

# **BUSINESS PLAN FOR BOKE INSECT RESTAURANT**

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Bachelor's Thesis



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<p>The economy in Vietnam has been growing quite considerably since the past two decades. Different business fields have been developed very widely and strongly such as culinary industry particularly in Ho Chi Minh City, the largest city in Vietnam. Many restaurants with various styles and cuisines are being established and invested due to the increase of customers' demand. However, there are some areas in this business field which have not been exploited recently, for example insect food, so business opportunities are very huge for those who have interest and want to approach this new kind of food which is also an alternative protein supply for human's diet beside common foods. Therefore, this thesis is focusing on how to establish an insect restaurant and to shortly analyze its opportunities.</p> <p>The theoretical framework of this study includes several theories of business planning. Both qualitative and quantitative methods are used for doing the empirical research. An implementation plan for running an insect restaurant is provided. The analysis and the results of the research show that there are advantages and disadvantages when initially establishing and running an insect restaurant. However, this is still a newborn business so there are still many chances to develop and really make fortune in the future.</p>			
Keywords Insect food, Insect restaurant, Business plan, Establishing restaurant			

## CONTENTS

1	INTRODUCTION.....	4
2	CONCEPT AND CONTENT OF BUSINESS IDEA.....	6
2.1	Business idea .....	6
2.2	Business plan .....	8
2.3	External operating environment .....	10
2.4	Business goals, strategies, resources .....	13
2.5	Business functions and operations.....	14
2.6	Launching a new business .....	15
3	BUSINESS ENVIRONMENTS OF THE BOKE INSECT RESTAURANT .....	17
3.1	Common misunderstandings when starting a new business .....	17
3.2	Macro environment analysis.....	19
3.2.1	Economics .....	19
3.2.2	Demography.....	20
3.2.3	Politics and Cultures .....	21
3.3	Strategy and competitiveness analysis.....	22
3.3.1	Competitors.....	22
3.3.2	Purchasing behavior of customer .....	23
3.3.3	Different strategies.....	25
3.3.4	SWOT analysis.....	25
4	IMPLEMENTATION AND RESULTS OF THE RESEARCH .....	27
4.1	Research methods .....	27
4.2	Research results .....	28
5	BUSINESS PLAN AND LAUNCHING MARKETING FOR THE NEW BUSINESS.....	39
5.1	Implementation plan .....	39
5.1.1	Place .....	39
5.1.2	Operation.....	39
5.1.3	Sales forecast.....	43
5.1.4	Restaurant display .....	45
5.2	Human Resource Plan.....	46
5.3	Marketing plan .....	49
5.4	Financial plan .....	50
6	CONCLUSIONS.....	52
	REFERENCES .....	53

## APPENDICES

- Appendix 1 Survey Questionnaire about interest to insect food
- Appendix 2 Interview Questions

## 1 INTRODUCTION

Currently, in Ho Chi Minh City, you can find restaurants to suit each preferences, ages, styles. It is up to the restaurant not only to have a hearty meal, but also for other purposes, such as sitting, chatting with friends, parties and so on

As can be said, the restaurant service in Ho Chi Minh City currently has been already saturated, for example from the street-food vendors selling all kinds of Vietnamese traditional dishes such as noodles, Hue dishes, rice dishes, Vietnamese baguette, etc. to the places only for VIP or high-class people such as resorts, luxurious hotel or brand-name restaurants. Those restaurants in Ho Chi Minh City is not only serving dietary demands of the customer but also a place where people can have a relaxing time, meet friends and colleagues or even waste time. We cannot help mentioning drinking restaurants those located all over Ho Chi Minh City such as some special local areas, even to the famous restaurants in the city center such as Southern Village BBQ, Ngoc Suong or even those restaurants located in tourist destination Thanh Da peninsula alongside Ho Chi Minh City river.

Although the amount of restaurants in Ho Chi Minh City has been increasing considerably, the demand of quality cuisine is essential due to the growth of population and quality of life of Ho Chi Minh City people. Recently, there are few special insect restaurants sparsely appearing all over Vietnam. They are processing and serving from small insects such as ants and termites to bigger ones such as crickets, grasshoppers or even scorpions and cockroaches as various dishes with differently amazing tastes and interesting cooking methods. Moreover, because the basic dishes with main ingredients are seafood or common kinds of meat have existed a lot in the market and several diseases have been found on those protein resources, the issue of new kind of protein supply is totally necessary. By understanding the business situation and the demands of customers, I have taken the opportunity to come up with the idea of running an insect restaurant.

There are few visible obstacles that make the business plan difficult to start such as the existing competitors who are already ready against the new comer in this business field in order to gain the market share generally speaking. Furthermore, the main drawback is the lack of supplier of this uncommon food so the problem which should be taken into consideration is the resource availability to meet the customers' needs.

However, I have been well studied about doing business and I am active, creative, willing to learn new things, willing to learn from own mistakes or competitors' mistakes to gain experiences. Additionally, I am as a Ho Chi Minh City local who was born and have grown up there for more than twenty years so it is a huge advantage for me to understand the needs and capture the trends of Ho Chi Minh City people much easier.

Nonetheless, I am obviously young and lack of experiences in running business as well as real life which are important and necessary factors in this current intense business field, especially with a saturated one like this restaurant business in Ho Chi Minh City at present.

Objectives of this business plan:

- For the study: the business plan helps readers to understand how to develop the business model based on new invented idea and to review general knowledge in production, human resource, marketing and finance in order to apply to business planning and invent new creative business style to attract customers. Moreover, it helps to understand complete and sufficient knowledge and process of making business plan for a certain product and service of a company and to bring to the reader basic and advanced knowledge about starting new business. It helps the reader in organizing and managing a company's operation efficiently and profitably.
- For social reality: the social objectives are to create a new place for local inhabitant to experience new cuisine, to relax, and to meet up with friends, to add more interesting and new option in the customer's restaurant list as well as local delicacy, to support the farmer from supplying the materials and to solve partly job demand problem for the unemployed.

Research area: The research will be conducted in nearby location in Ho Chi Minh City from the last quarter of 2014 to the first quarter of 2015 and the target groups are Ho Chi Minh City people, suppliers, etc. Moreover, the approach consists of budget which is self-financing, and technical issues which are cooking recipes of insects and hygiene, food safety warranty, etc.

Research methods: Both qualitative method and quantitative method are used in this thesis.

## 2 CONCEPT AND CONTENT OF BUSINESS IDEA

### 2.1 Business idea

A good business idea consists of four main elements such as potential opportunities, feasible business ideas, market demand and distinction.

What are the potential opportunities?

The enterprises need to provide services and goods in accordance with the needs of the people and solve their problems in order to survive in the field. Please provide an effective method to find new unique business ideas is to think about the difficulties that people face when addressing their needs or their problems. People can achieve this goal if they apply these solutions listed below:

- The main difficulties you have encountered - See what kind of problems you have encountered when buying products or services locally.
- Difficulties in work - When working for another agency, you can find to complete the job with more difficult problem due to poor service or lack of raw materials
- The problems that others face - Should listen to others complaining to find out if they have needs and difficulties.
- What's missing in your community - Examine your community to find out what services are lacking.
- The problem of the people and the unmet demand is the focal point for new business opportunities. Business owners should be looking out for opportunities in other people's problems.
- If there is demand without goods and services to satisfy, it is clear that there is an opportunity for business owners to meet those needs.
- If the existing businesses can only provide poor quality services, it is an opportunity for a new business to be competitive in order to provide better service. (Truong 2014)

If price rises so quickly that people find difficult to accept, it will appear chance to find a cheaper provider, an alternative product or a less expensive and more efficient distribution system.

When choosing a business idea, the first step is to identify the right opportunities at where we live. Then we must decide if we have the skills to seize the opportunity or not. Knowing your skills and your interests will help you decide what type of business you should start conducting.

Is your business idea feasible?

When we start new business, the first thing we should concern that our business idea is feasible and unique or not? The question is there are any attention on our products or not if we produce a mass of goods and sell them to the market? The feasibility of the business idea before it is conducted depends on how it is welcome by the market, and a company or a product is successful before it was born. (Truong 2014)

To determine whether a business idea is feasible or not we have to implement that idea of scale trials before bringing it into production, to apply universally to market, to produce sample to check if the market is welcoming or not.

How large is the market demand?

A business idea is successful or not is due to the social needs that are necessary idea together with the good quality and feasibility to market. However, for business ideas that bring large profit, the demand for products should be high, it is unrealistic if your product produced for sale only a few people in the small town.

Therefore, in order to bring high profit to the business idea, we need to examine the market demand for such products in certain extent and scope. If you are running a traditional business, you should survey by market research forms through the statistics. If you do in the health sector, you need to see the report from the medical data, interdisciplinary departments and agencies to get the study materials more accurately. If you are doing business online, you should use the market research tool Google keyword from Google to analyze the number of people who are interested in the product and your service. (Truong 2014)

How distinctive is the business idea?

We all understand that the society is developing at a rapid pace, we are living in an era of information technology, which speeds the transmission of information very quickly, a society connected by information with ideas flying around the earth in just a snap. In a society that has so many products and services as today, highlighting the brand among the crowd is extremely important, a product or an idea can compete with the other products on the market or not is due to the differences and uniqueness of the product.

When your company does not have any distinctive point with other companies you will find your possibility in making profit is very low. There are only 10 % of successful companies and 90 % are doomed to failure, so if you do exactly the same as the others, you can be sure that later you will be among the 90 % of it.

As you can see, to become a leader in this industry you have to have a business idea in a completely different way from the competition, the difference is not only the name on the board, but also you have to create the competitive edge for your company by the unique business idea differing from competitors in the market. (Truong 2014)

## 2.2 Business plan

Business ideas are not uncommon. However, turning a business idea into a business action is a carefully prepared process. The first stage when starting a new business is to establish a business plan.

If you yourself do alone then you probably already know all of the 'must do' things theoretically before starting. However, the reality is different when you need a loan or investment. All your scheduled calculations need to be shown in detailed business plan for several following factors.

- Executive summary

The first impression for investors is the most important. Many banks do not have neither the time nor the interest to read the whole of your business plan. Please submit a brief before the entire business plan concise 3 to 4 pages. In particular, you should refer what your business field is, its current market look like, the size of your company, estimated revenues, costs and profits and a couple of words showing the level of education, and the degree certificate of the business owner is also very necessary. (Duong 2011)

Furthermore do not forget one important thing is: how much money you need to conduct business and where does the capital come from?

- Business Description

Attracting investors by your ideas. What you set out the purpose of the business is? Do you want to win a certain market share or dominate the entire market? Explaining how you can achieve your goals. Talk about business strategy. You



will be based on the vulnerability of the market or will hit the market with cheaper products than your current competitors.

Take a short presentation about the legal status of the business and guarantee attached. If one is not sure about this issue, they should consult tax expert for better advice. These investors are particularly interested in any market you choose to do business if your plan mentions retail market. Describing the business. In some sectors, the rate of circulation of goods is also mentioned. (Duong 2011)

- Market analysis

It is how you acknowledge the market and customer groups for the business products. To answer this question, you first have to investigate and to find out information such as read the relevant documentation, consult associations, government and visit the major fairs. When you have an overview of the entire document and make a correct assessment, you may gather certain information such as age, purchasing power, lifestyle and amount of potential customer groups. From this platform, you are able to estimate the market share of the business.

However, it is not enough. You have to make a comparison of our supply capability with the competitors in order to show investors why they should invest in you. (Duong 2011)

- Risks analysis

The enterprise must show that you have to anticipate all possibilities such as special opportunities or risks that may arise. The estimates of revenue as well as real income usually within 5 years have not been sure, so you should carefully calculate again your entire development business plan in the both favorable and unfavorable situations. The factors may affect the operation of your business are what should be mindful. (Duong 2011)

- Operation and management plans

What kind of your business or service? After answering these questions, you can find out a new business idea. Trying to convince investors that is not an unrealistic and unfeasible plan. Why should customers wait and welcome your product? The information related to the situation and the ability of the product

development is also very important. How the production will be conducted like? What equipment and machinery do you intend to put into operation?

When using hi-tech manufacture you should skip the technical complicated details, but you should focus only on explaining as simple and clear as possible.

Referring to the marketing strategy. How do you intend to bring the products to customers? Describing exactly the sales process. You should show you have been thinking how to establish companies and production? You should also take into account the cost of advertising is very expensive. Therefore, what kind of advertising do you choose? And how is the customer service working? It is vitally important that the price of goods or services?

You should introduce yourself and important member of your company at the same time. Because banks and investors want to know, who they are putting their trust in. This section will prove who is now truly capable. Talk what you know and have learned. Professional experience and prior success factor is more important than a diploma. Those who give money to you also want to know why you want to be independent.

You must convince people about the likelihood of success and development of your business field by stating some specific evidences. Financial planning is to show that the revenue and capital funding can pay for all payments. You should show specific operation plans within 2 or 3 years. (Duong 2011)

- Financial factor

There will be a lot of investors interested such as the individuals, public agencies, banks and joint-stock companies. You can choose a reasonable co-operation and specify whom, how much money to spend capital contribution and the number of shares they can hold. (Duong 2011)

### 2.3 External operating environment

External environment of a business consists of two main factors which are macro and micro environment. Moreover, each of those is formed by smaller aspects which may influence the business operation when the situations themselves change.

- Macro Environment

Political and Economic: This environment includes policies and laws of the state mechanism for the business sector. Administrators must pay attention to these factors in order to predict important changes in domestic, region and the world politics to make right decisions in business. We can consider some political environment aspects which influence business activities. For example, the top concern of the state is reflected in the change of business law is to protect the business, but at the same time it stimulates the nature of competition and keep the intermediate attitude when dealing with the conflict in the competition. It is imperative that every business which wants to survive should stick to the business laws. Political stability greatly affect the business, because the risk of the political environment is very large. As another alternative government could lead to significant changes in economic policy, the government can nationalize or confiscate property, prohibit movement of exchange or intervene in fiscal policy. (Vo 2013)

Technology: Almost all goods and products are created are now tied with the scientific and technological achievements. We can say that we are living in the era of technology development. Practice has proved that any business that masters and applies technologies early in the production be able to survive and develop. Technology as part of the external business environment impacts businesses in two aspects: First, the external technology impact the business through internal technology. Any business enterprise in the industry, the field of high-tech innovation, it will be easy to fall into obsolescence of technology. Second, the technology appears to potential competitors, which are the business rival products can replace products of one enterprise. The faster the technology is developing, the shorter the product life cycle is. (Vo 2013)

Nature: includes relevant elements of natural resources, land, climate and weather. In fact, the air pollution and the environment has reached to alarming level. The problem for businesses and government is not to take this work for granted. Currently, businesses seek to deal with the pollution in their own ways. In addition to environmental taxes that have many business owners seek to replace raw materials or use of clean energy research and preparation, application of waste treatment techniques. The natural environmental factors affect the business in the following aspects:

- Create the market supply of inputs to businesses.
- Impact on the amount and structure of consumer goods market.

- Impact on employment and incomes of the population, thus affecting purchasing power and consumption of goods business. (Vo 2013)

Society and Culture: The socio-cultural factors relate to each other, but the nature of their effects may vary. In fact, people are living in specific cultural environment, characteristics of each group move to two tendencies, one is to retain the essence of national culture, and the other tendency is to integrate with other cultures. Administrators who have mastered both tendencies to have the solution to penetrate the product by the manufacturer as appropriate in each market has different cultures. For international product can only be penetrated by step otherwise they will be rejected and such manufacturer is little chance of success. Culture and society in general affect the operation of the business in the following aspects:

- Culture forms the consumption habits of the population, thereby forming habits, preferences, behaviors of customers in the market.
- Culture affects the formation and development culture within the business.
- Culture prescribed ways in which businesses can use to communicate with the outside world.

Thus, we can see that the impact of corporate culture is very large, it is the way that corporate culture has always faced. (Vo 2013)

- Micro environment

Customer: who is and will be purchasing the products of the business. For any business that the customer is the most important factor, the most critical to the survival of the business. The nature of the customer can decide on the following aspects:

- Customers decide the price of the products. In fact, enterprises can only sell to consumers with acceptable price.
- Customers decide now how to sell products. Method of selling and customer service mode are selected by the customer, because of market economy development, the buyer has the right to choose whom sell by their will and also decide the method of service of the seller. (Vo 2013)

Competitor: enterprises are faced with numerous competitors. The important issue here is neither underestimate any competitor, nor consider all opponents. The cleverest solution is not to aim the opponent, instead enterprise should define, manage and deal with them as well as pay attention and take good care of

customers. Always wonder what the customer wants. When we satisfy the desires of the customer, which means we have been successful in the competitive part. On the other hand, we should be also interested in predicting the future and customer orientation. Each product is subject to a certain rule, which is the generation, development and degradation. Consumers who go after the rise but ahead of the recession. Therefore, administrators who must know when your product will appeal to all prepared right replacement product. (Vo 2013)

Supplier: plays very important role as it will ensure the operation of the business is conducted under steady predetermined plan. In fact, the supplier is usually divided into three main types: type supply equipment and materials; type of labor supply; type of supply of money and banking, insurance. Thus, at the same time every business relates to every of the above three categories. The issue is the requirement of providing sufficient quantity to promptly on time, ensuring the quality and stability of prices. Each deviation in relation to the supplier affects the operations of the business itself. This note is for managers to know how to find the resources to be reliable, stable and reasonable prices. The motto is to diversify sources of supply, implement the principle of "do not put all money into one box". (Vo 2013)

To summarize, the relationship between business itself and business environment is mutual. On one hand, the business environment enable enterprises, if businesses take advantage of the favorability that it will operate more easily, on the flip side it also constraints weighing on businesses inhibits the development of business if the business does not adapt to the environment.

On the other hand, business also has impacts on the business environment. It can build up the positive response to the environment, such as creating the budget contribution investment in infrastructure development, but it also can destroy the business environment of enterprises with pollution, causing unemployment, social evils, corruption and negative. (Vo 2013)

#### 2.4 Business goals, strategies, resources

During the strategic planning process, you need to identify and consider all possible options in choosing to pursue business activities, the chance that you can invest your time, money and resources management, and the opportunity to be selected for the best. In this process, you need to evaluate investment opportunities through 4 following criteria: (Quantri 2013)

- The current capacity  
Determine if what the chances that you are pursuing are. This can be understood as the strengths of your business at the moment.
- Market Forecast  
What are the factors of external market impact to your business operations? Forecasting the impact of these factors on your activities in the future. Where are the business opportunities that you will pursue in the context of the market forecast that?
- Forecast on competition  
Who will be your competitors in the market and the competitiveness of the opponents that like? Scope of them? Forecasting the business opportunities that you can pursue to rise above the competition there.
- Define personality towards success  
You must learn your personality towards life, where are your training efforts, what are the business opportunities you pursue to promote the best personality towards your success.

Strategic plans and objectives in the right direction for the business is very different, because the assessment of business prospects for this difference. Make sure you consider all opportunities, evaluate those based opportunities and choices really fit with your business. It is a strategic role scouting for your business that all investment plans must comply. (Quantri 2013)

## 2.5 Business functions and operations

Business operations can be simply described by how and what factors you need to keep your company moving smoothly with the best output as products and service. Typically, business operations are formed by four key factors which are location, equipment, labor and process. (Dummies 2015)

The effectiveness of these four factors is based on the features of your company. If you plan is to start a new business, the initial plan is quite critical to your company's operation in the future. However, with an existing company, it is very vital to realize the importance of these four factors to the company's current achievement and future expansion plan. (Dummies 2015)

Productivity is vital for every business operations, on the grounds that productive operations hold costs down. In spite of the fact that operations don't straightforwardly influence income, they do specifically influence the organization's expense of working together, so operations firmly impact its capacity to be beneficial. By implication, effective operations may improve income in the event that they expand consumer loyalty, which can help build deals. (Dummies 2015)

The operation plan is the area of your strategy where you dive into a greater amount of the pieces of your business, parts like: manufacturing, stock, and distribution. Summary, this is the time where you set aside the theoretical parts of your business to get your hands in regarding composition out the particular of how you're going to make your products, store it, and after that ship it out to your clients. (Dummies 2015)

## 2.6 Launching a new business

One of the problems that the people most interested in starting a business, they do not know where to start work how, what to do first and what to do next. 7 step now will give you the simplest concepts and the most necessary.

- Firstly, research, planning, evaluation and implementation. The focus is to concentrate on market data, customer needs and buying habits. You should choose a business based on the skills and love of his. Need to know assess their strengths and weaknesses. Then, deploy clear business objectives and financial goals.
- The second is the seventh step is necessary to check and register the business name. So named for their businesses, determine which name coincides with other businesses or not. Research and testing the effectiveness of the selected name. Register or placeholder name with the authorities. You can register with the agency brands of industrial property.
- Third, the choice of legal basis and structure. You must decide the type of organization between a sole proprietorship, joint venture, Limited Liability Company and a trading company. Then, go to the registration tax code.
- The fourth is to ensure the scope of activities and business licenses. You need to see the scope of activities will start from the local public, profession and expertise of the company is and announced the establishment of a public company.
- Fifthly is the need to protect the intellectual property of the company, including trademark, patent, legal documents.
- Sixthly is the preparation of marketing plans and material resources in service businesses. Accordingly, you should prepare business cards, stationery, flyers or brochures, press releases, websites, e-mail list to contact, advertising, promotional gifts, Event and exhibitions.
- Seventhly is you will have to set up and manage business operations? Should choose a business location. Here, you may have to consider a home business, consider office location, negotiate the lease site, and consider zoning and signage for each region. Then the installation of telephone, fax and e-mail, ordering and

inventory signs. Next, open account trading, consider the credit, credit cards. If conditions can buy insurance for businesses, health insurance, social, and consider the legal obligations. (McCulloch 2010)



### 3 BUSINESS ENVIRONMENTS OF THE BOKE INSECT RESTAURANT

#### 3.1 Common misunderstandings when starting a new business

- Entrepreneurs are born, not made

The misunderstanding was based on a mistaken belief that people often inclined become entrepreneurs. There are hundreds of studies on the psychosocial characteristics of entrepreneurs and these studies have come to the agreement that says entrepreneurs generally have no difference from others. No one is born to become entrepreneurs, and everyone has the potential to become entrepreneurs. In fact, whether some people that have become entrepreneurs or not, this is a function of including environmental variables, life experiences and choices of individuals.

However, there are some specific characteristics and traits commonly associated with the business as presented above. These characteristics are developed over time and are developed from the social context of a particular individual. For example, studies shows that those who have the parents are bosses are all likely to become entrepreneurs. When the children see the parents independent at work, they often see the independence, there is something compelling. Similarly, those with a business acquaintance that are likely related to new business start twice compared with those who cannot have any relationship with the business. (Entrepreneurs 2013)

- Entrepreneurs are gamblers

The second misunderstanding of entrepreneurs that they are gambling and accepting high risk. The truth is that entrepreneurs are often the people who accept medium risks as everyone. The idea that entrepreneurs are gambling comes from two sources.

Firstly, entrepreneurs often have less stable jobs and likely face uncertain possibility than managers and employees who have hierarchical and labor records. For example, an entrepreneur starting a consulting service for electronic business operations often have a less stable job than employees who works in a telephone company.

Secondly, many entrepreneurs are wishing to achieve very large and often pose the extremely challenging goal. This action is sometimes synonymous with the risk. (Nguyen 2010)

- Money is the crucial motivation of entrepreneurs

It would be naive to think that entrepreneurs are not looking for part financial reward. However, as noted above, money is rarely the first motivation for entrepreneurs when starting new business. Take a look at what motivates this entrepreneur starting up the company Siebel Systems, a successful company in the valley Silicon Valley, which is Tom Siebel, he said:

*"We never thought about making money, and never thought to the putting-up on the stock market, and never thought of creating value. We just think of efforts to build a high quality and reliable company. I assumed if I was a talented musician, then maybe I would play guitar very well, if I was a good golfer, I would compete but I do not know how to play guitar and my golf skills are horrible. Therefore, what I think, what I do is what I do best. And I think maybe what I do best is to start and operate the information technology company."*

Some entrepreneurs have warned that the pursuit of money can cause distraction in doing business. Ted Turner, a media mogul, has said *"If you think money is a big deal ... you will be scared of losing it to get it"*. Similarly, Debbie Fields, founder of Mrs. Cookies Field said that if you pursue money, you will never get it. And Sam Walton, commenting on all the mass media surrounded him when he became the richest man in the United States on Forbes magazine in 1985, he said:

*"Here's the problem: money never makes sense to me, even with the effective means to keep scores. We are not ashamed of money but I just do not believe that an ostentatious lifestyle exist everywhere, at least here in Bentonville where people work hard to make money. All of us know that people always hurry up running. I still cannot believe..."*

- Entrepreneurs need to be young and energetic

Average entrepreneurs aged 35 to 45 years old and has more than 10 years experienced in a large company. While there is significant energy investors are often invoked to the strength of the business (or business groups) as an important factor when funding decisions for new businesses. In fact, a feeling that investors can often find out that they will sponsor a healthy entrepreneur with a normal business idea than financing a strong business idea with a normal entrepreneur. What makes a "strong" entrepreneur in the eyes of investors are experiences in the field of expected business, the skills and the ability to support the business, a solid reputation, a good performance, and passionate about the business idea. Four of the five characteristics will be more favorable starting point for people who are older than young entrepreneurs. Moreover, a

study reported that 32 % of those who retire early have moved to start my own business. (Trithucsong 2013)

- Entrepreneurs want status

While some entrepreneurs who are flamboyant, most of them do not like to draw the attention of the public. In fact, many businessmen who work with monopoly on the product or service, they should avoid public attention.

Among the entrepreneurs began these companies below, many of them still actively engaged with their company founder. However, you may know how many name of them? Maybe five or seven? Most of us only know names like Bill Gates of Microsoft, Steven Jobs of Apple and Michael Dell of Dell. Inc. Whether these people seek or attract public attention or not, they always appear in the mass media. However, very few of us know the founders of Google, Nokia, or GAP although we often use the products or their services. These entrepreneurs, as well as most of the rest, are avoided the attention of the public or are being ignored.

→ Hints for starting business are including some phases such as self-evaluating, analyzing and evaluating business field, business planning, preparing legal procedure, financing, and trying and learning from mistakes. (Tran 2013)

## 3.2 Macro environment analysis

### 3.2.1 Economics

Gross domestic product (GDP) of Ho Chi Minh city in the whole year increased by 9.3 % compared to previous year, higher than the 9.2 % of 2012. The added value of agriculture, forestry and fisheries sector reached 7769 billion VND, representing 1.02 % of GDP, up 5.6 %. The value added of the industrial sector and construction reached 310,641 billion VND 40.6 % of GDP, up 7.4 %. Value added services sector reached 58.4 %, 446 151 billion VND accounted for 10.7 % of GDP. Total investment in the province in 2013 is estimated at 227 033 billion VND, compared to the same period increased by 4.7 %. Total investment in capital construction in the province is estimated at 12 197 684 billion VND, or 92.3 % of the plan; increase of 4.6 % compared to 2012. Capital investment in construction and overhaul of the city's budget: 18941.9 estimated 12 billion VND, 90.4 % of the plan year, an increase of 11.2 % over the same period. The city has attracted labor, employment 293.2 thousand people, reached 10.6 % of the

plan year, an increase of 1.47 % compared with 2012. The number of new jobs created in the year 123 thousand units, exceeding 2.5 % of the plan year, an increase of 0.06 % over the previous year.

In 2013 (from 02/01 to 06/12), in Ho Chi Minh city with 117.6 thousand workers to the job center city registered unemployed, down 15.6 % year on year 2012. 104.9 thousand people are filing unemployment insurance benefits. 104.2 thousand people have received the decision of unemployment benefits, down 12.9 % over the same period, the amount paid unemployment benefits is 1,174 billion VND. Number of counseling, job placement is 154.8 thousand people; the number of people are supported apprenticeship is 4.9 thousand people, with 870 million subsidy. (Statistical Office 2013)

### 3.2.2 Demography

According to the census date 01/04/2009 Ho Chi Minh City has a population of 7,162,864 people, 1,824,822 households which includes: 1,509,930 households in urban and 314,892 rural households, average 3.93 per person / household. By gender: male with 3,435,734 people occupied 47.97 %, women accounted for 52.03 % 3,727,130 people. In recent years the city's population increased rapidly; in the 10 years from 1999 to 2009 the city's population increased by 2,125,709 people, an average increase of more than 212,000 people/ year, the growth rate of 3.54 %/ year, accounting for 22.32 % of the population increase in the country's 10 years. With 572,132 people, equivalent to the population in some provinces such as Quang Tri, Ninh Thuan, Binh Tan district has the largest population among the districts in the country. Similarly, Binh Chanh district with 420,109 residents is the largest population among the districts of the country. Meanwhile Can Gio with 68,846 people, which has the smallest population of all districts of the city. (CLB Congdantre 2012)

The population distribution in Ho Chi Minh City is uneven. While some districts, such as 3, 4, 10 and 11 with the density of over 40,000 people/km<sup>2</sup>, the suburban Can Gio has a relatively low density of 98 people/km<sup>2</sup>. On the level of population growth, while the growth rate of approximately 1.07 %, the natural rate of up to 2.5 % mechanical. In recent years the population of the central business district tends to decrease; while the population of the new district increased coastal setting, welcomed by people moving out from the center and immigrants from other provinces to live. According to 2005 estimates, the average day, about 1 million visitors in Ho Chi Minh City. By 2010, this figure could rise to 2 million. Although Ho Chi Minh City has a per capita income is higher than the average of all Vietnam, but the wealth gap big day by the impact of the

market economy. Those who work in the field of trade is much higher than the manufacturing sector. The social differences are still evident between the inner districts than in suburban districts. (CLB Congdantre 2012)

### 3.2.3 Politics and Cultures

The procedures for setting up businesses, business license today are much simplified, creating favorable conditions for business start-ups.

Culture is the value system of traditional beliefs are formed mounting associated with a society, a regime, a religion or a certain ethnic group which are saved and transmitted from generation to generation.

Branch culture (secondary culture) is a small and private subculture particularly in the larger society, more complex (region, ethnicity, age, gender and religion).

Social stratification: the group is relatively stable in society and sorted in hierarchical level and is characterized by attitudes, values, interests, ethics and the same behavior in members such as upper high-class and lower high-class, and middle-class. (PhongKhoaHoc 2013 and Luatminhkhue 2014)

TABLE 1. Potentials of social hierarchy in Ho Chi Minh city

Upper high-class	1 %, inherited, conservative lifestyle	Potential customers of jewelry, antique, yacht...
Lower high-class	2 %, be wealthy by own efforts, social activist, generous expending, trying to get in Upper high-class	Potential customers of real-estate, resort, villa, super cars...
Upper middle-class	Achieved fame in the liberal professions, in business, the senior, attention to education, spiritual life and civic duty	Potential customers of high-quality house, clothes, furniture, appliance...
Lower middle-class	30 %, senior staff, small and medium entrepreneurs, independent purchasing behavior, appreciate the	Potential customers of marketability serious style such as garden tools, carpentry, electrical (Do It

	standard	Yourself (indoor)
Upper low-class	35 %, junior staff, technical worker, attention to gender issues	Segmented in market of sport, beverages, home appliances...
Lower low-class	Physical worker, pensioner	Foods, cheap appliances...

(PhongKhoaHoc 2013 and Luatminhkhue 2014)

Therefore, I believe that I should be focusing on the upper low-class, upper middle-class and lower middle-class.

Social elements include:

- The reference groups: which are influenced directly or indirectly to the customer so that the formation of attitudes and opinions. This group will be divided into three categories: the familiar group, admire group and dislike group.
- Family: frequent changes especially increasingly important role of woman and their voices have great influence in making purchasing decisions.
- Social roles and status: every individual plays a role in groups, social status and roles will guide the behavior of consumers. (PhongKhoaHoc 2013 and Luatminhkhue 2014)

### 3.3 Strategy and competitiveness analysis

#### 3.3.1 Competitors

TABLE 2. Competitors evaluation

Criteria	Boke Insect Restaurant and Competitor				
	Boke Insect Restaurant	HNH Restaurant	Hai Cu Restaurant	PVD Restaurants	Hoa Khanh Restaurant
Location	7	4	10	2	2
Price	6	6	3	7	9
Distinction	10	9	1	7	1
Service quality	7	7	8	4	8
Food quality	9	7	9	8	6

As can be seen in the Table 2, every competitor has their own strengths and weaknesses, so BOKE insect restaurant understands that because it enters the market after the competitors. The restaurant has greater opportunities than the other competitors because they understand the competitors' situation and the marketing situation so that they can use good strategies and easily adapt to the changes. In the Table 2, the evaluations which are graded on scale of 10, and the value 10 is the best, based on the owner's opinion after trying as a customer. BOKE insect restaurant focuses more on the distinction and food quality, because it is the punchy impression to the customer at the first step they are approaching the market, other factors can be developed particularly by experiencing.

Anyone who is trying to build a new business, one of their first tasks is to study and analyze the competitors' format. Through understanding the competitors, you will be able to find, exploit and even learn the way of development of those competitors. (Netmba 2010)

Most of the competitors of BOKE insect restaurant are not focusing on their main features evenly. Nevertheless, BOKE insect restaurant tries to take as any available advantages as possible to satisfy the customers.

### 3.3.2 Purchasing behavior of customer

Purchasing behavior of customer is influenced by several factors such as cultural, social, personal and psychological.

#### **Cultural factors**

With a history of thousands of years of the Vietnam with the converging of other ethnics, from the indigenous culture of the ancient Vietnamese people from the Hong Bang to the influence from the outside in thousands of years. With influences from ancient China and Southeast Asia to the image effect of France since the 19th century, the West in the 20th century and the globalization of culture 21st century Vietnam has become very bulky with the different aspects as customs and festivals, beliefs, religion, cuisine, etc. As in Vietnamese Cultural cuisine have the characteristics such as sociability, diversity, low fat, flavor combined with spices to increase the attractiveness of the dish. Using chopsticks and especially indispensable rice meal is common practices of the people of Vietnam.

Each culture contains smaller groups or the cultural characteristics which are the cultural groups to create separate features and the level of social integration for its members. The subculture characteristics include ethnicity, race, religion, belief and region. In each particular cultural group, they share a value system based on life experiences and similar life circumstances. As well take the example of the cultural cuisine of Vietnam, each region has its own dining features.

### **Social factors**

In Vietnam, under the impact of herd mentality, really is essentially due to the impact of the primary reference groups like families, friends, neighbors and co-workers, people in Vietnam to follow the masses, few have their own preconceptions about a product or service. Moreover, for Vietnamese consumers, social organizations or associations of trades unions and associations, such as consumer protection was not found strong, fails to promote their roles. There are two types of buyer's family such as family-oriented and individual family. Specifically, in Vietnam still have the influence of Confucian conception, children should obey their parents, and usually their parents for financial control, still have more dependent on their parents. On the other hand, for the individual family, such as the spouse or husband, children, not just everyday shopping habits of Vietnamese people that most countries in the world have a big impact. Often family members, the woman will decide to buy the product key in the family such as food, clothing and other household items. However, today the trend is changing when the woman wants to do business and her husband is going to take more care of families.

### **Personal factors**

Those in the 18-60 years age group tend to meet friends, entertainment after working hours at the restaurant, especially from the age of 25-45 years old. About the employees and students will need to use this service higher than in other industries. The income of people does not affect the choices of selected diet in this service. The insect cuisine is very attractive to those who like to try the new, unique dining.

### **Psychological factors**

It is a need to try exotic cuisine, appealing to the animals around. Abundant protein source will contribute to the protein of human resources, through many studies have shown that this protein was abundant source of all flesh pork and beef. The customer who has ever experienced or heard about this food will know its goodness and



attraction. It needs to remove the psychological fears of consumers with this foods as well as changes to suit each client's attitude.

3.3.3 Different strategies

The difference in the product: For the long-term viability, battling the fierce competition from the market, products must be always consistent shows the difference compared to the competitors. Difference of product here is expressed not only by the insect food identical categories to compete with the other usual diner, but also participate at processing, the taste and there are 2 types of items selected menu: the first is normal food, common in insects, the second are optional items will vary within 2-3 months.

Difference of staff: As noted above, in order to implement the difference in the product, the difference of the team staff, especially the chef here is very important. Just in approximately 6 month, the company will seek for the cook whom can process unique food to retain existing customers and attract new customers. The chef can be hired from abroad, such as Thailand, Laos, and Cambodia...from the country which is famous for its insect cuisine.

3.3.4 SWOT analysis

- Strengths are dynamic; creative; flexible in information updating, talking risks, passion, good relationship
- Weaknesses are lack of experience, limit in financial issue, limit in human resource
- Opportunities are new and unpopular products, less competitors, quality of life increasing, diseases in other protein sources
- Threats are many alternative products in the general market, customer's psychological issue

TABLE 3. SWOT matrix for BOKE Insect Restaurant

SWOT		OPPORTUNITIES	THREATS
		<ul style="list-style-type: none"> <li>○ New and unpopular products, less competitors</li> <li>○ Quality of life increasing</li> <li>○ Diseases in other protein sources</li> </ul>	<ul style="list-style-type: none"> <li>○ Many alternative products in the general market</li> <li>○ Customer's psychological issue</li> </ul>
<b>STRENGTHS</b>	○ Dynamic,	<b>S/O:</b> Initially focus on	<b>S/T:</b> Building own

	<p>creative, flexible in information updating</p> <ul style="list-style-type: none"> <li>○ Talking risks</li> <li>○ Passion</li> <li>○ Good relationship</li> </ul>	<p>the market in the Ho Chi Minh City center, then expand to the suburb</p>	<p>brand for the restaurant.</p> <p>Apply different marketing strategies to attract and increase market share</p>
<b>WEAKNESSES</b>	<ul style="list-style-type: none"> <li>○ Lack of experience</li> <li>○ Limit in financial issue</li> <li>○ Limit in human resource</li> </ul>	<p><b>W/O:</b> Attract other investors</p> <p>Training and recruiting good workforce</p>	<p><b>W/T:</b> Minimize unnecessary costs</p>

## 4 IMPLEMENTATION AND RESULTS OF THE RESEARCH

### 4.1 Research methods

Both quantitative and qualitative methods were used for conducting the research of the thesis process.

#### **Qualitative method – Individual interview**

Individual in-depth interviews were conducted on a one-to-one basis between the interviewer and the respondent. This has the advantage that the interviewer can probe attitudes and pinpoint response to a specific topic. This may be useful where the purpose of the research is to understand customer attitudes and feelings about a product class or topic area, and to develop depth into personal, social and cultural context surrounding purchase or consumption. (Craig and Douglas 2000, 190)

Five interviewees took part in the individual interview. They were friends of the researcher and friends of friends who already own restaurants and have certain experiences in restaurant running. A couple of interviews were done in face to face contact during summer 2014 and the rest were carried out through internet during the thesis process.

#### **Quantitative method – Questionnaire survey**

The questionnaire is the most commonly used method of gathering information about use and users. Questionnaires are a less expensive way to reach more people, including people at some distance. Depending upon the mode of distribution, this can be quickly done and data analysis can begin right away. The questionnaire avoids interviewer bias, guiding, and cues that can impact the validity and reliability of the data collection. Anonymity insures more valid responses. Response quality is better because respondents may gather and consult sources needed to respond well (University of Tennessee net). A good questionnaire accomplishes the researches' objectives. Survey must be customer-built to the specification of the given research purposes, and they are much more than a collection of unambiguous question. (Kumar, Aaker and Day 2002, 275)

There were randomly chosen 100 respondents with age group of 18 to 60. The respondents who were mostly friends and friends of friends on social media, regularly have party at restaurant and have experiences in restaurant quality. There were 18 questions in the questionnaire. The types of question were mostly multiple choice. The contents covered general information about dining habits of the respondents, potential customers' opinion and expectation towards a new kind of restaurant. The questionnaire was sent to the potential customers through internet from January to March in 2015.

## 4.2 Research results

### **Qualitative method – Individual interview**

A few simple questions about the overview of typical restaurants in the area were asked to the interviewees who are restaurant owners. The question contents were covering the types of restaurants and customers' responses, and the SWOT of a new insect restaurant. The conversations were expanded interestingly and usefully to the purposes of this research. However, the results are briefly summarized according to the main concerned points of the research.

There are mainly drinking restaurants for people who often have friends party or social meeting with wide range of foods in the menu from the mountain to the sea and everything in between. Restaurants those are considered higher class with higher food price have certain amount of loyal customers whom mostly are office staffs and middle age people. They choose a preferable restaurant by some common criteria such as atmosphere, food quality, good service, etc. The other type of restaurant has lower food price, they are preferred by students and younger people with different criteria such as food price, popularity of the restaurant, the diversity of food menu, dynamic styles, etc.

Therefore, based on those information, an insect restaurant has a great opportunity because the range of potential customer can be very wide, but the acceptability of new kind of food is a considerable issue. Consequently, it seems to be difficult to gain the customer's loyalty in long-term because there are not many people that can accept and be likely to consume this new kind of food as often as common one.

### **Quantitative method – Questionnaire**

There were 100 questionnaires sent to possible respondents via internet, but there were only 69 responses after nearly a month waiting and collecting the answers. Therefore,

the analysis will be based on only 69 responses, and the analysis will only concentrate on the questions which reflect directly the customers' attitude and behavior about related issues of the insect restaurant.

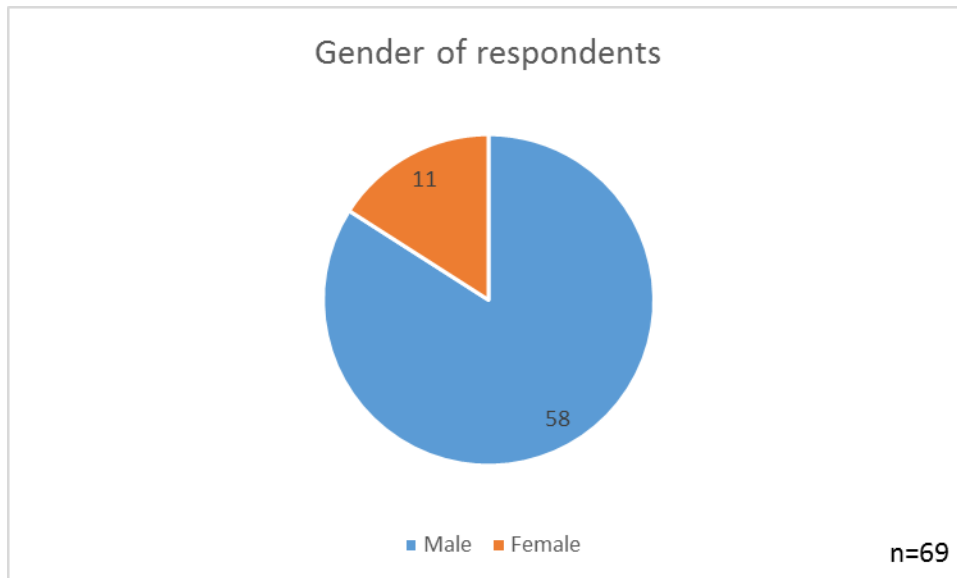


FIGURE 1. Gender of the respondents

According to Figure 1, the majority of respondents are male. It indicates that males are more interested in different kinds of extreme entertainment, especially in drinking as well as extraordinary foods.

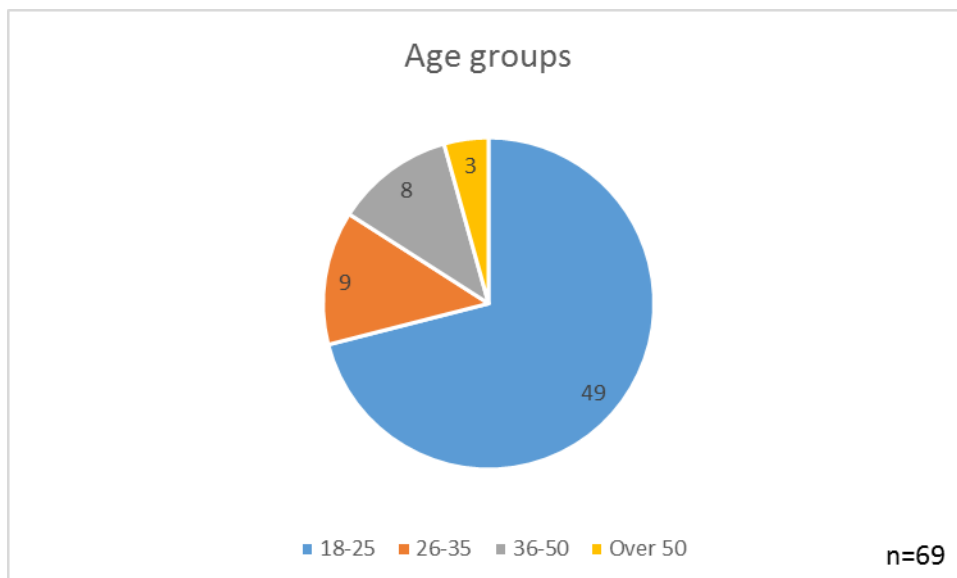


FIGURE 2. Age of the respondents

It is trendy nowadays that doing business in Vietnam is often targeting on the demand of adult people because they are young and active, and willing to try new experiences.

One more fact is due to their life style so it can be said that they are more generous to spend money for their hobbies than people from earlier generation. This is proved by the data in Figure 2. There are 49 out of 69 people which are in the age group of 18-25. There are only three people out of 69 total respondents from age group of over 50.

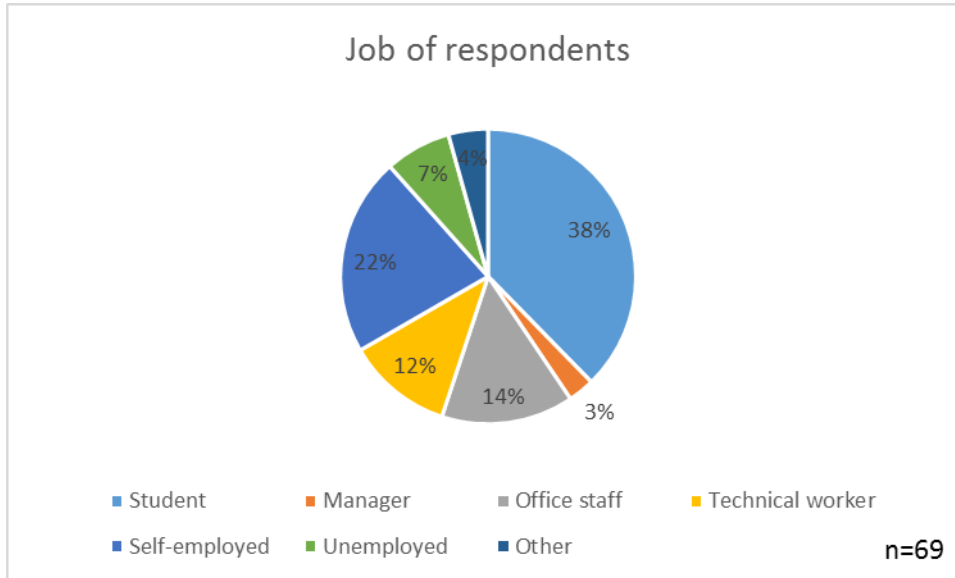


FIGURE 3. Job of the respondents

As mentioned above about the social demand of young people, Figure 3 again emphasizes this analysis that young people are a great segment in service business. It is unsurprising that the students occupy 38 % of total respondents which is the biggest segment.

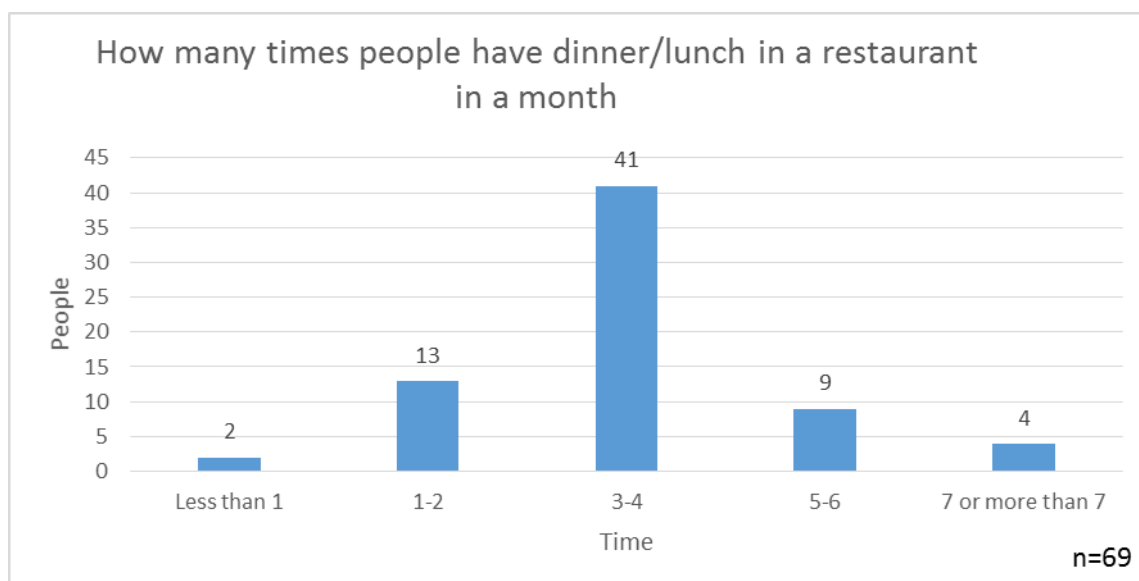


FIGURE 4. Respondents' frequency of eating in restaurant in a month

As can be seen, the chart shows that the respondents often have dinner or lunch in a restaurant. Nearly 60 % of 69 respondents have meal out 3-4 times a month, so it indicates that people tend to have meal in restaurant once a week, especially on weekends. As a local, I can conclude that the people in Ho Chi Minh City nowadays really like having meal in a restaurant more often rather than at home, due to the growth of living standard in the society. Another reason is that the Ho Chi Minh City people are quite open-minded in their life-style, so they are always curious to try new things such as types of food or entertainment. As mentioned, the living standard in town is increasing. That could be an evidence that nowadays people have more social relationships. Therefore, it again brings about the increase of different culinary demand.



FIGURE 5. Respondents' frequency in having insect food in a month

Figure 5 indicates that people rarely have insect food. More than 60 % of the respondents have insect food once a month. There is no one having insect food five times or more than five times a month.

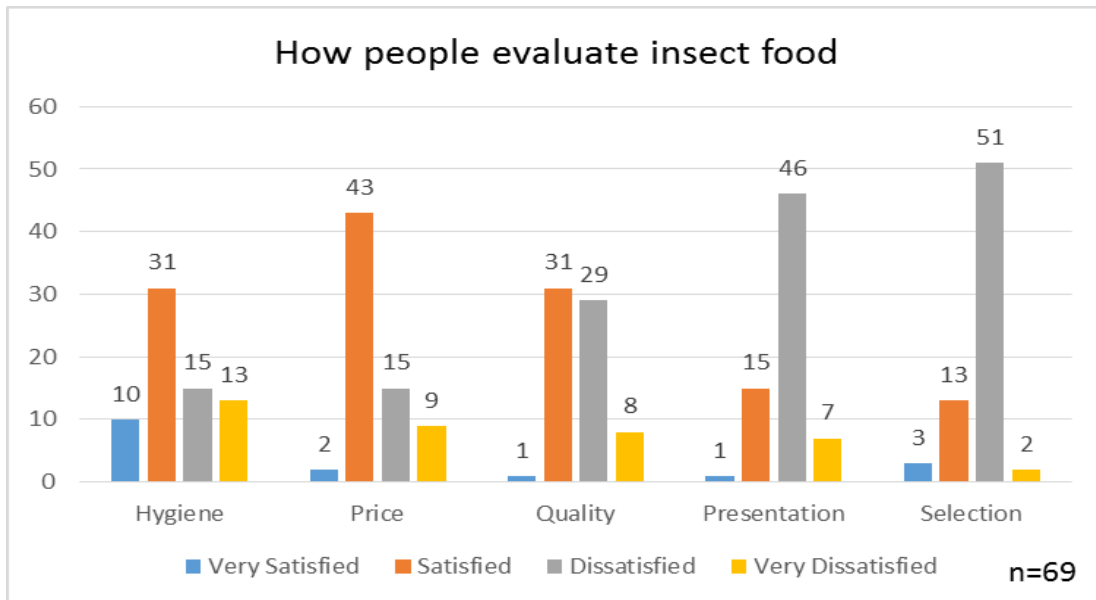


FIGURE 6. Respondents' satisfaction to different aspects of insect food

The chart shows that people are quite satisfied with the hygiene and price of insect food. However, they are very dissatisfied with the presentation and selection. It is understandable because insect food itself looks unattractive, so it is difficult to make it good presentation, and the selection is not various because there are only few commonly eatable insects. On the other hand, the quality depends on different aspects mostly from the subjective side, so the respondents evaluate the quality of insect food quite equal with 31 out of 69 people satisfied and 29 out of 69 dissatisfied.

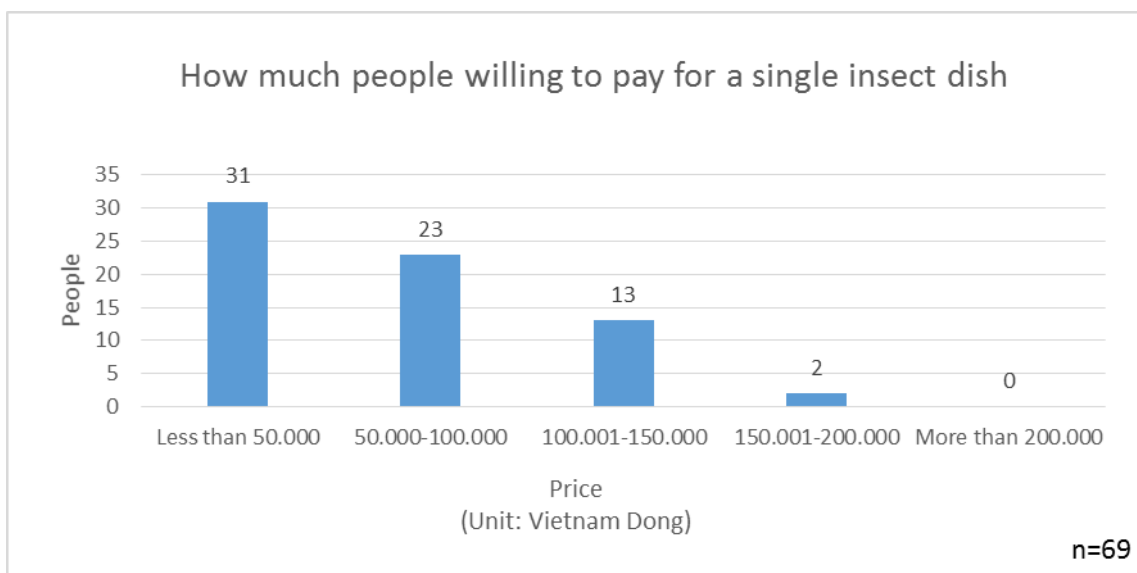


FIGURE 7. Respondents' willingness to pay for a single insect dish



As we can see in the chart, there are 31 out of 69 respondents (45 %) who are willing to pay only less than 50.000 VND for a single insect dish and there is no one who is willing to pay more than 200.000 VND for an insect dish. It can be understood that, in my opinion, the insect food is just considered streetfood which is sold by the streetfood vendors and by food kiosks in many corners of the street because insect food is rarely served in restaurant level. Therefore, people accept this kind of food only with the streetfood price.

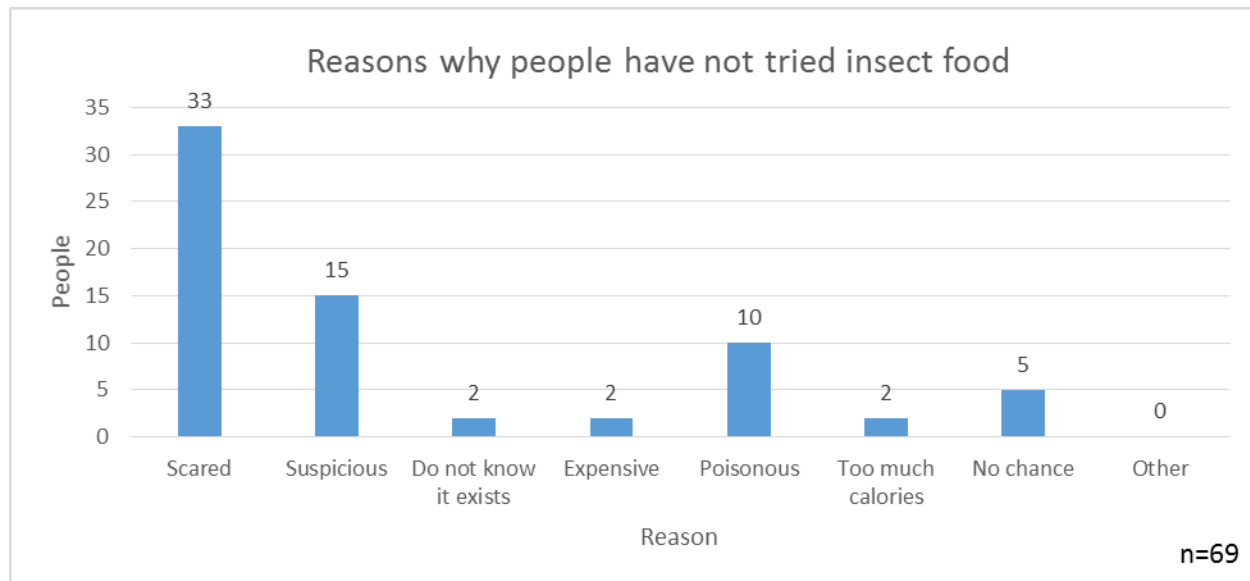


FIGURE 8. Respondents' reasons for not trying insect food

Figure 8 indicates that nearly one half of the total respondents have still not tried insect food due to being scared. There are ten people in the group who think that insect food is poisonous and there are 15 people feeling suspicious about the quality of insect food.

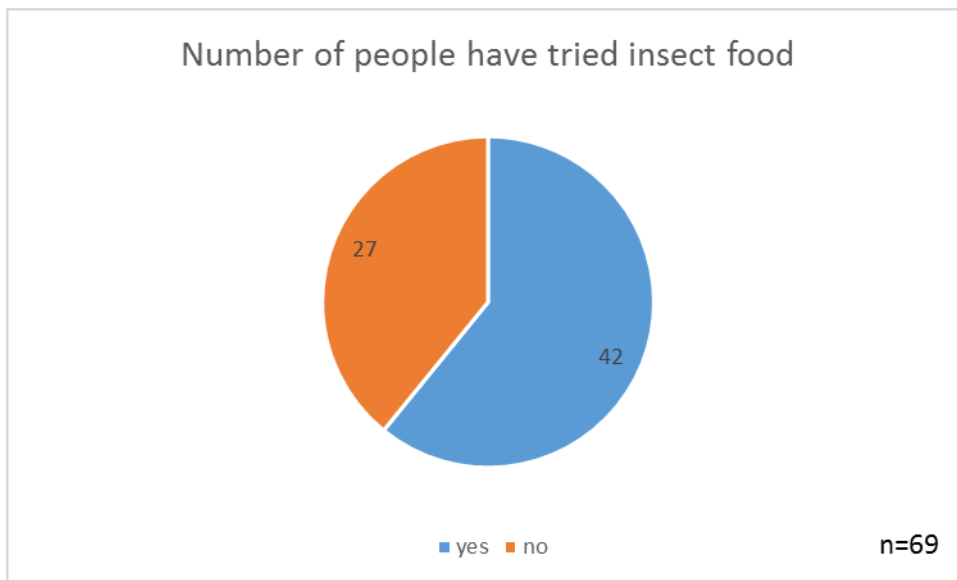


FIGURE 9. Respondents who have tried insect food

Figure 9 shows that there are 42 people out of 69 respondents who have tried insect food and 27 people who have not tried.

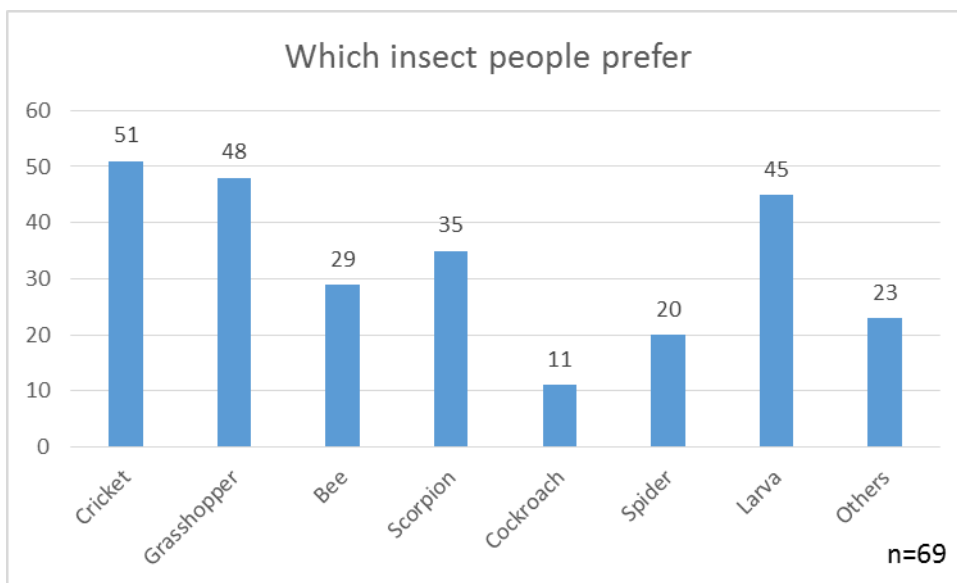


FIGURE 10. Respondents' preference of insect food

Figure 10 shows that the preference in insect food of respondents is quite wide and the choices stretch quite evenly. However, it is no doubt that cockroach is the least preferable insect among the other options because in Vietnam a cockroach is considered a dirty and scary creature.

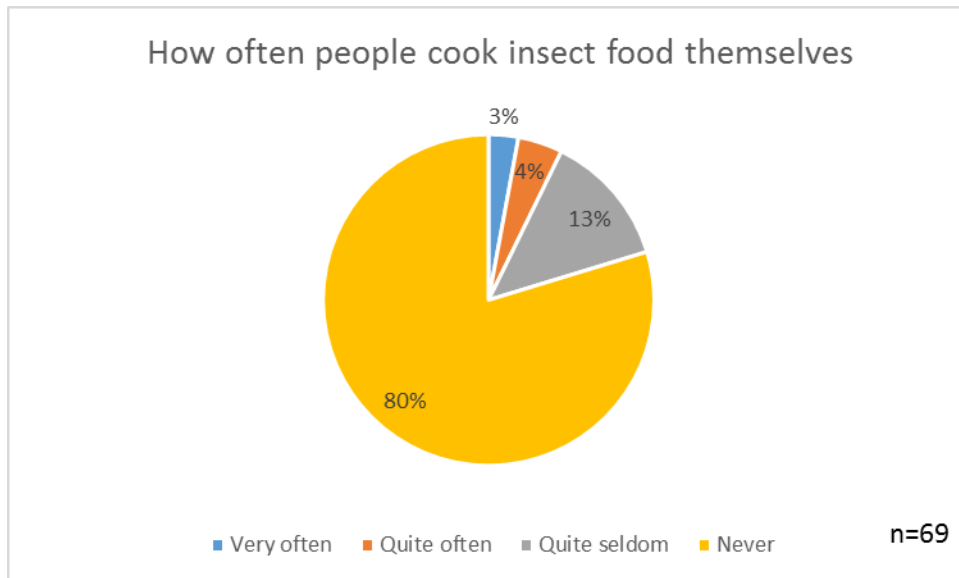


FIGURE 11. Respondents' frequency in cooking insect food

It is understandable that insect is not a daily food in Vietnam so Figure 11 shows there are 80 % of the respondents who have never cooked insect food for themselves. However, it is unpredictable that there are 3 % of the respondents who cook insect food very often, but the reason is not figured out yet.

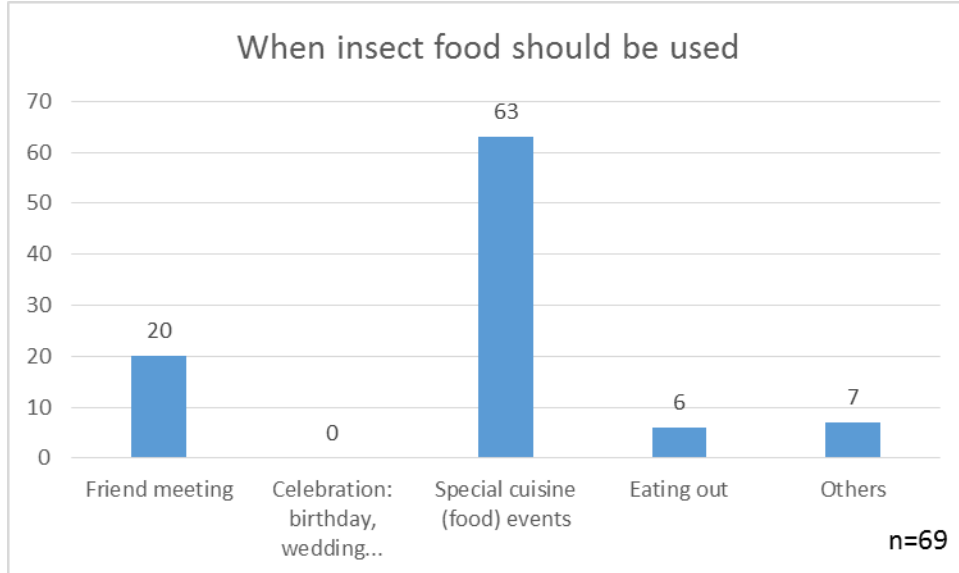


FIGURE 12. Respondents' opinion on when to use insect food

Most people think that insect food is only suitable for some special cuisine events because it is not a common food. There is no people who choose insect food for celebration days such as birthday or wedding, etc.

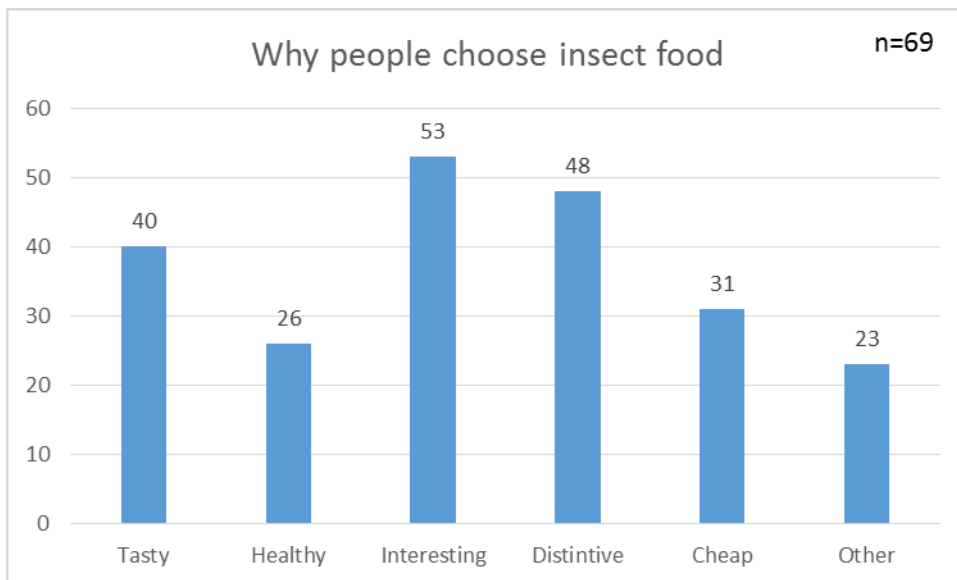


FIGURE 13. Respondents' reason for choosing insect food

As Figure 13 shows the reasons why respondents choose insects are very different. However the two biggest reasons are the interesting and distinctive features of the insect food. The feature of being healthy is the least favored choice probably due to the typical experience of people. That can be the experience of being scared or the amount of protein content in insect food.

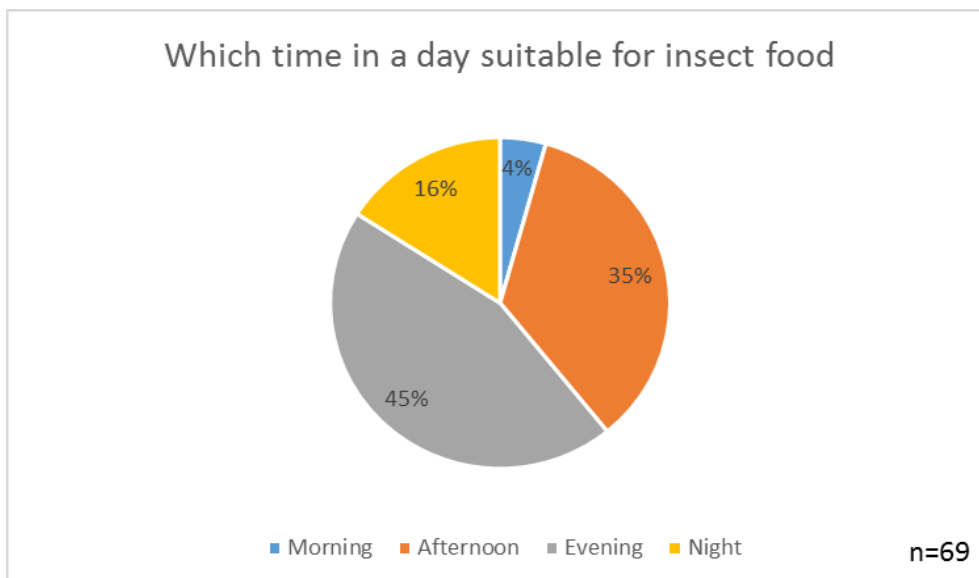


FIGURE 14. Respondents' opinion of suitable time of a day for insect

It is 45 % of total respondents who think that evening is the suitable time in a day for insect food. It is probably due to the dining habits of most people. They often go eating out in the evening with their families or friends.

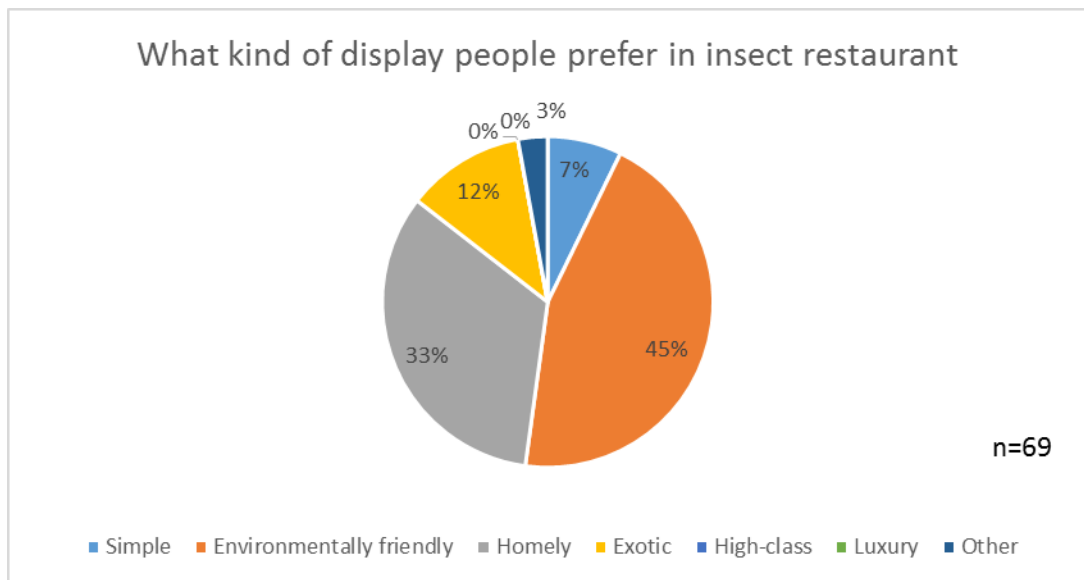


FIGURE 15. Respondents' preference for insect restaurant display

Figure 15 shows that 45 % of respondents think the insect restaurant's display should be environmentally friendly and the second most favored choice is homely which is selected by 33 % of the respondents. There is no people agreeing to the ideas that the insect restaurant should be decorated with high-class and luxury styles.

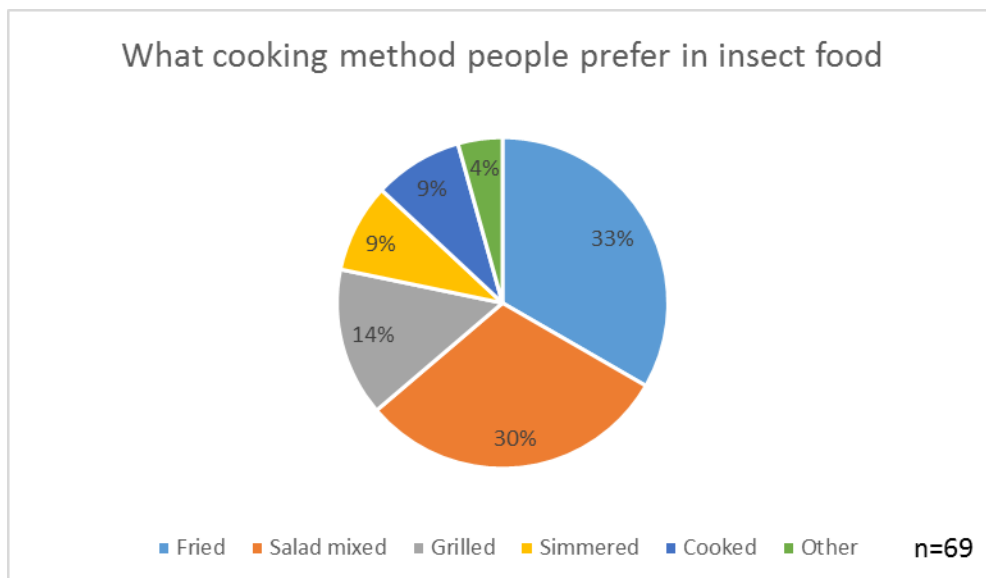


FIGURE 16. Respondents' preference of cooking method for insect

In Figure 16, it can be seen that the two most suitable methods of cooking insect food are salad mix and fried. The idea is probably to reduce the greasy taste of insect food.

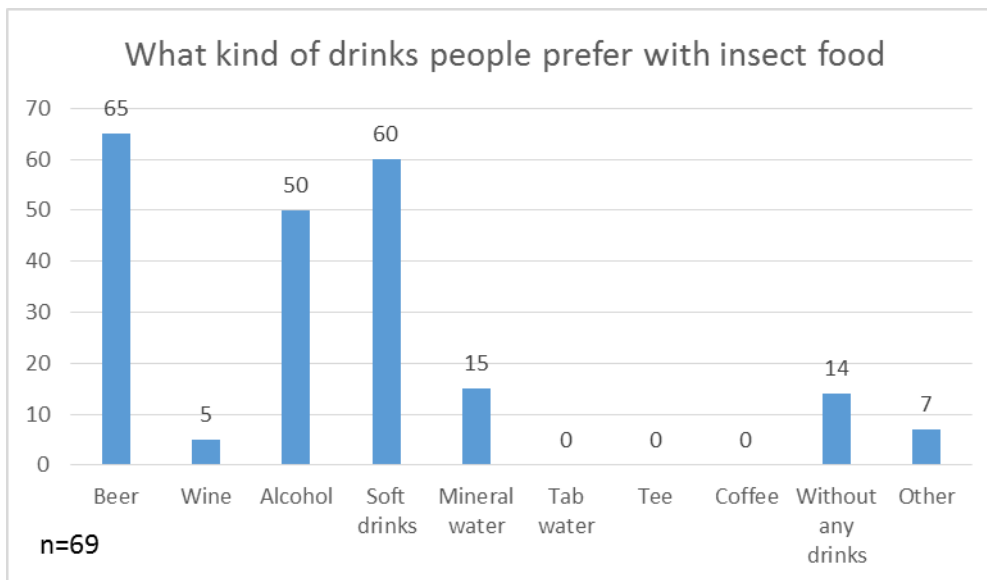


FIGURE 17. Respondents' preference of drinks with insect food

Figure 17 shows insect food is paired well with common party drinks such as beer, alcohol and soft drinks as well as other kinds of food. There is no respondents choosing tab water, tea or coffee together with insect food.

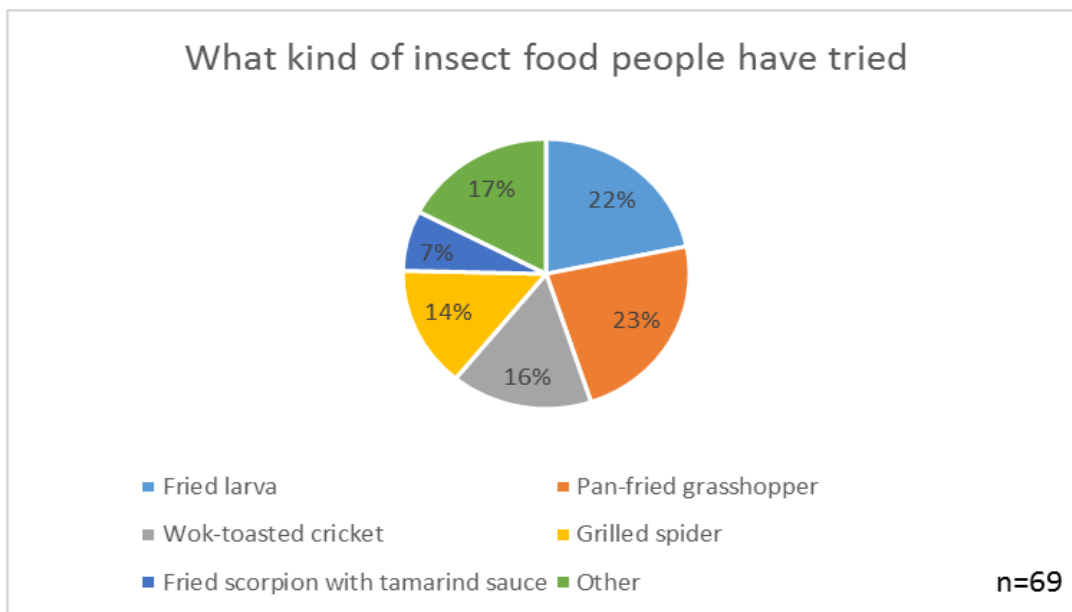


FIGURE 18. Respondents' trial of insect food

As we can see in Figure 18, the preferences of customers in insect food is quite even. In other words, people are willing to try many kinds of exotic food. The two most favored choices are pan-fried grasshopper and fried larva with 23 % and 22 % respectively. It is probably due to their commonness to people. Moreover, they look less scary than other kinds of insects such as scorpions, spiders, etc.

## 5 BUSINESS PLAN AND LAUNCHING MARKETING FOR THE NEW BUSINESS

### 5.1 Implementation plan

#### 5.1.1 Place

Restaurant name is Bo Ke Insect Restaurant. The address is at 79 Kenh Nhieu Loc; District 3; Ho Chi Minh City, Vietnam

TABLE 4. BOKE Insect Restaurant Location's pros and cons

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>-Located in the most populated district in Ho Chi Minh City</li> <li>-Large parking lot</li> <li>-Surrounded by many universities and colleges...</li> </ul>	<ul style="list-style-type: none"> <li>-Not the most ideal location</li> <li>-Unfamiliar street, difficult to find</li> <li>-Small street</li> </ul>

#### 5.1.2 Operation

- Working time: divided in two shifts a day which are Morning shift (10h-16h) and Evening shift (16h-22h). Working 7 days/week and 363 days/year (except 1<sup>st</sup> and 2<sup>nd</sup> date of Vietnamese Lunar New Year)

- Quality of products

In order to attract customers, the delicious food is a very important factor. Therefore, the quality control is essential. Through taste and intuition, chefs and managers will know the taste of the product is correct for targeted standards for customer or not.

- Duration of preparation

The average time to prepare a dish is about 5 minutes, the waiting time will be added 3 more minutes per portion.

- Definition of BOM (Bill of Materials) and recipes:

❖ Fried cricket



IMAGE 1. Fried cricket

(For four people)

Ingredients: 200 gr cricket, a few tablespoons of fish sauce, Vietnamese vegetable, sliced lime leaves, grilled rice paper, garlic, chili, cooking oil.

Processing:

- Put crickets in water with 5 % salt about half an hour and then take out and drain.
- Oil pan on the stove for boiling and frying for cricket as long they are golden.

Presentation:

- Plating together with a small plate containing lime leaves and a small julienne plate of raw vegetables, grilled rice paper. This dish should be eaten hot, depending on the food preferences cricket added lime leaves, or eaten with raw vegetables.

#### ❖ Fried scorpion

Ingredients: 4 mountain alive scorpions (black scorpion), coal or straw, a grill with legs or homemade, chopsticks.

Method: Set fire, to grill up, put the alive scorpions on the grill, do not let it move away, turn them on the grill evenly.





IMAGE 2. Fried scorpion

❖ Deep-fried larva



IMAGE 3. Deep-fried larva

Ingredients:

- 500 g larva, 1 packet of curry powder, 2 eggs, 1 tbsp. of ketchup sauce, 100 g ruffled fried flour, 50 g of green vegetables, and 1 teaspoon of granules, coriander, and cooking oil.

Processing:

- Clean larva, remove and drain. Break the eggs into a bowl, add granules, curry and mix them. Dip larva in mixture, shaggy dough rolled over and drop into the oil pan, fry till golden, crispy. Roll cooked larva in green vegetables.
- Garnish with cilantro. Served with ketchup.

Tip: When washing larva, you should add a little alcohol to remove odor.

❖ Pan-fried grasshopper



IMAGE 4. Pan-fried grasshopper

#### Ingredients:

- Select the big grasshopper, muffle fat, more muscle to long and belly with eggs. Recipe is also simple and easy to do.

#### Processing:

- Cut off hard legs, all wings and hold slightly grasshopper's head slowly drained away intestine. Do with gentle hand without crushing bits body. Add salt, rub well and clean with water, drain. Then, the oil in the pan until boiling, put grasshopper in, and give a good stir. Roast till golden brown, fragrant, add in a little pickled vegetable for tasty when eaten. Roasted grasshoppers to when the water is low, add a little lime leaves, few small slices of fresh peppers. (Tapchiamthuc 2014)
- Application of MRP (Material requirements Planning)

Because the product categories are insects, so there are no supplies available in Ho Chi Minh City, so in order to reduce costs we apply the EOQ (Economic Order Quantity) model which would be reasonable. Moreover, the cost of inventory is not large and material preservation is not difficult.

#### Choose suppliers:

- Company name: Thanh Dat cricket Farm.  
Address: Hieu Hoa Minh Ward, Lien Chieu District, Da Nang.  
Tel, Fax: 0979422452  
Email: [thanhdats30demen@gmail.com](mailto:thanhdats30demen@gmail.com)
- Company name: Duy Duc cricket Farm.  
Tel: 0982.749.324 (Mr. Cuong)  
Address: Duy Duc cricket Farm - The Farm (Team 10) - Thach Than Ward - District Quoc Oai - Ha Noi.
- Company name: Quang Phuong cricket Farm.

Address: E108 Ap III, Tan Hiep Commune, Long Thanh District, Dong Nai Province.

Email: demenquangphuong123@gmail.com

Phone: 0912 669 655; 0924 137 157

Quang Phuong cricket Farm is chosen because it is the nearest farm to Ho Chi Minh City.

#### Materials Order:

- Lead time: When the amount of material below the safe level we order again.
- Time consignee: At least after 2 days from the order time.
- How to buy: Buy directly from the farmer.
- Shipping: Transportation of materials by motorcycle.
- Order costs: The cost of ordering are a phone call or wages and gasoline goes to households farmers.
- The decision to order: Because of the features of the material so in prime time, I decided to buy from the nearest farmer then further.

#### 5.1.3 Sales forecast

- Markets

Potential market: set of consumers interested in insect food or looking for more unique and fresh dishes.

- Estimated demand of local market

Build the market: the results of Marketing Research, imply that all potential customers of the insect food are employees and students in Ho Chi Minh City. Estimated their purchasing ability.

- Estimating the demand of whole business field

Estimate the needs of all sectors in the market today, determined opponents are the insects diner such as bars on Huynh Ngoc Hue, ... as well as other customary diet such as Hai Cu, Hung Xiec, 86, ... and the estimated daily amount of their clients. Through that, I can evaluate our operation in the industry.

- Demand forecast

Investigation of customer purchasing intention: the enterprise will conduct a survey to generalize the customer purchasing intention through the questionnaire survey. Then the responses of customers are collected to make a forecast.

- Technical opinion: Consult the insect restaurants' activities in the area of Ho Chi Minh City.

TABLE 5. The sale forecast of the first year (by amount of customers/ month) of BOKE Insect Restaurant

<b>Month</b>	<b>Amount of customers</b>	<b>Sales (approx. 100,000VND per person)</b>
1	1000	100,000,000
2	1250	125,000,000
3	1300	130,000,000
4	1600	160,000,000
5	1500	150,000,000
6	1700	170,000,000
7	1900	190,000,000
8	2100	210,000,000
9	2000	200,000,000
10	2300	230,000,000
11	2500	250,000,000
12	2450	245,000,000
<b>Total</b>	<b>21600</b>	<b>2,160,000,000</b>

TABLE 6. The sales forecast of the second year (by amount of customers/month) of BOKE Insect Restaurant

<b>Month</b>	<b>Amount of customers</b>	<b>Sales (approx. 100,000VND per person)</b>
1	2100	210,000,000
2	2000	200,000,000
3	2400	240,000,000
4	2700	270,000,000
5	2950	295,000,000

6	3150	315,000,000
7	3400	340,000,000
8	3600	360,000,000
9	3450	345,000,000
10	3500	350,000,000
11	3700	370,000,000
12	3750	375,000,000
Total	36700	3,670,000,000

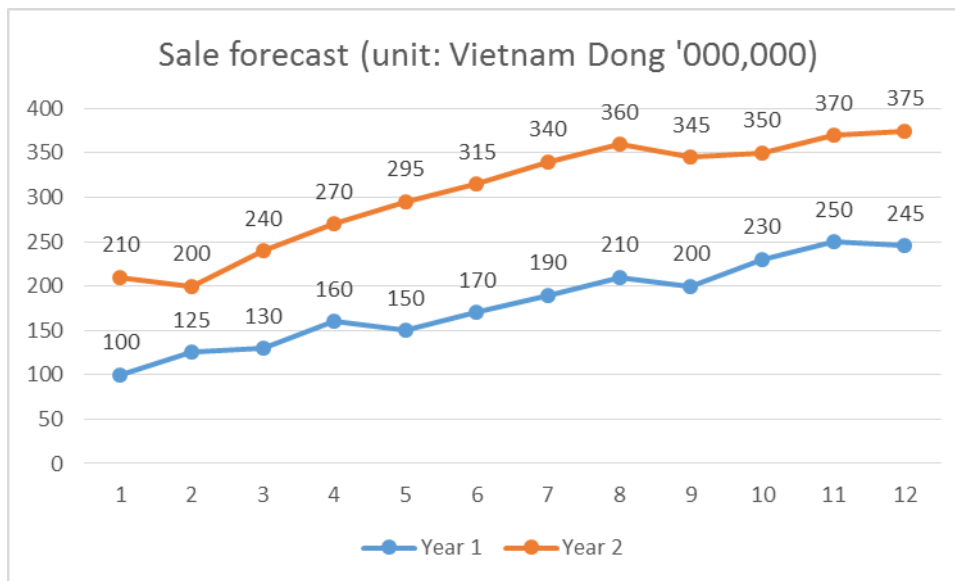


FIGURE 19. The sales forecast for the two first years of BOKE Insect

#### 5.1.4 Restaurant display

The restaurant is decorated with authentic style and there is no outdoor space in order to avoid the unpredictable changes of weather in Ho Chi Minh City.

The lay-out of the restaurant is quite simple in only one floor, with 30 tables with four seat each well arranged with the cashier counter, kitchen, restrooms and the parking lot.

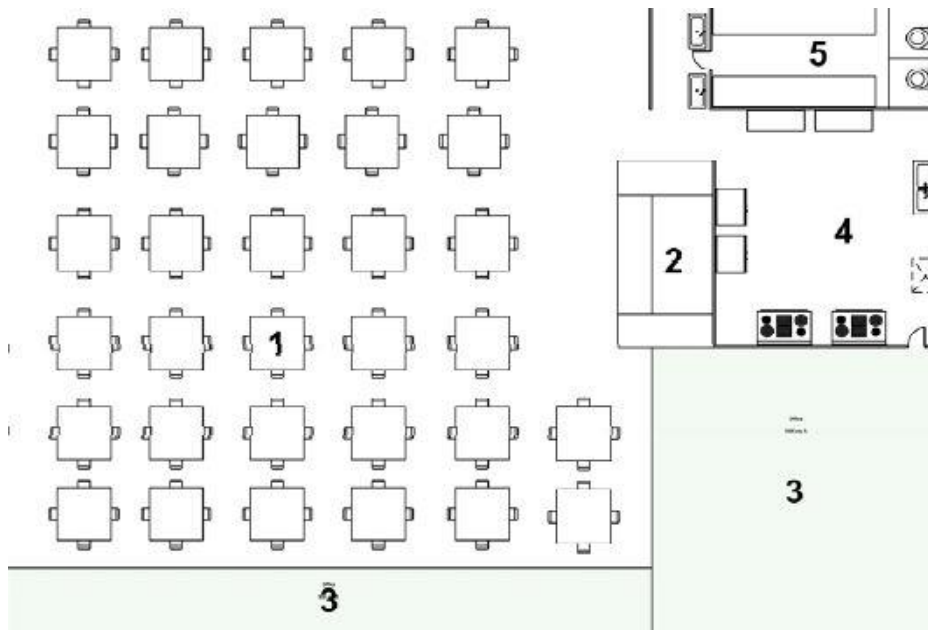


FIGURE 20. BOKE Insect Restaurant's layout

\* Figure 20 description:

- 1- Tables
- 2- Cashier counter
- 3- Parking lot
- 4- Kitchen
- 5- Restrooms

## 5.2 Human Resource Plan

Through its activities, the restaurant is permitted by the provincial government to do the business on the following areas such as making insect food and running insect restaurant.

Human resources can determine the success or failure of the business. Therefore, building a suitable workforce in accordance with the development of business is now extremely important. Moreover, firms frequently have changes, such as expanding production scale, developing new products or technological change, etc. When these changes occur, the needs of human resource of business change as well. (University of London 2013)

So how do businesses build suitable staff for business as well as to meet the needs of staff changes? To solve that problem, businesses need to realize the role and they need to outline the process of human resource planning effectively. (University of London 2013)

Human resource planning is the process of considering the needs of human resource within the enterprise, so that they outline the plans to recruit, train and develop appropriate and effective human resource for business in order to achieve the goals "right people, right work, right time, right place". (University of London 2013)

Human resource planning is often specified by the short-term plans. These plans can be flexibly adjusted in accordance with the change of the business. The effectiveness of human resource planning process depends on the relevance of human resource strategy along with the overall strategy of the business, with features and capabilities of your business. Thus, the implementation of human resource planning must be considered together with other strategies of the enterprise such as marketing strategy, product strategy, etc. (University of London 2013)

To implement human resource planning, business should be conducted in accordance with five steps: predicting of human resource, analyzing the current status of human resources, deciding increase or decrease of workforce, planning and implementation, evaluation. That is the general process and is applied flexibly in different businesses. Steps must be made clear, particular and linked among different departments in the enterprise. (University of London 2013)

According to the assessment of needs of the business based on operational objectives, scope and industry Bo Ke insect restaurant decided the requirement of human resource including 2 chefs, 2 cooking assistants, 2 food runners, 3 waiters, 2 security guards.

### **Short description of assigned works**

- Chef cook  
Chef cook manages kitchen operations department of the restaurant is assigned. Their Main tasks are to develop standards of materials, goods and input, guidance and control chef, kitchen cooking in accordance with procedures, ensure compliance with food recipes, norms food consumption allows, check the dish before serving customers. Recruitment requires, at least 1 year experience as a chef, manage and good kitchen hygiene, good personal hygiene, like cookery, to effectively plan work, good communication, flexible working all day, ability to work with strength and calm in stressful situations encountered very difficult as crowded visitors, lack of food, cooking unfinished, etc.
- Cooking assistant

Their main tasks include, following the recipes issued by the owner and the chef, check captain order clearly before serving the food (avoid the extra dishes), implementation of the requirements that chef assigned. Check the quality of food and decoration before carrying out service, check all foods and additives sold in shift, and to design new order plan to prepare for the next shift (with the consent of the chef and owner) Prepare foods and additives to serve for the next shift, clean the area carefully before leaving. Recruitment criteria are, basic experience in cooking, ingenious, meticulous, careful, enthusiastic, and responsible for the work.

- Food runner

Their main tasks consists of, support the waiter to take food from the kitchen to the table for catering staff, prepare and clean up the work area, get the order from the service brought into the kitchen, take food from the kitchen area for service, check the dish before serving, ready to replies and answers all customer inquiries, clean up table when visitors finished, always check and clean work area frequently in shift. Recruitment criteria include, graduation from high school, male / female aged 18 and older, enthusiastic, responsible for the work, good health.

- Waiter

Their main tasks are to, make sure the work area clean and efficient service to the restaurant, take orders from customers, introduce dishes, food and beverages to customers, serve food and drink to customer, check the dish before customer serving, clean new dining table and stuffs for visitors, be willing to reply and answer all customer's inquiries. Recruitment criteria are graduation from high school, male / female aged 18 and older, enthusiastic, responsible for the work, good health, good looking, audibly nice voice.

- Security guard

Main tasks are to ensure security and protect the assets of the restaurant, to provide guidance to parking lot, to monitor of customer's vehicles to avoid car damaged or lost items, to keep all assets associated related to customer vehicles. Recruitment criteria are healthy, does not require education, good characteristics, and ready to serve according to job requirements, strictly self-disciplined, skillful in professional security and protection, ability to work with high labor intensity, to meet the time requirements and work features, preference to candidates whom are retired soldiers or have experience in professional security.

## **Salary plan**



TABLE 7. Salary

<b>Workforce</b>	<b>Unit</b>	<b>Salary/unit/month (currency: VND)</b>	<b>Total/year (currency: VND)</b>
Chef	2	10,000,000	240,000,000
Cooking assistant	2	5,000,000	120,000,000
Food runner	2	1,800,000	43,200,000
Waiter	3	2,000,000	72,000,000
Security guard	2	1,800,000	43,200,000
Total	11		518,400,000

### 5.3 Marketing plan

When entering the market, it is crucial to draw the customer's attention to the new restaurant in the local area. Since the population in Ho Chi Minh City is growing and the density of the city is quite high, the information can be spread easily and rapidly. Meanwhile, it is more effective to utilize some marketing promotions such as advertising, sale promotion and public relation in order to support the restaurant's reputation at the early stage.

The insect restaurant can be advertised by local newspapers, on the radio and television commercial channel. Meanwhile, some brochures and flyers of the restaurant can be used actively. It is essential to add more pictures of insect food in order to provide a lively visual impact to customers. Moreover, outdoor and transport advertisements are also effective. The posters can be placed in primary avenues, diverse associations of Ho Chi Minh City or versatile vehicles. The reason for existing is to help clients to end up mindful of the restaurant's presence; to getting considerations or hobbies from clients. The last point is to make and build the interest.

The cooperation is now widely used between a well-known brand of beverage or cigarette with new restaurants in town. In other words, in order to increase the public relation of new restaurants, they often have cooperation. For example, they allow beverage companies to set up their product pictures or their company sign within the restaurant display. On the flip side, the restaurants will focus on advertising one partner's product to the customer rather than products from other companies.

The insect restaurant can use the sale promotion campaign by offering discount to the customers on a special dishes or based on the quantity. It is nowadays quite trendy to offer some discount dealing with funny and new creative criteria on the customer's characteristics.

The marketing plan is applied in the first three months of the restaurant's operation. The fixed costs are estimated approximately 90 million VND in order to calculate the financial statement for the first year running.

#### 5.4 Financial plan

Difference between sales and the variable costs of the product or service is called marginal income. It is the amount of money available to cover fixed costs and generate profits. Determining the contribution margin has many advantages. A company can sell an item below the normal selling price when idle capacity exists as long as there is a contribution margin since it will help to cover the fixed costs or add to profits. (Allbusiness 2005)

The newly established enterprises shall declare your provisional tax rate of 22 %. At the end of the financial year if the average monthly sales of the year is less than 1.67 billion VND settlement enterprise, the enterprise profit tax is at the tax rate of 20 %. (Ketoanthienung 2015)

This section, the financial plan will be calculated according to the estimations of the first year operation sales, material costs, fixed costs and profit. By estimating the yearly sales and income, it is easy to calculate all of the operational costs covering the first year of the restaurant and to plan the financing before starting the business.

TABLE 8. Financial plan for BOKE Insect Restaurant

(Currency: Vietnam Dong)

<b>Turnover</b>	2,160,000,000
<b>Variable costs</b>	
Materials	760,000,000
Personnel	500,000,000
<b>Gross margin</b>	900,000,000
<b>Fixed costs</b>	
Advertising	90,000,000

Overheads	360,000,000
<b>Profit</b>	450,000,000
<b>Profit tax 20 %</b>	90,000,000
<b>Net income</b>	360,000,000

## 6 CONCLUSIONS

The entire thesis contains these main parts that are a theoretical part, a research part and an implementation part. The theoretical part provides basic knowledge for organizing a new business plan. In research section, both research methods are introduced which are quantitative and qualitative were applied in the thesis. In the interview part, a far reaching SWOT investigation towards the business thought was given. While in the survey part, the outcomes were investigated through diverse outlines.

In the last part, the implementation makes a clear view of the operation of the insect restaurant. The arrangement presents methodology of running a restaurant, the basic steps of preparing insect foods, and the marketing campaign for advancing restaurant. The goal of the business concept is to introduce the insect foods to potential customer. The restaurant provides people in Ho Chi Minh City a healthful entertaining environment so that it somehow indirectly increases the standard of living. Besides, the restaurant provides at least employment for some people, for example students from rural cities who are studying and living in Ho Chi Minh City far away from their home. This business plan gives a chance to the owner to use the idle capital, and this will contribute to the economic growth.

However, there are few issues the owner should take into consideration in order to guide the restaurant to its success in this business field. The success of the insect restaurant depends on the suitability of people's eating habits as well as their tongue and stomach, and the most important is their feelings about this kind of food. It is true that the feelings of insect food are quite different from the normal food. It is not only the differences of the taste but also the presentation of the dishes. It is recommended to conduct a customer survey again after a few months if the business is not running profitably as well as an employee survey. It can provide the business a quick view to the customer's opinion about different aspects of the insect food after they have experienced it. This way the restaurant can actively adapt to the change of market demands and have better strategies in order to reach the final success.

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**SURVEY QUESTIONNAIRE ABOUT INTEREST TO INSECT FOOD**

Dear,

I am an undergraduate student at Savonia University of Applied Sciences, I am conducting this survey in order to analyze the potential customer's demand about insect food. Please take a couple of minutes to answers these investigating questions. I guarantee that all of your personal information will be used confidentially and only for the research.

Please contact me if you need any further information about this questionnaire. Here is my e-mail address: [Duc.N.Nguyen@edu.savonia.fi](mailto:Duc.N.Nguyen@edu.savonia.fi)

Thank you very much for your co-operation!!!

1. In a month, how many times do you have dinner/lunch in a restaurant?

- Less than 1 times
- 1-2 times
- 3-4 times
- 5-6 times
- 7 or more than 7 times
- Other

2. Have you ever tried insect food?

(If Yes, please keep on answering; If No, please jump to question number 14)

- Yes
- No

3. Which insect do you prefer?

(3 options can be chosen)

- Cricket
- Grasshopper
- Bee
- Scorpion
- Cockroach
- Spider
- Larva
- Other, what?

4. Do you often cook insect dishes yourself?

- Very often
- Quite often
- Quite seldom



- Never
5. How often do you eat insect food in a month?
- 1
  - 2
  - 3
  - 4
  - 5
  - More than 5 times
6. When insect food should be used, in your opinion?  
(2 options can be chosen)
- Friend meeting
  - Celebrations: birthday, wedding...
  - Special cuisine (food) events
  - Eating out
  - Other, what?
7. Why do you choose insect food in such events mentioned above?  
(3 options can be chosen)
- Tasty
  - Healthy
  - Interesting
  - Distinctive
  - Cheap
  - Other, what?
8. Which time in a day is suitable for insect food?
- Morning
  - Afternoon
  - Evening
  - Night
9. How do you evaluate the insect food?

	Very Satisfied	Satisfied	Dissatisfied	Very Dissatisfied
Hygiene				
Price				
Quality				
Presentation				
Selection				

10. What cooking method do you prefer in insect food?

- Fried
- Salad mixed
- Grilled
- Simmered
- Cooked
- Other, what?

11. How much are you willing to pay for a single insect dish?

Unit: Vietnam Dong (VND)

- Less than 50.000
- 50.000-100.000
- 100.001-150.000
- 150.001-200.000
- More than 200.000

12. What kind of drinks do you prefer together insect food?

(4 options can be chosen)

- Beer
- Wine
- Alcohol
- Soft drinks
- Mineral water
- Tap water
- Tee
- Coffee
- Without any drinks
- Other, what?

13. What kind of display do you prefer in insect restaurant?

- Simple
- Environmentally friendly
- Homely
- Exotic
- High-class
- Luxury
- Other, what?

14. What kind of insect food have you tried?

- Fried larva
- Pan-fried grasshopper
- Wok-toasted cricket
- Grilled spider
- Fried scorpion with tamarind sauce

- Other, what?

15. What are the other reasons why you have not tried insect foods?

(2 options can be chosen)

- Scared
- Suspicious
- Do not know it exists
- Expensive
- Poisonous
- Too much calories
- No chance
- Other, what?

16. What is your gender?

- Male
- Female

17. What do you do for living?

- Student
- Manager
- Office staff
- Technical worker
- Self-employed
- Unemployed
- Other, what?

18. What is your age group?

18-25	26-35	36-50	Over 50

### Personal Information

Full name:

Phone Number:

Email address:

**INTERVIEW QUESTIONS**

1. What do you think about restaurant business generally at the present?
2. What do you think about insect food?
3. What do you think how the customer will welcome the insect food?
4. How do you evaluate the SWOT of an insect restaurant?
5. What are the main problems for insect restaurants to face?

