

Business studies coursework

Introduction:

I have given a lot of thought into the type of business I am going to open. After doing my research I have observed that a salad bar would be a successful restaurant in London. The initial research on this type of business has shown me that it has been successful in other cities at different times of the day. I spoke to the managers and in each store I spent time making my own observations. I took note of how busy they were, and what the layout of the stores were. I learnt that they used the best quality ingredients to prepare tasty food in open plan hygienic kitchens. I also learnt that as much as they made they sold and they could have possibly made more.

The name of my business will be called, "Aemono"
It will have a sit down restaurant and will provide a quick meal on the go. There will be a range of many different salads to choose from.

My business will be aimed at both young and old, people who want a nutritious meal. I plan to start my business off with only one shop of a decent size. I will do the majority of the administrative work and manage the restaurant. I will have one chef, four counter assistants, one waiter and a cleaner.

A busy Londoner does not have the time to make a nutritious meal daily, therefore I think that this is a good idea that will be successful and popular. I intend to make up excellent quality meals at a competitive price. I intend to have an excellent customer service and hope to form relationships with my regular customers. Good customer services will ensure my customers stay happy.

I also intend to make a success of my business with a view to expansion and opening new stores.

Aims and Objectives

Theory:

Companies set themselves aims and objectives in order that they have a target to work towards and to judge their performance and success. It is important that a company find out exactly what their aims and objectives are. This could involve:

1. Increasing sales to generate high profits.
2. Having a high level of customer satisfaction.
3. Reducing the amount of staff turnover and theft.
4. Selling to more markets abroad.
5. Reducing the costs of the business.
6. Being ethical or environmentally friendly.
7. Expansion of the product range.

Companies must have aims in order to have a target by which they can judge their performance and success. An objective is anything that the business wants to achieve. Aims and objectives are measurable targets by which a business tries to accomplish. The most important objective is to make a profit in order to survive.

Survival:

One very important objective in a business is its survival. This means that to survive the business has to break even over a time in other words the business does not make a profit or a loss. If the business continues to make a loss it will certainly go out of business by having a survival as their objective the company stays in business despite losing money.

Profit maximization:

If a company wants to do more than survive the prime objective of the company could be to maximize profits. By maximizing profits the shareholders and the owners receive a dividend this means they get a share of the profits at the end of the year. But if the business makes a loss the shareholders and owners do not receive any dividend. If there is an increase in dividend then this could mean share prices go up because this increase will attract more share buyers to the company.

Sales objectives:

Some businesses set themselves a number of objectives and each indicates on how well the company is doing. Growth in profits, growth in sales turnover, increase in market share, expansion of the product range and selling it to more areas of the country or the world are all sales objectives. Once a business has made enough profit to survive it may decide that the growth of the business itself is more important. Some companies may

decide it is better to be a large growing company making reasonable profits than a small company making more profits. To understand this we must look at the motives of people in business.

Objectives of large businesses:

In a large business, like a plc it is likely to have shareholders, workers, managers and directors who are likely to be different people with different objectives.

- Shareholders are likely to want to maximize profits therefore they can get the greatest gain from their profits.
- Workers, directors and managers are interested in the conditions they work in and how much they earn. Increases in pay and conditions in work can mean the company increases its costs and this could lead to lowering the profits.
- Customers want better quality products at low prices.
- Environmental groups want companies to stop anything that may be a harm to the environment.

These differences could cause conflict. The final outcome might be a mixture of different objectives, which is a profit sacrifice. This means that the business makes enough profit to keep the shareholders happy and does not aim to maximize profits. This may lead to the business giving the workers expensive company cars or pay higher wages which costs the company money but keeps the workers happy.

A stakeholding is used to balance the objectives of different groups. The owners, workers, customers and others have a 'stake' in the business because anything that happens within the business affects them. They are known as stakeholders.

Objectives of small companies:

Unlike large companies the owners, managers and workers are likely to be the same person. Most small groups aim to maximize profits or they may want to make some profit and pursue other objectives like sales growth. Many people own businesses because of their flexibility. They are happy with lower profits and are able to work at their own hours. You will find a person is more likely to work more hours for himself than an employee working for someone else.

Companies tend to have an overall aim or mission statement, which is a target that all staff follow. Eg: 'at Currys we won't be beaten on price.' They promise the lowest price always. They offer other advantages when buying a product from them. Within 7 days of buying the product you will find the same product at a lower price we will happily refund the difference. Seven-day product exchange. Within 14 days of buying your product....14 day mobile phone exchange. Within 28 days of your product.... We want you to have confidence in your product. More than 28 days after buying your product... we will repair free of charge if faulty.

Virgin Airlines Mission Statement is: "To be the best airline service flying passengers to America". All the departments in Virgin will individually follow this aim. Example: The cabin crew will be the most polite, the planes will be the safest, and the ticket office will be the most efficient.

Aims tend to be general while objectives are detailed and state how the aims will be met.

Eg. Aim: To have a good day out shopping.

Objective: To buy 2 CD's and a jacket for under a hundred pounds by 4pm.

Man Utds company aims and objectives might be:

Aim: to be the most successful premier league club.

Objective: to win the premier league and FA cup in 2006.

For my business:

The aim in my business is what I plan to fulfil and the objective is how I plan to carry out the process.

The aims and objectives for my business are:

- Aim: To maximize profits, to earn 20% profit in the first year of trading/break even as soon as possible. I want to be able to make a success of my business and by aiming high I intend to reach my goal.
- Objective: providing a variety of salads, selling a maximal amount per day. I think that this will be an advantage to my business as people may be attracted to my restaurant by being able to have an assortment of different salads. In the long term this will affect the incoming profits into my business.
- Aim: To maximize risk. This aim is extremely important as I will not be able to afford to open up a business and not make a profit out of it, even though I intend to remain a sole trader.
- Objective: As a sole trader, I will have no partners in case the business is not very profitable. Avoiding high capital investment in the business e.g. new machinery. When starting up a new business there is always capital required before making a profit this means I have to be very careful to make sure my business is profitable as I don't want to lay out a tremendous amount of money without regaining it.
- Aim: To provide good customer service. I will treat each customer on a personal level, greeting them with a smile will be worthwhile as intend to spend more money when they are in a better mood.
- Objective: Customers that are happy come back and become loyalty customers. Providing a good customer service I will ensure that my customers are happy and do want to come back to my shop. I want to be able to create a warm and relaxed atmosphere in my restaurant therefore I will try reduce delays as much as possible.

I have rejected the following aims for my business:

- Survival: being a sole trader I am investing all the money into my business and at some point my business will break even which will mean I wont have any loses but I wont be receiving a profit which is what I plan to live off. I will also be unable to sacrifice large amounts of money even though it may keep me in business.

- Selling into more areas of the country or the world: To become a multinational in the future is almost impossible, as I would have to employ staff to run my business. It will be impossible for one person to learn all the legal systems of other countries. Through the world the exchange rate fluctuations are drastic which may confuse profits earned in a large number of currencies.

Mission statement

Aemono is a great place to eat, combining an intriguing atmosphere with excellent, interesting food that is also very good for the people who eat there. We want fair profit for the owners, and a rewarding place to work for the employees.

Logo:

I have chosen this logo as it is plain, simple and stylish, yet as soon as people see it know what the restaurant is. The name Aemono comes from a Japanese term for a salad, which ties in well with the business that I am making.