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University of Applied Sciences

International Business/International Marketing

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Business Plan of Asian House Restaurant

Bachelor's Thesis 2011

ABSTRACT

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International Business

Hongmei Zeng Business Plan of Asian House Restaurant

Bachelor's Thesis 45 pages + 3 pages of appendices

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January 2011

Key words business plan, restaurant, Asian House, marketing

The purpose of the thesis was to make a practical plan for setting up an Asian restaurant "Asian House" in Oulu. The business plan clarified what kind of food will be provided and what customers could be targeted in the restaurant, where the premises would be located, and what particular marketing activities would be designed by using different marketing communication tools to achieve customer acquisition and retention. In addition, detailed financial budget was made.

The theoretical background for constructing the business plan was based on a number of books about what are key elements in writing a business plan and what other theories should be used to carry out the research. Some research papers were based on about what are the key factors when customers choose a restaurant and what marketing strategies make a restaurant successful. In order to create a specific operational scheme and get a close at competitors, a Chinese restaurant owner was interviewed and the Korean restaurant "Korea House" was visited in Helsinki, and also six restaurants were observed in Oulu.

The thesis shows a basic model of writing a business plan. Because the plan is limited to a specific industry in a specific area, it means anyone who uses this thesis as a reference for making a business plan must take targeted industry into consideration.

TABLE OF CONTENTS

| | |
|--|----|
| 1. INTRODUCTION | 7 |
| 1.1. Why did I choose this topic?..... | 7 |
| 1.2. Theoretical background overviews..... | 8 |
| 1.3. Empirical research | 8 |
| 2. BUSINESS PLAN | 9 |
| 2.1. Structure of the plan..... | 9 |
| 2.2. Executive summary..... | 11 |
| 2.3. Organizational plan | 13 |
| 2.3.1. Legal structure | 13 |
| 2.3.2. Location | 14 |
| 2.3.3. Products, services and the restaurant interior..... | 17 |
| 2.3.4. Personnel profile..... | 20 |
| 2.4. Situational analysis | 21 |
| 2.4.1. Customer analysis | 21 |
| 2.4.2. Competitor analysis | 24 |
| 2.4.3. SWOT analysis of the restaurant..... | 31 |
| 2.5. Marketing plan..... | 32 |
| 2.5.1. Core competence | 33 |
| 2.5.2. Pricing..... | 35 |
| 2.5.3. Promotion | 36 |

| | |
|---|----|
| 2.6. Suppliers information | 38 |
| 2.7. Financial documents | 38 |
| 2.7.1. Sales budget..... | 39 |
| 2.7.2. Stock & purchase budget..... | 39 |
| 2.7.3. Budgeted Profit & Loss | 40 |
| 2.7.4. Budgeted Cash Flow Statement | 41 |
| 2.7.5. Budgeted Balance Sheet for Year 1-3..... | 42 |
| 2.7.6. Break-Even point analysis | 42 |
| 2.8. Risk analysis | 43 |
| 3. CONCLUSION..... | 43 |
| REFERENCES | 45 |

APPENDICES

Appendix 1: Questions to Interview Mr. Gan, D' Wok restaurant owner

Appendix 2: Checklist of observing Korea House in Helsinki

Appendix 3: Benchmarking of competitors in Oulu

LIST OF FIGURES

| | |
|--|----|
| Figure 1: Structure of the business plan | 11 |
| Figure 2: Mind map of business of Asian House..... | 13 |
| Figure 3: Map of Oulu city and Kempele..... | 15 |
| Figure 4: Possible locations of Asian House | 17 |
| Figure 5: Shrimp dumplings | 18 |
| Figure 6: Bulgogi of deef..... | 18 |
| Figure 7: Age distribution in 2010 in Oulu | 22 |
| Figure 8: Percentages of different income levels in Oulu in 2009 | 24 |
| Figure 9: Competitors in city centre of Oulu..... | 26 |
| Figure 10: Restaurants positions in Kaijonharju area | 30 |
| Figure 11: Quality and Price Matrix..... | 35 |

LIST OF TABLES

| | |
|--|----|
| Table 1: Investors and their ratio of investments..... | 14 |
| Table 2: Population and the number of jobs in different areas in Oulu and Kempele..... | 15 |
| Table 3: Frequency and average spending based on age distribution | 22 |
| Table 4: Frequency and average spending based on family type | 23 |
| Table 5: Frequency and average spending based on income..... | 23 |
| Table 6: Sales and profits of competitors in 2007-2009 | 26 |
| Table 7: Summary of observation of competitors | 27 |
| Table 8: Strengths and Weaknesses analysis of competitors | 29 |
| Table 9: Basic information of restaurants in Kaijonharju area | 31 |
| Table 10: SWOT analysis of Asian House Restaurant | 32 |
| Table 11: Grand summary for core competencies for interviewed company..... | 33 |
| Table 12: Sales budget | 39 |
| Table 13: Stock & purchase budget | 39 |
| Table 14: Budgeted Profit & Loss..... | 41 |
| Table 15: Budgeted Cash Flow Statement..... | 41 |
| Table 16: Budgeted Balance Sheet for Year 1-3 | 42 |
| Table 17: Break-even point analysis | 42 |

1. INTRODUCTION

1.1. Why was the topic chosen?

The overall purpose of the thesis was to make a realistic business plan for setting up an Asian restaurant in Oulu. There were three main reasons which made me determine this as my thesis topic. Firstly, I want to start my own business, and in Oulu I have friends and relatives familiar with restaurant business experience who are willing to be partners. There is a possibility of setting up a restaurant in Oulu with unique food targeting right customers in a proper location based on the fact that during the recent downturn of economy, quite a few new high-end restaurants started their operation in Oulu, adding more variety to the existing ethnic restaurants. Secondly there was a business plan competition for foreign entrepreneurs in Oulu region organized by Oulu Regional Business Agency (Ouluseutu Yrityspalvelut), Oulun Uusyrityskeskus and PSK-Aikuisopisto. The deadline for returning the business plan was 30 November 2010. The five best plans will be awarded a cash prize and also be given free consultations, which absolutely was a good chance for a small new business. Thirdly, I think this topic is quite related with what I learn from my marketing specialization, therefore it is good to put what I learnt into more practical use.

The objective of the thesis was to create a practical business plan for an Asian restaurant in Oulu. Quite lot of statistics related to restaurant industry in Oulu and research results towards the field were used in order to ensure the feasibility of the plan. The plan was to go through the common process of a business plan. It was found out who could be the potential customers, and what location would be best to reach them, what kind of promotions could be used for gaining customers' awareness and retention. Besides, budgeted financial planning was also made with the reference of true financial reports of two restaurants in Oulu, and checked prices of equipments and raw materials from suppliers, accounting and web services, and so on.

1.2. Theoretical background overviews

Concerning the theoretical background to support the thesis, first of all, the structure of business plan was one of the important factors, which basically gave a clear picture of what the business is about and how to make profit from the business. Information such as business summary, organizational structure, situational analysis about industry market, customers and competitors, marketing planning, financial budget and risk analysis, was the key elements included in the business plan.

In each section, there were also theories involved for further explanation. For instance, benchmarking was used to identify the best organizational practices and to learn the competitor's performance (Patterson 1995, 4). SWOT analysis is made to find out what the restaurant's strengths and weaknesses would be, what opportunities and threats it would face externally (Jobber 1998, 37). Core competencies were to focus on the principal distinctive capabilities possessed by a company - what Asian House would be good at compared to the competitors (Jobber 1998, 686). Mixture of Marketing communications tools (International Chamber of Commerce 2006, 22-39), such as direct and indirect marketing, sales promotion, advertisements, sponsorship, social media, were designed to approach target groups. Principles of accounting for financial planning (Gillespie, Lewis & Hamilton 2000), for example profit & loss, balance sheet, and breakeven point, was based on to make financial budget. Besides, a number of other resources like articles and research papers about restaurant business were used for finding out what are the key criteria influencing customers' buying decisions, and what are the key attributes to make a restaurant profitable.

1.3. Empirical research

Empirical research included a personal interview of Mr. Gan, D'WOK Chinese restaurant owner in Helsinki, observation of the only Korean restaurant *Korean House* in Helsinki on 18 October 2010, and observations of other six restaurants (Pikku - Thai, Indian Cuisine, other four Chinese restaurants-Hai Long, Beijing,

Lucky Dragon, Royal Garden) in Oulu from 20 to 30 October 2010, all of which were used for conducting competitors' benchmarking and obtaining operational and marketing implications to generate utmost realistic business plan.

There are two limitations concerning the interview. One is the time of the interview, which was done at the early stage of the thesis process, hence some information about restaurant operation which was realized later was not predicted to be asked. The other limitation is the location of the interviewed business which is not in Oulu where Asian House restaurant is going to be, therefore answers were not Oulu-directed, such as information of suppliers of raw materials. But due to the possible competitive situation, it was not realistic to get interviews of Chinese restaurant owners in Oulu.

There was also limitation of usefulness of observations of the six restaurants mentioned above in Oulu for benchmarking of competitors. Five are located in city centre of Oulu and one is in Kempele shopping mall. The two areas originally were thought as the best locations where Asian House will probably be set up. After analysis of the target groups, it was found out that Kaijonharju is the best option, but then doing more observations of potential competitors in that area in person was not possible.

2. BUSINESS PLAN

2.1. Structure of the plan

At first it is necessary to know what a good business plan is. Though there are so many books discussing the topic, many common elements can be seen though different resources.

Business plan is of supreme interest and importance to anyone who is going to read it, so it should be kept clear, brief, logical, be truthful and to clarify with figures wherever possible. In terms of the language used in a business plan, it

should be simple, and one sentence follow on logically from the last without too many ideas expressed. A well-ordered layout of business plan could help greatly in keeping the reader interested (Blackwell 2004, 3-7). A business plan must show that a sufficient market exists, the management will be capable and efficient, the product or service is good, and the financial will be adequate to meet requirements and reasonable contingencies (Blackwell 2004, 127).

A good business plan checklist made by Friend and Stefan (2004, 8) consists of those elements: the definition of market, its prospects, the customers, suppliers and competitors; credible business planning assumptions and forecasts; the potential risks; the description of the individuals involved in the managing the business.

Sahlman (2008, 5-7) believes a business plan should assess four interdependent factors critical for a new venture: the people which means personnel of a company, and outside parties like accountant and suppliers; the opportunity meaning the profile like what to sell and whom to sell; the context basically referring to macro/micro-environments like interest rate, demographic change and so on; risk and reward to assess of everything that could go right or wrong.

In general a good business plan should clearly communicate how the products and services of the business meet the customers' specific wants and needs, and identify which target markets most exemplify these needs. The business plan must also outline an easy to follow and credible roadmap of how the company plans to reach its customers (Growthink 2009).

As a conclusion, in general every book about business plan contains elements like executive summary (Pinson 2005, Growthink 2009), organization plan (Pinson 2005, Martin 1992), operational plan (Friend 2004, Growthink 2009), market analysis (Friend, Graham Zehle and Stefan 2004), marketing plan (Pinson 2005), financial plan (Pinson 2005, Growthink 2009), managing risk (Martin 1992, Friend, Graham Zehle and Stefan 2004).

The body of the business plan of Asian House (Figure 1) was constructed by combining elements from the resources list above.

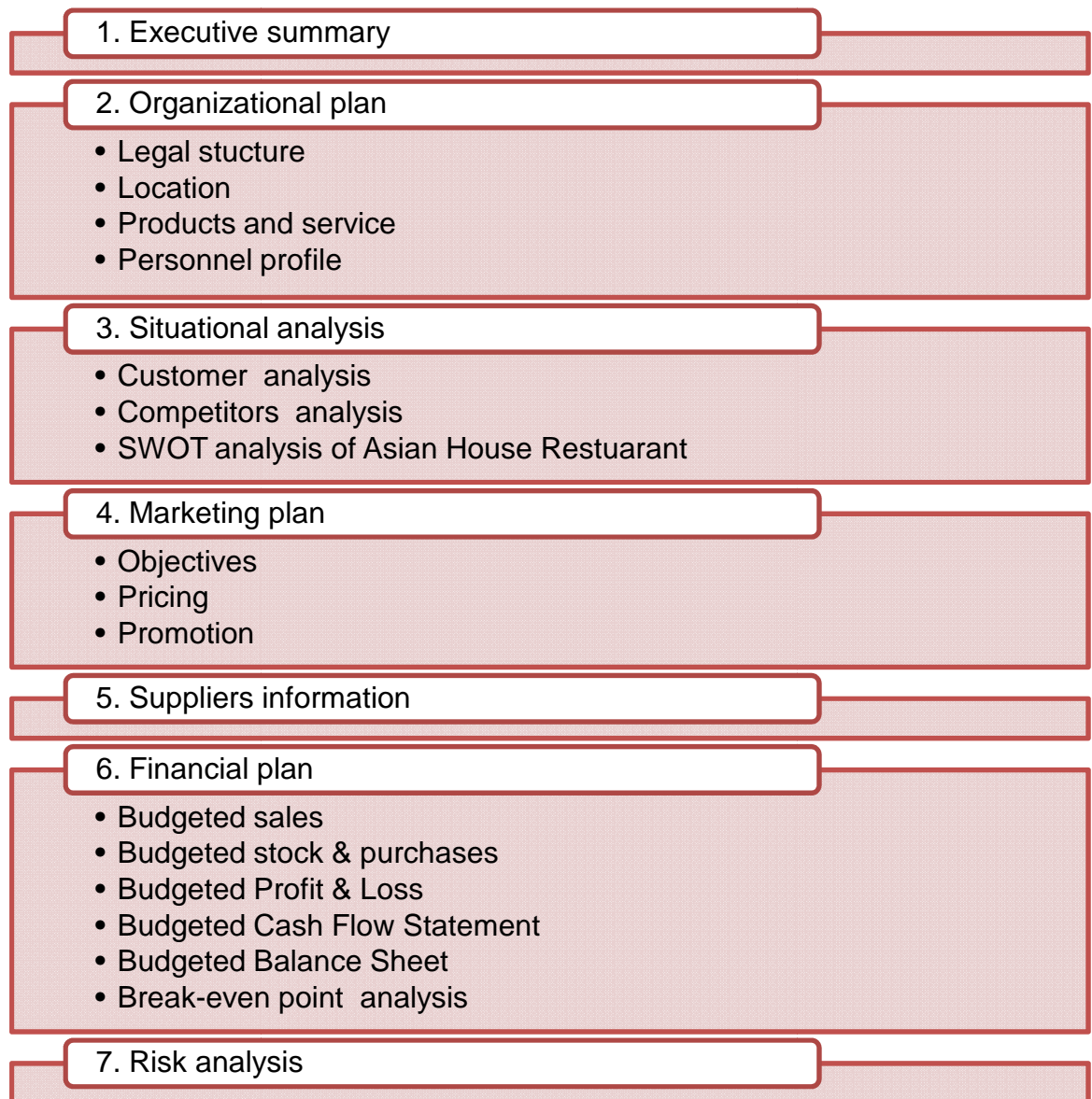


Figure 1: Structure of the business plan

2.2. Executive summary

Executive summary, as its name defines, summarizes who is the company, what the company does, where the company is going, why it is going to where it is going and how it will get there, which is approximately one-page summary (Pinson 2005, 19). Growthink (2009, 11) indicates that the executive summary

must include a concise explanation of the business, a description of the market size and market need for the business, and a discussion of how the company is uniquely qualified to fulfil this need as well. Three or four page summary is appropriate (growthink 2009, 12) if customer analysis (target group), competition (who, what are their competitive advantages), marketing plan (how to penetrate the market), and management team are included. A good executive summary, in many cases summarizes the points through which the people who read the plan won't need to go any further than it (Tiffany & Peterson.2004, 14).

Asian House is an Asian restaurant located in Oulu. It creates a classical and cosy atmosphere for maximizing customers' dining experience by high food quality and hospitable services. €50,000 will be invested by three investors forming a general partnership. Profit will be distributed based on their investment ratio. Personnel in the restaurant will include two chefs and two waitresses who work in shifts to take full responsibility of the premises, food preparation and customer service.

Two classified food styles are provided in the restaurant: Cantonese and Korean food, both of which share common features that common ingredients are used to make healthy but tasty food by different cookware in a combination of cooking methods to keep the original nutrition of ingredients Bamboo-container steamed or fried Dim Sum, made of flours which are with or without a variety of fillings, is on the special menu in the restaurant. Bulgogi will be emphasized on in Korean food menu.

Two target groups will be segmented: company employees who want to have a nearby and nice place for lunch; and family members who would like to have relaxing time for dinner. Both groups have a yearly income level of at least € 20,000, and their ages are between 25 to 60 years old.

In order to reach the customers, Kaijonharju area was chosen as the location of Asian House restaurant, where it is of a high number of jobs and high density of population because of the Oulu University and Technopolis are located. The size of restaurant will be about 100m² with a capacity of 80 seats.

Different marketing communication tools will be used for approaching the two targeted groups. Convenient homepage will be made to deliver basic information of the restaurant. Brochures of the restaurant will be delivered to households in Kaijonharju area, emails will be sent to businesses as well. Facebook will be built actively to communicate with customers. Regular customer card as one of promotion methods will be designed to lunch buffet customers for encouraging their dining frequency. All those marketing plans are to increase customers' awareness and retention.

The mind map shown in Figure 2 explains what the business of Asian House is in clear and simple terms.

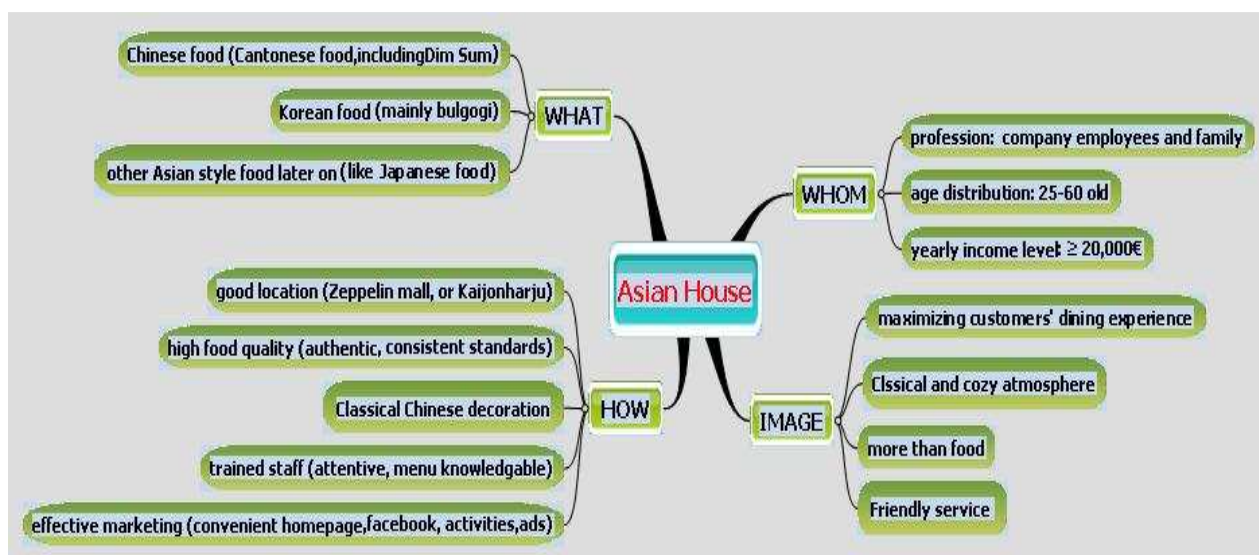


Figure 2: Mind map of business of Asian House

2.3. Organizational plan

2.3.1. Legal structure

Asian House restaurant will be formed in the form of general partnership, which means 3 owners of the restaurant will share equally in the responsibility for managing and financing the business, and equally in the liability (Pinson and Jinnett 2006, 68).

The investors and their investments are listed in Table 1 and each investor will acquire a share of the profits according to their investment ratio of the total. Concerning that the investors do not want to give their names here, so they are listed as Investor 1, Investor 2 and 3.

Table 1: Investors and their ratio of investments

| Number of investors | Investment from each investor (Unit: €) | Ratio of investment (Unit: %) |
|---------------------|---|-------------------------------|
| Investor 1 | 30,000 | 60 |
| Investor 2 | 15,000 | 30 |
| Investor 3 | 5,000 | 10 |
| Total investment | 50,000 | 100 |

2.3.2. Location

Location, being one of the key success factors for almost all businesses, is given serious consideration especially in restaurant industry. Poor location is one of the common reasons for restaurant failure (Wilke et al. 1996, 17). Location is typically defined as a geographic place, which gives clues to customer demographics and customer psychographics (Baraban & Durocher 2010, 6). Good location should have continuous stream of traffic, convenient parking, and be in proximity to other businesses, and close to target market (Stephanie 2006).

Oulu city or Kempele was the planned possible location of Asian House restaurant. Kempele, around 10-minute drive from Oulu city and where Zeppelin shopping mall is located, was also included because of its high number of customers in the shopping mall. Figure 3 was made in order to have a clear picture of different areas of Oulu city and Kempele,

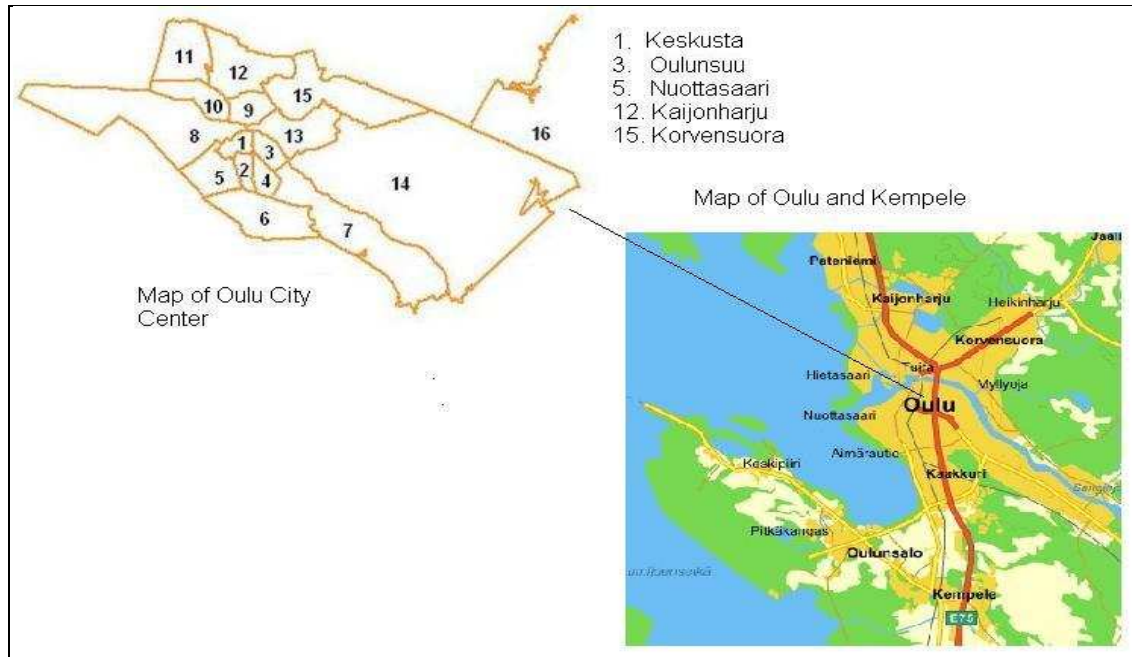


Figure 3: Map of Oulu city and Kempele (Source: Oulu city government & Oulu region map service)

Statistics of the population size and the number of jobs in different areas in Oulu city and Kempele (Table 2) was used as important index for figuring out which exact area would be the best location for Asian House restaurant.

Table 2: Population and the number of jobs in different areas in Oulu and Kempele (Source: Oulu city government economics and strategies group 2009)

| Name of areas | Main Employers | Population in 2010 | The number of jobs in 2007 |
|---------------|----------------------------------|--------------------|----------------------------|
| city centre | | 19,267 | 18,956 |
| Oulunsuu | Hospital | 7,894 | 9,684 |
| Kaijonharju | the Oulu university, Technopolis | 14,250 | 8,392 |
| Nuottasaari | paper mill | 603 | 7,633 |
| Korvensuora | Nokia | 6,600 | 6,085 |
| Kempele | Zeppelin (retail) | 15,652 | 3,661 |

For reaching the target groups (company employees and families), the best location, which must be a job-oriented and high- populated area, could be seen from Table 2: city centre, Kaijonharju, Kempele Zeppelin shopping mall and Oulunsuu.

Though city centre has the highest density of population and highest number of jobs, it also has the highest restaurant ratio according to 2006 statistics. About 46% of the total 364 restaurants are located in the city centre (Valkonen 2007, 27).

Zeppelin shopping mall is also good place considering its large parking area for few hundreds of cars, numbers of population and jobs, but unfortunately, there are currently no available business premises for rent and there is no knowledge of when a free place for renting would be available and no decision of Zeppelin's expansion project.

Since the population of Oulunsuu is not high, and most of the jobs are in the hospital where staff generally eats at hospital's staff restaurant, Oulunsuu is not the best place to set up the restaurant.

Kaijonharju was thought the best location for its high population, quite large number of jobs, and few competitors which are listed in Figure 4. Location possibility 1 in Figure 4 is near Linnanmaan Prisma where Asian House could reach employees in Technopolis and Oulu University, customers in Prisma, residents in Kaijonharju and Linnanmaa area and even passers-by in the highway. Location possibility 2 is in the centre of Kaijonharju, where few other restaurants are located: Baabel and Lähin pizza, Chinese restaurant Little Dragon. Right now in Kalevantie 3 there is business premise for rent, but it was thought the surroundings would not match the image of Asian House.



Figure 4: Possible locations of Asian House (Source: GPS Visualizer)

2.3.3. Products, services and the restaurant interior

Asian House restaurant would mainly focus on two different food styles: Chinese Cantonese cuisine with main dishes, side dishes like Dim Sum as well, and Korean food which mainly includes bulgogi (Korean BBQ), and side dishes like noodles and soup.

Cantonese cuisine, dishes original from Guangdong province and as one of the eight biggest cuisines in China, is famous for its variety of common used ingredients, meat like pork, chicken, beef, shrimps and different vegetables to keep the original high nutrition of the food but enhance a rich taste without being greasy. Different methods of cooking are applied like steaming, frying, stewing to make best taste of the food toward different food features. Steaming is the special way in order to keep the nutrition as much as possible.

Dim Sum, as a special and an important part of Cantonese food, is usually steamed in bamboo containers. The most common ingredients are flour, rice, pork, and shrimps (Figure 5). It is also served by small-sized steamer to keep the temperature. Most popular dim sum are like different buns with or without meat filling, which still keeps the main features of Cantonese food, the taste, not greasy but with high nutrition.



Figure 5: Shrimp dumplings (Source: Flickr)

Korean food, similarly to the Cantonese food, is made just by using simple ingredients, to create similar result of healthy, rich tasty, but not greasy food. Electronic grill plate is used to prepare grill beef, mushrooms and so on. Typical food is like the bulgogi of beef (Figure 6).



Figure 6: Bulgogi of beef (Source: Flickr)

As it is mentioned earlier, two food styles would be focused on in Asian House: Chinese Cantonese and Korean food. It is planned to offer lunch buffet

consisting of at least four main Cantonese dishes. The reasons are that employees as the target group at lunch hours, who prefer not to waste time deciding which food to eat if there are too many choices and prefer not having to wait for food preparation. In addition, cooking larger portions of the same food at the same time is better for cost effectiveness and time saving from the restaurant point of view. In dinner time, different and more elegant Cantonese food and Korean food will be set in the menu. Dim Sum is not separately served during lunch time, but one different Dim Sum is made available every day to be introduced to customers.

Our opening hours are 10:30-21:00 during Monday to Friday, 12:00-22:00 during Saturday and Sunday.

Customers will enjoy an outmost dining experience with high quality food served by friendly and menu-knowledgeable waitresses in a cosy and classical atmosphere in Asian House restaurant. Though usually ethnic food offered in foreign countries have been made in order to adapt to local tastes and dining habits, it is more important to keep food's authenticity since customers' purpose of eating at ethnic restaurants is to experience unique and exotic tastes of ethnic food. Based on the situation that the Chinese food served in Finland differs quite a lot from the original Chinese flavour, and some foods are even totally different from its original taste, Asian House will have experienced chefs use traditional cooking methods with certain kitchen cooking equipments and ingredients to guarantee authentic Cantonese and Korean food. Finding high quality food from reliable suppliers and a well-planned material stock will be also taken better consideration to ensure food freshness.

Small details will be featured in order to meet image of the restaurant – maximizing customers' dining experience. Decoration will be dominated by a classical Chinese style, with some carefully chosen Korean elements added to match in whole. Cleanliness will be checked all the time, tableware and chairs are always kept in order; tables are cleaned as quickly as possible after customers' leaving. Toilets are kept clean, bad odours removed, waterless floors, which are washed carefully at least once a day.

Waitresses play an important part to give customers' prompt service, delivery of the correct order and giving an accurate checkout. Staff will receive working instructions and training to be attentive and to serve customers in a friendly fashion. In addition, it is important to ensure the waitresses have a good knowledge of the menu to help with customers' orders. A separate catalogue describing the background of the served dishes will be made for introducing the customers the Chinese food culture.

2.3.4. Personnel profile

There are going to be two chefs in the restaurant. One chef is responsible for Cantonese food. He has got three years' working experience in a middle-sized Cantonese restaurant in China.

The other chef will be responsible for Korean food as well Cantonese. He has been working in Korean food restaurant and Cantonese restaurant for last few years.

I myself will be working as the manager of the restaurant as well as waitress at the same time due to my international business educational background. I will be responsible for overall management of the restaurant like handling paperwork, arranging work schedules, ordering of ingredients and supplies, designing marketing activities and so on.

An experienced Finnish waitress will be hired responsible for customer services. There is a possibility to offer training positions for students studying catering in schools such as OAKK (Ammatillisen Aikuiskoulu) and OSAO (Oulun Seudun Ammatiopisto), both of which provide programs for chef and waitress. Students from those schools will be offered positions in customer services or as assistants to chefs. They could be good resource to generate marketing planning achievements.

2.4. Situational analysis

A situational analysis is the foundation of the marketing plan, including a thorough examination of internal and external factors affecting a business (Lorette, accessed 20, Oct. 2010), through which the firm finds the basis for identifying opportunities to satisfy unfulfilled customer needs and an analysis of the external environment and an internal analysis of the firm itself. Several frameworks can be used to conduct situational analysis, such as 5 C Analysis, including company, customers, competitors, collaborators, climate, PEST analysis for macro-environmental political, economic, societal, and technological factors, SWOT analysis meaning strengths, weaknesses, opportunities, and threats for the internal and external situation (NetMBA, accessed 10 Oct. 2010).

Based on the above theories, customer analysis is made to figure out what are our target groups, competitor analysis is made by benchmarking to summarize their strengths and weaknesses. In addition to that, SWOT analysis of Asian House restaurant serves as list of what it are good at and what are its weak points and how to change threats into opportunities.

2.4.1. Customer Analysis

For better understanding Finnish restaurant customers' dining habit and what could be the targeted groups for Asian House restaurant, statistics of people's age distribution, income level of the population in Oulu, and the trend report of people's dining habits in Finland were used to conduct customer analysis.

We can see from Figure 7 that people aged 20-59 account for about 60% of total population in Oulu. It is obvious that the youth under 20 has much less purchasing power. The elder above 60 normally have much lower dining out frequency than the youth and mid-aged which can be seen in Table 3.

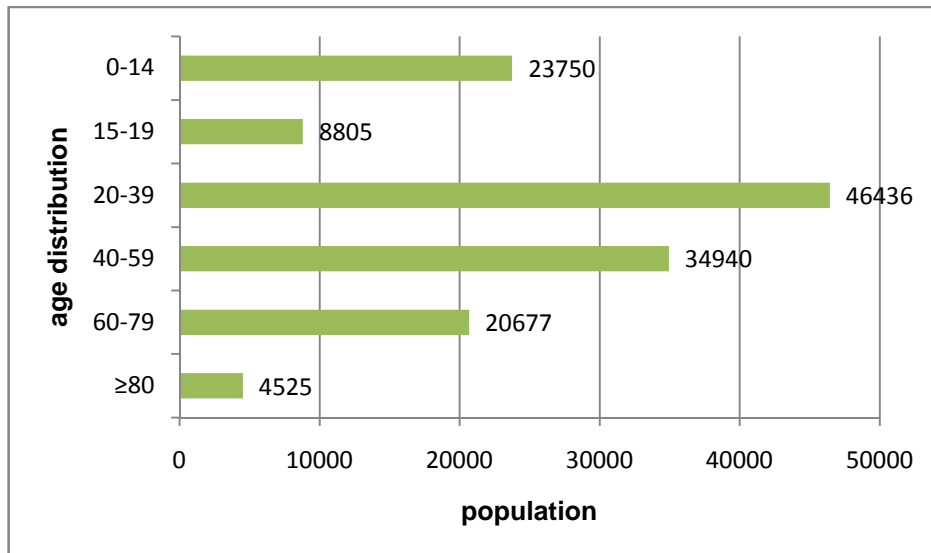


Figure 7: Age Distribution in 2010 in Oulu (Source: Oulu city government economics and strategies group 2009)

Based on Table 3, it can be seen that under 24 aged people are willing to pay less than others even though they are dining out more often. From the average spending it could be speculated that the places where the youth have food are places similar to school cafeterias and fast food restaurants like Pizza place where the price is typically cheaper.

Table 3: Frequency and average spending based on age distribution (Source: Lankinen 2008)

| Age (unit: years) | Dining frequency, number of restaurant meals in 2 weeks | average spending (unit: €) |
|-------------------|---|----------------------------|
| 15-24 | 4.02 | 6.60 |
| 25-34 | 3.43 | 9.00 |
| 35-49 | 2.94 | 9.10 |
| 50-64 | 1.69 | 8.70 |
| >64 | 0.49 | 10.00 |

From Table 4 it can be concluded that couples with children should be the primary target market by calculating the total spending of dining out in two weeks.

Table 4: Frequency and average spending based on family type (Source: Lankinen 2008)

| family type | Dining frequency, number of restaurant meals in 2 weeks | average spending per meal (€) |
|--------------------------|---|-------------------------------|
| live alone | 2.00 | 8.30 |
| couples without children | 2.09 | 9.60 |
| couples with children | 2.97 | 8.60 |

It could be seen from Table 5 that the higher income, the more people are willing to pay for food in restaurant. Yearly income of over €30,000 could be better targeted for us since we are not fast food restaurant.

Table 5: Frequency and average spending based on income (Source: Lankinen 2008)

| Yearly income (€) | Dining frequency, number of restaurant meals in 2 weeks | Average spending (€) |
|-------------------|---|----------------------|
| <15,000 | 1.69 | 7.80 |
| 15,000-30,000 | 1.67 | 8.20 |
| >30,000 | 3.40 | 9.00 |

It can be seen in Figure 8 that 52% of total population have a yearly income level of above €20,000. Since they have more money to spend, they are the preferred target market.

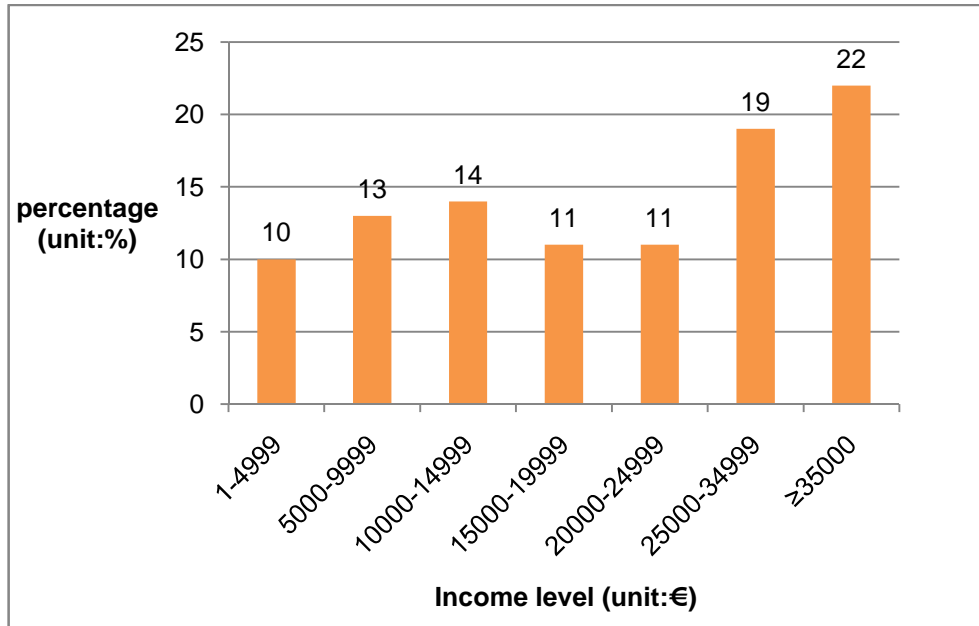


Figure 8: Percentages of different income levels in Oulu in 2009 (Source: Oulu city government reconomics and strategies group 2009)

As a conclusion based on above analysis, Asian House are going to target company employees and family members, who have a yearly income level of € 20,000 and age of approximately 25-60 years old.

2.4.2. Competitor analysis

Knowing what the competitors' doing, what their strengths and weaknesses are from different aspects from basic facilities, decoration style to their financial situation, products line, marketing activities, and personnel, helps us not only for setting up our business at very beginning, but also for defining what marketing strategies could be applied (Aaron, 2004).

Based on that Asian House being ethnic, specializing in Cantonese and Korean food, the main competitors are those ethnic restaurants, definitely like Chinese and Korean restaurants. As an observation case, the only Korean restaurant in Finland *Korea House* was visited. Though it is located in Helsinki, not a competitor, but observations could certainly be used as benchmarking to see

what could be learnt from it. 6 ethnic restaurants in Oulu were also observed by lunch or dinner in person, including Pikku-Thai, Indian Cuisine, and other four Chinese restaurants-Beijing, Hai Long, Royal Garden, and Lucky Dragon, which are the biggest and most popular Chinese restaurants in Oulu. Besides these visits, checking those restaurants' webpages (if any), their yearly financial statements from Yritystele website, and other websites showing information on those restaurants also helped to get knowledge about the competitors. Strength and weakness analysis was made based on the observations and web information research.

Korea House in Helsinki

Korea House, as the only Korean restaurant in Finland, benefits from its location in Helsinki, which could be seen during the observation, that over half of the customers are Korean (about 20 people were dining the visit), it is rare to see in an ethnic restaurant to have such a large portion of customers of the that ethnicity. Decoration looks like Korean style, with quite simple colour scheme (dark). Dishes are offered in traditional Korean bowls, griddle plates, chopsticks and so on. The corridor between the men's and the women's toilet has also some small Korean furniture pieces displayed. Two waitresses and two waiters had nice gender-based uniforms, but unsmiling faces gave an unapproachable feeling. Unfortunately the food ordered (bulgogi-griddle plated sliced beef and vegetables stir with few Kimchi) was not very good, though price was relatively high (€19.50). Menu does not seem well organized when considering the meaningfulness of starter dishes priced €24.5 or €29. When looking at their website, personally speaking, few things can be concluded: ugly font on the front page; pages are not organized well (a proper menu bar is missing); "news" page is a list of take away foods; at least a few Finnish language mistakes.

Competitors in Oulu City Centre

In order to get an overview of where most of the ethnic restaurants are located, a map of restaurant positions was made. GPS Visualizer and its address locator were used to help make a map (Figure 9) locating the restaurants which were

visited and also other ethnic restaurants in Oulu city centre.



Figure 9: Competitors in city centre of Oulu (Source: GPS Visualizer)

Since not all financial reports of the competitors can be accessed, here only six restaurants' financial records of Sales and Profit from 2007 to 2009 was listed in Table 6 to give a reflection of their operations situation.

Table 6: Sales and Profits of competitors in 2007-2009 (Source: yritystele)

| Restaurants and their opening year | Sales (Unit: €1000) | | | Profit (unit: €1000) | | |
|------------------------------------|---------------------|------|------|----------------------|------|------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Beijing (2006) | 429 | 518 | 564 | 26 | 25 | 51 |
| Hai Long (1992) | 1515 | 1161 | 643 | 127 | 94 | 129 |
| Little Dragon (2002) | 381 | 409 | 410 | 27 | 34 | 49 |
| Lucky Dragon (1993) | 354 | 381 | N.A. | 84 | 100 | N.A. |
| Tomo Sushi Bar (N.A) | 101 | 129 | N.A. | 7 | 15 | N.A. |
| Royal Garden (1993) | 413 | 132 | N.A. | 3 | 61 | 35 |

From Table 6, Beijing has been growing in sales year by year. Through the sales figure is not the highest, Beijing is in quite good business as it started its

operation in 2006.

It is hard to say whether Hai Long is good or not in last year because no detailed information could be found if €643,000 is from one premises' operation result or not.

Little Dragon, the one which is located in Paljetie 4 (there are three restaurants in the same name), has almost equal sales to Lucky Dragon, but the latter has an location advantage over the previous one.

Lucky Dragon seems not of high sales since there are quite lot of customers in Zeppelin shopping mall where it is located, probably the food quality is not good as was experienced, but its profit ratio is the highest among those competitors above.

After observing the six competitors in Oulu mainly from five aspects: location, atmosphere, food quality, service quality and price, summary of observations was made in Table 7.

Table 7: Summary of observation of competitors

| Name of restaurant | location | atmosphere | Food quality | Service quality | Price level |
|--------------------|--|---|---|---|--------------------------------------|
| Beijing | good, next to market square, lot of parking space nearby | quite music, delicate with paintings and porcelains | very good, authentic, also some Thai food | friendly waitresses with good knowledge of menu | Two different lunch buffet € 7.9/8.5 |
| Hai Long | good, in intercross, easy to see, | separate areas in different | about the average, one sushi | not much service | three different lunch buffet |

| | | | | | |
|----------------|---|--|---|---|--|
| | parking place in front and nearby | styles, big reception area, room for hanging clothes | starter, Mongolian grill | | price: €7.9/8.9/12.9 |
| Indian Cuisine | good, next to train station, parking place nearby | simple but cosy and homey | authentic, very tasty | one is good, but another waitress made wrong about order | lunch buffet is €8.9 |
| Lucky Dragon | very good, inside Zeppelin shopping mall, lots of passers-by and parking place | simple, few stuff showing Chinese style | not good | very fast service, not much face expression from waitresses | lunch buffet is €8.5, average price other than buffet is €13 per person at average |
| Pikku-Thai | bad, not much people walking on the street, low visibility, no parking place nearby | outstanding pink colour, something shows Thai elements | not bad, though not as that much exotic | deliver wrong order, not so confident services | the price for non buffet time is €11 per person at average |
| Royal | good, just next to | Quit modern | about the average, | waiting time is long for | price level is fair for their |

| | | | | | |
|--------|--|--|--------------------|----------------------------------|------|
| Garden | railway station, convenient parking nearby | decorated with special décor in front of toilet, but no implying which country's style | sushi is available | takeaway food, active waitresses | food |
|--------|--|--|--------------------|----------------------------------|------|

As a conclusion of competitor analysis, strengths and weaknesses of competitors are shown in Table 8 based on all information mentioned above.

Table 8: Strengths and Weaknesses analysis of competitors

| Name of restaurants | Strengths | Weaknesses |
|---------------------|--|---|
| Beijing | good location, good atmosphere, quite fair price, high food quality. | low price/quality ratio from owner's point of view. |
| Hai-Long | good location, large customer capacity variety of food-Chinese, sushi; Mongolian grill. | price is relatively high, food is not that good. |
| Indian Cuisine | good location, authentic and tasty food, exotic, homey, cosy atmosphere, one knowledgeable waitress, fair price. | one waitress' service could be improved. |
| Lucky | good location, | price is high, |

| | | |
|--------------|---|---|
| dragon | very fast serve speed. | food quality is among or lower than average, decoration is mediocre. |
| Pikku-Thai | good food, price level is fair, | not so good location, no own web pages, waitresses are not so attentive. |
| Royal Garden | good location, well decorated, new food style-sushi, quite many people have take-away food. | food could be better, little slow in preparing food, especially for takeaway food. |

Kaijonharju area competitors

Since location of Asian House is planned to set up in Kaijonharju area, it is necessary to take a closer look at what competitors are in this area. Figure 10 shows the restaurants location in the area and Table 9 lists their basic information.



Figure 10: Restaurants positions in Kaijonharju area (Source: GPS Visualizer)

Information of the price levels and target customers of the competitors - Baabel, Golden Rax Pizza buffet, Little Dragon, Smarthouse, VTT-Oulu were shown in Table 9.

Table 9: Basic information of restaurants in Kaijonharju area

| Name of restaurants | Price level | Their target customers |
|-------------------------|--|---|
| Baabel | pizza place, round €6-8 | students, families |
| Golden Rax Pizza buffet | price for full buffet: €8.95 | families with children are their customers |
| Little Dragon | lunch buffet: €8.2, average price in not lunch time is around €9 | targeting family members |
| Smarthouse | two price for lunch: €9.81 and 5.3€ | run by Amica, targeting the employees, open only till 4p.m. |
| VTT-Oulu | lunch price is around €4-6 | run by Amica, targeting employees and students also nearby since price is cheap |

2.4.3. SWOT analysis of Asian House Restaurant

After benchmarking of those competitors, SWOT analysis of Asian House was concluded in Table 10 to see what Asian House' strengths, weaknesses, opportunities and threats are.

Table 10: SWOT analysis of Asian House Restaurant

| | |
|--|--|
| <p style="text-align: center;">Strengths</p> <p>newness and unique good (No restaurant offering Cantonese and Korean food),</p> <p>located in Kaijoharju area, not much competitions,</p> <p>food quality and service quality,</p> <p>lot of thinking in marketing activities.</p> | <p style="text-align: center;">Weaknesses</p> <p>new business, no recognition yet</p> <p>no experience of running a restaurant in Finland.</p> |
| <p style="text-align: center;">Opportunities</p> <p>long term strategies: have more food style later, events arrangement, Asian groceries for selling,</p> <p>co-operations with other companies—RFC-Finland Oy, a company arranging poker game and events for other companies.</p> | <p style="text-align: center;">Threats</p> <p>totally new food, probably it takes quite long time for customers to accept the food,</p> <p>competitors' reactions: development of similar food later on,</p> <p>shortage of cash flow</p> |

2.5. Marketing Plan

Marketing plan is a process of business analysis of the environment, capabilities to decide the marketing action and implement those decisions (Jobber & Fahy 2006, 327). Hence based on customer knowledge and company resources, different marketing communication tools will be used to reach the target groups. Effective restaurant marketing must be built on a foundation of fact and knowledge about the market, the competition, the customers, financial history, marketing history, the industry, and outside forces that will impact the business.

To outline the marketing plan, the core competence, pricing strategy and promotional techniques are defined for customer centric and goal-oriented

mindset.

2.5.1. Core competence

Prahalad and Hamel (1990, 79-91) proposed core competence as the company's collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies, which does not diminish with use. The three functions of core competency are to provide potential access to wide variety of markets, make significant contribution to the perceived customer benefits of the end market, and are difficult for competitors to imitate.

Core competencies are invisible to competitors (Tampoe, 1994), rare (Barney, 1986, 1991, 1997), inimitable, lack transferability and replicability (Barney, 1986, 1991; Dierickx and Cool, 1989; Prahalad and Hamel, 1990; Grant, 1991; Tampoe, 1994).

What could be core competences in practice especially for restaurant business? Javidan's research through interviews of executives in three restaurants summarized of core competencies of three restaurants (Javidan 1998) which is shown in Table 11. It gives indication for Asian House how to develop its own core competencies.

Table 11: Grand summary for core competencies for interviewed company (Source: Javidan 1998)

| Topic | Restaurant Company | | |
|-----------------|----------------------------------|----------------------------------|--------------------------------|
| Core competence | Company A | Company B | Company C |
| | stressed technical execution and | create a casual atmosphere while | maintain high service and good |

| | | | |
|--|---|---|---|
| | maintaining a passion for high quality food and service | maintaining efficiency. Provide distinctive, delicious, and different good and also maintain consistent good product. Create a fun environments | quality. maintain product consistence. create strong consistency, create strong management teams and day-to-day operations. |
|--|---|---|---|

Knowing what customers care about is a basic requirement for determining how to develop the core competence for a business. Liu & Jang's study (2008, 342-343) indicated that food quality, service reliability and environmental cleanliness are three primary attributes to create customer satisfaction and positive post-dining behavioural intentions. Laukinen (2008, 34-39) listed almost the same factors which Finnish customers use to select a restaurant are food quality, cheap prices, cleanliness, friendly service and location, what they like in food are taste of food, variety, being healthy, local ingredients, amount of food, not having chemical ingredients.

Based on the above researches, the core competence will be developed in Asian House restaurant as follows: It is good to use the first mover of Cantonese and Korean food as advantages to develop goodwill with customers and to generate a positive reputation. High and consistent quality food will be provided for its authenticity by special cooking equipment and experienced chefs and freshness by selecting good food suppliers. Friendly services will be offered by menu-knowledgeable waitresses to customers. Good relationship with customers will be maintained by using multi-communication tools like own customer-convenient homepage, providing customer card, soliciting feedback from customers about their satisfaction as well event arrangements every now and then. Social media like Facebook will be also made best use of to create an active platform for better information sharing between restaurant and customers.

2.5.2. Pricing

Shapiro and Jackson identified three methods used by managers to set prices: cost-based pricing which reflects a strong internal orientation and is based on costs, competitor-orientated pricing where competitors' price level are emphasized and how our prices compare with those, and marketing-led pricing which focuses on the value that customers place on a product in the marketplace and the nature of the marketing strategy used to support the product (quoted in Jobber 2006, 195). According to Jobber and Fahy (2006, 200-201) adopting an integrated approach to pricing seems more sensible in practice, besides, pricing should also be influenced by other marketing strategies such as positioning strategy which involves the choice of target market and the creation of differential advantage, new-product launch strategy, a different combination of high/low price and high/low promotion for either high products awareness or big profits margin.

Different pricing policies are considered for determining the price of the food. By comparing price level with food quality level of competitors, Asian House set price and quality ratio to be achieved. Quality and Price Matrix (Figure 11) was made to clarify the comparison between those restaurants.

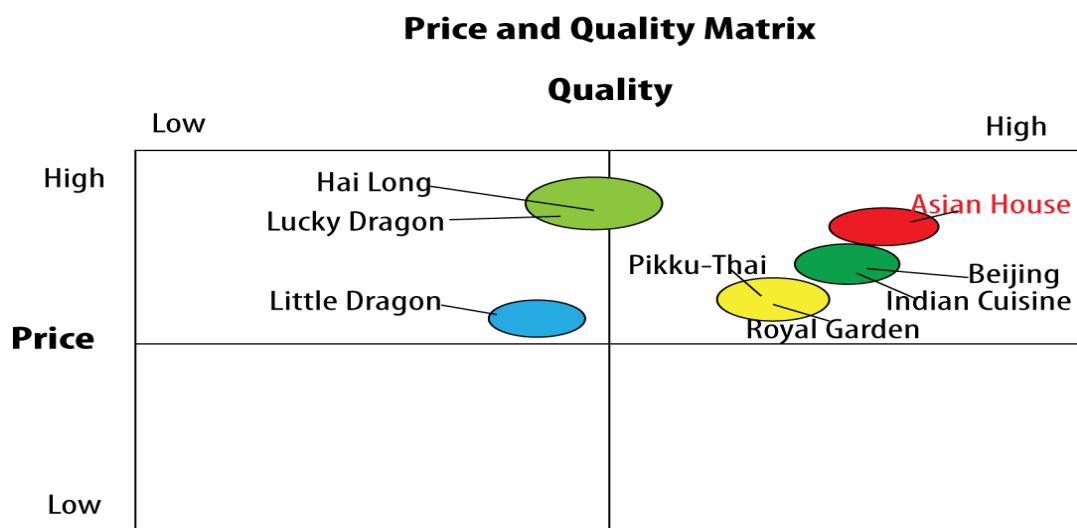


Figure 11: Quality and Price Matrix

Then taking the target group into consideration - company employees in Technopolis area and family group in Kaijonharju, and the lunch buffet was finalized at €8.5. Other dishes will be under or above the average depending on if there are advantages or not in each specific dish.

2.5.3. Promotion

The purpose of the promotion is to use different marketing communication tools like email marketing especially for businesses, social media, local newspaper, and the restaurant homepage, sponsorship and so on to acquire new customers and keep them coming regularly. Different promotions will be designed towards the two groups - company employees and families in different periods.

First-year promotions for all customers are below:

1. To make good webpage, and make it score well in Google search, key words such as restaurant, ravintola, Oulu, Chinese, Korea are used. Or to buy Google adwords to make higher visibility from the search results.
2. To print out A5 size brochure with 15% coupons attached as the first time dining in the restaurant, and delivery to households in Kaijonharju area. Suoranet provides such services in rather cheap price.
3. It is quite important to plan marketing before launch, so once or twice ads before restaurant opening day in local newspapers. Forum 24, a free newspaper in Oulu which is published twice a week, is one of the options of advertising. free paper published twice a week. A 80 mm x 61mm sized ads only costs €122 plus value-added tax, and the content of ads can be easily done by people themselves.
4. Information of Asian House will be also list in free in webpage Vapaa-aikavirasto, which has a separate classification of restaurants information in whole Finland.

5. Catalogue of food, which is different from food menu, will be made to describe characteristics of Cantonese and Korea food, as well history of some special food such as black rice (history: forbidden black rice was once reserved only for the emperor), increases customers' knowledge and interest to the food.
6. Facebook, as one of the most popular social media, will be used to update events, post the restaurant's menu and some recipes, or share cooking videos, which is a good channel to gain more communications and know what their perceptions to the restaurant and probably to find customers' needs.
7. Customer services: menu-knowledgeable waitresses will have certain criteria to serve customers from their arrival to leave-greeting at arrival, as fast as possible to take order and to give some help for ordering dish, to take and give accurate order, and take correct check out.

First-year promotions for lunch time business customers are below:

8. Regular customer card, marking the time they visit restaurant and the number of people in each visit, will be given to customers. With certain visit frequency they will be awarded some prize or extra food, which could encourage them to have higher repeated patronage. Besides, feedback form, questions such as food and service quality and how customers find out our restaurant, will be asked from customers to make better customers' satisfaction and better direct the restaurant's advertising and marketing spending.
9. Direct mails with our restaurant brochures will be sent to companies. Email will be also used to reach companies.

Some promotion in long term could be arranged like:

10. Sponsor events, to find out what could be event to sponsor, especially targeting women who are mostly the decision-maker in the family for where

to have food. Events like Tea Time, arranging table combination for single persons, could be planned as activities to attract customers.

2.6. Suppliers Information

Suppliers, a key element in the whole operation process, play a quite important role for running a successful restaurant. When considering to save cost, food quality guarantee, first of all, suppliers who are close to the restaurant's premises are among the top selections. With more furious competition, suppliers are more often to give discounts, so it is not always beneficial to just keep one supplier, but also different ones. Local store like Lidl could be also an option. Some special ingredients could be obtained from Asian shops in Helsinki or even in other European countries.

Here is the list of some potential suppliers for us:

Tuoretalo, a supplier in Oulu, provides different vegetables and other ingredients for grill and pizza place, and restaurants. It is also a customer of Salico, which has quite variety of ingredients offered in many places of Finland.

Meiranova provides different variety of food stuff from vegetables, to meat, to sauces and rice inside of whole Finland.

Kespro, with its 16 distribution places in whole Finland, also provides different stuff for restaurants.

Other food wholesales information is also listed in the homepage of ouluopas.

2.7. Financial Documents

The financial plan is mainly designed based on our financial and accounting materials for business setting up. Sales budget, stock & purchase budget, budgeted Profit & Loss, budgeted Cash Flow Statement, budgeted Balance

Sheet and break-even point were made for the first 3 years operations.

2.7.1. Sales budget

It is predicted unit sold per day is 70, 90, 100 in Year 1, Year 2 and Year 3, and predicted operation day per year is 355 days. And there will be approximately 80 seats in total inside the premises. Unit price is decided based on the reasons which are list in pricing section. Total sales are shown in Table 12.

Table 12: Sales budget

| | Year 1 | Year 2 | Year 3 | End of Year 3 |
|-------------------------|----------------|----------------|----------------|----------------|
| Units sold | 24,850 | 31,950 | 35,500 | 92,300 |
| Unit price | 8.5 | 8.5 | 8.5 | 8.5 |
| Total sales in € | 211,225 | 271,575 | 301,750 | 784,550 |

2.7.2. Stock & purchase budget

It is shown in Table 13 that stock is made for one week-7 day's operation in order to keep fresh ingredients, so if predicted sales unit is 70/day, our stock is materials for 140 units, so the stock for Year 1, 2, 3 is 140, 180, 200 separately.

Unit price for purchase is €2.5, which is according to the materials to sales ratio which was around 26%-34% reflected in two financial reports of Beijing and Lucky Dragon which were obtained from Kauppalehti website (source: Kaupaklehti, 2010), and then we choose 30% as the ratio.

Table 13: Stock & purchase budget

| | Year 1 | Year 2 | Year 3 | End of Year 3 |
|-----------------------|---------------|---------------|---------------|----------------|
| Sales in units | 24,850 | 31,950 | 35,500 | 92,300 |
| + ending stock | 140 | 180 | 200 | 200 |
| - beginning stock | 0 | -140 | -180 | 0 |
| Purchases in units | 24,990 | 32,130 | 35,700 | 92,820 |
| Purchase price | 2.5 | 2.5 | 2.5 | 2.5 |
| Purchases in € | 62,475 | 80,325 | 89,250 | 232,050 |

2.7.3. Budgeted Profit & Loss

It was assumed the premises are about 100 m² at the cost of €15 per m² since roughly average price will be at 10-20€/m² in Kaijonharju area (Kiimingin Kehitys & Kiimingin Kenta, 2010), so monthly rent is €2,500, including cost for electricity and water, so the yearly cost of rent will be predicted at €30.000.

Wages €78,000 is yearly total payment to 2 chefs and 2 waitresses, tax is excluded. Social cost of wages means other costs for personnel based on their salaries, including their salary taxes, insurance and others. It was calculated as 53.1% of the total salaries based on a report of hotel and restaurant business in general (Mara 2008, 16).

Marketing fee mainly includes two ads in Forum 24, which costs €300 (price is from its homepage), brochure delivery cost to households is around €250 (price is checked from homepage of Suoranet). Yearly web service fee is around €240 (average price is seen from Webhotelli). The rest is for covering the other costs.

Administration fee is like monthly accounting charge around €150, which is asked from an accounting assistant, telephone fee and so on. Monthly administration is around €300.

At the beginning, the office equipment is worth €5,000, and the kitchen equipment and tableware are worth €20,000. The decoration cost is €10,000. Those figures are from calculation of expenses of basic kitchenware and equipments from some website's prices of equipment from food equipment suppliers, such as Dieta, FSW.

Because investment €50,000 is used as cash at the beginning. The total of payment of kitchen equipment and tableware €20.000, decoration €10,000 and office equipment €5,000, amounts to €35,000 as investment. Table 14 shows the budgeted Profit & Loss in detail.

Table 14: Budgeted Profit & Loss

| | Year 1 | Year 2 | Year 3 | End of Year 3 |
|--|----------------|------------------|------------------|------------------|
| Sales | 211,225 | 271,575 | 301,750 | 784,550 |
| Variable costs | | | | |
| - Purchases | 62,475 | 80,325 | 89,250 | 232,050 |
| - Change in stock | 350 | 100 | 50 | 500 |
| Gross margin | 149,100 | 91,350 | 212,550 | 553,000 |
| Fixed costs | | | | |
| - Wages | -78,000 | -78,000 | -78,000 | -234,000 |
| -social cost of wages | -41,418 | -41,418 | -41,418 | -124,254 |
| - rent | -30,000 | -30,000 | -30,000 | -90,000 |
| - Marketing | -2,000 | -2,000 | -2,000 | -6,000 |
| - Administration | -3,600 | -3,600 | -3,600 | -1,0800 |
| - Depreciation of décor | -1,000 | -1,000 | -1,000 | -3,000 |
| - Depreciation of kitchen equipments and tableware | -2,000 | -2,000 | -2000 | -6,000 |
| - Depreciation of. Office equipment | -1,000 | -1,000 | -1,000 | -3,000 |
| Profit bef. Taxes | -9,918 | 32,332 | 53,532 | 75,946 |
| - Tax 26% | 0.00 | -8,406,32 | -13,918,32 | --19,745.96 |
| Net Profit | -9,918 | 23,925.68 | 39,613.68 | 56,200.04 |

2.7.4. Budgeted Cash Flow Statement

The budgeted Cash Flow Statement in detail in Table 15.

Table 15: Budgeted Cash Flow Statements

| Unit: € | Year 1 | Year 2 | Year 3 | End of Year 3 |
|------------------------|---------------|--------------|---------------|---------------|
| beginning cash balance | 50,000 | 8,732 | 44,694 | 50,000 |
| from sales | 211,225 | 271,575 | 301,750 | 784,550 |

| | | | | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
| Cash inflow total | 261,225 | 280,307 | 346,714 | 834,550 |
| payments | | | | |
| purchases | -62,475 | -80,325 | -89,250 | -232,050 |
| wages | - 78,000 | - 78,000 | - 78,000 | -234,000 |
| Social costs of wages | -41,418 | -41,418 | -41,418 | -124,254 |
| rent | - 30,000 | - 30,000 | - 30,000 | -90,000 |
| marketing | - 2,500 | -2,500 | - 2,500 | -7,500 |
| administration | - 3,600 | - 3,600 | - 3,600 | -10,800 |
| investment | -35,000 | | | -35,000 |
| Cash outflow total | -252,493 | -235,343 | -244,268 | -732,104 |
| ending cash balance | 8,732 | 44,964 | 102,446 | 1,566.654 |

2.7.5. Budgeted Balance Sheet

Budgeted Balance Sheet for the beginning three years was shown in Table 16.

Table 16: Budgeted Balance Sheet for Year 1-3

| ASSETS (unit: €) | | LIABILITIES (unit: €) | |
|---------------------------|----------------|-----------------------|----------------|
| Cash | 102,446 | Capital | 50,000 |
| Décor | 7,000 | Retained earnings | 0,00 |
| Inventory | 500 | Payables | 0,00 |
| kitchen equip.& tableware | 14,000 | Tax paid | 19,745.96 |
| Office equipment | 2,000 | Profit for Year 1-3 | 56,200.04 |
| | 125,946 | | 125,946 |

2.7.6. Break-Even point analysis

Break-even point in units (Table 17) is calculated based on the formula:

Break-even point in unit = Fixed costs/contribution margin per unit.

Table 17: Break-even point analysis

| | |
|------------------------|---------|
| Fixed cost | Unit: € |
| - Wages | 78,000 |
| - rent | 30,000 |
| -Social costs of wages | 41,418 |

| | |
|--|-----------|
| - Marketing | 2,000 |
| - Administration | 3,600 |
| - Depreciation of décor | 1,000 |
| - Depreciation of kitchen equipments and tableware | 2,000 |
| - Depreciation of. Office equipment | 1,000 |
| Total fixed cost | 156,318 |
| Total fixed cost per year (355 days in operation) | 440.3 |
| contribution margin in units | 6 |
| Break-even point in units | 74 |

It means Asian House has to sell 74 units of dishes, and then it starts to make profit.

2.8. Risk Analysis

Of course there are risks involved in operating a restaurant for us. First of all, the planned location will be probably not as good as we think now. Secondly, as we mentioned in SWOT analysis, it is hard to predict how long it takes for customers to accept and like our unique food since it doesn't pre-exist in Oulu so far, then we face the high possibility of low sales volume. Thirdly accidents like fire or others are also one of common risk restaurants face, which cause damage of property even damage to personnel. Fourthly, it is also possible that there will be similar foods introduced by competitors before our operation begins.

Some risks are difficult to avoid, but there are still some methods to avoid some of the risks: such as getting insurances for company property and work staff to get compensation if some accidents happen inside of restaurant; more marketing input if there is not high effectiveness of previous marketing planning.

3. CONCLUSION

In general, the thesis of a business plan of setting up an Asian restaurant in Oulu

was made quite feasibly.

Structure of the business plan was constructed based on a combination of different resources. It included executive summary, organizational structure of the restaurant, situational analysis of customers and competitors, supplier's information, budgeted financial plan and risk analysis. Other theories including benchmarking, SWOT analysis, core competence, pricing, marketing communication tools were used to carry out the detailed business plan.

By interviewing Mr. Gan, a Chinese restaurant owner in Helsinki, some hints related to start a restaurant business was given as a start point to the whole thesis. In addition, restaurant observations by having lunch and dinner in person in seven ethnic restaurants based on the checklist of benchmarking was made in Helsinki and Oulu. All the empirical researches were to conclude the strengths and weaknesses of those competitors, and to generate SWOT analysis of Asian House.

By analyzing the trend report of Finnish people's dining habit in restaurants and latest statistics of Oulu about the population, residents' age distribution, income level, and numbers of jobs, the target groups were defined as company employees and families who are among 25-60 years old and have yearly income level of €20,000 in Kaijoharju area where the restaurant will be located.

Compared with the competitors in Kaijoharju area and other ethnic restaurants in Oulu city, Asian House has its strengths of unique food (Cantonese and Korean cuisine) which are not available so far in Oulu. As one of the most important factors to keep customers, high and consistent quality food for its authenticity by special cooking equipments and two experienced chefs, and freshness by selecting good food suppliers, would be developed as one of the core competencies. Together with the classical and cosy atmosphere, two menu-knowledgeable waitresses will provide friendly and hospitable service to customers. All of those elements are to build the restaurant's image of maximizing customers' dining experience.

Multi-communication tools will be used to maintain good relationship with customers, including customer-convenient homepage, direct brochures to companies and families distributed by Suora, advertisements in Forum 24, free company information list in webpage like vapaa-aikavirasto, regular customer card to customers, Facebook as an active platform to communicate and get feedback from customers.

Three-year financial plan was made with the reference of two Chinese restaurants' financial reports (Beijing and Lucky Dragon in Oulu). It was predicted the restaurant will start to be profitable from the second year when 90 food units would be sold per operation day.

In changing environment, there could be a possibility that real situation will not be as planned as now, so keeping information and thinking up-to-date before starting operation is quite important.

The thesis could be used as a reference for making a business plan, but concerning to its limitation to restaurant industry and in Oulu region, those who make plans in a different industry should take the specific industry into consideration. The other limitations of the plan in the thesis like how and who to do decoration, leaflet and menu for marketing, and so on could also be made in detail.

During the process of the research for the thesis, it was found out getting statistics and research papers was not so difficult by the access of electronic library and open information system in Finland. Even though, there are seldom research papers about ethnic restaurant business, which consists of the biggest amount of business owned by foreigners. Topic related to ethnic restaurant business in Finland is therefore recommend as further study. For example, it will interesting to topic how many restaurant and restaurants seats a certain sized city can support, which could used to find out which city might be good candidates to starting a successful restaurant.

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APPENDICES

Appendix 1: Questions to Interview Mr. Gan, D' Wok restaurant owner

About setting up and operation

1. Where are the tables and chairs and all cutlery from?
2. Where do they buy kitchenware?
3. Who did the decoration? (Finnish company? or?)
4. Where to buy those food stuff, ingredients, drinks, alcohols? Suppliers? Discount?
5. How do you plan how much foodstuff to buy?
6. How did you determine the price for the food?

About sales

7. How is the business doing in different time? Peak time in a day, in a week, in different season?
8. Types of customers? (the youth, mid-aged person, foreigner, family?)

About marketing

9. What opening ceremony do you have?
10. In which newspaper or website, or other places do you advertise your restaurant?
11. Do you arrange some activities to attract customers? If what are they?
12. What sales promotion do you use?

Appendix 2: Checklist of observing Korea House in Helsinki

- a) Appearance ----logo, location, parking place
- b) Lobby or reception place
- c) Colour of decoration (red, blue, yellow? Or else?)
- d) Number of waitresses / waiters (language, nationality?)
- e) Menu (what kinds of food, drinks, price level)
- f) Number of tables, what kinds of tables
- g) Tableware (knife, plate, fork, chopsticks? Bowls, others?, glassware)
- h) Asking about chef (Korean chef?)
- i) Any alcohol available?
- j) The number of customers at that time
- k) How long it takes to get food offered?
- l) Toilets
- m) Ask where to buy some Korean ingredients?

APPENDIX 3: Benchmarking of competitors in Oulu

| Benchmarking | Restaurant name | Comments |
|---|-----------------|----------|
| logo | | |
| colour, name, design | | |
| location | | |
| parking, traffic, easy to be seen | | |
| food | | |
| taste | | |
| menu variety | | |
| food authenticity | | |
| service | | |
| number of waitress | | |
| waiting time (being noticed, taken order, food served on table) | | |
| friendly and helpful employee | | |
| attentive employees | | |
| employees have knowledge of the menu | | |
| give right order | | |
| accurate guest check | | |
| customers | | |
| how many | | |
| what type | | |
| atmosphere | | |
| number of tables | | |
| interior design and décor | | |
| lighting | | |
| neat and well-dressed employees | | |
| environmental cleanliness | | |
| environmental authenticity | | |
| price level | | |
| web design | | |