

BUSINESS PLAN

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1.0 Executive Summary

Fish Favourite is a locally owned traditional food outlet that will be positioned as an international franchise through our creative approach to the company's image and detail presentation. Fish Favourite will provide a combination of excellent food at value pricing, with fun packaging and atmosphere. Fish Favourite is the answer to an increasing demand for health food, to be consumed while window shopping and walking around inside a shopping mall.

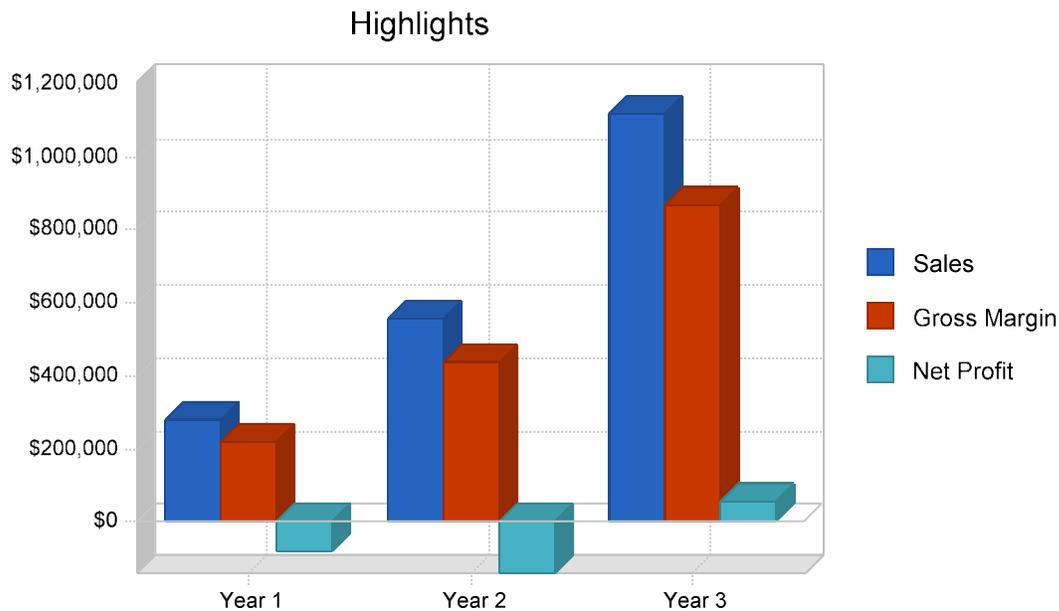
In today's highly competitive environment, it is becoming increasingly difficult to differentiate one traditional food outlet from another. Nairobi, a city state, is now becoming the model metropolis for Africa's new economic boom. With more than 3 million visitors yearly, mainly from Europe, Asia and other parts of Africa.

Our main priority is to establish one outlet in the city centre, preferably near one of the prominent shopping malls in Nairobi (Tuskys). Later, our effort will be a further development of more retail outlets in the areas such as Umoja, Embakasi, Karen and surrounding area.

This plan is prepared to obtain a location for the initial launch of this concept. Additional financing will need to be secured for the two subsequent outlets (Umoja and Karen), anticipated in month 13 and early in year three. The financing, in addition to the capital contributions from shareholders, will allow Fish Favourite to successfully open and expand through year two. The initial capital investment will allow Fish Favourite to provide its customers with a value-driven, entertaining experience through the creativity of its founders.

Fish Favourite will entice the working class and business people these group are conscious of their health and needs to eat healthy non-red meat. We anticipate these target group to bring their friends and family with our innovative environment, fresh-fish deep fried, and selection of unique signature brown ugali.

Chart: Highlights



1.1 Objectives

- To establish a presence as a successful local traditional food outlets and gain a market share in Kenya's traditional food industry.
- To make Fish Favourite a destination spot for health conscious eaters.
- To expand into a number of outlets by year three, and sell the franchise to neighboring metropolitan cities, such as Nakuru, Mombasa, Kisumu and Eldoret .

1.2 Mission

Our main goal is to be one of the most successful traditional food outlets in Kenya, starting with one retail outlet located inside the Central Business Development of Nairobi City as a "market tester."

Fish Favourite will strive to be a premier local traditional food brand in the local marketplace. We want our customers to have the total experience when visiting our outlet(s) and website as they will learn about this fascinating new " healthy eating culture." We will sell merchandise from take away food and t-shirts, scaffs, caps, all with our official brand attached to them.

Our main focus will be serving high-quality traditional food at a great value.

1.3 Keys to Success

To succeed in this business we must:

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- Create a unique, innovative, entertaining menu that will differentiate us from the rest of the competition.
- Control costs at all times, in all areas and implement a conservative approach to growth policy. Although, we provide more than enough fund to open more than one outlet, we want to be on the safe side of the business.
- Sell the products that are of the highest quality, as well as keeping the customers happy with all of our product categories from food to store merchandising.
- Provide 100% satisfaction to our customers and maintaining the level of excellent services among other competitors.
- Encourage the three most important values in traditional food business: brand, image and healthy eating, as these three ingredients are a couple of main drivers in marketing communications.
- Promote good values of company culture and business philosophy

2.0 Company Summary

What is Fish Favourite?

Fish Favourite sells varieties of fish flavours with cheese. We use the concept of traditional fish flavours from the Luo Community, where the fish prepared and served are all from fresh water lake and are served when fresh. Our outlet also provides excellent and friendly customer service to support the ambience of fun, energetic and youthful lifestyle.

Fresh surroundings

We will imitate successful establishments, such as Jamba Juice and Starbucks, which represent the majority of our core target market, between 25 to 65 years of age. Our store will feature display cooking of our featured Fish Favourite from cutting to frying. Our customers will also be able to read our in-house brochures in regards to all knowledge about Fish Favourite and our cheese. Our store will be decorated with traditional food setting, such as a bright counter and display menu on the wall.

Quality food

Each store will offer nothing but freshly prepared food, fish sandwiches and variety of traditional vegetables, all served with old-fashioned home-style care.

Open everyday

Our store is open everyday from 9 am to 10 pm.

2.1 Company Ownership

Fish Favourite is a privately held company. It will be registered as a Limited company, with ownership 30% - John Junior, 25% - Brian Ochieng, 25% - Winnie Aluoch, 20%-Allan Martin

Brian Ochieng and Winnie Aluoch have more than 15 years of experience in the food industry. Both are currently employed as Corporate Staff of the Great Rift Valley Lodge in Nakuru and Safari Park Hotel in Nariobi respectively.

Winnie Aluoch holds an MSC. in Entrepreneurship MBA degree from Jomo Kenyatta Univesity of Agriculture and Technology. A true entrepreneur by heart, her latest entrepreneurial project is a consultancy in management of business for SMEs a contract she worn from the Government of Kenya.

Allan Martin holds a Masters degree in Tourism and Hospitality from University of Nairobi. He further holds a BSc degree from Jomo Kenyatta University of Agriculture and Technology, majoring

in Management and Information Technology. He has held several management positions in a Kenyan Based major IT company.

John Junior holds a Masters degree in Intellectual Property with ten years experience in Brand Management. His projects are widely varied from product design to brand development of several reputable companies.

Brian Ochieng holds two Masters degree one in Entrepreneurship from Cambridge University and a Masters degree in Food Technology from Manchester University. He completed several projects and served as project manager for multi-national companies in Kenya

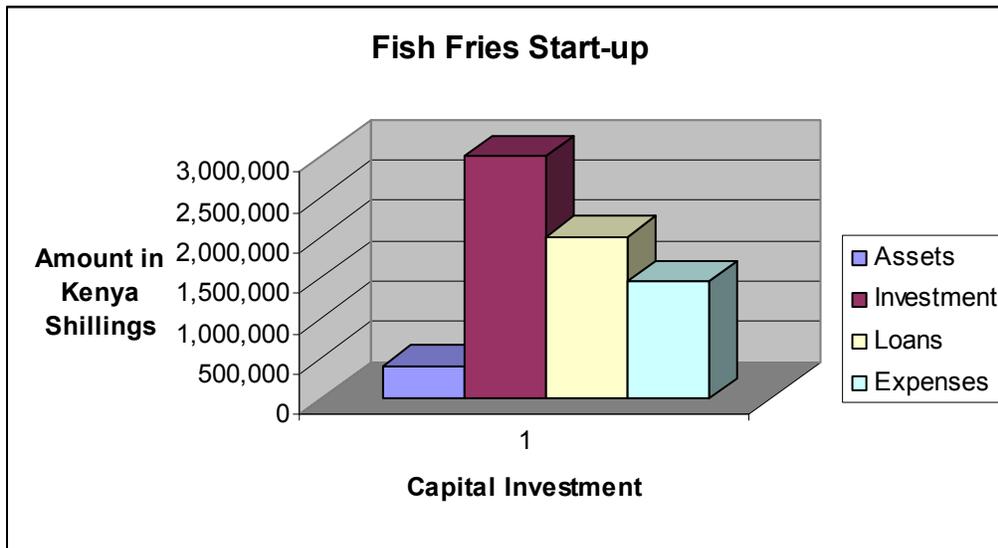
2.2 Start-up Summary

The retail outlet will be rented at one of the target in Nairobi CBD. Our preference is along Tom Mboya Street, for the main reason of reaching larger traffic.

Startup requirements will be financed through owner investments.

Table 1: Start-up

SNO.	START UP	AMOUNT (KSHS)
	Requirements	
	(1) Start -up Expenses	
	Kitchen and Fixtures	150,000
	Furniture and Interior	200,000
	Legal	100,000
	Rent for one year (to be paid upfront)	600,000
	Packaging and Stationary	200,000
	Contingencies	200,000
	Sub-Total Start-up Expenses	1,450,000
	(2) Start -up Assets	
	Cash Required	400,000
	Other Current Assets	0
	Long-term Assets	0
	Total Assets	400,000
	Grand- Total Requirements	1,850,000

Chart: Start-up

2.3 Company Locations and Facilities

Fish Favourite locations will range in size from 50 – 70 meter square and will seat from 15 – 50 guests. Our first location will be in the Central Business Development (CBD) in Nairobi City. The location will feature its own originality in merchandise display and other brand building attributes. We will equip the outlet with modern furniture, provide internet services and aim for cleanliness and an open feeling. We are currently looking at several possible sites in the Nairobi CBD and especially Tom Mboya Street.

The space selection will be chosen based upon the following criteria:

- Community size: minimum of 300,000 people within a radius of one (1) kilometers.
- Easy access.
- Large human traffic
- Large percentage of working group and business persons in the community.

All of these qualities are consistent with 'Fish Favourite' goal of providing a top quality fast food experience. We want "word-of-mouth" to be our best form of marketing, where our customers value our brand as something exciting and cannot wait to tell their friends and neighbors.

Fish Favourite will directly compete with several traditional food joints inside the CBD, including Chicken Inn (chicken specialist), Pizza Inn (Pizza provides), Ranalo (one of the most successful local food joint)

3.0 Products

We want to focus only on selling Fish based foods. Alcoholic drinks will not be sold in our outlet, as Fish Favourite promotes a healthy and positive Kenyan lifestyle. Instead, we will offer juices made from locally sourced fruits including cocktails juice preparations.

In promoting the Fish Favourite lifestyle, we will offer various merchandise with our logo and colors, from hats to t-shirts to caps to our two signature products namely "kuon ananga" a locally prepared ugali from millet, milk and served in cheese. The cheese will be packaged in such a way that our customers can enjoy cheese at home. Our signature cheese is exclusively manufactured by women groups a long the lake region who have been trained by our technical staff on cheese production and quality maintenance. They can also be also purchased at selected retailers.

3.1 Product Description

Fish Favourite primarily sell smoked fish, grilled fish, dried fish (Ombabla) and deep fried fish cooked in tomato and onion sauce. Main products sold are: variety of mouth watering fish dishes served with Brown ugali. Fish Favourite is available in family, large and small portion

The fish can also be served with white ugali and chips to attract the youth. The various fish preparation methods and flavors and are available for variety of fish types such as:

- Smoked Fish
- Sun dried fish
- Grilled fish
- Deep fried fish

3.2 Competitive Comparison

Fish Favourite has several advantages over its leading competitors:

- Unique "fusion" concept of serving fish with cheese.
- We expect a high degree of enthusiasm and offer a fun store with friendly staff, that reflects the company's health eating culture for those who are health conscious.
- Supporting merchandise items that support the company's brand building.
- Our fish varieties are made 100% fresh, compared to most traditional food outlets that use frozen fish.
- Our cheese is also made fresh without preservatives.

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- Our innovative packaging will be more entertaining than our competitors; a single family and large size meal will be served with an extra cheese packaged for take away to be consumed at home. This is to give our customers the same experience even at home.
- The fish is served with any traditional vegetable of your choice

Other indirect competitors are those selling chicken based meat since most health conscious people would prefer white to red meat

Company	Clean	Value	Merchandising	Hangout	Simple	Fresh	Hospitality	Variety
Fish Favourite	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fish Joint	Yes	Yes	Yes	Yes	Yes	No	Yes	No
The Lakers	No	Yes	Yes	No	Yes	Yes	No	Yes
Indirect competitors selling vegetarian and other types of white meat and especially chicken								
Pizza Inn	Yes	No	Yes	Yes	Yes	No	Yes	No
Chicken Inn	Yes	No	Yes	Yes	Yes	Yes	No	Yes

3.3 Sales Literature

Fish Favourite will use advertising and sales programs to get the word out to customers.

- 3,000 color brochures to be distributed throughout destination shopping mall and facilities: in-store, cinemas, area eateries, information during the grand opening in January 2014.
- Half page magazine reviews in Nairobi's Healthy lifestyle magazines that advertise the presence of the outlet.

3.4 Sourcing

Fresh fish will be delivered daily by our distributors directly from the lake regions of Kisumu. We also have an agreement with Furaha and Maendeleo Women groups along the lake regions to exclusively produce our signature Cheese under given conditions and quality have received trainings in cheese production from our technical staff. This has created jobs for the women along the lake side region and thus resulted in better living standards. All of our merchandise will be printed and produced by our partner's office in Kisumu.

3.5 Sales Programs

Each opening of Fish Favourite will have, more or less, the same marketing mix as the others. Below are the programs that we will develop to open each location.

Grand Opening

Each new outlet will have outdoor signage as soon as possible and free tasty Fish Favourite to let the customers know what we have in store for them. We want the signage to be supported by banners before the opening.

Point of Purchase

We will distribute sample cheese to our customers to explain the concept and philosophy of Fish Favourite. We will also sell gift certificates, announce future job openings, and possibly mention franchise opportunities.

Direct Mail Piece

A stand-alone piece, folded, will be produced in full color on heavy weight paper. Inside will be all the important details of Fish Favourite, explanation of our menu, prices, house of operation and a locator map.

3.6 Future Products

For now, we will focus on selling Smoked Fish and signature cheese and kuon ananga served with traditional vegetable of your choice. However, as we grow further, we will add new categories to our menu, such as fish pies and fish rolls

In the future, our growth strategy will be offering the franchise of our brand to food entrepreneurs in the region. The success of Chicken Inn franchising in Africa is the best example on growing globally.

Value Meal

Sales of Fish Favourite will not only be generated from the selling of its famous Smoked Fish served with cheese and 'kuon ananga', but also will be generated by the conception of an innovative package menu called the "value meal." It primarily consists of a combination of our Smoked Fish served with cheese and 'kuon ananga' and fruit juice from locally sourced fruits at greater value than selling at individual items. Further customization could be done by selling a medium sized, big and Family package size of Smoked Fish served with cheese and 'kuon ananga' to attract price sensitive customers.

Private Parties

Brochures and handouts will explain that we can handle banquets and private parties, in addition to our brochure that will list our daily entrees.

4.0 Market Analysis Summary

Consumer expenditures for traditional food in Kenya rose during the end of the year 2009, following the growing healthy eating culture where people are now focusing on white meat such as fish and

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chicken and traditional vegetables as opposed to fast foods. The increasing number of new establishments such as traditional food franchises, fancy restaurants and gourmet bakeries around Kenya has shown a significant growth in this sector. Food spending is around 56% of total consumer expenditures in Kenya, and consumer spending on leisure and recreation made up of 13% of total consumer spending.

A much broader appeal exists for weekend slots because those are the days when most of our core target market enjoys the family day activities.

- Age – working and business class people
- Family unit - We will also appeal to families (young families) with children.
- Gender - We will target both sexes, with a slight skew for females due to their higher attention to dietary concerns.
- Income - We will appeal to the medium income individuals and to all in the lower medium income bracket.

Our concept will have very broad appeal. It is our goal to be the destination for traditional food cravings.

According to a recent public survey of people 25 - 60 years old, 80% of those interviewed like traditional food. 90% of them like traditional food on a regular basis, and 10% of them claimed that they like traditional food "very much" or "love" traditional food. The survey also provided the following particular reasons for the increasing popularity of traditional food:

- People have 52 weekends a year. Most of Kenyans love to window shop, and when they do strolling around the shopping district, they need a quick healthy food to accommodate their activities.
- White-collar workers in offices have stopped during lunch, and fish varieties food joints in the vicinity.
- Business people have income that they can spend of buy good food and receive value for their money. Traditional food is naturally their first choice, because of the brand building effort that heavily targets their age group.
- Eating out still remains as Kenyan' common habit of life. They do not perceive traditional food as a luxury, and they enjoy it by bringing their family and friends, especially if they have smaller kids.

4.1 Market Segmentation

We are targeting working and business persons within the CBD and family outing as our primary market. Tom Mboya Street is the place to meet and hang out during lunch and after work after school. Due to heavy traffic jam in Nairobi it is common for business persons and working class people to have lunch and supper in Nairobi CBD, and not at home. They tend to flock to food joints in town.

Our secondary market segment is the "youth and college students in the CBD." With high human traffic and shopping malls in the vicinity, Tom Mboya Street is the haven for shoppers and job seekers alike.

Lastly, Nairobi City is also the destination for tourists staying in the area. The Hilton Hotel, New Stanley and Six Eighty are a few of the biggest accommodations in Kenya. Tourists will stroll Tom Mboya Street, hunting for the latest trend in fashion and tasty traditional Kenyan foods. Fish Favourite is the alternative for a quick sumptuous meal shopping the fancy boutiques in the area.

Table: Market Analysis

Potential Customers	Growth	Year 1	Year 2	Year 3	Year 4	Year 5
Working Class Nairobians	15%	500,000	575,000	661,250	760,437	874,503
Business persons in Nairobi	10%	300,000	330,000	363,000	399,300	439,230
Tourists	20%	200,000	240,000	288,000	345,600	414,720
Total		1,000,000	1,145,000	1,312,250	1,505,037	1,728,453

Chart 2: Market Analysis (Bar Chart at year five)

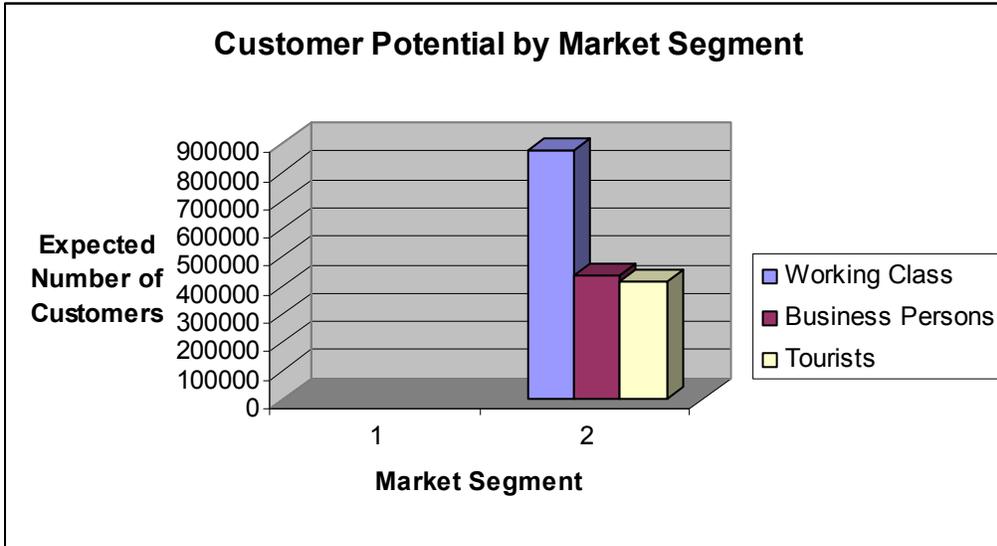
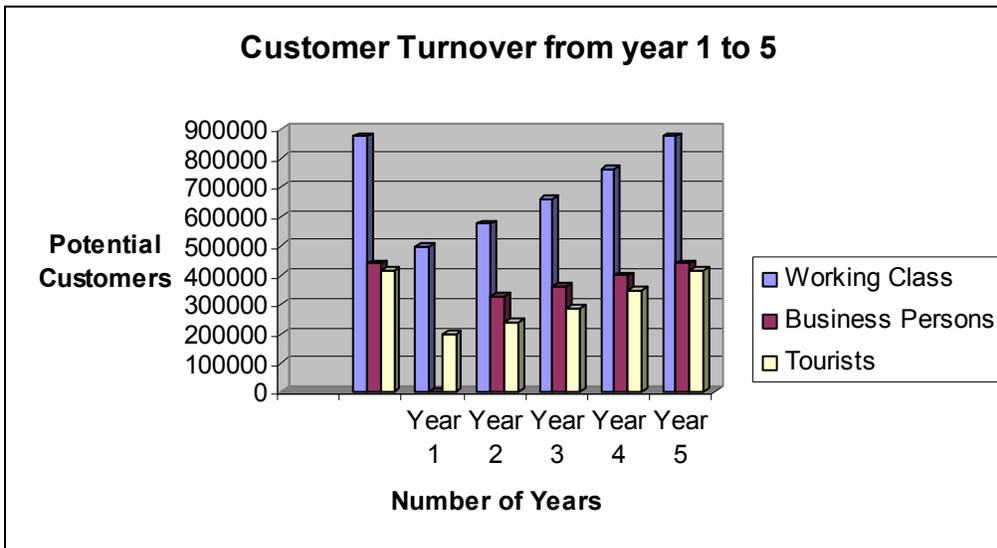


Chart 3: Market Analysis (Bar Chart from year 1 to year five)



4.2 Target Market Segment Strategy

Fish Favourite intends to cater to the bulk of working class and business people in Kenya . We have chosen this group for several important reasons. It is our goal to be "the extraordinary traditional food place" and we believe that the age group from 25 to 60 is the primary age where brand building efforts could take place. They are on reliable incomes and seek a value/price/healthy eating habits that will not stretch their budgets.

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Our secondary target is the tourists and the youth especially college going students, which are a heavy lounge/restaurant user group. They are more flexible in budgets and seek more than a value/price relationship.

Our lunch strategy is dual purposed. First, we are featuring fresh fish to fill Kenya's craving for good affordable food as most ideas of lunch is a good meal.

Second, we want to keep the price point at lunch as fair as possible to keep us in competition with other traditional food outlets. At Kshs. 400 for a medium size fish and ugali, Kshs.600 for big size and 1000 for family size, and given the wide varieties of carbohydrates such as rice, ugali and chips that one can choose from we are only slightly above the segment, but we offer much more excitement than the rest of the competition. The said food can also be served for take away for those who want to enjoy the meal in the comfort of their homes and with family.

4.2.1 Market Needs

Fish Favourite sees our targeted market group as having many healthy eating habits and need to meet this demand. Moreover the targeted group has steady income and thus can meet their demands for healthy eating. A recent Consumer Trend and Analysis by Synovate one of the leading statistical analysis company in Kenya identified the following needs among our target markets. Our core group:

- Wants variety and non red meat in its food, preferably something traditionally cooked
- Looks for speed of service
- Wants an entertaining and fun experience
- Insists upon a clean, friendly, and attractive environment
- Adopts a global lifestyle
- Is computer literate
- Enjoys eating out
- Has an active lifestyle
- Comes from various ethnic backgrounds

4.2.2 Market Trends

In the past, Kenyan preferred Western fast food chain restaurants. This was the time when KFC, McDonald's, Chicken Inn, and Pizza Hut were dominating most of the chains. But the trend seems to have shifted in the last decade, with more focus on traditional foods and especially supplementing red meat with white meat. The success of the locally grown brands, such as Ranalo Food Joint and other local brands. Many of these local brands grew to become giant food joint.

The key to success for these foreign chains was mainly due to the popularity of Kenya as tourist destination for these countries and the then culture of being seen as trendy and class when eating fast food.

4.3 Industry Analysis

Despite the prolonged effects of the World Economic Crisis followed by post election turmoil of 2008, Kenyan's food service industry witnessed growth over 2008/2010 at 4 - 5% in terms of units. Much of this growth was contributed by the cafes/bars, fast food, and food retail sectors, whose wide appeal amongst the working class and business people populace, for whom time is of a premium, led to high levels of growth. This growth is underpinned by market demand and lifestyle changes, such as seeing eating out as part of trendy lifestyle and the need to move away from red meat.

Entry of major multi-national food service operators into major shopping destination in the late 1980s until the 1990s led to growth in competition in the marketplace, mainly from food chains. This stimulated the rise in the number of fast food units, both of international and local chains, that started in the early 1990s. Although there was a slowdown during the economic crisis in 1998, the food service industry recovered faster than others, particularly during 2000 and 2001. Recent bombing tragedies especially the West Gate have also proven that negative effects on this sector are moderately short-term.

Franchising became popular in the food service industry through the introduction and entry of multi-national food service brands, primarily U.S.-owned enterprises, such as KFC, Pizza Hut and McDonald's. Currently, there are many local chains that have also experienced growth by applying this system to their operations.

4.3.1 Trends in Food Service Retail

According to government surveys, Kenya's spending on "eating out" is continuing to increase. Spending on cooked traditional food as a percentage of total average food-spend reached 60% in 2010. The growth in spending in the food service sector arises from a number of factors:

- Increased affluence amongst Kenyans, especially those above the age of 25 years.
- Increases in the number of expatriate residents, which has more than doubled since 1988.
- Increased convenience-seeking amongst younger Kenyans who live in a hectic city today compared to the much slower pace of life that existed 20 years ago.

When they want convenient fresh cooked food, Kenyan have long turned to the local hawker stalls, rather than prepared ready-to-cook or ready-to-eat processed convenience foods. As the numbers and variety of food service outlets has increased in Kenya, locals have adopted the convenient products of other food service outlets, especially the fast food outlets, as alternative sources of convenient cooked food. Younger middle and upper income group families and individuals are also frequent users of the full service restaurants, modern-style coffee shops and cafés that now exist all across Kenya.

Over the past 5 years, there has been a general upgrading in the food service sector which has seen the establishment of more air conditioned food centers (food courts) that are considerably cleaner than the traditional hawker markets. At the same time, increased investment from foreign and local businesses in the sector has also produced an increase in the numbers of:

- Foreign chains, including chains such as Pizza Inn, Chicken Inn

4.3.2 Competition and Buying Patterns

The competition in this arena is the fiercest in all other metropolitan areas in Kenya. Nairobi is a compact city, but has a lot to offer. Usually there are a minimum of two of the same outlets within a radius of less than 300 meters. For instance, Chicken Inn opens one outlet inside the Tusksys Shopping Mall along Tom Mboya Street. It is quite common for retailers to implement this kind of strategy, due to the high volume of people strolling around the main area street of Tom Mboya

Another reason is because many retailers do not want to lose sales opportunity, as the competitors are offering substitutions and similar product categories. This phenomenon has made Nairobi the best place to shop.

4.3.3 Main Competitors

Our main competitors in this segment are any food outlets within the 200 meter radius along the Tom Mboya Street. In our location, there are Chicken Inn, Pizza In ,McDonalds and Ranalo Food Joint .

Chicken Inn

Pizza Inn is locally owned franchise who sells Japanese BBQ skewers. Established in 1998, Tori-Q had expanded its operation into neighboring countries, Indonesia, Malaysia, and Thailand. Tori-Q is popular among local teenagers as it offers fast service to its customers. Commonly, Tori-Q outlets are rather small, and can only serve a maximum of 6 guests. It is a choice for those who are in a hurry and would like to grab a quick lunch on the way.

Pizza Inn

Pizza Inn is a joint venture positioned as gourmet pizza joint in Kenya. Most of its retail outlets are decorated with welcoming ambience, such as flowers and see-through kitchens. Pizza Walker is a good place to hang out, and the place is always full during lunch hour. It has more than enough tables to serve a maximum of 55 guests. Its specialty is all-you-can-eat pizza!

Ranalo Food Joint

A local entrepreneur is quite popular in the city centre as it is now expanding into several cities in Kisumu and Mombasa. Ranalo offers simplicity for traditional and western food and often considered alternatives for its long queueing rivals.

4.3.4 Foreign Vs. Local Franchising

Around 40% of the franchises operating in Kenya are foreign. Home grown franchises are still in their maturing stages as they start to expand globally. Franchises from the U.S. account for 65% of foreign brands, with big players such as KFC, Starbucks, Pizza Hut, etc. Due to high capital investment, Kenya conglomerates tend to dominate the industry.

Home grown franchises are more often sought more by young entrepreneurs than are their Western counterparts, as they offer greater flexibility and lower franchise fees to operate. Unlike Western license holders, home grown franchises are more efficient in the overall supply chain management as the basic raw ingredients are commonly found anywhere in the region.

5.0 Strategy and Implementation Summary

At first, we will open one outlet a long Tom Mboya Street. This will become our "market testing area," and as we go further, Fish Favourite is planning to open another in other streets nearby. In

attracting customers to try our fish flavours, we will provide a see-through kitchen, so that people will see how we are committed to freshness in our products.

The kitchen will also let out an aroma of our freshly fried fries into the surroundings area, so that people will come and try our products.

5.1 Competitive Edge

- Our unique smoked fish served with cheese and “kuon ananga” blend local taste and international into one.
- Enthusiastic and friendly staff
- Supporting merchandise items that support company's brand building.
- Our fries are made of 100% fresh potatoes, unlike the frozen fries used by competitors.
- Innovative packaging will position us at the same level with foreign fast food franchises.

5.2 Marketing Strategy

Our strategy is based on serving our markets well. We will start our first outlet as a "market tester" that could become a model of the expanding number of outlets in the future. Concentration will be on maintaining quality and establishing a strong identity in the local market.

A combination of local media and local store marketing programs will be utilized at each location. Local store marketing is most effective, followed by print ad. As soon as a concentration of stores is established in a market, then broader media will be explored. We believe, however, that the best form of advertising is still "buzz." By providing a fun and energetic environment, with unbeatable quality at an acceptable price in a clean and friendly outlet, we will be the talk of the town. Therefore, the execution of our concept is the most critical element of our plan. We will actively build our brand, through the selling of supporting materials, such as merchandise, promotional items and other marketing gimmicks similar to those of other fast food franchises.

5.2.1 Pricing Strategy

Our pricing strategy is positioned as "generic", meaning that Kshs. 400 is the average consumer spending for a light meal in Kenya. Leveraging the volume of fish, soft drinks and juice and signature style smoked fish served in cheese and ugali made from sorghum to be sold, we are serving the majority of Kenyans.

5.2.2 Brand Challenges

Fish Favourite must establish a distinct brand to stand out from the other traditional and Western-style food competitors.

- Our logo is distinct as fresh, energetic and playful with color elements that are eye catching.
- Product names are geared toward the target market (working class and business people), with items such as "medium size, family size " and which are fun and easy to remember.

5.2.3 Marketing Programs

We will deploy three different marketing tactics to increase customer awareness of Fish Favourite. Our most important tactic will be "word-of-mouth" and in-store marketing. This will be by far the cheapest and most effective of our marketing programs because of the high traffic in targeted shopping locations.

The second tactic will be local store marketing. These will be low-budget plans that will provide community support and awareness of our facility. The last marketing effort will be utilizing local media. Although, this will be the most costly, this tactic will be used sparingly as a supplement where necessary.

- In-Store Marketing
 - In-store brochures containing our concept and philosophy.
 - Wall posters.
 - Design concept.
 - In-store viewing of making fries process from cutting to frying.
 - Standing signage inside malls' lobby/aisle.
 - Outdoor signage (if possible).
 - Grand opening promotion.
 - Party catering.
 - Merchandising items.

- Local Store Marketing
 - Brochures.
 - Free occasional t-shirts at local stores events.

- Local Media
 - Direct mail piece – containing brochures sent to surrounding addresses.
 - Web page – containing company philosophy, history and news.
 - Local magazines that target our core customers, such as Free! Magazine.
 - Newspaper campaign – placing several large ads throughout the month to explain our concept to the local area.

5.2.4 Positioning Statement

Our main focus in marketing will be to increase customer awareness in the surrounding community. We will direct all of our tactics and programs toward the goal of explaining who we are and what we are all about. We will price our products fairly, keep our standards high, and execute the concept so that "word-of-mouth" will be our main marketing force.

5.3 Sales Strategy

The sales strategy is to build and open new locations in order to increase revenue. However, this plan will be implemented when the one "market tester" outlet showed potential growth. As each individual location will continue to build its local customer base over the first three years of operation, the goal of each store is Kshs 2,000,000 in annual sales, with the original flagship store expected to earn almost Kshs. 4,000,000 per year.

5.3.1 Sales Forecast

We anticipate the highest peak on the months of November and December in our sales forecast, due to the holiday seasons. In November, most of the schools are closed and as such the number of family outings will increase. December is the festive season for people to buy, eat and make merry. we anticipate more tourists coming into Kenya; this explains the jumped of sales in these last two months of the year.

Table: Sales Forecast

<i>Sales Forecast</i>			
	Year 1	Year 2	Year 3
Unit Sales			
Smoked Fish and other fish varieties	30,464	60,928	180,856
Juice from local fruits	15,692	30,384	45,768
Signature Packaged Cheese	1,356	2,712	6,425
Total Unit Sales	47,512	94,024	233,049
Unit Prices	Year 1	Year 2	Year 3
Smoked Fish	Kshs.400	Kshs.420	Kshs.450
Juice from local fruits	Kshs.100	Kshs.110	Kshs.120
Signature Packaged Cheese	Kshs.150	Kshs.150	Kshs.160
Sales			
Smoked Fish	9,139,200	24,371,200	72,342,400
Juice from local fruits	1,569,200	3,038,400	4,576,800
Signature Packaged Cheese	203,400	298,320	1,028,000
Total Sales	10,911,800	27,692,920	77,947,200
Direct Unit Costs	Year 1	Year 2	Year 3
Smoked Fish	Kshs. 120	Kshs. 150	Kshs. 200
Juice from local fruits	Kshs.50	Kshs.60	Kshs.70
Signature Packaged Cheese	Kshs.80	Kshs.90	Kshs.100

Appendix

Direct Cost of Sales			
Juice from local fruits	784,600	1,823,040	3,203,760
Signature Packaged Cheese	108,480	162,720	642,500
Smoked Fish	3,655,680	9,139,200	36,171,200
Subtotal Direct Cost of Sales	4,548,760	11,124,960	40,017,460

Project costs monthly

	Smoked Fish	Signature Packaged Cheese	Juice from Local Fruits	Total
January	100,000	1,148	10,400	
February	150,000	2,000	15,000	
March	200,000	3,000	25,080	
April	250,000	4,000	35,200	
May	300,000	5,000	45,383	
June	350,000	7,000	55,000	
July	450,000	9,000	65,383	
August	550,000	10,000	75,000	
September	600,000	12,000	85,000	
October	680,000	16,000	95,000	
November	750,000	18,000	105,000	
December	964,000	20,040	115,000	
Total	3,655,680	108,480	784,600	

Project sales monthly

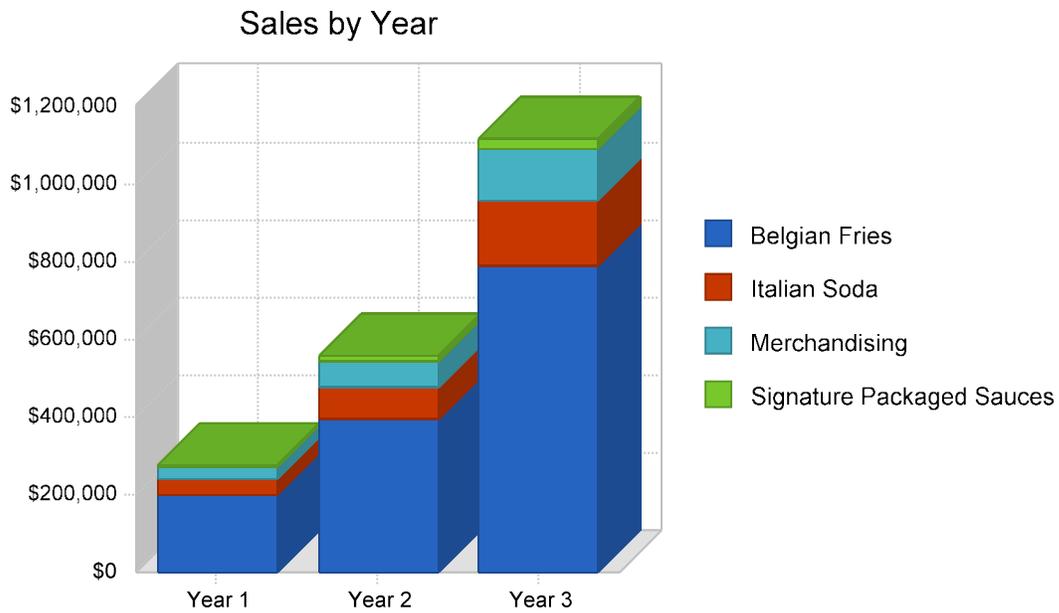
	Smoked Fish	Signature Packaged Cheese	Juice from Local Fruits	Total
January	260,000	1,148	10,400	
February	350,000	2,000	15,000	
March	438,000	3,000	25,080	
April	550,000	4,000	35,200	
May	662,300,	5,000	45,383	
June	761,600	7,000	55,000	
July	850,000	9,000	65,383	
August	950,000	10,000	75,000	
September	1,000,000	12,000	85,000	
October	1,120,000	16,000	95,000	

Appendix

November	1,250,000	18,000	105,000	
December	1,300,000	20,040	115,000	
Total	9,139,200	203,400	1,569,200	

Chart: Sales Monthly

Chart: Sales by Year



5.4 Strategic Alliances

Our business requires a long relationship with raw suppliers as well as partner vendors. In Chinese, this relationship is called "guanxi," meaning business bonding. We already have a long and good standing relationship with Company V in our previous ventures. For Company Y, Mr. Joe Shmo, the managing director, is a prominent figure in the society and we hope to strengthen further our business relationship with him and the company.

5.5 Milestones

During the initial set up of the company, the 4 founders (Guy Fry, Harry Hip, Sam Sauce, and Carl Cone) will conduct the planning and implementation in building the brand and the construction of our first outlet. The planning and construction will take approximately 8 months, in addition to the revision and refinement process that will take the rest of the 12 month period before our opening in early 2005.

Chart: Milestones

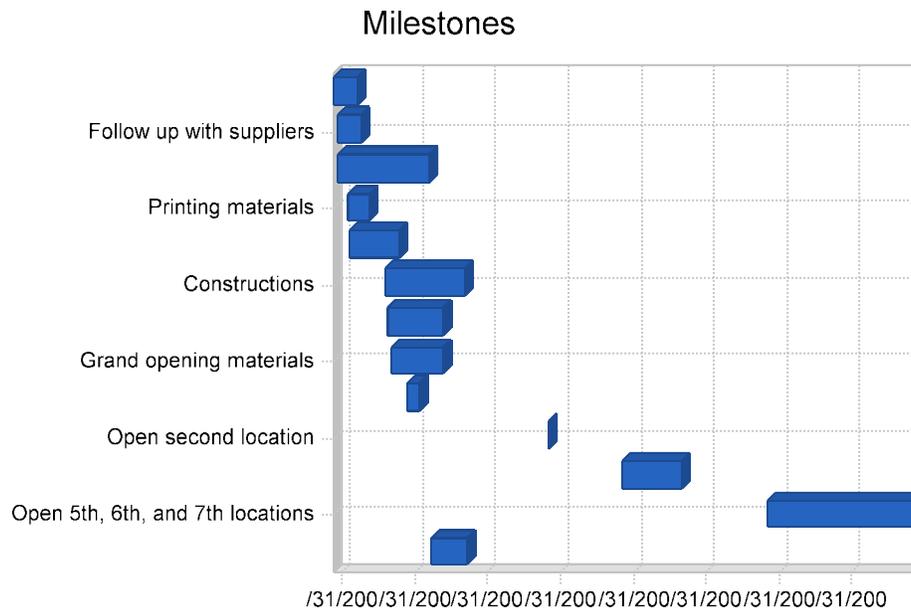


Table: Milestones

<i>Milestones</i>					
Milestone	Start Date	End Date	Budget	Manager	Department
Presentation materials for all stakeholders	1/12/2004	3/12/2004	TBD	Carl Cone	Business Development
Follow up with suppliers	1/21/2004	3/22/2004	\$100	Sam Sauce	Business Development
Follow up with developers	1/21/2004	9/8/2004	\$50	Sam Sauce	Business Development
Printing materials	2/13/2004	4/10/2004	\$8,000	Guy Fry	Marketing
Marketing communication program	2/21/2004	6/23/2004	TBD	Sam Sauce	Marketing
Constructions	5/22/2004	12/3/2004	TBD	Harry Hip	Business Development
In store signage, POP	5/23/2004	10/11/2004	TBD	Guy Fry	Marketing
Grand opening materials	6/2/2004	10/13/2004	TBD	Guy Fry	Marketing
Hiring staff	7/14/2004	8/12/2004	\$900	Harry Hip	Human Resources
Open second location	7/1/2005	7/1/2005	\$10,000	Carl Cone	Business Development
Open 3rd and 4th locations	1/1/2006	6/1/2006	\$15,000	Carl Cone	Business Development
Open 5th, 6th, and 7th locations	1/1/2007	12/31/2007	\$20,000	Carl Cone	Business Development
Training staff	9/12/2004	12/10/2004	\$1,000	Harry Hip	Human Resources
Totals			\$55,050		

6.0 Web Plan Summary

The website will, of course, show visitors everything about Belgian food culture, including the history of french fries over time. To make the website interactive, Fish Favourite will offer gift cards and promotions via the Internet, so our visitors can print the promotional coupon in PDF format and bring it when they visit Shop 'N' Eat. Visitors can also download Shop 'N' Eat' theme song as ring tones, or order potato cutters for delivery.

Besides the traditional formats of customer service hotline and in-store form, customers can now write their comments and suggestions on our website, which will be directed to one of our staff.

So, the website itself will act as the medium between our company and our audience.

In the future, our website will show information on franchising/licensing our brand name.

6.1 Website Marketing Strategy

We will leverage the visibility of our shopping mall's website by getting them to include a link to ours. We will also post banners on an official Kenya tourism website.

6.2 Development Requirements

To adequately serve our audience, the front end strategy of our website should be parallel with our corporate color. The front end design of our website will be entirely trusted to Mr. Guy Fry.

The diversity of founders' background in our company has enabled a cost efficient development in our venture. As Mr. Harry Hip and Mr. Carl Cone are experts in Information Technology, the back end of our website will be developed by these gentlemen.

7.0 Management Summary

The initial management team depends on the founders themselves, with little back-up. As we grow, we will take on additional help in certain key areas. Part of our basic philosophy will be able to run our executive management as a "knowledge sharing" fellowship. We will not add additional overhead until absolutely necessary. This will mean that the initial staff support team will have to work extra. By doing this, we will keep our overhead as low as possible, allowing us to adequately staff our outlets. This will also allow us and future business partners to recoup investments as quickly as possible and enjoy a higher return.

At present time, Fish Favourite is being owned by its 4 founders. Others that have helped on the development of this business venture will be offered an opportunity to grow together with the company at the appropriate time, and when the time comes, the 4 founders' share will be consolidated as one entity.

7.1 Management Team

Fish Favourite is currently the creative idea of its four founders. As the company is small in nature, it only requires a simple organizational structure. Implementation of this organization form calls for all four individuals to make all major management decisions in addition to monitoring all other business activities.

As we expand into multiple locations, each location will have a primary site manager.

7.2 Organizational Structure

Future organizational structure will include a director of store operations when the store locations exceed four units. We hope that this individual will come out of the ranks of our stores' management. This will provide a supervisory level between the executive level and the store management level.

Current plan is to have our accounting and payroll functions done by an in-house bookkeeping. Mr. David Lu will be responsible for accounting and business development of Fish Favourite. Possible positions might be added at a later date include marketing manager, purchasing manager, controller, human resources, R&D and administrative support team.

7.3 Personnel Plan

Our initial employees will include two cashiers, two cooks and two bus boys per location, with one of each on the premises during open hours. This is considered an ideal personnel number for a food outlet the size of our own. Each employee will work for 38-40 hours per week.

In the long run, as we expand our product category and retail outlets, we will employ more people in the middle management to ensure the focus of our work, including site managers.

Table: Personnel

<i>Personnel Plan</i>			
	Year 1	Year 2	Year 3
Site Managers	\$0	\$60,000	\$96,000
Cashiers	\$36,000	\$80,000	\$144,400
Cook	\$28,800	\$66,000	\$115,200
Busboy	\$23,400	\$56,000	\$94,000
Total People	12	26	40
Total Payroll	\$88,200	\$262,000	\$449,600

8.0 Financial Plan

The company is now privately held by Rose Mboya, Winnie Aluoch, Brian Ochieng, and Allan Martin. Future shares will be offered after two consecutive years of operating in Kenya.

8.1 Start-up Funding

Currently, the company is owned by the original 4 founders, who each will contribute \$200,000 for the same amount of share, 25%. This will more than cover start-up requirements, and provide the business with a cash cushion to use for expansion over the first three years.

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$68,800
Start-up Assets to Fund	\$50,000
Total Funding Required	\$118,800
Assets	
Non-cash Assets from Start-up	\$0
Cash Requirements from Start-up	\$50,000
Additional Cash Raised	\$681,200
Cash Balance on Starting Date	\$731,200
Total Assets	\$731,200
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Eric Yam	\$200,000
Martin Ng	\$200,000
David Lu	\$200,000
Sagita Suwandi	\$200,000
Additional Investment Requirement	\$0
Total Planned Investment	\$800,000
Loss at Start-up (Start-up Expenses)	(\$68,800)
Total Capital	\$731,200
Total Capital and Liabilities	\$731,200

Total Funding	\$800,000
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8.2 Break-even Analysis

Our break-even analysis shows that we need unit sales over 9,700 per month to break even. We do not expect to begin turning a profit until year three.

Chart: Break-even Analysis

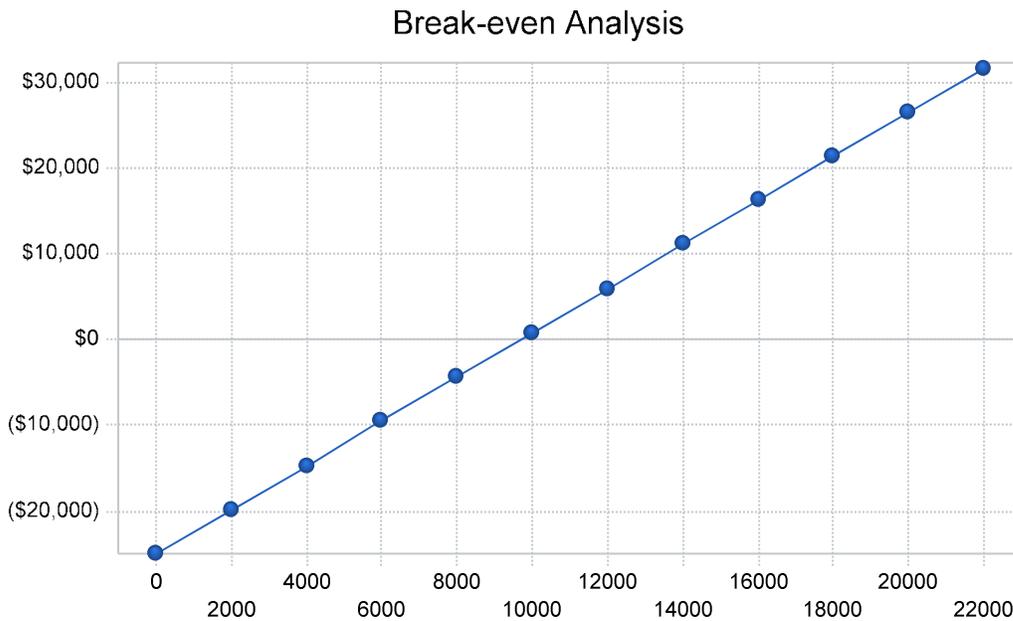


Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Units Break-even	9,706
Monthly Revenue Break-even	\$32,104
Assumptions:	
Average Per-Unit Revenue	\$3.31
Average Per-Unit Variable Cost	\$0.73
Estimated Monthly Fixed Cost	\$24,979

8.3 Projected Profit and Loss

As the Profit and Loss shows, Fish Favourite will run at a loss for the first two years, using up some of the cash reserves initially invested by the founders. As sales increase, we will expand into new locations to aggressively spread brand recognition. This increase in visibility will allow us to take up less expensive locations off of Tom Mboya Street, while maintaining our flagship operation, the first store, in a prime spot.

Chart: Profit Monthly

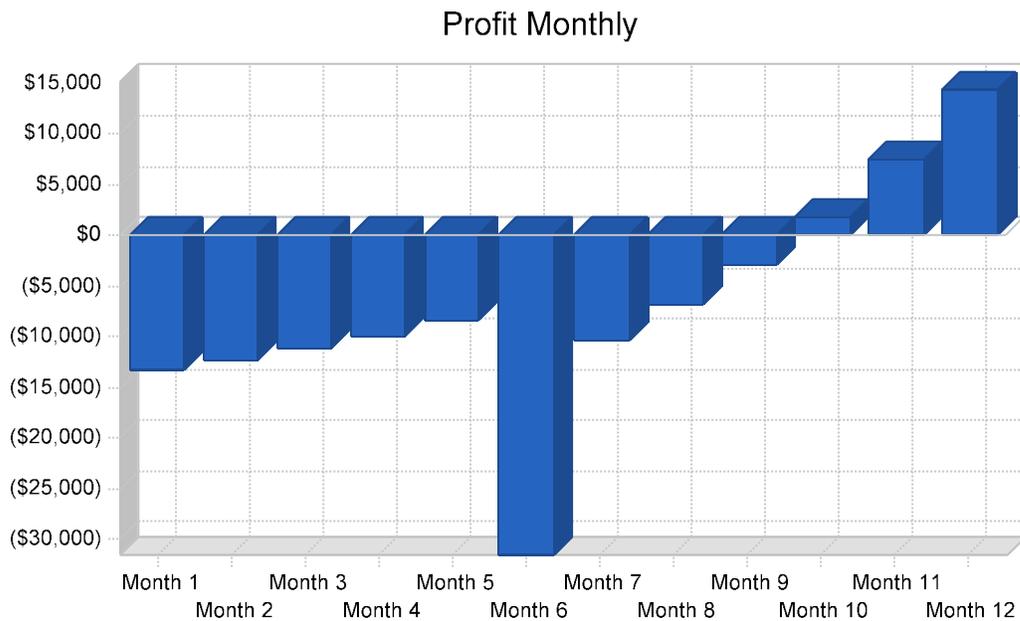


Chart: Profit Yearly

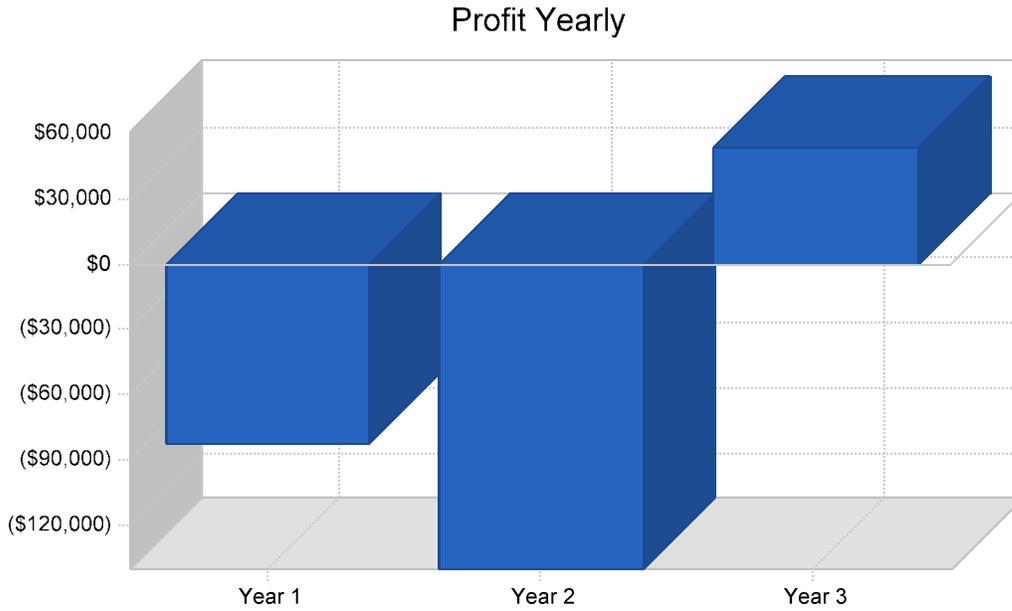


Chart: Gross Margin Monthly

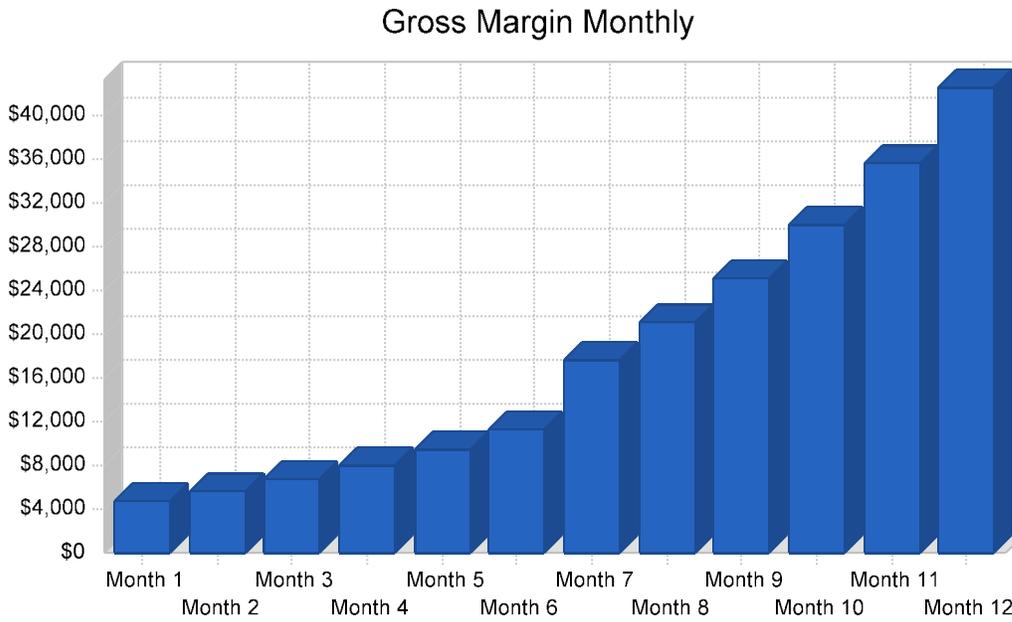


Chart: Gross Margin Yearly



Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>			
	Year 1	Year 2	Year 3
Sales	\$279,163	\$558,327	\$1,116,654
Direct Cost of Sales	\$61,957	\$123,914	\$247,827
Other Costs of Sales	\$0	\$0	\$0
Total Cost of Sales	\$61,957	\$123,914	\$247,827
Gross Margin	\$217,207	\$434,413	\$868,826
Gross Margin %	77.81%	77.81%	77.81%
Expenses			
Payroll	\$88,200	\$262,000	\$449,600
Marketing/Promotion	\$10,000	\$10,000	\$10,000
Depreciation	\$0	\$0	\$0
Rent	\$174,000	\$248,000	\$298,000
Utilities	\$2,550	\$5,000	\$8,000
New location setup	\$25,000	\$50,000	\$50,000
Total Operating Expenses	\$299,750	\$575,000	\$815,600

Appendix

Profit Before Interest and Taxes	(\$82,543)	(\$140,587)	\$53,226
EBITDA	(\$82,543)	(\$140,587)	\$53,226
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0
Net Profit	(\$82,543)	(\$140,587)	\$53,226
Net Profit/Sales	-29.57%	-25.18%	4.77%

8.4 Projected Cash Flow

The following chart and table show the Projected Cash Flow for Shop 'N' Eat.

Chart: Cash

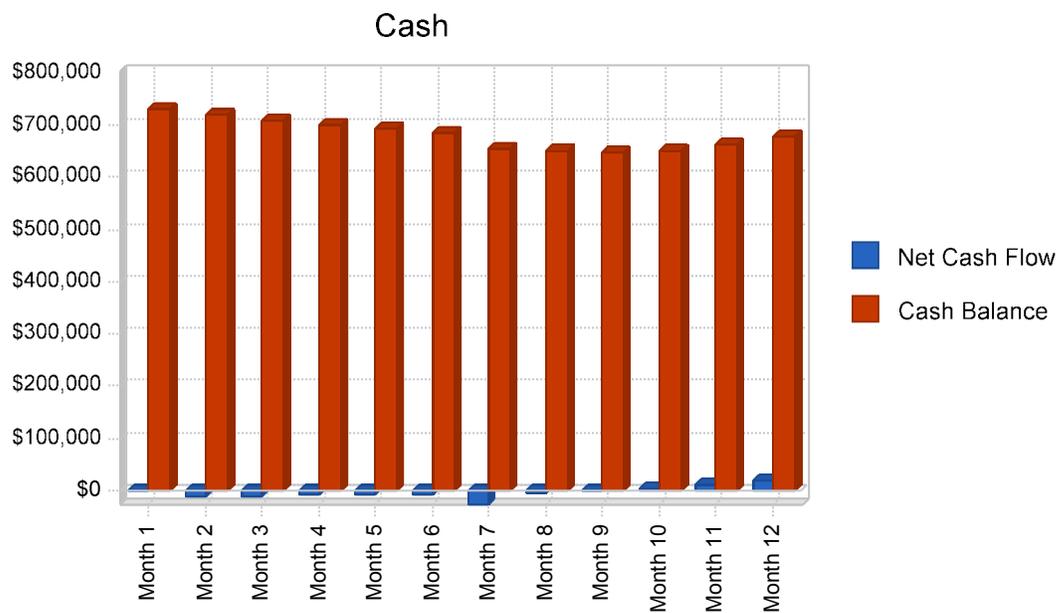


Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$279,163	\$558,327	\$1,116,654
Subtotal Cash from Operations	\$279,163	\$558,327	\$1,116,654
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$279,163	\$558,327	\$1,116,654
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	\$88,200	\$262,000	\$449,600
Bill Payments	\$244,265	\$430,245	\$599,286
Subtotal Spent on Operations	\$332,465	\$692,245	\$1,048,886
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$332,465	\$692,245	\$1,048,886
Net Cash Flow	(\$53,301)	(\$133,918)	\$67,767
Cash Balance	\$677,899	\$543,981	\$611,748

8.5 Projected Balance Sheet

Fresin's projected company balance sheet follows. We expect to run at a loss for the first two years, decreasing our net worth slightly. As the operation becomes more profitable in the third year, our net worth rises again.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>			
	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$677,899	\$543,981	\$611,748
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$677,899	\$543,981	\$611,748
Long-term Assets			
Long-term Assets	\$0	\$0	\$0
Accumulated Depreciation	\$0	\$0	\$0
Total Long-term Assets	\$0	\$0	\$0
Total Assets	\$677,899	\$543,981	\$611,748
Liabilities and Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	\$29,242	\$35,911	\$50,452
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$29,242	\$35,911	\$50,452
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$29,242	\$35,911	\$50,452
Paid-in Capital	\$800,000	\$800,000	\$800,000
Retained Earnings	(\$68,800)	(\$151,343)	(\$291,930)
Earnings	(\$82,543)	(\$140,587)	\$53,226
Total Capital	\$648,657	\$508,070	\$561,296
Total Liabilities and Capital	\$677,899	\$543,981	\$611,748
Net Worth	\$648,657	\$508,070	\$561,296

8.6 Business Ratios

The following table outlines some of the more important ratios from the Fast Food Restaurants and Stands industry. The final column, Industry Profile, details specific ratios based on the industry as it is classified by the Standard Industry Classification (SIC) code 5812.