

SELAM STREET SIDE FAST FOOD



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Entrepreneurship:-Business Plan

Submitted to: Inst. AMROT

Addis Ababa

18-may-2023

SECTION 2

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1)Executive Summary:

Our Selam fast food truck business aims to provide fast and convenient service without compromising on quality and taste. Our food truck will provide hot and fresh food and drinks that can be prepared and served quickly. We will also offer take-away options for busy individuals who need to eat on the go.

Our target market will be the middle-income group who cannot afford high-end restaurants but still seek good quality food and beverages. Our food truck will be strategically placed in an addressable place in the main city to make it easily accessible to our target customers.

To ensure quality service, we will have a well-trained team of chefs and staff who will prepare and serve the food with care. We will use fresh and high-quality ingredients to ensure that our customers get the best quality food available. Our food truck will have a modern design that is both inviting and appealing to customers.

In conclusion, our street-side food truck business aims to modernize traditional street-side food selling. We will provide quick and affordable service, focusing on quality and taste. With an easily accessible location and take-away options, we aim to provide a convenient dining experience for our customers.

1.1)Vision statement: Our vision for our street side truck fast food selling business is to become the first choice for customers in the fast food industry and gradually expand to become the go-to option for fast food in the entire main city in the country.

We envision creating a brand that is known for its delicious and high-quality food, exceptional customer service, and affordable prices. We aim to create a customer-centric business that listens to the needs and preferences of our customers to develop personalized menu options. Our core values will center around integrity, passion, and dedication.

1.2)Mission statement: Our mission is to offer a diverse range of affordable and tasty street-side food, using only fresh and high-quality ingredients, prepared under hygienic conditions, served with a smile and value our customers' satisfaction as our top priority.

Our mission is to modernize the traditional street-side food selling experience while still offering a wide variety of local favorites. Our focus is on providing quick service without sacrificing quality, all at an affordable price to improve the customer's overall experience.

1.3)Objectives: The objective of our street side truck fast food selling business is to provide the best service to our customers and become their number one choice in this competitive business environment. We aim to achieve profitability and success by offering high-quality food, excellent customer service, and maintaining a clean and inviting atmosphere. Our business objectives also include expanding our customer base, increasing revenue, and maintaining a strong reputation through positive customer feedback and repeat business. Additionally, we strive to keep our operating costs low while improving our operational efficiency to achieve maximum profitability

2) Business

2.1) objective of the business

The objective of a street side truck food selling business is to provide convenient and affordable food options to people on-the-go, while also generating a profitable income for the business owner. This type of business aims to attract customers through unique and tasty food offerings, fast service, and a mobile location that can reach a wide range of potential customers. Additionally, the objective should include maintaining high standards of hygiene and food safety, establishing a strong brand reputation, and expanding the business through strategic marketing and customer outreach efforts.

2.2) History of the business

Street side truck food has a long and varied history. It is difficult to trace the origin of the street food truck, as it has been around in some form or another for centuries. However, it can be said that street food vendors have long been an essential part of urban life, providing a quick and easy way for people to get their meals on the go.

Street food trucks as we know them today can be traced back to the late 1800s in New York City, where pushcart vendors served hot dogs, pretzels, and other snacks to working-class customers. The rise of the automobile in the early 20th century saw these carts evolve into mobile kitchens.

During the Great Depression, food trucks became more common as entrepreneurs sought ways to make money during tough economic times. Food trucks also became a common sight on military bases during World War II, providing quick and convenient meals to soldiers.

In recent years, street food trucks have experienced a resurgence in popularity, with gourmet trucks popping up in major cities around the world. Today, food trucks offer a wide range of cuisines, from Mexican tacos to Korean BBQ to vegan burgers, often using fresh, locally sourced ingredients. Street food culture continues to evolve and grow as a unique and delicious form of culinary expression.

2.3) Form of business

This business can be run both in private and in partnership form of business. But our business plan is intended to work in partnership. In this structure, the partners share the costs, risks, and profits of the venture. The advantages partnership business for street side truck food business is listed below.

- Collaborative: As partners, the food truck operators work together to create an enticing menu, source ingredients, manage inventory, and handle finances. This approach can result in a strong partnership bond that can last for years.
- Flexible: Because each partner contributes to the business, there is room for flexibility in terms of roles and responsibilities. One partner might be better at cooking, while another might handle marketing outreach. This flexibility helps ensure that the business runs smoothly and efficiently.
- Cost-effective: Operating a food truck business can be expensive, with costs including the vehicle, equipment, supplies, and ingredients. By pooling their resources, partners can reduce the financial burden and make the business more sustainable.
- Shared risk and rewards: Partnerships provide a way for individuals to share the risks and rewards of operating a business. If the food truck is successful, all partners benefit. However, if there are challenges, such as weather-related closures or unexpected maintenance costs, the partners must also share those burdens.

3) Funding requirements

Based on our studies of the current business environment, it has been determined that starting a business would require approximately 1.5mil Ethiopian Birr. We are determined to obtain the necessary capital needed to kick start our business, and we plan to achieve this by obtaining funds from our members, who will contribute up to 40% of the total amount required. We will also seek financial support from reputable private or government institutions in the form of loans. These funds will be utilized to acquire the necessary materials to jumpstart our business operations

and to establish a reserve capital to ensure that our operations run smoothly. Here is some of what we will do with this capital.

1. **Equipment and supplies:** we'll need to invest in equipment and supplies such as a food truck, cooking appliances, dishes, and utensils in order to create and sell our product. These items can be costly but are essential for the success of your business.

2. **Rent and utilities:** Depending on our street side business idea, we need to rent a space or pay for utilities such as electricity and water. These expenses can add up quickly and require a significant amount of upfront capital.

3. **Marketing and advertising:** In order to attract customers, we'll need to invest in marketing and advertising. This could include creating a website, social media accounts, and printed materials such as flyers or business cards.

4. **Business permits and licenses:** Starting a street side business may require obtaining various permits and licenses. These can be costly and may require a lawyer or accountant to help navigate the legal requirements.

4) Product and service of the business

4.1) Products and Services:

Street Side Truck Food will provide a variety of food such as burgers, Irtib, sandwiches, Sanbusa, cake, salads, and soups. All of the items on our menu will be made fresh daily and will aim to be healthy and nutritious. We will use organic and locally sourced ingredients to ensure that we are providing fresh and high-quality food to our customers.

we are able to deliver delicious and healthy food quickly and efficiently, while ensuring utmost hygiene and safety standards. Our commitment to enhancing the street food experience has made us the go-to choice among customers who seek convenience, reliability, and satisfaction

5) Plan

5.1) Marketing plan

-Pricing : Pricing is one of the key factors that gives leverage to our business. We know we don't have the capacity to large markets we will ensure that the prices of all the products that are available in our service are competitive with other obtainable amongst other within our level.

- Distribution: Our distribution Strategy is direct distribution where we Sale our products directly to our customers without involving any distributors.

-Promotion : Our promotion strategy is through personal selling, promotion by using posters, brochures, business cards, using social media and participation in MSEs exhibition.

-Product forecast: Product forecasting is the science of predicting the degree of success a new product will have in the marketplace. To do this, the forecasting model must take into account product awareness(promotion), distribution, price, competitive alternatives and also customers

5.2) Operational plan

Address of the business

Our street side fast food can be worked in various urban areas such as city streets, public markets and plazas, outside office complexes, near parks, at festivals and events, industrial areas, and other high foot traffic locations. In our city there are many place where there is a lot of human traffic . Our first branch will be at Megenagna area.

-Running a street-side fast food selling business can require a team of professionals such as chefs, cooks, servers, and cashiers.

1. Chef/Cook: A professional chef/cook is essential to prepare quality food items that meet customers' demands.

2. Servers: It is necessary to have supportive staff to serve food items so that customers get their food quickly and efficiently.

3. Cashiers: The cashiers will manage the counter, accept payments, and provide receipts to the customers.

5. Managers: Managers oversee the operations of the business, manage the staff, and maintain quality control to ensure customer satisfaction..

5.3) Organizational plan

SELAM fast food is street side service providing business enterprise which is in the form of partnership.

As a partnership, we will have an agreement on:

1. The name and principal location of our business.
2. The date of our business to be formed
3. The purpose of our business
4. How much should have to be contributed the partners
5. What are the rights and duties of the partners
6. How to withdraw asset

Roles and responsibility of members of organization

1)Yonas Tefera: Chief Executive Officer.

-set the tone for the organization and guide the employees towards achieving the company's goals and objectives.

-develop and implement strategies that will help the organization grow and achieve success.

-responsible for managing the company's finances. This includes creating and managing budgets, tracking revenue, expenses, and profits.

-make decisions that are in the best interest of the organization. This includes setting policies and making difficult decisions such as layoffs or company restructuring.

- must ensure that the organization is compliant with all relevant laws and regulations.

- identify and manage potential risks to the organization, including financial, operational, legal, and reputational risks.

2.Wubishet Asbe: Admin and HR Manager

- responsible for finding the best candidates for vacant positions, screening resumes, conducting interviews, and ultimately selecting the right individuals.

- develop performance evaluation systems, organize employee training and development programs, and offer feedback and coaching to improve employee performance.

- develop compensation structures, ensure that employees are paid fairly and competitively, and manage employee bonuses and incentives.

- Responsible for ensuring that the organization is compliant with all labor laws, safety standards, and company policies.

- provide guidance, support, and conflict resolution services to both employees and managers.

- identify and develop high-potential employees, plan for succession, and manage employee turnover.

3).Ebsa Tsegaye: Finance controller.

- Developing and managing the budget for the business, ensuring that expenditures are within the allotted budget and finding ways to increase revenue.

- Preparing financial reports, including balance sheets, income statements, and cash flow statements.

- Predicting financial trends and identifying areas where the business can improve its financial performance.

- Identifying and reducing financial risks that could impact the business.

- Evaluating potential investment opportunities and making recommendations for investment decisions.

- Managing the company's cash flow to ensure there is always enough cash on hand to cover expense:

- Conducting financial analysis to identify areas where the business can improve its profitability and efficiency.

- Ensuring compliance with tax laws and regulations and finding ways to reduce the business's tax liability.

4) Mohammed aliya: marketing director

- Responsible for creating and implementing an effective marketing strategy that aligns with the organization's goals and objectives.

- Responsible for overseeing the marketing budget and ensuring that all marketing activities are executed within budgetary constraints.

- Should regularly conduct market research to understand market trends and customer preferences, to inform the development of marketing campaigns and strategies.

- Responsible for building brand awareness

- Should play a significant role in driving sales and revenue by creating and implementing successful marketing campaigns that attract new customers and retain existing ones..

- Developing and maintaining strong relationships with key stakeholders, such as suppliers, investors, and other members of the business

6) Financial plan

6.1) Pro-forma income statement

Our business sells are projected to make sales of day on average to be 5000 birr daily in the first year, and we anticipate gradual growth. With 22 working days in a month, the estimated monthly income can be calculated from the daily income

of 5000×22 .. By continually optimizing our approach and adapting to changes in the market, we believe that our annual income will continue to grow positively.

Hence if we consider 22 days of working in month excluding Sunday and holidays in a business .monthly and annually total average revenue is calculated as follows

Monthly income = $24 \times 5000 = 120000$ birr.

Total annual revenue= $120000 \times 12 = 1440000$ birr

Pro-forma income statement as of first year

Revenue:	
- Sales of food and beverages-----	1440000
Cost of Goods Sold:	
- Cost of food and ingredients-----	200000
- Cost of packaging and containers-----	20000
- Labor costs for food preparation-----	50000
Operating Expenses:	
- Rent or lease payments for the truck-----	100000
- Insurance-----	10000
- Fuel costs-----	10000
- Licensing and permit fees-----	10000
- Marketing and advertising expenses-----	20000
- Employee wages and benefits for non-food preparation roles-----	200000
- Depreciation of truck and equipment-----	10000
- Taxes-----	200000
Net Income:-----	610000birr

Pro-forma income statement as of second year

Revenue:

- Sales of food and beverages-----2000000

Cost of Goods Sold:

- Cost of food and ingredients-----400000

- Cost of packaging and containers-----30000

- Labor costs for food preparation-----80000

Operating Expenses:

- Rent or lease payments for the truck-----300000

- Insurance-----30000

- Fuel costs-----50000

- Licensing and permit fees-----20000

- Marketing and advertising expenses-----40000

- Employee wages and benefits for non-food preparation role-----220000

- Depreciation of truck and equipment-----40000

- Taxes-----200000

Net Income:-----900000

Pro-forma income statement as of year three

Revenue:

- Sales of food and beverages-----3000000

Cost of Goods Sold:

- Cost of food and ingredients-----600000

- Cost of packaging and containers-----50000

- Labor costs for food preparation-----10000

Operating Expenses:

- Rent or lease payments for the truck-----300000

- Insurance-----10000

- Fuel costs-----60000

- Licensing and permit fees-----40000

- Marketing and advertising expenses-----100000

- Employee wages and benefits for non-food preparation roles-----300000

- Depreciation of truck and equipment-----50000

- Taxes-----200000

Net Income:-----12800000

6.2) Cash flow projections

A cash flow statement is a financial statement that summarizes the inflow and outflow of cash within a business over a specific period of time. It provides an overview of how much cash a business generates and spends, offering insights into its liquidity and financial health.

Cash flow statement for year one

Cash Budget	Total
Beginning cash balance-----	500000
Cash collected from customers-----	1440000
Total cash available for need -----	1940000
Operating Expense-----	560000
With draw-----	270000
Cash Excess deficit -----	1110000

Cash flow statement for year two

Cash Budget	Total
Beginning cash balance-----	1110000
Cash collected from customers-----	2000000
Total cash available for need -----	3110000
Operating Expense-----	900000
With draw-----	510000
Cash Excess deficit -----	1700000

Cash flow statement for year three

Cash Budget	Total
Beginning cash balance-----	1700000
Cash collected from customers-----	3000000
Total cash available for need -----	4700000
Operating Expense-----	1060000
With draw-----	660000
Total cash needed	
Cash Excess deficit -----	-2980000

6.3) Pro- forma balance sheet Pro-forma

Balance Sheet at the end of year one

Asset	Liability
Cash -----1110000	Account payable----- 300000
Fixed asset-----100000	Note payable-----30000
Depreciation-----10000	Interest payable-----45000
Operating Expense-----560000-	Capital-----44 176
Total asset-----1750000	Total liability and capital-----1750000

Balance Sheet at the end of second year

Asset	Liability
Cash ----- 2000000	Account payable-----400000
Fixed asset-----600000	Note payable-----30000
Depreciation-----12000	Interest payable-----10000
Operating Expense-----540000	Total capital-----78000
Total asset-----2600000	Capital-----2540000
	Total liability and capital-----260000

Balance Sheet at the end of third year

Asset	Liability
Cash -----3000,000	Account payable----- 400000
Fixed asset-----970000	Note payable-----35000
Depreciation-----128 52	Interest payable-----15000
Operating Expense-----960000	Total capital-----78000
Total asset-----3970000	Capital-----3500000
	Total liability and capital-----39700000

To ensure that we are adequately prepared for the future, we will be creating pro-forma financial statements for the upcoming years. This will involve analyzing the business environment of that time to make informed projections for our income statement, cash flow, and balance sheet. By doing so, we can gain a better understanding of where our business is heading, identify potential areas for growth, and make strategic decisions to guide us towards our long-term objectives

6.4) Break-even analysis

Break-Even Analysis for 1sr year

Total sales of goods on average----- 1440000 birr

Total cost of good-----270000 birr

Gross profit (GP) ----- 1170000 birr

Gross profit margin (GPM) =GP/SALES

*100=1170000/1440000*100=0.008125%

Overhead (fixed cost) for first year -----birr 460000
birr

Break-even turn over= overhead/GPM *100

= 460000/0.008125%*100= 3737.5birr

Break-Even Analysis for second year

Total sales of goods on average ----- 2000000 birr

Total cost of goods ----- 510000 birr

Gross profit (GP) -----1490000 birr

Gross profit margin GPM= 510000/2000000*100=25.5%

Overhead (fixed cost) for 2nd year -----840000
birr

Breakeven turn over=birr 840000/25.5%*100

=32941.176 birr

Break-Even Analysis for third year

Total sales of goods on average -----birr 3000000

Total cost of goods -----birr (660000)

Gross profit (GP) -----birr 2400000

Gross profit margin GPM= $2400000/3000000*100=80\%$

Overhead (fixed cost) for 3rd year -----birr 970000

Breakeven turn over=birr $970000/80\%*100$

=12125birr

7)Assessment of risk

Some of the risks and challenges that street side food selling businesses may face as start-ups include:

1. Regulations and permits: Depending on the location, there may be strict regulations and permits required for street food vending. Non-compliance can result in hefty fines or even the closure of the business.
2. Weather conditions: The business is heavily dependent on favorable weather conditions. Extreme weather conditions such as rain, snow, or heat, can affect the foot traffic and sales volume.
3. Seasonal demand: The demand for certain types of food may be seasonal, and the business may need to adjust and adapt its menu to cater to the changing needs and expectations of customers.
4. Competition: Street food vending is a competitive industry, and newcomers may face stiff competition from existing businesses in the same location.
5. Cost of operation: The cost of operating a street food business may be higher than expected due to permit fees, food supplies, equipment, and transportation. Without proper budgeting, the business can easily go into the red.
6. Health concerns: While street food is popular, some consumers may have concerns over its quality and safety. Negative reports or reviews may impact the reputation of the business and its sales.

8)Exit conditions

It is important to have clear exit conditions in place to protect all partners interests.:

1. Mutual Agreement: The partners may mutually agree to dissolve the partnership and exit the business. They can work together to sell off the assets, pay off any debts, and divide the profits or losses.
2. Retirement: One of the partners may decide to retire from the business due to personal reasons. In this case, the business can be sold, or the remaining partner can buy out the retiring partner's share.
3. Disagreement: If the partners cannot agree on the future direction of the business, they may choose to exit the partnership. In this case, the business can be sold, dissolved, or one partner may buy out the other partner's share.
4. The business is no longer profitable: If the business goes bankrupt, the partners may choose to exit the business and declare the bankruptcy. They will then have to liquidate the assets of the business and pay off any outstanding debts to the creditors.

Overall, exit conditions have been discussed and agreed upon by all partners