



RSVP

Rice Stew Very Plenty

Business Plan





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1 Executive Summary

RSVP is a startup Nigerian fast food restaurant to be setup in Gwinnett County, Georgia. RSVP is a popular acronym among Nigerians around the world which stands for “Rice Stew Very Plenty”. It is estimated that there are more than 250,000 African Americans in Georgia out of which around 30,000 are Nigerian Americans. Although there are some notable African restaurants in Georgia, there is no specialized Nigerian restaurant in Georgia.

A 2,000 square-foot space will be rented or leased for this proposed restaurant which will accommodate around 50 people at a time with 10-15 tables. A staff of 08 people including the owner is proposed to be employed in the operation of the restaurant at the beginning.

Sales are expected to reach \$680,000 during the first year of operation which will make the restaurant break even. The restaurant is expected to make significant profits from the second year onwards with increasing margins derived through increased sales and improved operational efficiencies.

1.1 Mission Statement

The mission is to enable the Nigerian & local community in Georgia to enjoy Nigerian cuisine with an authentic menu of Nigerian fast foods at reasonable prices.

1.2 Objectives

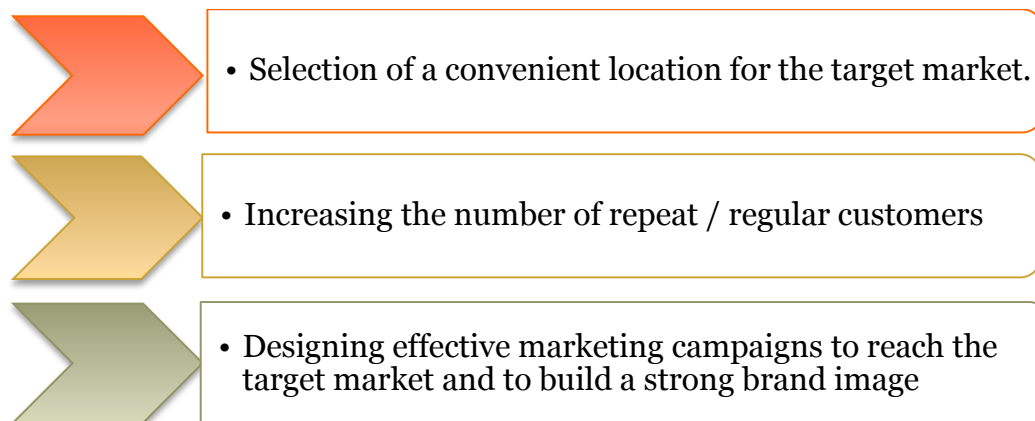
The objectives in the first year of operation are as follows:

- Selling at least 30,000 main meals
- Achieving a sales target of US\$680,000
- Keeping the prime cost ratio less than 60%



1.3 Keys to Success

Keys to success or critical success factors (CSFs) are those elements that are necessary for any organization to achieve its mission. RSVP's keys for success can be identified as follows:



2 Products & Services

RSVP menu will include main meals, sides, sauces and drinks. Single size or family portions will be available with set menu combo special meals.

2.1 Main Meals

Main meals will consist of White Rice, Jollof Rice and Pasta.

- **White Rice**

White Rice is a popular main meal in Nigeria because it lets you eat rice with any sides & sauces. It is usually cooked plain with no added ingredients. Sometimes salt is added but it is optional.



Image: Bowl of white rice



- **Jollof Rice**

Jollof rice is one of the most common dishes not only in Nigeria but also in most of Western Africa including Senegal, Gambia, Sierra Leone, Liberia, Togo, Cameroon, Mali and Ghana.

The dish consists of rice, tomatoes and tomato paste, onions, salt, spices and chili peppers. Optional ingredients can be added such as vegetables, meats, or fish. Due to the tomato paste and palm oil, the dish is mostly red in color.



Image: Bowl of Jollof Rice

2.2 Sides

RSVP will offer a number of side dishes including different meat stews, fried fish, yam & beans as follows;

- **Fried Fish** - fried fish will be served with carrot, green peppers, garnish etc.



Image: Dish of fried fish



- **Peppered Beef Stew** – a stew made up of beef and peppers.



Image: Dish of fried fish

3 Business Environment

3.1 Demographics

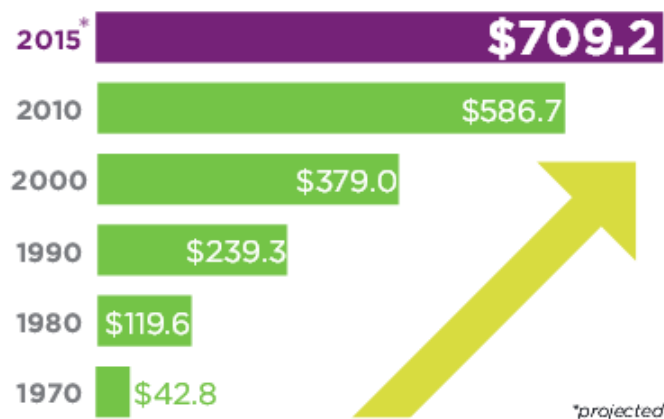
As of the 2010 United States Census, there were 805,321 people, 268,519 households, and 203,238 families residing in the Gwinnett County. The population density was 1,871.2 inhabitants per square mile (722.5/km²). There were 291,547 housing units at an average density of 677.4 per square mile (261.5/km²). The racial makeup of the county was 53.3% White, **23.6% black or African American**, 10.6% Asian, 0.5% American Indian, 0.1% Pacific Islander, 8.8% from other races, and 3.1% from two or more races. Those of Hispanic or Latino origin made up 20.1% of the population. In terms of ancestry, 8.3% were German, 7.8% were Irish, 7.7% were English, and 5.8% were American.



3.2 Restaurant Industry Sales

As per the National Restaurant Association, restaurant industry sales are expected to reach \$783 billion in 2016. Although this will represent the seventh consecutive year of real growth in restaurant sales, the rate of growth remains moderate.

Restaurant Industry Sales (In Billions of Current Dollars)



The restaurant industry will remain the nation's second-largest private sector employer with a workforce of 14 million.

4 Target Market

RSVP's primary target market is Nigerian Americans living in the Georgia. Nigerian Americans are those who are of Nigerian ancestry living in the USA.

Secondary target market of RSVP includes the other African Americans in the Gwinnett County because some of the Nigerian cuisine is familiar to them.

4.1 Market Opportunity

At the moment, there are no specialized Nigerian fast food restaurants in Georgia. Therefore there is a good opportunity for a specialized Nigerian restaurant where Nigerian Americans can taste the foods of their own culture.



4.2 Competition

Although there are no specialized Nigerian fast food restaurants in Georgia, there are African restaurants which may offer menu items which can also be found in Nigerian menus. Few notable African restaurants in Gwinnett County are as follows:

- **Prestige African Cuisine** - 2055 Beaver Ruin Rd, Norcross, GA, United States (<https://www.facebook.com/Prestige-African-Cuisine-205410356212005>)
- **Honest Star Tropical Restaurant** - 140 Hurricane Shoals Rd, Lawrenceville, GA 30046 (www.honeststartropical.com)

4.3 Evaluation of Strategic Options - SWOT Analysis

Figure: SWOT Analysis

		Helpful	Harmful
		to achieving the objective	to achieving the objective
Internal origin (attributes of the system)	Strengths	<ul style="list-style-type: none">Owner possesses 18 of experience in preparing meals for catering events.Owner, being a Nigerian American, is highly knowledgeable about Nigerian cuisine.	<i>Weaknesses</i> <ul style="list-style-type: none">Owner has no much experience in managing a full scale restaurant.Tapping a niche market which is relatively small.
	Opportunities	<ul style="list-style-type: none">There is no Nigerian fast food restaurant in Georgia.Menu can be easily expanded to include other African cuisine.Business can be expanded geographically.	<i>Threats</i> <ul style="list-style-type: none">African restaurant may turn into direct competitors by offering Nigerian menus.This business can be started with no major capital investment.
External origin (attributes of the environment)			



4.4 Competitive Edge

RSVP's competitive edge will be derived from the following:

- Offering menu items which are not easily available in other restaurants
- Use of locally sourced healthy food ingredients
- Offering a quality customer service at affordable prices

5 Marketing Strategies

5.1 Place & Distribution Strategy

Distribution strategy will be of two fold;

- Through the restaurant outlet
- Through a food truck to sell food at events such as sporting & church events

The restaurant will be located in the Gwinnett County. Suitable building with around 2000 square-foot will be leased or rented for this purpose. The building will need to have a seating capacity of 50 people with 10-15 tables. Interior design will be based on a theme color of green which is used to imply the Nigerian origins.

5.2 Pricing Strategy

RSVP will offer its customers affordable introductory rates that are set at a lesser point what other established African fast food restaurants charge. Prices may gradually be increased to some extent after it gains some popularity among the target market.

5.3 Promotion Strategy

It is important note the consumer behavior in this market identified earlier in designing an effective promotion strategy. Following points will be given due importance in this regard:

- Woman's opinion is very important in household matters in African-American families.
- African-American women are more concerned about healthy foods.
- African-Americans' are more inclined towards electronic media such as TV and radio along with print media.



- Social media can also play an important role in promotion as most African-Americans tend to support companies and brand they like.

5.4 Sales Forecast

Sales Volumes

Table: Sales Volumes

Product Category	Year 1	Year 2	Year 3	Year 4	Year 5
Main Meals	31,025	34,128	35,834	37,626	39,507
Sides	54,750	60,225	63,236	66,398	69,718
Sauces	31,025	34,128	35,834	37,626	39,507
Combo Meals	14,600	16,060	16,863	17,706	18,591
Drinks	36,500	40,150	42,158	44,265	46,479
Grand Total	167,900	184,690	193,925	203,621	213,802

Sales

Table: Sales Forecast

USD					
Category	Year 1	Year 2	Year 3	Year 4	Year 5
Main Meals	201,663	232,920	244,566	269,634	283,116
Sides	246,375	284,563	298,791	329,417	345,888
Sauces	46,538	53,751	56,438	62,223	65,334
Combo Meals	131,400	151,767	159,355	175,689	184,474
Drinks	54,750	63,236	66,398	73,204	76,864
Grand Total	680,725	786,237	825,549	910,168	955,676

6 Organization & Management

6.1 Company Ownership

Company will be owned and managed by Rudy Arone. Rudy Arone is a certified chef and graduate of Le Cordon Bleu, the world's largest hospitality education institution. She possesses around 18 years of experience in preparing meals for catering events and will also function as the Head Chef of RSVP.



6.2 Staff Requirement

Following staff are planned to be recruited at the start of RSVP:

- **01 Sous-chef** – second in command in the kitchen. Sous-chefs will plan and direct how the food is presented on the plate, keep their kitchen staff in order, train new chefs, create the work schedule, and make sure all the food that goes to customers is of the best quality to make customers happy
- **01 Line cooks** – usually responsible for prepping ingredients and assembling dishes according to restaurant recipes and specifications.

7 Financial Plan

7.1 Start-up Funds Requirement

Table: start-up requirements

USD	
Requirement	Amount
Start-up expenses	
Incorporation & legal fees	4,500
Licensing cost (Food Sales License)	2,500
Rent security deposit (01 month)	2,000
Sub total	9,000
Start-up assets	
Interior design & furnishing	75,000
Kitchen equipment	60,000
POS & software	7,500
Website design	2,500
Office computer	1,500
Sub total	146,500
Total funds requirement	155,500

7.2 Start-up Funding Sources

USD	
Source	Amount
Owner funds	5,500
Bank loan	150,000
Total funds raised	155,500



7.3 Projected Profit and Loss

Table: Projected Profit and Loss

USD

	Note	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue						
Main Meals		201,663	232,920	244,566	269,634	283,116
Sides		246,375	284,563	298,791	329,417	345,888
Sauces		46,538	53,751	56,438	62,223	65,334
Combo Meals		131,400	151,767	159,355	175,689	184,474
Drinks		54,750	63,236	66,398	73,204	76,864
Total revenue		680,725	786,237	825,549	910,168	955,676
Direct Supplies	1	170,181	176,903	185,749	204,788	215,027
Direct Labor		223,587	256,879	263,301	298,989	306,464
Cost of Goods Sold		393,768	433,783	449,050	503,777	521,491
Gross profit		286,957	352,455	376,499	406,391	434,186
GP Margin %		42%	45%	46%	45%	45%
Expenses						
Building Rent		24,000	25,200	26,460	27,783	29,172
Administrative Staff costs		27,027	27,703	28,395	29,105	29,833
Advertising & promotion		126,500	119,150	113,065	108,172	104,409
Food truck rent		12,000	12,600	13,230	13,892	14,586
Utilities		24,000	25,800	27,735	29,815	32,051
Depreciation	2	29,300	29,300	29,300	29,300	29,300
Building maintenance		12,000	12,900	13,868	14,908	16,026
Loan interest		4,528	3,588	2,617	1,613	575
Credit card fees		5,956	6,880	7,224	7,964	8,362
Legal & admin fees		7,000	3,500	3,675	3,859	4,052
Insurance		3,000	3,150	3,308	3,473	3,647
Website & systems maint.		5,000	5,250	5,513	5,788	6,078
Miscellaneous		6,000	6,300	6,615	6,946	7,293
Total expenses		286,312	281,320	281,003	282,616	285,382
Net profit before tax		645	71,134	95,496	123,775	148,803
Net profit margin %		0.1%	9.0%	11.6%	13.6%	15.6%

Note 1 - Assumed to be 25% of sales in the first year and 22.5% thereafter

Note 2 - Assumed to be 20% annually on cost