

**FROM OPERATIONS TO IMPRESSIONS  
PROPOSED STRATEGIES FOR GALLERY 2.0**

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**University of British Columbia**

**COMM 486M**

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# FROM OPERATIONS TO IMPRESSIONS

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GALLERY 2.0

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## AMS GALLERY 2.0 CONSULTING PROPOSAL

# EXECUTIVE SUMMARY

## GALLERY 2.0 AT A GLANCE

The AMS at UBC operates in a unique position, providing services and value to students in ways that are meant to connect the greater community together. The opening of The Nest has fueled this greater mission by providing a wide range of restaurants and services to students, including Gallery 2.0. Our strategy is to capitalize on this opportunity that Gallery 2.0 offers students in such a way as to provide increased value through a number of initiatives that can work to optimize the restaurant. Essentially, we want to take Gallery 2.0 to a place where it's potential can fully be realized, and the greater UBC community can continue to enjoy its one-of-a-kind atmosphere.

## BARRIERS TO GROWTH

In order to understand Gallery 2.0's positioning, we employed a SWOT analysis to gain insight into the opportunities that are available. We also drafted a business model canvas to fully understand the operations of Gallery 2.0 and the main value proposition. Through our situational analysis we identified three core issues that our strategy will address in order to maximize the benefit of Gallery 2.0 for the entire community. These issues include **operational issues** surrounding bottlenecks in the kitchen and wait-times, **under-utilized space with a large balcony** that is empty for much of the year, and **lack of effective brand communication**. Our proposed strategy will seek to address these barriers and amend them in such a way as to position Gallery 2.0 as the top restaurant on the top of the Nest.

## INITIATE: Operations and Leadership

Our group recommended changes starting from the restaurant style, **switching from a fast food serving model to a traditional setting** will extend the average sitting time of each customer, and increase their average dollar spent through upselling. In terms of the fryer bottleneck, we tackle the problem through **menu alterations**. By offering food alternatives, we aim to mitigate the burden of the frying equipment. Finally, **adding leadership element through a sous chef** will deliver clear steering direction of Gallery 2.0.

## IMPROVE: Optimize Balcony Space

To fully utilize the outdoor area, we need to first **improve the infrastructure of the balcony** to make the space usable. We recommend **adding electric heaters and rain covers** to make the balcony area available in any weather. Customers will then have the option to enjoy their meals both indoor and outdoor. This measure aims to maximize any uncaptured revenue through expanding the business area to hold more capacity.

## IMPRESS: Effective and Clear Brand Communication

According to observation, many students were unaware of the location or products provided by the Gallery. We **propose improving the existing banners** and transform them into visually attractive posters and obvious signage within the nest, establishing a stronger presence within the student community. These marketing materials will focus on showing the newest items or discounts to **communicate the value** to consumers. Complimenting our marketing strategy, we will also push forward a **new loyalty program** to retain customers through long term discounts.

## POTENTIAL RISKS

We understand the potential risks that may arise through our strategy. **Increased reliability on employees** and a **lack of receptiveness from customers** are the main concerns that may emerge. However, we believe we can mitigate these risks through innovative strategies that will enable us to address these risks and capture the full benefit of the proposed changes.

### MEASUREMENTS OF SUCCESS

Majority of our measurements will focus on the bottom line. The expected outcome of the strategy will be based on revenue growth, transaction growth, average spending, averaging sitting time, number of employees and amount of budget used. The projected results are as follows:

Metric	Projection
Revenue Growth	12%
Transaction Growth	21%
Increase in Average Spending	10%
Increase in Average Sitting Time	25%

On the qualitative side, an increase **social media endorsements** and comments would be seen as a positive boost for Gallery 2.0. As for the restaurant positioning itself as a **leader in sustainable practices**, this allows the restaurant to adhere to greater values of the community and its own operations as providing optimal value in a way that is beneficial to the entire community through social sustainability initiatives. This works twofold to bring in customers who value this integrity, while also allowing Gallery 2.0 to fulfill its responsibilities to the UBC community.

### CONCLUSION

From operational bottlenecks to leadership, non-optimized space to low brand awareness, we hope to capitalize the opportunities through a 3-step process: Initiate changes in operation bottlenecks and leadership, improve restaurant infrastructures and build an impressive brand to establish a better customer experience, and achieve sustainable revenue growth for Gallery 2.0. Through our proposed strategies we want to assist the AMS in propelling the Gallery 2.0 brand into something that is entirely unique for UBC students and the community. We believe these tactics will address the current situational opportunities in innovative ways.

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# FROM OPERATIONS TO IMPRESSIONS

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## OUR CURRENT SITUATION

### Operation Bottlenecks

- Long waiting lines
- Kitchen not designed for the menu (ex: Fryer)

### Lack of Leadership

- No Sous Chef in the kitchen
- No clear guiding direction

### Unused Balcony

- 1,282 sq feet not utilized
- Not maximizing profits

### Lack Awareness & Branding

- 67% of students don't know what Gallery 2.0 is and what it offers
- Poster on ground level does not convey a clear message

## THE FUTURE

### FUTURE OPPORTUNITIES

- Strong leadership within the kitchen
- Maximized revenue utilising unique balcony space
- Strong brand, landmark at the Nest

Situation    Strategy    Recommendations    Risk    Metrics

## SITUATIONAL ANALYSIS

### **Bottlenecks and Lack of Leadership**

Unlike traditional restaurants, Gallery 2.0 has a fast-food serving style. Currently, customers would line up, order and pay at the cashier. From observation and interviews, the waiting line could go up to 25 minutes. The long waiting line to place an order may dissuade people from entering the restaurant and instead pursue other alternatives.

Several menu items required preparation with a deep fryer. After several consultations with Daniel (the Food Service Manager), we concluded that the fryer is a significant bottleneck, as the kitchen wasn't designed for Gallery 2.0 menu items and rather Perch menu items.

During our conversation with Daniel, we realized there is no Sous Chef in the Gallery 2.0. Each employee has equal position with similar salary, hence there is no leadership among staff in the kitchen. Lack of leadership is one of the main reasons why Gallery 2.0 has no clear guiding direction.

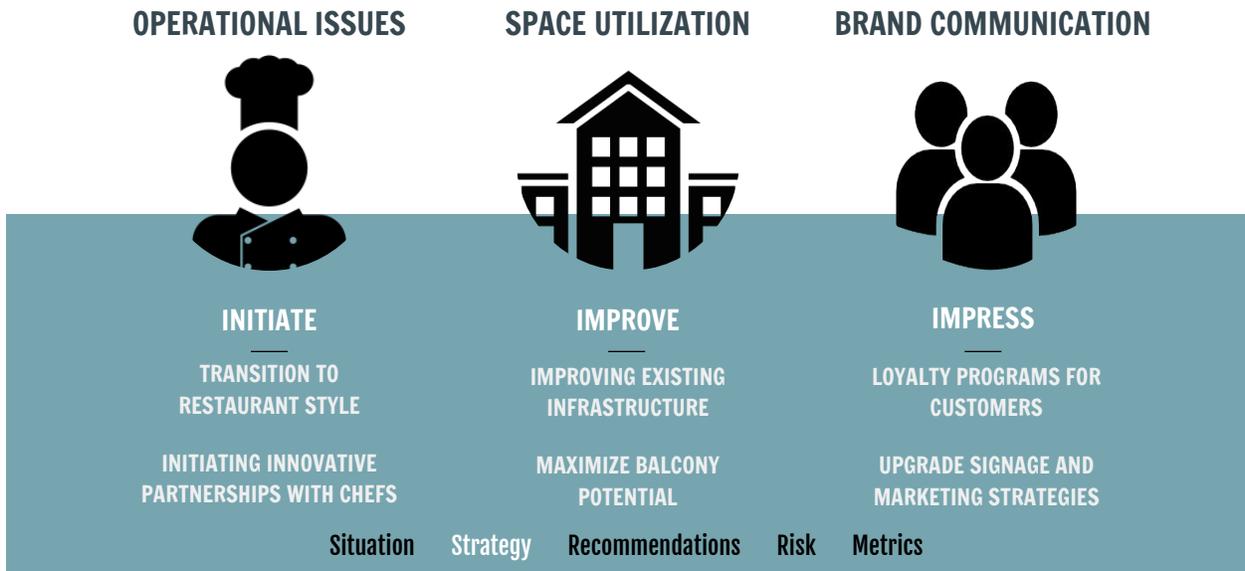
### **Unused Space**

Based off our observation, we noticed the balcony is not fully utilized. Without the utilization of the fairly large space (1,282 square feet), the restaurant is not maximizing its profits. Daniel acknowledged the balcony problem, and suggested us to focus on optimizing the space.

### **Lack Branding and Awareness**

Through survey responses and interviews, we've noticed 67% of the students' responses indicate that they don't know what Gallery 2.0 is. They recognize that there is a restaurant on the top floor of the Nest, but they don't know the name of it. Currently, there is a poster located at the bottom of the stairs, but it does not symbolize what the restaurant delivers.

# PROPOSED STRATEGY



## STRATEGY OVERVIEW

An overview of our strategy designates three main actions that we want to focus on. The first is to initiate programs and operational changes to address the issues surrounding bottlenecks in the restaurant. The second is to improve upon existing infrastructure in order to improve the experience of customer value. Finally, to enhance the experience of customers we want to impress through upgraded marketing strategies and alternative programs for our customers.

The overall **strategy statement** is as follows: To mitigate bottlenecks and improve customer experience by initiating changes in operations, improving infrastructure and impressing customers with stronger branding, resulting in an estimated 12.6% in revenue growth.

# INITIATE

## Recommendation 1:

# TRANSITION TO RESTAURANT STYLE

### WAITERS

Moving towards a conventional restaurant style

- Welcome and seat customers
- Check-in & Upsell

### MENU

Changing menu options to reduce fryer workload

- Offering Alternatives ie. Grilled Chicken vs Fried Chicken
- Healthier Options ie. Steamed vs Fried

Situation Strategy Recommendations Risk Metrics

## INITIATE: TRANSITION TO RESTAURANT STYLE

The current setting of Gallery 2.0 is a fast food serving style. To solve operational bottlenecks and grow sales, we recommend changing the restaurant style from a fast food model to a more traditional setting. Here we focus on waiters and menu items to extend the customer sitting time, and reduce the usage of the single fryer in the kitchen.

### Tactic A: Waiters for Reception and Upselling

Currently, prospective customers wait in line to place an order with a cashier, after which they take a number, sit wherever they'd like and wait for their food to come. By replacing this process with a more traditional sit-down restaurant style approach, we can eliminate the need for prospective customers to wait in line. Furthermore, this poses a tremendous opportunity to upsell each customer. Customers will be

more likely to order an additional drink or appetizer if a waiter comes to their table, rather than having to go and wait in line to place an order with the cashier.

### Tactic B: Menu Alterations

After a short discussion with Daniel, complementing our own observation at the Gallery, we discovered that the fryer in the kitchen is one of the bottlenecks. Initially used for producing mainly bar food items (such as fries, nachos and fried chicken etc.), the fryer occasionally experiences overloading when the restaurant reaches capacity during peak hours, resulting in a longer wait time for customers.

Since it is not possible to add additional fryers due to cost and setup constraints, our group suggests altering menu items to

reduce the burden of the fryer. Our method is to provide customers with more alternatives for certain fried products, such as offering grilled chicken instead of fried chicken in the mains, or offering a new option like baked potato alongside fries. These alterations will help to mitigate the fryer bottleneck and speed up the food preparation time. In the long run, there is also a possibility to offer healthier options, such as items with less oil or steamed. With less frying options, the kitchen can again reduce the burden of the fryer.

# INITIATE

## Recommendation 2:

### CHEF / KITCHEN GUIDANCE

#### RESTAURANT PARTNERSHIP

Establish partnership with compatible restaurants.

- Access to experienced sous chefs without paying full salary.

#### UBC HOME ECONOMICS PARTNERSHIP

Establish partnership with UBC Home Economics Department.

- Access to trainee Red Seal chefs.
- Satisfy preference to hire students.

Situation Strategy Recommendations Risk Metrics

### INITIATE: CHEF AND KITCHEN GUIDANCE

#### Tactic: Restaurant Partnership

To help with the bottleneck issue in the kitchen, procuring a sous chef to oversee and guide operations will be essential. Gallery 2.0 is unable to hire a sous chef since they are unable to offer a competitive salary. As a result, we propose that Gallery 2.0 seek a partnership with a restaurant that is in close proximity to UBC, like Earl's. The partnership will be established for the purpose of having access to the restaurant's chefs, who can provide guidance and instruction in the kitchen. Gallery 2.0 offers the respective restaurant an opportunity to advertise their brand in Gallery 2.0, as well as offer exclusive items on the menu that draw from the chef's respective restaurant.

#### Tactic: UBC Home Economics Partnership

To provide incentives for the partner restaurant, we will add another stakeholder - UBC Home Economics Department. According to Dr. Kerry Renwick, UBC's Bachelor of Education faculty has a group of Red Seal chefs that would potentially be interested in working at Gallery 2.0. Such roles could be used to satisfy their community field experience requirement for their program. Tapping into this pool of students would satisfy the AMS' preference of hiring students, as well as alleviate shortages in experienced workers, particularly in the kitchen. Part of the reason why the students would be interested in Gallery 2.0 would be because they

would be working under a sous chef from a well-established restaurant. In the end, these Red Seal chefs may see an opportunity to transition to working at the sous chef's respective restaurant, thereby benefiting the partner restaurant.

# IMPROVE

## Recommendation 3:

# OPTIMIZE BALCONY SPACE

### BALCONY HEATERS

Implementing electric patio heaters

- More sustainable alternative
- Works as pilot program - testing a portion of balcony to understand usage patterns
- 4 heaters, between every 2 tables

### RAIN COVERS

Retractable vinyl weather covers

- Retractable so only needs to be used when raining or dependent on weather conditions

Situation Strategy Recommendations Risk Metrics

## IMPROVE: OPTIMIZE BALCONY SPACE

Our third recommendation is to tackle the core issue of inefficient use of the restaurant space. The main focus of this recommendation is the balcony space, which, due to external factors such as weather conditions, was not being used. Through our observational research, we found that one of the main differentiations of Gallery 2.0 is its unique position on the rooftop of the Nest. The patio is an incredible asset that is not being fully realized. Two approaches to improving operations for the patio are implementing sustainable alternatives to conventional patio heaters, and installing retractable rain covers.

### Tactic: Patio Heaters

When considering implanting a heating source for the winter months, we must acknowledge

the AMS' greater goal of adhering to values of sustainability. Therefore we opt for an electric patio heater rather than a conventional heater that would use fossil fuels. Through understanding prior SEEDS reports on environmental impacts, the zero emission electric heaters provides a sustainable alternative that can heat similarly. This would begin as a pilot program wherein we can install heat to some of the patio in order to understand how it is used. An example of a flexible model that can attain this is identified in the Appendix below.

### Tactic: Retractable Rain Covers

Additional consideration for weather effects such as rain is needed, which is why in tandem with the heaters, we propose partial covering that is retractable. Here a vinyl cover can be used similar to

ones used by patios in other restaurants in the Vancouver area. Constructing a permanent rain cover may be an alternate strategy, however for the temporary consideration of rain in Vancouver, a retractable option is perfectly viable. Through contact with Daniel, we also understand the need for covering on the patio and are aware of the proposal to purchase umbrellas for sun coverage. Rain covers can therefore provide all-season accessibility.

# IMPRESS

## Recommendation 4:

# EFFECTIVE BRAND COMMUNICATION

### LOYALTY PROGRAM

Offering loyalty program to customers

- Purpose: To spread awareness throughout UBC
- Buy 4 items over \$9, get \$4 off
- Incentivizes customers to return frequently

### SIGNAGE AND POSTERS

Creating streamlined postering

- Communicating more about the Gallery 2.0 brand and services offered

Situation Strategy Recommendations Risk Metrics

## IMPRESS: EFFECTIVE BRAND COMMUNICATION

Through our research, we have found that there is a lack of awareness for the restaurant. Many students do not know what Gallery 2.0 provides and where it's located. Because of this, we have identified two sub-tactics that would solve the majority of this problem.

### Tactic B: Launch a Stamp Loyalty Card

The purpose of the loyalty program for Gallery 2.0 is to generate greater awareness around UBC. Through our survey, we have found that many students value low costs for food. We speculate that these are the students who usually purchase food on campus. This is where the stamp loyalty card comes in. The stamp loyalty card will be given to those who purchase an item over \$9. After four purchases over \$9, the customer will be rewarded \$4 off of their next purchase. We would not detrimentally cost anything. Also,

with the implementation, it'd be beneficial in the long run, as it would increase the number of transactions.

### Tactic A: Re-Design of Posters and Creation of Signs

An improvement on the communication with the students would tackle this problem. This can be through an implementation of a poster that would better suit the restaurant. Currently, the only advertising within the nest are the blue posters, which are located near the main stairs. They only state the name of the restaurant and where it's located.

In order for students to better understand what Gallery 2.0 is, the content and style of the poster have to be changed. An addition of a picture of a food item, or the name of the popular dishes at the Gallery, or even stating that it is a restaurant

would better help the students understand what Gallery 2.0 is.

After creating awareness, Gallery 2.0 must deliver it. The implementation of signs and directions that lead the potential consumer to the restaurant would greatly benefit the restaurant. This reduces uncertainty and also generates curiosity within other students as well. Through effective advertising and communication to the students, this will increase the awareness of the restaurant, thus increasing traffic which in turn creating a ripple effect through students' word of mouth.



## RISKS AND MITIGATIONS

**Increased Reliability on Employees**  
 More employees will need to be hired as waiters once Gallery 2.0 transitions to a traditional restaurant-style model. A significant risk with this change is the higher reliability on employees. This means employee turnover would have a greater impact on Gallery 2.0's ability to function.  
 Mitigation: Through offering flexible work schedules during exam seasons, we hope to alleviate the burden work has on busy students who work at Gallery 2.0. This, along with pay increases after each semester, we hope to see less employee turnover over the course of the year.

**Taste Profile of Menu Changes Is Not Well-Received by Customers**  
 A significant risk of changing the menu is that it may leave regular customers disappointed if they happened to prefer the way it was before the change.  
 Mitigation: Going through a rigorous taste profile plan in coordination with partner restaurant chefs will ensure that the quality of the menu items is not compromised. This will be done in August, so to gauge the response of the market. Once they are deemed sufficient, the menu changes will be ready in September.

**Patio Will Continue to be Under-Utilized**  
 After procuring all the resources to make the patio a serviceable place for customers, it is possible that they would rather sit inside.  
 Mitigation: Given that the front of the restaurant will have an attendant to take customers to a table, they should communicate the benefits of the improved outdoor patio space to the customers, which will lead to a higher usage rate.

# THE METRICS

## Quantitative

- Percentage of Budget Used: 64%
- Revenue Growth: 12% (Moderate Forecast)
- Transaction Growth: 21%
- Average Spending: 10%
- Increase in Averaging Sitting Time: 25%
- Number of Extra Staff Hired: 4 Waiter & 1 Chef

## Qualitative

- Social media endorsements & comments
- Leader in sustainable practices

Situation Strategy Recommendations Risk Metrics

## MEASUREMENTS OF SUCCESS

The effects of our strategy will be evaluated by both qualitative and quantitative measurements.

### Quantitative

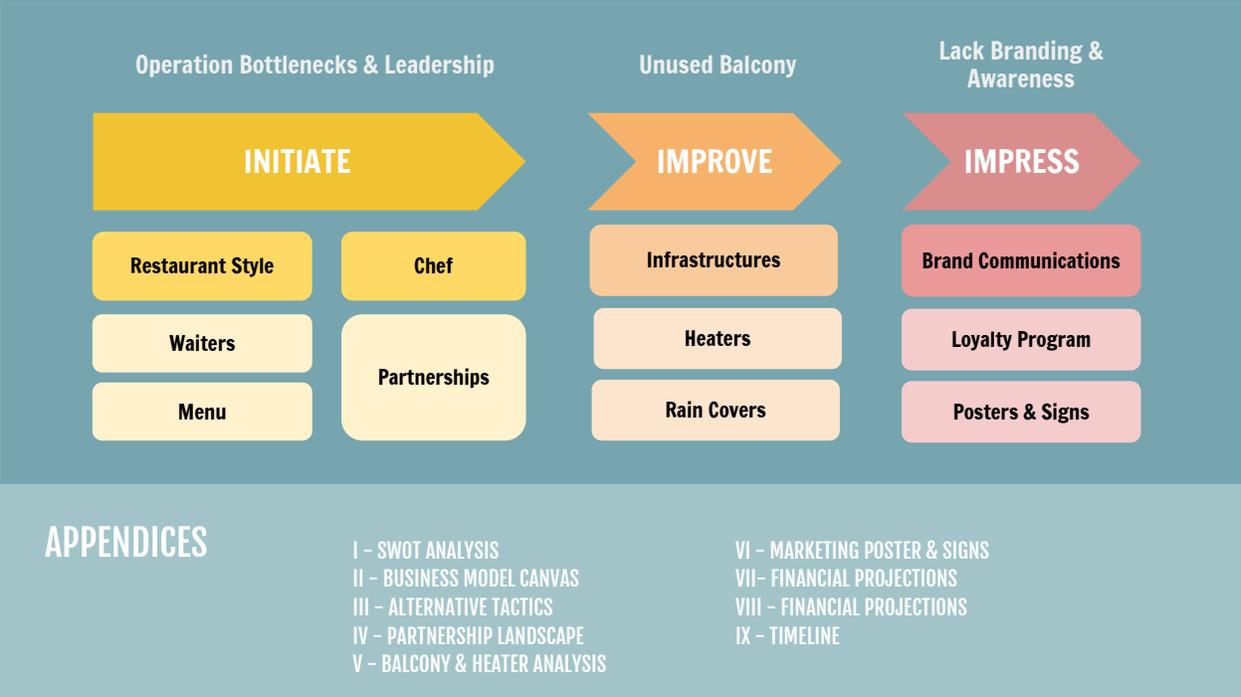
Gallery will experience growth in revenue (12.6%), average spending, number of customers (21.7%) and time spent per customer per sitting (25%). These metrics should be in line with our strategy in leadership and change of restaurant style. Using the patio throughout more months in the year offers students an intangible asset by having access to one of the only balcony patios on campus. Over time, looking at number of patio bookings and seating can reveal information on how successful opening the balcony can be for Gallery 2.0.

### Qualitative

When considering sources of heat for the Gallery 2.0 balcony, we suggest an electric heat source instead of a conventional source such as natural gas. Electricity adheres strongly to corporate social responsibility values on sustainability, fully realizing the AMS' strong association with SEEDS initiatives. Electric sources have virtually zero atmospheric emissions, with negligible emissions in production, whereas conventional heaters make use of harmful fossil fuels, emitting greenhouse gas that harms the ozone layer (SEEDS Report, 2014).

The impact of Gallery 2.0 being a leader in sustainable practices is

something difficult to measure in terms of success. The number of social media endorsement/ comments could also provide certain insights, however we remain neutral with regards to the accuracy and significance of the data.



**CONCLUSION**

From operational bottlenecks to leadership, non-optimized space to low brand awareness, we hope to capitalize the opportunities through a 3-step process: Initiate changes in operation bottlenecks and leadership, improve restaurant infrastructures and build an impressive brand to establish a better customer experience, and achieve sustainable revenue growth for Gallery 2.0.

# GALLERY 2.0

## APPENDIX I: SWOT ANALYSIS

### STRENGTHS

- MENU VARIETY
- INEXPENSIVE PRICES
- COMFORTABLE SEATING
- UNIQUE SPACE IN NEST
- ACCESS TO PATIO

### OPPORTUNITIES

- LARGE DINING SPACE FOR CUSTOMERS, POTENTIAL TO BOOK SPACE FOR EVENTS
- BALCONY PATIO WITH A GREAT VIEW

### WEAKNESSES

- LESS ACCESSIBLE DUE TO POSITION ON 4TH FLOOR
- INCONSISTENT SERVICE
- LONG WAIT TIMES
- BOTTLENECKS IN KITCHEN

### THREATS

- UBC FOOD SERVICES A DIRECT COMPETITOR - REOPENING OF THE SUB
- SIMILAR FOOD OPTIONS EXIST WITHIN THE NEST

## SWOT ANALYSIS

In order to establish a better understanding of the current situation Gallery 2.0 finds itself in, we employed a SWOT analysis. After analyzing strengths, weaknesses, opportunities, and threats based on our own primary research as well as what we could

gather through meeting with the clients, we were able to identify what core opportunities were there looking forward. This analysis helped to inform our strategies so that we could focus on key aspects of initiating operational changes, improving existing infrastructure

and use of space, and impressing customers through upgraded marketing tactics.

# GALLERY 2.0

## APPENDIX II: BUSINESS MODEL CANVAS

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITION	CUSTOMER RELATIONS	CUSTOMER SEGMENT
AMS SEEDS	FOOD PREP, BAR, RESTAURANT SERVICE, EVENTS	DELIVER QUALITY FOOD IN A RELAXED ATMOSPHERE AT AFFORDABLE PRICES	QUICK SERVICE, EFFICIENCY, QUALITY FOOD AND DRINKS	STUDENTS, STAFF, UBC VISITORS
	KEY RESOURCES		CHANNELS	
	KITCHEN/BAR STAFF, INGREDIENTS, SPACE, EQUIPMENT, SEATING		SOCIAL MEDIA, ON-CAMPUS ADS, STUDENT INTEREST	
COST STRUCTURES		REVENUE STREAMS		
IMPORTANT COSTS: MATERIALS, INGREDIENTS, OVERHEAD, EQUIPMENT, SALARY, TRAINING, MARKETING, RESEARCH COSTS		FOOD AND ALCOHOL BEVERAGE SALES, EVENT BOOKINGS		

### BUSINESS MODEL CANVAS

Our next model to help conceptualize Gallery 2.0's business model was this canvas where we could identify key aspects of how Gallery 2.0 conducts business. In doing so we gained

A more holistic idea of the operations allowing us to ensure our strategic tactics were aligned with the value proposition of Gallery 2.0 and also AMS as a greater whole. Through contact with our

client we were able to narrow down our focus and streamline this process.

# GALLERY 2.0

## APPENDIX III: ALTERNATE TACTICS

### ALTERNATIVE TACTIC 1: SELF-SERVE KIOSKS

#### BENEFITS

- COMPLEMENTARY TO EXISTING BUSINESS MODEL
- ALLEVIATE WAIT TIME FOR CASHIER
- LOW RECURRING COSTS

#### REASONS FOR REJECTION

- INCOMPATIBLE WITH COMMUNITY-CENTRIC ATMOSPHERE
- MISS OPPORTUNITY FOR UPSELLING

### ALTERNATIVE TACTIC 2: HIRE SOUS CHEF

#### BENEFITS

- PROVIDES LEADERSHIP IN KITCHEN
- EXPERIENCE CAN IMPROVE QUALITY

#### REASONS FOR REJECTION

- NOT FEASIBLE TO OFFER A COMPETITIVE SALARY

## ALTERNATIVE TACTICS

### Implement Self-Serve Kiosks

Arguably a less risky proposition, the self-serve kiosk would decrease the amount of time customers wait in line to place their order. This doesn't require additional human resources, rather a high upfront cost. However, we rejected this strategy, as it would not

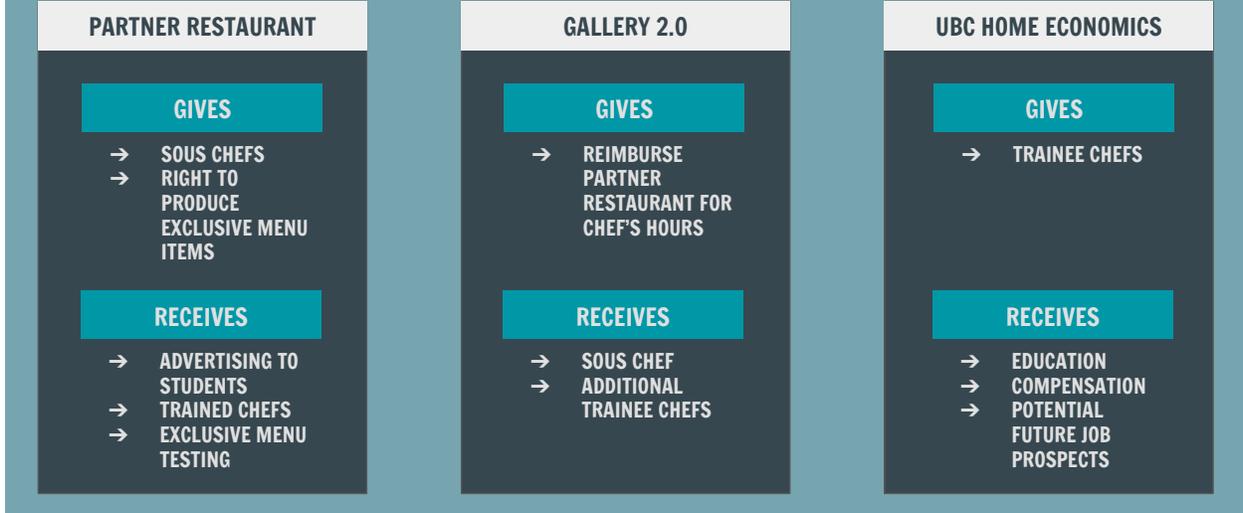
complement Gallery 2.0's laid-back and community-centric atmosphere. In addition, this approach would continue to not allow for upselling, a significant missed opportunity to bolster sales.

### Hire A Chef

A simpler approach than seeking a partnership with a restaurant, hiring a sous chef would be too costly and too time-intensive in trying to find a chef that fits with Gallery 2.0.

# GALLERY 2.0

## APPENDIX IV: PARTNERSHIP LANDSCAPE



# GALLERY 2.0

## APPENDIX V: HEATERS AND BALCONY INFORMATION

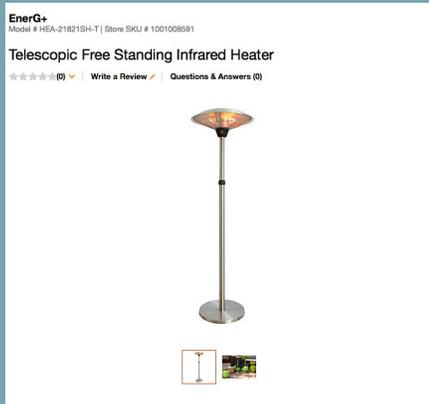


Image: Home Depot:  
<https://www.homedepot.ca/en/home/p.telescopic-free-standing-infrared-heater.1001008591.html>



Image: AMS Conferences & Catering:  
<http://www.amsc.ca/wp-content/uploads/2016/07/Level-4-Map.pdf>

### ADDITIONAL BALCONY INFORMATION

Gallery 2.0's patio has a fairly reasonable layout but is notably quite large. In order to execute the heaters, we offer a pilot program for the first year, to heat partial areas of the balcony, implementing four heaters to begin with. Based on our analysis of comparative models, this should be able to heat up to 12 tables sufficiently, covering a significant portion of the patio.

One model we suggest is the EnerG+ Telescopic Free-Standing Infrared Heater Priced reasonably (\$249) and able to provide adjustable levels of energy and heating means that this option gives Gallery 2.0 the greatest flexibility for the pilot program launch. Due to lack of infrastructure, we opt for a free-standing model as opposed to a hanging model which can also

allow for repositioning of the heaters where it is deemed best suited. Encouraging customers to be seated at the patio works in tandem with the role of hosts in a traditional restaurant style. Advertising the patio heaters as sustainable can adhere to sustainability goals and values.

Model Source: <https://www.homedepot.ca/en/home/p.telescopic-free-standing-infrared-heater.1001008591.html>

SEEDS Report:

[https://lookaside.fbsbx.com/file/PatioHeaterAlternatives\\_Group2.pdf?token=AWzhIths6xyIYSASNrb6Oes20zZxar8413G5fxooMrJFrHWABvXZSytkyS6qKpoVW96GgyOLAikNJrdsCYWnGVhr1hiL\\_ska2n-MBzcGkScka1YDPFCAq6XRA4IAb6ocqsUvPXWePpqXQyOLjRsSAPBH](https://lookaside.fbsbx.com/file/PatioHeaterAlternatives_Group2.pdf?token=AWzhIths6xyIYSASNrb6Oes20zZxar8413G5fxooMrJFrHWABvXZSytkyS6qKpoVW96GgyOLAikNJrdsCYWnGVhr1hiL_ska2n-MBzcGkScka1YDPFCAq6XRA4IAb6ocqsUvPXWePpqXQyOLjRsSAPBH)

Price Estimation for Vinyl Weather Covers: <https://www.mosquitocurtains.com/1-Clear-vinyl-plastic/2-TALL-CV-calculator.html>

LOOKING FOR A PLACE TO  
SIT & EAT?

Come to Level 4  
**GALLERY 2.0**



**GALLERY 2.0**

APPENDIX VI:  
MARKETING POSTER & SIGNS

COME EAT AT  
**GALLERY 2.0**

See you on Level 4!

# GALLERY 2.0

## APPENDIX VII: FINANCIAL PROJECTIONS

	Referenced Total Cost/ Unit	Referenced Hours	Cost/ Hour	Hours Required by Gallery/ Year	Total Cost/ Unit	Units Required	Total Cost for Gallery/ Year
Waiters	/	160	11	160	1760	5	8800
Chefs (Partnership)	33000	2080	16	416	6600	1	6600
Heaters (Electric)	249	/	/	/	/	4	996
Electricity for Heaters	/	/	7.679	450	3455.55	4	13822.2
Rain Covers	1500	/	/	/	/	1	1500
Posters & Signs	5	/	/	/	/	5	25
Loyalty Program	/	/	/	/	/	/	337.596
							<b>32080.796</b>

<i>Budget</i>	50000
<i>Strategy Cost</i>	32080.796
<i>% of Budget</i>	64.16%
<i>Recurring Cost</i>	29247.2
<i>% of Budget</i>	58.49%

### FINANCIAL PROJECTIONS PT. I

#### General Assumptions:

1. All values are denoted in Canadian Dollars

#### Cost Assumptions:

1. Waiters are paid slightly above minimum wage (\$11)
2. Waiters work 4 hours/ shift, 1 Shift/ day, 2.5 days/ week, and 16 weeks (1 term)/ year
3. Chefs' annual salary is 33000, working 8 hours/ day, 5 days/ week, 52 weeks/ year
4. 1 Kilowatts costs \$11/ hour

# GALLERY 2.0

## APPENDIX VIII: FINANCIAL PROJECTIONS

	Initial 2017 Projections	Estimated Annual Revenue Growth (Conservative - 1%)	Estimated Annual Revenue Growth (Moderate - +3%)	Estimated Annual Revenue Growth (Optimistic - 8%)	Increase in Revenue (Conservative)	Increase in Revenue (Moderate)	Increase in Revenue (Optimistic)
Operation							
Bottlenecks	61373.66	1.00%	3.00%	8.00%	613.7366	1841.2098	4909.8928
Upselling	61373.66	15.34%	17.34%	22.34%	9413.7366	10641.2098	13709.8928
Loyalty Program	61373.66	1.55%	3.55%	8.55%	951.3326	2178.8058	5247.4888
					<b>10978.8058</b>	<b>14661.2254</b>	<b>23867.2744</b>

	Conservative	Moderate	Optimistic
<i>Increase in Revenue</i>	10978.8058	14661.2254	23867.2744
<i>2016 Revenue</i>	33759.6	33759.6	33759.6
<i>Projected 2016 Revenue</i>	67519.2	67519.2	67519.2
<i>Projected 2017 Revenue</i>	61373.66	61373.66	61373.66
<i>Initial Projected 2017 Revenue Growth</i>	-9.10%	-9.10%	-9.10%
<i>Strategy Projected 2017 Revenue Growth</i>	7.16%	12.61%	26.25%
<i>Incremental Change Compared to Initial Projections</i>	16.26%	21.71%	35.35%

<i>Projected 2016 Transaction</i>	3704
<i>2016 Average Spending</i>	18.2287257
<i>Projected Increase in Transaction</i>	804.2923921
<i>Projected Transaction Growth</i>	21.71%

### FINANCIAL PROJECTIONS PT. II

#### Revenue Assumptions:

1. Strategy effects are estimated based on the moderate growth model
2. Since Gallery only opened for 6 months in 2016, the provided 2016 data requires adjustment to perform accurate forecasting

