

Information Jack gathered during the market research

- Jack decides to open a sandwich shop near his neighborhood town center, leveraging his passion for cooking.
- Jack estimates there are roughly 500 business and government office workers near the town center. Most of those who dine out for lunch are young Millennial generation workers.
- There are 5 sit down restaurants (waitress serving) and 2 fast-food franchised restaurants nearby.

Summary of market research

Goal: Serve 15000 sandwiches in the first year of business		
	Internal factors (customer's view of your business)	External factors (your opinion of the market conditions)
(+)	<p><u>Strengths</u></p> <p>Agile and fast to respond Subject matter expertise Food is tasty and authentic nutritious</p>	<p><u>Opportunities</u></p> <p>People's trend toward healthy food Growth in target customer demographics</p>
(-)	<p><u>Weaknesses</u></p> <p>Capacity to handle a large volume order Brand recognition (new entry in this business)</p>	<p><u>Threats</u></p> <p>A government could impose COVIT-19 strict regulation Supply chain impacted by a natural disaster</p>

Example of a business plan for Jack's Sandwich Shop

1. **Value proposition**—Reason customers prefer to buy from Jack's Sandwich Shop

- Jack sells sandwiches as fast-food takeout to customers who want to eat on the go.
- Jack aims to serve "authentic, nutritious sandwiches for health-conscious people" with tasty, delicious sandwiches that contain fresh and nutritious ingredients.

Provide convenience

- Jack locates his shop is in the corner of a shopping center near the town center where most of the office complexes are located.
- Jack's fast and agile sandwich preparation minimize customer wait time.
- Jack's menu includes a large choice of ingredients and types of bread.
- He accepts orders in a variety of ways, such as via phone, and the shop's mobile app.
- Jack takes a variety of payment methods: cash, credit card, and mobile payment apps.

Provide uniqueness

- He offers to make customized sandwiches (which are not on the menu) by special requests for customers with dietary restrictions, allergies, and intolerances.
- Jack delivers these sandwiches to customers for a fee using a food delivery service.
- Jack blogs about nutritious meals regularly to share his expertise and knowledge in creating healthy meals.

Provide better service

- Jack aimed to offer the customer's entire experience of ordering, pick-up, transacting and eating. Includes ambiance, cleanliness of the restaurant, friendly customer service, menu choices, location, parking, and accessibility.
- Jack selects his worker based on the individual's ability to offer friendly and hospitable service to treat its customers as best friends with a big smile.

2. **Marketing**—ways to capture customers' business:

Target customers

- Jack's potential customers are people on the go who want to satisfy their appetite conveniently while enjoying nutritious healthy food.
- Jack focused on the customers who want nutritious food on the go, not those who want to enjoy fine dining with wine.
- On weekdays, he targets workers in nearby offices. On Saturdays, he focuses people who exercise at nearby gyms and play games at nearby parks.

Promotional actions

- Jack goes door-to-door at nearby offices, giving out discount coupons, and have them sign up for a loyalty program with their email address.
- The coupon emphasizes the nutritious ingredients he uses to make his sandwiches.
- To appeal to this demographic, Jack decides more meat on menu items and use appropriate advertising language to attract them.
- To let repeat customers know about upcoming specials, Jack stays in touch with customers who ordered through his website and app by capturing their contact information.
- He will keep in touch with customers who place orders online via email or electronic newsletter to inform upcoming specials and new items.
- Among other competing fast-food restaurants in the vicinity, Jack positions his business to serve "authentic, nutritious sandwiches to health-conscious customers." His menu and advertising language support his claims.
- Jack sends out promotional messages about daily specials and upcoming promotions via email.
- Jack encourages the customer to write reviews, make requests, and provide feedback about their experiences at the sandwich shop.
- Jack registers with Google My Business to make his business stand out in the listings.

3. Financials—how Jack manages business finances:

Startup cost

- Jack allocated \$25000 of his saving and utilizing the cookware he already owned to start his sandwich shop.
- Jack uses \$24000 to purchase kitchen equipment, sandwich shop furniture, initial food inventory, and other initial rental costs such as rental deposit, website, and mobile apps setup.
- He kept \$1000 in his business bank account.

Sources of Capital	
Owner's investment	\$ 24000
Other	\$ 0
Total Investment	\$ 24000
Bank Loans	
Bank	\$ 0
Other	\$ 0
Total Loans	\$ 0
Capital Equipment List	
Furniture	\$ 2000
Equipment	\$ 12500
Other	\$ 500
Total Capital Equipment	\$ 15000
Pre-opening Expense	
Inventory	\$ 4000
Marketing promotion	\$ 500
Operating capital	\$ 500
Other	\$ 4000
Total Pre-operating expense	\$ 9000

Monthly income and expense

- Jack's cash on hand begins with \$1000 in his business bank account.
- Jack decides to hire a part-time worker to serve customers during the busy lunch hours.
- Jack selects his worker based on their ability to treat customers like first-class citizens and expected to act in a friendly, hospitable manner.
- Labor cost: \$30 per hour, including overheads, benefits, taxes, government fees, etc.
- Jack rents a small storefront and plans to offer takeout sandwiches for \$2500 per month.
- Jack prices the sandwiches appropriately to get enough gross margin, assuming that people will pay more for a nutritious meal.

- Revenue: Sell 35 to 45 meals per day at an average price of \$14 each, including drinks.
- Materials costs: Average food, drink, and supply costs are about \$4.25 per meal.
- Monthly breakeven: Jack need to sell at least 638 sandwiches per month
- Business hours: Open six days a week, from 10 a.m. to 3 p.m.

	Jan	Feb	Mar	...	...	Dec
Revenue (Sales)						
Money received	\$135000	\$14500	\$14800			\$17750
Other (income)	0	0	0			0
Total Revenue	\$135000	\$14500	\$14800			\$17750
Cost of Sales (COS)						
Raw material	\$4000	\$4290	\$4290			\$5150
Other	\$100	\$60	\$120			\$350
Total Cost of Sales	\$4100	\$4350	\$4410	...	...	\$5500
Expenses						
Payroll	\$4000	\$4000	\$4000			\$4000
Rents or lease	\$2500	\$2500	\$2500			\$2500
Other	\$1950	\$2165	\$2180			\$1720
Total Expenses	\$8450	\$8665	\$8680	...	...	\$8220
Total income/loss	\$950	\$1485	\$1710	...	...	\$4030
Cash on hand	\$1950	\$3435	\$5145	...	...	\$30485

Conclusion based on this business plan

- The outlook of Jack's business will be a financially successful business endeavor.
- Jack will be able to start and grow his business without borrowing any money.