

LAB University of Applied Sciences  
Faculty of Business Administration, Lappeenranta  
Degree Programme in International Business

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## **Business Plan for a Healthy Food Restaurant in Lappeenranta**

Thesis 2020

## **Abstract**

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Business Plan for Healthy Food Restaurant in Lappeenranta, 56 pages, 1 appendix

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The objective of this thesis was to explore the essential parts of business plan and implement this knowledge in writing a Business plan for healthy food restaurant located in Lappeenranta. The proper business plan is a fundamental part for any new business in the market, it serves as a guide for the entrepreneur and attract potential investors as it shows how profitable will be the investment and the payback period.

The theoretical framework is based on professional business and management literature. The empirical part is mainly focused on quantitative market research, which was conducted using online survey among people who live in Lappeenranta, as well as among tourists, who come to visit the city.

The end result of this thesis was the development of a relevant business plan based on the results of theoretical market research in this business area, the level of competition and customer segment of the future company.

Keywords: Business plan, healthy food, restaurant business

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Appendix 1

Total loan cost 8601,1€

## **1. Introduction**

In recent years, the population of Finland is steadily heading for a healthy lifestyle. Again, after the economic crisis of the early nineties, the first place is taken by the principles of healthy lifestyle. The high level of income is reflected, first of all, not on the number of goods in the shopping cart, but on what products the consumer chose.

According to the statistical survey, every third resident of Finland seeks to minimize fat in his own diet. Thus, most Finns say that they use only vegetable oils for cooking at home, and for sandwiches they prefer margarine with a fat content of less than 6.5 percent. But the butter is eaten for Breakfast by only three percent of the total working population of the country. (Sankala, E. 2007  
Finnivbirayutzdoroviy ration pitaniya<http://www.kauppatie.com/2007/03-2007/4>.)

This way, the topic of the thesis project is actual and will be interesting for a wide range of people: investors in Lappeenranta and other Finnish cities, entrepreneurs, tourism and restaurant business students and researchers, etc.

## **2. Objectives and delimitations**

The objective of this thesis is to identify if the healthy food restaurant is a profitable business to start in Lappeenranta. The aim of the project is to understand how to write a proper business plan for a restaurant in a small city.

Delimitations of this topic shows that as the restaurant will be located in small city of Lappeenranta, we have limited amount of audience, so in this research we can only take people, who live in this city and tourists, who are visiting this city.

### **2.1 Research questions**

The main research question for the present thesis work is “How to write a successful business plan for a healthy food restaurant in a small Finnish city?”

The subquestions are following:

1. What are the key conditions for choosing a place for a restaurant in a small Finnish city?
2. Which marketing tools can influence people to visit a restaurant in a small Finnish city?
3. How to make a solid financial plan for a healthy food restaurant?

## **2.2. Theoretical framework**

The main task for the author before writing the thesis work is to study the key components of business plan and its structure. During this research professional business management literature will be used. Theoretical research of the potential customers will be done.

The main topics to cover in the thesis work are: business plan for the restaurant business, healthy food business, restaurant business in a small city, strategic planning, financial planning, marketing planning, risk management.

## **2.3 Research method**

Author selected quantitative research method as a main tool to answer the research questions. The research method was chosen due to study specification. Aliaga and Gunderson (2000) defined quantitative research method in the following way: Quantitative research is interpretation and explanation of some phenomena using numerical data that collected specially for research and analyzed using mathematics and statistics". The practical part for this research work was realized by providing an online survey via Google Forms. The main method of data gathering was interviewing the respondents. (Fowler 2009.) The data for the research was collected with the use of Snowball research method. Snowball sampling is the data gathering method when the first group of respondents are asked by the author to forward the survey to other people matching the sample. The aforementioned method gives an opportunity to collect the data from the sample representatives when there are difficulties to reach them. (Faugier and

Sargeant 1997.) The aim of the research is to collect and analyze data from Lappeenranta citizens and tourists from St.Petersburg. Plenty of books, research papers, news articles, and other sources with information about business plan, healthy food and restaurant business was used additionally to the survey in order to conduct proper analysis of healthy food restaurant opportunities in Lappeenranta. The research was provided through the questionnaire on Google Forms. The survey was sent to people, who live in the city of Lappeenranta and prospective tourists, the age group was between 18-60 years. Questionnaire will be based on 4p conception. The survey will contained questions about prospective clients' preferences in price, place, food, services and loyalty bonuses. The link to the survey:

<https://docs.google.com/forms/d/e/1FAIpQLSfiwr0za4RcEDr1bUFkictYgrvkEGsEOa3ntjxLGFh-pXQtw/viewform>

## **2.4 Structure of the thesis**

There are four parts in the thesis work. Executive summary of the project is given in the introduction part. Introduction allows to clearly express the author's idea. Theoretical part includes basic definitions and concepts. Business plan for a healthy food restaurant is the third part of the thesis, which consists of executive summary, product description, market research, marketing plan, financial plan, potential risks and organizational plan. The final part of the thesis Conclusion summarizes the research work. The author sums up the whole thesis process and its results. Additionally, the recommendations were offered for the future research.

## **3. Theoretical part**

This chapter reveals the most important aspects of the topic from a theoretical point of view. The goal of this part of the thesis is to provide the readers with the essential information about healthy food restaurant business and business plan principles.

### **3.1 Definition, objectives and functions of the business plan**

There are plenty of variants of a business plan definition. In different countries, historical points and business spheres the meaning of business plan can be interpreted in different ways. Schwetje and Vaseghi defined a business plan as a document that explain the main aspects of your business idea as a whole for potential investors and stakeholders and describes the reasons for investment. (Schwetje and Vaseghi, 2007)

Timothy J. Berry in his book described business plan as a plan without defined regulations regarding format that helps any business to look in the future, manage resources rationally, focus on major points, and prepare for troubles and possibilities. (Berry, 2006)

In the book of Pinson, L. 2000a. Anatomy of a Business Plan: A Step-by-Step Guide to Building a Business and Securing Your Company's Future business plan is explained as a scheme of a business idea that gives a whole picture of business and allows entrepreneurs to implement changes when they are necessary. (Pinson 2000)

Business planning solves many important problems such as determination the degree of persistence and future sustainability of business, it helps to reduce the risks of entrepreneurial activities; defines business intention using quantitatively formed system and indicators of quality; it attracts attention and interest from the side of prospective customers and employees, as well as provides potential investor's maintenance and used as a tool to gain an essential planning experience. (Scarborough & Zimmerer 2012, 168)

Business Plan can be described as short, accurate, affordable and clear description of prospective business, it is playing the role of an essential tool which helps the beginning entrepreneur to consider an enormous number of different situations which you can face with during the process of your business activity, allowing you to choose the most prospective and desired result as well as to determine the right means for the goals achievement.

A business plan is a document that allows you to manage a business, it is also should be considered that is is a powerful tool for company management and therefore it can be represented as an integral element of the strategic planning and as a guide for execution and controlling.

There are five main functions of a business plan in modern practices:

The first function is related to the possibility of using a business plan and developing a business strategy. This function is necessary at the stage of the enterprise creation, as well as when developing new business directions.

The second function is planning. It allows you to evaluate the possibilities of new directions development and controlling the processes within the firm.

The third function allows you to attract money in the form of loans and this function serves as an essential part of any significant project as in the conditions of modern world it is impossible to carry out any business without credit resources, however, obtaining a loan is a difficult process due to the fact that cases of non-repayment of a loan occur more and more often. The main deciding factor in the provision of the credit permission is the well-developed business plan.

The fourth function allows entrepreneurs to attract potential partners for the implementation of equity or technologies.

The fifth function allows to improve awareness of all the employees about the upcoming actions, coordinate their efforts, distribute responsibilities and create motivation to achieve the goals.

The main objectives of business planning are as follows:

- analysis of the target market, considering the position of the customer in this market
- definition of the main and additional goals of the customer
- evaluation of available commercial assets

- assessment of the projected costs
- forecasting of attracting additional labor resources
- proposals to attract additional resources at certain stages of the project implementation.

### **3.2 Business plan requirements**

The economic nature of a business plan is to introduce a potential investor (business partner, bank etc.) with the essence of the proposed plan and influence him to participate in the project.

The business plan should contain all the necessary sections to maximally reflect the investment project. It must contain all information that may be needed by a potential investor or business partner to make a positive decision. Moreover, the completeness of the project presentation in the business plan means that the document should cover the period with enough length to complete the described project and to reach the planned level of production, implementation, construction, etc.

The information presented in the business plan should be complete and useful. Extra information which will not affect making decisions does not have to be included in the business plan. For example, a detailed description of the staff social structure (number of male or female employees, the presence of workers with the higher or secondary education, designation of people whose work experience exceeds five years, etc.) may be superfluous.

A business plan must be drawn up based on information which can be rated as reliable. Intentional distortion of project parameters in order to improve its attractiveness is not allowed. All conclusions and suggestions in the business plan should be based on real evidence and backed by concrete facts and examples. Moreover, there should be traced the analogy between the data presented in the business plan and current status quo.

Business plan should be written consistently and logically so that readers could follow the rationale for the parameters project and conclusions of the business plan.

There should be a possibility to adjust the business plan with the minimum effort. Need in changes occurs when the deviations take place during project implementation. Changes aim to adjust the parameters of the project to provide the maximum possible positive effect.

The business plan must be a reliable tool of control: it should allow to follow the timing of the project, volume of production, supply and sales using the specific indicators.

One of the most essential requirements for a business plan is writing it in an accessible, understandable language, in compliance with accepted terminology and clear, unambiguous wording.

### **3.3 Structure of a business plan**

In the market economy a large number of business plan versions is existing in terms of form, content or structure. The greatest difference is observed within the frameworks of business plan. The framework depends on the purpose:

- Business lines such as products, services or technical solutions.
- For the enterprise as a whole (new or existing).

The main factors that define the volume, structure and contexture of a business plan are: type of entrepreneurial activity; size of the enterprise; purpose of drawing up a business plan; global strategy of the company; potential for growth and development of the created enterprise; amount of the predicted market sales and the existence of prospective competitors.

There is no strictly regulated form and structure of a business plan. Despite the rather significant external differences of various options for the structure of

business plans, the composition and content of their main sections remain virtually unchanged. Study and generalization of domestic and foreign business planning experience allow the author to offer the optimal structure of the business plan of the enterprise:

#### 1) Executive summary

Executive summary is an integral part of any business plan. This is a summary containing the the main information points about the project, its concept and possible prospects. It depends on this part in most of the cases whether the project will be invested or not.

Due to the importance of this part of business plan, it is recommended to write the executive summary after all the other sections of the document are completed. This approach allows to operate with already done calculations and cost-effective data for the project. (Ward 2017.)

Executive summary usually includes the name of the project and full description of the company; legal form, actual and legal address; the size of the capital, name of the manager, his qualifications. In case of already operating companies the executive summary should include the average amount of employees, annual turnover, and the structure of management personnel. (Ward 2017.)

#### 2) The description of the products ( services);

This part should include a list of all products or services the business provides. A brief description should answer the following questions:

What kind of product or service is offered?

What benefits will the consumer receive?

What are the main features of the product/ service?

Who is the targeted customer?

How the product/ service will be sold?

The section "Product description" can be used as a tool to consider the needs of the customers and to find out the benefits of using the proposed product or service. This section allows generating new ideas and better unique selling proposition. (Ward 2016.)

### 3) Marketresearch;

The market research is the study of the market which allows to find solutions for the most essential business problems. The main task of any marketing research is to determine the existing demand for products or services, and obtain the necessary information for the formation of product and marketing plan.

The market research can be provided in two types primary or secondary market research. Secondary information defines what is already known about the market, can be found in open sources, some ready-made information about the market that can be accessed in statistical agencies websites, etc. Primary information is the information collected by the researcher.

The methods that are used to study the market are traditionally divided into two types: qualitative and quantitative.

Quantitative methods usually include superficial research, which can be carried out with a large number of people, and which can usually show statistical and numerical data - experiments, field studies, reports. Aliaga and Gunderson (2000) defined the sence of quantitative research method in the following way:

Quantitative research is interpretation and explanation of some phenomena using numerical data that collected specially for research and analyzed using mathematics and statistics". (Aliaga and Gunderson 2000.)

Qualitative methods are an example of a deeper study of a particular product, environment - these are focus groups, surveys, interviews. Qualitative research provides more complete and detailed information, helps to understand the opinion of respondents about the product.

#### 4) Marketingplan

Marketing plan is one of the important parts of any business plan, as it describes the possible options for product distribution, pricing policy and promotion opportunities.

The purpose of the "Marketing Plan" section is to show how the company's products will reach the target customer segment, how competitive they will be among competitors as well as description of the reason for demand in the market. The marketing plan description is mainly based on the data which was obtained in the previous sections of the business plan and it shows the key result of the market research. Marketing plan is used to evaluate the consumer profile, opportunities, strengths and weaknesses of the competitors, geographical, demographic and other related market factors. (Sekaran&Bougie 2010.)

The marketing plan includes: description of the markets and main segments; description of target customers; a list of the main competing firms; definition of the marketing strategy; measures to control marketing research. (Sekaran&Bougie, 2010.)

#### 5) Organizational plan

The organizational plan describes the project staff, the initiators, their share in the project management, the qualifications and payment of the project managers, as well as the motivation of the staff.

Organizational plan includes the description of the organizational structure. The organizational structure is the composition of relations and functions between

various departments of the enterprise, each of which is responsible for its field of activity and is a part of the hierarchical system of the organization.

There are several types of organizational structures: linear, functional, linear-functional, etc. The main purpose of organizational plan is to emphasize that organizational structure is maximally efficient.

#### 6) Financial plan

The financial plan also plays an important role in the process of business planning. It helps to identify the amount of potential investments that are necessary to start the business and shows if the business plan is economically feasible. This information determines the size of the investment required and allows the investor to assume the future value of the investment and payback period, so the accurate planning of this section of business plan will bring the entrepreneur the increased opportunity to find investors in the shorter period of time. Therefore, before business plan preparation, the manager must have a full assessment of the enterprise profitability. This assessment primarily shows potential investors whether the business will be profitable, how much money is needed to start a business and to meet short-term money needs and how this money can be received (i.e. stocks, loans, etc.).

#### 7) Potential risks

In the section of potential risks all critical risks and potential problems that may impede the implementation of company strategies are observed. The main risk for a business may appear as a result: competitor's reactions; weaknesses of personnel involved in marketing, production or management; modern technologies that can impact the product viability. If the risk from these factors are not expected, they should still be discussed.

The risk minimization plan should be provided for each type of risk. In the same way, a strategy for overcoming each problem among those identified should be considered. These unforeseen plans and strategies show the potential investor that

the manager considers the most important risk components and is ready to meet them if they appear.

#### **4. Restaurant business**

The restaurant business is considered as a profitable direction for investments. This is a fact proven by the global tendency to increase a noun of such institutions averagely 5% a year. Even during crisis situations which affect all the areas of economy, restaurant services do not significantly loss their demand unlike other spheres of business, especially if the restaurant has a good reputation it will never loose its visitors. (Fields, 2014)

The decrease in the average check cost occurred only for a short time returning to the pre-crisis value of 2013 within six months. The restaurants, which were not very successful before the economic situation of 2015-16, were closed at that time due to the lack of profit. So we can say that great importance in all organizational activities should be given to the business plan before the opening the restaurant.

Only a competent project including consideration of the production, financial component, payback calculation will give an idea. We need to determine the necessary steps to achieve the goal. It is difficult to create a ready-made business plan for a restaurant with calculations that would suit any type of establishment. This can be done either by the owner himself or by a consultant who understands this issue in cooperation with the future owner. (Boardman, 2017)

Restaurant business is a field of activity of entrepreneurs aimed for profit and customer satisfaction through the provision of services. Restaurant business is a place where it is impossible to be too detailed – everything is important.

Restaurateur and the team are interested in creating special conditions to increase the attraction of the place. If they achieve that, they can increase the prices and sales. (Fields, 2014)

The restaurateur's primary need is to be informed about the potential number of customers. Every little detailed cost can affect the total result of the business. When the business is started, restaurant rarely is as busy as it was supposed and every type of possibilities, especially the worst should be calculated.

The activity of the restaurant is a special system, with a lot of different parts, such as production, marketing, focusing on needs of specific customers, executing profit-based research and forecasts, learning the external and internal environment of the company, etc. (Fields, 2014.)

One of the most important activities is development of strategies and tactics of market behavior using marketing programs. Such programs are needed to make specific measures for product quality improvement and expansion of the range of services, such as entertainment of customers, competitors and development of the competitive environment, in order to ensure pricing policy, formation of demand and simulation of sales, advertising, optimization of distribution channels and sales organization. (Boardman, 2017)

The restaurant's supply and marketing activities begin with the market segmentation — breaking it down into distinct consumer groups, for each type of products and services.

If restaurateur wants the business to be successful, he needs to check the correctly selected market segments. Establishment of the restaurant business sector must determine how many segments need to be researched and focus on the most profitable.

Restaurant itself is a complex system, and the level of success of this system depends on its actions and quality of interactions of all the structures inside it in every level, which are evaluated using such criteria as: the right choice of premises for the restaurant in terms of location, complexity of potential conditions according to the level of restaurant, the right choice of restaurant concept, compliance of external and internal design, quality of the menu, an effective system of accounting

and controlling and management system, the system of staff training, the level of service quality according to the level of the restaurant, dignified work of the supplying services or supplier companies and the work conditions of the restaurant according to specially agreed criteria.

Project implementation plan of the restaurant has the following form: definition of the restaurant concept and its targeted audience, marketing analysis such as the strongest competitors, market capacity ( the maximum amount of customers you can count on), availability of prerequisites in a city or area which could be suitable for your restaurant, drawing up an itemized business plan of the restaurant, including the initial and future expenses calculations, inspection of the monthly revenues, determination of the initial period when the company will begin to make a profit and the payback period of the restaurant's business project. Based on the concept, the list of dishes and additional services will be prepared; developing a pricing policy and the income planning should be also carried out in advance, as well as decision of style the guest room will be decorated ; repair works; all the required documents execution; staff recruitment and training; agree with suppliers on the continuous procurement of ingredients for dishes; Launch an ad campaign. (Fields 2014).

#### **4.1 Healthy food trend and understanding of healthy food**

The significant number of restaurant varieties are existing today. New restaurants of the different cuisines appear on the map almost every day. Restaurants are not just good places for meetings and communications but some kind of very high-powered and multitasking tool, which is used in all ages but especially now in the 21st century it has a special influence on all fields of life and the healthcare area is not an exception in this case.

Healthy lifestyle can vary in functionality and efficiency, but it is used to improve and control the health level and good feeling of an average citizen. The western healthy food market has already attracted much layers in this field of restaurant business; therefore, competition is very intensive.

## 4.2 Concepts of healthy food

Healthy nutrition food is contributing to the strengthening of people's health, prevention of diseases and serves to grow up the level of life satisfaction among consumers. Following healthy eating habits, combined with regular exercises, reduce the risk of heavy chronic diseases and disorders such as obesity, cardiovascular, diabetes, high blood pressure, and cancer, these ailments impoverish the life of millions people and are one of the main causes of early mortality in the world. The governments of many developed countries annually allocate funds to promote a healthy lifestyle and, in particular, healthy nutrition.(Booth 1994).

Optimum nutrition provides for compliance with the energy value of nutrition, the optimal content and ratio in the ration of basic nutrients, minor and biologically active substances, diet. In this regard, the diet should consist of traditional products, products enriched with useful components, traditional products with the inclusion of biologically active food additives. Minor and biologically active food substances with an established physiological effect are natural food substances of an established chemical structure, present in milligrams and micrograms, which play an important proven role in the body's adaptive reactions, maintaining health, but are not essential food substances. (Mesas et al. 2012).

Rational nutrition is a person's nutrition that takes into account his physiological needs for energy value, useful nutrients (proteins, fats, carbohydrates, vitamins, minerals, trace elements, other useful substances) based on the information about diseases, physical activities, employment and environment. Rational nutrition includes following the dietary regime. Four meals a day diet when meals are taken at intervals of 4-5 hours at the same time is an optimal regime. Breakfast should be 25% of the daily diet, lunch - 35%, afternoon tea - 15%, dinner - 25%. (Gatenby1997).

The diet should ensure compliance with the following principles: the calorie content of food should correspond to the energy consumption of a person; the consumed

food should consist of the nutrients that are necessary for the body in optimal quantities and proportions; food must be digestible, properly cooked; safe and benign (do not contain pathogens of infectious, viral or parasitic diseases, as well as toxins of microbial and non-microbial origin in concentrations exceeding hygiene regulations).

Nutrition should vary and include a wide range of animal products (meat, fish, dairy products) and plant origin (vegetables, fruits, berries) in the correct proportions.

Functional nutrition is a type of food that serves not only to satisfy human needs for proteins, fats, carbohydrates, micro and macro elements, but also to realize other goals: increase immunity, improve bowel and heart function, help to reduce or increase body weight, etc. (WorldHealthOrganization, 2009)

Products are subjected to special processing during the process of functional food preparation in order to impact various body functions. For example, the products are enriched with iodine, calcium, vitamins, dietary fiber, beneficial bacteria, increase the specific content of protein, complex carbohydrates, unsaturated fats and other components in them.

Proper nutrition is a balanced diet of natural and high-quality products that satisfy all the needs of the body, in addition, the products have a great benefit for the development of the body. (Gatenby, 1997)

### **4.3 Product description**

Nowadays, proper nutrition is of particular importance for maintaining health. It is planned by the author to open a restaurant with a high-quality combination of products that meet the norms of proper nutrition in a fast-service format, meeting the needs of people in maintaining high activity and performance, caring for health, beauty and longevity.

Categories	Dish	Price, Euro
Salads	Salad «Fitness»	10
	Vegetablesalad	8
	«Greek» salad	10
	«Caesar» salad	12
	Fruit salad with low-fat yoghurt	12
Soups	Tomatosoupwithbasil	7
	Cheese cream soup with crutons and thyme	7
	Chickensoup	7
Hotmeals	Omelet with cheese and tomato	7
	Grilledlemonsalmon	15
	Bakedbeef	13
	Chicken fillet pizza with vegetables	10
	Bakedchickenfillet	8
Sidedishes	Boiledwildrice	4
	Grilledvegetables	4
	Bakedbeans	4
	Durumwheatpasta	4
	Buckwheat porridge with pumpkin	4

Desserts and low-calorie bakery	LemonCheesecake	10
	VeganTiramisuwithberries	10
	CherryCake	8
	Oatmeal and dates cookies (2 pcs.)	3
	Pancakes with agave syrop (5 pcs.)	6
	Oatmeal pancakes with strawberry cream(2 pcs.)	6
	CottageCheesepancakes (3 pcs.)	6
	Curdcaserolle	7
	Chickpea and dried fruit sweets (5 pcs.)	5
	Yoghurtwithfruits	5

Figure 1. Product description

The author considers a menu in which all dishes will be balanced, and their calorie content will not exceed 500 kcal. Dishes should be light and original, meet the standards of a healthy diet in terms of the quality of products, by the method of preparation, by the method of storage, and by the rules of combining products. Visitors will have the opportunity to choose and combine products in accordance with personal preferences and cooking technology.

A wide range of delicious, original, diverse dishes will attract a large number of visitors. The menu will contain not only the name of the dish and the price, but also describe its composition, as fully as possible including the information about

allergenic products. The price category will be designed for the widest possible range of consumers. Also, the kilocalories of the dish will be mentioned in the menu, which will allow visitors to make the necessary calculation, in accordance with their goals in nutrition.

Baking and grilling will be used, as the most harmless processing methods. By the combination of ingredients, many principles of separate nutrition will be taken into account when selecting a combination of products. In the menu will be included freshly squeezed juices, smoothies, protein shakes, a variety amount of smoothie bowls made of different kinds of fruits, berries, nuts, dates, chia seeds and flaxseeds. Also the menu will include vegan versions of dishes, for example it will be possible to replace “Yogurt with fruits” for vegan yogurt or replace the original Ceasar salad dressing which usually made of egg yolks for vegan version. Protein shakes can be also made on the basis of coconut, almond or cashew milk.

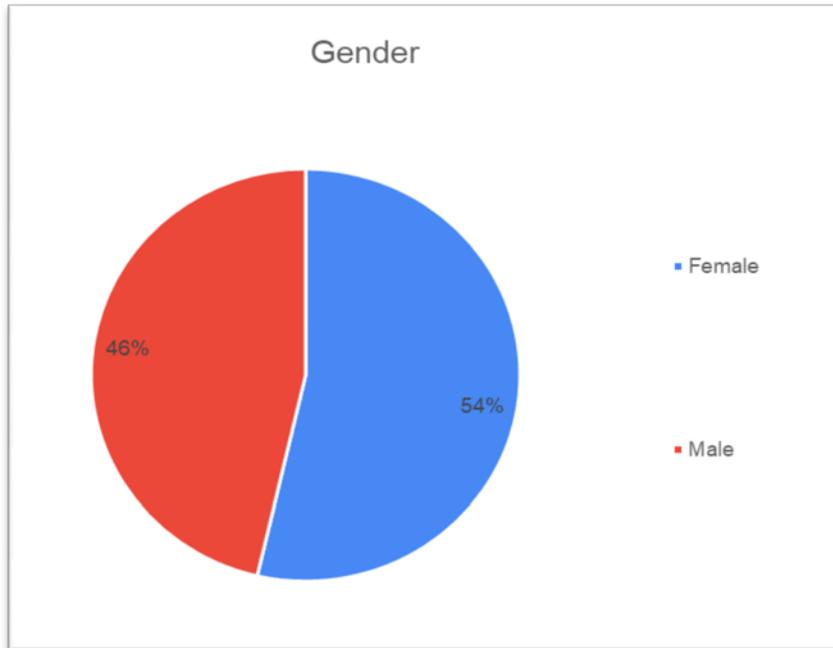
Mayonnaise, vinegar, preservatives and additives will be not used in the dishes. Instead, sauces based on cheeses, cream, celery, apples, olive oil, unrefined oils, lemon and mandarin juices, squeezed by hand will be offered. Most foods will exclude fat, salt and sugar.

## **5. Market research**

Market research was executed in order to define the preferences of prospective customers in Lappeenranta. The survey was provided via Google Forms service. The results from the questionnaire obtained during the conducted research will be presented in this chapter in the form of graphs and following comments from the author. There were 110 respondents all together who answered the questions of the survey. The survey including 15 questions mostly related to restaurant business and healthy food. The age of people who took part in the survey varies from 19 to 71 years old. More when 60% of respondents belong to the age of 20-25.

## Gender

One of the first questions of the online survey was targeted to define the gender of the participants. The results are shown in Graph 1.

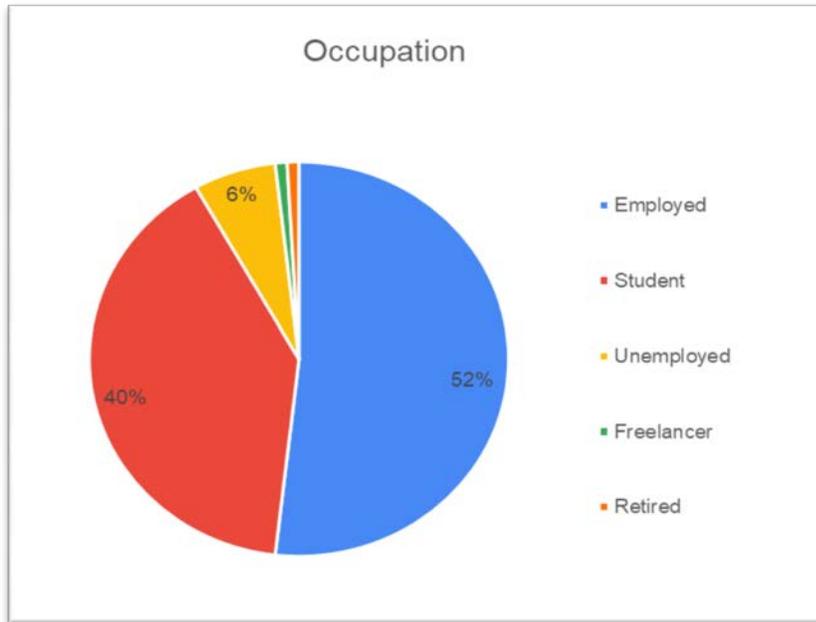


Graph 1. Gender

Female respondents prevail in the research population with the quantity of 59 people which representing 54% of the total group. However, it is possible to say that male and female respondents are represented almost equally in the survey.

## Occupation

Totally, representatives of five types of occupation took part in the survey. In graph 2 results are demonstrated.

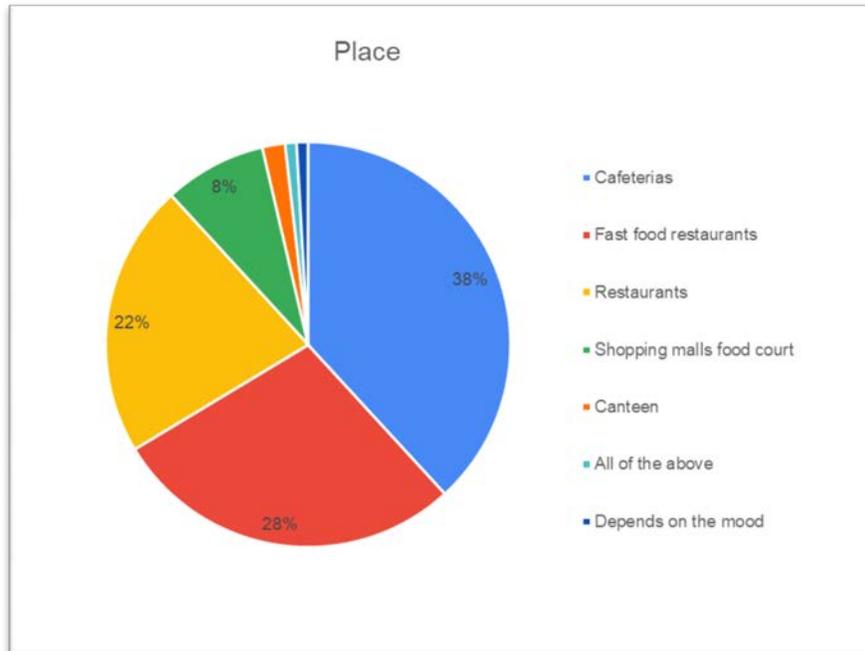


Graph 2. Occupation

The graph illustrates that more than the half of the participants are employed. The share of students equals to 40%. 6% of the respondents are retired people.

### **The type of place**

The types of public catering the respondents prefer to visit are described by popularity in Graph 3.



Graph 3. Place

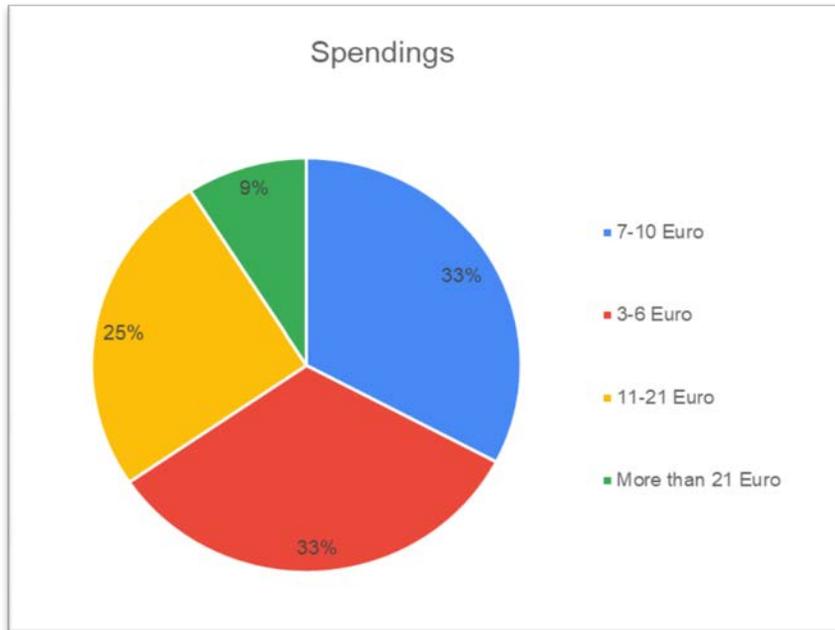
Cafeterias were chosen by the majority of participants, which is 38% of the total. Fast food restaurants were chosen by 28% of the respondents. Classical restaurants were chosen by 22% of the survey participants.

32% of female respondents prefer fastfood restaurants in the same time only 24 % of male participants chose this option as the favorite format of place to eat out. Additionally, 25% of males and 19% of females would visit classical restaurants

Employed people almost equally like cafeterias and classical restaurants. 37% of employed people would choose to visit cafeterias and 32% of them would choose classical restaurants. Most part of students (45% of participants who study at university) mostly visit cafeterias. Unemployed people equally prefer fastfood restaurants, classical restaurants and food courts.

### **The cost of one meal**

The amount of money respondents are ready to pay for one meal can be observed in Graph 4.



Graph 4. The cost of one meal

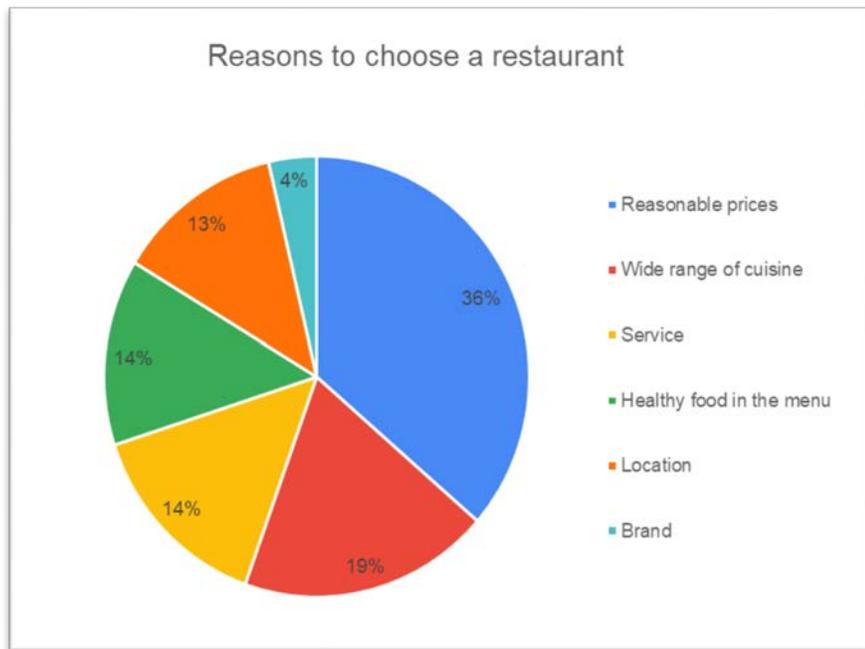
33% of the respondents are ready to pay 3-6 Euro per meal and another 33% of the participants spend 7-10 Euro for eating out. The price range of 11-21 Euro is favored among 25% of participants and only 9% are ready to pay more than 21 Euro for the meal.

Most part of women who took part in the survey (37%) usually spend 7-10 euro when they eat out and only 28% of men spend the same amount in the places of public catering.

Bigger part of male respondents is ready to pay expensive bill in comparison to female respondents: 14% of men and 5% of women would pay more than 21 Euro in the restaurant according to the survey.

**Factors of choosing a restaurant**

The information about the current use of mobile health applications by respondents is provided in Graph 5.



Graph 5. Factors of choosing a restaurant

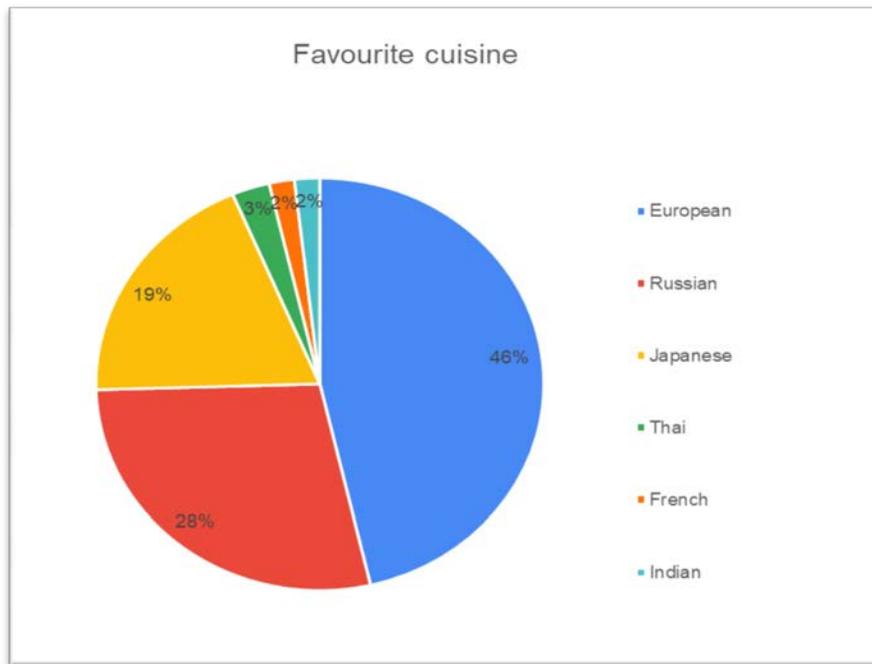
The most popular answer to the question about the reason for choosing a particular restaurant was a reasonable price. Wide range of cuisine was the second popular answer chosen by 19% of respondents. Healthy food and service were chosen by the same amount of the participants (14%). Brand is the most unpopular answer.

19% of female respondents mentioned that healthy food is the most important factor for them while choosing the restaurant to eat out and only 8% of men chose the same factor.

Reasonable prices are important factors for both male (37%) and female (36%) participants.

### **Favourite cuisine**

The type of cuisine the respondents prefer to see in the restaurant are shown in Graph 6.



Graph 6. Favourite cuisine

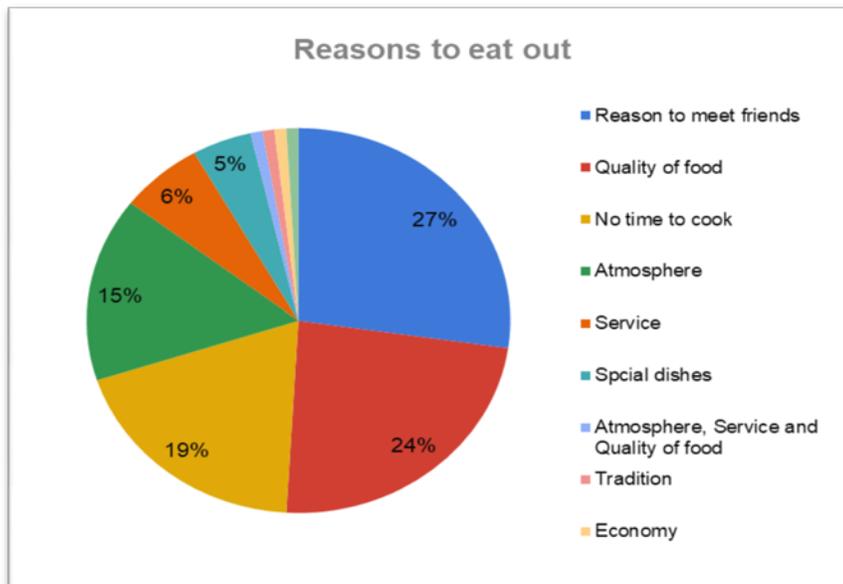
Almost 50% of the participants prefer European cuisine. The second popular answer was Russian cuisine and 19% of the respondents would order Japanese dishes.

39% of male and 53% of female respondents prefer European food. Men mostly eat Russian cuisine: 40% of male and 19% of female respondents like Russian cuisine. The opposite trend is observed in case with Japanese cuisine, this cuisine is preferred by 24% of female and only 14% of male respondents.

54% of Employed respondents like European food, 21% prefer Russian cuisine and 19% would choose to eat Japanese cuisine.

### Reasons to eat out

The reason why people want to eat out was the main topic of this question. The findings are displayed in Graph 7.

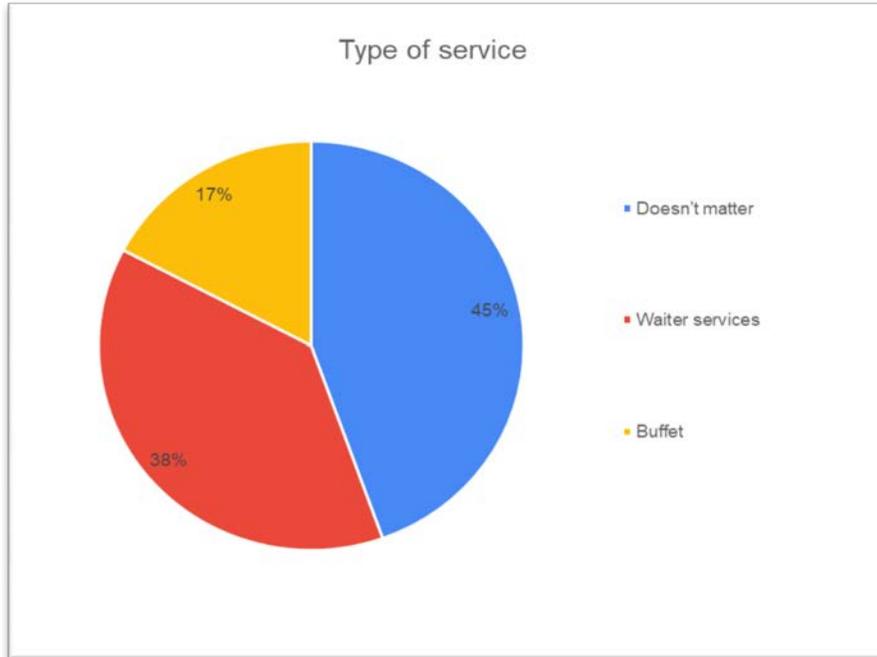


Graph 7. Reasons to eat out

Most of the respondents mentioned that they go to eat out with the aim to meet friends and to have a meal of a good quality. Other main factors for the respondents were absence of time to cook by themselves and the atmosphere of the restaurant.

### **Type of service**

The information about the type of service the respondents prefer is provided in Graph 8.

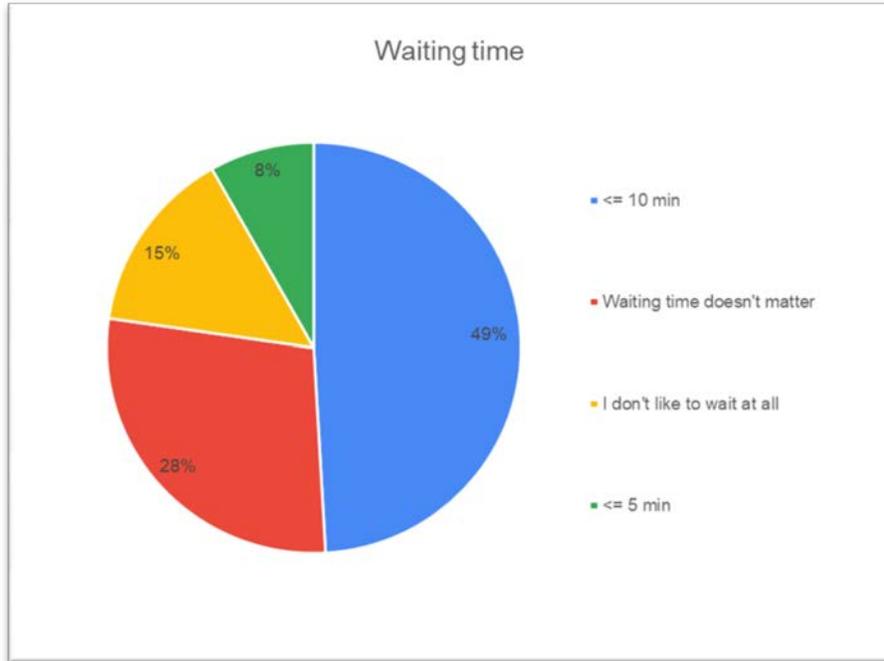


Graph 8. Type of service

For 45% of the participants the type of service does not matter. 38% prefer waiter services and only 17% of the respondents voted for the buffet service.

### **Waiting time**

The information about time the respondents are ready to spend waiting for their meal is demonstrated in Graph 9.

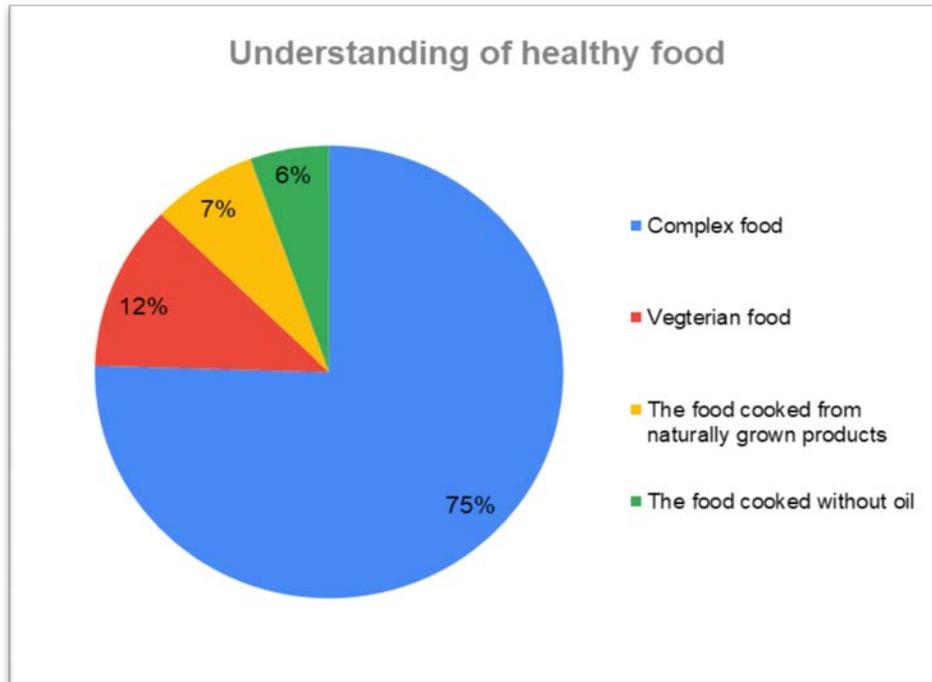


Graph 9. Waiting time

Almost 50% of the participants are not ready to wait more than 10 minutes for their food in the restaurant. The second biggest group of the participants mentioned that waiting time does not matter for them.

### **Understanding of healthy food**

The understanding of the healthy food concept by the participants is described in Graph 10.



Graph 10. Understanding of healthy food

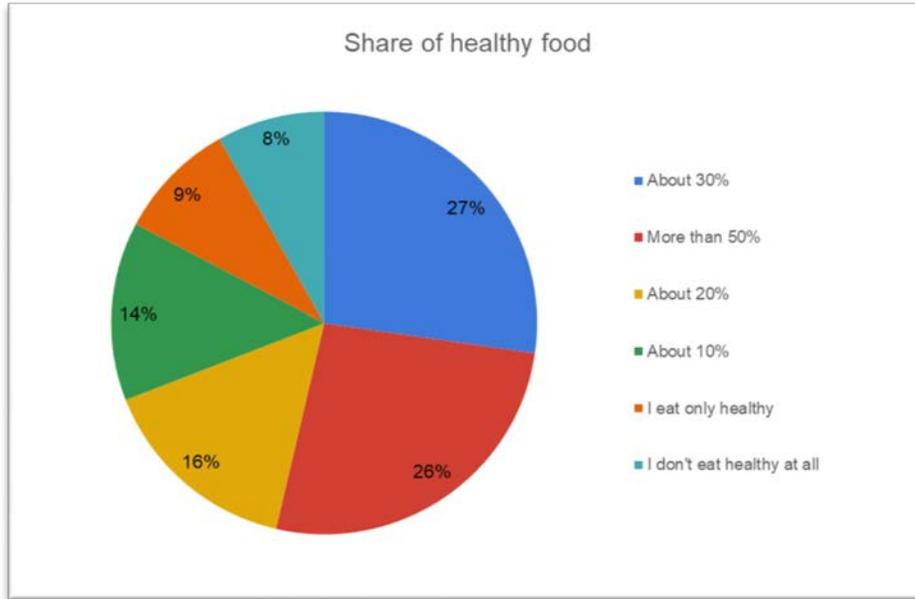
For 75% of the participants healthy food is a complex meal. 12% of the respondents think that healthy food is vegetarian.

For 86% of men and 66% of women healthy food is mostly a complex food. For 20% of female respondents vegetarian food is healthy food and only 2% of male respondents think the same way.

Only people younger than 27 years think that healthy food is vegetarian food, older respondents did not choose this option.

### **Share of healthy food**

The ratio of healthy food in respondents' ration is described in Graph 11.



Graph 11. Share of healthy food

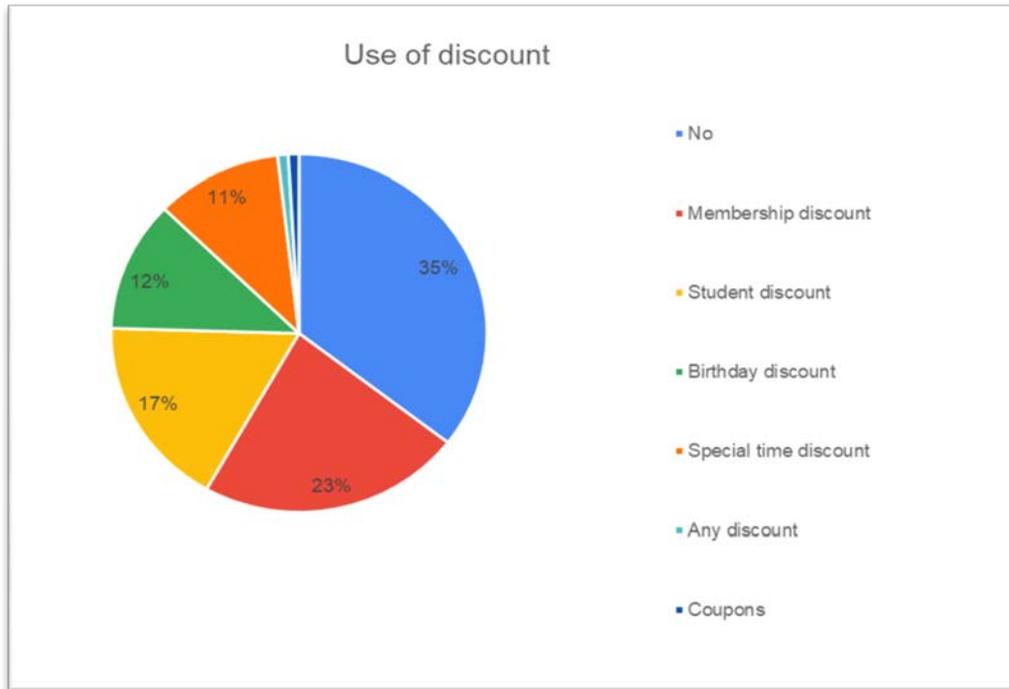
27% of respondents have about 30% of healthy food in their meals. Almost the same amount of participants have more than 50% of healthy food in their ration. 9% of respondents eat only healthy.

63% of respondents have 30% or more of healthy food in their ration and 84% of them are 18-35 years old. Among the participants who have 30% or more of healthy food in their meals 31% are ready to pay 3-6 Euro in the restaurants, 29% would pay 7-10 Euro and 28% can afford 11-21 Euro bill.

10 % of female and 6% of male respondents do not eat healthy food at all according to the survey. 29% of female and 24% of male participants have more than 50% ratio of healthy food in their menu. Small percent of the respondents eat only healthy: 7% of women and 12% of men. 60% of people who spend more than 21 Euro eating consume only healthy food.

### **Use of discount**

The types of the discount respondents use in the restaurants are presented in Graph 12.

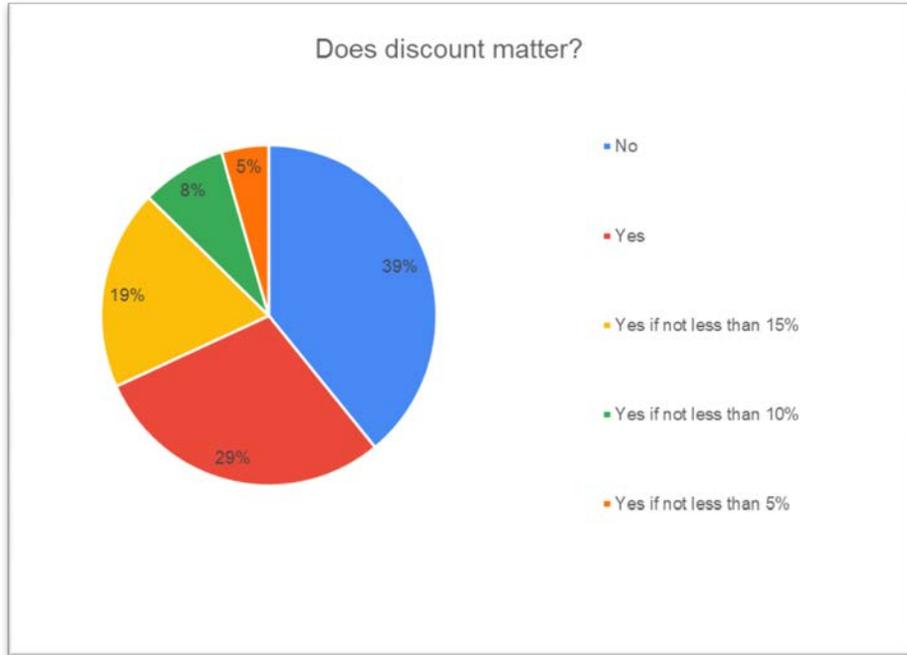


Graph 12. Use of discount

Most of the respondents do not use discounts when they eat out. 23% of the participants use membership discounts and 17% use student discounts. Almost the same amount of people mentioned student and birthday discounts.

### **The importance of discount**

The attitude of the respondents to the restaurant discounts is presented in Graph 13.



Graph 13. Use of discount

For 39% of the respondents discount is not always important and for 29% the discount is always important. For 19% of respondents the discount matters only if it is equal or more than 15%.

For 44% of female and 37% of male respondents discounts in restaurants do not matter. Discount is important for 15% of women and 24% of men if it is equal or more than 15%.

## 6. Financial plan

A financial plan is one of the most important section of the business planning that is responsible for providing financial support for the other sections of business plan. The financial plan determines how much money will be used to implement each of the items in the business plan. The purpose of a financial plan is to calculate such a positive balance between income and expenses that it will be appropriate to conduct the business.

## 6.1 Startup costs

According to estimations the approximate sum of startup expenses will be equal to 76 000 Euro. The startup expenses for infrastructure building is the largest part of expenses in Financial plan.

Equipment and Cutlery are the most expensive part of startup costs and account for nearly 45 000 Euro. This section includes cutlery, appliances and multimedia needed to start a restaurant business. The detailed list of equipment and cutlery is attached in appendices, appendix 1.

Rent is another solid source of expenses to start the restaurant business 3 month startup rent payment was estimated for € 10000. According to the website Oikotie.fi appropriate premises with the space of approximately 90 m<sup>2</sup> are available for 2100-2800 €/month. Most of the suitable options cost nearly €2500 per month. In this way, the expenses for first 3 months of rent were calculated: € 2500\*3 months + € 2500 deposit = € 10000.

The startup expenses will be invested partly by the founder and partly from the bank's loan. In order to manage risks operating the next year after business starts the estimated startup expenses should be doubled. Thereby, the startup investment sum should be approximately equal € 136 000. 40% of the expenses will be covered by founder's investment and 60% will be sourced from the bank loan. The interest rate for the bank is 5% yearly. The loan is planned to be repaid in 4 years, monthly payments are calculated as € 1879.2, total principle paid will be € 81600 and interest paid will be € 8601.1. The detailed calculations for the repayment are attached in the appendices, appendix 2.

<b>Expenses</b>	<b>Cost</b>
Equipmentandcutlery	€ 45000
Decorationandfurniture	€ 8000

Cleaning	€ 300
Stationery	€ 100
Marketingexpenses	€3000
Legalpermits	€ 1000
Rentfor 3 months	€ 10000
Menus	€ 400
Uniform	€1000
<b>Total</b>	<b>€67800</b>

Figure 2. Expenses.

## 6.2 Fixed costs

The fixed costs are the costs paid every month in the same amount. Fixed costs usually include rental costs, water, electricity, garbage, laundry, bank loan, amortization, salaries and taxes. All those costs are calculated per one month and will be valid till major changes.

<b>Expenses</b>	<b>Cost</b>
Rent	€2,500
Water&Electricity	€2,000
Garbage	€70
Laundry	€200
Loan	€1,879
Amortization	€469
Salaries	€14,000
<b>Total</b>	<b>€21,118</b>

Figure 3. Fixed costs

## 6.3 Amortization

Amortization is an accounting term that refers to the process of allocating the cost of an intangible asset over a period of time.

Expenses	Cost	Years	Yearlycost	Monthlycost
<b>Material</b>				
Equipmentandcutlery	€ 45000	8	€ 5625	€ 469
Decorationandfurniture	€ 8000	8	€ 1000	€ 83
Cleaning	€ 300	1	€ 300	€ 25
Stationery	€ 100	1	€ 100	€ 8
Menus	€ 400	6	€ 66.7	€ 5,60
Uniform	€1000	6	€ 166.7	€ 13.2
<b>Nonmaterial</b>				
Marketingexpenses	€ 3000	2	€ 1500	€ 125
<b>Total</b>	<b>€67800</b>		<b>€8525</b>	

Figure 4. Amortization

#### 6.4 Sales forecast

Indicators	Months												Total:
	1	2	3	4	5	6	7	8	9	10	11	12	
Average check, Euro	14	14	15	15	15	16	16	16	16	17	17	17	
Potency, people/day	2000	2100	2300	2300	2400	2500	2500	2500	2600	2600	2700	2700	29200
Revenue, Euro	28000	29400	34500	34500	36000	40000	40000	40000	41600	44200	45900	45900	460000

Figure 5. Sales forecast

## 6.5 Break-even point

$$\text{Break even point} = \frac{\text{Fixed costs}}{\text{Average use of money} - \text{variable cost}} = \frac{€21,118}{€16 - €5,28} = €1970$$

(1)

*\*Variable cost is calculated as 33% from the dish price.*

Figure 4. Break Even point formula

To reach the break even point the restaurant needs near 1970 customers per month spending 16€ per person. This sum is the average check per person in the healthy food restaurant. In this case the restaurant will make 31,520€ and will not have neither profit nor losses. It is 23,640 customers per year spending 16€ per person, restaurant makes 378,240€.

## 6.6 Operational plan

The working hours of the Healthy food restaurant will be from 12:00 to 20:00. Since potential customers of the restaurant are people involved in sports the timetable is chosen according to the open hours of the most popular gyms in Lappeenranta city centre.

The project will be implemented in 4 stages: rental of premises, repairs, purchase of technological equipment, furniture, cutlery; Conclusion of contracts for the supply of products and drinks for the restaurant; staff recruitment, training; An extensive advertising campaign in the media.

Healthy food restaurant will have a linear-functional structure at the stage of formation, which is the most effective one for small enterprises (Fig. 6). The organization will be managed by a director. The main responsibility of the director is the solution of strategic issues. The director performs the following duties: planning the further development of the organization; staff recruitment; working with suppliers (search for suppliers, payment for deliveries, control of deliveries); accounting and control; verification of documentation; relations with the tax office and the bank.

Chefs work on a schedule two days after two weekends from 12:00 to 20:00. They cook dishes, including: washing and blanching foods, mixing foods, steaming, baking, preparing soups, sauces, cold dishes, decorating dishes, etc.

Cashiers work on a schedule which is similar with chefs schedule two days after two weekends from 12:00 to 20:00 as well. They carry out operations for receiving, accounting, issuing and storing funds with the insurance of a check to a customer using a cash register machine.

Cleaners also work on this schedule. They maintain cleanliness in the kitchen and in the hall.

Personnel search is possible through the employment service, ads on local television and the press. Recruitment will be conducted on the basis of an interview, possibly with a trial period of 3 months, it is expected to recruit young professionals with great creative potential.

The data for the selection of personnel are: work experience, professionalism, personal qualities (initiative, energy, health status, age, taste, etc.).

<b>No</b>	<b>Position</b>	<b>Quantity</b>	<b>Salary, Euro/month</b>	<b>Salaryfund, Euro/month</b>
1.	Director	1	4000	4000
2.	Chef	2	2000	4000
3.	Cashier	2	1500	3000
4.	Cleaners	2	1500	3000
	<b>Total</b>	<b>7</b>	<b>9000</b>	<b>14000</b>

Figure 6. Personnel

## **7. Strategic planning**

Strategic planning can be called as a set of measures based on the study of data, forecasting and matching environmental requirements with business opportunities. The purpose of strategic planning is to achieve competitive advantages of the enterprise in the planned period of time. The approach of strategic planning allows entrepreneur to manage the development of the organization systematically and consciously, accurately calculating the consequences of certain actions and understanding the essence of the internal mechanisms of the business. The process of strategic planning of the enterprise begins with the development of the ideology of the company, according to which the general goals are established.

### **7.1 Mission and vision**

Mission of healthy food restaurant is to provide people in Lappeenranta with healthy qualitative food for reasonable prices in order to help them stay fit and healthy. It is vital to pay attention to the quality of food and service, since both aspects are a extremely important for the success of the project as a whole. The

research shows that if the customers are satisfied with the quality of products and services provided in the restaurant and good ratio of price and quality, they are likely to come to the same place next time and again and it will serve as a good promotion for the restaurant. The vision of the author is following: Healthy food restaurant in Lappeenranta is the popular place to spend time with friends and the best place to get a healthy meal.

## **8. Marketing plan**

Marketing plan is conducted according the knowledge and information volume which was gained during the market research. The results significantly influence the future of the restaurant development concerning infrastructure and services, which will be offered to the customers.

According to the marketing research done the age of the prospective customer is 18-35 years old. The age group of 18-35 aged respondents makes up 84% of people surveyed who have more than 30% of healthy food in their ration.

Among the respondents who eat healthy (30% or more of healthy food in ration) 29% are ready to pay 7-10 Euro for a meal in the restaurant and 28% are ready to pay 11-21 Euro. These figures show that there is a possibility to establish medium price policy for the dishes in the healthy food restaurant with the average price of 14 Euro per meal.

The healthy food restaurant will be located in the city center of Lappeenranta in the format of individual building. The service will be realized in the buffet format as the favorite eatery types of the respondents are cafeterias and fast food restaurants which are usually located in separated buildings and use the buffet format in Lappeenranta.

The main reason why people go to eat out in Lappeenranta is the good quality of food and the reason to meet friends. According to this knowledge wide tables at least for 4 persons will be implemented in the healthy food restaurant. Additionally,

the variety of board games will be provided in the healthy food restaurant. Most products used in the dishes will be supplied by local farmers. The management of the restaurant will carefully monitor the quality of food and provide customers with the information about the origin of food. 75% of the survey participants perceive healthy food as a complex food which completely correlates with the author's point of view. The menu will contain complex dishes with smart composition of proteins, fats and carbohydrates. The most part of the respondents choose the restaurant if it has a good variety of dishes and prefer European and Russian cuisine. All these factors will affect the menu as well.

The discount system will be implemented to attract more clients. According to the survey, 61% of the respondents would be attracted to the particular restaurant with the discount of 15%. The possible variants for loyalty program in the healthy food restaurant are discount for students 10% as well as discount for loyal customers 15%.

### **8.1 Market analysis**

The strategy for the development of the healthy food restaurant until 2021 is to become a leader in the market of healthy nutrition in the city of Lappeenranta. To achieve this goal, it is necessary to introduce a wide range of products and services offered, to attract the prospectively loyal customers, to create a nice image, which will be based on the high level of price and quality ratio of the offered products. Another competitive advantage will be the introduction of a of bonuses and discount system for regular customers. An effective tool for conducting an analysis of the restaurant in relation to the external environment is the SWOT analysis. It is used to identify strengths and weaknesses, as well as opportunities and threats, and identify connections between them. (Lawrence 2009.)

According to the market, research the list of opportunities and threats in the external environment and a list of strengths and weaknesses of the organization was compiled to provide the SWOT analysis. For more effective analysis the author introduces the weighted score, the degree of environmental factors

influence on the organization, which is presented in table. 2. If rating scale 1 to 10 is used, then strengths must receive 4 or 3 rating and weaknesses must receive 1 or 2 rating. The weighted score is calculated as a multiplication of the factor's importance and its score calculated by the expert.

Factorsoftheenvironment	Weight	Score 1-10	Weightedscore
	A	B	$W = A \times B$
<b>Externalenvironment.</b>			
<b>Opportunities:</b>			
1. The growth of quality of life in the country	0,07	+5	+0,35
2. Growth in demand for products and services.	0,28	+9	+2,52
3. A decrease in the number of competitors due to entrance barriers.	0,11	+6	+0,66
4. Governmental support for small businesses.	0,05	+4	+0,2
5. Increasing customers' favor by promoting healthy eating in the media.	0,26	+8	+2,08
6. Attractingnewsuppliers.	0,09	+5	+0,45
7. Strengthening relationships with existing suppliers.	0,14	+7	+0,98
Total:	1	+44	+7,24
<b>Threats:</b>			
1. Newcompetitorsthreat.	0,2	-9	-1,8
2. The emergence of new customers' needs.	0,16	-8	-1,28
3. Adversedemographicchanges.	0,1	-2	-0,2
4. AdverseGovernmentalpolicy.	0,15	-6	-0,9
5. Substitutes' salesgrowth.	0,16	-8	-1,28
6. The fall in demand due to lower incomes.	0,13	-6	-0,78
7. Suppliers' refusaltocooperate.	0,1	-2	-0,2
Total:	1	-41	-6,44
<b>Internalenvironment.</b>			
<b>Strenghts:</b>			
1. High quality of services provided.	0,1	+6	+0,6
2. Good location in the city.	0,2	+8	+1,6
3. Highqualityequipment.	0,15	+7	+1,05
4. Fastservice.	0,25	+9	+2,25

5. Tastyandhealthyfood.	0,17	+7	+1,19
6. Individualapproachtocustomers.	0,1	+6	+0,6
7. Lackofstaffturnover.	0,05	+5	+0,25
Total:	1	+48	+7,54
<b>Weaknesses:</b>			
1. Highstaffturnover.	0,12	-5	-0,6
2. Highprices.	0,18	-7	-1,26
3. Fewadditional services.	0,11	-4	-0,44
4. A narrow range of products.	0,14	-6	-0,84
5. Low recognition level in the market.	0,3	-10	-3
6. Lowmotivationofemployees.	0,07	-3	-0,21
7. Highrentalcosts.	0,09	-4	-0,36
Total:	1	-41	-6,71

Figure 7. Factors of environment

Based on the results of the analysis a list of external opportunities and threats, strengths and weaknesses were arranged in descending order according to their impact on the restaurant. Thus, a visual aid was created to select the most significant opportunities and threats to the external environment for conducting the SWOT analysis for the healthy food restaurant

List of the organization's strengths and weaknesses, as well as external opportunities and threats are used to build the SWOT matrix (Fig. 3). The SWOT matrix allows to track possible combinations of environmental characteristics (opportunities and threats) which are placed in the upper part of the matrix, with the strengths and weaknesses of the organization, which are placed on the left side of the matrix..

<b>Opportunities:</b>	<b>Threats:</b>
1. Growth in demand for products	1. Newcompetitorsthreat.

and services. 2. Increasing customers' favor by promoting healthy eating in the media. 3. Strengthening relationships with existing suppliers. 4. A decrease in the number of competitors due to entrance barriers. 5. Attracting newsuppliers.	2. Substitutes' salesgrowth. 3. The emergence of new customers' needs. 4. AdverseGovernmentalpolicy. 5. The fall in demand due to lower incomes.
<b>Strengths:</b>	<b>Weaknesses:</b>
1. Fast service. 2. Good location in the city. 3. Tasty and healthy food. 4. High quality equipment. 5. High quality of services provided.	1. Low recognition level in the market. 2. High prices. 3. A narrow range of products. 4. High staff turnover. 5. High rental costs.

Figure 8. SWOT Analysis

According to the data obtained, it can be concluded that the healthy food restaurant belongs to the strategy of concentrated growth, since the cafe has all the opportunities to realize its strengths, which will increase sales.

The cafe is characterized by a sub-strategy of strengthening market positions. This strategy works with a product that already exists in a particular market. The risk in this case, in comparison with other types of strategies, is the smallest: everything in the market is already well known and carefully checked.

There are two methods to realize this strategy:

1. Advertising products with greater intensity (promotions, contests, tastings, etc.);
2. Flexible approach to the pricing policy.

The absolute economic efficiency of individual advertising campaign can only be calculated indirectly because of the many market factors that can not be taken into account. It is impossible to find the correlation between the advertising

effectiveness and the results of consumer communication with other people, seasonal sales, price change or competitor's bankruptcy. (Speth 2015.)

The purpose of the advertising campaign at the designed healthy food restaurant is to increase consumer activity and as a result increase sales. It is also expected to increase consumer awareness regarding the restaurant's image promotion.

With any size of the advertising budget, the whole question is how to use it correctly. Any advertising action gives an effect but the price for each response can be different. Types of advertising need to be evaluated precisely by profitability. TV is assessed as unprofitable channel for the restaurant advertising, also the poor return is prognosed from a non-specialized press that is not dedicated to entertainment and leisure. The most effective marketing event for a healthy food restaurant is online advertising and banners in the universities and business centres.

## **9. Competition**

Currently, there is a large number of eateries, restaurants, bistro cafes and roadside cafes in the city of Lappeenranta. However, there are only a few restaurants who can offer high-quality, healthy and inexpensive food. Visitors are not satisfied with either the high prices or the quality of the dishes provided.

Currently, only indirect competitors of the designed healthy food restaurant have been discovered within the city. Either restaurants with high prices or fast food restaurants that are not suitable for daily consumption are presented on the market.

A very important step is to attract a potential customer that the visitor should be as satisfied as possible with the quality of food and the staff work. The first impression plays an important role, the visitor should feel comfortable indoors, the staff should be friendly, the kitchen and the hall should be clean and tidy. If there are only positive impressions from visiting the restaurant, then the visitor will

recommend and tell about it to his relatives and friends, who are also potential customers.

Since there are no restaurants in Lappeenranta dedicated entirely to healthy eating, it is possible to identify three aggregated types of competitors: restaurants that offer vegetarian options and healthy food stores.

The restaurants from the first group identified in Lappeenranta are prospective competitors in terms of targeted customers and business form: AvotSie, Ravintolalskender, Kehruuhuone. All three restaurants have vegetarian menu which is recognized as healthy. These players are considered as the most important competitors due to similarity of business. All three places are well known classical restaurants in the city. Competing restaurants have prices higher than average, but they are known by people in Lappeenranta and offer high quality service. However, the concept these restaurants offer is different from the concept of the projected healthy food restaurant: they cook almost all type of cuisines and have just few options for people who eat healthy, meanwhile the author's project focuses on the healthy trend and offer a wide variety of healthy and vegetarian dishes. In addition, aforementioned restaurants do not specify the food origin, when the designed healthy food restaurant will provide information about its food. The restaurant will use local, ecological ingredients and will openly provide the information about their origin.

Healthy food stores are the competitors from the second group. Recently, big amount of healthy food stores are opening. Such stores specialize in products made from raw materials grown in environmentally friendly places and produced in compliance with all the rules and regulations necessary for the manufacture of these products. Products in such stores have special certification. Main representatives in Lappeenranta are PunnitsejaSaasta and Appelsiini Shop. Healthy food shops are indirect competitors to the designed restaurant. Customers can get healthy meals at lower price by cooking them by their own, however the

targeted clients of projected restaurant are people who want to save time or does not have to spend the time on cooking.

## **10. Potential risks**

Potential risks have to be taken into account to predict internal factors in order to assess the risk components of the restaurant business. External factors include the threat posed by the economic situation in the country and in the markets. Internal factors include organizational management effectiveness.

The specificity of a healthy food restaurant is determined by the following risk factors:

The rise of raw materials prices for example may cause the risk of increased demand and growing of the price level in the market.

Unscrupulous suppliers is the second risk associated with the production or quality of the food produced but you can minimize the likelihood of these threat by choosing the right suppliers and include all necessary conditions in the contract.

Low quality of raw materials can cause a meaningful drop in demand. This risk may include discounts on Happy Hours services, as soon as using such type of special offers the restaurants trying to attract more customers and allow them to get more food for lower price but in this case the quality of food is suffering and that is why the author is not supposed to use such type of special offers.

The reaction of competitors is an important risk in restaurant business as their behavior can have a strong impact on costumers loyalty and to minimize this risk, it is necessary to form a strong customer base, constantly monitor the market and have a customer loyalty program.

Refusal to provide leased premises or increase in the cost of rent is a significant financial risk that is why it is important to select a landlord very accurately.

The internal risks of the healthy food restaurant include:

Products spoilage due to low demand, breakdown of storage equipment, poor storage or mistakes in planning. This is the risk of medium probability in restaurant business. Surplus products can appear for two reasons: firstly, due to low level of sales and due to unpopularity of some items in the menu; and secondly, due to errors in sales forecasting. To reduce this risk is possible by proper planning and forecasting, reviewing the assortment, excluding of unprofitable dishes from the menu. Food storage errors and damage of refrigeration equipment can lead to food spoilage. This threat can be avoided by training personnel and monitoring their work, as well as regular equipment maintenance.

The risk of equipment breakdown and production downtime will be mitigated by regular maintenance of equipment in order to support its daily performance.

An effective advertising campaign and competent marketing policy, involving various promotions and bonuses will help to reduce the possible risk of inability to meet the planned sales. There is always the risk of staff incompetence, which implies low qualifications or lack of required experience, high level of turnover, lack of employee motivation etc. and the easiest way to reduce this risk is to organize serious personnel selection, training and examination to hire only the employees who meet all the requirements, but also the bonus system for the employees should be provided that is why human resource management should be active and take a strong position in the company.

The reputation of healthy food restaurant can decrease the amount the target audience, such risk can appear in case of mistakes in management or a decrease of service quality. It is possible to mitigate this risk with constant food quality monitoring, organizing the feedback portal for the customers, by offering a small discount for the next visit if the customer will give feedback, so the reviews could be analyzed and corrective measures will be undertaken.

Summarized data on the analysis of the risk component of the restaurant business are given in table 8 of the business plan. By quantifying risks, it is easier to establish the main focus areas in risk management system and identify the kind of measures which should be taken to minimize losses.

Risk	Probability of risk (0-1)	Weight of risk (0-10)	Score (Probability*Weight)
Unscrupulous suppliers	0.2	4	0.8
Falling demand	0.5	6	3
Competitors reaction	0.7	8	5.6
Rental problems	0.1	2	0.2
Product spoilage	0.4	7	2.8
Equipment damage	0.3	3	0.9
Failure to meet planned sales	0.6	9	5.4
Staff problems	0.5	1	0.5
Reputation decrease	0.4	5	2

Figure 9. Risks

According to the above calculations, the most serious risks of the healthy food restaurant are the risks of competitors reaction and failure to fulfill the sales plan. Thus, the company should pay special attention to the formation of competitive advantages, especially pricing, marketing strategies, as well as the creation of a flexible system of working with clients.

## 11. Conclusion

The objective of this thesis was to investigate the main stages of business planning and implementation of the gained knowledge in writing an actual business plan for healthy food restaurant located in Lappeenranta. The aim of this project was justification of the importance of carefully planned business, market research and financial planning.

Everyone who is planning to start own business should be ready for an accurate and challenging work which in the future will give him the opportunity to open a successful enterprise. Serious approach to this matter, personal enthusiasm and interest are key points in writing a relevant business plan.

Precisely because of this enthusiasm and irresistible desire to become an entrepreneur in the restaurant business, the author wrote this business plan, revealed all the strengths and weaknesses of this project, as well as what difficulties you may encounter when opening your own restaurant, since there are very few analogues in Lappeenranta. Since the author plans to open her own business in Lappeenranta, after a long research, it was decided to focus on a healthy food restaurant since this niche is not well developed in the city yet, but despite this fact people around Finland are willing to eat healthy.

The most difficult part in this project was the identification of reliable information regarding this business area and a clear selection of the data obtained, on the basis of which the study was conducted, since inaccurate information can lead to gross errors in the calculations and planning, which in turn will lead to the study's bias.

It was also quite time-consuming to search for relevant information because the main idea of a healthy food restaurant is that customers choose this restaurant instead of burgers and French fries, which means that the products must be not only highly qualified but also useful for the healthy nutrition diet, also the service speed and service time from the moment of ordering to the moment of receiving

the finished dishes would not be much longer than in a fast food restaurant but it would have less calories and brought pleasure to the consumer.

Since the business idea was defined the author has started market research with analysis of business and management literature, as well as an amount of internet sources. At the same time the target market research was conducted using an online survey. The results of the survey outlined the main psychological, demographic and social characteristics of potential customers. The results of the analysis showed that the client segment that the author focuses on is quite active today in the city of Lappeenranta, which means that such type of restaurant will be in high demand in among customers and will tend to develop and expand.

Also in the study, a high level of attention was paid to the factors that attracts customers in addition to a good product, namely the discount system that the author decided to introduce into the marketing plan, since this approach will not only make customers more loyal, but will also give a competitive advantage to this enterprise in the market.

To sum up, business plan of healthy food restaurant contains information about main characteristics of the company, conducted market analyses, financial plan, strengths and weaknesses, opportunities and threats. It can be used as a business plan template for establishment similar type of restaurant, but in this case it should be adapted for desired market and location.

Finally, all the analyses and knowledge about strong and weak sides of the company allows to suggest that the project of healthy food restaurant will be implemented effectively and efficiently and the target goals will be accomplished.

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## Appendicies

Number of months	Date	Beginning Principal balance	Payment, €	Monthly interest, €	Amount to pprincipal, €	Balance Remaning, €
1	01.04.2010	81 600,0	1 879,2	340,0	1 539,2	80 060,8
2	01.05.2010	80 060,8	1 879,2	333,6	1 545,6	78 515,2
3	01.06.2010	78 515,2	1 879,2	327,1	1 552,1	76 963,1
4	01.07.2010	76 963,1	1 879,2	320,7	1 558,5	75 404,6
5	01.08.2010	75 404,6	1 879,2	314,2	1 565,0	73 839,6
6	01.09.2010	73 839,6	1 879,2	307,7	1 571,5	72 268,1
7	01.10.2010	72 268,1	1 879,2	301,1	1 578,1	70 690,0
8	01.11.2010	70 690,0	1 879,2	294,5	1 584,7	69 105,3
9	01.12.2010	69 105,3	1 879,2	287,9	1 591,3	67 514,1
10	01.01.2011	67 514,1	1 879,2	281,3	1 597,9	65 916,2
11	01.02.2011	65 916,2	1 879,2	274,7	1 604,5	64 311,6
12	01.03.2011	64 311,6	1 879,2	268,0	1 611,2	62 700,4
13	01.04.2011	62 700,4	1 879,2	261,3	1 617,9	61 082,4
14	01.05.2011	61 082,4	1 879,2	254,5	1 624,7	59 457,7
15	01.06.2011	59 457,7	1 879,2	247,7	1 631,5	57 826,3
16	01.07.2011	57 826,3	1 879,2	240,9	1 638,3	56 188,0
17	01.08.2011	56 188,0	1 879,2	234,1	1 645,1	54 542,9

18	01.09.2011	54 542,9	1 879,2	227,3	1 651,9	52 891,0
19	01.10.2011	52 891,0	1 879,2	220,4	1 658,8	51 232,2
20	01.11.2011	51 232,2	1 879,2	213,5	1 665,7	49 566,5
21	01.12.2011	49 566,5	1 879,2	206,5	1 672,7	47 893,8
22	01.01.2012	47 893,8	1 879,2	199,6	1 679,6	46 214,1
23	01.02.2012	46 214,1	1 879,2	192,6	1 686,6	44 527,5
24	01.03.2012	44 527,5	1 879,2	185,5	1 693,7	42 833,8
25	01.04.2012	42 833,8	1 879,2	178,5	1 700,7	41 133,1
26	01.05.2012	41 133,1	1 879,2	171,4	1 707,8	39 425,3
27	01.06.2012	39 425,3	1 879,2	164,3	1 714,9	37 710,4
28	01.07.2012	37 710,4	1 879,2	157,1	1 722,1	35 988,3
29	01.08.2012	35 988,3	1 879,2	150,0	1 729,2	34 259,0
30	01.09.2012	34 259,0	1 879,2	142,7	1 736,5	32 522,6
31	01.10.2012	32 522,6	1 879,2	135,5	1 743,7	30 778,9
32	01.11.2012	30 778,9	1 879,2	128,2	1 751,0	29 027,9
33	01.12.2012	29 027,9	1 879,2	120,9	1 758,3	27 269,7
34	01.01.2013	27 269,7	1 879,2	113,6	1 765,6	25 504,1
35	01.02.2013	25 504,1	1 879,2	106,3	1 772,9	23 731,2
36	01.03.2013	23 731,2	1 879,2	98,9	1 780,3	21 950,9
37	01.04.2013	21 950,9	1 879,2	91,5	1 787,7	20 163,1
38	01.05.2013	20 163,1	1 879,2	84,0	1 795,2	18 367,9
39	01.06.2013	18 367,9	1 879,2	76,5	1 802,7	16 565,3
40	01.07.2013	16 565,3	1 879,2	69,0	1 810,2	14 755,1
41	01.08.2013	14 755,1	1 879,2	61,5	1 817,7	12 937,4
42	01.09.2013	12 937,4	1 879,2	53,9	1 825,3	11 112,1
43	01.10.2013	11 112,1	1 879,2	46,3	1 832,9	9 279,2
44	01.11.2013	9 279,2	1 879,2	38,7	1 840,5	7 438,6
45	01.12.2013	7 438,6	1 879,2	31,0	1 848,2	5 590,4
46	01.01.2014	5 590,4	1 879,2	23,3	1 855,9	3 734,5
47	01.02.2014	3 734,5	1 879,2	15,6	1 863,6	1 870,9
48	01.03.2014	1 870,9	1 879,2	7,8	1 871,4	0,0

Appendix 1.Totalloancost 8601,1 €