Business Analysis of a Fast Food Restaurant Chain

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I. INTRODUCTION

Online dictionaries define fast food as cuisine prepared by restaurants that cater more towards speed and low prices than quality or nutritional value. In today's world of increasing workloads and decrease in free time, everyone is in a rush. Thus, time kept aside to eat is very limited. Fast food restaurants offer a solution to this problem. A fast food restaurant, also known as a quick service restaurant (QSR) within the industry, is a specific type of restaurant that serves fastfood cuisine and has minimal table service. A blue-collar worker can grab a quick bite from any of the fast food restaurants around his business, within the span of 10-15 minutes. These restaurants offer cheap but delicious food, which often lacks much nutritional value. When a franchise opens up a lot of fast food restaurants around the country or around the world, it becomes a fast food restaurant chain.

II. STATISTICS

Fast food restaurants have quickly become some of the most popular places to dine, among the general public. Whether young people or senior citizens, people flock to these restaurants for the cheap but delicious food. The following are the number of fast food chain restaurants across the United States of America.

1. Subway - 24,722 outlets
2. McDonald's - 14,098 outlets
3. Starbucks - 10,821 outlets
4. Pizza Hut - 7,600 outlets
5. Burger King - 7,231 outlets
6. Dunkin' Donuts - 7,015 outlets
7. Wendy's - 6,594 outlets
8. Dairy Queen - 6,187 outlets
9. Taco Bell - 5,670 outlets
10. Domino's Pizza - 4907 outlets

India has become home to many fast food chains over the years. Western influence has seeped its way into the cuisine of the average Indian. With many new fast food chains opening up in all the major cities across the nation, India is the next booming market for these companies to invest in. The top 3 fast food chain restaurants in India are **KFC, owned by Yum! Brands, McDonald's, operated by Westlife Development, and Domino's.**

KEY QSRs IN INDIA
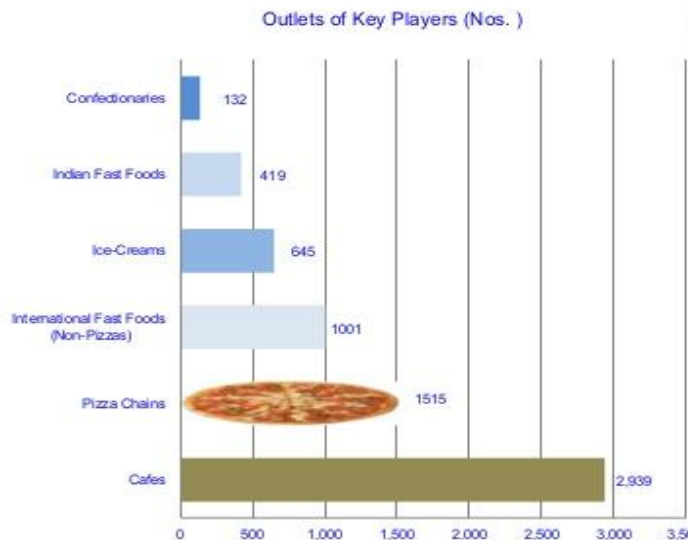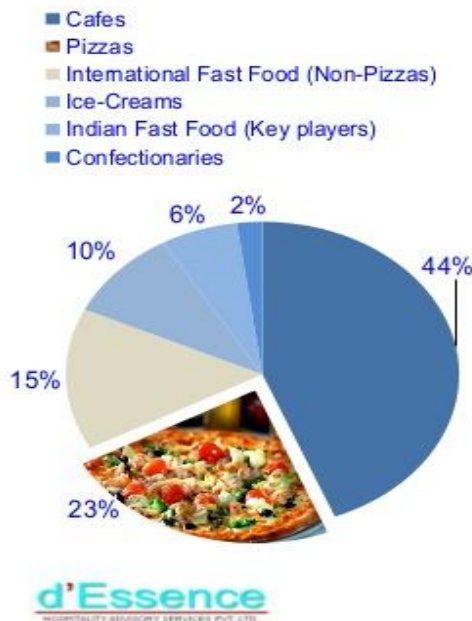
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III. BUSINESS MODEL

Given below is a sample business model portfolio of a fictitious fast food restaurant Puzzles, set up in New York City.

Puzzles

Your taste above all else

BUSINESS PLAN

October 02, 2017

23/1947

New York, NY 132486

(971)504-6877

Puzzlesrestaurant.com

IV. EXECUTIVE SUMMARY

Mission Statement

To provide a quick delicious bite for busy people everywhere.

Company Information

Started as a small restaurant by 4 friends, Puzzles has a rich history of being New York's favorite place to grab a quick delicious bite of your favorite food.

Management

Rahul, CEO

Overlooking the running of the business.

Products and Services

Fast food, available at cheap prices, but not compromising on quality.

Financial Requirements

The company needs to raise $5,000,000.00 USD in funding.

V. BUSINESS PLAN

Summary

Puzzles is organized as a Limited Liability Company (LLC) in the State of New York since 1997. The purpose of this business plan is to raise $5,000,000.00 USD in order to finance founding a new business.

Management Team

Rahul, CEO

Ownership Interest: 5%; Common stock Compensation: 5% stock shares, 10% of profit.

Overlooking the running of the business. Management degree from Harvard a trusted employee, and held the position for many years.

Market Analysis

The fast food retail industry is a developed one in most countries, and a major booming industry in developing nations. A lot of great potential exists for international brands. As of 2017 quarter 3, the company holds an 18% market share in the fast food chain industry. This is expected to go up to 35 by the end of 2019, with the current prevailing conditions. A major barrier to break through is the opening of more branches in rural/remote areas, increasing our number of customers to over 300,000.

Products and Services

Fast food, available at cheap prices, but not compromising on quality.

Premium quality fast food, with an exceptional quality of customer service. Future plans include introduction of brand new exotic flavors and delicacies to our menu.

The business is targeted primarily at the city dwelling population, as our restaurants have the advantage of taking less time than competitors to deliver your order. In the city crowd, teenagers make up 37% of our product sales, with adults above 30 making up 28%. The rest consists of senior citizens and children at 15% and 20% respectively.

Marketing and Sales

The company will market its products and services through the following methods and sales channels:

- fliers
- coupons
- TV ads
- Internet ads
- social media
- outbound marketing
- content marketing
- seasonal marketing
- direct marketing
- telemarketing

VI. SWOT ANALYSIS

Strengths

Lower costs, excellent customer service, great taste, lowest time to prepare order, biggest gross turnover in 3rd quarter 2017 among competitors.

Weaknesses

Strong competitors, lower number of branches, average marketing and advertisements, low reach ability in rural areas.

Opportunities

Emerging market for the business in suburban and rural areas, exiting of a main competitor from the market, plans to expand to more countries.

Threats

Regulatory hurdles, excessive red tape in foreign countries, lack of new personnel.

VII. REQUIRED FUNDS

Puzzles is seeking to raise S5,000,000.00 in funding. In addition; the company will need an additional $2 million a year after reaching a market share above 35%

Working capital, acquisition of new locations, expanding existing employee and raw materials base.

VIII. FINANCIAL FORECAST

Historical Financials

The company's current financials are as follows:

Average monthly revenue: $5,000,000.00 USD
Average monthly expenses: $3500,000.00 USD

Yearly gross revenue: $1,500,000.00 USD
Yearly net profit: $1,500,000.00 USD.

Projected Financials

The company expects to achieve the following:

Average monthly revenue: $8,000,000.00 USD
Average monthly expenses: $5,000,000.00 USD
Yearly gross revenue: $3,000,000.00 USD
Yearly net profit: $3,000,000.00 USD
Return on investment: 45%

The ever-growing trend of fast food restaurants, and the increasing development in foreign countries will offer us increased profit. The company expects to turn a profit within 2 years of receiving funds.

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