

Assessment 2: Business Model and Plan



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Introduction

There is an extensive amount of global competition in almost every sector and it has led to the identification that various organisations have to come up with authentic ideas from time to time to make sure that they have managed to maintain their competitive dominance. The business model and plan provided below would make sure that the business idea generated for a specific restaurant business allows them to gain substantial amount of attention in the overseas market. The plan and the report would make sure that the ideas suggested by the population have been properly authenticated and the restaurant is able to undergo substantial amount of changes that allows them to gain prominence in the overseas market. It is extremely difficult for a start-up venture to witness all of the changes and dominance that are being instigated by the already existing organisations. The restaurant business that has been taken into consideration is the famous restaurant Lucio's Italian Restaurant. This restaurant has been operating in the NSW region since the year of 1983 and is extremely popular among the people residing there (Brinckmann et al., 2018). The restaurant enjoys extreme amount of popularity due to their choice of Italian menu and the use of magnificent Australian Art that can be found in display at the restaurant. The business model and the plan prescribed below would present with viable strategies that would allow the company to gain dominance in the global market and address the competitive dynamics.



Figure 1: The Logo of Lucio's Italian Restaurant

(Source: Thornton, Lamb & Ball, 2016)

Explanation for the need of new venture

It is evident to question as to why propose a new venture for an organisation that is immensely popular in its region and has managed to garner the attention of the customers for more than three decades. However, this plan proposes the idea that the restaurant would be expanding to a completely new country to make sure that they have managed to implement certain amount of changes in their business aspects and for the better occurrence of their business operations (Uhl & Gollenia, 2016). The catch is, being an Italian restaurant the officials displayed the marvellous Australian Art for the population and the same can be preached when the company expands overseas. The company intends to expand their business operations in Italy under the name 'Lucio's Australian Restaurant'. They would be presenting classic and authentic Australian Food and at the same time fill their restaurant with the classic artefacts of the famous Italian artists.

The idea of international expansion has been considered mandatory here because, it would allow the company to marvel in their business operations and pave the way for their global dominance. The use of this idea would make sure that the company has managed to showcase their diversity and their strategies that proliferates through the idea that the restaurant has substantial amount of potential in gaining enough customers is the proper explanation behind the initiation of a completely new venture. Here, it can be evidently stated that the idea of international expansion would require the restaurant business to cause a significant amount of changes in their strategic direction and working policies.

Proposed Business Model

It has been deliberately stated that the restaurant is expanding their business operations to Italy. Form all that has been identified about the country is the fact that it is immensely popular for its food and have a great sense of acceptance towards the varied range of food and diversities presented by the other parts of the world. There are certain elements of a business model that must be highly considered to make sure that the business is able to flourish in the country that has been chosen by the restaurant. Since the company is expanding its business operations from one country to the other, the use of the Franchise business model would be considered effective for the organisation (Souto, 2015). The elements provided below are the integral part of the business model. The business model for Lucio's Australian Restaurant are as follows:

Unique Value Proposition (UVP)

The use of UVP can be considered as vital and elegant as it has a tendency to provide a sneak peak of the products and services that are being offered by the restaurant to make sure that they attract the attention of the consumers (Massa, Tucci & Afuah,). The UVP of the restaurant is “The great combination of food and service with the pleasant experience of staring onto the walls constantly is what Lucio’s is all about”. The restaurant believes in providing relevant amount preferences to the Australian dishes to make sure that they have managed to gain substantial amount of attention of the customers and at the same time have managed to retain their loyalty for the organisation.

Menu Choices

It has been clearly indicated earlier that the prime choice of the menu would be the authentic and traditional Australian cuisine. This cuisine has the potential to make sure that the Italian population has been provided with a different taste altogether from a new continent. It is also essential to consider that it has the potential to make sure that the population can experience changes in their taste buds and try something completely new and different. The list of popular dishes that would be a constant are as follows:

- Chicken Parmigiana
- Barbequed Snags
- Lamingtons
- ‘The Lot’ Burger
- Pavlova
- Meat pies
- Barramundi
- Vegemite on a toast
- Pumpkin soup
- Grilled Kangaroo

Target Market

The potential target market of the restaurant would be majority of the Australian and Italian population residing. However, if the significant amount of Australian population ends up liking the dishes and the ambience of the restaurant then it is a possibility that with the help of word of mouth or proper marketing activities, substantial amount of Italian population can be attracted. The restaurant would be convenient place for every family or group of

friends or even for couples. The restaurant has ample amount of significance that makes sure that the people can understand the idea of proper engagement and a long term association with the restaurant. Thus, every individual belonging to different age groups would be the potential target market for the restaurant.

Competitor's Assessment

The primary intention of the restaurant is to start a venture in the city of Florence. This city is the home to Renaissance Art, which serves as a perfect delight for the theme of the restaurant. It would also be considered as a significant dining experience for the people and they would be able to make sure that substantial amount of attention from the side of the customers has been acquired to open up in this city. Being one of the most popular cities, it is evident that the restaurant would be subjected to significant amount of competition from the already existing ones. Some of the popular ones being La Buchetta Food & Wine Restaurant, Panini Toscani and I' Girone De' Ghiotti. These three are some of the popular restaurants in Florence and have managed to acquire the attention of the customers for many years. However, Lucio's has one competitive advantage and that is they are not going to serve the traditional Italian dishes, rather their preference and attention towards their own culture would attract even more customers for them.

Marketing Strategy

Being in one of the most popular cities in the world, it is essential that Lucio's has some effective marketing strategies in mind to make sure that they would be able to attract the attention of the customers and meanwhile articulate their reputation and positive marking to major parts of the world and gain the attention of the customers (Burns, 2016). However, some of the following effective marketing strategies can be used by the restaurant to attract the customers.

- Conduct advertisements of being one of Australia's finest restaurants
- Have Italian employees to viably understand their culture and food habits
- The restaurant and the key officials must have the potential to display their love for the Italian culture
- Present their knowledge of Italian art and culture in the restaurant to keep up the interests of the population

Financial Projections

The restaurant predicts to earn about at least €2 million by the end of the fiscal year. If the restaurant manages to earn this amount by the end of the year then it can be effectively stated that they have extreme amount of potential for expanding their business overseas, while managing to operating effectively in their already established market.

(For business model canvas refer to appendices)

Alignment of Business model with the components of business plan

The elements mentioned in the business model earlier can also be seen in a business plan. Thus, it is evident to consider that there is not enough difference between the formation of a business model and a business plan (Hair Jr et al., 2015). However, one prominent difference between these two is the idea that a significant amount of attention goes into the formation of the business plan and that it also required subsequent amount of attention from the people. It is essential to consider that the components might end up being similar in both business model and plan, but it is essential that a proper and a detailed one has been used to make sure that adequate amount of attention has been paid in the consideration of the project. It is also vital to consider the level of similarity in the components have made sure that the people have managed to understand the significance and include the essential aspects that are required for the study.

Proposed Business Plan

The business plan proposed would allow Lucio's Australian Restaurant to perform in a more effective and exotic manner in Italy.

Mission

The mission of the company is to make sure that the Italian population gets to have the proper flavour of Australia and at the same time make sure that their classic style of incorporating art in the dining hall is gaining adequate amount of attention from the people. They also have the strategy to make sure that they get to earn adequate amount of profit by the end of the fiscal year.

Success Measures

The key success measures of the Lucio's Australian Restaurant are as follows:

- The idea of inventory management used by the organisation would make sure that they have the capability of ensuring the radical changes in the exact amount of behaviour instigated by the people and gain reputation in the market
- Provide great quality food and fine dining experience to the people
- Have an appealing menu that is filled with Australian delicacies. It would be important to provide the Italians with a new experience and the Australians with an opportunity to miss their home
- A substantial amount of focus would be paid on the employee retention strategies of the restaurant

Objectives

The key objectives of the restaurant for the first 2-3 years of operation are as follows:

- Keep their operational costs as low as possible
- Make sure that the employee costs stay between 30-37 percent of total sales
- Continue to come up with effective marketing strategies to attract more customers from time to time
- Maintain their uniqueness of introducing different art in their gallery

Overview of the Restaurant

It has been identified that Lucio was a popular Italian restaurant in Australia. With their business expansion in Italy, the restaurant is highly integrated towards the idea of making sure that they introduce authentic Australian cuisine in Italy to garner the attention of the customers. With their unique aspect being introducing different arts and painting of popular artists of Australia. Here, the restaurant would be focusing on introducing the different forms of Italian Art to the population that would be there for vacationing. Even to continue their business operations in Italy the restaurant has taken the initiative to change their name into Lucio's Australian Restaurant. This would allow the company to conduct their business operations in a more effective manner.

Menu, Location and Timings

The restaurant timings, location and the menu of a restaurant business acts as a significant mode of attraction to make sure that they have the tendency to attract enough amount of customers that would enhance the efficiency of the organisation. The location must be convenient at all costs for the restaurant to make sure that it is easily and readily accessible

by the people and is away from all kinds of chaos and is peaceful dining experience for many. The perfect location of the restaurant would be Via dell' Agnolo. This would be considered as an appropriate location for the restaurant. The store timings would be as follows:

The restaurant would be open only for lunch and for dinners.

Lunch/Dinner	Weekdays	Starting Time	Last Order Time
Lunch	Monday-Saturday	12.30 PM	2.50 PM
Dinner	Monday-Thursday	6.30 PM	10.20 PM
Dinner	Friday-Saturday	6.00 PM	10.30 PM

The restaurant would be closed on all Sundays and other public holidays. The restaurant would have an attractive menu comprising all kinds of specials from the Australian Menu. Some of the key specials have been stated in the business model earlier.

Ownership and Budget

The ownership structure of Lucio has always been that of sole proprietorship so it is no different that the owner would continue to operate in Italy in the similar manner. It is also vital to consider that the organisation must be capable of undertaking every risk that comes in their way to make sure that they have managed to conduct their business operations in the most extensive and proliferated manner. The budget for expansion in Italy is about €700,000 and this particular amount would make sure that the company is able to ensure their expansion properly.

Key services

The key services that would be provided comprise of dining experiences to families and other groups. On the same notion, there is also a possibility that the restaurant would be able to make sure to indulge various kinds of events and functions for a better accessibility range of the restaurant and to make sure that they have managed to indulge in an effective brawl between the capabilities of the restaurant and in gaining the attraction of the customers.

Complimentary Policies

The customers would be provided with free wine and make sure that even the appetizers are being provided at free of costs if the order of the individuals or groups arrives

late and they have to wait too long for their food. It is of primal importance that the manager or the back house staff takes the utmost responsibility of making sure that the people do not have to wait for their order and work in a proliferated manner.

Market Segmentation

Lucio intends to conduct the market segmentation based on the psychographics of the population to make sure that they can attract the attention of the students, various tourists' groups, families and many more. It is also essential to make sure that the idea of perfect market segmentation can be gained by the organisation to the point of global consideration.

Implementation

For the implementation of the plan, it is also essential that the restaurant is able to conduct their operations in an appropriate manner and that they have a proper mitigation strategy that would ensure that the people are able to address the risks involved. At the initial stage, addressing the risks are vital and then the formation of the mitigation strategy would ensure the proper implementation of the plan.

Project Plan

The following project plan provides substantial amount of knowledge on the use of the proper formation and implementation of the plan.

Phase s	Tasks	Person Responsib le	Start Date	End Date	Duratio n	Progre ss	Status
Phase 1	Identifying a suitable market/country	The head of the marketing department	08/02/2019	08/04/2019	2 months	To be Started	Incomplete
	Conducting Market Research	”	09/04/2019	09/05/2019	1 month	”	”
Phase 2	Coming up with a proper business idea	The leader of the organisation/ R & D	10/05/2019	10/06/2019	1 month	”	”

		section					
Phase 3	Framing the Business Model	The Manager and the leader	11/06/2019	11/08/2019	2 months	”	”
	Framing the Business Plan	”	12/08/2019	12/10/2019	2 months	”	”
Phase 4	Conduct Risk Assessment Plan	The head of Operations department	13/10/2019	13/11/2019	1 month	”	”
Phase 5	Implementati on Plan	The leader and the other officials involved in the project	14/11/2019	14/02/2020	3 months	”	”

Table 1: Project Plan for Lucio's Australian Restaurant

(Source: Created by the learner)

Risk Assessment

The risks provided below are the ones that could be incurred by the organisation, so it is essential to even have a mitigation strategy for them.

Potential Risk	Who is at risk?	Existing Measures for Control	Rating (H/M/L)	Preventive Measures	Possible Response
The Italian customers might not be in favour of	The leader	They can introduce their Italian menu for	High	Create a fusion of Italian and Australian	The customers might find the fusion

the Australian Cuisine		some time before coming up with a preventive measure		Cuisine	interesting
The price range might not be appreciated by the people	The Customers	Make sure that the pricing range is affordable by the people	High	Introduce discounted offers on the best dishes	It would allow the customers to avail combos
The quality of the food might not turn out to be as expected	The leader and the customers	Improve the quality of the food	High	Keep tabs on the kitchen frontier to monitor the food preparation	It would help in finding the flaws and correcting them

Table 2: Risk Assessment Plan

(Source: Created by the learner)

Conclusion

The discussion generated above provided substantial amount of knowledge on how to formulate a business plan and make sure that the organisation to make sure that substantial amount of knowledge has been acquired for the benefit of the organisation. Lucio's Italian Restaurant has gained immense amount of popularity in Australia and with their interest in varied range of art form, there is also a significant amount of possibilities that the organisation has adequate amount of potential to acquire the interests of the Italian population and ensure that they have the capability to overcome every possible risks that comes in their way.

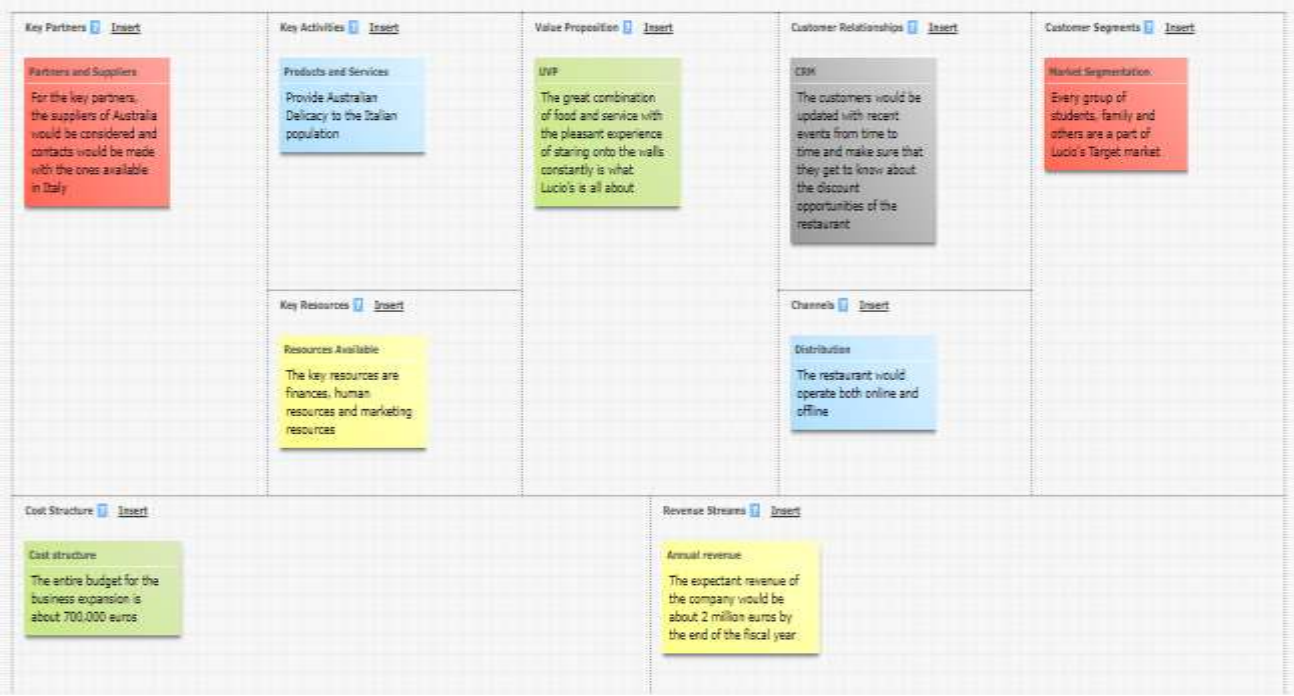
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Appendices

Business Model Canvas



Source: Created by the learner

