

Buisness Plan

‘HERR KUMPIR‘

Fast Food Restaurant in Köln

"Potatoes served at breakfast, at dinner served again; potatoes served at supper, forever and Amen!"



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1. Introduction

What is Kumpir?

- Kumpir is made up of a big potato with several ingredients inside like corn, sausages, cheese, butter, green pea, cucumber pickle, green or black olive, Russian salad, hot sauces etc...



- It is firstly baked in ovens for several minutes and split from the middle. The boiled like potato is then mixed with butter and cheese. After the mixture the ingredients are placed onto the top.

History of Kumpir

- The motherland of Kumpir is former Yugoslavia.*
- The name 'Kumpir' is the translation of Potato in Balkanic languages.*
- At late 90's it was developed by an entrepreneur by adding additional ingredients and served commercially as a fast food dish.*

2. Market Analysis

Current and Target Market

- Our main target will be youth of cologne between the ages of 18 and 34. According to the cologne city population data, there are approximately 250,000 youth living in cologne. *Every 3rd of a German young male and every 6th of German young female eats fast food at least once a week¹.*
- The amount of potential customers eating fast food in cologne in one week comes out to be $20800 + 41700 = 62500$ taking equal number of male and females. If we divide these customers equally (mobility in an important factors for the number of customers but since we are near the cologne HBF, we assume that our mobility would be higher than average) into 20 +1 renowned fast food restaurants² (Mc Donalds, Burger King, KFC, Subway, ...) in the city, the number comes out to be 2976(approx.3000).
- Owing to lack of popularity and existence of other less renowned restaurants, we assume that one third (1000 per week) of these potential customers comes into our restaurant over a period of ten years.

Our Competetors

- Our competetors would be fast food restuarants in genaral and in particular those restuarants with a global name such as Mc Donalds and Kentucky Fried Chicken.
- Moreover since we are making a potato based product, the restuarants specialized in potato products would be our main competetors.
- Furthermore since we are introducing baked potatoes, therefore we assume to face less competetion in this regard.

Our Strategy

1- The History of Potato

In 1536 Spanish Conquistadors conquered Peru, discovered the flavors of the potato, and carried them to Europe. Before the end of the sixteenth century, families of Basque sailors began to cultivate potatoes along the Biscay coast of northern Spain

Eventually, agriculturalists in Europe found potatoes easier to grow and cultivate than other staple crops, such as wheat and oats.

In France, Antoine-August Parmentier helped King Louis XIV make the potato a popular hit in the 18th century. Having been imprisoned in Germany - where he was fed only potatoes - he knew how to create a feast of fabulous dishes all based on this one ingredient.

One guest at a Parmentier Feast was legendary American statesman Benjamin Franklin. He enjoyed it so much he spread the word to the "New World" funnily enough the continent potatoes had been taken from by the Spanish.

Our Strategy

1- The History of Potato (**POTATOES IN SPACE!!**)

"French Fries" officially arrived in the United States of America when Thomas Jefferson served them at the White House during his presidency of 1801-1809.

The potato started being grown in London by 1597, and soon became popular in Ireland and Scotland. Popularity for the potato came during the Industrial Revolution, when demand was created for cheap, energy-rich, non-cereal foods.

In October 1995 the potato became the first vegetable to be grown in space! NASA called in top boffins to help them develop super-nutritious and versatile spuds to feed astronauts on long space voyages. Eventually they hope to feed future space colonies with their supercharged version of the potato the Peruvian Incas first worshipped!

Our Strategy

2- Potato Consumption

Today, potatoes are grown on an estimated 19,500,000 hectares around the world. China is now the biggest potato producer, and almost a third of all potatoes are harvested in China and India alone. Asia and Europe are the world's major potato producing regions, accounting for more than 80 percent of world production in 2006

Top potato consumers, 2005

	Quantity (t)		Kg per capita
1.  China	47 594 193	1.  Belarus	181
2.  Russian Fed.	18 828 000	2.  Kyrgyzstan	143
3.  India	17 380 730	3.  Ukraine	136
4.  United States	17 105 000	4.  Russian Fed.	131
5.  Ukraine	6 380 850	5.  Poland	131
6.  United Kingdom	6 169 000	6.  Rwanda	125
7.  Germany	5 572 000	7.  Lithuania	116
8.  Poland	5 000 000	8.  Latvia	114
9.  Bangladesh	4 041 463	9.  Kazakhstan	103
10.  Iran (Islamic Rep.)	3 991 142	10.  United Kingdom	102

Source: FAOSTAT

Our Strategy

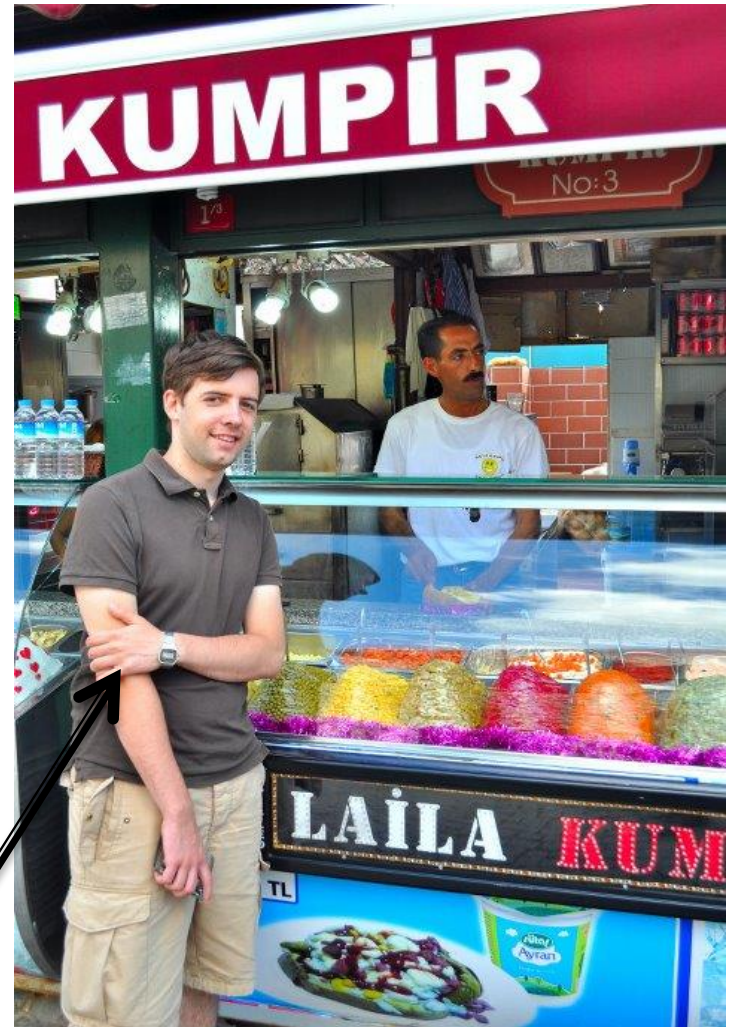
2- Potato Consumption in Germany

German per capita amount of potatoes consumption increased to around 63kg in 2010, up from 60kg in 2009.

It means that every German eats more than one kilo of potato every week.

After UK, Germany has the second leading position of potato consumption among EU countries.

A German boy is looking forward to having his Kumpir in legendary Kumpir stores street of Ortaköy, Istanbul



Our Strategy

3- German Food

There is no one way to define German cooking. Each region in Germany has its own specialties and variations. The southern region of Germany share many specialties that reach over to Austria and Switzerland. In the southwest, cooking is greatly influenced by French cooking. Cooking in the eastern region has more of an Eastern European flavor.



Our Strategy

3- German Food

German cooking is often thought of as being very hearty with an emphasis on meat and potatoes. This is explained partly by Germany's relatively northern location. During the cold winter periods, Germans had to consume higher calorie and nutritious foods to sustain their health. Resulting dishes, for example, included hearty potato creations (Germany belongs to the top potato consuming countries), as well as Sauerkraut, which provides a good amount of Vitamin C



Our Strategy

3- Popular Potato Dishes In Germany

- Potato Pancakes (Kartoffelpuffer or Reibekuchen)
- Pan Fried Potatoes (Bratkartoffel or Kerschder)
- Potato Dumplings (Kartoffelklöße)
- Potato Salad (Kartoffelsalat)
- Potato Soup (Kartoffelsuppe)
- Potato Cake (Kartoffelkuchen)
- Heaven and Earth (Himmel und Erde)
- Sweet Apple & Potato Noodles (Schleizer Bambser)

Our Strategy

3- Popular Potato Dishes In Germany



Our Strategy

4- Location (Cologne)

- Fourt largest city in Germany
- Home to more than 30 museums and hundreds of galleries.
- Host to number of the trade shows (The Cologne Trade Fair)
- Attractive city for tourism: 4.31 million overnight accommodations booked and 2.38 million arrivals in 2008
- The Cologne carnival is one of the biggest street festivals in Europe. Generally, around a million people celebrate in the streets on the Thursday before Ash Wednesday.
- Out of 5.7 million tourist visiting cologne we expect that some of these tourist will be our customers but taking these tourist into consideration is beyond the scope of our presentation.

Our Strategy

4- Location (Cologne)

We will be located in Hoher Str. Cologne which is the most popular shopping street in Cologne near the Hbf and dom.



Our Strategy

5- Results

- Not only Germans loves potatos but also nearly most of people loves it.
- In the German cuisine, there are lots of dishes made of potatos.
- Köln is attractive for tourists.
- Köln is economy center of Germany and also student city.
- Our central location make us attractive for local as well as foreign customers.
- Kumpir serve other ingredients (sausage, mushroom, sauce), this attractive for many people.
- Fried potates have some healt problem but there is no risk associated with kumpir.

Our Strategy

5- Results

-People can eat kumpir every hours.

Our Sologan is; **"Kumpir served at breakfast, At dinner served again; Kumpir served at supper, Forever and Amen!"**

(Little changed from some of the Irish prayer speech)

3. Legal Form of the Company

The legal form that we want to use for our business will be a limited company. The limited company will be started up by three individuals, which are:

Muhammad Hasnain Yousuf
Fatih Yilmaz
Burak Ates

Each person will bring in a start capital of 2740 Euro. The shares will be divided along these three persons.

The limited company will also make sure that future investments are easier. Because the investors have different backgrounds and we did not want to use one of the investor's last name, a limited company would suit us better.

4. Licensing

We need following licenses from the municipality of Cologne in order to open our restaurant:

1. **A License for Business-** Depending on our restaurant business location, we are charged a simple yearly fee to operate our business.
2. **A Food Handler's License or Permit-** This is necessary for the selling of edible goods. Each state and county have their own set of rules and amount of fee charged. We will be inspected regularly by health inspectors to make sure we are running a clean restaurant business.
3. **A Sign Permit-** Before putting up any signs for our restaurant business, there are restrictions on the type of sign, size, location, and how the sign is lit. We should also get written approval from our landlord before we put up any sort of sign.
4. **Fire Certificates-** The restaurant will undoubtedly be inspected by the fire department before we open it. They will educate us on all regulations we will need to follow, and will do routine inspections on our business.

5. Cost Calculations

Initial Investment and Depreciation Costs

Discription of Expenditures	Initial Costs	Depreciation Rate (years)	Depreciation Costs
Gas Fired Potatoes Oven	990,00 €	10	99,00 €
Merchandising Refrigerator 1	3.650,00 €	10	365,00 €
Merchandising Refrigerator 2	659,00 €	10	65,90 €
Kitchen Tools	500,00 €	10	50,00 €
Table Sets	750,00 €	10	75,00 €
Internal Decoration	10.000,00 €	10	1.000,00 €
Motorcycle	2.000,00 €	5	400,00 €
Communication and Media Tools	1.500,00 €	4	375,00 €
Website Creation	500,00 €	4	125,00 €
Sum	20.549,00 €		2.554,90 €

Specific Cost Calculation Per One Dish

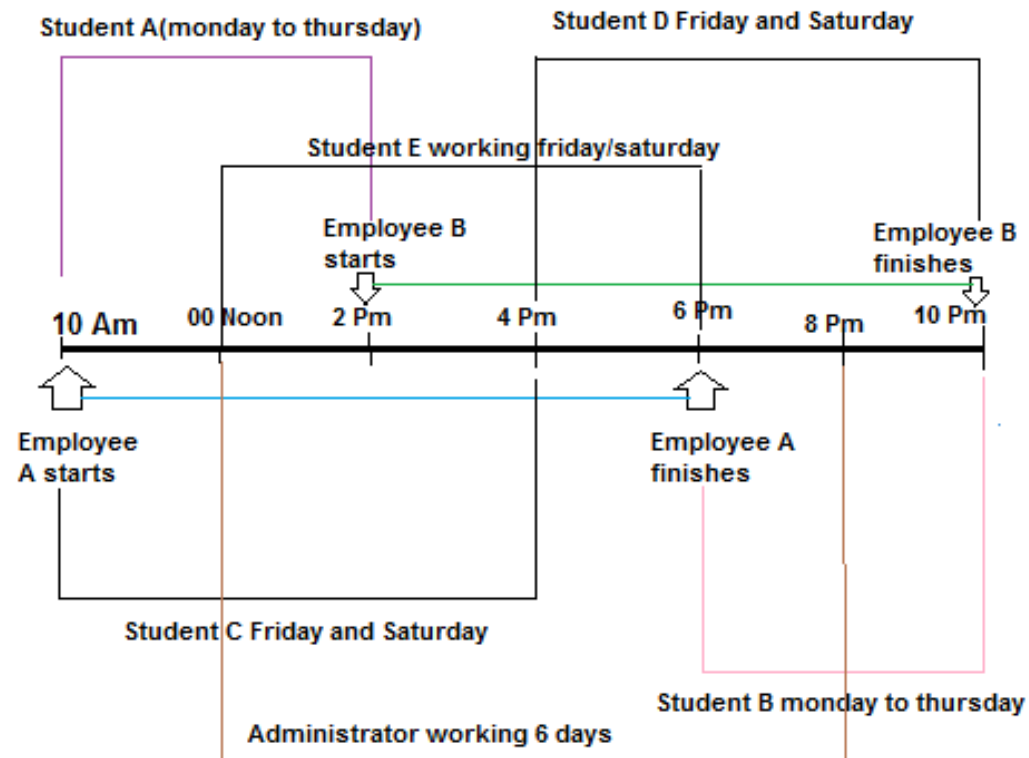
Raw Material	Price	Specific Consumption per one Portion	Specific Costs
Potatoes [kg]	0,50 €	0,50	0,25 €
Cheese [kg]	4,00 €	0,05	0,20 €
Butter [kg]	5,00 €	0,01	0,05 €
Sousages [kg]	4,00 €	0,035	0,14 €
Beans [kg]	2,00 €	0,025	0,05 €
Green Peas [kg]	2,00 €	0,025	0,05 €
Corn [kg]	2,00 €	0,025	0,05 €
Olive [kg]	4,00 €	0,01	0,04 €
Russian Salad [kg]	5,00 €	0,025	0,13 €
Cucumber Pickle [kg]	4,00 €	0,025	0,10 €
Utilities			
Energy Consumption (assuming 1000 Kumpir is sold in a week)	100 €		0,025 €
Delivery Service (assuming 200 Kumpir is delivered to homes)	50 €		0,0125 €
Store Rent	1600 €		0,40 €
Additional Costs			
Advertisement Cost (yearly)	5000 €		0,1 €
Licensing Fees (yearly)	3000 €		0,06 €
Sum			1,65 €

Our Opening Timings

We will be open from Monday till Saturday from 10 Am to 10 Pm.

Delivery of **Kumpir** would be possible only on fridays and Saturday from
12 noon till 6 Pm.

Our Work Plan



Labour Cost Calculations

Labour Requirements

Our opening timings would be from 10 am to 10 pm daily six days a week.

We would require the services of the following personnel according to our work plan.

- 1) Two Employees working 48 hours per week.
- 2) 2 students(A and B) working 16 hours per week.
- 3) One Employee as cashier and for taking the delivery orders.
- 4) Two students(C and D) working in the week ends.
- 5) One delivery student(E) with driving license and good German skills working in the weekends.

Labour Cost Calculations

Employees Salary:

1) Cashier/Administrator:

4000 Euros gross per month

2) Employees A and B:

3000 Euros Gross per month

3) Students A and B:

Working 16 hours per week with 7.9 Euro per hour Approximately 500 Euros per month. For employer it would be roughly around 1400 Euros

4) Students C and D:

Working 12 hours a week roughly 1000 Euros for the Employer

5) Student E:

Working 12 hours per week on weekends roughly 500 Euros to be paid by employer

Labour Cost Calculations

- Total salary to be paid per month= 12.900 Euros
- Total Salary to be paid per year = **154.800** Euros which is fixed cost per year

Financing Cost Calculation

Initial Investment Costs	20.549,00 €
40% of capital is provided as cash by the owners	8.219,60 €
60% Financing via bank credits	12.329,40 €

•We receive a bank credit with an interest rate of 6,8% for 7 years.

Year	Balance of Debt	Interest Rate (%)	Interest Costs Paid	Paying Back Loan
1	12.329,40 €	6,8	838,40 €	1.761,34 €
2	10.568,06 €	6,8	718,63 €	1.761,34 €
3	8.806,71 €	6,8	598,86 €	1.761,34 €
4	7.045,37 €	6,8	479,09 €	1.761,34 €
5	5.284,03 €	6,8	359,31 €	1.761,34 €
6	3.522,69 €	6,8	239,54 €	1.761,34 €
7	1.761,34 €	6,8	119,77 €	1.761,34 €
Total Financing Cost			3.353,60 €	

Financing Cost Calculation

Costs per Year

	1. Year	2. Year	3. Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year
Utilization of Capacity (%)	60,00%	80,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
Number of Dishes sold	30000	40000	50000	50000	50000	50000	50000	50000	50000	50000
Depreciation Costs	2.554,90 €	2.554,90 €	2.554,90 €	2.554,90 €	2.054,90 €	1.654,90 €	1.654,90 €	1.654,90 €	1.654,90 €	1.654,90 €
Financing Costs	838,40 €	718,63 €	598,86 €	479,09 €	359,31 €	239,54 €	119,77 €	0,00 €	0,00 €	0,00 €
Labour Costs	154.800€	154.800€	154.800€	154.800€	154.800€	154.800€	154.800€	154.800€	154.800€	154.800€
Raw Material & Utility Costs	49.500€	66.000€	82.500€	82.500€	82.500€	82.500€	82.500€	82.500€	82.500€	82.500€
Total Cost	207.693€	224.073€	240.453€	240.333€	239.714€	239.194€	239.074€	238.954€	238.954€	238.954€
Specific Cost per one Dish	6,92 €	5,60 €	4,81 €	4,81 €	4,79 €	4,78 €	4,78 €	4,78 €	4,78 €	4,78 €

Calculation of Revenue and Cash Flow

Decided Price for one Dish 6,00 €

Revenue	180.000 €	240.000 €	300.000 €	300.000 €	300.000 €	300.000 €	300.000 €	300.000 €	300.000 €	300.000 €
Depreciation Costs	2.554 €	2.554 €	2.554 €	2.554 €	2.054 €	1.654 €	1.654 €	1.654 €	1.654 €	1.654 €
Financing Costs	838,40 €	718,63 €	598,86 €	479,09 €	359,31 €	239,54 €	119,77 €	0,00 €	0,00 €	0,00 €
Labour Costs	154.800 €	154.800 €	154.800 €	154.800 €	154.800 €	154.800 €	154.800 €	154.800 €	154.800 €	154.800 €
Raw Material & Utility Costs	49.500 €	66.000 €	82.500 €	82.500 €	82.500 €	82.500 €	82.500 €	82.500 €	82.500 €	82.500 €
Total Cost	207.693 €	224.074 €	240.454 €	240.334 €	239.714 €	239.194 €	239.075 €	238.955 €	238.955 €	238.955 €
Loss Carried Forward	-27.693 € -11.767 €									
Profit Before Tax	-27.693 €	-11.767 €	47.779 €	59.666 €	60.286 €	60.806 €	60.925 €	61.045 €	61.045 €	61.045 €
Taxes (40%)	0 €	0 €	19.112 €	23.866 €	24.114 €	24.322 €	24.370 €	24.418 €	24.418 €	24.418 €
Profit After Tax	-27.693 €	-11.767 €	28.668 €	35.800 €	36.171 €	36.483 €	36.555 €	36.627 €	36.627 €	36.627 €
Cash-flow (net profit + depreciation)	-25.138 €	-9.212 €	31.223 €	38.355 €	38.226 €	38.138 €	38.210 €	38.282 €	38.282 €	38.282 €
Repayment Credit	1.761 €	1.761 €	1.761 €	1.761 €	1.761 €	1.761 €	1.761 €	0,00 €	0,00 €	0,00 €
Dividend	-26.900 €	-10.973 €	29.461 €	36.593 €	36.465 €	36.377 €	36.449 €	38.282 €	38.282 €	38.282 €

6. Conclusion

Dividend After Ten Years

- With this project the cumulated dividend over ten years is 252.318 €.
- Comparing to our initial investment capital from the owners (which is 8.219 €) we have multiplied our money thirty times more.
- We will undoubtedly be celebrating and enjoying our wealthiness after 10 years... 😊



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