Budget & Justification for Dodo

Dodo restaurant provides affordable, convenient, organic Korean-Italian fusion foods to customers in different locations with quick service and consistent quality of food. Located on Durant Avenue in the UC Berkeley area, the small restaurant will be serving many students during their school session. As a snack bar, the price of each menu item will be relatively lower, competing with the nearby restaurants. Other expenses of the restaurant such as food cost and payroll is estimated following other food service facilities.

Located close by the UC Berkeley Campus area, Dodo will encounter many students seeking quick foods to grab in between classes and during lunch time. The number of customers was calculated in consideration of the capacity of the restaurant, a rough estimate of how many students eat out in the area, and the peaks and valleys of the conventional system. The number of UC Berkeley students total up to almost 36,000 in 2013 (UC Berkeley, 2013). Most of the freshmen living in the dormitory, eat in the residential cafeterias. Students living off-campus in the nearby area would regularly cook or find food in the downtown and campus area. The number of customers must be considered with Dodo’s location, as it will be standing amongst a large number of competing restaurants. The small capacity of the restaurant will also influence volume of customers, as the small kitchen will limit the speed of orders to be prepared.

As a conventional system foodservice facility, there will be “peaks and valleys” throughout the day, where the pace of the orders vary by each hour (Payne-Palacio, p.65). There will be highest points in customer numbers during both lunch and dinner shifts, but the remaining hours will decrease the number of customers. From personal restaurant work
experience, the number of customers are much higher during the dinner time, and much higher from Friday through Sunday. With all these factors in mind, the number of customers were calculated as 50 customers per day in lunch time, 75 in weekday dinners, and 85 in dinner shifts from Friday to Sunday.

The average check of a customer was estimated with an entrée, a drink, and an appetizer; the price of a meal without appetizer was included in the calculation, lowering the average check amount. The menu price referred to Aria restaurant in San Francisco with a similar menu concept. Though a different menu, it is ideal to compare Dodo with Aria restaurant that is serving Korean snack, appetizer foods. The menu price was lowered a few dollars as a whole, as San Francisco price averages much higher than Berkeley prices. For one entrée in Aria, the average price is around $8, and the appetizers around $6 (Slick City Media, Inc., 2013). The average check in Area may total anywhere from $10 to $20 per meal. Dodo’s entrées are $2-3 less compared to Aria menu, with the average check being much less, around $8-12.

The controllable expenses referred to the general restaurant percentages. The food cost, occupancy cost, interest and depreciation percentage was used in the same way. Other controllable expenses include free employee meals. As a worker that works full-days in a restaurant, it is very important they are provided meals for their satiety, which has great impact in the work atmosphere.

Dodo being a small conventional restaurant in a competitive UC Berkeley campus area needs to be considered with many factors that attract customers and the budgets. The number of customers is estimated with regards to the location, competition, size and type of the foodservice facility system. Menu price of Dodo is ideal for the type of food that is served, in respect to its location. The other expenses including payroll, interest, food cost, occupancy cost and
depreciation are calculated according to the general restaurant looks. In a location packed with so many different types of restaurants, Dodo will stand out in the UC Berkeley campus area with affordable, quick Korean-Italian snack meals for hungry students.
References
