

Business plan of plant based food restaurant

Idea description

The business idea is to open a plant based food restaurant. Our customers were able to buy high-quality burgers that are made from high-quality meat substitutes. Our goal is to provide the opportunity to eat tasty burgers, but made from vegetable meat. The vegetable meat from which our food will be made will be produced without killing animals. At the same time, according to taste characteristics, our burgers will be practically indistinguishable from ordinary burgers. Consequently, we will be able to raise the level of vegan nutrition to a new level.

Market research (problem)

Spain is one of the countries where the vegan community is actively developing. For example, the number of vegan restaurants is growing at a high rate every year (The Guardian, 2014). Studies show that 6.3% of all Spaniards consider themselves flexitarians (El Pais, 2019). Flexitarians are people who try to avoid meat, but sometimes eat meat. The share of vegetarians who completely avoid meat and eat dairy products and eggs, is 1.3% of the population of Spain. By world standards, this is a fairly high value (on average, this value is 0.4-0.6%). The share of vegans is 0.2%. This part of the population completely avoids the use of any products that were produced as a result of killing animals.

Therefore, we can estimate the share of people who are interested in vegan fast food at 7.8% in Spain. This proportion is 3.6 million people.

According to various studies, the global market for vegan products will reach a volume of 4.4 billion euros in 2020 (El Pais, 2019). The global average growth rate for the vegan food market is 6.8%.

According to studies, there are the following basic reasons for the failure of Spaniards from animal products:

1. minimization of harm to health (17% of all Spaniards);
2. minimization of harm to the environment (21% of all Spaniards);
3. respect for other sentient beings (57% of all Spaniards).

Therefore, the most important reason why people refuse to eat meat in Spain is respect for other living beings. This reason is largely based on the social and political views of the population. Often these people follow antiwar movements. Therefore, our corporate social responsibility policy is of particular importance for our business. We are not just selling plant based burgers, but also spreading our worldview.

Business opportunity

The main problem that exists in the vegan market and which we strive to solve is the need to give up tasty meat food. Vegetarians should completely abandon the well-known meat dishes, including burgers. Nevertheless, many people admit that sometimes they cannot resist eating burger, after which they feel guilty for wrong actions. Usually, vegetarian food can not be compared with traditional meat dishes. Such food is often not sufficiently juicy and tasty for the average consumer. Therefore, the modern consumer (flexitariii and vegetarian) is facing the question - how can he eat tasty food with friends without eating meat?

To solve this issue, we create our own business. Our customers were able to buy high-quality burgers that are made from high-quality meat substitutes. Our goal is to provide the opportunity to eat tasty burgers, but made from vegetable meat. At the same time, according to taste characteristics, our burgers will be practically indistinguishable from ordinary burgers.

Initially our restaurant will be located in Madrid. This city is the capital of Spain and the most populous city in the country. The most modern social movements are concentrated in this city, including the vegan movement.

Consequently, business opportunities consist in:

1. occupying a niche in the plant based burger fast food market of Madrid;
2. occupying a market share of 1% in the vegan restaurant market in Madrid;
3. increasing the number of restaurants to 5 over the next 3 years.

Production plan

We plan that the number of employees will be 6 people. In the new restaurant will be enough to hire two cooks, two waiters, cashiers, manager and cleaner. With the increase in demand there will be a need to expand the staff to 4 chefs and 4 waiters.

When selecting employees, one should focus only on work experience, but on personal qualities: the desire to work, friendliness, responsibility, politeness, initiative. Usually young people work in such restaurants - it is easier for them to withstand the fast pace of fast food.

Production targets

| | |
|--|-----|
| Number of employees | 6 |
| Number of kitchens | 1 |
| The number of tables in the restaurant | 25 |
| Average bill (burgers, drinks) | 7,5 |
| Average number of burgers produced per day | 220 |

| | |
|---------------------------|-------|
| Average revenue per day | 1650 |
| Average revenue per month | 49500 |

We plan that we will produce 220 burgers every day. This will give us revenue of 1,650 euros every day. In total, the restaurant will be 25 tables.

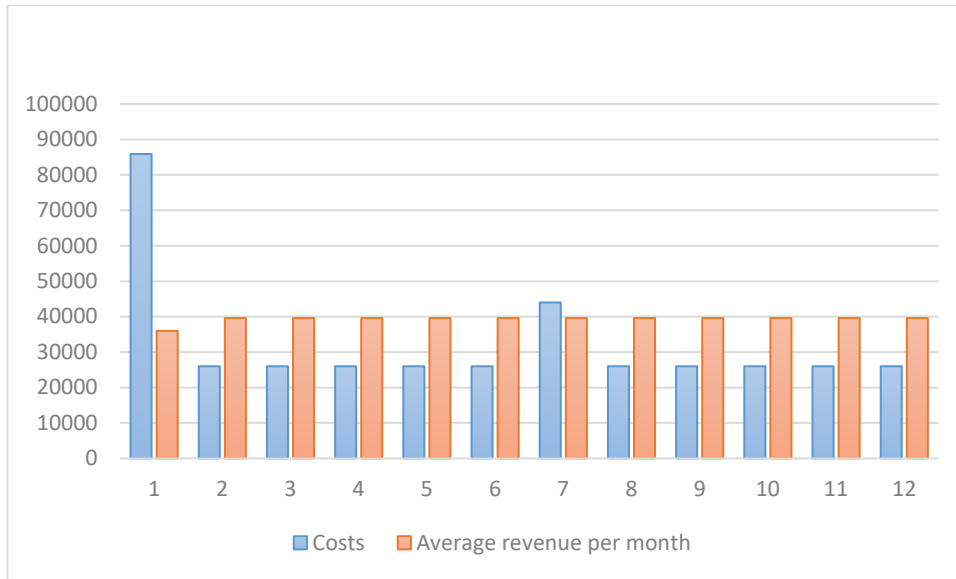
Financial plan

The financial plan assumes that we will be self-sufficient from the second month of work. In total for the year we plan to make a profit in the amount of 81700 euros (20% of the revenue).

Financial plan

| Number of month | Costs | Average revenue per month | Average number of burgers produced per day |
|-----------------|--------|---------------------------|--|
| 1 | 85900 | 36000 | 200 |
| 2 | 26000 | 39600 | 220 |
| 3 | 26000 | 39600 | 220 |
| 4 | 26000 | 39600 | 220 |
| 5 | 26000 | 39600 | 220 |
| 6 | 26000 | 39600 | 220 |
| 7 | 44000 | 39600 | 220 |
| 8 | 26000 | 39600 | 220 |
| 9 | 26000 | 39600 | 220 |
| 10 | 26000 | 39600 | 220 |
| 11 | 26000 | 39600 | 220 |
| 12 | 26000 | 39600 | 220 |
| Annual | 389900 | 471600 | 2620 |

Costs and revenues, thousands euros



Business development and funding plan

We plan to achieve a ROI of 20,6% in 1 year. We will be able to do this by expanding the geography of our business to the whole of Spain and expanding the list of products.

We aim to take a 1% market share in Madrid's vegan restaurant market and increase the number of restaurants to 5 over the next 3 years. To start our business, we need an investment of 85.9 thousand euros. The structure of the initial investment consists of rental payments, equipment and materials costs.

Investment structure

| | |
|----------------------|-------|
| Rent for 6 months | 18000 |
| Repair and design | 5500 |
| Equipment | 19500 |
| Purchase of products | 14400 |

| | |
|--------------------|-------|
| Marketing | 5000 |
| Wages for 3 months | 20000 |
| Other expenses | 3500 |
| Overall | 85900 |

At the start-up and initial business development stages, we plan to attract investments from a venture investor. The amount of investment is 85.9 thousand euros.

In 2-3 years we plan to take bank loans in the amount of 50 thousand euros. This money is needed to open new points in Madrid and other cities in Spain.

In 5 years, we plan to implement an exit strategy. This strategy is to sell PE to the fund. We plan to attract investments in the amount of more than 100 thousand euros as a result of the sale of equity.

The choice of such a strategy is determined by the following provisions:

1. our business will be mature enough to be interesting to PE fund;
2. we will be able to quickly arrange an exit deal;
3. we will be able to scale our business model throughout Europe with the investment we receive.

Funding plan

| Stage | Type of investor | Evaluated amount of investment (euros) |
|--------------------------------------|------------------|--|
| Development/Introduction (1-2 years) | Angel investor | 85900 |
| Growth (2-5 years) | Bank loans | 50000 |
| Maturity (5+ years) | PE fund | 100000+ |

Team and core competencies

In order to successfully implement this project, we will include the following specialists in the team:

1. specialist who has experience in the restaurant business of Madrid. This city is characterized by its features of the restaurant business, with regard to legal and other issues. Therefore, our team will be a person who is well versed in the realities of the restaurant business in Madrid;
2. chef who can create a unique menu. This menu should include dishes that match our vision and goals, that is, dishes should be plat based and as tasty as meat dishes;
3. marketing and design specialist. We want to create an eco-friendly brand that will be attractive to potential consumers. Therefore, we need a team specialist who will create a bright brand code. Also, this specialist should help us pursue a competent corporate social policy, because our business is closely connected with modern problems of society.

Valuation

We conducted a valuation of our business using the “consideration factor” method. We took 7 groups of factors, distributed their weights and assessed the relevance of our business to these factors.

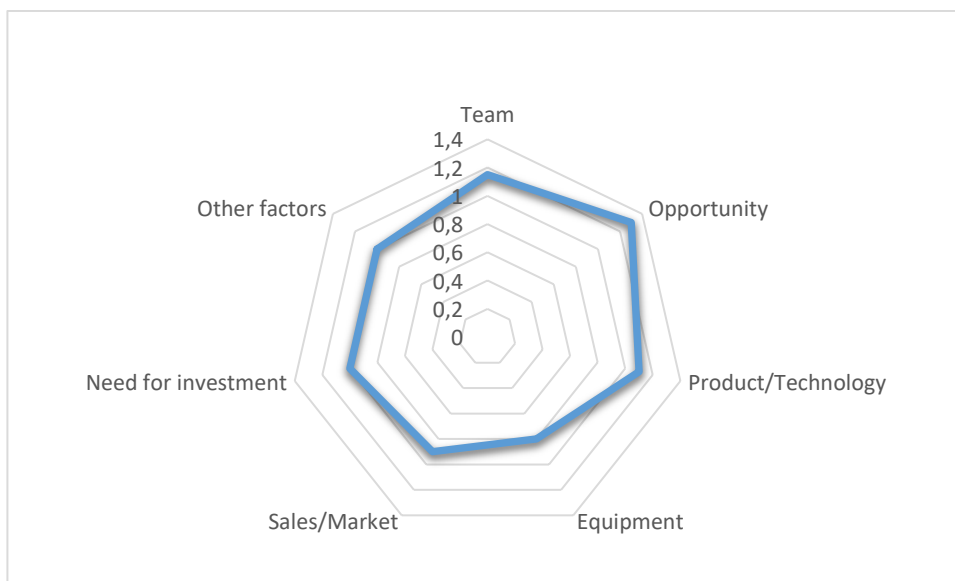
Valuation of business

| | Weight | Startup | Factor |
|-----------------------|--------|---------|--------|
| 1. Team | 30% | 115% | 35% |
| 2. Opportunity | 25% | 130% | 33% |
| 3. Product/Technology | 15% | 110% | 17% |

| | | | |
|------------------------|-----|------|------|
| 4. Equipment | 10% | 80% | 8% |
| 5. Sales/Market | 10% | 90% | 9% |
| 6. Need for investment | 5% | 100% | 5% |
| 7. Other factors | 5% | 100% | 5% |
| Overall | | | 1,11 |

As we can see, the strongest positions of our business are market opportunities (we can occupy a profitable and growing niche in the market), a team (we will include all the necessary competencies for business development) and a product (a new product in the market).

Results of valuation



If the market value of pre-money valuation is 1.8 million euros in Spain, then we can estimate the value of our business at 1.998 million euros (Startup Explore, 2019).

Conclusions

Our plant based food restaurant will allow customers to order high-quality burgers, which we will make from high-quality meat substitutes. Our business will be based in Madrid. Spain is one of the countries where the vegan community is actively developing. We plan to occupy a niche in the plant based burger fast food market of Madrid and achieve a market share of 1% in the market of vegan restaurants in Madrid. Also, we plan to increase the number of restaurants to 5 over the next 3 years. The financial plan assumes that we will be self-sufficient from the second month of work. In total for the year we plan to make a profit in the amount of 81700 euros (20% of the revenue). At the start-up and initial business development stages, we plan to attract investments from a venture investor. In 2-3 years we plan to take bank loans in the amount of 50 thousand euros. This money is needed to open new points in Madrid and other cities in Spain. In 5 years, we plan to implement an exit strategy. This strategy is to sell PE to the fund. The value of our business is estimated at 1.998 million euros.

References

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