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**SUBJECT: PRINCIPLES OF MANAGEMENT**

**SUBMITTED TO: MAM SHOALA RASHEED KHAN**

**SESSIONAL ASSIGNMENT**

# LeanFolks

LeanFolks is a food startup based in the city of Peshawar, Pakistan. The company aims to provide healthy food alternatives to the ever growing health conscious customer base in Pakistan. With our fresh and healthy sandwiches, salads and juices etc, we would help people achieve a healthier lifestyle.

In the past few years, Pakistanis have started moving towards a healthier lifestyle and the consumption trends in the country are changing gradually. This has made people change their eating and exercising habits to maintain a good diet and achieve their health and weight goals. Statistics have shown that people now prefer fresh and nutritious foods and are moving away from fried and fast foods. This has created demand for new products and has created a new industry in itself.

LeanFolks aims to capitalize on this trend and hopes to create a market for itself in the health conscious consumer market.

**Objectives:**

To help people achieve a healthier lifestyle.

To make LeanFolks the go to place for all the fitness enthusiasts, athletes and health conscious consumers of the society.

 To gain market share in the food industry of Pakistan.

To grow into a national brand.

**Mission:**

LeanFolks core mission is to promote a healthy lifestyle among the citizens of Pakistan. With our fresh and nutritious organic food, we aim at achieving just that.

**Industry Analysis:**

Over the years, the consumption patterns in Pakistan have changed a lot. People have been going out to eat more often. In the recent years, many global food chains have entered Pakistan and have been doing quite well in the market. The reason for the food industry boom in Pakistan is that many people find it hard to make time for traditional cooking these days due to their jobs. A huge number of participation of women in the workforce has also made it hard for making out time for preparation of meals.

According to recent facts and figures, Pakistanis have been spending an excess of almost Rs 114 billion on eating out annually. According to State Bank of Pakistan statistics, Pakistanis are spending almost 40% of their income on readymade food. This fundamental shift, driven by demographic and consumer trends, has led to considerable market growth in the restaurant sector in recent years. With that being said, this makes Pakistan an ideal market for LeanFolks to enter as people have the spending capacity as per the statistics above.

**Market Analysis:**

LeanFolks would be targeting Peshawar in the start and will grow on from there on. Our market analysis has shown that there is no restaurant available in the city that caters to the needs of health conscious consumers of the society. Peshawar has seen a rise in the number of people who to gyms or workout at home. This mostly includes young adults. These people are an ideal target for us as they are always looking for something healthy and organic to eat and mostly avoid the fast food that is served in most of the restaurants. Our target market is further elaborated as under:

Age group: Young adults, singles.

Gender: We will be targeting both the genders.

Income: We will have options available for middle class and upper class.

**Competitive Analysis:**

Presently, there are a lot of local and international food chains operating in Peshawar which makes it quite a competitive marketplace. The main big players in the market are McDonald’s, KFC, Pizza Hut, Chief Burgers. They hold most of the market share and are doing quite well.

LeanFolks will come into the market with unique products and will provide alternatives to all the fast food these chains are offering. Our ingredients will be sourced from reliable organic sources. Our recipes and products will allow the customers to have a delightful healthy eating experience. We are strictly against frying and processing. Our fresh veggies, grilled meat, fresh juices and salads would deliver a unique and enjoyable eating experience to people who like to keep it healthy yet tasty at the same time. We only prepare products once the order has been placed. This ensures the product is fresh and keeps its great taste.

On the other hand, as LeankFolks is in its startup phase, we don’t have access to a lot of capital as compared to the other established players in the market. However, our costs are not that much as compared to other restaurants. Similarly, we are currently a home-based business and don’t have access to a physical restaurant of our own which is a disadvantage of LeanFolks.

**Marketing Plan:**

We’ve laid down the following marketing plan for our company.

**Product:**

LeanFolks would introduce a new concept and line of products in the market. With our organic and healthy choice of ingredients, we would add a “healthy element” to our line of food products. This would set us apart from the traditional fast food that is being sold in all the other food chains. Our products would appeal to all the health conscious consumers of the society and fulfill their needs.

**Price:**

As we would be targeting the middle and upper class of the society, our products will have different prices that will suit the budgets of both the classes. However, we would not compete on price with the other major players in the market. We would price our products fairly and keep our standards high.

**Promotion:**

Our main focus in marketing will be to increase customer awareness in the surrounding community. All of our marketing efforts would be directed towards the goal of explaining who we are and what we are all about. To achieve this, we would use social media and word-of-mouth as our main promotional activities.

**Place:**

Currently, we are a home-based startup that would be operating from home until and unless we gain enough customers and are financially capable of opening an outlet of our won. As of now, we would be delivering orders on demand. Customers can contact us through our official number or through our Facebook page to place orders and contact us for any queries.

**Operating Plan:**

In the start Leanfolks would operate as a home-based business. We would produce the products in our own home. The production will be done in accordance with the orders received i.e. we will only prepare the products once we have confirmed the orders. This would ensure the freshness of the product and also reduce the wastage of materials.

 Similarly, due to low customer awareness and sales in the beginning, it would be feasible for us to handle the distribution and delivery of products ourselves. We would follow a cash-on-delivery model for the ease of our customers. Our business will operate 6 days a week with Sunday off. Our business hours will be from 10am to 11pm from Monday to Saturday.

Special equipment will be purchased which will be used and is necessary for the production process. At first we will be only purchasing a handful of equipment to keep the costs low, and as our operations will grow, we will be expanding our business and bring in new stuff to meet the requirements. Careful analysis of the sales, revenues and profits figures will allow us to assess our position and decide the appropriate time to open our very own outlet. According to our plan, we have decided to open our own physical restaurant after a year of operating. This would be enough to provide us with helpful data to analyze our situation in the market. In the next two years, Leanfolks aims on introducing food contests and carnivals, collaborating with universities, colleges and basically growing awareness in the society about the benefits of eating healthy.

**Management Plan:**

Currently, the management team only consists of three people. As the company is a home-based business right now, the management team consists of three family members who are going to look after all the aspects of the business. The company being in the startup phase, we don’t have a need to bring in more people as of now. However, once the company starts to grow, we would definitely hire the necessary individuals as per the business requirements.

The business is family owned. Each person has a right in making the decisions for the betterment of the company. Therefore, the decision making is done with regards to opinions of each of the members involved in the business.

**Financial Plan:**

We have done thorough research and analyzed our situation in order to make sure we cover the costs and make enough profit to keep the business running.

The startup costs will be financed through our own investments. Currently we have invested up to Rs 5 Lacs of our own. This would help us to cover the costs of buying the equipments, materials, and in promoting the brand. We would spend most of our money in creating customer awareness in the society which is the most important thing for us right now. This is because if no one knows who we are, what we do; they aren’t going to come to us.

We expect that our business will do approx Rs 2 Lacs of sales in the first year. Upon the completion of first year, we would have enough data to decide whether we should continue the business. However, we do have plans of opening our first physical outlet after a year of operations. For that, we would take up a loan of Rs 2 million from a bank. We believe that the construction of our outlet will significantly increase our customer purchases and sales. With that being said, we anticipate our sales by the end of year 2 to be around Rs 10 Lacs and around Rs 15 Lacs by the end of year 3. We expect to cover all our investments in the year 4. We do not expect to begin turning a profit until the end of year 4. However, we do believe that the sales are only going to grow as more people become aware of the thing we do.