivation, the correct staff, our concept, financing and with further on site studies of the market and help from our friends and family, that MyTaste would succeed, become profitable and expand to become an international quick service, affordable and healthy restaurant chain.

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Appendices

Appendix A: Oosterdokeiland picture⁸⁶



⁸⁶ http://www.eea-architects.com/projects/file_ea134_view1.jpg, (17/07/2009)

Appendix B: Amsterdam South Axes⁸⁷



Appendix C: Innocent

Innocent was set up in 1998 in the United Kingdom is now sold in Ireland, France, Germany, Scandinavia, Belgium, Luxemburg, the UK and the Netherlands, and has offices in London, Dublin, Kopenhagen, Hamburg, Salzburg, Paris and Amsterdam at the Admiraal de Ruyterweg. Innocent smoothies are distributed in de Benelux by the Bickery Food Group. In the Netherlands there office is located in Hilversum which is 20 km from Amsterdam.

Here are some information's given on innocent website⁸⁸:

- Innocent drinks are made from 100% pure fruit and freshly squeezed juices. And we promise never to add any concentrates, additives or any other rubbish whatsoever.
- We're the number one smoothie in the UK and the fastest selling smoothie on the market. In other words innocent drinks can make you a lot of money.

⁸⁷ 2008 Amsterdam office market report, NL real estate in association with Knight Frank, 2008

⁸⁸ <http://www.innocentdrinks.co.uk/>, (16/07/2009)

- Our smoothies taste good and do you good. Each 250ml portion contains at least two portions of fruit helping your customers get their 5-a-day.
- We always try to do our bit to leave things a little bit better than we found them - we give 10% of our profits to the innocent foundation and we were the first company to produce bottles made from 100% recycled plastic.



Appendix D: Max Havelaar

Max Havelaar⁸⁹ is a Fair trade Foundation that was established in 1992 by the six largest Swiss aid organizations.

Fair trade represents a strategy for fighting poverty. Thanks to guaranteed minimum prices and Fair trade premiums, farmers in Africa, Latin America and Asia have the possibility to strengthen their villages and families through their own efforts and to make a sustainable improvement to their living and working conditions.

Fair trade certified farmers are paid a guaranteed minimum price for their products that provides them with a stable income. Max Havelaar makes it possible for farmers from disadvantaged regions in the South to gain access to markets in the North and fosters long-term trading relationships that include as few intermediaries as possible.

⁸⁹ <http://www.maxhavelaar.ch/en/>, (16/07//2009)

Nowadays over 700 articles carry the Max Havelaar Fair trade label that you can see below.



Appendix E: Odin drop-off points in Amsterdam⁹⁰

Plaats: AMSTERDAM

Naam: BioMarkt

Postcode: 1017 SC

Adres: Weteringschans 133-137

Tel: 020-6384083

Extra: **Vleespakket verkrijgbaar**

Afhaaldag(en): dinsdag, donderdag

Plaats: AMSTERDAM

Naam: Het Zonnemeer

Postcode: 1018 EA

Adres: Nieuwe Kerkstraat 8

Tel: 020-6251223

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): dinsdag

Plaats: AMSTERDAM

Naam: Estafette Zeeburg

Postcode: 1019 BW

Adres: Oostelijke Handelskade 1043

Tel: 020-4199800

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): dinsdag, donderdag

⁹⁰ Odin drop-off points in Amsterdam, <http://www.odin.nl/nl/index.htm>, (23/07/2009)

Plaats: AMSTERDAM

Naam: MichelDoes.nl / G&W winkel

Postcode: 1025 XC

Adres: Buikslotermeerplein 257

Tel: 020-6371029

Internet: www.micheldoes.nl

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): dinsdag, donderdag

Plaats: AMSTERDAM

Naam: De Twee Gebroeders Molenwijk

Postcode: 1035 EH

Adres: Molenwijk 42

Tel: 020-6333417

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): woensdag

Plaats: AMSTERDAM

Naam: Estafette Westerpark

Postcode: 1052 LA

Adres: 2e Hugo de Grootstraat 9-11

Tel: 020-6842940

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): dinsdag, donderdag

Plaats: AMSTERDAM

Naam: Kaasboerderij a/d Molensloot

Postcode: 1066 EZ

Adres: Akersluis 6

Tel: 020-6176716

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): vrijdag

Plaats: AMSTERDAM

Naam: Be Fresh.nl

Postcode: 1066 SB

Adres: Hageland 99-101

Tel: 020-6695599

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): woensdag

Plaats: AMSTERDAM

Naam: Krits

Postcode: 1075 XP

Adres: Amstelveenseweg 176-178

Tel: 020-6723434

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): dinsdag

Plaats: AMSTERDAM

Naam: Keurslagerij Bart Verkerk

Postcode: 1087 BS

Adres: IJburglaan 651

Tel: 020-6418858

Internet: www.slagerijbartverkerk.nl

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): woensdag

Plaats: AMSTERDAM

Naam: Scharrelslagerij C. de Bouter

Postcode: 1098 CE

Adres: Hogeweg 60

Tel: 020-6653954

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): dinsdag, vrijdag

Plaats: AMSTERDAM

Naam: Daily Delis eet & drinkwinkel

Postcode: 1098 RC

Adres: Christiaan Huygensplein 36

Tel: 020-4687711

Internet: www.dailydelis.nl

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): vrijdag

Plaats: AMSTERDAM ZUIDOOST

Naam: C1000 Gein 7351880

Postcode: 1106 MC

Adres: Wisseloord 126

Tel: 020-6963528

Extra: **Vleespakket verkrijgbaar**

Deelnemer Odin Webwinkel

Afhaaldag(en): donderdag

Appendix F: Pret a manger cooling shelves picture⁹¹



⁹¹ http://gothamist.com/2005/03/17/can_fast_food_be_good_food.php, (23/07/2009)

Appendix G: DATEC Retail Solutions Service Proposal



Datec Retail Solutions

Datec Retail Solutions is a company with almost 20 years of history and experience with the automation of business with consumer, specialized and fashion goods. From the beginning, the company focused on customers distributing the goods in both wholesale and retail. Currently, 80 percent of the clientele of the company is from the non-food retail field.

The Datec company has, among its clients, many world-known brands, and everyone has a specific method of sale. Automation is very common among companies with the so called multichannel sale/distribution system, retail, outlet, franchise, supplies in chains with a different ownership structure.

The clientele of Datec are customers with extensive IT solutions at their headquarters, who required solutions in a modern and elegant way for not only the problems of retail, but also for the customers, who want the solution of automation of business and accounting processes from A to Z.

Basic facts on Datec company:

- Datec is a part of closely cooperating international group, who distributes the same software in more than 20 countries of Europe.
- The individual applications and the entire retail software, also for partner companies in Germany and Netherland, are developed in the Czech Republic.
- The large customer base includes the sellers of fashion, sport, shoe, underwear, bedroom, kitchen and bathroom accessories, toys, perfume shops and drugstores, books, electronics, DIY, construction supplies, news stands, coffee-tea, car parts and fast food stores.
- Leader in the automation of business with specialized and fashion goods.
- Software is also designed for large companies with hundreds of cashier systems in more states.
- Datec Solution knows no limits. It is already available in many language mutations and other translations are in preparation.
- Datec solution excels with unique design and simplicity, which leads to the minimization of costs for training and personnel.
- Datec is the official partner of Microsoft
Certified Microsoft Partner
ISV Microsoft Partner
IBM Business Partner
NCR Business Partner
WNI Partner
SAP BO Certified Partner
- Datec connects its retail solutions not only to its own goods and accounting applications, but also to the international ERP standards.



Datec Retail Solutions s.r.o. - Stipa 6 - 763 14 Zlín - CZ
Telephone: +420 577050111 - Fax: +420 577050200 - e-mail: info@datec.cz - www.datec.cz
Branch Prague: Budova Jana Towers - Zelený pruh 1560/99 - 140 00 Prague 4 - CZ
Telephone: +420 724559843



Datec Retail Solutions Company

Datec has unique know-how on the fiscalization of POS systems.

You can find our POS terminals in the following countries:

CR, SR, Germany, Netherlands, Belgium, France, Spain, Great Britain, Poland, Ukraine, Russia, Bulgaria, Romania, Lithuania, Switzerland, Austria, Saudi Arabia, Egypt and Hungary.

Datec solution is based on the latest Microsoft technologies (NET, Microsoft SQL server) and it is built for modern 24/7 sale. The secure on-line transaction connection of the stores is very popular, especially with use of the low-cost ADSL or UMTS connections of the stores.

The solution uses the latest, price-affordable touch POS terminals, multimedia functionality, integration of e-mail and internet for even non-experienced users, many „in“ functionalities, complex information on goods and the customer.

DATEC delivers modern, complex and unique solutions well tested by many years in the field. We offer cooperation for your "store without boundaries", respecting your business peculiarities.

The concept of our solution was honored as unique in many selection proceedings of important companies. With many of them, we have more than 15 years of partnership.

The standard services include:

- Implementation of the project and pre-project preparation
- Supply of software licenses
- Implementation of software licenses
- Supply of hardware and cashier systems
- Standard and remote service, help desk, hot line, call center
- Development and delivery of applications on customer's request
- Consultant activities and counseling
- System integration with other partners (marketing, stores and goods security)



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 Branch Prague: Budova Jana Towers - Zelený pruh 1560/99 - 140 00 Prague 4 - CZ
 Telephone: +420 724559843



Datec Retail Solutions - Simple Retail

Zcela nové softwarové řešení pro samostatnou prodejnu nebo malý obchodní řetězec. Software je postaven na ověřeném pokladním klientovi POSFlow a zcela nové skladové aplikaci Datec Retail Solution.

Název položky	Cena	Počet	Celková cena	Popis	Nový kód
Software Licenses					
DRS - Simple Retail - Stock Application	29,900.00 Kč	0	- Kč	Instalace skladového software na PC v	
DRS - Simple Retail - POS Flow Standard	29,900.00 Kč	0	- Kč	Prodejní místo	
DRS - Simple retail SET		2	49,900.00 Kč	Cena SETu se účtuje za prodejnu	LDR 556000001
DRS - Simple Retail - POS Flow Standard 2	14,900.00 Kč			Platí se za každou další pokladnu na prodejně	LDR 556000002
Hardware					
Self Service Kiosk (WN Beetle iPOS)	74,700 Kč	2	149,400.00 Kč		
POS (NCR RealPOS 70-12.1" TFT Dual)	49,000 Kč	1	49,000.00 Kč		
POS Printer (EPSON pokladní termotiskárna; TM-T88IV se zdrojem černá)	8,400 Kč	1	8,400.00 Kč		
Kitchen Printer (EPSON pokladní termotiskárna; TM-T88IV se zdrojem černá)	8,400 Kč	1	8,400.00 Kč		
Kitchen Display (Monitor 15" LCD ELO ET1515L; 8CWA-1 touchscreen)	14,200.00 Kč	1	14,200.00 Kč		
Wireless Router	9,500.00 Kč	1	9,500.00 Kč		
Implementation					
Service Sales {Man day}	9,900.00 Kč	2	19,800.00 Kč		
Central Services {Man Day}	14,000.00 Kč	3	42,000.00 Kč		
Website {Man Day}	6,600.00 Kč	4	26,400.00 Kč		
Celkem			377,000.00 Kč		
Total Costs in Euros:			€ 14,500.00		

Řešení obsahuje prezentovanou a popsanou funkcionalitu pro vertikálu (oděvy, sport, biopotraviny) a POS Flow ve verzi STADARD

Appendix H: Salary Assessor – Consultant Demonstration Version Data

Webpage:

<http://www.erieri.ca/index.cfm?FuseAction=LG.SingleDemo&ID=ERISA&source=salarySurveys>

Data below is valid for the Amsterdam, Netherlands region:

ERI's Salary Assessor

Today's Date:

18-Jul-09

Total Compensation (values in Euros)

Total Compensation = Base Salary + Incentives

Years Of Experience	Chef			Chef Assitant		
	10th Percentile	Survey Mean	90th Percentile	10th Percentile	Survey Mean	90th Percentile
14	40,736	48,149	56,075	35,794	42,338	49,268
7	33,750	39,943	46,472	30,429	36,036	41,894
1	27,238	32,295	37,522	24,257	28,787	33,411

Years Of Experience	Cashier Fast Food Restaurant		
	10th Percentile	Survey Mean	90th Percentile
6	22,242	24,955	27,344
3	20,896	23,461	25,692
1	18,535	20,840	22,794

ORGANIZATION DATA:

Area:

Industry:

MyTaste

Amsterdam, Netherlands

All Industries - Diversified

Data as of:

1-Jul-09

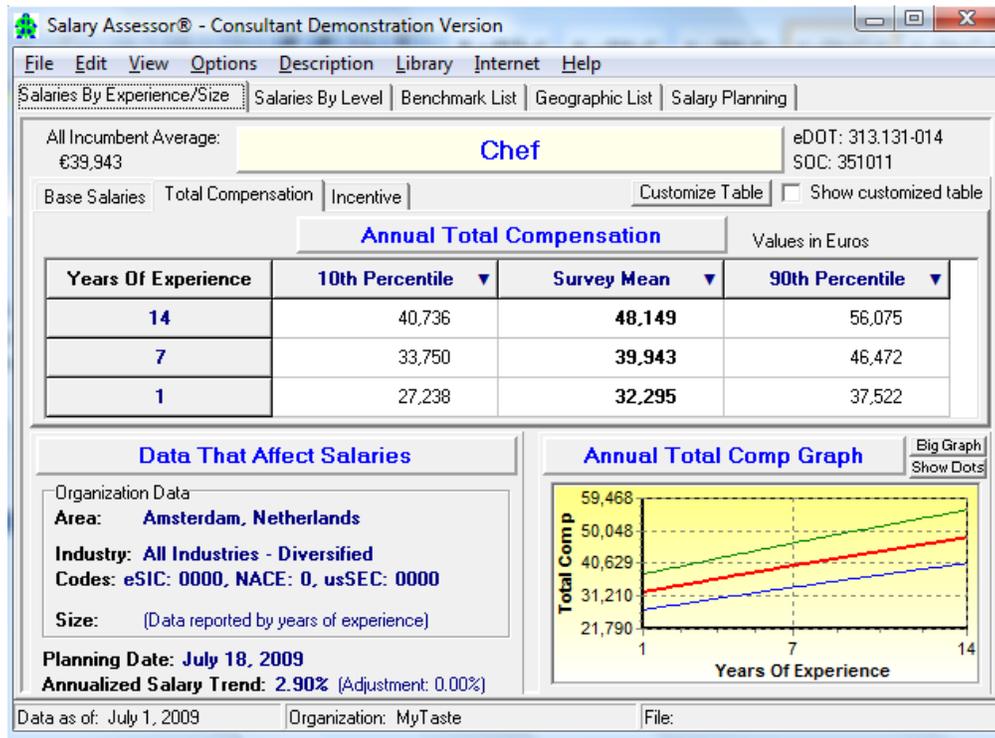
Copyright © 2009 ERI Economic Research Institute, Inc.

Assessor Series data licensed to subscriber.

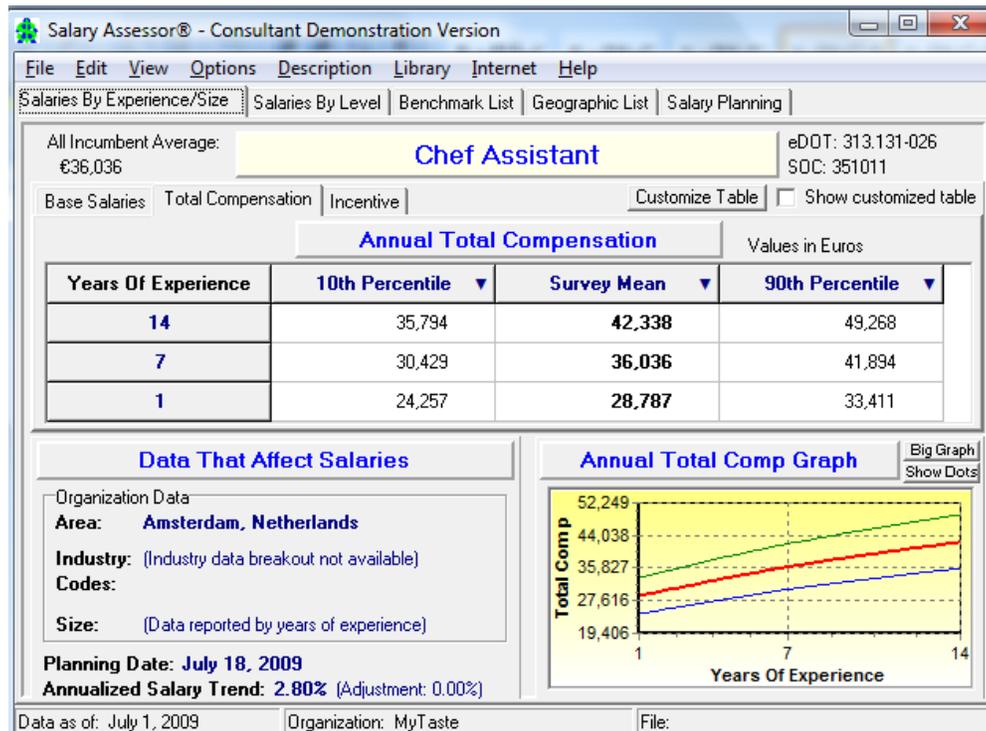
Re-sale of Assessor data is prohibited.

Print Screens of Salary Assessor Software:

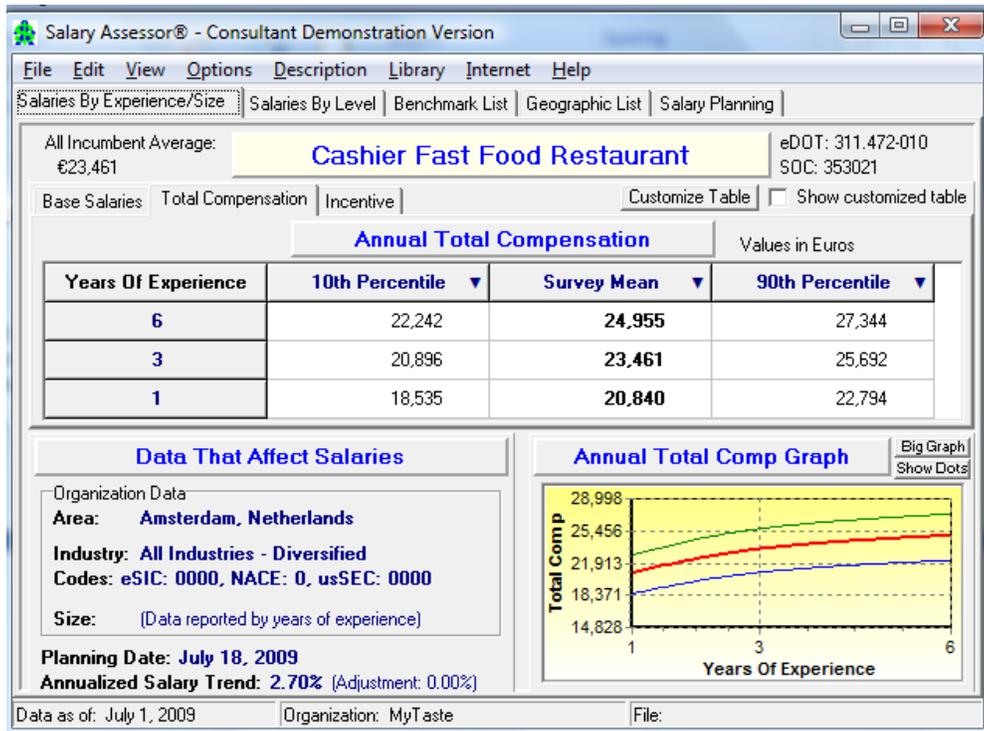
Chef:



Chef Assistant:



Cashier of Fast Food Restaurant:



Appendix I: Commercial Kitchens Online Order

Webpage:

http://www.commercialkitchenonline.com/site/order4_confirmation/?shippingAddressID=198&shippingMethodID=1&billingAddressID=198&paymentMethodID=1&shServiceID=0

Date: Friday 10/07/2009 20:000

Checkout - Order Confirmation

Order Summary

Product name	Quantity	VAT	Price (ex)
Hamilton Beach HBB908-UK Commercial Bar Blender 1.3 Litre Polycarbonate Container 3/8 Hp motor	2	15%	£304.00
BEZZERA BB004 Medium Duty Grinder/Dispenser	1	15%	£281.00
BEZZERA B2P 2 Group, Semi-Automatic Espresso Coffee Machine - Bistro Range	1	15%	£1,691.00
Ugolini Compact 12/1 12 Litre Drink Dispenser	1	15%	£497.00
Buffalo G781 Commercial Juice Extractor	1	15%	£129.00
Lincat EB3F Filter Flow Automatic-Fill Water Boiler, New Model replaces the EB3!	1	15%	£296.00
Falcon Dominator G2124 Propane Four burner boiling table (600mm wide)	1	15%	£1,404.00
Lincat Silverlink CG4/N Natural Gas Chargrill	1	15%	£651.00
Die Pat Yellow gas hose 1.00m x 1/2 (15mm) QC	2	15%	£60.00
Sanyo EMS 1000 Light Duty Microwave Oven (1000w)	1	15%	£235.00
Falcon Dominator G2203 Pasta Boiler (300mm wide)	1	15%	£2,232.00
Lincat CC3 Pedestal with open top (ambient) 300mm wide	1	15%	£196.00
Victorian Baking Ovens SuperCan Traditional Soup Warmer SCR405	3	15%	£456.00
Lincat LT6X 6 Slot Commercial Toaster	1	15%	£134.00
Lincat SLS3 Stand 300mm wide	1	15%	£136.00
Lincat SLS7 Stand 750mm wide	1	15%	£192.00

Lincat GC39 Glass Display Cabinet Without doors	1	15%	£212.00
Edlund 712100 Manual Can Opener	1	15%	£88.00
Metcalf HPC Detachable Block Chipper 8mm (5/16") Chip size	1	15%	£233.00
Robot Coupe R101 Food processor. (Up to 15 covers)	1	15%	£337.00
Rowlett Rutland Electric G1 Grater	1	15%	£249.00
P&L Systems Flyzap FZ16 16watt - Budget Price Aluminium Electronic Flykiller	1	15%	£32.00
Buffalo K238 190mm (7.5") Electric Slicer	1	15%	£102.00
Craven Firmashelf 4000 Model 4CH-2415 chrome general purpose shelving system (610mm x 381mm)	1	15%	£53.00
Buffalo G784 Continuous Vegetable Prep Machine	1	15%	£370.00
Rhino GN2100BT 2 Door Gastronorm Freezer Counter	1	15%	£1,093.00
Rhino GN2100TN 2 Door Gastronorm Fridge Counter	1	15%	£933.00
Hoshizaki DCM60FE Commercial Ice and Water Dispenser	1	15%	£1,931.00
Valera SCU1375CP Full Height Glass Door Merchandiser With Canopy	1	15%	£531.00
Valera Danny 100 Multideck Display 1000mm wide	2	15%	£3,432.00
Comenda ECO LC700/3 Passthrough Dishwasher 6.75kw Three phase HOT	1	15%	£2,525.00
Classeq ECO1 350mm square basket front loading commercial glasswasher WITHOUT Drain Pump (E106)	1	15%	£643.00
Sissons E20608N Midi catering sink 750 x 650 mm	1	15%	£369.00
Pedal Sack Holder model L548	1	15%	£50.00
Die Pat HB240S Wall Mounted Stainless Steel Wash Hand Basin	1	15%	£70.00
Craven WSE Three Bin Enclosed Recycling Station Unit	1	15%	£1,088.00
Classeq WSAUTO Automatic Water Softener	1	15%	£439.00
		Subtotal:	£23,674.00
		VAT:	£3,551.10
		Delivery (Standard Delivery):	£0.00

[<< Edit Cart](#)

Grand Total :
£27,225.10

Please check your order carefully before clicking the button below.
If you need to amend anything, please click on the relevant links...

Continue to Payment >>