

# BizzPlan 101 - Business Plan

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## The Food Truck

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## Executive Summary

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*This is the basic overview of our Business Plan.*

### Our Plans

Dubai is an ever-growing city with a million possibilities. With the recent announcement of the expo 2020, there are even more opportunities in Dubai. Mobility is one of the three themes in the Expo. This is why our idea is to sell the Famous Indian snack Samosa in a Food Truck that roams the streets of Dubai. More specifically we are going to target three locations Bur Dubai from 8-11AM, J.L.T/The Marina and Emirates Living from 1 -4 PM; as well as Karama from 5-8 PM. This means our target audience is not only the Indian/Sub continent community but also the middle class and upper class expat community. For this to be successful we can not only sell the classic samosas but also have to also add fusion cuisine. One example could be chocolate samosa with sugar powder. This would be appealing to the expats as well as some Indians as it is a twist on the normal potato or chicken samosa. To market the product we will be giving out free containers with our logo printed on it, and it is not only to hold the samosa but can be reused and is also quite cheap. This is one of the many ways we will market this company and concept. This is similar the Doofer concept by Burger Fuel.

### Why will this be a success?

This idea will be a success as the food industry is a trillion dollar market globally. Dubai is a melting pot of cultures, where fusion cuisines are fast becoming the norm. This idea has already been tried and tested in countries around the world, most notably the U.S where there is approximately a total revenue of \$804 million and an annual growth of 12.4% (2009-2014)<sup>1</sup>. This concept is unheard-of in the U.A.E which will mean we will be the market leader in potentially a hundred million dollar market. Another reason for this being a success is due to 76% of the population of Dubai (our target market) being of Sub-Continent descent; 6 % of the population are western expats who are willing to try these fusion cuisines<sup>2</sup>. The main reason it will succeed is due the idea being born from one of the themes of The Dubai Expo 2020. It will also be convenient for customers to buy snacks every day, which are healthier, tastier and better than the versions, found in supermarkets.

### Problems

One problem we face is the strict rules, regulations and laws that the U.A.E have on Food Safety. This had been the main problem when other companies have tried this idea however since it is made in the theme of the Expo as well as the food not being made from scratch on the truck just fried it might not be a massive hassle. As well as this we will need a place that will be the garage and main kitchen where the samosas will be made daily and stored for refills of stock in the trucks.



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<sup>1</sup> Data from <http://www.ibisworld.com/industry/food-trucks.html>  
(accessed: Monday, August 4, 2014)

<sup>2</sup> Data from <http://en.wikipedia.org/wiki/Dubai>  
(accessed: Monday, August 4, 2014)

# Introduction

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## Chapter 1

# Needs in the Market

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As we have mentioned in the executive summary, there is a market gap in our sector. There is no specialist samosa joint in Dubai. This is surprising as there are a lot of potential customers out in the market, such as the residents coming from the Indian sub-continent. Our plan is to sell a large variety of samosas. This satisfies the need in the market, and, as part of our research, we concluded that the majority of people (70%) in the sample, residents in the emirates living, buy samosas from spinneys at least 3 or more times a week, but, 55% also said that it isn't their first choice, with some describing them as "bland and tasteless." Out of the total population of Dubai, 76% are from the Indian sub-continent, thus, meaning there are a lot of potential customers waiting out there for this type of shop to be launched. As well as this the Indian cuisine is one of the top cuisines in the world. Many other expats would like to try the classics and fusion dishes.

## Viability, Competitions & Obstacles

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This business plan will need an approval certificate from the health ministry. This could be a potential obstacle. However, it is not impossible to achieve the certificate, as shown by the fact that there are a lot of restaurants. This business is extremely viable, as we only need 2 trucks with a built-in kitchen, and a labour force of 5 per truck. However, we will be able to overcome this obstacle as the Food Truck covers the Mobility theme of the Expo 2020, and, as a result, the Dubai government may be slightly more lenient on us. On top of this, to reduce the risk, we are only frying the samosas on the truck; the rest of the production will be done in the prep kitchen. As well as food hygiene certificates, we also require parking certificates from the RTA so that we can park in the city and in certain areas and sell our snacks.

There is no direct competition to us at the moment; however, there are still a lot of indirect ones. For example, spinneys and choitrams both sell samosas, but that is not their main focus; hence, the barriers of entry into the market are not too high. There are also a lot of restaurants as well; however, they are expensive and therefore will not be so competitive.

# Market Analysis

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## Chapter 2

# Legal & Economic Regulation

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A legal regulation would be obtaining the necessary certificates to open a restaurant, as in Dubai, there is a lot of government involvement in the food industry, so we will need to rent out a place, and get it inspected by the local authorities, only after which we can start to sell our products. There will be fees for this process, but we anticipate it to not be more than 10,000 dirhams based on what some current restaurant owners have advised us.

## Current Market

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As of now, we cannot find any current market trends, or market share, because there are no samosa places in Dubai. However, we can predict how many people will purchase our product. The population of Dubai is 2.1 million, out of which approximately 1.6 million are from the Indian sub continent. Even if half of these 1.6 million buy our samosas every month, we will be successful, guaranteeing revenue of over 1.5 million dhs.

## Demographic Information

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South Asians have 2 distinctive religious groups- Islam and Hinduism. These are 2 completely different groups, as the Muslims are much more conservative, religiously, than the Hindus. This means that our truck must not offend any of the religions. In order to do so, we will take a survey to find out what offends people from these 2 religions and then make sure we don't do the things that they don't want.

Finally, the south Asians are typically thought to be economically conservative, therefore, we have made sure that our prices are very low, and can attract people in numbers.

As well as this European expats like to not only try normal food but also have a fusion as some may not have a pallet for spice. These people however, do not mind spending a bit more money for quality than quantity.

# Company Operation and Product/Service Details

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## Chapter 3



# Overview of Ownership and Structure

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## Ownership

We will split the Share between us three as seen below

Ashar Yahya 40% - CEO (Chief Executive Officer)  
Suraj Chablani 40%- COO (Chief Operating Officer)  
Daksh Sharma 20% - FO (Financial Officer)

Ashar Yahya will be the CEO this means that he will be of highest position in the company and will be the person who makes most of the important decisions.

Suraj Chablani is the COO and he will be in charge of all day-to-day decisions and tasks, and he is the second to CEO however, he will have the same say as the CEO. As well as this he will be the CEO's advisor for all matters regarding the business and if needed will take the reins of the Company if the CEO asks so during emergencies.

Daksh Sharma is FO and is the head of the Finance team and he has a say but is not as high up in the ranks as Ashar and Suraj. He has the smallest share; however will still be on the Board.

## Structure

We will have a long and thin structure of Management with the CEO being at the Top. This is so that we can establish a strong company and the relationships are strictly professional. This will also allow easier integration and allow larger developments to take place. However, we will also try to keep the structure as short as possible so not to have bad communication in the Business.

# Product Analysis

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The product is Samosas but not old and plain samosas but Samosas with a Twist. Our USP will be the variety of samosa's possible, as we will be able to change the crust and the stuffing, allowing the product to be very sweet, or, a more traditional taste as well as our samosas being a fusion of two cuisines. A possible menu card would look like this:

## Our Menu

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### **The Classic Samosa**

**Vegetable Samosa**

**Cheese Samosa**

**Chocolate Samosa**

**Pizza Samosa**

**Thai Chicken Samosa**

**Jalapeño and Cheese Samosa**

**Banana Chips**

**Kurkure**

**Pepsi**

**Chai**

**Seven Up**

**Mountain Dew**

**Ice Tea**

**Water**

### **Extra cost of AED 1 for Crust Toppings and sauces**

- Sugar Powder
- Chocolate/Strawberry syrup
- Cheese/Salsa/Tomato Sauce
- Mint /Coconut Chutney

Along with the samosa, we will be selling a small variety of drinks and a few variants of chips, as they compliment the samosa very well. We will sell these samosas from a truck, which will allow us to be mobile. The truck will serve to customers in Bur Dubai in the morning, and in the emirates living area during midday, and again in Karama during the late afternoon.

# Product Development

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After being in the market for 6 months, we will contact customers and ask them for feedback about the samosa itself, the concept of a food truck, and the service. This will be done by a questionnaire, either online or printed. This will allow us to find out our shortcomings. Based on the feedback, we will alter our services accordingly. We may introduce new Samosas or different snacks as well.

Secondly, we will try to expand our business into 2 additional cuisines- the Arab, and the Western. We will only do this provided our first truck, the Indian does well. Again, the concept will be wrapped foods, so shawarmas and sandwiches would be what we would be looking at. Another form of development would be expanding our current truck, to more locations within Dubai, instead of just Bur Dubai and Emirates living. In order to do this, we would need more capital, thus, will only do this once we raise enough money to buy an additional truck after the necessary loans are paid off.

# Strategy and Development

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## Chapter 4

### ABSTRACT

This Chapter explains to you our Strategy for the future in all aspects of marketing, as well as how we will develop this Company into to a recognisable “Brand”

# Marketing Plan

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The Marketing Plan consists of three of the four elements in the Marketing Mix, this being Promotion, Place and Product. Promotion will outline three campaigns that we will have for the first year in business. Place will cover where and when the consumers can buy our products and the channel of distribution. Finally Product will describe the products that will be made available.

## Promotion

Promotion is an important aspect to the marketing mix as, we do not only want to create a great product but, to also to create an Iconic Company. Marketing will aid us into accomplishing this. This means that even before we unveil the company officially we must have established a group of customers willing to try. Then the next campaign will essentially try to attract more customers by below the line techniques. Finally the last campaign will be to establish our self as a company, which can be iconic. Thus it will be mostly conventional, above the line promotion.

As well as this we are giving away free containers that have our branding on it. This will be available on the truck so that people can use them. This is not only is cheap to produce but, also effective way to promote the brand as, they will take it back with them and other we see it.

### *Campaign 1*

The first campaign will try to hype the product and company up before the official release of the first truck. This will be mainly done by video adverts that will be released on a per weekly basis, leading up to final reveal. This is a cost effective; as it will create a greater interest before, thus meaning we can start with a positive and healthy cash flow from the start of the product life cycle. This will also let us establish a strong and positive brand that can make into an iconic company and therefore have a positive brand image.

### *Campaign 2*

This second campaign will be launched just after the official release. This will be to promote the food. This will be done by setting up three stalls at different venues i.e. Burjuman Mall, Mall of Emirates and Dubai Mall. This will let us promote the product even further. This below the line technique will let the people spread the word for us. This may be a risky move however; if successful the advantages and positives may be unlimited. Essentially we are getting free advertising as people will spread the word. As well as this we will have the truck at few fairs and most definitely at the Taste of Dubai. This will also let the potential customers try before they buy.

### *Campaign 3*

The last campaign for the first year is the classic above the line campaign. The campaign would consist of a six-month Internet adverts. As well starting a few online social networking pages. That would inform customers of new information's, changes and where the truck is. This would let us establish a strong fan base and company identity.

## Place

Place is also an important element to the success of the company. This includes both place of distribution and production. This means that we will not only require a few locations for distribution as well as, a place to produce the food and park/maintain the vehicle when not in use. This would thus mean an increase in cost. For the kitchen space we have found one available kitchen space with a parking lot at Al Qouz. It would cost AED 160,000/ per year. This includes equipment such as freezers, Food-prep areas and a lot more. As well as this it has a few rooms that can be used as office spaces in the future.

As well as this we have chosen three primary locations for the truck to go to during, different times of the day: morning, afternoon and evening, as we have stated in previous sections. The morning area for sale is going to be Media city/Knowledge Village/Internet City from 9-12. We will be mainly targeting office workers who need a snack in morning before they work. This will also let us target some parents who are returning home from dropping their children. As well as this we can target university student who study at Knowledge village as they will also want a snack.

The next place we have chosen in the Emirates Living, JLT/Emirates Living- 1-5. This is as there a large number of families and schools that we can target. Students who are most likely hungry after school can pick up a snack before heading home. As well as this mothers/fathers can also get a snack for their children to eat to keep them going till dinner. This is letting also aim at the Middle/Upper class expats who will be willing to try this. It will be there till four as most school can run until four. This will mean we are not only targeting the children but also the parents for pickups. Giving us a variety of people to aim at.

The final place that we will sell our product is JBR/Marina from 9-11. This is for the people who enjoy and late night snack or an after dinner desert. This also good for people who live in that area and comeback from work late as then they get grab a snack before they reach home. Many people goes to JBR for dinner and this is the main reason why we are targeting this area at night.

As Dubai is an Islamic state we have to follow the rules and regulations. This means in Ramadan we will change the timing and locations. This means that we will have night/ early morning timing as according to law we are not allowed to sell food during the day. As well as to show respect we must follow these rules.

## Product

From the start we decided our products should not only be classical but also be a refined, renewed and redesigned version of the Classic Indian snack the samosa. Therefore we have decided have different varieties. As well as this we have decided to have drinks and chips which, allows us to have combo meals such as the 3,6,9 piece combo with a packet of chips and a drinks. Therefore the menu is split in to sections: Samosa, Chips and Drinks. The Samosa has been split into two sub sections – Classics & Fusion.

Classic as the name would suggest consists of the normal samosas as found in restaurant and shops. These have been passed down generations and not changed from the original version. There are four The Classic, Vegetable, Cheese and Chicken. The classic is plain potato and masala; the vegetable variant has peas and other vegetables in a masala. The cheese variant is simple cream cheese melted to perfection in the normal Samosa shell. Finally the chicken is similar to classic however, just with chicken pieces in it. All fried to perfect golden brown on truck and prepared in the kitchen the day/night before.

The Fusion is where we mix other cuisines and cultures with the classic Indian snack. There are four different Fusion varieties each with their own flavour and taste. The first is the chocolate samosa; a samosa filled with a Swiss chocolate like the cheese samosa is melted to a creamy perfection. There is also the Italian version of a pizza samosa, which is tomato paste and cheese as a filling for this filling samosa. Next we take a trip to Thailand where we meet the Thai Chicken Samosa a samosa with the essence of Thailand. It is filled with Thai curry infused chicken. Finally is the Mexican cousin to the cheese samosa the Jalapeño and Nacho Cheese Samosa. This is filled with freshly diced Jalapeños and melted Nacho Cheese. For additional cost toppings such as Sugar Powder, Syrup, Cheese, Tomato Sauce and Chutney are available.

To accompany these Samosa Snacks Drinks and Chips are available like the classic Indian Banana Chip and Kurkure an Indian chain of Chips. As well as this we serve drinks such as Chai, and Water. With a hopeful sponsorship deal with Pepsi co. we hope to make available Pepsi, Seven Up, Lipton Ice Tea and Mountain Dew. These are drinks that are not only popular with the Indian community but also popular with most people.

As you can see there is a variety of not only classic but also fusion foods. This lets us aim at a variety of people and therefore, giving us a wider target audience. This also meant that we could offer a variety for everyone.

# Pricing Policies

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We have chosen to use the competitive based pricing, as there are a variety of competitors. Most of these competitors are either restaurant that price a high price of AED 2/3 Per Samosa (average of various restaurants). We are also competing with frozen food Companies that are quite cheap and can be around AED 1 per Samosa. These are not as good quality, which is why our product will be more successful.

We have decided to price all of the food at AED 2. This also includes our drinks. This is a fair price as it is an average restaurant price and since we make good quality and fresh samosas. Below is all that we will price as AED 2 per.

**The Classic Samosa**  
**Vegetable Samosa**  
**Cheese Samosa**  
**Chocolate Samosa**  
**Pizza Samosa**  
**Thai Chicken Samosa**  
**Jalapeño and Cheese Samosa**  
**Banana Chips**  
**Kurkure**  
**Pepsi**  
**Chai**  
**Seven Up**  
**Mountain Dew**  
**Ice Tea**  
**Water**

The cost of additional topping and sauces is AED 1

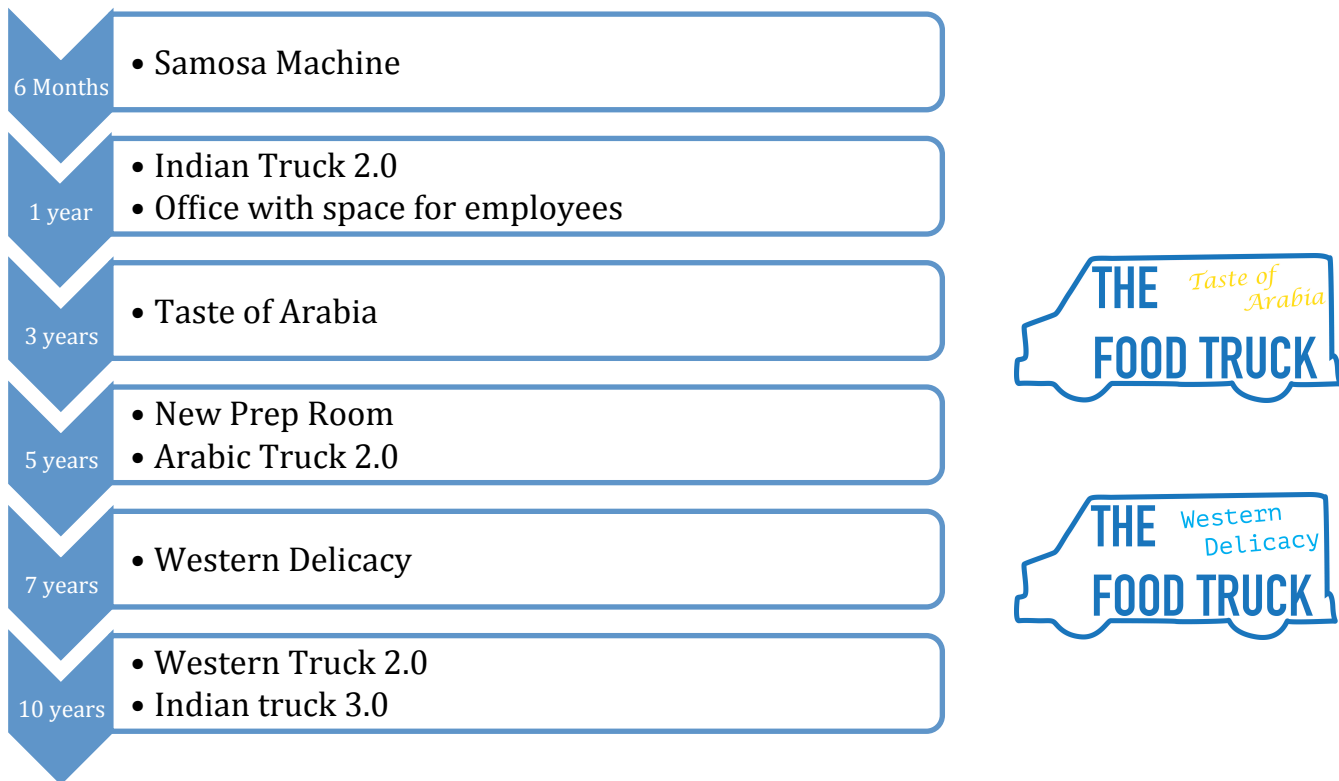
- Sugar Powder
- Chocolate/Strawberry syrup
- Cheese/Salsa/Tomato Sauce
- Mint /Coconut Chutney

As well as this we will offer combo meals such as the 3,6 and 9-piece combo with drinks and a snack. The cost will vary from AED 10,20 and 30 respectively. This is the same price but allows them to order it in large amount quicker.



# Development Timeline

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As we foresee that this market will flourish we have devised a development plan for our Company and Identity. We have decided to make a rough 10 year plan that covers basis of what we are looking to do in the future with the “Brand”.

After the six the month stage if the company is established we hope to get a samosa machine that lets us make the samosa at faster pace so that we can increase productivity. After a year we hope to be able to release the second Indian truck. As well as this we would like to buy a place which we can have as an office front/Head Quarters

After 3 years we would hope to increase our product portfolio by starting the Arabic truck that sell Arabic food. This would not only appeal to tourist but also most Arabs and Locals. Some food may include Shawarmas, Kebab and Falafel. Then after 5 years of us being established we hope to open the second Arabic truck and buy a second Prep/Kitchen including equipment where we can work.

Then in 7<sup>th</sup> year we hope to start the Western truck, which sells sandwiches and other food that would appeal to expats and working professionals. Finally after ten years we hope to release the third truck of the original Taste of Indian truck and the second Western Truck. The third Indian truck might also let us aim at other parts of the U.A.E i.e. Sharjah.

However all the above requires us to have continuous years of success and earn a healthy profit as well as having a healthy cash flow.

# Financing

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## Chapter 5

# The Profit and Loss for the 3 years

	Year 1	Year 2	Year 3
<b>PNL For first 3 years</b>			
<b>(All in AED)</b>			
<b>Net Sale Revenue</b>	756,000	990,000	1,300,000
<b>Cost of Goods</b>	302,400	396,000	520,000
<b>Gross Margin</b>	453,600	594,000	780,000
<b>Marketing Expenses</b>	400,000	450,000	450,000
<b>Overheads</b>	91,000	100,000	105,000
<b>Profit</b>	-37,400	44,000	225,000
<b>% of NSR</b>			
<b>COGS</b>	40%	40%	40%
<b>GM</b>	60%	60%	60%
<b>MARKETING</b>	53%	45%	35%
<b>OVERHEADS</b>	12%	10%	8%
<b>OPERATING PROFIT</b>	-5%	4%	17%

This is with presumption of sales of 60 Samosas an Hour we found this out by going to restaurants that sell samosas in Dubai and asking them. As well as this we would be paying for 12 hours of work for around 350 days a year.

So in 1 year, we will sell 252,000 Samosas at a price of 3 Dhs. per and a cost of AED 1.20 per Samosa. Which means our total revenue will be 756,000. In year 2 we will expand by 30% therefore, the revenue will be AED 982,800=990,000. Which means we will sell 330,000 samosas/year. Finally in year 3, we will expand by 25%, so revenue will be 1,237,500=1.3 million which means we need to make 433,333 samosas.

# Cash Flow Forecast

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All in AED	Year 1	Year 2	Year 3
<b>Receipts</b>			
Sales revenue	756,000	990,000	1,300,000
<b>Payments</b>			
Installments of truck	24,000	30,000	32,500
Rent/utilities	67,000	70,000	72,500
Cost of goods	302,400	396,000	520,000
Marketing	400,000	450,000	450,000
<b>Total payments</b>	793,400	946,000	1,075,000
<b>Opening balance</b>	0	-37400	6,600
<b>Closing balance</b>	-37,400	6,600	231,600

## Start Up Costs and Break Even Analysis

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- *550,000 AED= start up costs*
- *To break even, we must sell-578, 334 samosas*
- *400,000+450,000+91,000+100,000=1,041,000*
- *1,041,000/1.8=578,333.333*
- *So 578,334 samosas to break even in the first year.*

Our sources:

<http://www.guide2dubai.com/living/salary-in-dubai.asp>

<http://www.dubaifaqs.com/salaries-dubai.php>

[http://roaminghunger.com/market\\_trucks/buy](http://roaminghunger.com/market_trucks/buy)

<http://prestigefoodtrucks.com/custom-food-trucks-for-sale/>