

STRATEGIC PLAN FOR A NEW RESTAURANT BUSINESS

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Abstract

The present Master thesis is introduced in the form of a Strategic Plan, with the purpose of expressing the commercial and strategic viability of a new restaurant located in Lisbon. The ambition of this start-up is to have a positive acceptance in the restaurant and similar market, taking advantage of the healthy food and lifestyle trends and offering better lunch options and other food solutions for customers.

In order to fulfill the great objective proposed in this dissertation, always supported on the literature review based on different approaches to the concept of strategy and strategic control, it is carried out the internal and external analysis of the company, as well as the market in which it intends to penetrate.

The strategic plan also consists in studying how to design and control the strategy and decisions that can best lead to business success, such as choosing a location, understanding the sector and industry, defining the marketing mix and other key aspects.

The final chapter evaluates the impact of strategic control and the use of a Business Scorecard to make this plan the most complete and useful as possible.

Keywords: strategic plan, restaurant and similar market, control.

JEL Classification System:

M - Business Administration and Business Economics; Marketing

M1 – Business Administration

- M10 – General
- M19 - Other

Index

Acknowledgements	II
Abstract	III
List of Tables	VII
List of Figures	VIII
List of Charts	IX
List of Abbreviations	X
Introduction	XI
1. Literature Review.....	1
1.1. Strategy	1
1.2. Strategic Plan	2
2. Business Idea.....	4
3. Market Analysis.....	5
3.1. Contextual Environment	6
3.1.1. Economic Context	6
3.1.2. Political-Legal Context.....	7
3.1.3. Socio-cultural Context.....	8
3.1.4. Technological Context.....	10
3.2. Transactional Environment.....	11
3.2.1. Stakeholders.....	11
3.2.2. Clients	11
3.2.3. Suppliers	12
3.2.4. Competitors	12
4. The Restaurants and Similar Sector.....	15
5. Restaurant Location.....	19
6. Internal Analysis	20
6.1. Supply Chain.....	20
6.2. VRIO Model	21
7. Competitive Analysis.....	23
7.1. Porter's 5 Forces	23

7.1.1.	Competitive Rivalry	23
7.1.2.	Threat of New Entrants.....	24
7.1.3.	The Threat of Substitution Products or Services	25
7.1.4.	The Bargaining Power of Suppliers.....	26
7.1.5.	The Bargaining Power of Customers.....	27
7.2.	SWOT & SWOTi Analysis.....	28
8.	Strategy Formulation.....	32
8.1.	Dynamic Capabilities.....	32
8.2.	Mission, Vision and Values	33
8.3.	Company Goals.....	34
8.4.	Critical Factors for Success	35
9.	Strategy Implementation	36
9.1.	<i>Marketing-mix</i>	36
9.1.1.	Product.....	37
9.1.2.	Price	37
9.1.3.	Place.....	38
9.1.4.	Promotion	38
9.2.	Resources	40
9.2.1.	Company Organizational Chart.....	40
9.2.2.	Human Resources	41
9.2.3.	Material Resources	42
9.2.4.	Project Manager.....	42
9.2.5.	Sales Force.....	42
9.2.6.	Accounting and Legal Support.....	43
9.3.	Implementation Plan	43
10.	Strategic Control	45

10.1. Balanced Score Card (BSC).....	47
11. Conclusion.....	51
12. Bibliography	52

List of Tables

Table I: Projections from Bank of Portugal: 2019-2021 Annual Percentage Change Rate	7
Table II: Resident Population in Portugal and in Lisbon 2011-2017	9
Table III: Main Competitors.....	13
Table IV: Value Chain Analysis.....	20
Table V: SWOT Analysis.....	28
Table VI: Dynamic SWOT Analysis.....	29
Table VII: Company Goals.....	34
Table VIII: Material Resources Needed for Opening of the Business	42
Table IX: The Financial Perspective	48
Table X: The Market Perspective.....	49

List of Figures

Figure I: SWOTi Analysis	30
Figure II: Organizational Chart	40
Figure III: The Eight Principles of Management Control	46
Figure IV: Practical Methodology of Balanced Scorecard.....	47

List of Charts

Chart I: Prevalence of overweight (including obesity) and childhood obesity (6-8 years old) in Portugal 2008 – 2016	9
Chart II: Turnover Contribution of activity segments (in p.p.) to the annual growth rate (in percentage)	16
Chart III: Turnover Index - HORECA channel	17
Chart IV: Employment index in services – gross (average annual rate of change – base 2015 -%) by economic activity (division – CAE); monthly.....	18
Chart V: Implementaion Plan - Gantt Chart.....	43

List of Abbreviations

AHRESP	Portuguese Association of Hotels, Restaurants and Similar
ANJE	National Association of Young Entrepreneurs
ASAE	Food and Economic Security Authority
CAE	Classification of Economic Activity
CBD	Central Business District
CFS	Critical Factors for Success
COSI	Childhood Obesity Surveillance Initiative
CPI	Consumer Price Index
ECB	European Central Bank
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GVA	Gross Value Added
HACCP	Hazard Analysis Critical Control Points
HORECA	Hotels, Restaurants and Cafés
INE	National Institute of Statistics
INSA	National Institute of Health
LPI	Lisbon Prime Index
p.p.	Percental points
SMART	Specific, Measurable, Achievable, Results Oriented and Time-Bound goals
VAT	Value Added Tax

Introduction

Portugal has recently witnessed a positive period since the recovery from the economic crisis suffered in recent years, and the various economic indicators have shown a favorable trend both overall across different sectors of activity, one of which is the Restaurants and Similar. This sector has been growing at both national and specifically in Lisbon.

In parallel, there have been some changes and adaptations in the habits and lifestyles of consumers, such as, although many people want to be able to eat and cook healthy meals on a daily basis, very few find the time, availability or even capacity to do so. The bustle of consumers' everyday life has resulted in a greater reliance on food services that can ease these difficulties, but, in any case, truly healthy options are quite reduced.

The elaboration of this strategic plan aims to analyze the commercial and strategic viability of creating a company located in Lisbon that, being inserted in the Restaurants and Similar sector, intends to respond to the needs and concerns of consumers that fit the reality previously identified, having its business based on two main lines: a small restaurant and a frozen food store and other food solutions.

Regarding the structure of the report, following a theoretical revision in order to frame up the concept of strategy and strategic plan, there is a market and sector analysis, the explanation of the business location, as well as an internal and competitive analysis, ending with the formulation, implementation and control of the strategy.

1. Literature Review

Nowadays, the factors that can influence the success or failure of a business are becoming more complex and stronger. The path to business prosperity is by no means simple or easy, quite the opposite. The operational capabilities of a company are not sufficient or indicative of future success, because without a well-defined strategy and appropriate control to the reality in which it will operate, it is likely to be overwhelmed by the enormous challenges of the market and surrounding competition.

For this reason, it is essential for the literature review to meet themes such as strategy and strategic control.

1.1. Strategy

All companies aspire to succeed, seek to achieve the objectives outlined for the short, medium and long term, and for this purpose a growth strategy must be stipulated. Associated with growth is the concept of strategy, because growth is the goal and strategy is the means to achieve that same goal.

Strategy can be broadly defined as a structured plan that consolidates, in an integrated way, the objectives, policies and actions of an organization (Freire, 1997) and is therefore the means to reach success. Within a business context, sustained value addition derives from wealth creation for the shareholders by meeting internal and external needs (Freire 1997). Therefore, it can be assumed that the strategy should relate the objectives and business performance properly framed in the internal and external factors.

Throughout the years, different opinions have emerged regarding this complex concept. Mintzberg (1987) criticizes the fact that human nature insists on creating a single definition for each concept, arguing that the field of strategic management cannot allow dependence on a single definition of strategy - from his perspective, strategy can be a plan, a pattern, perspective, position, or stratagem.

Bracker (1980) tells us that strategic management encompasses an environmental analysis, which helps to determine where a company is in its surroundings, and how that company's resources can best be harnessed. Hambrick (1980) states that strategy is like a set of important decisions that guides an organization in its relationships in the

environment in which it operates, influences its processes and internal structure, and affects its performance.

Hax e Majluf (1988) argue that strategy means establishing a purpose for the organization's existence, in terms of long-term goals, action plans, and resource allocation. The authors also emphasize that strategy is an important vehicle for achieving a competitive advantage, and that from the strategy the company must be able to satisfy all its stakeholders.

As the years went by, some of these definitions were complemented and changed, as a result of evolution and research. Mintzberg (1987) is an example, who assumed that defining strategies encompass not only vision, values, core competencies and entrepreneurial skills, but also commitment, entrepreneurial learning, balance and the economic situation of the country.

Strategic management provides an organization with a framework for developing skills that can anticipate or cope with change and setbacks. Porter (1996) reports the importance of strategy stating that operating efficiency is not enough, as there must be a combination of operational efficiency and strategy. It is very hard to compete on the basis of operational efficiency, since many companies can only gain a temporary competitive advantage. This is because competition sooner or later succeeds in mimicking good operating efficiency practices.

There is a strong need for business strategy to be aligned not only with global trends but also with the market trends in which they operate. In this sense, it is crucial for companies to be flexible to guarantee they can react quickly and in the best way to the competition (Freire, 1997; Carvalho and Filipe, 2014; Barney and Hesterly, 2015).

Mission, vision, objectives and strategy are essential elements for a company to thrive, and together these elements form the base of strategic reasoning that is framed in the overall vision of the organization.

1.2. Strategic Plan

Planning is the first phase of the administrative function, as it delimits the objectives that the administration wants to achieve, as well as the way to achieve them. We can then

understand that this is the first step of the management process, followed by organization, direction and finally control, as mentioned in Silva (2009).

The concept of strategic planning emerged in the late 1950s from the previous century, driven by Mintzberg. According to Machado & Taylor (2010), strategic planning has become increasingly relevant in the business environment. Companies in a market that is often too competitive seek, through strategic planning, to obtain competitive advantages, that is, advantages that make them unique in the market in order to distinguish themselves from others.

Strategic planning works essentially as a tool for decision-making, and for Bryson (1988) it means "disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it". It implies gathering useful information, exploring alternatives and hypothetical scenarios, and an emphasis on the future implications of present decisions. It can facilitate communication and participation, harmonize divergent interests and values, methodically encourage decision making and successful implementation. Bryson (1988) also states that it is a process that can help the organization to think strategically and to develop effective strategies, to clarify the direction or path to follow, to set priorities, and to make decisions based on expectations for future consequences, to act with the utmost discernment in the areas under its control, to make decisions covering various levels and functions, to improve organizational performance and to solve more significant organizational problems, and to deal better and in a timely manner with rapidly changing circumstances.

According to Stoner and Freeman (1999) planning is divided into two crucial phases: establishing the goals to be achieved and the path to achieve the goals set. Therefore, companies should be aware that there is a chronological order and that it is important. That is, it is necessary to have a definition of the objectives in order to be able to delimit the most appropriate way to reach those same objectives

Kotler e Armstrong (2007), state that strategic planning is a cluster of rules and procedures that aim to create and improve the company's values, mission and vision, as well as a continuous assessment of business routines in order to improve the company's performance and, consequently, the profit generated.

In short, strategic planning consists of:

- Ensuring that the organization focuses on what it truly knows how to do and that it is organized, decides and presents an appropriate identity for the business;
- Setting general goals for the organization, that must translate in particular its vision, and lead to the accomplishment of the mission;
- Analyze the evolution of the environment, being aware of the opportunities to be explored and the threats to minimize;
- Analyze the strengths and weaknesses of the organization, taking into consideration the potential and resources that can be mobilized;
- Make a forward projection of the evolution of the organization, based on the current position and policy framework;
- Assess the existing deviation between the forecast for the organization over time and the desirable situation;

For strategic planning to be as realistic as possible, it is important to use tools to have an objective view of the company, what should be measured to offset the different perspectives, and to better understand its performance - as is the case of the Balanced Scorecard. Also, taking into account the external influences that affect organizations and the way in which they develop, the Balanced Scorecard method provides the necessary information for a detailed analysis of strategy follow-up and results achieved.

On the other hand, it is also a management model that allows organizations to clarify their strategic vision and turn it into an action plan.

2. Business Idea

The starting point of this project was acknowledging that, nowadays, eating out and making food at home on a daily basis has become a hard task, as there is less time and availability to do so, especially when trying to be healthier. Everyone is getting busier and busier, with less time for the day-to-day life and domestic tasks, and consumers are now relying more on food services that can satisfy these types of needs. On the other hand, the increasing lack of time, along with some economic uncertainties, creates a paradox that is currently experienced due to not having time to make meals at home and not having the financial availability to consume food services all the time.

Nevertheless, people want the best food quality possible and are concerned about consuming healthy food both in and out of home, and start to question themselves more if it is in their best interest to eat out in restaurants regularly, both because of health and economic concerns. As a result, people are bringing their own food to work, going to fast food restaurants, and opting for cheaper but not healthy food options to save time. Considering this, it is possible to find room in the market to satisfy different consumers with common needs and preferences, serving healthy, fast and affordable meals.

The concept to fill this gap is actually simple: to offer a solution for both individuals and families to easily enjoy better flavorful food, by preparing meals by hand at our kitchen, using the same healthy, fresh ingredients and techniques as a good cook would at home. The business idea is to serve this food in a cool restaurant and also sell frozen ready meals.

The great value of the project is to offer healthy homemade meals and food solutions, having flavor as priority, as well as the pleasure of enjoying a gastronomy that is based on a Portuguese matrix with influences from the world. Above all, it is intended to offer more than a place to have lunch, but also a place where one can find products and solutions that facilitate everyday family meals, expediting the process of domestic cooking and healthy eating, making it easy and simple to enjoy authentic and truly healthy food without ever compromising on taste.

Located in the center of Lisbon, it will serve the office areas with healthy lunch options and an area for a small grocery store to sell frozen homemade meals and other food solutions. It will have an atmosphere marked by interior design, simplicity and cool casual ambiance.

3. Market Analysis

When developing their activity, organizations are in constant relation with the surrounding environment in which they are inserted, and the way to manage this relation is the base of the concept of strategy.

The environment is continuously evolving, generating opportunities and threats, influencing not only the strategic decisions, but also the capacity of companies to shape their behaviors in order to guarantee their success and survival (Freire, 1997). It is,

therefore, essential to have an accurate analysis of the surrounding environment, which must be divided in two slopes: contextual and transactional environment.

3.1. Contextual Environment

The purpose of contextual environment analysis is to understand what factors can affect businesses in general, regardless of their sector of activity or industry, both in the short and long term. This can be divided in four distinct environments: economic, political-legal, sociocultural and technological.

3.1.1. Economic Context

Data published by the National Institute of Statistics (INE) revealed that, in 2018, the gross domestic product (GDP) increased by 2,1% in volume, minus 0,7 percental points (pp) than last year. In nominal terms, GDP increased by 3,6% (4,4% in 2017), reaching 201,5 billion euros. In addition to this, INE also disclosed the following:

- Private consumption, by volume, increased by 2,5% in 2018 (2,3% in 2017);
- Domestic demand grew by 2,7% in real terms (3,0% in the previous year);
- Net external demand recorded a contribution of -0,7 p.p. to the variation in volume of GDP (-0,3 pp in 2017), with a deceleration in exports of goods and services more pronounced than that of imports of goods and services;
- Public consumption (Final Public Consumption Expenditures) registered a rate of change of 0,2% in 2017;
- Investment increased by 5,6% in real terms in 2018 (9,2% in 2017), reflecting the deceleration of Gross Fixed Capital Formation (GFCF) to a rate of change of 4,4% (9,2% in 2017);
- The Consumer Price Index (CPI) showed a year-on-year change of 0,5% in January (0,7% in the previous month), observing a rate of change of -0,3% in the goods component (0,1% in the previous month) and 1,6% in services (same rate as in the previous month).

It is also relevant to highlight that the growth in real terms of gross value added (GVA) in the sectors of Trade and Repair of Vehicles, and Accommodation and Restaurants, remained at 2,9% which translates into a contribution of 0,5 pp to the variation in total GVA. Another variable crucial to be taken into account that along with inflation affects

purchasing power, is the unemployment rate, that in the fourth quarter of 2018 was 6,7% - similar to the rate recorded in the previous two quarters and 1,4 pp below than that recorded in the same period of 2017.

According to projections from the Economic Bulletin of the Bank of Portugal, the Portuguese economy should continue to grow in the period 2019-2021, albeit at a slightly slower pace than in recent years. The year 2018 expressed a 2,1% increase in gross domestic product (GDP), and is expected to increase by 1,7% in 2019 and 2020, and by 1,6% in 2021. If confirmed, this expected growth is higher than that published by the European Central Bank (ECB) for the euro area.

Table I: Projections from Bank of Portugal: 2019-2021 | Annual Percentage Change Rate

	Pesos 2018	BE março 2019				BE dezembro 2018			
		2018	2019 ^(a)	2020 ^(a)	2021 ^(a)	2018 ^(a)	2019 ^(a)	2020 ^(a)	2021 ^(a)
Produto interno bruto	100,0	2,1	1,7	1,7	1,6	2,1	1,8	1,7	1,6
Consumo privado	65,0	2,5	2,7	1,9	1,6	2,3	2,0	1,8	1,6
Consumo público	17,3	0,8	0,3	0,2	0,2	0,7	0,1	0,0	0,2
Formação bruta de capital fixo	17,1	4,4	6,8	5,8	5,2	3,9	6,6	5,9	4,9
Procura interna	99,9	2,7	3,0	2,3	2,0	2,4	2,4	2,2	2,0
Exportações	43,6	3,7	3,8	3,7	3,6	3,6	3,7	4,0	3,6
Importações	43,5	4,9	6,3	4,7	4,1	4,1	4,7	4,9	4,2
Contributo para o crescimento do PIB líquido de importações (em pp) ^(a)									
Procura interna		1,3	1,3	1,1	1,0	1,2	1,2	1,0	1,0
Exportações		0,8	0,4	0,6	0,7	0,9	0,7	0,7	0,6
Emprego ^(a)		2,3	1,5	0,9	0,4	2,2	1,2	0,9	0,4
Taxa de desemprego		7,0	6,1	5,5	5,2	7,0	6,2	5,5	5,3
Balança corrente e de capital (% PIB)		0,4	0,6	0,6	0,9	1,3	1,3	1,3	1,6
Balança de bens e serviços (% PIB)		1,0	0,2	-0,2	-0,4	1,5	1,1	0,9	0,7
Índice harmonizado de preços no consumidor		1,2	0,8	1,2	1,3	1,4	1,4	1,5	1,6

Source: Bank of Portugal, June 2019

3.1.2. Political-Legal Context

The political, tax and legal environment in Portugal was, for three year (between 2011 and 2014), under the intervention of Troika, that outlined specific goals which the government would have to follow and accomplish. The obligation to comply with structural reforms has withdrawn flexibility from political power, that had to reduce State spending and raise taxes, creating general discontentment in the population towards politics.

One of the sectors most affected by the need to increase taxes was the Restaurants & Similar, since it supported the increase of VAT (value added tax) rate from 13 to 23% in 2012 (until 2016), which was subject of much discussion and controversy. The associations in the sector indicate that the sustainability of these economic activities has

been jeopardized by this measure. When compared to countries like Germany, Spain, France, Ireland, Italy and the United Kingdom, often used as reference in models practiced here, Portugal is the country with the highest VAT rate applicable to this sector. The Informa D&B report (2014) reinforces this impact by describing it as one of the several drivers of the sector's negative performance, adding that it was the sector that absorbed the increase in VAT without reflecting it in retail prices.

The Restaurants & Similar sector is quite demanding from the point of view of regulation and legislation, from the establishment of a company and even during its operation. There are several organizations and associations to which the sector has to respond, namely ASAE (Food and Economic Security Authority), which is a national authority that guarantees safety, hygiene, work and food quality, as well as economic surveillance, that follows the HACCP system (Hazard Analysis Critical Control Points), which is mandatory in accommodation, restaurants and similar activities for food risks prevention, through the identification of critical points in the production process that may constitute a danger to consumers' health, in order to prevent, reduce and eliminate them.

In terms of the process of opening a restaurant business, it is necessary to comply with the licenses required by the City Council regarding construction or modification works. It is also necessary to comply with requirements concerning restaurants and drinks establishments (type of establishment, structure, etc.) (ANJE, 2013).

3.1.3. Socio-cultural Context

The sociocultural background has a massive influence in the number and type of customers of a business, and in this analysis is important to highlight the current consumers' lifestyle and food trends, since this project aims to provide its customers with options for healthy food that is nutritious and beneficial for one's health.

Data published by INE indicate that, as of December 31, 2017, the resident population in Portugal was estimated at 10.291.027 people, down 18.546 compared to 2016. This result represents a negative effective growth rate of 0,18%, maintaining the trend of population decline. The demographic aging in Portugal continues to be evident, and compared to 2016, the population under 15 years old fell to 1.423.896 (-18.520) and the population aged 65 or over increased to 2.123.274 (+36.634), representing respectively 13,8% and

21,5% of the total population. In 2017, the average age of the resident population in Portugal was 44.2 years, having increased about 3,1 in the last years.

Table II: Resident Population in Portugal and in Lisbon | 2011-2017

Grupo etário	Local de residência (NUTS - 2013) (1)	Sexo	População residente (N.º) por Local de residência (NUTS - 2013), Sexo e Grupo etário; Anual (2)						
			Período de referência dos dados						
			2017 N.º	2016 N.º	2015 N.º	2014 N.º	2013 N.º	2012 N.º	2011 N.º
Total	Portugal	HM	10 291 027	10 309 573	10 341 330	10 374 822	10 427 301	10 487 289	10 542 398
	Lisboa	HM	506 088	504 964	504 471	509 312	516 815	529 357	542 440

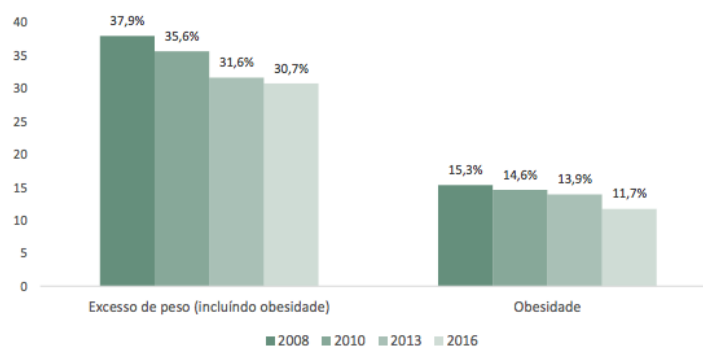
Source: National Institute of Statistics, 2019

Projections for the future point out the continuing and worsening of the demographic aging. Portugal will lose population by 2080, going from the current 10,3 million to 7,7 million residents (falling below 10 million by 2033). The number of young people will decrease from 1,4 to 0,9 million, and the number of older people will go from 2,2 to 2,8 million.

Regarding the quality of life of the Portuguese in terms of health, the statistics are quite alarming. According to an issue published by the Portuguese Directorate General of Health (2018), “unhealthy dietary habits are one the main risk factors for early mortality in Portugal”. The diseases that most affect the population are direct or indirectly related to inadequate diet, namely cardiovascular and oncological diseases, hypertension, diabetes, pre-obesity and obesity.

Obesity and overweight in Portugal are the main public health problems, with over half of the general population overweight and over 20% suffering from obesity. Concerning childhood obesity, although it has been decreasing, it remains at worrying levels as shown in the chart below:

Chart I: Prevalence of overweight (including obesity) and childhood obesity (6-8 years old) in Portugal | 2008 – 2016



Source: INSA (National Institute of Health), COSI (Childhood Obesity Surveillance Initiative), 2017

Notwithstanding the reality illustrated above, the truth is that it is already noticed that Portuguese consumers are more aware of the importance of having healthy eating habits, but there is still a discrepancy between the will to adopt a healthy diet and the products offered in the market (HiperSuper, 2018). An article from the Institute of Marketing Research, published in March 2019, further states: *“the healthy food market is growing and the internet is the main driver in this trend. Images and recipes for healthy, organic, gluten-free, or lactose-free dishes take a bigger place in social media and brands are trying to respond to the desire to eat better. From the agricultural companies, to the agro-food industries and finishing in the new retail formulas, the appetite for this slice of the business is increasing”*. It is becoming increasingly evident that consumers are willing to pay more for healthy products and expect the industry to help them change eating habits and choices.

It is facts and data like the above stated that confirm the need and opportunity for a business like the one presented in this project, which aims to inspire a healthy lifestyle and eating habits by offering easy, practical and top-quality food solutions.

3.1.4. Technological Context

One of the factors that also greatly influences the activity of companies and their management, in any sector of activity, has to do with the technological context in which they operate. Technology has not only altered, as it continues to do so, our quality of life, the way we work, habits and patterns of consumption. Technological methods allow to increase the productivity, to improve the efficiency of production and manufacture, optimizing the times and final quality.

Nowadays, talking about the technological context that surrounds us, implies talking about the power of internet, which is a fundamental element to establish the bridge between companies and all stakeholders. According to INE, its utilization rate is constantly rising, from 93% in 2009 to 98% in 2018 in companies with 10 or more people.

One of the great phenomena that is occurring thanks to the appearance of the internet is also the electronic commerce and the use of social networks, which have revolutionized consumer habits, business strategy and sales channels. INE also shows that the percentage of companies using social media is around 94%.

The restaurants industry, being no exception, has also benefited from this experience that modernizes management processes, namely through more intuitive, simplified and practical software, thus speeding up its responsiveness, service and improving the quality of the experience in general. In addition, the increasing digitalization of the offer has allowed the consumer to communicate directly to the companies (business to consumer – B2C), and vice versa, much faster and more efficiently, thus opening the way to a more precise identification of the needs, more accurate market insights and to better adapt to consumer trends.

3.2. Transactional Environment

This analysis focuses on a set of elements and factors that have a direct influence and impact on the company. The transactional environment is specific for each industry and has four main elements: stakeholders, clients, suppliers and competitors.

3.2.1. Stakeholders

The stakeholder theory defends that stakeholder is defined by “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman, 1984). In other words, stakeholders are all elements interested in the proper functioning of the organization, and those that affect or are affected by the actions, goals and policies of the company.

In this sense, the following can be considered as stakeholders: the owners of the company, all employees, customers, suppliers, partners, local residents, regulators, among others. Ensuring a good relationship with this community is essential for the overall success of the business.

3.2.2. Clients

Clients, or customers, are the current and potential consumers of goods and services offered by a company that form the market and influence demand.

When it comes to restaurants, the main customers are final consumers, who want to purchase their meals. It is crucial to know and understand the target that the restaurant intends to serve, only this way is possible to define a strategy that can lead to the

accomplishment of goals, which obviously means satisfying customers in order to ensure their loyalty.

In this case, clients will essentially be the locals, whether they are residents or workers, and also those who, despite not being in this geographical area on a daily basis, identify themselves with the concept and go there for that reason.

3.2.3. Suppliers

Selecting suppliers is an absolute key factor in a restaurant's success, as the overall quality is depending on the quality of the raw materials that will be transformed into the finished goods. This is particularly true for this project, as its differentiation is based on the values of fresh, organic, healthy and sustainable food.

Suppliers are vital to guarantee not only raw materials, but also many types of services, equipment and finished goods. Considering the location of the business, Lisbon, there are many options for suppliers. There are several types of needs regarding supply, but all of them will be evaluated according to the same criteria: quality and closeness, pricing, delivery times, responsiveness to orders, payment conditions, among others.

Having a good relationship with several suppliers is fundamental to ensure that for each type of product or service is assured the best quality and price. In addition, it is also extremely important to have great relations with different suppliers of the same product (or similar) so that, for the case of one failing, the other is able to respond without compromising the workflow.

For this business, it will be necessary to find suppliers of: raw materials and all food products, kitchen equipment, decor, communication services, accounting, insurances, management software, water, electricity, gas, among others.

3.2.4. Competitors

Identifying and analyzing competition is of the utmost importance in the sense that, to be able to build effective positioning and differentiation, is necessary to know the market players well, their offer, their positioning and strategy. This analysis also allows to find new business opportunities and to assess their potential.

The restaurants and similar sector is marked by fierce competition, mainly in large cities, and especially in Lisbon. The location can be both an advantage and a disadvantage, and if it is in an area with a lot of affluence it is certain that it will have a lot more concentration of competitors, and that if it is in an area with less movement that concentration will be lower. In this case, one of the key facts of the business will be the location, meaning the competition will be strong.

The best way to look at it will be to categorize it according to the positioning, as consumers would, and just as digital platforms for restaurant search do. Using Zomato to evaluate the offer available in the chosen area (Saldanha), for lunch, the following are the most relevant among the 189 results:

Table III: Main Competitors

Type of Restaurant / Positioning	Competitors
Healthy Food	Mami Organic Food, The Green Affair, Tasca Fit, Vegana Burguers, The Paleo Kitchen, Manjerica, Hygge Kaffe, Too – Naturally Healthy Food, Fruly
Casual meals (not positioned as healthy food)	Italy, Madpizza, Butchers, Udon Noodle Bar & Restaurante, Zaafran, Sushisan, À Parte, Honorato, O Prego da Peixaria, Don Costini, Gula's For Kitchen Lovers, Passage to India, Butchers, Affettato Salumeria, Alcaparra, Aron Sushi, Alfarroba, H3, Tascaß do Careca, among others.
Pastry / Bakery / Cafés	Choupana, Fábrica dos sabores, Versailles, Padaria do Bairro, Bagga, among others.
Luxury meals	Rabo d'Pêxe, Sessenta, among others.

Source: Elaborated by author, 2019

Taking into account the type of positioning desired for this business, it is important to know the main competitors in terms of concept:

1. Mami Organic Food: Only uses products certified as bio, has a weekly menu available, divided in starters, fish, meat, specific menus, desserts and drinks. Also serves breakfast and has vegetarian and vegan options.

Price for two: 45€

Open hours: 7h – 23h

Rate: 4.3 in 5

2. The Green Affair: All dishes are prepared only with vegetables, with vegan and vegetarian options, and seitan “steaks”. The menu is divided in starters, day’s specials, mains, desserts, cocktails and mocktails.

Price for two: 20€

Open hours: 12h – 23h

Rate: 4.4 in 5

3. Tasca Fit: Complete menu (breakfast, lunch, snack and dinner) focused on “fit food”, reinventing traditional dishes in a healthier version. Has gluten-free, dairy-free, and vegan options.

Price for two: 15€

Open hours: 12h – 23h

Rate: 4.1 in 5

4. Vegana Burguers: Vegan fast food restaurant that serves healthy burgers, having also starters, desserts, and gluten-free options too.

Price for two: 15€

Open hours: 12h – 23h

Rate: 4.1 in 5

5. The Paleo Kitchen: Only uses products certified as bio, sugar-free, dairy-free, gluten-free and preservatives-free. Follows the paleo diet philosophy.

Price for two: 50€

Open hours: 12h – 22h30

Rate: 4.2 in 5

6. Manjerica: Serves healthy light meals, has breakfast and lunch menus, snacks and burgers.

Price for two: 20€

Open hours: 8h30 – 15h30

Rate: 4.1 in 5

7. Hygge Kaffe: Serves healthy snacks and quick bites, it is a coffeehouse with light meals and brunches available. No gluten-free options referred.

Price for two: 20€

Open hours: 10h – 19h

Rate: n/a (new restaurant)

8. Too – Naturally Healthy Food: Everything is made with natural, sugar-free and lactose-free products, with vegan and gluten-free options. Has menus available, mains, snacks and drinks.

Price for two: 20€

Open hours: 10h – 23h

Rate: 3.5 in 5

9. Fruly: Serves light meals menus (sandwiches or wraps), focusing mainly on juices and fruits.

Price for two: 9€

Open hours: 8h30 – 22h

Rate: 3.8 in 5

4. The Restaurants and Similar Sector

Following the transactional and contextual analysis, it is also important to be aware of the current situation of the Restaurants & Similar sector in Portugal.

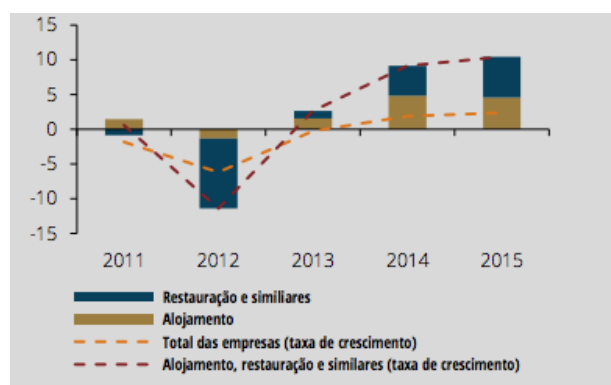
In terms of economy analysis, the catering activity is inserted in the Accommodation, Restaurants and Similar sector, which is divided into three subgroups, according to the Portuguese classification of economic activity (CAE): CAE 55 – Accommodation and CAE 56 – Restaurants and Similar. The second, it is constituted by three types of activity: CAE 561 (restaurants, also including mobile, like food trucks), CAE 562 (food supply for events and other catering services) and CAE 563 (drinks establishments).

In 1986, in the context of reforming the goods and services taxation system and the compliances of participating in the European Community, VAT (Value Added Tax) was introduced in Portugal. The rates applied have changed several times since their implementation (as before stated), essentially with the aim of increasing collection, implementing decisions at European level and improving the competitiveness of some specific sectors. Currently, there are only three levels of taxation: the reduced rate of 6 percent, the intermediate rate of 13 percent and the standard rate of 23 percent.

As referred previously, because of the crisis that Portugal was going through in 2011, the XIX Portuguese Government (2011-2015) decided to implement a set of decisions for the fiscal consolidation strategy agreed with the International Monetary Fund, the European Commission and the European Central Bank. Among these measures, it was approved to restructure the VAT rate applicable to the Restaurant Sector and Similar in 2012 – from the intermediate 13% to standard 23%. As predictable, this decision along the negative macroeconomic context, had major adverse implications on the market balance, companies operating in the sector, as well as for the consumers and producers.

The activity of the Restaurants & Similar sector had registered a 4,5% drop in 2011, compared to the year 2010, but 2012 expressed the highest fall in demand, with a reduction of 12,3% compared to 2011 (INE). The negative evolution of the sector’s turnover derives from previously verified factors such as the progressive alteration of consumption patterns, the increase of the savings rate and the reduction of the disposable income of the families. In 2012, the sharpest reduction in consumption is due, as expected, to the increase in the VAT rate.

Chart II: Turnover | Contribution of activity segments (in p.p.) to the annual growth rate (in percentage)



Source: Bank of Portugal, 2016

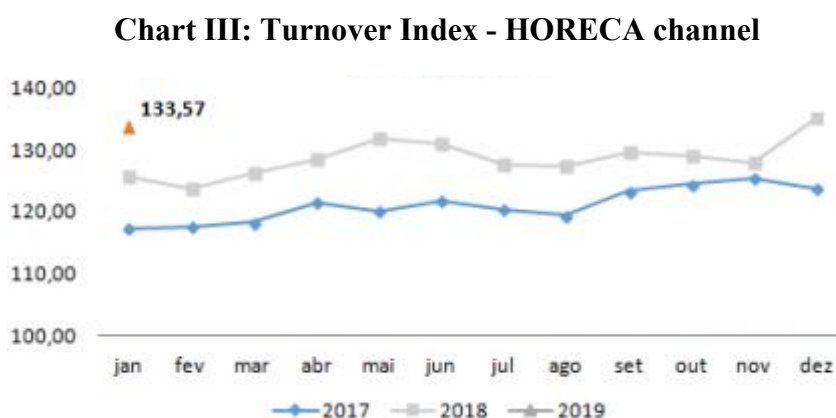
AHRESP (Portuguese Association of Hotels, Restaurants and Similar), has stated that the sector lost around 52.900 jobs between September 2014 and March 2015, this being attributed to the change of the VAT tax to 23%. In August 2013, the Interministerial Working Group, in order to assess the costs related to the accommodation, restaurants and similar sector, acknowledge that the companies in the sector had to sacrifice margins in order to avoid a full repercussion on the increase of the VAT rate in the prices. Also added that, for some it was a question of sustainability, especially as they were facing the

extra pressure arising from the contraction in consumption, which was a result of increased saving rates and changing household patterns.

With the Government change in 2015, there was a decline of the VAT rate from 23 back to 13%, starting from 1 July 2016. However, this decrease was only applicable to food, milk, coffee and bottled water. Products such as wine, beer, packaged juices, spirit and soft drinks, continued to pay the standard rate of 23%. Although being a piecemeal measure, AHRESP (Portuguese Association of Hotels, Restaurants and Similar) affirms that companies were anxious for this measure, so that fiscal, financial, and even international competition conditions could be met, in order to foster investment in modernization and quality, thus creating employment and boosting the services sector in general (in particular tourism as well).

Regarding the performance of the HORECA (hotels, restaurants and cafés) channel, AHRESP publishes that “according to INE's publication, referring to the Indexes of Business Volume, Remuneration and Hours Worked in Services (base 2015 = 100), in January 2019 the main data and conclusions for the HORECA channel are presented: Remuneration: +4,4%, Business Turnover Index: +6,3%, Hours Working Index: +5,3%.

The growth of the turnover index has been constant, considering the years of 2017 and 2018. In January 2019, it was recorded a year-on-year rate of change of +6.3% (having the HORECA channel as the main driver for this growth).

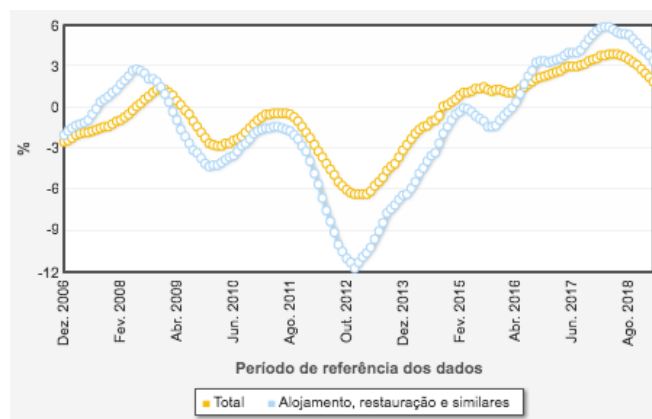


Source: AHRESP, 2019

Looking at the employment index in the sector of Accommodation, Restaurants and Similar sector, it is worth noting the most salient point of the employment line in general.

Coinciding with the variation of the VAT rate applied to the sector, in 2012 there was a strong decline (rate at 23%), and 2016 registered a rise higher than the index of services in general upon the reduction to 13%.

Chart IV: Employment index in services – gross (average annual rate of change – base 2015 -%) by economic activity (division – CAE); monthly



Source: AHRESP, 2019

Regarding the consumption patterns, new concerns are now at the top of consumers priorities, that are health and the sustainability of the planet, which reflects on much more healthier offer available in the market. The trend is clear and is not limited to changing the ingredients – the consumer now looks at the entire value chain, from the way food is produced, respect for the environment, the people and animals involved in the process, and the waste of both food and other resources. Besides this, consumers increasingly seek to be challenged and surprised, looking for more authentic experiences.

The internet and smartphones have profoundly altered the way consumers choose, buy, consume and interact with brands. This sector is no exception and is already dealing with the need to digitize and offer flexible solutions that meet what current consumers expect.

Trends point to a rising attention to the customer, to an increasing interest in gastronomy and to the greater influence of technology in the control and management of all processes. The changes in consumption patterns, the demand that characterizes the younger generations of consumers and the evolution of technology, are the axes that guide the change and the appearance of new trends that mark the evolution of this sector. Restaurant businesses advance in one direction, that is to offer more accessible, informal, real and collaborative experiences.

5. Restaurant Location

One of the main purposes of having a physical workplace is to ensure proper working conditions for a thriving workflow that can maximize performances, efficiency and optimizing costs. Obviously, when it comes to a food service business, there are many more factors to be considered besides these as this is the touchpoint with consumers.

Factors inherent to the success of this decision, such as the surroundings, nearness to related businesses and area amenities, transport services, and many other useful services must be taken into account. If a restaurant is settled in the wrong place, it will be very hard to attract the number of customers needed to thrive, or even to keep the doors open. The same is true if the location has a high concentration of competitors for a small area or has poor visibility or difficult to access or find. Ultimately, all these aspects will have a heavy impact on expenses, operations and, of course, income. Thus, making a wise decision regarding the selection of location is key to the overall success.

Lisbon is considered to be the most developed region of Portugal. According to the European Commission, with “*29,700 PPS (purchasing power standards) per inhabitant in 2016 (Eurostat, 2018), the region is above the national average (22,500) and above the EU-28 average (29,200)*”. Having also a GDP per capita higher than the European Union average, it is the capital and the main economic center of the country, where most of the main companies and public services are located.

Thus, it is also in Lisbon, or more specifically in Greater Lisbon, that a superior number of professionals and individuals with higher levels of education is concentrated, and also where income levels are higher than the national average.

A restaurant that targets mainly office workers, that don't have a lot of time for lunch and seek for relatively fast services, must be located in an area where there is a high concentration of business buildings and offices. Choosing the city center brings great advantages, such as attracting more customer profiles besides the targeted, easier access (more options for commuting) and being within a walking distance, and more traffic that leads to greater visibility, which will (most likely) lead to higher revenues. Obviously, the disadvantages will be reflected on a higher investment (higher prices for leasing) and closeness to competitors.

In Lisbon, one of the most central areas that concentrate important business buildings and a great number of offices, is what is considered to be the Prime CBD (Central Business District). The Portuguese office market is divided by six big areas, according to the Lisbon Prime Index (LPI), and Prime CBD and CBD are the top 2. The selected area for this business will be Saldanha, as it includes precisely these two, and besides the constant traffic and several transport services, it is also an excellent area to walk by. Although it is very easy to find a place to eat around, there is a gap in this area for a concept like the one presented in this project.

6. Internal Analysis

6.1. Supply Chain

A company's ultimate goal is to create value for customers and build competitive advantage, in order to be as effective as possible when it comes to profitability. When operating in a competitive environment, having a clear understanding on how the organization creates value and keep searching for ways to add even more and greater value is crucial for developing a competitive strategy.

Based on this perspective, Michael Porter (1985) has defined the value chain model to help analyzing specific activities through which companies generate value and competitive advantage. Basically, it is a framework to examine the primary and support activities that a company executes to create margin and value for its customers, and how this chain of performances affects costs and profits.

Primary activities involve the physical creation, sales and support of a product or service. Support activities, as it suggests, are those that support the primary and each can take part on a different primary activity.

Applying this analysis to the project under study, here are the primary and support activities:

Table IV: Value Chain Analysis

Primary Activities	
Inbound Logistics	These are related with managing the entrance of new products, such as receiving from suppliers, organizing and storing physical raw materials and products.

Operations	All activities that involve processes from transforming raw materials into finished goods (such as preparing and handling food, cooking, preparing to serve or to store when applicable), to receiving orders and serving customers, managing stocks and equipment, waitering and cashier operations.
Outbound Logistics	Related to distributing the finished products to other channels (like e-commerce), partners and final buyers.
Marketing and Sales	Every action and means to bring in more customers and brand awareness, such as social media marketing, advertising and promotion.
Service	Refers to all activities involved to maintain a successful performance, including installation services, training, maintenance, repair, part supply, software and after sales services for customer relationship managements.
Support Activities	
Procurement	Activities undertaken to purchase inputs that can go from real estate, office equipment and supplies, to machinery, kitchen equipment, furniture and raw materials.
Human Resources Management	Managing human capital and keeping motivation high is fundamental for an organization to thrive (especially in a restaurant business where customers are served by waiters) and this includes all processes from recruiting and hiring, training and development, skill assessment, compensations, salary and vacations processing, etc..
Technological Development	Technology plays a major role in business, as it can improve processes, products and services; both in terms of production (cooking technologies) and other management activities like inventory, reporting, design, communications, billing, among others.
Infrastructure	Activities related with administration and management in general, such as finance, legal services, accounting, planning and quality management.

Source: Elaborated by author, 2019

After analyzing the value chain it is possible to stand out some of the activities that weigh more when it comes to adding value to the business and customers. It is the case of the operations, as it involves all preparation, serving, consumption of the products (and service) and direct contact with consumers. This is the key activity of a restaurant, but inbound logistics supported by procurement are also critical to ensure the best quality of the produce and raw materials, and that it is kept throughout the process until delivering food to clients.

6.2. VRIO Model

Another tool used to analyze the internal organizational aspect, placing the resources and internal capacities of a company as crucial factors to the creation of competitive

advantage arises through the application of the VRIO Model. This allows integrating the positioning perspective and the vision based on its own resources. The acronym is a reflection of the initials of the four components to be taken into account in this methodology of analysis: value, rare, imitable and organization (Barney & Hesterly, 2015). A resource or capability that meets the four requirements can bring sustained competitive advantage for the company.

The first question of the framework assesses if a resource adds value, whether by enabling a company to exploit opportunities or to mitigating threats, or by increasing the perceived customer value. Basically, if there is a way to convert a resource into, for instance, a positive impact on revenue and costs, its value is confirmed as it allows a better competitive advantage.

Rare resources (or capacity) are those that can be acquired or controlled by a reduced number of players. If, on one hand, a rare and valuable resource can provide a temporary competitive advantage, on the other hand, a resource held by several companies will only bring parity. Although parity is not the most desired position when it comes to competitiveness, this scenario is also very favorable for a company, because it ensures a position within the market that, otherwise, would be compromised without such resources and capabilities.

The concept of imitable regards to the cost of imitation for a company to obtain or develop a resource or capability owned by another player. A resource is also costly to imitate if other companies are not able to imitate, buy or substitute it. Organizations with rare and valuable resources or capabilities are, generally, more reliant on specific factors that other players don't have to use innovation as a strategy to create stronger competitive advantages. Although there are imitable resources and capabilities, some are quite complex to duplicate or copy, such as experience, know-how, networking, culture, reputation, etc.

Having resources and capabilities that meet the previous requirements alone does not confer any advantage for a company, unless it is organized to capture their value. Achieving sustained and strong competitive advantages requires accuracy in managing policies, systems, processes, culture and organizational structure.

This project is planned in order to develop resources and capabilities that will convert into competitive advantages in relation to current and potential competitors. Examples of such are the unique recipes and techniques that allow to offer differentiated products (food), the focus on the relationship with customers and suppliers that will bring trust and confidence on both parts, and also the relationship between all employees within the company. This type of value is not easily imitated in a short period of time.

7. Competitive Analysis

7.1. Porter's 5 Forces

The structure of the ecosystem in which a business operates significantly influences the choice and definition of the strategy to follow. According to Michael Porter's perspective, the essence of formulating a successful competitive strategy lies in relating a business to its contextual and transactional environment. In order to better understand the competitive environment and identify future actions to gain an advantage over competitors, Porter has developed and published (1980) a model that recognizes and analyzes the five competitive forces operating in an industry, thus expressing its weaknesses and strengths.

7.1.1. Competitive Rivalry

The level of aggressiveness in rivalry among competitors tends to be higher as companies grow and dispute over tactical positions that are influenced by market growth, prices and costs, level of product differentiation, exit barriers and need of activity expansion.

In Portugal, the catering sector consists of a large number of competitors, which is a negative factor for the rivalry between the companies in the industry. One of the reasons for this is the large numbers of restaurants and cafés available for a small area, offering customers the chance to easily choose one over another, especially since there are no costs for this change and also because it means variety, thus making consumers appreciate a wider range of alternatives and differentiation among competitors.

Knowing that competition exists due to competitors feeling pressured and recognizing that is possible to improve their position, and that the restaurants industry is currently pressured by the growth of popular food trends, the need for diversification has increased in the sector. In spite of business models being similar, one way to create differentiation between competitors is through their value proposition, as is the case of this project - in

which differentiation lies in the concept of offering Portuguese and world gastronomy in a healthy, authentic and tasty version, with an extra convenience, as it is simultaneously a restaurant and a place where customers can find solutions for eating healthy at home.

Although this type of service is not new in Lisbon, the existing alternatives are not rooted in a concept of healthy food, being more based on the most traditional gastronomy and way of cooking. In the area intended to settle the business, consumers cannot find specialized and targeted companies for this type of service and healthy products, that are sold at the place where it is also possible to enjoy a meal.

Another aspect that strongly contributed to this wave of diversification had to do with the economic situation that the country has recently experienced, which was heavily resented by it, forcing companies to adapt to the new reality in which they operate, and trying to anticipate competition whenever possible. As a result, there has been a great number of diversification and innovation in the types of restaurants - along with traditional restaurants, gourmet, fast food, ethnic, ethical, vegan and vegetarian restaurants have multiplied. This reflects the necessity to explore every opportunity to develop and enrich concepts within this category.

Considering the above noted, it is clear that rivalry is high. Regarding exit barriers, these are not very high - fixed assets and goods can be sold relatively easily; and the company must be also available to address all legal matters related with employees and commercial contracts. The most difficult will be the emotional barrier, because of the affinity and attachment to the project and clients.

7.1.2. Threat of New Entrants

The threat of new competitors entering a sector or market depends on the barriers to entry and the expected reaction of current competitors. Barriers to entry are, in the end, all that could hinder or even prevent access of new competitors to a certain sector of activity. The greater likelihood of new players entering a particular sector, the less attractive it is considered.

In this case, the power of this threat comes essentially from small businesses and new restaurants that seek to diversify their businesses and concepts, because not only the “typical” (less differentiated and more traditional) restaurants are, in its majority, at its

maturity phase or even declining, but also that is what consumers are looking for. This phenomenon encourages the emergence of more and more restaurants, which increases the threatening power of new competitors.

However, any entrant in the activity will face some difficulties inherent to the business nature. Opening a restaurant or a catering business requires a high initial investment in real estate construction or leasing, or improvement works, as well as a deep knowledge of how the sector works and operations flow. In addition to the constant need for differentiation or innovation to ensure business sustainability, other restaurants that are already well-established take advantage of their stronger brand awareness.

On the other hand, the absence of legal barriers or protectionist policies, which could limit access to the market or industry, and the fairly easy access to technology and techniques, distribution channels, raw materials suppliers, translates into a medium-strong threat regarding the entry of new entrants.

7.1.3. The Threat of Substitution Products or Services

In the restaurants sector, any type of restaurant or establishment of another format that is dedicated to commercializing meals, such as cafes, bars, tea houses, pastry shops, take-away, among others, should be considered a substitute service, which increases the threat of substitution. Although different in the way of satisfying customers' needs, they have the same effectiveness, equally satisfying the hunger and thirst of consumers, which is ultimately the main purpose of the catering activity.

Regardless of some positive economic signals, many consumers are still in a cost-containment phase, so all customers who choose to dine at home, thus replacing the move to catering establishment, also represent substitute products or services. Homemade meals are becoming more and more common, for consuming not just at home but also out of home, not only for the price advantage but because it is also easier to guarantee the good quality of products.

Frozen foods, fast food, snacks, as well as all pre-prepared meals must also be considered as substitutes. Essentially, all products that can be consumed at a reasonable price and with fast preparation.

However, market trends point to a greater concern in the nutritional balance of recipes and menus, which is a factor that this project intends to follow as a differentiating point of the competitors. Today's consumer is increasingly aware of the role of food in disease prevention and in promoting well-being, being much more demanding in terms of food choices.

The aforementioned substitute products are mostly tied to less healthy foods, which is an obvious disadvantage comparing to the more authentic and wholesome type of food, exactly like the one intended to offer in this project. In this way, differentiation is a key point to minimize the threat of substitute products.

Despite the specificities that each establishment may present, it is relatively easy to replicate some success concepts, which is of course a negative point, leading to the threat of substitute products being considered medium strength.

7.1.4. The Bargaining Power of Suppliers

In the catering industry, the quality of food served is a critical factor for success and source of competitive advantage, making the choice of suppliers a crucial process to ensure customer satisfaction and retention.

Considering the selected location for this business plan (Lisbon), there are many suppliers available that can be resorted to, as well as enough information to make their substitution easy enough (even if it implies additional costs), which reduces the bargaining power of suppliers.

Restaurants are also reliant on suppliers to deliver quality products in a timely manner, thus meeting delivery deadlines is a factor that gives suppliers some power. In order to overcome this, it is important to adopt an initial strategy which consists of having more than one supplier, ensuring quality is constant, so that there is no feeling of superiority from their part.

Although dependence from suppliers is not very high, some vendors specialized in certain products like organic, vegan, gluten-free, etc., may gain some bargaining power and impact profit margins. But on the other hand, there might be the possibility of producing some specific products inhouse and avoid such costs, minimizing their power to negotiate.

Regarding other suppliers of non-food products, the negotiating power is also relatively low, since there is a lot of offer (meaning competition) in Portugal, and the access to products from abroad is very easy. Knowing this, the bargaining power of the suppliers is considered to be relatively low, resulting from the balance between the ease of substitution, their high importance for the well-functioning of the establishment and for ensuring the quality of the final product.

7.1.5. The Bargaining Power of Customers

The influence that clients have in terms of the competitiveness in the industry lies on their power of choice and ability to negotiate. The elevated number of restaurants and the varied gastronomic offer available give customers "too much" choice, which is why the strategic decisions made by the company should be weighed considering their tastes, criteria and needs.

In this business model, that is intended to operate directly to serve the final consumer, not only there is a high number of potential customers in the industry, but also the individual customer does not obtain enough average purchase volumes that could weight significantly on the turnover, in order to obtain negotiating power.

Thus, when looking at clients as individuals, the power to bargain is quite low and losing an individual consumer does not affect the business deeply. What may happen is that an isolated case of lack of quality in a product or service can make the client feel the need to choose a restaurant with another type of food or even a restaurant with a similar type of food, and such switching costs are practically non-existing. On the other hand, considering the client as a community, their power becomes quite high and, if nothing is done to regain their satisfaction and loyalty, it can significantly affect the business.

Another important aspect is the online and offline platforms that give clients the possibility to evaluate and rate restaurants in terms of quality and service, keeping them informed and updated. It is very important not to undervalue the power of word-of-mouth, because a positive evaluation on any site or social network can translate into future customers for the business, and vice versa. One last factor to consider is the lack of consumer loyalty, given that the wider variety of options instills in the customer a constant

need to try new places and new flavors, thus changing location according to trends, price, service and other aspects.

Nevertheless, and considering that clients are final consumers as individuals, it is easy to conclude that the strength of bargaining power of clients is relatively low.

7.2. SWOT & SWOTi Analysis

Setting realistic and strategic goals is crucial to the growth and development of a company. The SWOT analysis is a key tool to implement a strategy appropriated to the social and economic reality of any company. In fact, this analysis identifies the main dimensions, both internally and externally, that will have a direct impact on the operational areas of the organization.

Table V: SWOT Analysis

Internal Environment	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Residential and business area in a very central location with great affluence; • The restaurant atmosphere will be unique: modern, original and simple decoration; • Organic, healthy and very tasty food, with fresh and high-quality products and allergy-free options • Traditional dishes also available in a healthy version; • Convenience: takeaway service, selling frozen meals and food solutions to make cooking at home easier; • Great value for money: the products offered are affordable and have competitive prices; • Free Wi-Fi network; • Customers will be served faster than in other competitor restaurants; • Receiving time superior than payment timing; • Several options for suppliers 	<ul style="list-style-type: none"> • High initial investment; • Initial know-how is not at expert level; • Lack of brand awareness; • Limited time: closed at dinner time and weekends, which reduces turnover; • Customers target is somewhat limited, does not take advantage of high tourism
External Environment	
Opportunities	Threats
<ul style="list-style-type: none"> • Restaurants market recovering since 2011 and positive prediction of economic growth; 	<ul style="list-style-type: none"> • Consumers' habits of bringing lunch from home to work;

<ul style="list-style-type: none"> • Increase in healthy lifestyles and volatility of eating and consumption habits; • Consumers are looking for healthy meals and have less time to make them; • Restaurant expenses are deductible for IRS expenses; • Food technology and innovation are not slowing down; • Direct competitors not specialized in this type of food and service 	<ul style="list-style-type: none"> • Substitute products and services; • High competition; • Reduced customer loyalty and power as consumer (absence of change costs); • High permeability of substitutes and new players; • Possibility of replication, copying; • Increase in costs of essential raw-materials
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Source: Elaborated by author, 2019

Once identified the positive and negative existing aspects in the inside and outer environment of the organization, it is convenient to confront them in a way that maximizes market opportunities and minimizes the possible effects of threats to the company. For this reason, it is quite relevant and useful to make a Dynamic SWOT analysis, which confronts the current paradigm of the company, with the situation of the past and situation predicted in the future.

Table VI: Dynamic SWOT Analysis

		INTERNAL ENVIRONMENT	
		Strengths	Weaknesses
EXTERNAL ENVIRONMENT	Opportunities	<ul style="list-style-type: none"> • Responding to new market trends, through new experiences and convenience, brought up by food, place and concept of the restaurant; • Restaurant specialized in healthy and tasty food with sale of convenient food products; • The communication and customer loyalty strategy will allow to take advantage of the large affluence to the location, ensuring that clients are aware of the existence of this concept and space, and that after the first visit will be easily loyal by the quality 	<ul style="list-style-type: none"> • Strong initial effort in promotion, using various means of communication and dissemination, and especially through the presence in social networks and platforms such as Zomato; • The limitation of the lack of brand awareness is minimized by the large affluence and diversity of the location, as well as by the existence of a solid trending concept; • Develop partnerships and initiatives to strengthen customer loyalty; • The lack of expertise level will be remedied by a management based on the accuracy of monitoring and control of the operation as well as the monitoring of market trends

Threats	<ul style="list-style-type: none"> • The concept follows and responds to market trends; • The fact that customers value healthy products minimizes the disadvantage of having a lot of competition in the same area; • Continuously invest in innovation and differentiation at the level of supply and the concept; • Fast and efficient service, quality of preparation; • The prices charged are within those of the competition, and reflect a good value for money 	<ul style="list-style-type: none"> • Focus on differentiating from competition, being a restaurant specialized in healthy, tasty products, also convenient for families; • Communication and loyalty strategy focused on the creation of a brand and recipes that are not easily copied will provide some security in a sector where concepts are easily imitated
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Source: Elaborated by author, 2019

Despite the great relevance and importance of this analysis, ISCTE Business School teacher have developed a new adaption of this very relevant tool – SWOTi – which proposes to analyze the strengths, weaknesses, opportunities and threats from the perspective of the company’s strategic pillars. That is, it is a more contextualized analysis from the point of view of the influence that these factors have on the core of the business. It is then necessary to know the strategic pillars upon which the organization is settled and to evaluate how they are impacted by strength, weaknesses, opportunities and threats.

Figure I: SWOTi Analysis



Source: Strategic Plan ISCTE (2018-2022)

According to the authors, the concern with sustainability is intrinsic in the SWOTi matrix, since this should be a concept increasingly present on the basis of decisions made by managers. Nowadays, in general, almost all companies have their foundation based on values related with social, economic and environmental concerns, but is becoming more and more imperative to ensure that those same values are not put aside when the time for taking action comes, even when the reality of the market is tempting to behave in a different way.

The main outputs of this analysis relate to how values and business decisions affect or not the whole environment where the organization is embedded, especially in the society. For this reason, a good way to figure out the possible impact of a decision that intends to take advantage of the company's strengths and market opportunities, will be to question whether these actions will be aligned with the values of the organization, and whether the impacts on the surrounding environmental, social and economic conditions will be positive or negative. It is also crucial to consider to what extent these actions will contribute to social inequality or to the problem of climate change (Strategic Plan ISCTE, 2018-2022). This translates into greater awareness and therefore responsibility of the management for the consequences of the decisions, once they are able to explore business opportunities already knowing the market, the trends, the economic, social and environmental aspects that surround them – thereby understanding how they might affect the inner and outer environment around the company.

This adaption of the SWOT analysis proves to be extremely important for a business such as the one presented here, where it is increasingly essential to meet consumers' needs and monitor their evolution, which goes beyond concerns about the product (focus on the value-chain), just as it is fundamental to support the company's sustainable growth in products and services that benefit the health and well-being of society.

That being said, the three main pillars of the company are: (1) develop a sustainable and solid growth, (2) awareness of the society's lifestyle and consumption trends evolution, (3) operating with the highest ethics in order to not harm its stakeholders, while promoting a more prosper economic, social and environmental surroundings.

8. Strategy Formulation

8.1. Dynamic Capabilities

Dynamic capabilities of organizations are a concept that greatly piques the interest of business administration and management researchers within the various fields – from strategy, marketing, operations, innovation, to human resources management.

From the first definition of this concept, originally made by Teece, Pisano and Shuen (1997), there have been several theoretical efforts to develop the concept of dynamic capabilities. Acknowledging this, Helfat et al. (2010, p. 4), summarized the most relevant points of each definition by stating that dynamic capabilities are the “capacity of an organization to purposely create, extend and modify its resource base”.

Meirelles e Camargo (2014) propose an integrative model of the several definitions presented by various authors, stating that it is possible to identify in the various definitions components commonly referred for the existence of dynamic capabilities, which are the set of behaviors, skill and abilities, routines and processes, learning mechanisms and know-how management, focused on change and innovation. These elements are developed along the organizational trajectory, in a cumulative process of knowledge and learning, also derived from the need to adapt to external environmental challenges.

In this sense, dynamic capabilities allow the continuous implementation of a set of activities that enable to strengthen capabilities that were already developed in times of business stability, as well as generate new capabilities to face new problems and challenges from the external environment. In the latter case, the most effective dynamic capabilities are those that help the organization focus on customer-related processes and look for new opportunities, which will translate into greater competitive advantage in times of crisis. For small businesses, a major advantage is their ability to generate dynamic capabilities based on flexibility and faster responsiveness, when compared to larger organizations (del Mar Alonso-Almeida & Bremser & Llach, 2015).

In this particular case, a restaurant, within its dynamic capabilities is crucial to ensure that we understand the customers’ needs, stay aware of what they are looking for, and how their preferences evolve – especially in times of financial instability. In addition, given the competitive nature of the business, it is of utmost importance to incite the ability to

quickly detect, monitor and react to the competition, and even consider the possibility of reviewing operational processes, product and price points.

It is also relevant to highlight the importance of sharing ideas and keeping up with the latest trends in consumer habits, technology, strategies and business models, in order to inspire innovation.

8.2. Mission, Vision and Values

Defining accurate strategies to guide the everyday actions of an organization, both as whole as individuals, in order to converge goals and the more effective direction of the business, must be sustained by useful tools. Such instruments include the mission, vision and values of a company.

The mission of a company is the concise statement of its fundamental reason it was created, the ultimate purpose of its existence. The mission of this project is to run an efficient and profitable business that inspires and simplifies healthy eating, helping our customers feel better and live more, by offering affordable, tasty and nutritious meals and convenient solutions that suit the everyday busy lifestyle.

Vision represents a future state for the business, how and where it wants to reach, what it aspires to be. Contrary to the mission, the vision is defined for a period of time, and it can be adjusted over time, according to the moment the organization is going through. This business concept is built upon the belief that our choices regarding food and what we eat, where it comes from and how it is handled, have an immediate and powerful impact not only on the health of individuals and communities, but also the environment. We envision a food industry that is transparent, healthy and socially responsible, allowing us create value for our customers, community, and all stakeholders while being economically and environmentally sustainable.

There are many ways to attain a goal or act according to the vision of the company, but it is critical to keep in mind certain guidelines, like principles or beliefs to guide the behaviors, attitudes and decisions of all people involved in the pursuit of the goals that accomplish the mission. Ultimately, a company's core values support the vision. We acknowledge that to be part of a transparent, healthy and responsible food industry, implies following a set of shared values.

Quality, integrity, transparency, passion, teamwork, commitment, entrepreneurship and value creation underpin our DNA as a company.

8.3. Company Goals

A company's goals must be intimately connected to its mission and vision, working also as a guideline to ensure that management decisions are done accordingly to them. They are, therefore, the results that the organization intends to achieve.

Goals can be divided into different types inside an organization, depending on how specific and broad in terms of time and number of departments involved. This means that goals can and will be different from person to person and department to department. For a smooth ongoing workflow and continuous successful operations, there must be both short and long-term goals for the company as a whole.

Regardless of the timeframe of the goals established, it is mandatory to be as much specific as possible when it comes to managing a business, in order to ensure their feasibility and accomplishment. For this reason, it is settled that, besides general big goals for the company, there must also be SMART goals, meaning specific, measurable, attainable, realistic and time-based (George T. Doran, 1981). For the case in study, the goals are the following:

Table VII: Company Goals

<i>Big goals</i>
<ul style="list-style-type: none">• To be recognized as a restaurant with an innovative and differentiative concept in the area where it is settled;• To never compromise quality of food and service, by continuously asking for feedback and improving;• Capture and retaining new customers, both business workers and neighbors of the area;• Develop enough brand awareness and customer satisfaction for the convenience products and pioneer that type of service / product in the area

<i>SMART goals</i>
<ul style="list-style-type: none">• Starting business activity in the first trimester of 2020;• Keep food costs at less than 50 percent of all revenue, focusing on keeping food waste as low as possible;

-
- Maximizing the sales of convenience food products by serving that same food at lunch, making use of push marketing, aiming to have 30% of these sales from lunch customers;
 - Ensure a monthly average of 50% occupation in the first trimester of activity, enabling to reach the sales objective
-

Source: Elaborated by author, 2019

8.4. Critical Factors for Success

Critical factors for success (CFS) are the fundamental elements that must not fail for an organization to succeed, thus ensuring that the company can achieve the outlined goals and fulfill its mission. When neglected, these critical factors can, and most likely will, lead to failure. Identifying

Taking proper advantage of CFSs involves having a clear understanding of what they are and how to use them to drive business decisions, actions and processes (Marvin T. Howell, 2009). These can vary by business area and are different from business to business.

Considering this plan studies a new restaurant business, the critical factors to guarantee competitive advantage and overall success are:

- Market position: monitoring closely market trends and competitors' innovations is as much important as being aware of the direction of the economy, which will enable to pursue cost and product differentiation (meaning responsiveness to customer demands) as much as possible.
- Consistency in quality of the products and service: having an absolute control over the day-to-day business flow is crucial for understanding the oscillations in the quality of products and service offered, as well as breaks in affluence, in order to keep adjusting and improving, without ever compromising the quality (a customer's last experience will dictate the will to return or not).
- Value for money: finding the right balance between price, value, service and product is one of the most important aspects to gain customers satisfaction loyalty; if a client feels the price/quality is not worthy, it is not likely that it will give it a second chance.

- Relationship with suppliers: not only is critical to select suppliers wisely to ensure they are reliable, as is also checking the provenance of products, serving only fresh and top-quality products (raw materials procurement is absolutely key in the pursuit of quality).
- Costs efficiency: it is mandatory to manage costs in order to meet the desired financial performance, being essential to control stocks, waste (one of the most cost compromising aspects), logistics, raw materials and production costs, etc.
- Marketing: investing in marketing and advertising is essential, especially in an environment with so much competition, not only for a new restaurant to attract customers, but also to know the business in detail (its limitations and strengths) and be prepared to decide and act according to the potentialities or restrictions of the restaurant and the ecosystem in which operates
- Empowered staff: all employees have a strong impact on the business, mainly the ones serving customers since these are the human point of contact with the consumer, which is why there is the constant need for continuous education and training, open communication and reinforcement of shared values.

9. Strategy Implementation

9.1. *Marketing-mix*

The ultimate goal of a company is to sell, obviously, and succeed through the launch of their products. For a long time, it was companies who determined the type of product to make available in the market, forced the sale and focused only on profit obtained through sales volume. Nowadays, it is the market that determines the type of product that companies should seek to offer, and the focus is on meeting the needs of customers and keeping up or anticipating market trends.

In order for this mission to be carried out successfully, the company must have good commercial strategies to place its products on the market. One is the traditional marketing mix, commonly known as the 4 Ps methodology: product, price, place and promotion (McCarthy, 1960). Its relevance is due to its great capacity for assertiveness and

personalization, being adaptable to different models and sizes of companies, segmentation of the target and profitability of the business.

9.1.1. Product

Products, whether tangible or not, are created to respond to consumers and markets' needs or desires. In this type of business, success is intimately linked to the physical product (end product sold to the customer) because that is where that great value for the consumer resides and through which it is delivered, which is why this is one of the most relevant elements of the marketing mix when it comes to food businesses.

Healthy meals are, indeed, the core business, so if this care and focus on healthy eating and food making did not exist, most probably the business itself would not exist as well. In fact, it is here that the most differentiating point lies, comparing to the surrounding competition.

The array of products includes a wide selection of different types, from freshly made meals to lunch inhouse, to frozen ready meals and other food solutions, to healthy desserts. A very important aspect is also the flexibility and ability to update the available options in the menu, adjusting to the type of products that the client most seeks and prefers. It is crucial to guarantee this as soon as there is a good consolidation of the business, that will allow a greater diversification of products.

The establishment, the business in general, offers not only physical products but also services, such as a pleasant and inviting environment to enjoy a meal, the grocery / frozen products store, that will also be available online and enable home deliveries.

9.1.2. Price

Besides being used as a competitive instrument, as it sets the product below, equal or above competitors, pricing is defined in order to cover costs and gain profit. Regarding restaurant businesses, it is crucial to not underprice dishes as they must at least balance out costs. They also must be careful not to overprice, as this can push them out of the local market.

Prices will reflect the value of the products and services according to the positioning intended, which in this case will be higher quality food and careful service at a reasonable price and comparative to competitors in the area (physical location) and other online stores (food products), thus meeting market on price points. Target clients have a medium level of income and purchase power, seeking better quality products with good service, so offering great quality at nice price is a great competitive advantage.

There are several factors that can influence prices and must be taken into account when calculating and deciding on pricing options, such as: need for profit and margins, fluctuation of supply and demand, overhead costs, competition prices, sales, the psychological aspects of price setting, among others.

9.1.3. Place

Excellent visibility is imperative and indispensable to attract customers, especially at the beginning of the business when it is not known nor has brand awareness. Easy access and convenient location are also very critical for the overall success. This is true mainly in cases like this project, which has as target the business workers, who despite having some availability to eat lunch, do not want to go away from their place of work.

Having as target all workers in the area and people with a busy lifestyle in general, what makes sense and becomes mandatory for the success of the project is, in fact, being in the center of the city, in an area that concentrates several corporate offices, and that is easily accessible by foot and by car. It will be, therefore, in the Saldanha area, in a store with good visibility for and from the street. Another place where the business must be present, and no less important than the physical location, is the online store.

9.1.4. Promotion

The existence of needs leads to the creation of products that satisfy them, and the elements previously analyzed ensure that the customer recognizes value in them, has easy access to them and is willing to pay the price. But a business must not rely only on sporadic and occasional sales opportunities. It is mandatory to enhance and inform about what is intended to sell (Lendrevie et al., 2015), especially in a context of aggressive competition.

The communication or promotion of a product aims to make known the services or products to potential customers, conveying their value and relevance, in order to stimulate the demand and create the desire to buy.

In the case of a restaurant and ready-meals online store, an effective promotion is imperative for the overall success of the business since the restaurant is surrounded by competitors, being obligatory to highlight its offer. On the other hand the concept of selling meals and other food solutions online is relatively recent, thus needing to gain awareness and space in the market, as well as becoming part of consumers' consuming and buying habits.

It has already been confirmed that there is a market for the business in study, as trends corroborate, that will continue to grow, making mandatory to reach the consumer with correct message. It is intended primarily to demystify possible prejudices regarding this type of product (healthy food is not flavorful and frozen food is not that healthy), through the credibility of the brand that is intended to generate great standards of quality, hygiene and safety.

Regarding the channel and ways to communicate, inform and persuade customers and potential customers, whether via online or offline. Besides the worth-of-mouth, which is very powerful but not easy to conquer, the following will be the selected tools for promotion:

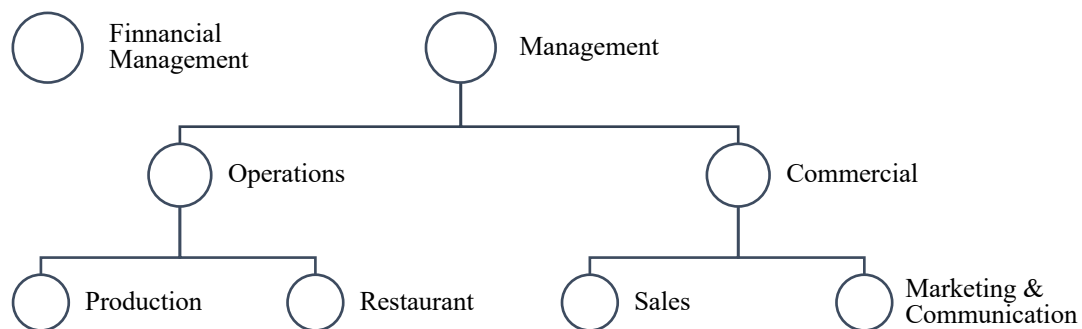
- Website and online store: one of the most important interfaces with customers
- Social media: Zomato, Instagram, Facebook, Google Places
- Distributing business cards
- Distributing and delivering flyers in the surroundings, mainly in offices
- Sale and direct communication to B2B through visits to potential customers and subsequent follow-up
- In-store exhibition of products (frozen)

9.2. Resources

9.2.1. Company Organizational Chart

Having formulated a strategy for the company, it is necessary to create a structure where it can be settled and supported. The organizational structure represents the way in which the activities develop by a company are divided, organized and coordinated.

Figure II: Organizational Chart



Source: Elaborated by author, 2019

Since this is a new micro-enterprise, the organization is simple and decision-making processes are not complex, and this is a responsibility of those who are in charge of managing the company (general management). It is up to the company's management to ensure the proper planning, organization, direction and control necessary for the company's efficiency, and also ensuring cooperation between employees so that the strategy and objectives outlined can be fulfilled.

Operations are the largest department in the sense that they involve two major activities, these being the production and the restaurant service. Production encompasses activities such as procurement, purchases, inflow and outflow of goods, confection of products, store, packaging, among others. The restaurant service, of course, includes customer service, direct selling and serving meals (lunches), maintenance and cleaning of space, etc.

The commercial department is responsible for sales, marketing and communications, including responsibilities such as managing channels at all times (pre and post-sale), promotion, realization and control of sales.

9.2.2. Human Resources

In a business such as this, which intends to have a service and offer of products (restaurant and sale of frozen products), its activity is not only based on satisfaction in the after-sales moment - the frozen product will be consumed at a later time to the purchase -, but also in the centralization of the entire process of satisfying a need at the time of purchase and through personal interaction. This means that, in addition to the importance of the quality of the products sold, the people directly or indirectly involved in the whole process, represent a fundamental and determining asset in the success of a business.

The existing human resources in organizations are essential to their functioning, regardless of their size. It is up to the employees to fulfill their respective job functions and tasks, and for that reason they are also the responsible for the construction of the organizational culture.

Therefore, it will be a priority for this project to focus on the recruitment of people with strong experience, who will ensure the stability of the team at the beginning of the activity. As knowledge is passed on the remaining members, the team becomes more solid and motivated. It is expected to start the activity with four employees:

- A cook: responsible for purchasing and stock control, preparation, confection and finalization of the products
- A kitchen assistant: gives support to the cook during preparation and confection period, helps to pack products and bridges the room and kitchen during
- A waiter: serves customers over-the-counter (who will go to the table with a tray) in lunch time
- A project/business manager: in addition to general business management, supports and supervises all activities, helps during lunch times being responsible for the cash and receipts
- A management assistant: supports communication, sales and marketing tasks

9.2.3. Material Resources

Table VIII: Material Resources Needed for Opening of the Business

Physical Place	Located in the Saldanha area in Lisbon (average rent is around 19,70€/m ²), for the reasons already mentioned, the space will have to be large enough to guarantee space for the restaurant area and also for the store
Restaurant	Kitchen equipment (industrial stoves and ovens, industrial refrigerators and freezers, blast chillers, vacuum sealing machines, stainless steel countertops, dishwasher, dishwashing machine, kitchen utensils, crockery and cutlery, etc.), room equipment (refrigerators, coffee machine, counter, tables and chairs, among others).
Office Supplies	Regarding computer equipment, two portable computers worth 900€ (VAT not included) and 2.000€ (VAT not included) will be purchased, allowing one to use for communication, design and marketing support, and another to support management activities. The remaining equipment will be to ensure administrative tasks, such as printers, photocopiers, among others, worth 450€ (VAT not included).
Vehicles	An isothermal box van for the transporting food, worth 10.000€ (VAT included).

Source: Elaborated by author, 2019

9.2.4. Project Manager

The Project manager will be me, Sara Fauvelet de Brito, graduated in Communication and Multimedia from Lusíada University of Lisbon, and postgraduate in Business Administration from ISCTE Business School, with the possibility of being a master after delivering and defending this business plan.

With a professional experience in one of the big consumer companies and in a start-up, together with a huge interest in gastronomy and healthy cuisine, and the advantage of meeting several people who have worked in large companies within the sector and also owned restaurants (one of them to be a partner in this project), I believe I have the necessary tools and advice for a successful management of this business.

9.2.5. Sales Force

No company survives without sales, and it is in the sales force of an organization that resides most of its potential for success.

In the case of this business, as in any restaurant (and shop), there is not exactly a sales team, once the sales force is made at the time of the sale. However, it is necessary to have a good and accurate perception of what the client needs, as well as to adapt the speech to the different clients (Lendrevie et al., 2015).

Employees who serve the public must know how to show customers which products exist, and know their attributes in the best way, following their experience as a customer and consumer, offering the best possible service and a high level of hospitality.

In addition to the restaurant and shop, the sales force also passes through an ecommerce channel, that is, a website that, besides being a marketing tool, must work as a marketplace, including all products and respective presentations, customer service, order placement and payment, etc.

The volume of sales will depend directly on the performance of the company’s employees and also on the effectiveness of channels such as ecommerce, so it is crucial to keep focus on these two elements that build the sales force.

9.2.6. Accounting and Legal Support

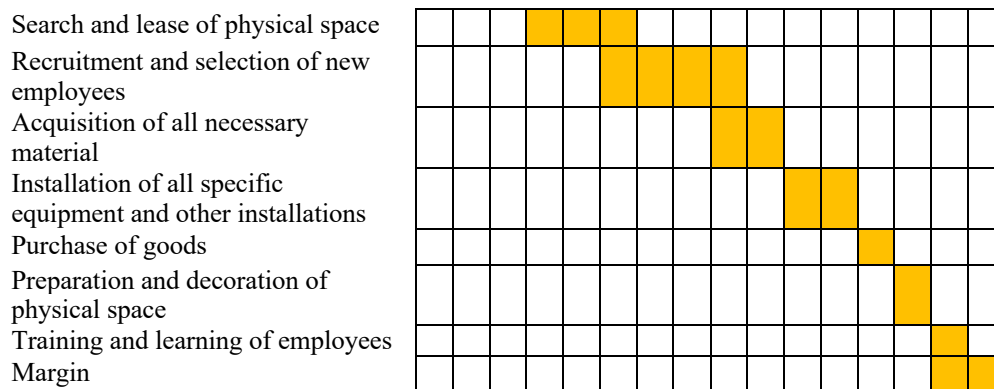
The accounting and legal support of the company will be provided by an external company, which will be responsible for ensuring the compliance with all legal requirements in force, as well as for the preparation and organization of accounting, wage processing, taxes payment, among other. The monthly fee for this service will be around 190€ (VAT not included).

9.3. Implementation Plan

Having identified the resources needed to open the physical space for the business, it is important to outline a good plan for its implementation, defining the tasks, activities and the estimated time for its accomplishment. The Gantt chart shown in Figure XX presents an orderly progress and time intervals for the steps required to start the activity.

Chart V: Implementation Plan - Gantt Chart

Task / Month	Month 1	Month 2	Month 3	Month 4
Business plan analysis	■ ■ ■			
Legal procedures for opening		■ ■ ■		



Source: Elaborated by author, 2019

Firstly, it is very important to analyze the business plan developed here, to review it in order to identify possible errors and, if necessary, adapt better to reality (if not implemented in the very near future). About two weeks will be enough.

Once the business plan is closed, it is time to take care of all the legal procedures to start all the legal procedures to start the activity, which may take two weeks.

Having obtained all licenses and necessary bureaucracies handled, it is time to search for a space to establish the kitchen, restaurant and store. This step is particularly critical given the importance of the location for this type of business, so three weeks will be dedicated to this task of searching and leasing.

After finding the right place to settle the business, the recruitment and selection of employees is carried out. One month for this process should be suffice.

Subsequently, the acquisition of all necessary material will begin. Then, it is time for the installation of that same material, as well as of the respective installations of specific use.

In the last four weeks before the space is open to the public, tasks such as the purchase of goods, the preparation and decoration of the space, and training for employees will be carried out, with the aim of adapting and preparing the team to the expected normal operation of the business. Also, it is considered a margin of one or two weeks in case something unforeseen happens.

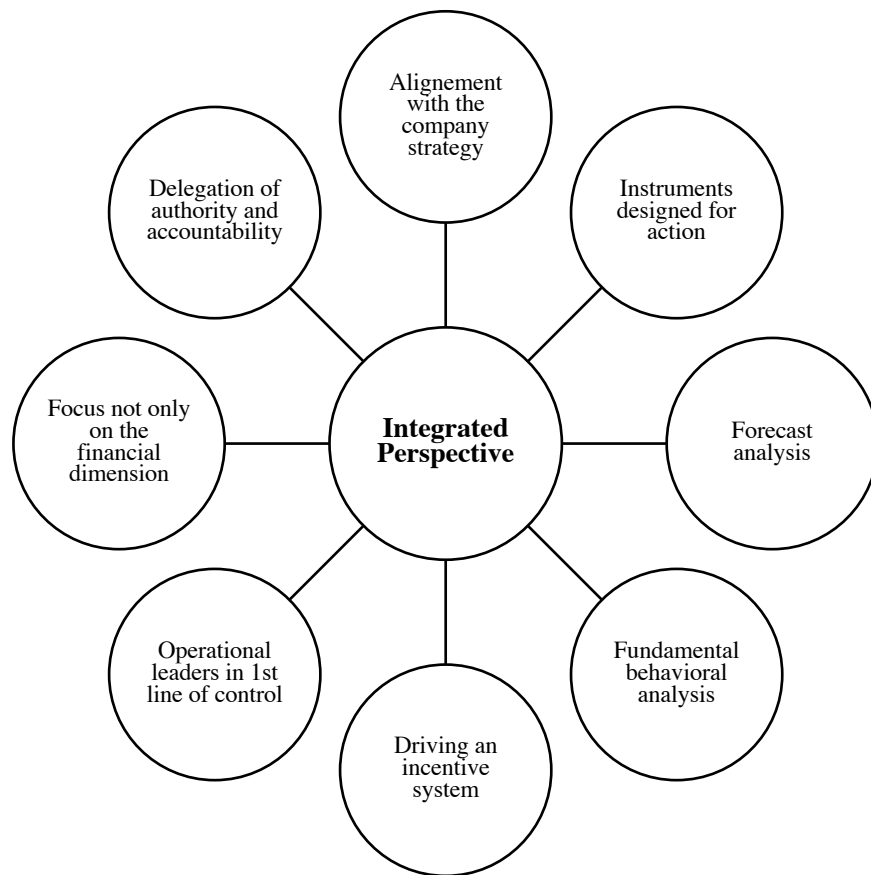
10. Strategic Control

Today's business paradigm, marked by strong competition, globalization of markets and rapid technological developments, often poses new and complex problems in managing your business. Since effectiveness is essentially related to meeting an organization's goals and objectives, management control and organizational effectiveness end up interconnected, as control is a process that ensures that the company's activities are in line with plan and that the goals are achieved.

In order to ensure successful management control, factors beyond financial metrics should be considered as these are indicators of past action results. Jordan (2008) argues that only through a tool that takes into account the past and future, that provides financial and non-financial information, that covers both upper and middle management and operational members, and is still linked with an incentive system; it is possible to ensure the successful monitoring of what happens within the company.

In this way, management is able to stimulate value creation within the entire organization through communication and alignment among all. In this sense, it is importance to highlight eight fundamental principles of management control:

Figure III: The Eight Principles of Management Control



Source: Lopes da Costa, 2012

It is essential not to forget the importance of the relationship with the stakeholders, being crucial to ensure that value is created for this community. The best way to achieve this is to associate different performance metrics for all stakeholders in the company that are in line with the company's mission, SMART and specific objectives. That said, this business will have to generate value for all stakeholders through:

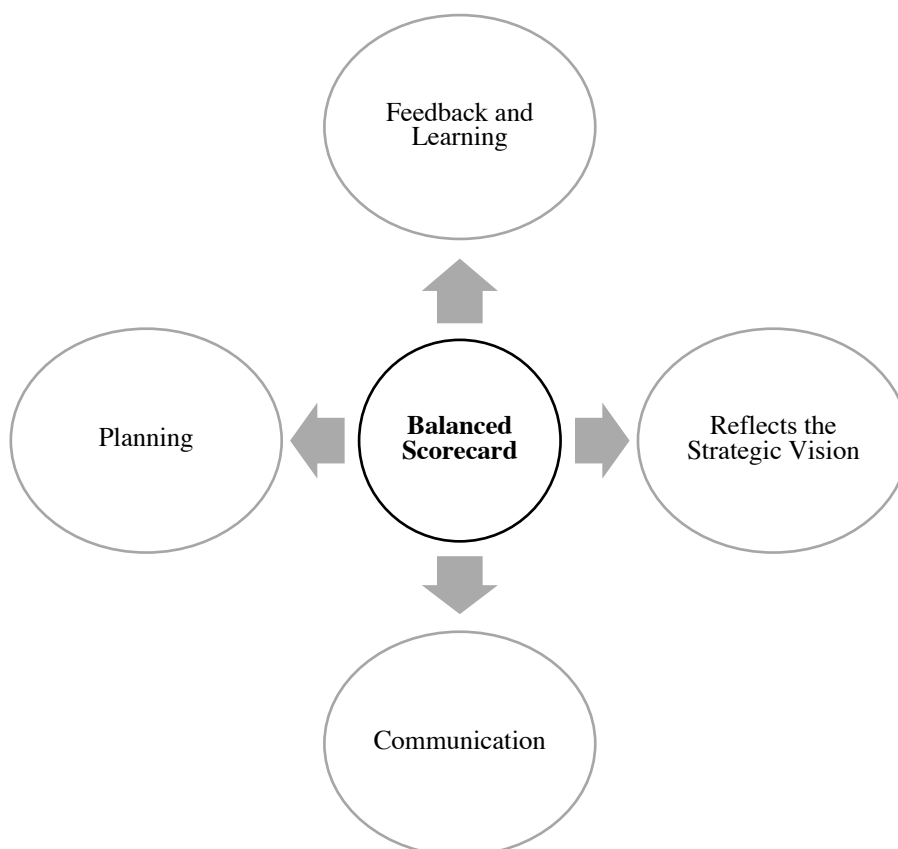
- Operational processes analysis and quality control metrics;
- Market analysis for potential growth and rate of growth;
- Measure level of customer satisfaction and behavior, and segmentation of clients based on level of profitability;
- Establish financial metrics for shareholders;
- Ensure measurement for employee performance and satisfaction, as well as compensation plan;
- Metrics for organizational capacities and potential growth.

10.1. Balanced Score Card (BSC)

The Balanced Scorecard (BSC) is a strategic management model that allows organizations to clarify their strategic vision and turn it into an action plan with objectives that are measured through performance indicators linked to critical factors. This means that it also allows to identify where value is generated within the company, thereby counterbalancing the various existing perspectives and finding new initiatives and strategic objectives.

Lopes da Costa (2012) also refers that this tool is used in strategic management to determine and improve various internal factors and consequent external results, by focusing on four distinct areas to be analyzed. These areas, illustrated in the figure below, have the practical outcome of measuring and giving feedback to the organization, stimulating good behaviors, focusing on constant feedback and learning processes, alignment with the company's strategic vision, and ensuring efficient and effective communication and planning.

Figure IV: Practical Methodology of Balanced Scorecard



Source: Lopes da Costa, 2012

BSC approaches organizations from four fundamental perspectives: financial perspective, market perspective, internal process perspective, and organizational development perspective (innovation or training).

The financial perspective aims to analyze the financial viability of the strategies previously defined, quantifying the financial results obtained with the implementation and execution of a specific strategy. According to Kaplan e Norton (1997), assuming that an organization operates in several business areas, the definition of financial measures and objectives should not be done equally for all areas of the organization, as this would not take into account the fact that different business areas can be managed according to different strategies. In any case, there are three fundamental aspects that the company should always focus on, regardless of the type of business area: growth, profitability and value creation.

Table IX: The Financial Perspective

	Critical Factors For Success	Performance Indicators	1	2	3	4
Financial Perspective	Growth Company Expansion	- Rate of growth activity - Turnover - Market Share				
	Profitability	- Return on equity - Profitability of sales - Earnings per share				
	Value created: Capabilities to generate value for the shareholders	- CVA (Cash Value Added) - EVA (Economic Value Added) - NI (Net Income)				

Source: Lopes da Costa, 2012

The customer perspective should be in line with what has been established in the company's financial perspective and strategy. According to Kaplan e Norton (1997), from the perspective of market, companies must segment customers and markets in which they want to compete, and these segments are the sources that will generate the revenue component of the company's financial objectives.

This perspective is based on customer satisfaction, but also on company profitability, so there are five key customer-related metrics that should be aligned with the customer and market segments: retention, loyalty, profitability and satisfaction.

Table X: The Market Perspective

	Critical Factors For Success	Performance Indicators	1	2	3	4
Market Perspective	Improve Customer Satisfaction	- Satisfaction index (surveys) - Waiting period - Claims				
	Degree of loyalty of current clients	- Growth rate of turnover in current customers - Number of customers per year "Repeat Clients"				
	Ability to innovate on offer Acquisition of new customers	- Turnover - Market Share - Number of differentiated offers in the market				
	Yield	- EVA (Economic Value Added) - Return on Sales / customers				

Source: Lopes da Costa, 2012

It is crucial to identify the most critical internal processes of organizations, because in order to achieve the performance considered optimal from the customers' point of view, and consequently financial, the organization must implement and manage decision-making processes that lead to it. Moreover, it allows identifying the capabilities and resources needed to improve the quality of services offered along the value chain (Lopes da Costa, 2011).

In this sense, it is of utmost importance to ensure that within the value chain there is room for the innovation process, which is to identify current or future customer needs and to develop new solutions for those needs, for the process of operations where quality is assured, and also to make a proper management of customer relationship. This means that this analysis should be focused on rationalization, quality, efficiency and effectiveness.

Table 1: The Internal Process Perspective

	Critical Factors For Success	Performance Indicators	1	2	3	4
Internal Processes Perspective	Rationalize Elimination of non-value-creating activities	- Product unit costs				
	Efficiency analysis Resource optimization	- Productivity - Tax capacity utilization rate - Absenteeism				
	Quality Ensuring high levels of acceptance of the products / services	- Rejection Rate				
	Organization Improve service delivery	- "Lead time" or deadlines - Waiting time				

		- Claims				
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Source: Lopes da Costa, 2012

When it comes to the internal capacity of the company, the organizational development perspective, it is crucial to know and be able to analyze how the company can orient its efforts towards the accomplishment of all objectives. The three aspects to be focused on are people, systems and procedures.

Table 2: The Organizational Development Perspective

	Critical Factors For Success	Performance Indicators	1	2	3	4
Organizational Development Perspective	Innovation: Employee capacity to generate new ideas	- Number of new ideas taken - Number of new products or services				
	Satisfaction: Guarantee high levels of motivation and commitment	- Satisfaction index - Amount of awards and incentives				
	Qualifications: Ensure knowledge levels of employees that enhance their performance	- Number of qualified staff - Number of training hours				
	Technology: Harnessing the technological potential	- Average investment per employee - Number of computerized activities				

Source: Lopes da Costa, 2012

Considering all the above stated, this new restaurant business must focus on use and improve this strategic management tool, taking advantage of its comprehensive and systemic vision of the company to face internal and external challenges and be able to thrive in attaining its goals and mission. This model is an immensely helpful tool and guide to enter a market as a new company and conquer a successful position with a sustainable growth.

11. Conclusion

This Project was elaborated with the aim of studying and elaborating a strategic plan to assess the feasibility of a new restaurant and frozen food business in the Lisbon area, focused on the new trends related to the concerns of eating habits and eating lifestyles. In this sense, the analyses, actions and respective strategy for a sustainable growth in this competitive market are presented.

Coupled with economic indicators that declare improvements in the national economy and predict positive growth, with indicators of the technological environment and trends in consumer habits, political issues and socio-cultural concerns, is the need to be extremely aware of what the competition is doing, as well as focusing on the control side to ensure the correct and effective implementation of the plan. The close networking relationships with pioneers and experienced professionals within this type of business in Portugal, combined with the attractiveness of the place, the defined positioning and the leading role of healthy lifestyles and food in these days, confirm the relevance and potential of this new business.

Although competitive analysis demonstrates the strength of competition within the market, strategy formulation and implementation underscore the competitive advantage that will be generated by the marketing-mix, coupled with dynamic capabilities and SWOTi analysis, show that this company has important factors that confirm an entry into this sector with good prospects for sustainable growth.

In any case, in order to be able to cope with the competition and meet the proposed objectives, it is necessary to implement metrics for performance control and execution monitoring of what was outlined in the first place. For such, the business scorecard proves to be very effective, exposing the most diverse business areas and processes to metrics that allow to truly understand their impacts looking from different perspectives.

Summing up, it is wise to conclude that there is potential to develop this business idea successfully, thus making a very positive and enriching balance of the project both academically and personally looking at the results, as I also have a lot of interest in the success of the company under study.

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