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## **I. Executive Summary**

### **A. Zeera's Identity**

Zeera will strive to be a quality, well-known Pakistani-themed restaurant that brings in culture, great food, and an experience. The food will be arranged partly in the kitchen and partly alongside the table, exhibition-style. Chefs will interact with customers and show off skills while preparing part of the customer's meal. The Zeera atmosphere hopes to bring in the taste of Pakistan and allow customers to get learn about the identity of the small country. Zeera will be located in the Riverwalk district in Jenks, Oklahoma. The Riverwalk district is known for its entertainment, ambience, and popularity as an upcoming destination location. With its waterfront view and recreational businesses in the vicinity, the Riverwalk district is known for extensive foot traffic and buzz.

### **B. Why now?**

In a city the size of Tulsa, Oklahoma, it would be expected that there would be numerous unique places of business. As listed on the Tulsa Chamber of Commerce website, Tulsa is ready to assist extensively to attract new businesses to its area and help the businesses thrive. To complement the need of new, innovative businesses, it makes sense to introduce a restaurant that brings with it entertainment, culture, and excitement. Marketing a new eatery that highlights the concept of watching chefs prepare your food in an entertaining fashion aligns with the growing trend of appealing "generation Z."

### **C. Capital Funding Requirement**

Zeera is seeking a \$600,000 investment at 5.5% interest from potential silent investors willing to loan start-up costs in exchange for a profit on their investment. The investment will be used for necessary start-up costs, such as security deposits, rent, utilities, tables and furniture, permit and licenses, marketing and advertising expenses, and other operating costs. The silent partner will be given annual updates on the operations of the business and will be paid monthly payment along with interest.

## II. The Business Concept

### A. The Business Opportunity

In our day and society, eating out has moved away from special occasion basis to a more common occurrence. This has opened many avenues for aspiring businesses to attract these customers to their fine dining establishments. The difference in restaurants and customers today is that people want more than a meal. People crave an experience they can share in while enjoying.<sup>1</sup> The upcoming generation of customers is unlike any of the past. Being more broad-minded, inquisitive, and adventurous, these new customers are attracted to places that will open them up to something different and engulf them in a new world. Many people consider all cultures of South Asia to be homogenous and they fail to recognize the various, diverse cultures in the area. Being of Pakistani background or are knowledgeable of the culture, the chefs have a lead in bringing the authentic taste and atmosphere.

In Tulsa, Oklahoma, there is a sizable South Asian community who would appreciate a taste of their "homeland." Not only would they be attracted to a restaurant like this, but also people of all cultures would appreciate a close, quality restaurant. By offering cuisine from each distinct state of Pakistan, customers will be evermore submerged in Pakistani culture. This restaurant will cook, serve, entertain, and eventually one day, cater. Zeera will also be unique in the fact that it will be one of the few restaurants offering 100% Halal and Kosher products. This is important because it addresses an important demand to fulfill specific dietary needs that is uncommon in this area. The food can also be described as classic authentic Pakistani cuisine made with fresh ingredients.

### B. The Layout

Zeera will be a fine dining establishment serving classic Pakistani cuisine, with an emphasis on providing the full experience of the culture and the distinct tastes of each of its regions. By taking the idea of a few innovative restaurants that prepare part of the customer's meals in front of their table, this restaurant will use a similar idea and add a South Asian spin. A tandoor is a clay oven used to make meats and naan. Having a personal tandoor and kebab grill at each table/station, the chef will have the opportunity to showcase the skills of preparing the naan from dough to tandoor and preparing the meat and vegetables for the grill.

To add to the ambience of the restaurant, classical music will be provided with the walls covered in wallpaper/painting of Pakistani landscapes and famous art. There will be drapes separating groups of parties. The lighting will be at a comfortable dim level to encourage guests to relax and enjoy. Currently, fine dining establishments have a closed off wall between the customers and the kitchen. Some restaurants have pioneered and started offering a view into the making of the food. Zeera will take this concept and twist it into a way that not only shows customers parts of its

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<sup>1</sup> Taylor, Kate. "The 10 Biggest Restaurant Trends for 2015." *Entrepreneur*. Entrepreneur, 28 Oct. 2014. Web. 12 Apr. 2015.

food being prepared, but will showcase one chef using theatrics (such as fire or cutting techniques) to cook other parts of the meal. Not only will there be sights to see, but also we hope to bring an atmosphere filled with music, colors, and culture that the customer can partake in. This will be a move in the right direction in appeasing the growing trend of restaurant-goers need for interaction and amusement.

### **C. Restaurant Floor Plan**

Zeera will strive to utilize all space provided to emphasize the culture of the restaurant. The desired location has 5,850 square feet. It has been recommended to use 60% of the total area for the dining room and 40% of the total area for the kitchen, cooking, preparation, etc.<sup>1</sup> This leaves 3,510 square feet for the dining area and 2,340 square feet for the kitchen, etc. With a recommended 18-20 square feet per customer<sup>2</sup>, our unique situation of adding the tableside exhibition, and leaving room for the host station, waiting room, and aisles, the determined seating is for about 140-155 people.

Zeera will also strive to fulfill the following requirements laid out by city and state to ensure the restaurant in compliant with all standards. The Food and Drug Association has issued a Food Code designed to establish requirements meant to safeguard public health. By reading subchapter 5 of the Oklahoma Food Code, Zeera will be sure stay active to remain compliant with the law. By reading the local city ordinance, Zeera will stay active to comply by all regulations set out by Tulsa in matters of health, licensing, fees, food preparation, permits, worker responsibilities, etc. Zeera will also be proactive in matters of concerning zoning, building, fire, and the health department before altering the restaurant space.

### **D. The Context of the Opportunity**

The full-service restaurant industry is highly competitive and to stand out there needs to be an attraction that pulls in customers.

The trend of appeasing "generation z" is one that is hot and coming considering that this generation is the future. This generation consists of people born in the 1990s-2000s and are now coming to age of starting to go out on their own.<sup>3</sup> The people of this generation have lived most of their lives with constant access to the Internet and are used to being consistently amused or entertained each second of their lives. This generation is also been reported to be the most diverse, which contributes to

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<sup>1</sup> "How to Create a Restaurant Floor Plan Total Food Service." *TotalFood*. TotalFoodService, 2015. Web.

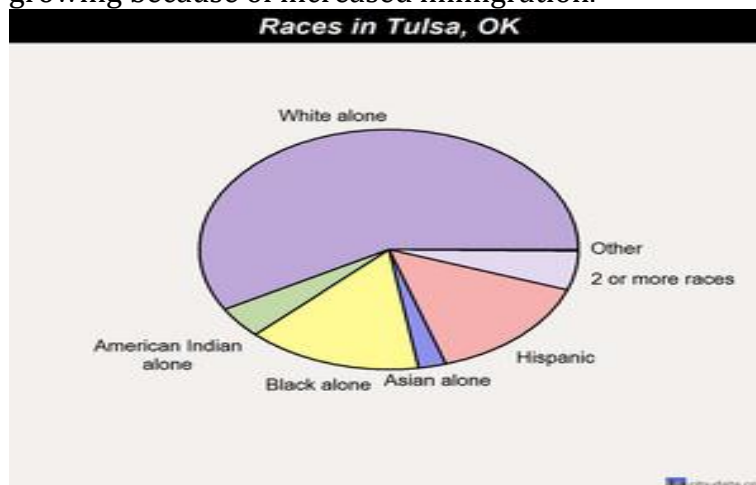
<sup>2</sup> Adkins, W. D. "How to Calculate the Interior Space for Restaurant Seatings." *EHow*. Demand Media, 18 May 2009. Web. 2015.

<sup>3</sup> Looper, Lance. "How Generation Z Works - HowStuffWorks." *HowStuffWorks*. N.p., n.d. Web. 19 Apr. 2015.

their broad-mindedness, differing thoughts, and openness to try new experiences.<sup>1</sup> Therefore, generation Z is a valid contender in who we hope to attract as potential customers.

Another trend in the U.S. is the decreasing size of the average household. Every time the U.S. adds 100 million more citizens, the average number of people sharing a home decreases by one.<sup>2</sup> In 1915 the household included extended family and many children, in 1967 the number reduced by a bit, and it has been slowly decreasing ever since.<sup>3</sup> The traditional home 100 years ago differs greatly from the home now. People marrying later, women waiting to have kids, and older people living in own homes are all factors in the smaller average American household.

In Tulsa, Oklahoma, there is more immigration than ever before and Asians, which includes South Asians, are in the lead as the fastest growing ethnic group with Hispanics close behind.<sup>4</sup> This goes to show the diversification of Tulsa's population and how this will lead to a greater demand for various types of cuisine. Changing demographics are important because they show the impact of immigration and how this can impact American society and their demands in the future. As shown in Figure 1, currently the Asian population is at 2.5% and is expected to remain growing because of increased immigration.<sup>5</sup>



**Figure 1: Races in Tulsa, OK**

There is a sizable and growing population of Muslims and Jewish people in the Tulsa

<sup>1</sup> Schroer, William J. "Generations X,Y, Z and the Others." *SocialMarketing.org*. The Social Librarian, n.d. Web. 12 Apr. 2015.

<sup>2</sup> Whipps, Heather. "Census: U.S. Household Size Shrinking." *Msnbc.com*. NBC News, 21 Sept. 2006. Web. 12 Apr. 2015.

<sup>3</sup> Whipps, Heather. "Census: U.S. Household Size Shrinking." *Msnbc.com*. NBC News, 21 Sept. 2006. Web. 12 Apr. 2015.

<sup>4</sup> "Asians Lead Growth among Oklahoma Ethnic Groups." *NewsOK.com*. The Oklahoman, 18 June 2013. Web. 12 Apr. 2015.

<sup>5</sup> "Tulsa, Oklahoma." *City-data.com*. Onboard Information, n.d. Web. 19 Apr. 2015.

area. In a state predominantly Caucasian, there hasn't been much focus on providing cuisine that fits the dietary requirement for minorities. But having a viable option will open more doors for us because it attracts not only the regular restaurant-goers, but also those people who avoided eating out due to lack of options. With over 7,500 Muslims<sup>1</sup> and 3,000 Jewish people<sup>2</sup>, there are numerous people looking for viable eating-out options.

Ever since the economic recession in 2008, things have been on an upward climb with better economic conditions. This rise provides more jobs, more spending money, and hence, more eating out. Family per capita income growth has risen 6.3 percent, more than 200 businesses have moved into Oklahoma, and the unemployment rate has been steadily declining over the years with the biggest dip in 2011 when unemployment rate in Oklahoma went from 7 percent to 5.4 percent.<sup>3</sup>

### **E. The Company Structure**

Zeera will be operated as a limited liability company (LLC). The LLC entails that the profits and losses will be on the owner's personal income tax returns, but similar to a corporation, owners will be protected from personal liability. In simple terms, owners of an LLC have the flexibility to control and run their business, but won't be as liable for debts or legal liabilities as a sole proprietor.

### **F. The Management Team**

Zeera will be a family run company. The management will consist of three individuals. Each individual brings a unique set of skills to the table. The list below lists specific skills and backgrounds:

#### **~Mishal Gondal (Founder and Manager)**

B.S. Degree in Business Administration with minor in Management Information Systems, Oklahoma State University

Master's Degree in Accounting

Experience in public accounting and working at businesses in the Oklahoma region

#### **~Zulfiqar Ahmad (Partner)**

Experience working in business for over 25 years

Owned and operated businesses in areas, such as New York, Oklahoma, and Arkansas

#### **~Shahida Zulfiqar (Partner and Chef Liaison)**

Bachelors Degree in Psychology, Pakistan

Spent 35+ years cooking and learning authentic Pakistani recipes

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<sup>1</sup> "Islamic Society of Tulsa | IS Tulsa." *Islamic Society of Tulsa | IS Tulsa*. Masjid Al Salam - Islamic Society, n.d. Web. 12 Apr. 2015.

<sup>2</sup> Schusterman, Lynn. "ISJL - Oklahoma Tulsa Encyclopedia." *Institute of Southern Jewish Life*. Goldring/Woldenberg, n.d. Web. 12 Apr. 2015.

<sup>3</sup> Fallin, Mary. "Gov. Fallin: Oklahoma Growing in Businesses and Jobs." *Tulsa World*. N.p., 2 Mar. 2014. Web. 12 Apr. 2015.

### III. Industry Analysis

#### A. Industry Classification

According to the North America Industrial Classification System, Zeera is classified as Full-Service Restaurants, section 722511. This industry refers to those establishments that seat customers, provide food services, and are paid after the service is completed. This industry can also have alcoholic beverages, carryout services, and live nontheatrical entertainment. Types of establishments listed under this section include bagel shops, diners, doughnut shops, family restaurants, fine dining restaurants, full service restaurants, pizza parlors, pizzerias, and steakhouses.

#### B. Industry life cycle and trends

The full-service restaurant industry is in the mature phase. The mature phase is characterized by slow growth, standardized technology, and declining industry-wide profits. The major opportunities are refining current products, improving service, and innovating the processes.<sup>1</sup> These opportunities are beneficial for Zeera because the layout of this business focuses on differentiated service and food and the process by which we provide the food is unique. One notable trend is the “restless palate syndrome” as noted on Baum Whiteman<sup>2</sup> that states that people are consistently looking for a new way to spice up their plate. Getting tired of their mundane, consistent food choices, more people are choosing to get away from the ordinary and explore something new.

Although in the maturity phase it is difficult for new companies to get started, there could be some ways to help new businesses succeed. In a mature industry, potential customers typically already are loyal to some places rather than others. But since choosing a restaurant to eat is not that concrete of a decision, some people are open to try new things. The key factor after attracting people to eat at our business would be to keep them satisfied by providing the best service. Newer companies have a slight advantage in restaurants because they are seen as something exciting and interesting.

Currently, many full-service restaurants mainly focus on just the food, but by putting a greater emphasis on the service, it will differentiate Zeera. The growing trend of people going out more to eat than cooking at home can attract people who want to eat out, but want something “different” than the rest. This goes hand-in-hand with the trend that restaurants are differentiating themselves in order to “stay relevant.” It was pointed out that many restaurants are considering renovating and

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<sup>1</sup> Barney, Jay B., and William S. Hesterly. *Strategic Management and Competitive Advantage: Concepts and Cases*. Upper Saddle River, NJ: Pearson/Prentice Hall, 2008. Print.

<sup>2</sup> Whiteman, Michael. "11 Hottest Food & Beverage Trends In Restaurants and Hotel Dining for 2015." *Baum+Whiteman International Food + Restaurant* (n.d.): n. pag. *BaumWhiteman*. Baum+Whiteman. Web.

trying new layouts in order to stay ahead of the game. Since one of Zeera's main goals is to provide something unique, Zeera can stay one step ahead in being relevant.

A main trend emerging in full-service restaurants is the greater use of technology. About one-fourth of consumers have been reported to say that technology plays a great role in their choosing a restaurant.<sup>1</sup> Zeera is also dedicated to providing customers what they want, so we will install an iPad or other similar tablet device in through which customers can place their orders. This will improve efficiency since it will decrease time spent between deciding what to order and actually getting the food, the information would be sorted to make it easier for the chef to read and prepare, and the customer will be able to continuously request additional items without having to search for their server.

Another main trend is offering healthier menu options. It was reported that 76% of people say that they would choose a restaurant that has healthier options than those without.<sup>2</sup> Also 67% of people say that now they order healthier options than they did two years ago.<sup>3</sup> Consumers are also interested in knowing where their food comes from. Consumers are looking more to see which places are offering food locally sourced. Supporting the local economy and local employment is important to many consumers, so they might choose a restaurant that matches their ideals. Also choosing locally sourced limits the chances that the food will be highly processed; therefore, consumers will have the benefit of eating healthier also.

### **C. Industry size and demand**

Nationally, the restaurant industry has a projected \$709.2 billion in sales with an increase of 3.8% in sales in nominal terms and 1.5% in real terms.<sup>4</sup> Restaurant sales are roughly 4% of total U.S. GDP and on a typical day total \$1.9 billion.<sup>5</sup> There are roughly 631,000 restaurant locations in the U.S. In Oklahoma, there are 6,321 restaurant locations with a projection in 2015 sales to be \$5.5 billion.<sup>6</sup>

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<sup>1</sup> "Restaurant Industry Continues Growth For Sixth Year." *FSR Magazine*. N.p., 2 Feb. 2015. Web. 12 Apr. 2015.

<sup>2</sup> *2015 Restaurant Industry Forecast*. Washington: Natl Restaurant Assn, 2015. *Www.restaurant.org*. National Restaurant Association. Web.

<sup>3</sup> *2015 Restaurant Industry Forecast*. Washington: Natl Restaurant Assn, 2015. *Www.restaurant.org*. National Restaurant Association. Web.

<sup>4</sup> "Oklahoma Restaurant Industry at a Glance." *Restaurant.org*. National Restaurant Association, n.d. Web.

<sup>5</sup> "Oklahoma Restaurant Industry at a Glance." *Restaurant.org*. National Restaurant Association, n.d. Web.

<sup>6</sup> "Oklahoma Restaurant Industry at a Glance." *Restaurant.org*. National Restaurant Association, n.d. Web.



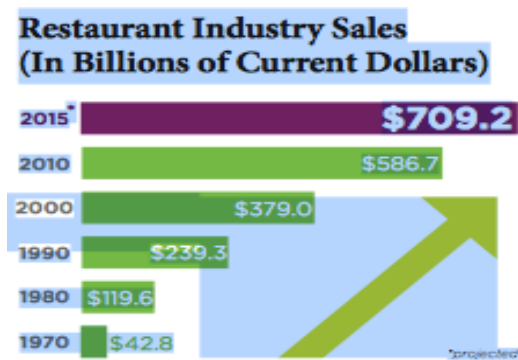


Figure 2: Restaurant Industry Sales

### Tableservice Operators' Outlook for Sales and Profitability in 2015

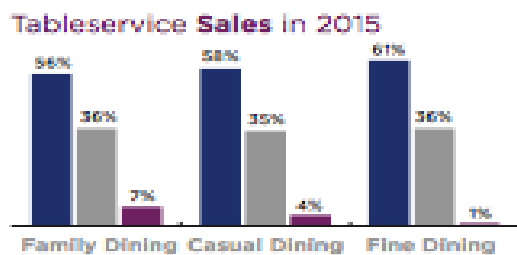


Figure 3: Outlook for Sales and Profitability in 2015 <sup>1</sup>

The restaurant industry has been growing and 2015 will be the sixth consecutive year that restaurant sales have grown.<sup>2</sup> The improving economy has played a great hand in the restaurant industry by creating more demand and also helping employ more people. The restaurant industry employs 14 million nationwide and 172,000 in Oklahoma, which is 10% of the employment in the state.<sup>3</sup> For every \$1 million spent in restaurants, Oklahoma creates 26.3 more jobs and in 2025, restaurants will employ 195,600 people.<sup>4</sup>

The demand for the restaurant industry is determined by the number of people looking to eat out. With greater economy conditions and the rising trend eating out being integrated into the daily life, restaurants have been experiencing a great demand. This demand is also demonstrated by the increase in expected restaurant sales. The supply and demand curve also shows the relationship between price and quantity demanded. After seeing the stronger demand for food, restaurant prices

<sup>1</sup> "2014 Restaurant Industry Forecast." *2014 Restaurant Industry Forecast* (n.d.): n. pag. *Restaurant.org*. National Restaurant Association. Web.

<sup>2</sup> "Restaurant Industry Continues Growth For Sixth Year." *FSR Magazine*. N.p., 2 Feb. 2015. Web. 12 Apr. 2015.

<sup>3</sup> "Restaurant Industry Continues Growth For Sixth Year." *FSR Magazine*. N.p., 2 Feb. 2015. Web. 12 Apr. 2015.

<sup>4</sup> "Restaurant Industry Continues Growth For Sixth Year." *FSR Magazine*. N.p., 2 Feb. 2015. Web. 12 Apr. 2015.

have shown to be increasing. It has been estimated that between 2000 and 2020, there will be an 18 percent increase in per capita spending at full-service restaurants.<sup>1</sup> Another factor that adds to the increase in eating-out is the family composition. In the past people found it more economical to prepare food at home for their large families, but as family size decreases, the need to eat at home to save costs is decreasing. Also the increased income and double income homes will contribute to more spending at full-service restaurants.

#### **D. Market Segmentation**

The need that is being met by full-service restaurants is of getting a meal. Other places that can fulfill this need are fast food places, caterers, cafeterias, and other eating and dining places. But full-service restaurants (FSR) typically consist of those that are higher quality experiences, higher priced, sit-down places, and they specialize in one type of cuisine. The market for FSR can be split up into café or family style restaurants, traditional casual dining restaurants, upscale casual dining restaurants, and fine dining restaurants.

Café or family-style restaurants are low prices eateries (\$6-\$12 per person) with limited to no alcohol service, such as IHOP or Denny's.<sup>2</sup> Traditional casual dining restaurants are still low priced (\$10-\$25 per person) with a full bar and a focus on lunch and dinner, such as T.G.I Fridays and Hooters.<sup>3</sup> Upscale casual dining restaurants are higher priced eateries (\$20-\$50 per person) that normally serve alcohol, focus on lunch and dinner, oriented for adults, and are considered to be upscale and modern, such as Osaka and Benihana.<sup>4</sup> Fine dining restaurants are higher priced eateries (more than \$50 per person) where alcohol is served, serves dinner, and is usually fancier than the rest, such as Ruth's Chris Steakhouse and Nobu.<sup>5</sup> Zeera will be hoping to engage in the upscale casual dining restaurants.

#### **E. Industry Profitability**

In the full-service restaurant industry, profits are often difficult to achieve in the beginning. With the costs of designing and opening a location, marketing, supplies, food and beverage products, employee wages and more, most of the money earned is put back into the business to keep operations going. At a FSR, about 32 percent of

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<sup>1</sup> Stewart, Hayden, Noel Blisard, Sanjib Bhuyan, and Rodolfo M. Nayga, Jr. *The Demand for Food Away from Home: Full-service or Fast Food?* Washington, D.C.: U.S. Dept. of Agriculture, Economic Research Service, 2004. *Www.ers.usda.gov*. United States Department of Agriculture. Web.

<sup>2</sup> "Segments Definition." *Excellence in Global Foodservice Information*. CHD Expert, n.d. Web. 19 Apr. 2015.

<sup>3</sup> "Segments Definition." *Excellence in Global Foodservice Information*. CHD Expert, n.d. Web. 19 Apr. 2015.

<sup>4</sup> "Segments Definition." *Excellence in Global Foodservice Information*. CHD Expert, n.d. Web. 19 Apr. 2015.

<sup>5</sup> "Segments Definition." *Excellence in Global Foodservice Information*. CHD Expert, n.d. Web. 19 Apr. 2015.

every dollar earned is the cost of food and beverages, 33 percent is spent on salaries and wages, and 5 to 6 percent is spent on restaurant occupancy costs.<sup>1</sup> But the profits that are left over depend on the type of restaurant it is. For an upscale casual dining restaurant that has a check ranging from \$15 to \$25, the profit margin is the highest in the industry at an average 3.5 percent.<sup>2</sup> But it is expected that with the rising economy that these percentages will increase.

### **E. Industry competition**

For this business, the most direct competitors would be those that offer the same experience as ours. But before entering into an industry in which 60 percent of business fail within three years or less<sup>3</sup>, we will consider all environmental threats.

One of the greater threats that we will face is the threat of entry. Since a new restaurant faces little to no economies of scale, it is extremely challenging to turn a profit in the beginning. Also being an entrant, we start fresh in establishing customer loyalty and making our name widely known. For a restaurant starting out, it is crucial to minimize costs as much as possible in order to help turn a profit; otherwise it can be really detrimental to a restaurant's operations and profitability.

We hope to decrease the threat of substitutes by bring food and experience that is difficult to match. By greatly differentiating the serve we provide and appealing to numerous buyers, we hope that to bring an atmosphere that cannot be replaced by any other. Also by differentiating our product greatly and making a name for us separate from other businesses, we hope to lessen the threat of rivalry. Although there are a great number of restaurants to choose from, people eat from many restaurants many times. By providing a unique experience, we can make our business one that people can't compare to any of our rivals.

Our experience including tableside exhibition cooking, a high quality experience, and ethnic based food. But even though this isn't a common theme in every eatery, there are many restaurants in Tulsa that do mirror this type of service. Our greatest competitors include Osaka, Andolini's, Zanmai, and The Melting Pot. The greatest strengths that these four businesses share are brand recognition, reputation, and marketing by word of mouth. In Tulsa, these businesses are very well known and can usually be seen booked solid many nights of the week. Their weaknesses, however, can include the lack of technology integration such as smart device ordering and online booking, overbookings, and occasional slow service.

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<sup>1</sup> Locsin, Aurelio. "The Average Profit Margin for a Restaurant." *Small Business*. CHRON, n.d. Web. 19 Apr. 2015.

<sup>2</sup> Locsin, Aurelio. "The Average Profit Margin for a Restaurant." *Small Business*. CHRON, n.d. Web. 19 Apr. 2015.

<sup>3</sup> Feloni, Richard. "Food Network Chef Robert Irvine Shares The Top 5 Reasons Restaurants Fail." *Business Insider*. Business Insider, Inc, 25 Feb. 2014. Web. 19 Apr. 2015.

Most likely, these restaurants will not retaliate if we were to enter the market, but we would face some intense competition in being recognized in the caliber that they are. Since those businesses are well established in this area, they face little challenges in attracting and retaining customers. Therefore, it is challenging for new entrants to be as successful initially to the great extent that these businesses are. Figure 4 depicts a competitive matrix which shows where a company stands in terms of competitive advantage compared to other top competitors. As shown in Figure 4, Zeera has a lot of building up to do to get to the level of Osaka, Andolini's Zanmai, and The Melting Pot. As of now, Zeera doesn't have as high a score as the other established restaurants. The critical success factors that companies strive to excel in, in order to succeed. These factors can be internal or external and a CPM shows how the company stands in comparison to other leading competitors relative to those factors. The weight of each factor determines the how important that factor is in order to succeed. The rating is how that company ranks, whether it's a strength or a weakness. The total weighted score of each company shows how strong the company is and how it compares to its rivals.

CPM Matrix (adapted from David, 2007)

KEY EXTERNAL FACTORS	Zeera		Osaka		Andolini's		Zanmai		The Melting Pot		
	WEIGHT	RATING	WEIGHTED SCORE	RATING	WEIGHTED SCORE	RATING	WEIGHTED SCORE	RATING	WEIGHTED SCORE	RATING	WEIGHTED SCORE
<i>Critical Success Factors</i>											
1 Brand reputation	0.16	1	0.16	4	0.64	4	0.64	4	0.64	3	0.48
2 Service quality	0.2	4	0.8	2	0.4	4	0.8	2	0.4	4	0.8
3 Use of technology	0.07	3	0.21	1	0.07	1	0.07	1	0.07	1	0.07
4 Advertising	0.05	2	0.1	3	0.15	3	0.15	3	0.15	2	0.1
5 Customer reviews	0.12	2	0.24	1	0.12	4	0.48	3	0.36	3	0.36
6 Restaurant design	0.06	4	0.24	4	0.24	2	0.12	4	0.24	3	0.18
7 Price competitiveness	0.06	3	0.18	3	0.18	2	0.12	3	0.18	1	0.06
8 Product quality	0.11	3	0.33	4	0.44	4	0.44	4	0.44	3	0.33
9 Location	0.07	4	0.28	4	0.28	3	0.21	4	0.28	4	0.28
10 Customer loyalty	0.1	1	0.1	3	0.3	4	0.4	2	0.2	2	0.2
	<b>1</b>		<b>2.64</b>		<b>2.82</b>		<b>3.43</b>		<b>2.96</b>		<b>2.86</b>

**Figure 4: Competitive Matrix for Upscale Casual Dining Restaurants**

We will expect the harshest reaction from our competitor The Melting Pot. Since they'll be in the same vicinity of location as Zeera and offer the same great focus on customer service and keeping customers engaged with an interactive experience, we'll be competing directly with The Melting Pot. The main difference we will have between the two restaurants is the type of cuisine offered and price of visits. Nevertheless, Zeera will be competing strongly with The Melting Pot and this increased rivalry is something Zeera will have to learn to overcome by differentiating themselves even greater.

## F. Competitive Advantage

For a restaurant to be highly advantageous is difficult because of the nature of the

industry and the choices of the consumers. But Zeera hopes to stand apart in the industry with its state-of-the-art technology, increased focus on customer service, and design and location of the restaurant. By offering a restaurant focus on appealing customer desires and need for good food and entertainment, Zeera will attempt to stand out by going past customer expectations regarding food and customer service. Also since so few restaurants have the latest technology that interacts with customers, provide the tableside exhibition cooking, and introduce a different variety of cuisine, Zeera will distinguish itself apart from its competitors. Customer service, quality, and branding will be Zeera's goals in the market.

#### **IV. Customer Research and Analysis**

As discussed earlier, customer demographics are showing a trend favorable for full-service restaurants. With smaller households, increased income, and better economic conditions, people are more prone to eating out at places with better quality. With the new generation of people coming of age, there are more customers who have been accustomed to expecting and receiving above par service. Households are expected to have dual incomes, be less likely to prepare at home meals, and will be filled with people curious to try something different.

##### **A. The Trend of Trying New Things**

Although older generations were prone to sticking to what they were comfortable with, younger people have been known to consistently go outside of their comfort zone. As seen by new trends for a variety of cuisines, people today look forward to and are pleased to learn about new cultures and be exposed to different ethnicities. Even though it is expected that in the "Bible belt" of the United States that people would see other cultures as threatening or unwelcome, but by the variety of new places opening up in Tulsa alone, this myth is proven to be invalid. Many people here are open-minded and appreciate good service and great food.

##### **B. The Trend of Increased Eating Out**

Although people can save money and choose to eat at home, statistics show that many people prefer to eat out, as shown in Figure 5 below.<sup>1</sup> This saves people time, especially those households who have all working adults, energy, and effort. Even though eating out can become expensive, with dual income households and better economic conditions, people find that it is easier for them to afford this expenditure. By providing a product distinctly different than others, consumers will be attracted to a new experience. By giving a good service and making this trip memorable, we hope that by word of mouth more people will be attracted to our establishment.

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<sup>1</sup> "The State of American Dining in 2015." *The State of American Dining in 2015*. ZAGAT, 20 Jan. 2015. Web. 19 Apr. 2015.

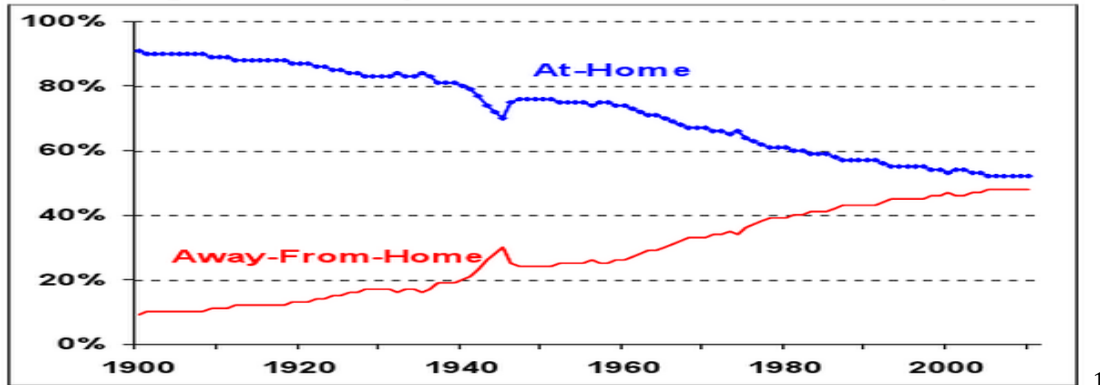


Figure 5: Trend of American Dining

Our aim is to target all individuals who look for a quality, sit-down place with great food. Although it is vague, the individuals we hope to attract range from a teenage looking for some fun to a family going for an outing. Other individuals include professionals, natives of the food, world travellers, and many others. The benefits that individuals would receive from coming to our establishment include a good meal, a taste of another culture, a world away from their every day problems, a release of tension, and many others.

### C. Our Location and Customers

As shown in Figure 6 below, the desired location for Zeera shows the many opportunities and benefits of renting in the area. The daily traffic counts, surrounding population, average household income, and other demographics contribute to the success of many businesses in the area. Therefore, opening a business in the same area, as other businesses that attract so many people, will be beneficial to gain buzz about Zeera. Not only do people in Jenks choose out Riverwalk as a location to find activities and good food, but other surrounding areas of Tulsa are also in close range to attend.

This combination of easy accessibility, constant walking traffic, and the demographics trend presented earlier can help determine whether customers will be attracted to Zeera and what their initial response be. The number of people surrounding the area and those who attend the area will likely boost potential sales volume. The location has other attractive attributes such as extensive parking, reputation, and wealthy surrounding neighborhoods. The wealth of these households is a determinant for the number of the times a family will eat out. The correlation being that the wealthier a household, the more they will eat out and the more they will spend when eating out,<sup>2</sup> as shown in Figure 7 below.

<sup>1</sup> Thompson, Derek. "Cheap Eats: How America Spends Money on Food." *The Atlantic*. Atlantic Media Company, 08 Mar. 2013. Web.

<sup>2</sup> Thompson, Derek. "Cheap Eats: How America Spends Money on Food." *The Atlantic*. Atlantic Media Company, 08 Mar. 2013. Web.

As shown in Figure 6, there is a daily traffic count of approximately 104,000 people. Assuming even 1% of that population decides to dine at Zeera in any given month, Zeera would service 1,040 customers. Assuming these customers spend the average \$18 each, a month’s revenue would be \$18,720. Also shown in Figure 6, it is shown that approximately 112,000 people live in close vicinity to the area. If 1% of these people were to stop it and spend the average \$18, monthly revenue would be \$20,160, for a total of \$38,880 a month. These are conservative measures since most restaurants would assume 5% of traffic and demographic count would stop by.<sup>1</sup> These measures go to show that the right location could generate much business.

## RIVERWALK CROSSING

**A GLANCE AT JENKS**


**Riverwalk Crossing is located in the heart of The RiverWalk District, South Tulsa's first major lifestyle center and inaugural riverfront development.** Situated on the west bank of the Arkansas River, this mixed-use hub connects to the Oklahoma Aquarium, the Tulsa Riverparks Trail System, Jenks High School, RiverSpirit Casino and the thriving 96th Street and Riverside Drive area.

**Jenks is a thriving business community.** Jenks boasts an excellent tax base, outstanding school district, quality homes and prime location within the Tulsa metropolitan area. Companies like Kimberly Clark, Green Country Energy, Tulsa Winch and Cogentrix, make Jenks a great place to live, work and do business.

**Jenks is named the "Antique Capital of Oklahoma."** Enjoy visiting the historic charm of downtown Jenks with its wonderful brick architecture and its bustling antique and arts district.

**"Jenks is one of America's Best Places to Live" by Money Magazine.**

**RIVERWALK CROSSING**




**JENKS DEMOGRAPHICS**

Traffic Demographics (2014)	96th Street	Creek Tpk	Riverside Dr
Daily Traffic Counts	35,791	40,840	28,000
Jenks Demographics (2014)	5 Minutes	10 Minutes	15 Minutes
Population	13,884	120,316	350,622
Jenks Demographics (2014)	1 Mile	3 Miles	5 Miles
Daytime Population	3,884	22,851	89,555
Jenks Demographics (2014)	5 Minutes	10 Minutes	15 Minutes
Average HH Income	\$85,855	\$88,820	\$74,324
Jenks Demographics (2014)	Average Age 36 yrs. old		

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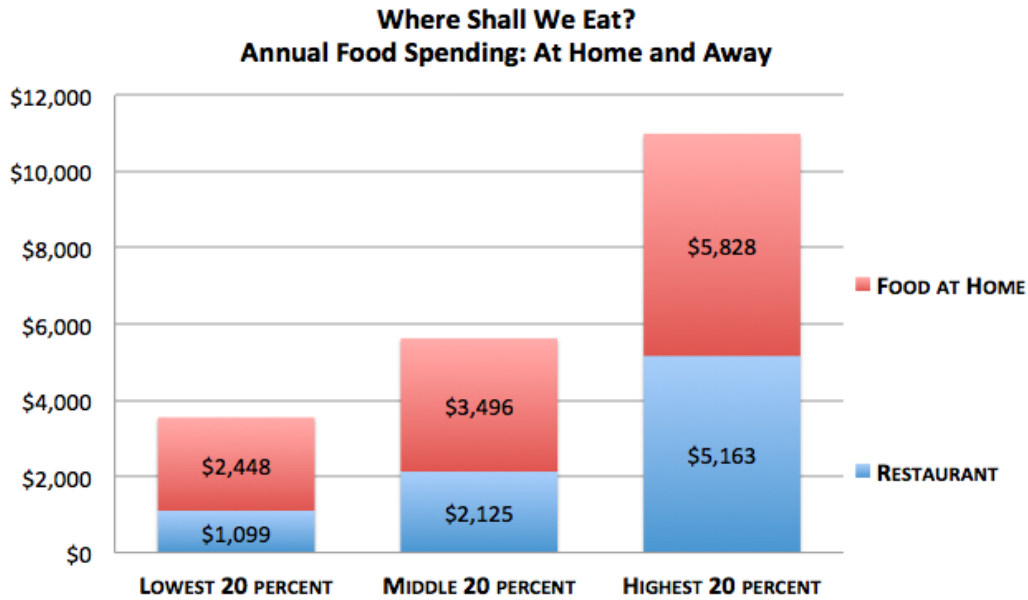


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Figure 6: Riverwalk Crossing and Jenks Demographics

<sup>1</sup> "Finding The Best Retail Locations | Choosing Retail Location." *BizMove*. FoodServiceWarehouse, n.d. Web. 2015.

<sup>2</sup> "300 - 1100 River Walk, Jenks, OK 74037." *LoopNet*. BizBuySell, 1 Mar. 2015. Web.



1

Figure 7: 2013 Annual Spending: At Home and Away

## V. The Economics of the Business

### A. Breakeven Analysis

In order to determine whether or not the business will be able to breakeven in its first few months of sale, it is essential to know the costs and revenues of each unit. Since we are functioning as a upscale casual dining restaurants, we estimate that on average customers will typically spend around \$18 per person for a meal and beverage. For one customer, all costs would include the cost of food, beverage, and the time spent for one person for labor (assuming the server spends one hour on four tables). The fixed costs would include rent, taxes, insurance fees, utilities, and equipment costs.

	First year of operations	Unit
Variable costs per customer	\$12	per customer
Total fixed costs	\$8,000	per month
Revenue per customer	\$18	per customer
Breakeven units	1333	customers per month

(or \$24000 in sales)

Figure 8: Break Even Analysis for First Year of Operations

### B. Gross and Operating Margins

The figure below shows three scenarios that would be likely. The worst is that we do not get enough customers in order to breakeven. The likely is that we will manage to get a decent number of people throughout out restaurant. The best scenario is that we will have a bit of a rush in our business, and attempt to reach the 5% average

<sup>1</sup> Thompson, Derek. "Cheap Eats: How America Spends Money on Food." *The Atlantic*. Atlantic Media Company, 08 Mar. 2013. Web.



profit margin.<sup>1</sup> This would be the best scenario for a restaurant starting out because reaching industry averages would be an achievement.

	Scenario		
	Worst	Likely	Best
Units Sold	21374	26,463	29,249
Revenue per customer	\$ 18	\$ 18	\$ 18
Total revenue	\$ 384,732	\$ 476,334	\$ 526,482
Variable cost per customer	\$ 12	\$ 12	\$ 12
Cost of goods sold	\$ 256,488	\$ 317,556	\$ 350,988
Gross Margin	\$ 128,244	\$ 158,778	\$ 175,494
Gross Margin %	33.33%	33.33%	33.33%
Total Overhead	\$ 150,000	\$ 150,000	\$ 150,000
Operating Income	\$ (21,756)	\$ 8,778	\$ 25,494
Operating Margin %	-5.65%	1.84%	4.84%

**Figure 9: Gross and Operating Margins for First Year of Operations**

Zeera's seating capacity is 170 people at once. Assuming each table spends an hour dining, the restaurant would be able to handle 1,700 customers during the weekdays and 1,870 customers during the weekend daily. But although it is not safe to assume that the restaurant will be booked everyday, we can still use these measures to estimate number of daily customers and stay beneath thresholds.

Assuming 1 out of every 2,500 people from the surrounding neighborhoods, traffic count, and daytime populations stopped in, the average number of daily customers would be roughly 154 people. In a year consisting 360 operating days, this would amount to 55,572 customers. Assuming 1 out of every 2,000 people from the surrounding neighborhoods, traffic count, and daytime populations stopped in, the average number of daily customers would be roughly 193 people. In a year consisting of 360 operating days, this would amount to 34,733 customers. Assuming 1 out of every 1,900 people from the surrounding neighborhoods, traffic count, and daytime populations stopped in, the average number of daily customers would be roughly 203 people. In a year consisting of 360 operating days, there would be 73,122 customers.

The total overhead includes roughly \$146,400 for rent and \$540,000 for wage expenses, and \$13,600 for other related expenses. The wage expense is the medium is estimated off the median wage expense in Figure 11 in sections below. The variable costs, which includes ingredient costs for food and beverage.

<sup>1</sup> "Restaurant Operations Report." *Restaurant.org*. National Restaurant Association, n.d. Web. 2015.

## **VI. Marketing Plan**

### **A. Product and Service Strategy**

Since the restaurant industry doesn't have too many options regarding types of products or services we can offer, Zeera hopes to sell the idea of an experience and not just the a meal. The customer(s) will enter the restaurant and be greeted with a host/hostess in Pakistani clothing. There will be traditional music in the background and the colors/fabric/theme of the restaurant will reflect that of Pakistan's culture. The customer(s) will be led to a personal booth, which will have its own tandoor and kebab grill. They will then place their drink and menu orders on a smart device available at each booth. A chef, who will make their naan and part of their meal in front of them, will then greet them and the rest of their order will be carried out from the main kitchen.

### **B. Pricing Strategy**

As discussed, an upscale casual dining restaurant's check per person usually ranges around \$20-\$50 per person. Since 2-3 people can usually share one dish, it is not likely for a group to order a few dishes and share the cost. This price will reflect the appetizers, the main course, the chef's services, the dessert, and the beverages. Compared to market price, the main dishes' price range will be from market price to slightly above, in order to reflect the premium price to pay for a quality meal.

### **C. Promotion and Advertising Strategy**

The restaurant will hope to gain buzz before the grand opening by advertising on billboards, fliers, giving away free merchandise with restaurant name, and giving discount options, such as GroupOn deals. Since our target market includes many different types of people, advertising at numerous locations will be beneficial as it makes the opening of the restaurant more widely known. Also by creating a website of the restaurant and advertising the URL on the signs, fliers, etc., the customers will have the chance to preview the menu, the services, and photos of the restaurant. This will be useful to attract customers to visit the site or share our URL with people who they think might be interested.

Another avenue to reach many people is through social media. By creating accounts on Twitter, Facebook, and Instagram, we can post details, special offers, and be a means of customer service. This way we can reach and communicate with people quickly and more efficiently.

### **D. Our Strategy**

By opening in a location that is already a hotspot for people to gather, shop, and dine, people will have easy access to the restaurant. Also the foot traffic that goes on around the area can attract people walking by. Located near an aquarium, other restaurants, recreational shops, clothing shops, a movie theatre, a new golf facility, a river walk, and other places, the area already attracts a multitude of a variety of people. Being in an area associated with these successful businesses is good for the Zeera brand and can help build our reputation.

## VII. Implementation Plan

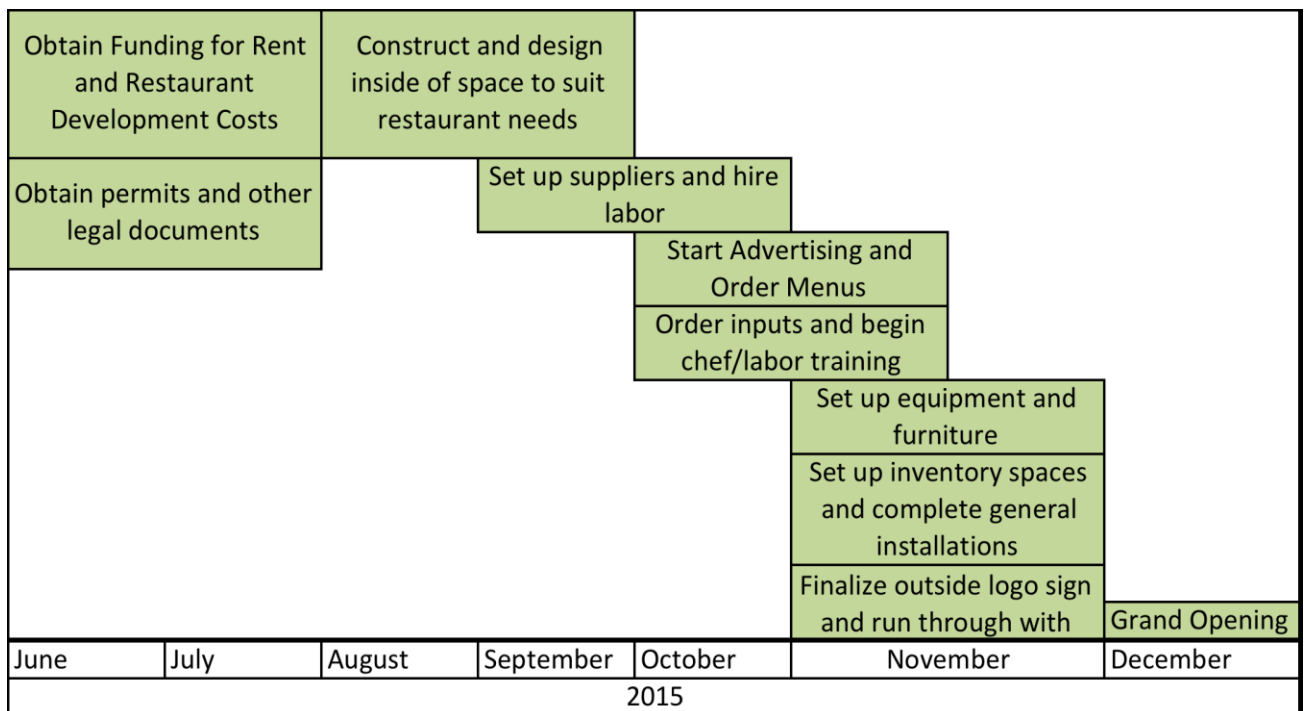
### A. Design and Development

As of now, the location we hope to acquire has been decided upon. The menu and logo has also been finalized (see Figure 11 below). From the time now until the grand opening of Zeera, the following list details remaining work:

- Acquire funding to secure the location
- Start planning restaurant design and layout
- Get inspections for health, fire, building, electrical, and plumbing
- Get insurance
- Register with all necessary agencies (state or local)
- Set up utilities
- Start advertising
- Set up vendors and order inputs
- Set up a payroll system
- Set up our online site and smart device system for ordering and booking
- Design parking
- Install security and prepare for emergency situations
- Hire and train employees

### B. Milestones

Figure 10 shows the remaining milestones to be completed before the grand opening of Zeera and also the estimated time to complete each milestone.



**Figure 10: Implementation Milestones and Estimated Time to Complete**

The above milestones are estimated off a timeline that details important checklists. The following plan goes into further detail about each individual step required at each milestone<sup>1</sup>:

- 6 months out:
  - Obtain funding to secure location and initial operating costs
  - Obtain/start process for licenses, utilities, and permits
  - Hire company to construct necessary walls/rooms inside space to fit design
- 4 months out:
  - Order furniture and large equipment, which includes, but is not limited to, kitchen, dining room, and front of house
  - Obtain fabrics and other design details, ex. Paint, wallpaper, drapes, lighting, flooring, etc.
  - Order/set up service providers or small wares needed
  - Determine how deliveries will be set up and where
- 10 weeks out:
  - Write employee handbook
  - Design uniforms and menu details
  - Detail sequence of service to include in employee handbook
  - Put out ad for job positions and do necessary drug/background testing
  - Obtain any necessary forms/waivers
  - Order silverware and plates
- 60 days out:
  - Order menus and uniforms
  - Set up interviews
  - Set up suppliers
  - Set up training manual
  - Order POS system, Open Table, Work Scheduler, and Table Tablets
  - Begin marketing
- 45 days out:
  - Interview and fill open positions
  - Create master delivery list and inventory binder
  - Finalize delivery dates
  - Make sure applications for all licenses and permits and being processed
  - Design walls and put in flooring and lighting
- 30 days out:
  - Receive and set up furniture/equipment
  - Keep updates on employee training
  - Create list of established vendors
  - Have finalized date for grand opening and push marketing
- 14 days out:
  - Make sure all employee paperwork and testing is finalized
  - Set up first week of scheduling
  - Complete remaining general installations, including doors, electric, plumbing, windows, etc.
  - Set up workstations, cooler, freezer, pantry, and supply rooms

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<sup>1</sup> Murphy, Geordy. "A Tried And True Restaurant Opening Checklist Timeline." *FobeSoft*. Cypress Hospitality Group, 01 June 2014. Web.

7 days out:

- Install all technology systems
- Finalize floor plan for dining room
- Distribute contact list between employees
- Gather and store all files pertaining to employees
- Put up logo sign
- Have a mock run-through with employees

**Zeera**

400 RIVERWALK  
JENKS, OKLAHOMA 74137  
www.zeeratulsa.com

OPERATING HOURS  
MONDAY THRU THURSDAY  
11 AM-9 PM  
FRIDAY THRU SUNDAY  
11AM- 11PM

**APPETIZERS**

Samosa \$0.99  
Turnovers filled with beef, chicken, or vegetarian, potatoes, onions, and peas

Pakora \$0.75  
Turnovers filled with beef, chicken, or vegetarian, potatoes, onions, and peas

Papdi Chaat \$7.99  
Fried dough pieces covered with yogurt, mint & red chutney, chickpeas, potatoes, and chaat masala

**ENTREES**

Biryani \$14.99  
Rice cooked with saffron, herbs, spices with either beef, chicken, or vegetable

Haleem \$10.99  
Seasoned lamb or beef pieces marinated in yogurt

Nihari \$10.99  
Seasoned lamb or beef pieces marinated in yogurt

Sarson ka Saag \$8.99  
Seasoned lamb or beef pieces marinated in yogurt

Sindhi Curry \$9.99  
Seasoned lamb or beef pieces marinated in yogurt

Daal \$8.99  
Seasoned lamb or beef pieces marinated in yogurt

Karahi \$10.99  
Lamb or chicken cooked with green peppers, onions, tomatoes, and garlic

Aloo Bhujia \$8.99  
Potatoes with onion, garlic, ginger, and onion seeds

**DRINKS**

Soft Drinks \$0.99  
We offer Pepsi products

Lassi \$2.99  
Yogurt based sweet drink. Option of adding mango for \$0.50 more

Rooh-Afza \$1.99  
Sweet syrup flavored water

Kahwah \$1.99  
Green tea with cardamom

Chai Tea \$1.99  
Black tea flavored with milk and sugar

**KEBABS**

Seekh Kebab \$11.99  
Minced lamb or chicken marinated in spices and skewered over tandoor

Chapli Kebab \$8.99  
Seasoned ground beef patties filled with onions and tomatoes

Tikka Boti \$10.99  
Marinated chicken or lamb pieces skewered over tandoor

Shami Kebab  
Minced chicken mixed with lentils, chopped onions, and peppers

Bihari Boti \$8.99  
Seasoned lamb or beef pieces marinated in yogurt

**BREADS**

Tandoor Naan \$0.75  
Traditional white flour bread

Roghani Naan \$0.99  
Sprinkled with sesame seeds

Paneer Naan \$1.50  
Filled with paneer, paprika, and coriander

Garlic Naan \$0.99  
Brushed with garlic and butter

**DESSERTS**

Falooda \$3.99  
Seasoned lamb or beef pieces marinated in yogurt

Gulab Jamun \$2.99  
Fried cream balls dipped in syrup

Kulfi \$1.99  
Dense dairy dessert in either milk, pistachio, or mango flavor

Kheer \$1.99  
Pudding with rice

WE ARE DEDICATED TO THE PROVIDING THE BEST SERVICE AND QUALITY FOOD. FOR ANY QUESTIONS OR CONCERNS, PLEASE CALL (918) 348-8445

Figure 11: Zeera Menu

## VIII. Operations

Smooth operations of a business can be the telltale sign of how a restaurant will fare. Zeera will be open Monday through Thursday from 11 A.M. to 9 P.M. and Friday through Sunday from 11 A.M. to 11 P.M. The following procedures and policies, when combined with the right utensils and people, demonstrate how Zeera intends to achieve this their goal of operating efficiently and consistently.

### A. The People Behind the Plate

A good kitchen and friendly staff are crucial to keep a restaurant running. The number of people who will be at work at once will be determined by the demand at each operating hour and will be corrected weekly for more accurate and efficient scheduling. (Refer to Figure 12 below to review approximate number of servers.) These job positions will be paid on an hourly basis every two weeks. Zeera intends to employ the following positions:

- **Host/Hostess-** Zeera will employ three individuals who will alternate shifts. The job description<sup>1</sup> of a host(ess) includes greeting guests, guiding guests to their table, monitoring table rotation for servers, keeping a track of dirty/busy/available tables, handling reservations, and answering any/all incoming calls.
- **Servers-** Zeera will employ 15 individuals who will alternate shifts. The job description<sup>2</sup> of the server will include taking drink and initial appetizer order, explaining how to use table tablet to fill out order, preparing drinks, bringing out orders, setting up tables and food stations, stocking service areas, explaining questions about menu, cleaning up, assisting host(ess), and tending to customers.
- **Exhibition Chefs-** Zeera will employ individuals who will alternate shifts. The job description<sup>3</sup> of a an exhibition chef will include seasoning and cooking food, portioning/arranging food to guests, measuring ingredients to use, having knowledge of working with required equipment, and using techniques to prepare food.
- **Line Cooks-** Zeera will employ 7 line cooks who will alternate shifts. The job description<sup>4</sup> of a line cook will include prepping food station, stocking stations, prepping food, cooking large portions, cleaning the kitchen, and unloading deliveries and storing inventory.

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<sup>1</sup> "Host and Hostess Job Description." *Snagajob.com*. Snagajob, 2015. Web.

<sup>2</sup> "Waiter and Waitresses Job Description." *Myplan.com*. MyPlan.com, LLC, 2015. Web.

<sup>3</sup> "Exhibition / Specialty Cook Job Description." *Careerbuilder.com*. Guckenheimer, 2015. Web.

<sup>4</sup> "Job Duties of a Line Cook." *Culinary Schools Network*. Culinary Schools Network, 2015. Web.

- **Dishwasher**- Zeera will employ 5 dishwashers who will alternate shifts. The job description<sup>1</sup> of a dishwasher will include sorting/rinsing dirty utensils, storing/stacking clean dishes, carrying clean dishes to cook stations, changing dishwater every hour, removing trash, cleaning mats, sweeping/mopping floors, wiping spills, and making sure all dish equipment is cleaning to safety standard.
- **Expeditor**- Zeera will employ 2 individuals who will alternate shifts. The job description<sup>2</sup> for an expeditor will include receiving/handling food orders, relaying order to chefs, monitoring progress, checking dishes to ensure quality, monitor sanitation, and directing the staff.

	Job Position	Front of House			Back of House			Total Wage Expense per hour
		Host(ess)	Waiter	Exhibition Chef	Line Cook	Dishwasher	Expeditor	
	Average Pay Rate	\$ 8.57	\$ 8.88	\$ 17.00	\$ 10.18	\$ 8.74	\$ 13.50	
Customers per hour	15	0	1	1	1	1	0	\$ 44.80
	25	0	2	1	1	1	0	\$ 53.68
	50	1	3	2	2	1	0	\$ 98.31
	75	1	5	2	2	1	0	\$ 116.07
	100	1	6	3	3	1	1	\$ 165.63
	125	2	7	3	3	2	1	\$ 191.82
	150	2	7	4	4	2	1	\$ 219.00
	175	2	8	4	4	2	1	\$ 227.88

Figure 12: Sales and Guest Projection Chart

**B. Training for Success**

The employees of Zeera will be held to high standards and in order to ensure that Zeera service is up to par, certain training will be provided and certain knowledge will be expected. For knowledge and training, we will distribute a handbook that will go into even further detail and expectations. In addition to this, managers will assess feedback weekly by obtaining a consensus from employees. The following list details the basic training and knowledge required for each job position:

- **Host(ess)**- The knowledge we will expect this position to have or gain before starting is how to greet guests, how to deal with impatient customers, how to remain professional at all times, and how to adhere to the dress code. We shall train this position in how to answer the phone, how to make reservations, how to handle takeout orders, how to open and close, how to assign tables to servers and how to maintain restaurant cleanliness.<sup>3</sup>

<sup>1</sup> "Restaurant Dishwasher." *Shrm.org*. Society for Human Resource Management, 2015. Web.

<sup>2</sup> Krow, Shailynn. "Job Description of a Food Expeditor." *Work*. CHRON, 2015. Web.

<sup>3</sup>*Hostess Training Manual*. N.p.: SouthPoint Marina, n.d. *Southpointmarina.com*. Mario's Italian Steakhouse, 2015. Web.

- **Waiter(tress)**- The knowledge we will expect this position to have or gain before starting is knowledge of the menu and ingredients, the rules of etiquette, proper conversation with customers, and the rules for handling complaints. We shall train this position in handling certain sections of the restaurant, using our scheduling workbook, proper cleaning of tables and workstations, ringing up orders on the POS System, stocking, and closing.<sup>1</sup>
- **Exhibition Chef**- The knowledge we will expect this position to have or gain before starting is training with a culinary program, maintenance of kitchen equipment, proper technique, maintaining inventory, and entertaining a crowd. We shall train this position by providing specific recipes and recommend ways to prepare food.<sup>2</sup>
- **Dishwasher**- The knowledge we will expect this position to have or gain before starting is the cycle of washing dishes, handling large workloads, working in a timely manner with chefs, and being able to handle heavy loads. We shall train this position by demonstrating how dish machine is set up, showing how to test sanitizer level in the machine, showing how to check chemical levels to ensure sanitation, going through potential issues with the machine, showing how to test the temperature of the water, and showing how/where to rack, wash, dry, and unrack. <sup>3</sup>
- **Expeditor**- The knowledge we will expect this position to have or gain before starting is the ability to recognize a quality plate, articulating concerns about food, and coordinate between staff and cooks. We shall train this position in what to expect in given plate of food, how to extract orders from the table tablet ordering system, and how to deal with potential behind-the-scene issues.<sup>4</sup>

### C. Tending to the Customers

Zeera's dedication to its customers and their satisfaction is a driving force behind its operations. In order to ensure that expectations are being met and standards are being held, customers will have the option of leaving behind feedback on a card given with the bill. Cards will be gathered and assessed in order to improve operations and dealings.

### D. Checking the Sales

In a restaurant industry it is difficult to assess how much inventory is being sold and how much should remain. One way of combatting this issue is by comparing sales reports to inventory order reports. The sales report will be pulled from the point of sale (POS) system and compared to volume being bought from suppliers. The POS

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<sup>1</sup> "8 Tips on How to Train a New Waiter/Waitress." *The Waitress Confessions*. N.p., 10 July 2013. Web.

<sup>2</sup> "Career Information on Becoming a Chef." *Study.com*. U.S. Bureau of Labor, 2015. Web.

<sup>3</sup> "Dishwasher Training." *Copelands of New Orleans* (n.d.): n. pag. 2015. Web.

<sup>4</sup> Marie, Geoffrey St. "Restaurant Expeditor Training." *EHow*. Demand Media, 15 Sept. 2010. Web.



system will also be useful in checking cash amounts and number of customers who have attended.

### **E. Day-to-Day Activities**

In one of the days of Zeera's operations, we will expect the following schedule.

- 9:30A.M.- Expeditor records inventory levels.  
Chefs prep food and set up workstations.  
Host(ess) checks/cleans front of restaurant, bathrooms, and schedule.  
Waiters(tresses) prepare silverware and set-up dining room.  
Dishwasher sets up dish machine and checks to make sure each chef has enough plates.
- 11A.M.-Close Each position fulfills duties as listed in VII Section a.
- Closing- Expeditor records inventory levels.  
Chefs clean up workstations, prepare ahead for next day if necessary, and stock any deliveries if relevant.  
Host(ess) closes register, prints out report, and tidies front of restaurant.  
Waiter(tresses) clean dining room and make necessary preparations for next day.  
Dishwasher takes out trash, restocks all dishes, and helps with inventory stock.

The workforce of Zeera will be expected to act as a team, therefore, if one person finishes tasks before others, it will be recommended to help their teammates.

### **F. Software and Systems**

Zeera will review and install a Point of Sale system that will allow managers or employees to track number of transactions, sales, inventory levels, payroll, and allow host(ess) or waiter(tress) to make sales in real time.

Zeera will also set up an Open Table system that will allow customers to make reservations online if they wish. The host(ess) will also use this to determine seating and availability.

Zeera will also set up software on tablets that will link the customers with the kitchen allowing them to order in real-time.

Zeera will also set up a Google document that will allow employees to view their scheduling at any time they choose.

### **G. Sanitation and Safety Requirements**

Zeera will review and keep to code on all necessary requirements, as mandated by city, state, and nation. These standards will be communicated and enforced at all levels of the restaurant. Zeera will meet all standards set forward by the Department of Health, the Fire Department, and other relevant agencies.

## IX. Critical Risk Factors

Zeera is exposed to some risks that could leave it vulnerable. Although to be successful Zeera will have to overcome critical success factors, these factors do have the potential to be overcome.

1. **Difficulty in obtaining funding-** Since a sole proprietorship's ability to receive funding relies on the owner's credit rating, lenders will be more inclined to give a loan given that the owner has a good credit rating. By paying off balances in a timely manner, not missing payments, and reducing debt, a credit rating could be kept in good standing.
2. **Cost overruns-** By having a detailed report on expected expenditures and comparing those estimates to market prices, there is less risk of going over budget. Greater accuracy in estimates, having a timeline to complete plans, and understanding all costs required will greatly reduce the risk of a cost overrun.
3. **Competitors with existing brands-** Since so many of Zeera's competitors have an established brand and reputation, it will take some time for Zeera to build up their clientele and brand reputation. But by providing the promised quality and atmosphere, Zeera will manage to become a well-known name, similar to its competitors.
4. **Quality of inputs to establish quality of food-** Industries involving food are susceptible to the quality of the food provided by suppliers. But by checking the reputation and history of the vendors by looking up references and asking other restaurants about their experiences, there is less of a threat to getting low-grade inputs.

## X. Financial Plan

Zeera will require \$600,000 to launch the business. The following table shows the breakdown of requested funds.

Amount	Utilization
\$ 30,000	Rent deposit
\$ 100,000	Construction Cost
\$ 300,000	Kitchen Equipment
\$ 50,000	Furniture and Design
\$ 120,000	Working Capital

Assumptions made while projecting financials were that as seen in Figure 9 utilizing the “likely” scenario. This keeps a conservative estimate of revenues and costs. The assumption also was made that Zeera sales will grow 5% from year to year.

### Income Statement Years One through Five

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales:					
Food	\$1,000,310	\$1,050,326	\$1,102,842	\$1,157,984	\$1,215,884
Beverage	\$ 250,078	\$ 262,581	\$ 275,711	\$ 289,496	\$ 303,971
Total Sales	<u>\$1,250,388</u>	<u>\$1,312,907</u>	<u>\$1,378,553</u>	<u>\$1,447,480</u>	<u>\$1,519,854</u>
Cost of Sales					
Food	\$ 400,124	\$ 420,130	\$ 441,137	\$ 463,194	\$ 486,353
Beverage	\$ 62,519	\$ 65,645	\$ 68,928	\$ 72,374	\$ 75,993
Total Cost of Sales	<u>\$ 462,644</u>	<u>\$ 485,776</u>	<u>\$ 510,065</u>	<u>\$ 535,568</u>	<u>\$ 562,346</u>
Gross Profit	<u>\$ 787,744</u>	<u>\$ 827,132</u>	<u>\$ 868,488</u>	<u>\$ 911,913</u>	<u>\$ 957,508</u>
Payroll:					
Salaries and Wages	\$ 540,000	\$ 550,000	\$ 560,000	\$ 570,000	\$ 580,000
Employee Benefits	\$ 29,700	\$ 30,250	\$ 30,800	\$ 31,350	\$ 31,900
Total Payroll	<u>\$ 569,700</u>	<u>\$ 580,250</u>	<u>\$ 590,800</u>	<u>\$ 601,350</u>	<u>\$ 611,900</u>
Direct Operating Expenses	\$ 13,600	\$ 14,100	\$ 14,900	\$ 15,100	\$ 15,950
G&A Expenses	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Occupancy Costs	\$ 146,400	\$ 156,000	\$ 176,000	\$ 186,000	\$ 200,000
Total Operating Expenses	<u>\$ 170,000</u>	<u>\$ 180,100</u>	<u>\$ 200,900</u>	<u>\$ 211,100</u>	<u>\$ 225,950</u>
Interest Expense	\$ 32,423	\$ 31,471	\$ 18,828	\$ 18,890	\$ 21,012
Principal Payments	\$ 16,871	\$ 17,822	\$ 30,466	\$ 30,404	\$ 28,282
Depreciation	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Net Income(Loss)	<u>\$ (16,249)</u>	<u>\$ 2,488</u>	<u>\$ 12,495</u>	<u>\$ 35,169</u>	<u>\$ 55,365</u>

**Figure 13: Zeera Income Statement**

## Projected Balance Sheet

Year One

## Current Assets

Cash  
Inventory  
Total Current Assets

\$ 195,040  
\$ 48,626  
\$ 243,666

## PPE

Kitchen Equipment  
Building  
Vehicles  
Land

\$ 300,000  
\$ -  
\$ -  
\$ -

Start Up Expenses

\$ 77,998

Total PPE

\$ 377,998

Total Assets

\$ 621,664

## Current Liabilities

A/P  
Total Current Li

21,664  
21,664

Term Loan

\$ 600,000

Total Liabilities

\$ 621,664

## Equity

Common Stock

\$ -

Retained Earnir

\$ -

Total Equity

\$ -

Total L+E

\$ 621,664

Figure 14: Zeera Projected Balance Sheet

## Projected Cash Flow Statement

Years One through Five

## Cash Inflows:

Collection of Revenue

	Year 1	Year 2	Year 3	Year 4	Year 5
Collection of Revenue	\$1,250,388	\$ 1,312,907	\$1,378,553	\$1,447,480	\$1,519,854
Proceeds from term loan	600000	0	0	0	0
Proceeds from sale of stock	0	0	0	0	0
Total Cash Inflows	\$1,850,388	\$ 1,312,907	\$1,378,553	\$1,447,480	\$1,519,854

## Start up Expenses

Payments for Inventory

Payments of interest-term loan

Payments of principal-term loan

Total Cash Outflows

Start up Expenses	\$ 77,998	0	0	0	0
Payments for Inventory	\$ 462,644	\$ 485,776	\$ 510,065	\$ 535,568	\$ 562,346
Payments of interest-term loan	\$ 32,423	\$ 31,471	\$ 18,828	\$ 18,890	\$ 21,012
Payments of principal-term loan	\$ 16,871	\$ 17,822	\$ 30,466	\$ 30,404	\$ 28,282
Total Cash Outflows	\$ 589,935	\$ 535,069	\$ 559,358	\$ 584,861	\$ 611,639

Net cash flows

Cash, beginning of period

Cash, end of period

Net cash flows	\$1,260,453	\$ 777,838	\$ 819,195	\$ 862,619	\$ 908,215
Cash, beginning of period	0	\$ 1,260,453	\$2,038,291	\$2,857,486	\$3,720,106
Cash, end of period	\$1,260,453	\$ 2,038,291	\$2,857,486	\$3,720,106	\$4,628,320

Figure 15: Zeera Cash Flow Statement for Five Years

## Projected Proforma Cash Flow Statement

Year One	December	January	February	March	April	May	June	July	August	September	October	November	December
Sales	\$ 104,199	\$ 104,633	\$ 105,069	\$ 105,507	\$ 105,947	\$ 106,388	\$ 106,831	\$ 107,276	\$ 107,723	\$ 108,172	\$ 108,623	\$ 109,076	\$ 109,530
Cash from Loan	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Uses</b>													
COGS	\$ 38,554	\$ 38,714	\$ 38,876	\$ 39,038	\$ 39,200	\$ 39,364	\$ 39,528	\$ 39,692	\$ 39,858	\$ 40,024	\$ 40,190	\$ 40,358	\$ 40,526
Rent	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187	\$ 12,187
Utilities	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600
Marketing	\$ 5,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Insurance	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salary and Wages	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Payroll taxes and benefits	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475
Kitchen Equipment Supplies	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash before debt repayment	\$ 283,883	\$ 275,540	\$ 267,472	\$ 259,679	\$ 252,163	\$ 244,926	\$ 234,968	\$ 228,290	\$ 221,893	\$ 215,780	\$ 209,950	\$ 204,406	\$ 199,148
Cash after debt repayment	\$ 279,776	\$ 271,432	\$ 263,364	\$ 255,571	\$ 248,056	\$ 240,818	\$ 230,860	\$ 224,182	\$ 217,786	\$ 211,672	\$ 205,843	\$ 200,298	\$ 195,040
Debt repayment \$4107.78													

**Figure 16: Zeera ProForma Monthly Cash Flow Statement**

This payment schedule below was estimated on the assumptions that the loan of \$600,000 would be paid monthly within 20 years at an interest rate of 5.5%.

## Payment Schedule

Date	Pmt #	Payment	Principal	Interest	Balance
12/1/15		Starting balance			\$600,000
12/1/15		Deferred interest adjustment (2841.67)			\$597,158
12/1/15	1	\$4,108	\$1,371	\$2,737	\$595,788
1/1/16	2	\$4,108	\$1,377	\$2,731	\$594,410
2/1/16	3	\$4,108	\$1,383	\$2,724	\$593,027
3/1/16	4	\$4,108	\$1,390	\$2,718	\$591,637
4/1/16	5	\$4,108	\$1,396	\$2,712	\$590,241
5/1/16	6	\$4,108	\$1,403	\$2,705	\$588,839
6/1/16	7	\$4,108	\$1,409	\$2,699	\$587,430
7/1/16	8	\$4,108	\$1,415	\$2,692	\$586,014
8/1/16	9	\$4,108	\$1,422	\$2,686	\$584,593
9/1/16	10	\$4,108	\$1,428	\$2,679	\$583,164
10/1/16	11	\$4,108	\$1,435	\$2,673	\$581,729
11/1/16	12	\$4,108	\$1,442	\$2,666	\$580,288
12/1/16	13	\$4,108	\$1,448	\$2,660	\$578,840
1/1/17	14	\$4,108	\$1,455	\$2,653	\$577,385
2/1/17	15	\$4,108	\$1,461	\$2,646	\$575,923
3/1/17	16	\$4,108	\$1,468	\$2,640	\$574,455
4/1/17	17	\$4,108	\$1,475	\$2,633	\$572,980
5/1/17	18	\$4,108	\$1,482	\$2,626	\$571,499

6/1/17	19	\$4,108	\$1,488	\$2,619	\$570,010
7/1/17	20	\$4,108	\$1,495	\$2,613	\$568,515
8/1/17	21	\$4,108	\$1,502	\$2,606	\$567,013
9/1/17	22	\$4,108	\$1,509	\$2,599	\$565,504
10/1/17	23	\$4,108	\$1,516	\$2,592	\$563,988
11/1/17	24	\$4,108	\$1,523	\$2,585	\$562,465
12/1/17	25	\$4,108	\$1,530	\$2,578	\$560,936
1/1/18	26	\$4,108	\$1,537	\$2,571	\$559,399
2/1/18	27	\$4,108	\$1,544	\$2,564	\$557,855
3/1/18	28	\$4,108	\$1,551	\$2,557	\$556,304
4/1/18	29	\$4,108	\$1,558	\$2,550	\$554,746
5/1/18	30	\$4,108	\$1,565	\$2,543	\$553,181
6/1/18	31	\$4,108	\$1,572	\$2,535	\$551,608
7/1/18	32	\$4,108	\$1,580	\$2,528	\$550,029
8/1/18	33	\$4,108	\$1,587	\$2,521	\$548,442
9/1/18	34	\$4,108	\$1,594	\$2,514	\$546,848
10/1/18	35	\$4,108	\$1,601	\$2,506	\$545,246
11/1/18	36	\$4,108	\$1,609	\$2,499	\$543,638
12/1/18	37	\$4,108	\$1,616	\$2,492	\$542,022
1/1/19	38	\$4,108	\$1,624	\$2,484	\$540,398
2/1/19	39	\$4,108	\$1,631	\$2,477	\$538,767
3/1/19	40	\$4,108	\$1,638	\$2,469	\$537,129
4/1/19	41	\$4,108	\$1,646	\$2,462	\$535,483
5/1/19	42	\$4,108	\$1,653	\$2,454	\$533,829
6/1/19	43	\$4,108	\$1,661	\$2,447	\$532,168
7/1/19	44	\$4,108	\$669	\$3,439	\$531,500
8/1/19	45	\$4,108	\$1,676	\$2,431	\$529,823
9/1/19	46	\$4,108	\$1,684	\$2,424	\$528,139
10/1/19	47	\$4,108	\$1,692	\$2,416	\$526,448
11/1/19	48	\$4,108	\$1,699	\$2,408	\$524,748
12/1/19	49	\$4,108	\$1,707	\$2,401	\$523,041
1/1/20	50	\$4,108	\$1,715	\$2,393	\$521,326
2/1/20	51	\$4,108	\$1,723	\$2,385	\$519,603
3/1/20	52	\$4,108	\$1,731	\$2,377	\$517,872
4/1/20	53	\$4,108	\$1,739	\$2,369	\$516,133
5/1/20	54	\$4,108	\$1,747	\$2,361	\$514,386
6/1/20	55	\$4,108	\$1,755	\$2,353	\$512,632
7/1/20	56	\$4,108	\$1,763	\$2,345	\$510,869
8/1/20	57	\$4,108	\$1,771	\$2,337	\$509,098
9/1/20	58	\$4,108	\$1,779	\$2,329	\$507,319
10/1/20	59	\$4,108	\$1,787	\$2,321	\$505,532
11/1/20	60	\$4,108	\$1,795	\$2,312	\$503,736

**Figure 17: Loan Payment Schedule**