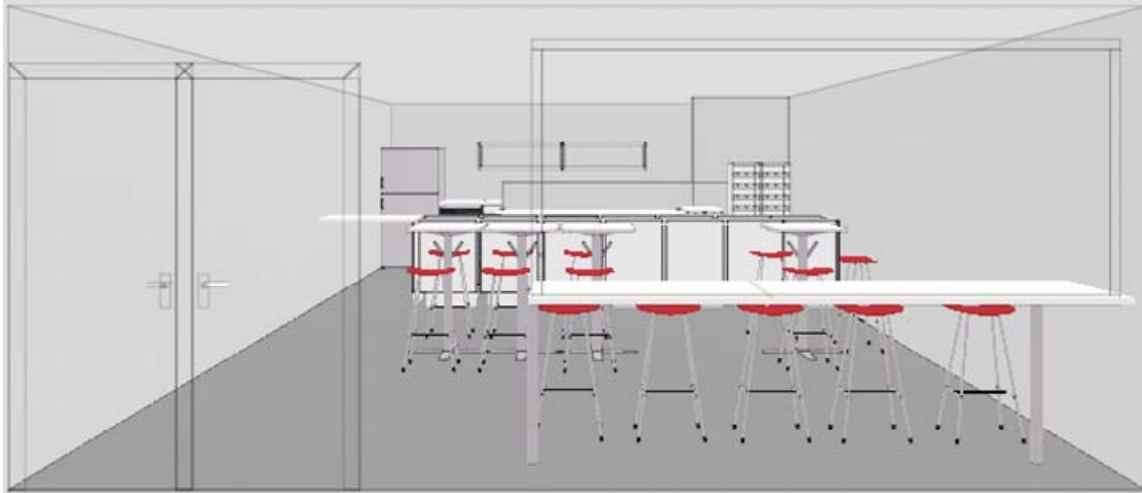


# FastCeviche



**A unique business opportunity**

**Presented by**

**Bodo Bolivar**

**Clara Chileana**

## **Executive Summary**

Ceviche is one of Peruvian's favourite dishes, served cold and made out of a mix of raw fish, onions, corn, sweet potato and key lime. The latter generates a chemical process which makes the fish taste like cooked. This chemical process does not kill all bacteria therefore it is extremely important to eat a ceviche from a trustful source which ensures the fish is clean and fresh.

Currently in Lima, the capital, ceviche is served in hundreds of cevicherias, which are generally restaurants specialized in cold and warm seafood. These cevicherias have a traditional business model, with fully equipped and staffed kitchen and large space for seating customers choosing from a variety of more than 80 dishes. This complexity is usually translated into a higher price, and as the price goes down, the cleanliness of the restaurant goes down in a direct relationship.

Currently, a middle-range business person willing to eat a good ceviche at a price within his or her budget (S/.12 to 15) will not be able to find a place offering it at that price without sacrificing some cleanliness.

FastCeviche plans to establish a restaurant chain specialized in ceviche offering reasonable prices and an impeccable environment. The way it will achieve this is through an innovative business model similar to some fast food models, with a centralized kitchen delivering the cold ingredients to the restaurants. In this way, economies of scale achieved through the process efficiency as well as the smaller facilities used as restaurants will enable FastCeviche attend that market segment currently underserved.

The total investment required for the project is US\$75.587 supplied by the shareholders. This will allow FastCeviche establish itself as a chain with presence in the four main districts in Lima in a six month time span, opening four restaurants served from one centralized kitchen.

FastCeviche expects to attract on average, 50 customers per day and have by the end of the first year a positive cash flow and a net income of US\$6,364. Under the assumption that the business only maintains the four restaurants in subsequent years, the net income would be US\$48,627 from year two onwards.

The rapid expansion strategy that FastCeviche will adopt to have a first movers advantage, will rely initially on the investment of the shareholders and later, either on organic growth, franchising or joint ventures.

## **1. Peru**

Peru, located in the Pacific Coast of South America, has been showing steady expansion accumulating a total growth of 22% in five years. The country is expected to continue growing at an approximate annual rate of 6.5%, higher than most other Latin American countries. In the last decade, exports have grown from US\$7,021 million to US\$20,000 million; inflation has been stable below 3.5% and the local currency Nuevo Sol has appreciated slightly versus the US dollar.

Politically, Peru has a democratic government and a stable environment, and has managed to improve its credit risk, to be even better than the average Latin American countries. As a result, foreign direct investment has increased from 5% in 2003 to 13.9% in 2005.

## **2. Ceviche**

Ceviche is a typical Peruvian dish created in the 16<sup>th</sup> century based on a mixture of cultures present in this country and it was recently denominated Cultural Heritage of Peru. This dish can be described as a seafood salad, a mix of either plain raw fish or other types of seafood combined with very acid key lime, onion, hot pepper, sweet potato and corn. The raw fish goes through a process called 'denaturation' which is the effect of the acid lime on the fish's proteins, making it taste more like cooked fish rather than raw Japanese sushi. This process usually takes place within a few minutes from the time the lime juice makes contact with the fish.

To obtain a good quality ceviche, experts recommend preparing it from fresh fish only, not previously frozen, to ensure a good texture. When in contact with the lime juice for a long period (half an hour to an hour), it becomes very rubbery and opaque effect that is usually described as overcooked, therefore it is imperative to be consumed immediately after preparation.

The chemical process that takes place with the lime kills some bacteria that might be present on the fish, however it does not kill all of them, therefore it is extremely important for the source of the fish to be highly reputable and trustworthy to ensure a safe ceviche. This knowledge is shared among ceviche consumers who give great importance to the restaurant's hygiene, appearance and reputation, even more than any other restaurant where dishes are cooked with heat.

## **3. Cevicheria**

In Peru, restaurants serving ceviche are called cevicherias. These types of restaurants usually sell ceviche and its closest variety called 'tiradito' which is based on the same concept with the difference that the fish is cut thinner and it does not contain onion. Cevicherias also serve other cold and warm dishes, a variety of desserts and alcoholic and non-alcoholic drinks, however, the most popular dishes in this type of restaurant are ceviche and tiradito, as demonstrated by primary research (Appendix 1).

Cevicherias have a business model similar to any other traditional restaurant, including a fully equipped and staffed kitchen, full table service with waitresses, cashiers and usually an administrator and a big space for customer seating. These restaurants operate during lunchtime

only, considering the strong tradition to consume seafood during the day and not so much for dinner.

Cevicherias, together with Chifa (Chinese Food) and Roasted Chicken are Peruvians’ favourite dishes. Moreover, Peru has the highest per capita consumption of fish in Latin America, rising to 20 kg per year, while countries such as Mexico or Brazil consume 10.4 and 6.5 kg respectively (Infopesca – FAO, 2005). As the industry expert and renowned Peruvian Chef puts it, “In the same way Americans eat sandwiches for lunch, Peruvians eat ceviche” (Acurio, 2006).

Despite people’s preferences for fish and particularly ceviche, only Chifa and Roasted Chicken restaurants have evolved into a simpler restaurant format and offer delivery services, while ceviche is still served only in regular restaurants and do not offer delivery.

Cevicherias can be put into four big categories, A, B, C and D. The following table describes the main differences between these types of cevicherias and a representative picture of each type can be found in appendix 2.

Type	Average Price of Ceviche	Cleanliness and Freshness	Number of Dishes on the Menu	Comments
A	S/. 25 or more	Trustful	75	High end, fashion
B	S/. 19	Good - Acceptable	99	Big, nice
C	S/. 15	Almost Acceptable	87	Smaller
D	S/. 10	Better not know	60	Informal

Source: Primary research

There are only two chains of this type of restaurant, one of them has four stores and the other one five. Despite being a chain, each location works as an individual restaurant only sharing the brand, that is, each location is fully equipped with a kitchen and complete staff. All other cevicherias are individual restaurants, not chains. A diagram of the business model of traditional cevicherias can be found in appendix 3.

#### 4. FastCeviche

A good and safe ceviche can only be consumed in regular restaurants. Out of the people interviewed, all of them business workers, 58% agreed that they eat ceviche less frequently than they would like to and the main reasons were convenience and price (see appendix 4 for details). From the same survey, 77% of interviewees said that in order to consume a good ceviche, they would have to spend more than their regular budget. This information makes the problem clear: currently, there are very few clean cevicherias offering good ceviche at an affordable price.

The plan is to establish a chain of restaurants specialized in ceviche and tiradito only, with a fast food concept. The chain will use a similar model as Subway restaurants, having a centralized kitchen facility which prepares the ingredients and delivers them in special containers to the restaurants, achieving economies of scale. As ceviche and tiradito can be considered a salad, all the ingredients (fish, onion, sweet potato, corn, hot pepper) will be ready to mix, right in front of the customer. A diagram of the business model can be found in appendix 5.

To keep the business model simple, FastCeviche will only offer two main dishes: ceviche and tiradito, which are the favourites among the more than 85 dishes regular cevicherias offer. These two dishes will only be available in a choice of two types of fish (sole fish and fish of the day), calamari and octopus. This will maintain complexity low and allow some of the costs savings be transferred to the end customer. Only pop, beer and chicha morada, a traditional Peruvian beverage, will be served.

The service will be more like a self-serve restaurant, or again, similar to Subway, in which the customer pays first for the selected dish, and goes through the counter choosing what to add of each other ingredient, allowing them to influence on the recipe if they want to. The dining area will be rather small, to convey the idea of fast and not a place where to stay after lunch. The seats will be like in a bar, with high tables and stools, to convey that idea of short term seating.

The idea of having the ingredients on the counter and mixing the ceviche in the customer's presence will serve two purposes. The first one is to convey a sense of cleanliness and freshness. The customer will be able to see how the fish is replenished every time the container is empty, how the ingredients all look fresh, how the employee mixes the ingredients with gloves and with very clean utensils and that the ceviche will not taste like 'overcooked' because it is mixed right before its consumption.

The second purpose is to start educating the customer about potential delivery or to-go services for ceviche. Just as the employee mixes the ceviche only when it is going to be consumed, the customer will start figuring out that they can easily pick it up or ask for it to be delivered in separate containers for later mixing and eating. After a period of education and paradigm change, FastCeviche will be able to introduce delivery and take away services to expand its business.

By adopting this business model which enables it to reach economies of scale through the centralized kitchen and reduced costs due to the simplicity of the menu and small size facility, FastCeviche will be able to enter the market in a segment currently unattended. It will satisfy the customer's need for cleanliness and freshness and charge a reasonable price (S/. 13 for a regular ceviche, approximately US\$4.00) that is currently not available in cevicherias type A, B or C. A positioning map of FastCeviche can be found in appendix 6.

## **5. The Customer**

The target customer is a ceviche fan, one of those belonging to the 58% of the population represented in the survey who would love to eat more ceviche but currently can not do it because of time and budget constraints. The customer will mainly be a business worker, in a position not so high as to look for a full restaurant service but instead, a middle management level who usually has lunch in restaurants two or three times a week within a pre-set time window.

The target customer's spending budget for every day lunch during working days is approximately S/.12 to S/.15 and has 45 minutes to one hour available for lunch. This customer will look for a convenient location in order to make better use of his/her free time and is conscious of the cleanliness required in a ceviche restaurant.

Another group of target customers is made up of friends and families with similar spending patterns who would like to have ceviche at home for a change. This customer segment has a huge potential when the business expands into offering delivery service.

## **6. Market Analysis**

### **6.1. Market Size**

The market will be analyzed from two perspectives, top-down, from the general market to the specific target market, and bottom-up relying on information from industry experts as well as FastCeviche's own capacity.

#### Top-Down Analysis

Peru has 27.9 million people, out of which 30% belongs to rural areas, reducing the potential market right from the start to 19.5 million. Most of this population is distributed along the main regions: Lima, Arequipa, Trujillo, Chiclayo and Piura, out of which Lima has the biggest population, holding 7.6 million.

In Lima, at least 52% of the population has a socio-demographic status and income which does not allow them to have lunch at a restaurant as a regular routine. That portion of the population usually eats from local people delivering food to work or take their own lunch. This reduces the potential population to 3.65 million.

Main offices and white collar jobs however, are not spread around the region but concentrated in the province of Lima, the capital, and especially in four main districts: San Isidro, Miraflores, Santiago de Surco and La Molina. These four districts have a total population of 516,650 people, out of which 63% (325,391 people) are employed within those same areas (INEI, 2005).

Those four main districts are currently served by a minimum of 375 restaurants and 50 cevicherias (see appendix 7 for more details). These values are underestimated because the sources are the local municipalities and yellow pages in which not all restaurants are registered. Additionally, those same districts gather 38 fast food restaurants or 56% of all fast food restaurants belonging to big chains such as Mc Donald's and Pizza Hut.

The fast food concept is relatively new in Peru and has developed mainly in Lima. It started in 1988 with Bambos, a Peruvian chain serving hamburgers. It was not until 1993, after Peru opened its market to foreign investment, that big multinational chains such as Burger King and Mc Donald's established restaurants in Lima. Within the fast food segment, three sub categories share the following market share: pizza 28%, chicken 42% and hamburgers 30% in a market of approximately US\$100 million, a remarkable growth in the 13 years of its existence.

In general, the restaurant industry has been experiencing steady growth as the Peruvian economy improved in the latest years and consumption increased. The industry is projected to grow at 6% per year, even higher than the average Gross Domestic Product growth of 4.1% (Camaralima, 2006)

Concluding, the top down analysis shows that there is a large enough market in Lima (325,000 people) currently served by a reasonable number of restaurants in a fast growing industry and in which the fast food concept is well accepted.

Bottom-Up Analysis

The analysis of the current market was done by interviewing three restaurant owners of different types and sizes in Lima and one restaurant manager. The research found that on average, cevicherias and other restaurants have a daily customer base ranging from 40 to 250 people, depending on their location, branding, prices and capacity. Narrowing the information down to smaller sized restaurant like FastCeviche, and considering that cevicherias open daily for lunch, the average demand is estimated at 1500 customers per month per restaurant.

FastCeviche wants to have a fast turnaround and provide a simplified service. As it will not provide waitress services, it can only afford a small number of seats to ensure it is kept under control and costs are still low. It is estimated that on average, a FastCeviche restaurant will have fifteen seated places.

FastCeviche will open for lunch only, as all other cevicherias, and the operating hours will be from 11:00 am to 4:00 pm. Considering the type of seating, it can be estimated that a customer will stay on average half an hour, resulting in a maximum capacity of 150 people per day (15 seats x 2 times occupied in an hour x 5 hours) or 4500 per month. The peak hours are expected to be between 1:00pm and 2:00pm, when most offices have lunch break.

**6.2. Sales forecast**

Despite having a maximum capacity of 150 customers per day, the target is to reach on average, 50 customers per day, 33% of the maximum capacity. Weekends are expected to have a lower demand because most offices do not work on weekends but it is slightly compensated by a higher demand from friends and family. The distribution of customers throughout the day and the week is expected to be as follows.

Schedule	Restaurant							
	Weekdays					Weekends		
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	
11:00 AM - 12:00 PM	7	7	7	7	7	7	4	4
12:00 PM - 1:00 PM	14	14	14	14	14	14	14	14
1:00 AM - 2:00 PM	20	20	20	20	20	20	20	20
2:00 AM - 3:00 PM	8	8	8	8	8	8	8	8
3:00 AM - 4:00 PM	6	6	6	6	6	6	6	6
Customer per Restaurant	55	55	55	55	55	55	35	35

Seasonality might be a factor in this business considering that people like to eat ceviche more during the summer. Nevertheless, just as seasons are not that extreme in Lima, the demand for ceviche will not fluctuate dramatically, moving slightly around the 50 customers per day with a small increase in summer and a small fall during the winter.

Promotion will be very basic, based on flyers distributed to nearby offices and emailing but heavily relying on word of mouth. Considering this process takes some time, the expectation is to start the first month with five customers per day per restaurant, steadily growing with time, up to the sixth month when the full forecast is reached.

### 6.3. Pricing

Pricing has been determined by comparing the current prices offered by competing cevicherias and the contribution margin such price would yield considering FastCeviche's costs. In order to simplify the pricing structure, the menu will have six dishes:

- Ceviche of Sole Fish
- Ceviche of Sole Fish mixed with octopus and calamari
- Tiradito of Sole Fish
- Ceviche of Fish of the Day
- Ceviche of Fish of the Day mixed with octopus and calamari
- Tiradito of Fish of the Day

Furthermore, the prices will only be set by type of fish regardless of the dish. That is, Sole fish dishes will have a price of S/. 20 and dishes with the fish of the day will have a price of S/.13. With these prices, FastCeviche not only is below the competitor's price (S/.24 for sole and S/.14.7 for fish of the day) but still obtains a reasonable contribution margin estimated to be S/.7.12 on average per dish. Further details are shown in appendix 8.

## 7. FastCeviche's Competitive advantage

The business model based on a centralized kitchen and smaller restaurants is the basis of FastCeviche's competitive advantage. This model will allow the company to quickly reach economies of scale from the moment the second restaurant is opened, by sharing the kitchen facilities, consolidated purchasing practices and a single cooking staff.

The centralized kitchen model outperforms the traditional restaurant model due to several reasons described as follows.

Detail	Current Cevicheria	FastCeviche
<b>Waitresses</b>	Several	None
<b>Seated places</b>	Many	A few
<b>Kitchen</b>	Fully equipped in each restaurant	Minimum requirements in each restaurant and a centralized kitchen facility
<b>Cook</b>	1 chef per restaurant	1 centralized chef
<b>Variety of dishes offered</b>	More than 80	Less than 6
<b>Hot dishes</b>	Yes	No
<b>Avg customer waiting time</b>	Long	Short
<b>Visibility of cooking</b>	No	Yes
<b>Delivery</b>	No	Yes

In the restaurant business, the highest fixed costs are rent, salaries and depreciation. Spaces have to be big enough to hold a fully equipped kitchen, readily available to prepare and serve hot and cold dishes as well as a variety of desserts. Each restaurant will most often have a Chef or a Chief Cook and several waitresses, assistants and a cashier.

FastCeviche with its centralized kitchen will incur in those costs only once, for the first restaurant and then will leverage upon that investment to open the other restaurants, using the same kitchen resources such as equipment and personnel to serve three, four or even more restaurants. The smaller restaurants will only have two or three front-line employees and minimum number of kitchen appliances, minimizing the labour costs, investment and fixed costs.

Comparing the approximate costs of a regular restaurant with FastCeviche, it is interesting to note that a regular restaurant, using the same prices FastCeviche will offer, would need approximately 62 customers per day in order to reach its break even point while FastCeviche needs 23 for every new small restaurant it opens and 48 for the first restaurant which also has the centralized kitchen.

FastCeviche will enter the market with an expansion strategy aiming to be present at least in the four most significant districts in Lima in a very short time. The fast expansion will help reinforce the brand and clearly establish the idea of a chain and with that, all the benefits such as customer loyalty and consumer confidence on its consistency. This strategy will enable FastCeviche to position itself as the pioneer in this segment, before new competitors follow the idea.

## **8. Implementation**

Considering a conservative introduction of the restaurant chain, the project will start with only one restaurant, to test the concept, improve and standardize processes and later expand. Therefore, instead of implementing a kitchen on one centralized location and another location with a restaurant, the first location will serve as both, centralized kitchen and end customer location. This location will serve in the future as the centralized kitchen. All further openings will have a small format, meaning they will only have a customer area, a serving area and a very small kitchen.

### **8.1. Centralized Kitchen**

The centralized kitchen requires approximately 28 square metres and the following appliances

- 4 element stove
- Large industrial freezer with two temperatures
- Sink
- Dishwasher

Following the logical flow of the ingredients, the kitchen will be designed so that ingredients come out of the fridge, go through the required processes and end up in the fridge or on the delivery trays to be sent to the restaurants. A layout of the centralized kitchen can be found in appendix 9.

### **8.2. Small format restaurants**

The restaurants can be divided in three main areas: the customer area, the serving area and the small kitchen.

#### **8.2.1. The customer area**

The customer area will need a space of approximately 30 square metres in which there will be high tables with stools. The idea of having this type of seating places is to encourage customers to leave once they finish eating.

### **8.2.2. The serving area**

The serving area is the area around the counter where the employee will prepare the ceviche. It will have a working table to receive the ingredients coming from the kitchen and a refrigerated counter facing the customer with all the ingredients. The counter will also have a cash register and behind it a beverage dispenser.

### **8.2.3. The small kitchen**

At the back of the restaurant, there will be a small kitchen only equipped with a regular size refrigerator and a sink. Ingredients for the day will be stored in the fridge and some other ingredients not requiring refrigeration such as salt or pepper will be stored in cabinets.

The whole restaurant will have very simple and minimal decoration to convey the idea of a clean environment. Countertops and tables will be white as well as walls to demonstrate that things are kept impeccable. A drawing of the layout for the restaurants is shown in appendix 10.

## **9. Operations**

### **9.1. Sourcing and Operations**

The sourcing of all ingredients will be done in a centralized manner for the whole restaurant chain to achieve volume discounts when applicable and share inventories to reduce carrying costs. Most suppliers offer delivery services so ingredients and other supplies will be delivered to the centralized kitchen in different frequencies will be delivered every morning while ingredients such as salt can be replenished less frequently.

Some of the ingredients need prior cooking before being mixed with the raw fish and lime. For example, sweet potatoes are placed on the dish, part as decoration but also as a component of the dish. The sweet potato is served cold on the dish however it needs to be cooked, peeled and cut before serving. A similar situation occurs with the corn.

Other ingredients that require prior processing are the octopus and calamari which have to be quickly passed through boiling water for a few minutes because the effect of lime on them is not the same as with fish. Some other ingredients such as the onion and hot pepper do not require prior cooking however they require cleaning and cutting in a specific way before being introduced to the ceviche.

All these operations will take place in the centralized kitchen and the output will be all the ingredients in small containers ready to be placed on the counter top to be mixed and served as ceviche. The only operation to take place at the restaurants is squeezing the lime. The reason for this is because the lime juice changes taste with time therefore it needs to be freshly squeezed.

### **9.2. Staffing**

The staffing requirements for the centralized kitchen were calculated by analyzing the operations taking place there. Most restaurants have professional Chefs working on new recipes and designing new menus, however, considering this restaurant will only serve one type of dish and it will be standardized, there is no need for a Chef but only a cook.

The cook will be in charge of the careful cutting of the fish in the appropriate manner and advising the employees at the restaurants about the best way to prepare a ceviche. An assistant cook would be responsible for cutting, grinding or boiling other ingredients.

The cook's detailed responsibilities include:

- Define the recipes and establish the portions of each dish
- Supervise the cooking operations
- Manage the assistants
- Cut the fish

The assistant's responsibilities include:

- Receive supplies when delivered
- Select ingredients to be used during the day
- Cut and prepare ingredients
- Boil ingredients
- Clean and wash dishes, pans and bowls
- Receive empty containers from restaurants and store them
- Control inventory of ingredients and filled containers
- Receive orders from restaurants and select required inventory to deliver
- Give the delivery person the required ingredients

At the beginning, with only one restaurant operating, two people (a cook and an assistant) can handle the operations as shown in appendix 11. An additional assistant cook will be added with expansion.

The employees working at the restaurants (counterpersons) do not need to have an extensive cooking background because the learning curve for mixing the ingredients for ceviche is fast. The personal trait required for this position is more on the personality side. The employee must be polite, entrepreneurial enough so that she/he shows excitement for the new venture and should have a very high understanding of the importance of customer service and hygiene. Employees will always use the uniform provided by FastCeviche, caps and gloves to maintain a high standard of cleanliness.

Each restaurant will be staffed with two counterpersons who will have the following responsibilities:

- Open and get the restaurant ready
- Receive daily supplies and store them properly
- Set up the counter with required ingredients and replenish when necessary
- Greet the customers, bill them, collect cash
- Serve the dishes and beverages
- Cut and squeeze the limes
- Pick up any dirty dishes left on tables
- Clean tables, floors, dishes and empty containers
- Control local inventory and ask for replenishment when necessary

The number of counterpersons has been determined as two for several reasons. The most important one is the volume of customers expected on each restaurant and the capacity of each

counterperson to serve them. Another reason is to make it more difficult for the employees at the restaurant dealing with the money collected to take some or all of it.

To oversee the operations of the kitchen and the restaurants, FastCeviche will hire a manager who will be in charge of supervising the operations. The roles of this manager include:

- Supervise operations in the centralized kitchen and restaurants
- Pay salaries
- Supervise proper inventory controls
- Oversee proper cash management in restaurants
- Negotiate with large suppliers
- Set basis for outsourced delivery service of ingredients to restaurants

### 9.3. Organizational Culture

The organizational culture will be based on trust, fostering openness among peers and information sharing at all levels, not only at an operational level to ensure process improvement and benchmarking, but also regarding the business itself, in order to ensure that the employees know how the company is doing and where it is heading.

Hygiene will be the company’s mandate, to the extent that not even profitability should jeopardize it. The hiring process will look for candidates who have that value well entrenched already, as it is something very difficult to learn or acquire. FastCeviche will offer its employees training regarding cleaning best practices and the manager will be in charge of bringing latest news about the topic every week to reinforce it.

Customer Service will be FastCeviche’s second most important value. The employees must understand very well that the customer is always right, and should always do their best to serve the customer well. The only acceptable case of not giving priority to a customer would be if doing so puts health or hygiene at risk.

### 9.4. Milestones

The project will go through three main phases including the following activities.

Phase	Time	Activities	Milestone
1	3 months	<ul style="list-style-type: none"> <li>▪ Raise funds and strengthen the leadership team</li> <li>▪ Legally set up the company</li> <li>▪ Find and rent the location</li> <li>▪ Renovations and permits</li> <li>▪ Hire manager, cook, assistant cook and 2 counterpersons</li> <li>▪ Train staff</li> </ul>	First Restaurant opens to public
2	2 months	<ul style="list-style-type: none"> <li>▪ Look for three potential locations</li> <li>▪ Evaluate the acceptance of the concept</li> </ul>	Concept proved to be viable, decision to expand is made
3	2 months	<ul style="list-style-type: none"> <li>▪ Raise additional capital</li> <li>▪ Rent three locations</li> </ul>	Three new restaurants open to public

		<ul style="list-style-type: none"> <li>▪ Renovations</li> <li>▪ Hire additional assistant cook and 6 counterpersons</li> <li>▪ Train staff</li> </ul>	
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## 10. Management Team

**Clara Chileana:** has five years of experience in different industries specializing in Supply Chain, Process Improvement and Project Management. Her experience in the food industry at Nestle and at the cosmetics industry have contributed to build in her background a strong focus on health and hygiene, bringing best practices and examples of common pitfalls in the large industries. Moreover, her experience in supply chain will help structure the processes and procedures for FastCeviche.

**Bodo Bolivar:** Bodo brings to the team more than eight years of finance experience in a large bank in Peru as well as the entrepreneurial spirit. Knowing the financial tools available in Peru and how to use them appropriately, Bodo will provide financial support to the team as well as overlook the overall business.

**Elicia Ecuadori:** Elicia is a young entrepreneur specialized in the food industry. She has a bachelor's degree in hospitality services administration and more than six years of experience in the catering business. She is the link to the industry providing know-how about the business, suppliers and the network.

The current team will be expanded to include in the board of directors other young entrepreneurial business people who are not linked to the industry, in order to bring fresh and unbiased opinion to the running of this venture, as well as a larger network to spread the word about the new chain and attract more customers faster.

## 11. Financials

### 11.1. Investment

In order to set up the first restaurant, FastCeviche will incur in several costs in terms of equipment, renovations, cookware, cleaning and safety supplies, personal supplies for employees and legal fees. Moreover, there will be additional expenses such as the monthly rent of the restaurant while renovations take place, salaries to be paid to employees while they receive training, and other smaller expenses. The total investment for setting up FastCeviche with the first restaurant and the full kitchen is estimated to be US\$24,857. Subsequent openings of the smaller restaurants will require an investment of \$20,400. The details about the start-up costs can be found in appendix 12.

As the milestones indicate, FastCeviche expects to invest in three more restaurants after two months. At that point in time, an additional contribution of capital of US\$50,730 is required in order to proceed with the renovations, set ups and working capital to start the operations.

The total investment required, rising to \$75,587 will be raised from the current shareholders, friends and family. Considering the affordable investment and the relatively quick return, no need for external funding is foreseen.

### **11.2. Variable Costs**

In order to calculate the cost of each dish (six in total) and beverages (three types only), the team used the individual recipes and researched about the ingredients costs. A strong focus was given on obtaining an accurate price for the fish considering it makes between 50% and 86% of the total cost of the dishes.

FastCeviche will serve the food using non-disposable plates and cutlery. Only the glasses will be disposable, therefore its cost is included in the calculation of the individual cost of the beverage. An item that was also considered as part of any dish is a pair of disposable gloves which will be used by the counterperson to prepare every entree and disposed of after finishing. The detailed cost analysis of the dishes and beverages can be found in appendix 13.

### **11.3. Fixed Costs**

The first restaurant will have the centralized kitchen annexed to it; therefore its fixed costs will be higher than any other restaurant to be opened in the future. This larger format including the regular restaurant area and the centralized kitchen will assume the cost of the two to three person kitchen staff and the manager, representing the highest fixed cost of all. The total fixed cost of this first restaurant including the centralized kitchen will be US\$ 3,560 per month.

The smaller format restaurants to be opened in phase two will incur in lower fixed costs due to the reduced renting space required, only two counterpersons on each location and sharing the cost of the manager, adding up to US\$ 1,700.

### **11.4. Break even point**

The first restaurant will need 48 people to reach its break even while a small format will require only 22. This big difference is due to the fact that the first restaurant will have the centralized kitchen and all the fixed costs that the smaller formats do not incur in. Detailed information about the fixed costs and break even points can be found in appendix 14.

Economies of scale are achieved when the number of small format restaurants starts increasing, reaching an optimum at three small restaurants and the restaurant with the centralized kitchen. At this point the break even point is 31 customers per restaurant on average.

After opening the four restaurants (three small format and the one with centralized kitchen), costs do not decline linearly any further because it is necessary to hire a new manager to handle the new restaurants and hire more assistant cooks in order to handle the extra volume more restaurants signify. However, some economies of scale can still be achieved.

### **11.5. Income Statement**

The pro forma income statement for FastCeviche indicates that for first semester of the first year of operations the result will be a negative net income. The reason for this is the high upfront costs required to set up the first restaurant, and the sales ramping up slowly from a very

conservative estimate of five customers per day during the first month, to finally reach the break even point for the four restaurants in month seven.

The net income for year one is estimated to be US\$ 6,364. For the following year, under the scenario than no new investments are done and FastCeviche remains with the four restaurants opened until that time, the net income for year two rises to US\$48,627 (see appendix 15).

### **11.6. Sensitivity Analysis**

Among the more than 170 variables involved in the calculations of the profitability of this business, five of them are the most important ones and therefore used to simulate scenarios in order to understand the sensitivity of the income to variations on these items.

Labour costs represent almost 38% of fixed costs. The sensitivity analysis determined that FastCeviche remains profitable even if salaries have to be adjusted 170% above the current estimate. The probability of any adjustment to be required is not that high considering that FastCeviche will be paying salaries higher than the industry average. For example, the counterperson will earn S/. 660 per month while on average in this sector, a person occupying that same position would earn S/. 594 (Programa de Estadísticas y Estudios Laborales, 2006).

Another variable analyzed to understand its sensitivity to variations was rent which represents 32.7% of fixed costs. This variable also has the possibility to be 200% higher and FastCeviche would still remain profitable.

For variable costs, the most important cost is the cost of the fish. Although the price of fish can rise up to 70% without having negative effects on FastCeviche, it can be assumed that any significant increase in the price of fish would drive other restaurants serving ceviche to raise their prices and FastCeviche being able to follow in the adjustment, and therefore the increased cost would be absorbed by the higher price.

Regarding revenues, the number of customers per day proved to be the most sensitive variable. The current target is 50 customers per day; however the analysis shows that below 30 customers per day the business would not be able to cover its fixed costs. In terms of pricing, FastCeviche can afford lowering prices up to 25% lower. Complete information about the sensitivity analysis can be found in appendix 16.

### **11.7. Statement of Cash Flows**

The statement of cash flows found in appendix 17 shows that in the sixth month, FastCeviche reaches its lowest point in terms of cash flow and the highest investment and starts recovering as it achieves a positive cash flow from that point onwards. A graphic representation of the cash flow is shown in appendix 18.

## **12. Expansion plans and exit strategy**

As mentioned in the milestones section, phase one will serve as a concept validation. FastCeviche will allow the first two or three months to verify if the concept is accepted and if the projections are going to be as expected. If things do not go as well as expected, FastCeviche should decide to close at the most after the fourth month.

Closing would entail liquidating all the assets. The calculation of the rescue value has taken into consideration that certain investments such as the ones for renovations will not be possible to recover, while others such as kitchen equipment might be sold at 30% of its value. This liquidation would yield a terminal value of US\$4,975; therefore the shareholders would have to assume a loss of US\$19,883.

In case things go as expected, expands into four restaurants and there is still potential to further expand, FastCeviche can choose among several options. Expansion can be done organically or with investment from the shareholders considering that opening additional restaurants do not require too large an investment (US\$ 20,500).

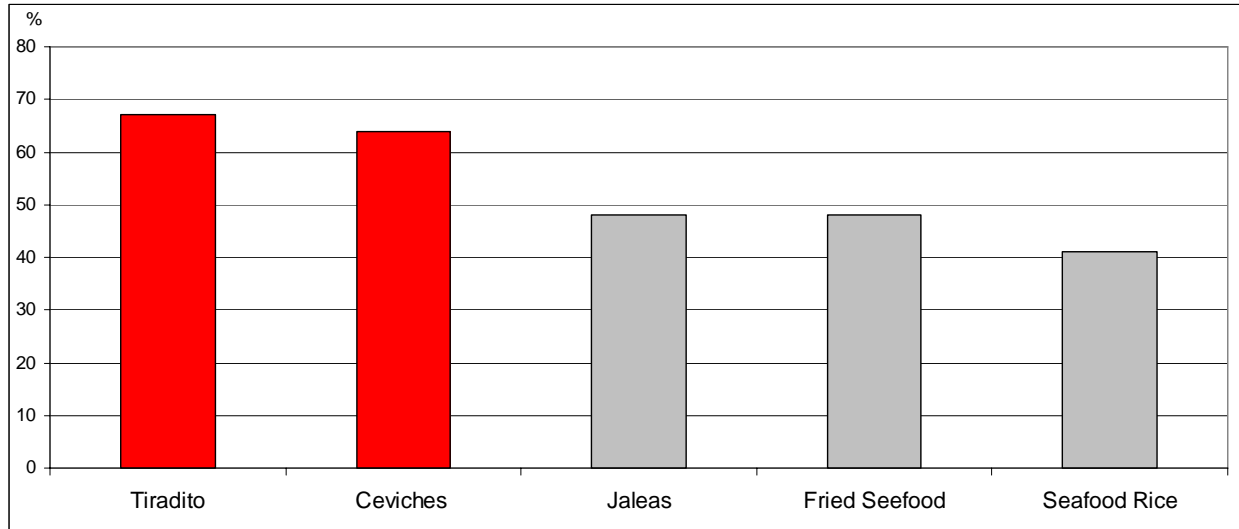
Another alternative for expansion is to use franchises. In Peru, franchising is fairly new however the most common business currently using the franchise model is restaurants. The local law does not have any restrictions in terms of a minimum period of existence for the business to start franchising; therefore, this could be a possibility even in the short term, once the processes are clearly defined and improved (Camara Peruana de Franquicias, 2006).

Another option for expansion is to set up an agreement or joint venture with a larger restaurant or other party in this industry. This option might require diluting some of the equity however; the expansion could be much faster than in the other cases.

Although the management team has thought about these alternatives, the focus will be on establishing the first restaurant and aiming to achieve the expected results to continue with the expansion plans.

# Appendices

## Appendix 1: Primary Research – Consumer preferences in a Cevicheria



## Appendix 2: Types of Cevicherias

**Type A**



**Type B**



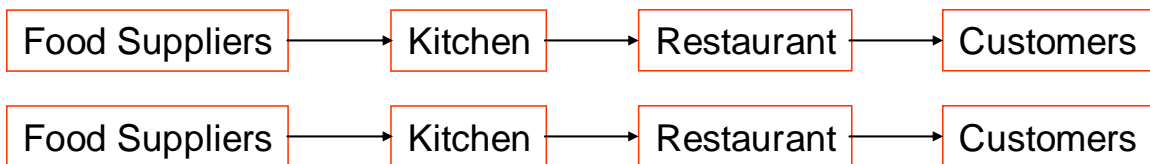
**Type C**



**Type D**



## Appendix 3: Business Model of a traditional chain of Cevicherias

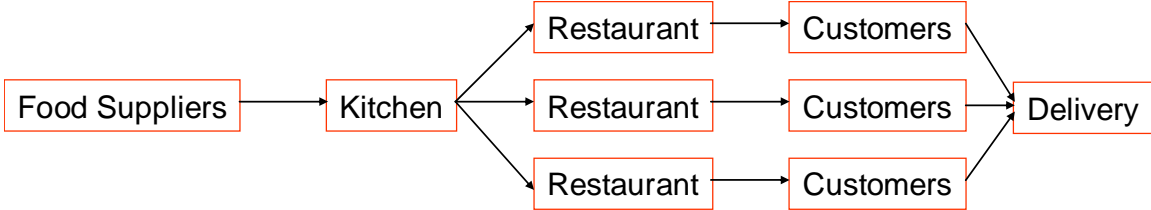


**Appendix 4: Primary Research – Frequency for visiting a Cevicheria**

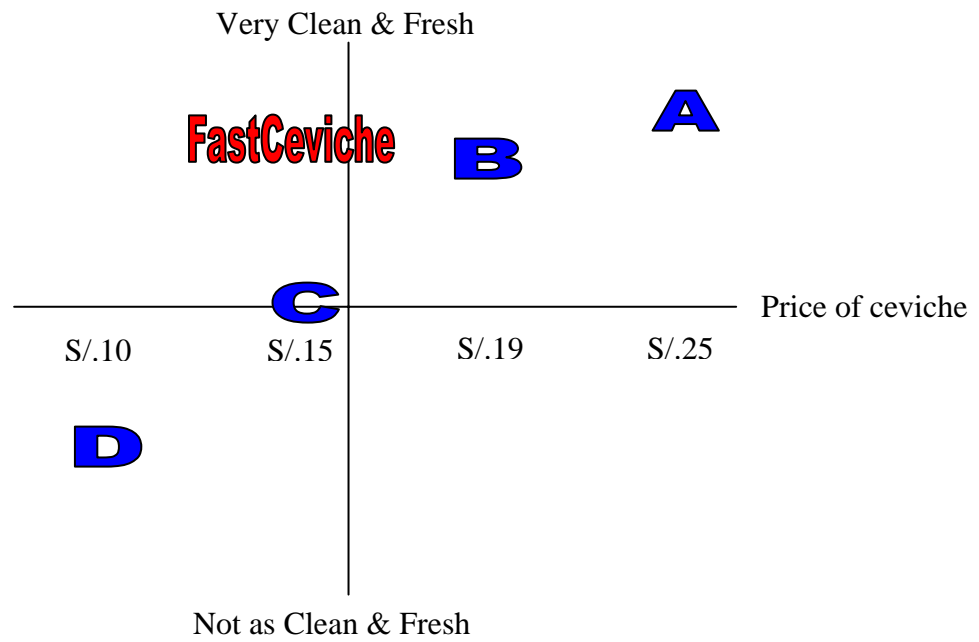
<b>9. Usted va a comer a una cevicheria (you go to a cevicheria)</b>	
Mas seguido de lo que le gustaría (more frequently than I would like to)	14%
Tan seguido como le gusta (As frequent as I would like)	29%
Menos seguido de lo que le gustaría (less frequently than I would like)	57%
Total	100%

Source: Primary research

**Appendix 5: FastCeviche Business Model**



**Appendix 6: Positioning Map of FastCeviche vs. Cevicherias Type A, B, C, D**



**Appendix 7: Restaurants in the four main districts**

District	Restaurants	Cevicherias	Fast Food
La Molina	35	8	4
Surco	83	14	12
San Isidro	101	10	10
Miraflores	156	18	12
<b>TOTAL</b>	<b>375</b>	<b>50</b>	<b>38</b>

Source: Yellow Pages and Local Municipalities

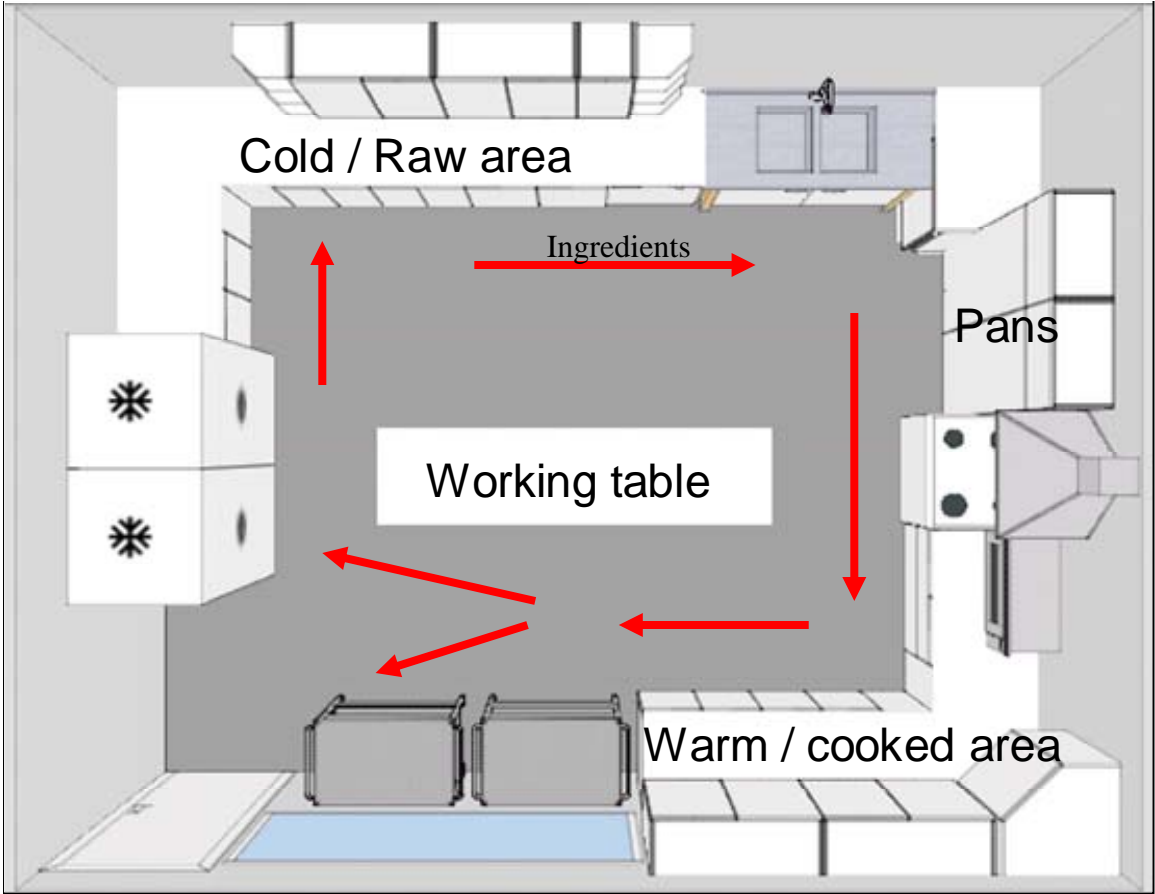
## Appendix 8: Price Comparison

Fast Ceviche Menu Price List			Competitors Average Price List			
Fish	Dish Name	Prices	Type A	Type B	Type C	Type D
Sole Fish	Ceviche Tradicional	S/. 20.00	S/. 32.00	S/. 26.33	S/. 24.13	N/A
	Ceviche Mixto	S/. 20.00	S/. 32.00	S/. 26.33	S/. 24.13	N/A
	Tiradito al Aji Amarillo	S/. 20.00	S/. 32.00	S/. 26.33	S/. 24.13	N/A
Fish of the Day	Ceviche Tradicional	S/. 13.00	S/. 25.00	S/. 19.00	S/. 14.71	S/. 10.00
	Ceviche Mixto	S/. 13.00	S/. 25.00	S/. 19.00	S/. 15.63	S/. 10.00
	Tiradito al Aji Amarillo	S/. 13.00	S/. 25.00	S/. 19.00	S/. 15.90	S/. 10.00

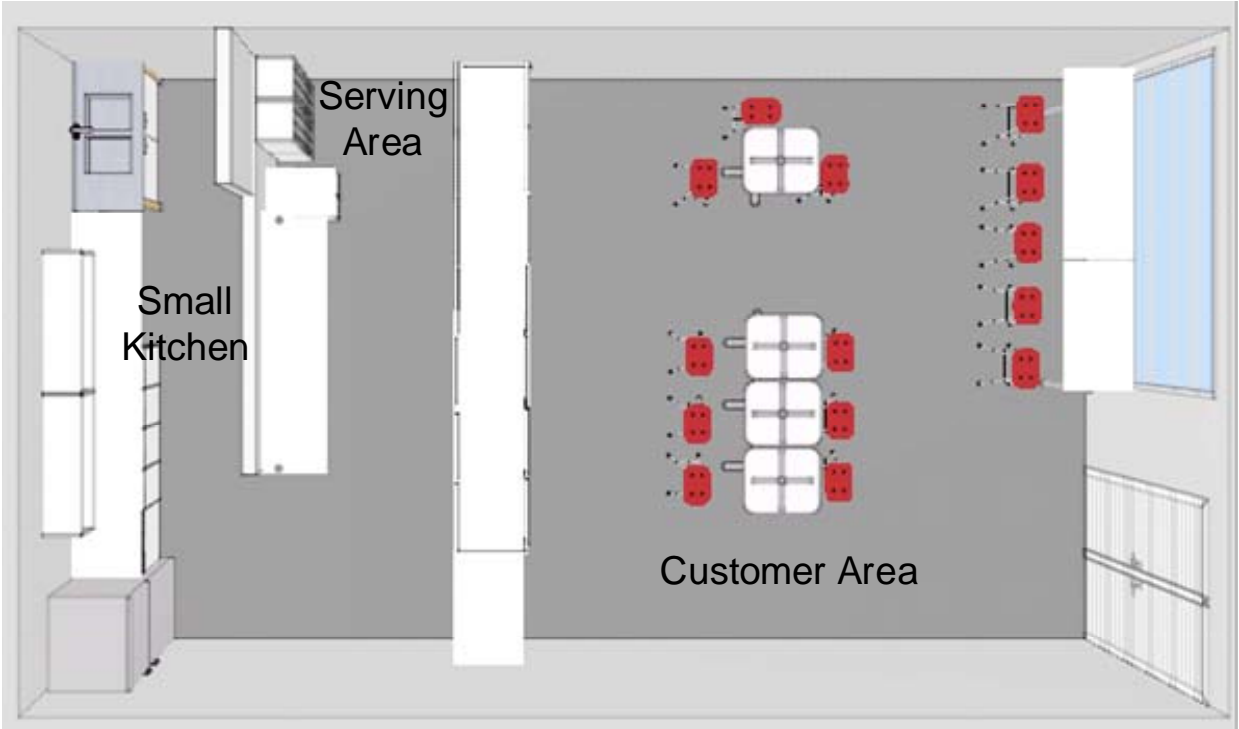
Food Sales's Mix									
Fish	Dish Name	Prices	Price less Tax	Sale %	Weighted Price	Weighted Cost	Contribution Margin		
Lenguado	Ceviche Tradicional	S/. 20.00	S/. 16.81	13.3%	S/. 2.24	S/. 1.14	S/. 8.24		
	Ceviche Mixto	S/. 20.00	S/. 16.81	13.3%	S/. 2.24	S/. 0.92	S/. 9.90		
	Tiradito al Aji Amarillo	S/. 20.00	S/. 16.81	13.3%	S/. 2.24	S/. 1.15	S/. 8.22		
Daily Fish	Ceviche Tradicional	S/. 13.00	S/. 10.92	20.0%	S/. 2.18	S/. 1.00	S/. 5.93		
	Ceviche Mixto	S/. 13.00	S/. 10.92	20.0%	S/. 2.18	S/. 0.95	S/. 6.17		
	Tiradito al Aji Amarillo	S/. 13.00	S/. 10.92	20.0%	S/. 2.18	S/. 1.00	S/. 5.91		
				100.0%	S/. 13.28	S/. 6.16	S/. 7.12		

Drink Sales's Mix									
Drinks	Dish Name	Prices	Price less Tax	Sale %	Weighted Price	Weighted Cost	Contribution Margin		
Drinks	Regular Pop	S/. 2.00	S/. 1.68	30%	S/. 0.50	S/. 0.32	S/. 0.61		
	Diet Pop	S/. 2.00	S/. 1.68	20%	S/. 0.34	S/. 0.24	S/. 0.47		
	Beer	S/. 4.00	S/. 3.36	20%	S/. 0.67	S/. 0.36	S/. 1.55		
	Chicha Morada	S/. 1.50	S/. 1.26	30%	S/. 0.38	S/. 0.16	S/. 0.74		
				100.0%	S/. 1.89	S/. 1.08	S/. 0.81		
<b>Average Contribution Margin Per Customer</b>					S/. 15.17	S/. 7.24	S/. 7.92		

**Appendix 9: Centralized Kitchen**



**Appendix 10: Restaurant Layout**



### Appendix 11: Operations Schedule at Centralized Kitchen

Assistant Cook	Receive supplies	Cut lettuce	Boil octopus	Cut octopus	Store octopus				Check inventory & Prepare for Delivery	Delivery to restaurants		
		Boil Sweet Potato (SP)					Peal SP	Cut SP			Store SP	
		Boil Calamari		Cut Calamari	Store Calamari							
		Boil com				Cut com	Store com					
			Cut apples	Boil Chicha Morada			Store Chicha					
			Cut quince									
			Cut pineapple									
			Cut cilantro	Store Cilantro								
			Cut Hot Peppers	Store Hot Peppers								
			Cut Yellow Peppers	Store Y Peppers								
Cook			Grind garlic	Store Garlic								
			Cut Onions		Store Onions							
					Fry Andean Corn	Store Corn						
					Slice Fish		Store Fish					
Hour	0.5	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5	6.0

## Appendix 12: Investment

### Start Up - Investment

Renovations						
Concept	Quantity	Total US\$	Annual Dep.	Rescue Value	Sales Tax	Small Restaurant Fomat
Materials	1	\$4,000	\$ 800	0	\$ 760	\$ 3,200
Stools	15	\$600	\$ 200	180	\$ 114	\$ 600
Tables	2	\$400	\$ 100	0	\$ 76	\$ 400
<b>Total</b>		<b>\$5,000</b>	<b>\$1,100</b>	<b>\$180</b>		

Kitchen Equipment						
Concept	Quantity	Total US\$	Annual Dep.	Rescue Value	Sales Tax	Small Restaurant Fomat
Industrial Refrigerator Indumey 1.50 X 0.60 X 0.90 (0.81 m3)	1	\$1,900	\$ 633	950	\$ 361	\$ -
Refrigerated Counter 1.50 x 0.60 x 0.90 (0.9 m2)	1	\$1,650	\$ 550	825	\$ 314	\$ 1,650
Stainless steel sink	1	\$490	\$ 163	245	\$ 93	\$ 490
Shelves	1	\$400	\$ 133	200	\$ 76	\$ 400
Working table 1.20 X 0.60 X 0.90 (0.72 m2)	1	\$390	\$ 130	195	\$ 74	\$ 390
4 element stove - gas	1	\$300	\$ 120	150	\$ 57	\$ -
Pans	4	\$150	\$ 100	0	\$ 29	\$ -
Blender	1	\$90	\$ 60	45	\$ 17	\$ -
Gas containers	2	\$78	\$ 31	0	\$ 15	\$ -
15kg scale	1	\$40	\$ 27	20	\$ 8	\$ -
Stainless steel strainers	2	\$38	\$ 38	0	\$ 7	\$ -
Knives	4	\$23	\$ 23	0	\$ 4	\$ 23
Spoons	4	\$10	\$ 10	0	\$ 2	\$ 10
Container for Chicha	2	\$9	\$ 9	0	\$ 2	\$ -
Can opener	2	\$6	\$ 6	0	\$ 1	\$ -
Cutting board	2	\$5	\$ 5	0	\$ 1	\$ -
Plastic strainers	2	\$2	\$ 2	0	\$ 0	\$ -
<b>Total</b>		<b>\$5,581</b>	<b>\$2,041</b>	<b>\$2,630</b>		

Cookware						
Concept	Quantity	Total US\$	Annual Dep.	Rescue Value	Sales Tax	Small Restaurant Fomat
Plates	45	\$70	\$ 70	35.2	\$ 13	\$ 70
Beer Glasses	15	\$30	\$ 30	15.0	\$ 6	\$ 30
Tuppers	10	\$19	\$ 19	9.4	\$ 4	\$ 19
Forks & Knives	48	\$15	\$ 15	7.5	\$ 3	\$ 15
Spoons	15	\$5	\$ 5	2.3	\$ 1	\$ 5
Lime squeezer	3	\$5	\$ 5	2.3	\$ 1	\$ 5
<b>Total</b>		<b>\$143</b>	<b>\$143</b>	<b>\$72</b>		

Cleaning and Safety supplies						
Concept	Quantity	Total US\$	Annual Dep.	Rescue Value	Sales Tax	Small Restaurant Fomat
Trash Can	1	\$14	\$ 14	7.0	\$ 3	\$ 14
Cleaning soap	1	\$9	\$ 36	4.5	\$ 2	\$ 9
75lt trash bags	4	\$9	\$ 9	4.4	\$ 2	\$ 9
Clorox	1	\$7	\$ 28	3.5	\$ 1	\$ 7
Towels	4	\$6	\$ 25	3.1	\$ 1	\$ 6
Small trash can	1	\$5	\$ 5	2.3	\$ 1	\$ 5
Window cleaner	1	\$5	\$ 19	2.3	\$ 1	\$ 5
Sponges	1	\$4	\$ 17	2.1	\$ 1	\$ 4
Boxes to store vegetables	1	\$4	\$ 15	1.9	\$ 1	\$ 4
Cleaning cloths	2	\$3	\$ 13	1.6	\$ 1	\$ 3
Plastic wrap	2	\$3	\$ 11	1.4	\$ 1	\$ 3
Bucket	1	\$2	\$ 2	1.1	\$ 0	\$ 2
Industrial Paper towel	1	\$2	\$ 9	1.1	\$ 0	\$ 2
Detergent	1	\$2	\$ 6	0.8	\$ 0	\$ 2
Broom	1	\$1	\$ 4	0.5	\$ 0	\$ 1
Napkins	1	\$1	\$ 2	0.3	\$ 0	\$ 1
<b>Total</b>		<b>\$76</b>	<b>\$214</b>	<b>\$38</b>		

Restaurant Equipment						
Concept	Quantity	Total US\$	Annual Dep.	Rescue Value	Sales Tax	Small Restaurant Fomat
Counter	1	\$3,500	\$ 1,167	1400.0	\$ 665	\$ 3,500
Containers of Polycarbonate for counter (medium)	39	\$1,560	\$ 1,040	312.0	\$ 296	\$ 1,560
Cash Register Machine	1	\$400	\$ 160	240.0	\$ 76	\$ 400
Containers of Polycarbonate for counter (small)	9	\$135	\$ 135	27.0	\$ 26	\$ 135
Aluminum Bow 22 cm or 3 litres	45	\$0	\$ -	0.0	\$ -	\$ -
<b>Total</b>		<b>\$5,674</b>	<b>\$2,728</b>	<b>\$2,018</b>		<b>0</b>

Personal Supplies						
Concept	Quantity	Total US\$	Annual Dep.	Rescue Value	Sales Tax	Small Restaurant Fomat
Uniforms (only top)	10	\$31	\$ 31	18.8	\$ 6	\$ 31
Cabs or Chef Hat	10	\$16	\$ 16	9.4	\$ 3	\$ 16
Gloves	2	\$8	\$ 8	4.5	\$ 1	\$ 8
Cleaning Gloves	1	\$7	\$ 7	4.1	\$ 1	\$ 7
<b>Total</b>		<b>\$61</b>	<b>\$61</b>	<b>\$37</b>	<b>11.6375</b>	

Legal Fees						
Concept	Quantity	Total US\$	Annual Dep.	Rescue Value	Sales Tax	Small Restaurant Fomat
Legal Issues - Permits	1	\$500	\$ 100	0.0	\$ 95	\$ 100
Office Expenses	1	\$50	\$ 20	0.0	\$ 10	\$ -
<b>Total</b>		<b>\$550</b>	<b>\$120</b>	<b>\$0</b>		<b>0</b>

Other current expenses						
Concept	Quantity	Total US\$	Annual Dep.	Rescue Value	Sales Tax	Small Restaurant Fomat
Rent deposit per month	2	\$1,632	\$ -	0	\$ 310	\$ 1,224
Initial Working Capital Supplies	1	\$625	\$ -	0	\$ 119	\$ 625
Monthly Salary	2	\$3,150	\$ -	0	\$ -	\$ 3,150
Maintenance	1	\$98	\$ -	0	\$ 19	\$ 73
Other	1	\$1,488	\$ -	0	\$ 283	\$ 1,488
<b>Total</b>		<b>\$6,994</b>	<b>\$0</b>	<b>\$0</b>		


  

Grand Total						
	Total US\$	Annual Dep.	Rescue Value	Sales Tax	Small Restaurant Fomat	
<b>Grand Total</b>	<b>\$24,857</b>	<b>\$6,607</b>	<b>\$4,975</b>	<b>\$4,121</b>	<b>\$20,400</b>	

### Appendix 13: Dish cost analysis

<b>Dish Cost Analysis</b>						
<b>Dish Name: Classic Ceviche with Sole Fish "Lenguado"</b>						
Concept	Retail Price	Quantity	Serving Size	Units	Cost	%
Sole "Lenguado"	S/. 44.00	1000		200 grms	S/. 8.80	86.3%
<b>Total Main Ingredients</b>					<b>S/. 8.80</b>	<b>86.3%</b>
Onion	S/. 1.09	4		0.25 unit	S/. 0.07	0.7%
Hot Pepper "Limo" Red	S/. 9.60	20		0.13 unit	S/. 0.06	0.6%
Hot Pepper "Limo" Yellow	S/. 9.60	20		0.13 unit	S/. 0.06	0.6%
Key Limes	S/. 2.30	25		4.00 units	S/. 0.37	3.6%
Salt	S/. 0.80	1000		5.00 grms	S/. 0.00	0.0%
Cilantro	S/. 0.45	1		0.10 unit	S/. 0.05	0.4%
MSG Seasoning "Ajinomoto"	S/. 10.20	1000		5.00 grms	S/. 0.05	0.5%
<b>Total Other Ingredients</b>					<b>S/. 0.66</b>	<b>6.4%</b>
Corn	S/. 1.00	1		0.33 units	S/. 0.33	3.2%
Sweet Potato	S/. 1.29	4		0.50 units	S/. 0.16	1.6%
Lettuce	S/. 0.89	1		0.10 units	S/. 0.09	0.9%
Andean Fried Corn	S/. 3.00	1000		20.00 grms	S/. 0.06	0.6%
<b>Total Other Food</b>					<b>S/. 0.64</b>	<b>6.3%</b>
Napkins	S/. 1.90	1000		2 units	S/. 0.004	0.0%
Disposable Gloves	S/. 6.96	150		2 units	S/. 0.09	0.9%
<b>Total Cleaning Supplies</b>					<b>S/. 0.10</b>	<b>0.9%</b>
<b>Total Variable Cost</b>					<b>S/. 10.19</b>	<b>100.0%</b>

**Dish Picture**



## Appendix 13: Dish Cost Analysis

<b>Dish Cost Analysis</b>						
<b>Dish Name: Tiradito With Fish Of The Day Of Yellow Hot Pepper Sauce</b>						
<b>Concept</b>	<b>Retail Price</b>	<b>Quantity</b>	<b>Serving Size</b>	<b>Units</b>	<b>Cost</b>	<b>%</b>
Fish of the Day	S/. 22.73	1000	200 grms		S/. 4.55	76.2%
<b>Total Main Ingredients</b>					<b>S/. 4.55</b>	<b>76.2%</b>
Sugar	S/. 2.79	1000	26.70 grms		S/. 0.07	1.2%
Yellow Hot Pepper	S/. 1.85	20	1.30 unit		S/. 0.12	2.0%
Vinager	S/. 2.55	500	8.30 ml		S/. 0.04	0.7%
Key Limes	S/. 2.30	15	2.00 units		S/. 0.31	5.1%
Salt	S/. 0.80	1000	5.00 grms		S/. 0.00	0.1%
Cilantro	S/. 0.45	1	0.10 unit		S/. 0.05	0.8%
Oil	S/. 4.50	1000	2.66 ml		S/. 0.01	0.2%
<b>Total Other Ingredients</b>					<b>S/. 0.60</b>	<b>10.1%</b>
Corn	S/. 1.00	1	0.50 units		S/. 0.50	8.4%
Sweet Potato	S/. 1.29	4	0.50 units		S/. 0.16	2.7%
Andean Fried Corn	S/. 3.00	1000	20.00 grms		S/. 0.06	1.0%
<b>Total Other Food</b>					<b>S/. 0.72</b>	<b>12.1%</b>
<b>Otros</b>						<b>0.0%</b>
Napkins	S/. 1.90	1000	2 units		S/. 0.004	0.1%
Disposable Gloves	S/. 6.96	150	2 units		S/. 0.09	1.6%
<b>Total Cleaning Supplies</b>					<b>S/. 0.10</b>	<b>1.6%</b>
<b>Total Variable Cost</b>					<b>S/. 5.97</b>	<b>100.0%</b>

Dish Picture



## Appendix 13: Dish Cost Analysis

### Drinks Cost Analysis

Regular Drinks						
Concept	Retail Price	Quantity	Serving Size	Units	Cost	%
Coca Cola / Inka Cola / Sprite 500 ml	S/. 15.00	12	1 unit		S/. 1.25	97.8%
Disposable Glass (7 ounce - 200 ml)	S/. 27.60	1,000	1 unit		S/. 0.03	2.2%
<b>Total Cost</b>					<b>S/. 1.28</b>	<b>100.0%</b>

Light Drinks						
Concept	Retail Price	Quantity	Serving Size	Units	Cost	%
Coca Cola / Inka Cola / Sprite (light)	S/. 17.00	12	1 unit		S/. 1.42	98.1%
Disposable Glass (7 ounce - 200 ml)	S/. 27.60	1,000	1 unit		S/. 0.03	1.9%
<b>Total Cost</b>					<b>S/. 1.44</b>	<b>100.0%</b>

Beer						
Concept	Retail Price	Quantity	Serving Size	Units	Cost	%
Bottle 355 ml	S/. 12.90	6	1 unit		S/. 2.15	100.0%
<b>Total Cost</b>					<b>S/. 2.15</b>	<b>100.0%</b>

Regular Drinks (3 litres bottles)						
Concept	Retail Price	Quantity	Serving Size	Units	Cost	%
Coca Cola / Inka Cola / Sprite	S/. 5.20	3,000	350 unit		S/. 0.61	88.6%
Disposable Glass (12 ounce -350 ml)	S/. 77.81	1,000	1 unit		S/. 0.08	11.4%
<b>Total Cost</b>					<b>S/. 0.68</b>	<b>100.0%</b>

Drink - Chicha Morada						
Concept	Retail Price	Quantity	Serving Size	Units	Cost	%
Purple Corn	S/. 1.95	1000	50 grms		S/. 0.10	15.7%
Water	S/. 0.00	1000	4 liters		S/. 0.00	0.0%
Dry Cherry "Guindas"	S/. 8.75	20	0.1 units		S/. 0.04	7.0%
Key Limes	S/. 2.30	15	0.5 Units		S/. 0.08	12.3%
Peelings from Apples	S/. 3.45	5	0.15 Units		S/. 0.10	16.6%
Membrillo	S/. 2.90	5	0.15 Units		S/. 0.09	14.0%
Steak of Cinnamon	S/. 40.00	100	0.15 Units		S/. 0.06	9.6%
Peelings from Pineapple	S/. 0.80	100	0.15 Units		S/. 0.00	0.2%
Sugar	S/. 2.79	1000	12.5 grms		S/. 0.03	5.6%
Whole Cloves	S/. 40.00	1000	1 grms		S/. 0.04	6.4%
Disposable Glass (12 ounce -350 ml)	S/. 77.81	1,000	1 unit		S/. 0.08	12.5%
<b>Total Cost</b>					<b>S/. 0.62</b>	<b>100.0%</b>

## Appendix 13: Dish Cost Analysis

### Supplies List

#	Unit	Product	Price
1	Unit	Corn	S/. 1.00
1	kg	Red Onio	S/. 1.09
500	ml	Vinager	S/. 2.55
1	unit	Lettuce	S/. 0.89
1	dozen	Coca Cola / Inka Kola	S/. 15.00
1	dozen	Coca Cola / Inka Kola Light	S/. 17.00
6	units	Beer Bottle 355 ml	S/. 12.90
3	litres	Coca Cola	S/. 5.20
1	kg	Purple Corn	S/. 1.95
1	kg	Sweet Potate	S/. 1.29
1	unit	Cilantro	S/. 0.45
1	unit	Celery	S/. 0.40
1	kg	Hot Pepper "Limo" Yellow	S/. 9.60
1	kg	Hot Pepper "Limo" Red	S/. 9.60
1	kg	Yellow Hot Pepper	S/. 1.85
1	kg	Rocoto	S/. 0.30
1	kg o manojo	Garlic	S/. 4.60
1	kg	Key Limes	S/. 2.30
1	kg	Andean Fried Corn	S/. 3.00
1	kg	Tomatto	S/. 2.10
1	kg	Apples	S/. 3.45
1	kg	Pineapples	S/. 0.80
1	kg	Membrillo	S/. 2.90
1	kg	Salt	S/. 0.80
1	kg	Pepper	S/. 40.00
1	500 ml	MSG Seasoning "Ajinomoto"	S/. 10.20
1	kg	Steak of Cinnamon	S/. 40.00
1	kg	Whole Cloves	S/. 40.00
1	kg	Sugar	S/. 3.15
200	grms aprox	Anis	S/. 2.00
1	Litres	Milk	S/. 2.25
6	Cans	Evaporated Milk	S/. 11.00
1	Litres	Oil	S/. 4.50
<b>Sea Products</b>			
1000	grms	Fish "Lenguado"	S/. 22.00
1000	grms	Fish "Lengueta"	S/. 12.50
1000	grms	Fish "Corvina"	S/. 25.00
1000	grms	Fish "Perico"	S/. 9.00
1000	grms	Fish "Mero"	S/. 12.50
1000	grms	Fish "Robalo"	S/. 25.00
1000	grms	Fish "Toyo"	S/. 15.00
1000	grms	Fish "Cojinova"	S/. 20.00
1000	grms	Octopus	S/. 12.00
1000	grms	Calamari	S/. 7.00
<b>Cleaning Products</b>			
15	units	Green Sponge 3M	S/. 13.50
1	unit	Plastic Wrap Film 12"x 30 mts.	S/. 4.40
1	unit	Plastic Wrap Film 12"x 1500 mts.	S/. 101.00
1	unit	Plastic Wrap Film 15"x 1500 mts.	S/. 129.03
8	meters	Aluminium Paper X 8 MTS.	S/. 4.20
150	units	Disposable Gloves (plastic)	S/. 6.96
100	units	Disposable Gloves (better quality)	S/. 13.50
1	unit	Broom	S/. 25.00
1	unit	Bucket 5 litres	S/. 10.00
1	unit	Fire Extinguisher 1 litres	S/. 150.00

## Appendix 14: Fixed cost analysis and break even point

<b>Fixed Costs (S/.)</b>			
	<b>Small Format</b>	<b>Large Format</b>	<b>Competitors</b>
Gas		S/. 100	S/. 100
Electricity	S/. 90	S/. 99	S/. 99
Water	S/. 0	S/. 0	S/. 0
Telephone	S/. 90	S/. 90	S/. 90
<b>Total Utilities</b>	<b>S/. 180</b>	<b>S/. 289</b>	<b>S/. 289</b>
Square Metres	<b>55.60</b>	<b>74.2</b>	<b>110</b>
Rent	S/. 1,957	S/. 2,612	S/. 3,872
Maintenance fee	S/. 235	S/. 313	S/. 465
<b>Total</b>	<b>S/. 2,192</b>	<b>S/. 2,925</b>	<b>S/. 4,337</b>
Advertising		S/. 100	S/. 100
Repair & Maintenance	S/. 50	S/. 100	S/. 100
Miscellaneous	S/. 50	S/. 100	S/. 100
Transportation			
Insurance	S/. 75	S/. 150	S/. 150
Bank Fees		S/. 20	S/. 20
Office Expenses	S/. 35	S/. 70	S/. 70
Professional Fee - Accountant		S/. 300	S/. 300
Depreciation	S/. 1,357	S/. 1,762	S/. 1,762
<b>Total</b>	<b>S/. 1,567</b>	<b>S/. 2,502</b>	<b>S/. 2,502</b>
Cook		S/. 960	960
Assistant Cook		S/. 660	1980
Counterperson	S/. 1,320	S/. 1,320	S/. 1,980
Restaurant & Kitchen Manager		S/. 2,760	S/. 2,760
<b>Total</b>	<b>S/. 1,320</b>	<b>S/. 5,700</b>	<b>S/. 7,680</b>
<b>Grand Total</b>	<b>S/. 5,259</b>	<b>S/. 11,416</b>	<b>S/. 14,808</b>
Daily Breakeven Point (Customers/Rest)	22	48	62

## Appendix 15: Income Statement

Fast Ceviche													
Income Statement Forecast (First Year - S/.)													
	Month 0	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales		S/. 2,275	S/. 6,825	S/. 11,375	S/. 15,925	S/. 27,299	S/. 43,224	S/. 56,874	S/. 70,524	S/. 84,173	S/. 90,998	S/. 90,998	S/. 90,998
Cost of Sales		S/. 1,086	S/. 3,259	S/. 5,432	S/. 7,605	S/. 13,037	S/. 20,642	S/. 27,160	S/. 33,678	S/. 40,197	S/. 43,456	S/. 43,456	S/. 43,456
<b>Gross Margin</b>	<b>S/. 0</b>	<b>S/. 1,189</b>	<b>S/. 3,566</b>	<b>S/. 5,943</b>	<b>S/. 8,320</b>	<b>S/. 14,263</b>	<b>S/. 22,583</b>	<b>S/. 29,714</b>	<b>S/. 36,845</b>	<b>S/. 43,977</b>	<b>S/. 47,542</b>	<b>S/. 47,542</b>	<b>S/. 47,542</b>
Direct Labor													
Cook	S/. 240	S/. 960	S/. 960	S/. 960	S/. 960	S/. 960	S/. 960	S/. 960	S/. 960	S/. 960	S/. 960	S/. 960	S/. 960
Cook Assistant	S/. 165	S/. 660	S/. 660	S/. 660	S/. 660	S/. 660	S/. 1,320	S/. 1,320	S/. 1,320	S/. 1,320	S/. 1,320	S/. 1,320	S/. 1,320
Cashier / Waitress	S/. 165	S/. 660	S/. 660	S/. 660	S/. 1,320	S/. 5,940	S/. 5,940	S/. 5,940	S/. 5,940	S/. 5,940	S/. 5,940	S/. 5,940	S/. 5,940
<b>Total Labor Costs</b>	<b>S/. 570</b>	<b>S/. 2,280</b>	<b>S/. 2,280</b>	<b>S/. 2,280</b>	<b>S/. 2,940</b>	<b>S/. 7,560</b>	<b>S/. 8,220</b>	<b>S/. 8,220</b>	<b>S/. 8,220</b>	<b>S/. 8,220</b>	<b>S/. 8,220</b>	<b>S/. 8,220</b>	<b>S/. 8,220</b>
Other Expenses													
Rent & Maintenance	S/. 2,925	S/. 2,925	S/. 2,925	S/. 2,925	S/. 9,501	S/. 9,501	S/. 9,501	S/. 9,501	S/. 9,501	S/. 9,501	S/. 9,501	S/. 9,501	S/. 9,501
Utilities	S/. 145	S/. 289	S/. 289	S/. 289	S/. 650	S/. 723	S/. 723	S/. 723	S/. 723	S/. 723	S/. 723	S/. 723	S/. 723
Advertising	S/. 1,000	S/. 0	S/. 0	S/. 0	S/. 1,000	S/. 100	S/. 100	S/. 100	S/. 100	S/. 100	S/. 100	S/. 100	S/. 100
Repair & Maintenance	S/. 100	S/. 100	S/. 100	S/. 100	S/. 100	S/. 250	S/. 250	S/. 250	S/. 250	S/. 250	S/. 250	S/. 250	S/. 250
Miscellaneous	S/. 100	S/. 100	S/. 100	S/. 100	S/. 100	S/. 250	S/. 250	S/. 250	S/. 250	S/. 250	S/. 250	S/. 250	S/. 250
Transportation		S/. 0	S/. 0	S/. 0	S/. 0	S/. 510	S/. 510	S/. 510	S/. 510	S/. 510	S/. 510	S/. 510	S/. 510
Insurance	S/. 150	S/. 150	S/. 150	S/. 150	S/. 150	S/. 375	S/. 375	S/. 375	S/. 375	S/. 375	S/. 375	S/. 375	S/. 375
Bank Fees		S/. 20	S/. 20	S/. 20	S/. 20	S/. 20	S/. 20	S/. 20	S/. 20	S/. 20	S/. 20	S/. 20	S/. 20
Office Expenses	S/. 210	S/. 70	S/. 70	S/. 70	S/. 70	S/. 175	S/. 175	S/. 175	S/. 175	S/. 175	S/. 175	S/. 175	S/. 175
Professional Fee - Accountant	S/. 300	S/. 300	S/. 300	S/. 300	S/. 300	S/. 300	S/. 300	S/. 300	S/. 300	S/. 300	S/. 300	S/. 300	S/. 300
Manager	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760	S/. 2,760
Depreciation		S/. 1,762	S/. 1,762	S/. 1,762	S/. 1,762	S/. 5,834	S/. 5,834	S/. 5,834	S/. 5,834	S/. 5,834	S/. 5,834	S/. 5,834	S/. 5,834
<b>Total Administrative Expensive</b>	<b>S/. 7,690</b>	<b>S/. 8,476</b>	<b>S/. 8,476</b>	<b>S/. 8,476</b>	<b>S/. 16,413</b>	<b>S/. 20,798</b>	<b>S/. 20,798</b>	<b>S/. 20,798</b>	<b>S/. 20,798</b>	<b>S/. 20,798</b>	<b>S/. 20,798</b>	<b>S/. 20,798</b>	<b>S/. 20,798</b>
<b>Operating Margin</b>	<b>-S/. 8,260</b>	<b>-S/. 9,568</b>	<b>-S/. 7,191</b>	<b>-S/. 4,813</b>	<b>-S/. 11,033</b>	<b>-S/. 14,095</b>	<b>-S/. 6,435</b>	<b>S/. 696</b>	<b>S/. 7,828</b>	<b>S/. 14,959</b>	<b>S/. 18,525</b>	<b>S/. 18,525</b>	<b>S/. 18,525</b>
<b>Profit Before Taxes</b>	<b>-S/. 8,260</b>	<b>-S/. 9,568</b>	<b>-S/. 7,191</b>	<b>-S/. 4,813</b>	<b>-S/. 11,033</b>	<b>-S/. 14,095</b>	<b>-S/. 6,435</b>	<b>S/. 696</b>	<b>S/. 7,828</b>	<b>S/. 14,959</b>	<b>S/. 18,525</b>	<b>S/. 18,525</b>	<b>S/. 18,525</b>
<b>Accumulated Profits</b>	<b>-S/. 8,260</b>	<b>-S/. 17,827</b>	<b>-S/. 25,018</b>	<b>-S/. 29,831</b>	<b>-S/. 40,865</b>	<b>-S/. 54,960</b>	<b>-S/. 61,395</b>	<b>-S/. 60,698</b>	<b>-S/. 52,871</b>	<b>-S/. 37,912</b>	<b>-S/. 19,387</b>	<b>-S/. 862</b>	<b>S/. 17,662</b>
Corporate Tax (30%)	S/. 0	S/. 0	S/. 0	S/. 0	S/. 0	S/. 0	S/. 0	S/. 0	S/. 0	S/. 0	S/. 0	S/. 0	S/. 5,557
<b>Net Income Peruvian Soles</b>	<b>-S/. 8,260</b>	<b>-S/. 9,568</b>	<b>-S/. 7,191</b>	<b>-S/. 4,813</b>	<b>-S/. 11,033</b>	<b>-S/. 14,095</b>	<b>-S/. 6,435</b>	<b>S/. 696</b>	<b>S/. 7,828</b>	<b>S/. 14,959</b>	<b>S/. 18,525</b>	<b>S/. 18,525</b>	<b>S/. 12,967</b>
<b>Net Income US\$</b>	<b>-\$2,581</b>	<b>-\$2,990</b>	<b>-\$2,247</b>	<b>-\$1,504</b>	<b>-\$3,448</b>	<b>-\$4,405</b>	<b>-\$2,011</b>	<b>\$218</b>	<b>\$2,446</b>	<b>\$4,675</b>	<b>\$5,789</b>	<b>\$5,789</b>	<b>\$4,052</b>

## Fast Cevice

### Income Statement Forecast

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	S/. 591,489	S/. 1,091,980	S/. 1,091,980	S/. 1,091,980	S/. 1,091,980
Cost of Sales	S/. 282,464	S/. 521,472	S/. 521,472	S/. 521,472	S/. 521,472
<b>Gross Margin</b>	<b>S/. 309,025</b>	<b>S/. 570,508</b>	<b>S/. 570,508</b>	<b>S/. 570,508</b>	<b>S/. 570,508</b>
		S/. 0	S/. 0	S/. 0	S/. 0
Direct Labor		S/. 0	S/. 0	S/. 0	S/. 0
Cook	S/. 11,520	S/. 11,520	S/. 11,520	S/. 11,520	S/. 11,520
Cook Assistant	S/. 12,540	S/. 15,840	S/. 15,840	S/. 15,840	S/. 15,840
Cashier / Waitress	S/. 50,820	S/. 71,280	S/. 71,280	S/. 71,280	S/. 71,280
<b>Total Labor Costs</b>	<b>S/. 74,880</b>	<b>S/. 98,640</b>	<b>S/. 98,640</b>	<b>S/. 98,640</b>	<b>S/. 98,640</b>
		S/. 0	S/. 0	S/. 0	S/. 0
Other Expenses		S/. 0	S/. 0	S/. 0	S/. 0
Rent & Maintenance	S/. 94,286	S/. 114,014	S/. 114,014	S/. 114,014	S/. 114,014
Utilities	S/. 7,297	S/. 8,670	S/. 8,670	S/. 8,670	S/. 8,670
Advertising	S/. 1,800	S/. 1,200	S/. 1,200	S/. 1,200	S/. 1,200
Repair & Maintenance	S/. 2,400	S/. 3,000	S/. 3,000	S/. 3,000	S/. 3,000
Miscellaneous	S/. 2,400	S/. 3,000	S/. 3,000	S/. 3,000	S/. 3,000
Transportation	S/. 4,080	S/. 6,120	S/. 6,120	S/. 6,120	S/. 6,120
Insurance	S/. 3,600	S/. 4,500	S/. 4,500	S/. 4,500	S/. 4,500
Bank Fees	S/. 240	S/. 240	S/. 240	S/. 240	S/. 240
Office Expenses	S/. 1,680	S/. 2,100	S/. 2,100	S/. 2,100	S/. 2,100
Professional Fee - Accountant	S/. 3,600	S/. 3,600	S/. 3,600	S/. 3,600	S/. 3,600
Manager	S/. 33,120	S/. 33,120	S/. 33,120	S/. 33,120	S/. 33,120
Depreciation	S/. 53,719	S/. 70,008	S/. 70,008	S/. 70,008	S/. 70,008
<b>Total Administrative Expensive</b>	<b>S/. 208,223</b>	<b>S/. 249,572</b>	<b>S/. 249,572</b>	<b>S/. 249,572</b>	<b>S/. 249,572</b>
<b>Operating Margin</b>	<b>S/. 25,922</b>	<b>S/. 222,296</b>	<b>S/. 222,296</b>	<b>S/. 222,296</b>	<b>S/. 222,296</b>
<b>Profit Before Taxes</b>	<b>S/. 25,922</b>	<b>S/. 222,296</b>	<b>S/. 222,296</b>	<b>S/. 222,296</b>	<b>S/. 222,296</b>
<b>Accumulated Profits</b>					
Corporate Tax	S/. 5,557	S/. 66,689	S/. 66,689	S/. 66,689	S/. 66,689
<b>Net Income Peruvian Soles</b>	<b>S/. 20,365</b>	<b>S/. 155,607</b>	<b>S/. 155,607</b>	<b>S/. 155,607</b>	<b>S/. 155,607</b>
<b>Net Income US\$</b>	<b>\$6,364</b>	<b>\$48,627</b>	<b>\$48,627</b>	<b>\$48,627</b>	<b>\$48,627</b>

## Appendix 16: Sensitivity Analysis (Peruvian S/.)

Labour Analysis 37.8% of the Fixed Cost			Rent Cost Analysis 32.7% of the fixed cost			Fish Cost Analysis 75% of the Variable Cost		
%	Breakeven	Net Profits	Rent M2	Breakeven	Net Profits	%	Breakeven	Net Profits
-30%	27.1	183,277	5	25.1	199,140	-30%	26.0	224,391
-25%	27.6	178,665	6	26.0	191,885	-25%	26.7	212,927
-20%	28.2	174,054	7	26.9	184,629	-20%	27.4	201,463
-15%	28.8	169,442	8	27.8	177,374	-15%	28.1	189,999
-10%	29.4	164,831	9	28.7	170,118	-10%	28.9	178,535
-5%	29.9	160,219	10	29.6	162,863	-5%	29.7	167,071
0%	30.5	155,607	11	30.5	155,607	0%	30.5	155,607
5%	31.1	150,996	12	31.4	148,352	5%	31.4	144,143
10%	31.7	146,384	13	32.3	141,096	10%	32.4	132,679
15%	32.2	141,773	14	33.2	133,841	15%	33.4	121,215
20%	32.8	137,161	15	34.2	126,586	20%	34.5	109,751
25%	33.4	132,549	16	35.1	119,330	25%	35.6	98,287
30%	34.0	127,938	17	36.0	112,075	30%	36.9	86,824
100%	42.1	63,375	33	50.5	- 5,732	70%	51.0	- 6,983

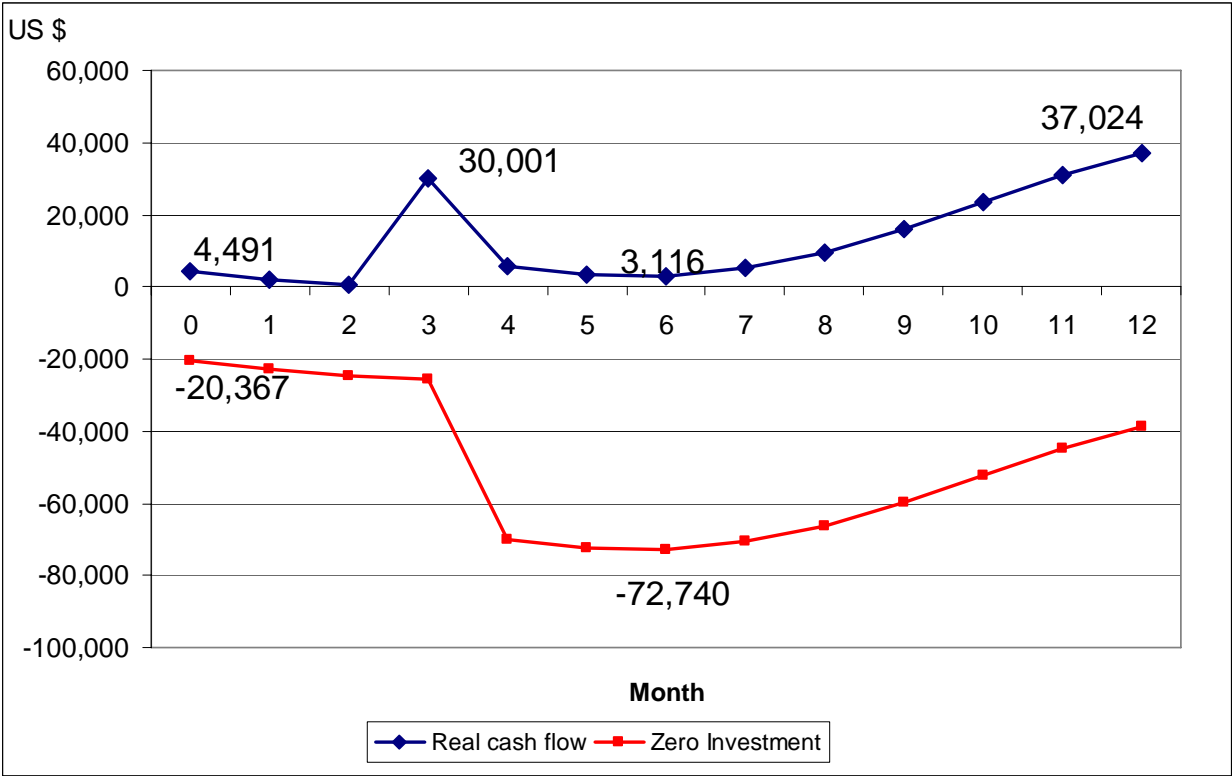
Number of Customers Goal: 50 Customers per Day		
%	#	Profits
-40%	30	- 5,907
-30%	35	35,801
-20%	40	75,736
-10%	45	115,672
0%	50	155,607
10%	55	195,543
20%	60	235,478
30%	65	275,414
40%	70	315,350
50%	75	355,285
60%	80	395,221
200%	150	954,319

Price Change Average Price S/. 15.2		
%	Breakeven	Net Profits
-25%	59	-50,699
-20%	49	2,730
-15%	43	40,949
-10%	38	79,169
-5%	34	117,388
0%	31	155,607
5%	28	193,827
10%	26	232,046
15%	24	270,265
20%	22	308,484
25%	21	346,704
30%	19	384,923

## Appendix 17: Statement of Cash Flows

Fast Cevice																						
Statement of Cashflow Forecast (S/.)																						
Concept	Month 0	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12									
<b>Operating Activities</b>																						
Profit Before Taxes	-	8,260	-	9,568	-	7,191	-	4,813	-	11,033	-	14,095	-	6,435	696	7,828	14,959	18,525	18,525	18,525		
Depreciation		-		1,762		1,762		1,762		1,762		5,834		5,834		5,834		5,834		5,834	5,834	
Income Taxes Payable		-		-		-		-		-		-		-		-		-		-	5,557	
<b>Net Cash Provided by operations</b>	<b>-</b>	<b>8,260</b>	<b>-</b>	<b>7,806</b>	<b>-</b>	<b>5,429</b>	<b>-</b>	<b>3,051</b>	<b>-</b>	<b>9,272</b>	<b>-</b>	<b>8,261</b>	<b>-</b>	<b>601</b>	<b>6,530</b>	<b>13,662</b>	<b>20,793</b>	<b>24,359</b>	<b>24,359</b>	<b>18,801</b>		
<b>Investment Activities</b>																						
Initial Renovation Improvements	-	18,240						-	42,682													
Machines	-	18,319						-	42,866													
Furniture	-	18,156						-	42,485													
Legal, other miscellaneous costs	-	2,198						-	5,144													
<b>Net cash used in investing activities</b>	<b>-</b>	<b>56,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Financing Activities</b>																						
Shareholder		79,543				97,919		65,279														
Short Term Bank Loan																						
Long Term Bank Loan																						
<b>Net Cash used in financing activities</b>	<b>79,543</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,919</b>	<b>65,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
Increase or decrease in cash	14,370	-	7,806	-	5,429	94,867	-	77,169	-	8,261	-	601	6,530	13,662	20,793	24,359	24,359	24,359	18,801			
Cash at the beginning of the year	14,370		14,370		6,565	1,136		96,003		18,834		10,573		9,972		16,502		30,164		50,957	75,315	99,674
<b>Cash at the end of the period S/.</b>	<b>14,370</b>	<b>6,565</b>	<b>1,136</b>	<b>96,003</b>	<b>18,834</b>	<b>10,573</b>	<b>9,972</b>	<b>16,502</b>	<b>30,164</b>	<b>50,957</b>	<b>75,315</b>	<b>99,674</b>	<b>118,475</b>									
<b>Cash at the end of the period US\$</b>	<b>\$4,491</b>	<b>\$2,051</b>	<b>\$355</b>	<b>\$30,001</b>	<b>\$5,886</b>	<b>\$3,304</b>	<b>\$3,116</b>	<b>\$5,157</b>	<b>\$9,426</b>	<b>\$15,924</b>	<b>\$23,536</b>	<b>\$31,148</b>	<b>\$37,024</b>									

**Appendix 18: Cash flow Graph (US\$)**



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