**Business Plan For Fiscal Year [2018]**

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**Pizza**

**Delivery Business Plan**

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**EXECUTIVE SUMMARY:**

[Artstyle Pizza] is a pizza delivery service in [Philadelphia], [Pennsylvania]. The owner, [Tommaso Milano], has [six] years’ experience in the pizza industry and his main goal is to provide affordable quality pizza. Serving to 10,000 residents within a two-mile radius, it aims to keep its prices low by keeping the overhead as low as possible beating the standard rates of other competitors. [Artstyle Pizza] will provide better pizza at a lower cost and will be delivered faster than the closest competitor.

**COMPANY OVERVIEW:**

**Mission Statement:** [Artstyle Pizza’s] mission is to provide the best pizza delivery service in town and offer quality pizza at the lowest price.

**Philosophy:** [Artstyle Pizza] is driven by its mission to bring the best value to its clients through integrity, reliability, honesty, quality, respect, and consistency.

**Vision:** [Artstyle Pizza] strives to become the fastest, most affordable, and well-sought after pizza delivery service in the country.

**Outlook:** [Philadelphia] has experienced a steady growth of population over the past [7] years. There have been over 9,000 new residents in the city from [2012 to 2013] alone. And, it is now the second-fastest growing county in the region. With this explosive growth comes a great opportunity for building a loyal customer base. [Artstyle Pizza] will focus on the areas which are hard for competitors to reach. Currently, the proposed area’s closest pizzeria takes up to 50 minutes to deliver pizza. [Artstyle Pizza] will cut 30 minutes off of their delivery time.

**Type of Industry:** Pizza Industry

**Business Structure:** Sole Proprietorship

**Ownership:** [Sole Proprietorship], [Tommaso Milano]

**Start-Up Summary**: The start-up cost is $[60,000] to be provided by the owner and to be used primarily for kitchen equipment, rent, insurance, supplies, and payroll.

|  |  |
| --- | --- |
| Start-Up Expenses to Fund | $40,000 |
| Start-Up Assets to Fund | $20,000 |
| **Total Funding Required** | **$60,000** |
|  | |
| Assets |  |
| Non-Cash Assets from Start-Up | $9,000 |
| Cash Requirements from Start-up | $7,000 |
| Additional Cash Raised | $0 |
| Cash Balance on Starting Date | $4,000 |
| **Total Assets** | **$20,000** |
|  | |
| Capital |  |
| Planned Investment |  |
| Owner | $60,000 |
| Other | $0 |
| Additional Investment Requirement | $0 |
| **Total Planned Investment** | **$60,000** |
| Loss at Start-Up (Start-Up Expenses) | -$40,000 |
| **Total Capital** | **$20,000** |
| **Total Capital and Liabilities** | **$20,000** |
| Total Funding | $20,000 |
|  | |
| **Start-Up** | |
| Requirements |  |
| Start-Up Expenses |  |
| Legal | $2,500 |
| Kitchen Inventory | $6,000 |
| Delivery Paper Products | $2,500 |
| Leased Kitchen Equipment | $19,000 |
| Insurance | $1,500 |
| Rent | $2,000 |
| Promotional Signs for Delivery Cars | $2,500 |
| Business Sign | $4,000 |
| Other | $0 |
| **Total Start-Up Expenses** | **$40,000** |
|  | |
| Start-Up Assets |  |
| Cash Required | $11,000 |
| Other Current Assets | $0 |
| Long-Term Assets | $9,000 |
| **Total Assets** | **$20,000** |
| **Total Requirements (Total Start-Up Expenses + Total Assets)** | **$60,000** |
|  |  |
|  |  |

**Management Team:**

|  |  |  |
| --- | --- | --- |
| **Management Team** | **Role/Function** | **Skills** |
| [Giosue Fiorentini] | Store Manager | Analytical, Client Communication, Problem Solving, Planning, and Strategy |
| [Judith West] | Operations Manager | Leadership, Organization, Business Negotiation, Decision-Making, and Conflict Management |

**Short- and Long-Term Goals and Milestones:**

|  |  |
| --- | --- |
| **Short-Term Goals** | **Milestones** |
| Hire store manager and operations manager | Done hiring last December 4, 2017 |
| Hire one kitchen staff and two delivery staff | The hiring process has started last January 4, 2018. |
| **Long-Term Goals** | **Milestones** |
| Increase brand awareness and customer loyalty by 10% for the current fiscal year | Done printing flyers, setting up the social media accounts, and hiring of a social media manager last February 20, 2018 |
| Increase revenue by 50% for the current fiscal year | Collaborated with nearby businesses for brand promotion and hired a business consultant to develop business strategies |

**PRODUCTS AND SERVICES**

**Product/Service Description:** [Artstyle Pizza] offers a wide variety of affordable Italian pizzas as well as beverages that complement with the flavorful nature of the Italian style. Because of the strategic placement of the store, the delivery service will be 50% faster than the closest competitor operating in the area thereby ensuring that the products are still in their best state upon delivery.

**Value Proposition:** [Artstyle Pizza] will be the closest pizza place among its competitors in the east side of the city beating their delivery time by 50%. Since [Artstyle] only delivers pizza, its prices do not reflect the overhead that a traditional pizza restaurant demands. This results in lower prices compared to its competitors.

**Pricing Strategy:** [Artstyle Pizza] uses cost-plus pricing and competitive pricing and aims to set the prices lower than its competitors.

Formula:

Profit Margin = 1- (Expenses/Net Sales)

[Artstyle Pizza]

Profit Margin = 1 - ($117,000/$148,700)

= 1-0.79

= 0.21 or 21%

**EXECUTION**

**Marketing Plan**

[Artstyle Pizza] will focus on attracting new customers and will execute its marketing plans on both online and offline mediums. Offline strategies will involve combo package deals and “by the slice” offers to appeal to groups and individuals. Online activities will involve product promotions and client engagement in social media.

**Market Research**

Pizza delivery has greatly expanded over the past years and is expected to grow at a yearly rate of 5% over the next [five] years. Consumer expenditures are increasing which has been reinforced by the Internet. About ten billion dollars are spent annually on pizza delivery in the United States, the second largest share of consumer spending in the quick service pizza restaurants category. In 2016, a survey by [Nielsen Scarborough] found out that over 79 million Americans visited a pizza restaurant within the past month.

Facing new competition in the industry is high as the barrier to entering it is low. Fragmentation of the industry creates plenty of room for newcomers. [Artstyle Pizza] has to differentiate itself in order to stand out.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SWOT Analysis** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| [Artstyle Pizza] | * Fast delivery * Low prices * Outstanding quality | * Limited menu * Operating at an entry level | * Increasing growth of population in the city * Business opportunities within the area attract new residents giving [Artstyle Pizza] more opportunities to cater to more clients | * New pizza store with the same business model and strategy operating in the same location * The prices of the ingredients are increasing which affects the prices of the pizzas |
| [JollyGood Pizzeria] | * High-quality Italian pizza * A wide variety of pasta and pizza offerings | * Far from the east side of the city * It takes more time to deliver to the east side area of the city | * Regular patrons are mainly from the central part of the city where the store is located | * More competitors located at the central part of the city |
| [Garp’s Pizza Restaurant] | * High-quality gourmet pizza | * Very high prices | * Increasing demand for gourmet pizza along with increasing annual income of the upper-middle class | * Competitors offering the same quality of gourmet pizza at a lower cost |

**Marketing Strategy**

Because the Internet has helped boost the growth of the pizza delivery industry, [Artstyle Pizza] will focus its resources on strengthening its online presence, making use of an online website and social media platforms. It will set-up a user-friendly website that will make it easier for customers to order.

The company will also offer pizza by slices. Customers who are eating in groups can avail of combo package deals. This strategy can also help promote the other items on the menu.

The team has already started executing minor activities that will drive the marketing strategy. Here is the team’s progress so far:

|  |  |  |  |
| --- | --- | --- | --- |
| **Marketing Strategy** | **Activities** | **Timeline** | **Success Criteria** |
| Social media accounts and website set-up | [Artstyle Pizza] has hired a social media manager and web developer | February 10, 2018 | * The social media accounts have to be set up before February 15, 2018, and the contents posted as soon as possible. * The website will be live and functional by February 25, 2018. |
| Combo deals and bundles to be incorporated in the menu | Has done research and computations on what combinations generate higher sales | February 26, 2018 | A menu which highlights the perfect pizza combination deals and offers |

**Organizational Structure:**

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**OPERATIONAL PLAN:**

**Location and Facilities**

Provide a sketch or blueprint of the facility.

Provide photos or images of the location/facility.

**Tools and Equipment Checklist**

|  |  |
| --- | --- |
| **Hardware** | **Quantity** |
| Pizza Oven | 1 |
| Dough Rounder | 1 |
| Pizza Display Case | 1 |
| Dough Mixer | 1 |
| Pizza Delivery Bag | 2 |

**IT Infrastructure**

[Artstyle Pizza] IT infrastructure is listed on the table below:

|  |  |  |
| --- | --- | --- |
| **Infrastructure** | **Existing (Y/N)** | **Description** |
| Website and Social Media | Y | The company is active on Facebook and Instagram. The website is live and is promoting company products. |
| Customer Relationship Management (CRM) | N | Manages the company’s interaction with clients and potential customers |
| Router | Y | Directs and manages data packet traffic between computer networks |

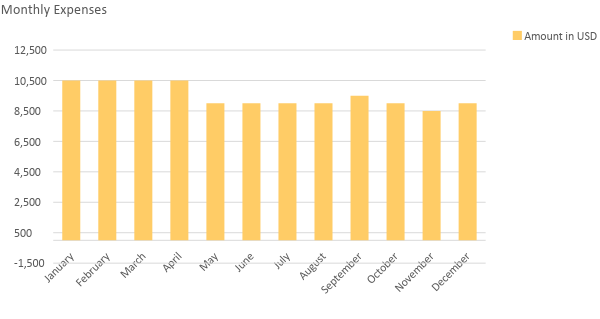
**FINANCIAL PLAN**

**Assumptions**

[Artstyle Pizza] will target the market’s need for a lower priced high-quality Italian pizza and with 50% faster delivery time. Majority of the expenses will be on maintenance, supplies, insurance, rent, and employee salary.

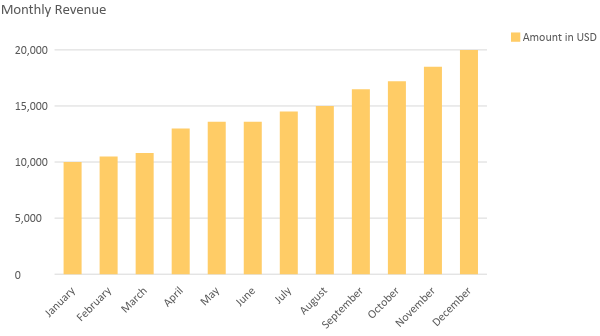
**Monthly Expense**

Below is the store’s projected monthly expense for the first fiscal year.

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**Monthly Revenue**

The store’s projected monthly revenue for the first fiscal year.

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**Business Financing**

All the funding from the business comes from the owner, which is worth $[60,000]. The expenses mainly go to the rent, employee salary, maintenance, supplies, and insurance.

**Statements**

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit and Loss Projection** | | | |
|  | FY2018 | FY2019 | FY2020 |
| Sales | $173,100.00 | $195,500.00 | $230,300.00 |
| Direct Cost of Sale | $24,400.00 | $35,400.00 | $36,700.00 |
| Other Cost of Sale | $0.00 | $0.00 | $0.00 |
| **Total Cost of Sale (Sales - Direct Cost of Sale - Other Cost of Sale)** | $148,700.00 | $160,100.00 | $193,600.00 |
| **Gross Profit (Sales-Total Cost of Goods Sold)** | $24,400.00 | $35,400.00 | $36,700.00 |
| **Gross Margin % (Gross Profit/Sales)** | **14.10%** | **18.11%** | **15.94%** |
|  |  |  |  |
| **Operating Expenses** |  |  |  |
| Rent | $5,000.00 | $5,000.00 | $5,000.00 |
| Insurance | $3,000.00 | $3,000.00 | $3,000.00 |
| Utilities | $3,000.00 | $3,000.00 | $3,000.00 |
| Salary (Including Tax) | $6,000.00 | $10,000.00 | $12,000.00 |
| Maintenance & Supplies | $1,000.00 | $2,000.00 | $2,500.00 |
| **Total Operating Expenses** | **$18,000.00** | **$23,000.00** | **$25,500.00** |
|  |  |  |  |
| EBITDA (Total Cost of Sale-Total Operating Expenses) | $6,400.00 | $12,400.00 | $11,200.00 |
| Depreciation (Asset Cost - Residual Value)/Useful Life of the Asset) | $5,000.00 | $5,000.00 | $5,000.00 |
| Interest Expense | $0.00 | $0.00 | $0.00 |
| Taxes Paid | $4,500.00 | $5,000.00 | $6,000.00 |
| **Net Profit (Gross Profit - Operating Expenses - Taxes - Interest)** | **$1,900.00** | **$7,400.00** | **$5,200.00** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance Sheet Projection** | | | |
|  | **FY2018** | **FY2019** | **FY2020** |
| Cash | $30,000.00 | $43,000.00 | $50,000.00 |
| Accounts Receivable | $5,000.00 | $6,000.00 | $7,400.00 |
| Inventory | $4,000.00 | $5,000.00 | $6,000.00 |
| Other Current Assets | $3,000.00 | $4,000.00 | $6,000.00 |
| Total Current Assets | **$42,000.00** | **$58,000.00** | **$69,400.00** |
|  |  |  |  |
| Long-Term Assets | $9,000.00 | $9,000.00 | $9,000.00 |
| Accumulated Depreciation | $2,000.00 | $2,600.00 | $3,500.00 |
| **Total Long-Term Assets** | $11,000.00 | $11,600.00 | $12,500.00 |
| **Total Assets (Total Current Assets + Total Long-Term Assets)** | **$53,000.00** | **$69,600.00** | **$81,900.00** |
|  |  |  |  |
| Accounts Payable | $10,000.00 | $14,000.00 | $16,000.00 |
| Notes Payable | $3,000.00 | $3,500.00 | $4,500.00 |
| Other | $0.00 | $0.00 | $0.00 |
| **Total Liabilities** | **$13,000.00** | **$17,500.00** | **$20,500.00** |
|  |  |  |  |
| Paid-in Capital | $60,000.00 | $60,000.00 | $60,000.00 |
| Retained Earnings | $40,000.00 | $34,000.00 | $20,000.00 |
| **Total Owner's Equity (Total Assets - Total Liabilities)** | **$40,000.00** | **$52,100.00** | **$61,400.00** |
| **Total Liabilities & Equity (Total Liabilities/Total Owner's Equity)** | **32.50%** | **33.59%** | **33.39%** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cash Flow Projection** | | | |
|  | **FY2018** | **FY2019** | **FY2020** |
| Operating Cash Beginning | $60,000.00 | $65,000.00 | $80,000.00 |
|  |  |  |  |
| **Sources of Cash** | $22,000.00 | $22,000.00 | $23,000.00 |
| Receivables | $9,500.00 | $10,000.00 | $18,000.00 |
| Sales | $30,000.00 | $35,000.00 | $50,000.00 |
| Others | $0.00 | $0.00 | $0.00 |
| **Total Cash** | $61,500.00 | $67,000.00 | $91,000.00 |
|  |  |  |  |
| **Expenditures** |  |  |  |
| Rent | $5,000.00 | $5,000.00 | $5,000.00 |
| Insurance | $3,000.00 | $3,000.00 | $3,000.00 |
| Utilities | $3,000.00 | $3,000.00 | $3,000.00 |
| Salary (Including Tax) | $6,000.00 | $10,000.00 | $12,000.00 |
| Maintenance & Supplies | $1,000.00 | $2,000.00 | $2,500.00 |
| **Total Expenditures** | $18,000.00 | $23,000.00 | $25,500.00 |
| **Net Income/Loss (Total Cash - Total Expenditures)** | **$43,500.00** | **$44,000.00** | **$65,500.00** |



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**To Edit Table:**

1. Point the mouse in the table where you want to edit and delete the sample text and then you can add your text.
2. You can adjust the row & column size of the table in the Main Tab: Layout



**To Edit Chart:**

1. Select the chart which is going to edit and then
2. In Main tab: Design -> Edit Data
3. It will open the excel sheet where you can edit the values of the chart

