



Universidad de Valladolid



**ESCUELA DE INGENIERÍAS
INDUSTRIALES**

UNIVERSIDAD DE VALLADOLID

ESCUELA DE INGENIERIAS INDUSTRIALES

Grado en Ingeniería de Organización Industrial

**Business plan: Tapas y olé Spanish
Restaurant**

Autor:

Martínez Cabezero, Paula

Sanz Angulo, Pedro

Riga Technical University

Valladolid, 05-2016.

TFG REALIZADO EN PROGRAMA DE INTERCAMBIO

TÍTULO: **Business Plan: Tapas y olé Spanish Restaurant**

ALUMNO: **Martínez Cabezudo, Paula**

FECHA: **23/05/2016**

CENTRO: **Riga Technical University, Faculty of Engineering Economics and Management**

TUTOR: **Deniss Ščeulovs**



DATOS DEL ESTUDIANTE

Apellidos Martínez Cabezudo **Nombre** Paula
DNI/Pasaporte 71167908C **Dirección Postal** C/José Garrote Tebar N9 4B
C. Postal 47014 **Localidad** Valladolid **Provincia** Valladolid
Teléfono móvil 658408072 **E-mail UVa** paula.martinez@alumnos.uva.es
Grado en Ingeniería en Organización Industrial **Curso Académico** 2015-2016

DATOS DEL TRABAJO FIN DE GRADO

Responsable de intercambio UVa: **Pedro Sanz Angulo**

Universidad de destino: **RTU, Riga Technical University**

Título del TFG: Business Plan: **“Tapas y olé Spanish Restaurant”**

CODIGO

Cinco palabras claves que describen el TFG:

Restaurante, Español, Riga, Tapas, Negocio

Resumen en español (máximo 150 palabras):

El TFG consiste en la realización de un plan de negocio para la apertura de un restaurante especializado en comida y tapas españolas en la ciudad de Riga. El restaurante pretenderá utilizar solo productos locales de Riga y productos importados españoles. Los ingresos del restaurante procederán de 3 fuentes:

- Comidas y cenas con una amplia variedad de tapas, raciones y productos españoles, a un precio medio de 20€ el menú.
- “Tapas and conversation” intercambio de idiomas, con una duración de 1h y un gasto por cliente de 8€.
- Alquiler de una sala privada de fiestas que ofrece también catering exclusivo y posibilidad de contratar espectáculos.

Es decir, el propósito del restaurante será proporcionar comida española de alta calidad a un precio razonable con un servicio de calidad superior.

El abajo firmante, habiendo superado todos los créditos necesarios para la obtención del Título de Grado que se cita, a excepción de los propios del TFG, **SOLICITA** el reconocimiento académico para el TFG indicado de acuerdo con la normativa vigente.

Valladolid, a 21, de Agosto de 2016.

EL ESTUDIANTE

Fdo.: D/Dña Paula Martínez Cabezudo

Sr. Director de la Escuela de Ingenierías Industriales de Valladolid
Adjuntar: 2 copias en CD del TFG. El acuerdo de edición electrónica se presentará por duplicado.
Presentar en Secretaría Administrativa



EDICION ELECTRONICA EN UVaDoc

SI NO DOY MI PERMISO EXPRESO PARA LA EDICION ELECTRONICA Y LA DIFUSION EN INTERNET DE MI TRABAJO FIN DE GRADO SEGUN EL ACUERDO DE EDICION QUE FIGURA MAS ABAJO.

En caso de marcar la opción NO, se adjuntará informe justificado con el Vº Bº del tutor. En este caso no se incluirá el texto completo del trabajo en UVaDoc, sólo: autor, título, palabras claves y resumen.

CODIGO

EL AUTOR

Fdo.: D/Dña. Paula Martínez Cabezudo

ACUERDO DE EDICION ELECTRONICA DE TRABAJOS FIN DE GRADO (TFG)

Reunidos de una parte, el Alumno antes mencionado y de otra parte el Vicerrectorado de Investigación, en nombre y representación de la Universidad de Valladolid. Ambas partes se reconocen mutuamente capacidad legal para contratar y para obligarse en la calidad en que actúan a tal efecto, y **MANIFIESTAN:**

PRIMERO: Que el Alumno es el Autor único y exclusivo titular de los derechos de explotación del TFG antes reseñado.

SEGUNDO: Que el objetivo fundamental de este acuerdo es la implantación de un Repositorio Institucional que tiene como finalidad la divulgación de los TFGs defendidos en la Universidad de Valladolid, para lo cual la Universidad pone los medios técnicos necesarios ofreciendo una base de datos a texto completo y en formato electrónico, a través de Internet, facilitando así la visibilidad y acceso a la información científica y técnica.

TERCERO: Que teniendo en cuenta lo anteriormente expuesto, ambas partes están interesadas en establecer un Acuerdo que regule la cesión por parte del Autor a la Universidad de Valladolid de los derechos de reproducción y comunicación pública en formato electrónico del TFG mencionado, exclusivamente para el uso que se especifica en este Acuerdo.

Para ello **ACUERDAN:**

- 1.- El AUTOR efectúa una cesión no exclusiva de la obra arriba mencionada a la Universidad de Valladolid, con carácter gratuito y con fines exclusivamente de investigación y docencia, así como los derechos de reproducción y distribución en formato electrónico para su difusión pública.
 - 2.- La Biblioteca de la Universidad de Valladolid, en virtud del presente Acuerdo, adquiere la obligación de incorporar el Trabajo Fin de Grado en el repositorio institucional de la Universidad de Valladolid. Sin perjuicio de que en un futuro, con el objetivo de conseguir una mayor difusión, sea recogida también en otros repositorios que puedan constituirse a nivel regional, nacional o internacional.
 - 3.- La Universidad de Valladolid pondrá a disposición de sus usuarios este TFG para el uso privado y fines de investigación y docencia, una vez finalizada la última convocatoria establecida por el Centro para la presentación del TFG. Aunque no garantiza ni asume ninguna responsabilidad por las formas en que los usuarios hagan posteriormente uso de este TFG.
 - 4.- Para hacer efectiva la cesión de los derechos mencionados en la Cláusula 1, el Autor entregará a la Biblioteca de la Universidad el Proyecto Fin de Carrera a texto completo y en formato PDF.
 5. Las partes reconocen y acuerdan que la Universidad no tiene la intención de censurar ni revisar los TFGs y en consecuencia será el autor responsable del contenido del mencionado TFG.
 6. - El Autor responde ante la Universidad de Valladolid de la autoría y originalidad de la obra, manifestando que sobre la misma no tiene contraídos ni contraerá compromisos o gravámenes de ninguna especie que atenten contra los derechos que a la Universidad le correspondan.
 - 7.- La titularidad de los derechos de explotación de la propiedad intelectual sobre el TFG pertenecen y seguirán perteneciendo al Autor. La Universidad adquiere los derechos que específicamente figuran en este Acuerdo y en particular los que se especifican en la Cláusula 1. Asimismo se indicará en el repositorio institucional de la Universidad mención expresa a la licencia Creative Commons que especifica los usos autorizados de la obra: Reconocimiento de la obra – no comercialización – Sin obra derivada. Que por defecto contarán todos los Trabajos Fin de Carrera incorporados al repositorio de la Universidad.
 8. -El presente Acuerdo entrará en vigor el día de su firma y tendrá una duración indefinida. Sin perjuicio de esta duración indefinida inicialmente pactada, se podrá poner fin al presente Acuerdo: por voluntad de las partes, por incumplimiento de cualquiera de las obligaciones derivadas del Acuerdo, por voluntad expresa del Autor
- En prueba de conformidad, las partes firman el presente Acuerdo y a un solo efecto,

En Valladolid, a 20 de Agosto de 2016

POR LA UNIVERSIDAD

POR EL AUTOR

Fdo.: D/Dña _____

Fdo.: D/Dña. Paula Martínez Cabezudo

EDICION ELECTRONICA EN UVaDoc

Sr. Director de la Escuela de Ingenierías Industriales de Valladolid
Adjuntar: 2 copias en CD del TFG. El acuerdo de edición electrónica se presentará por duplicado.
Presentar en Secretaría Administrativa



SI NO DOY MI PERMISO EXPRESO PARA LA EDICION ELECTRONICA Y LA DIFUSION EN INTERNET DE MI TRABAJO FIN DE GRADO SEGUN EL ACUERDO DE EDICION QUE FIGURA MAS ABAJO.

En caso de marcar la opción NO, se adjuntará informe justificado con el Vº Bº del tutor. En este caso no se incluirá el texto completo del trabajo en UVaDoc, sólo: autor, título, palabras claves y resumen.

CODIGO

EL AUTOR

Fdo.: D/Dña. Paula Martínez Cabezudo

ACUERDO DE EDICION ELECTRONICA DE TRABAJOS FIN DE GRADO (TFG)

Reunidos de una parte, el Alumno antes mencionado y de otra parte el Vicerrectorado de Investigación, en nombre y representación de la Universidad de Valladolid. Ambas partes se reconocen mutuamente capacidad legal para contratar y para obligarse en la calidad en que actúan a tal efecto, y

MANIFIESTAN:

PRIMERO: Que el Alumno es el Autor único y exclusivo titular de los derechos de explotación del TFG antes reseñado.

SEGUNDO: Que el objetivo fundamental de este acuerdo es la implantación de un Repositorio Institucional que tiene como finalidad la divulgación de los TFGs defendidos en la Universidad de Valladolid, para lo cual la Universidad pone los medios técnicos necesarios ofreciendo una base de datos a texto completo y en formato electrónico, a través de Internet, facilitando así la visibilidad y acceso a la información científica y técnica.

TERCERO: Que teniendo en cuenta lo anteriormente expuesto, ambas partes están interesadas en establecer un Acuerdo que regule la cesión por parte del Autor a la Universidad de Valladolid de los derechos de reproducción y comunicación pública en formato electrónico del TFG mencionado, exclusivamente para el uso que se especifica en este Acuerdo.

Para ello **ACUERDAN:**

1.- El AUTOR efectúa una cesión no exclusiva de la obra arriba mencionada a la Universidad de Valladolid, con carácter gratuito y con fines exclusivamente de investigación y docencia, así como los derechos de reproducción y distribución en formato electrónico para su difusión pública.

2.- La Biblioteca de la Universidad de Valladolid, en virtud del presente Acuerdo, adquiere la obligación de incorporar el Trabajo Fin de Grado en el repositorio institucional de la Universidad de Valladolid. Sin perjuicio de que en un futuro, con el objetivo de conseguir una mayor difusión, sea recogida también en otros repositorios que puedan constituirse a nivel regional, nacional o internacional.

3.- La Universidad de Valladolid pondrá a disposición de sus usuarios este TFG para el uso privado y fines de investigación y docencia, una vez finalizada la última convocatoria establecida por el Centro para la presentación del TFG. Aunque no garantiza ni asume ninguna responsabilidad por las formas en que los usuarios hagan posteriormente uso de este TFG.

4.- Para hacer efectiva la cesión de los derechos mencionados en la Cláusula 1, el Autor entregará a la Biblioteca de la Universidad el Proyecto Fin de Carrera a texto completo y en formato PDF.

5. Las partes reconocen y acuerdan que la Universidad no tiene la intención de censurar ni revisar los TFGs y en consecuencia será el autor responsable del contenido del mencionado TFG.

6. - El Autor responde ante la Universidad de Valladolid de la autoría y originalidad de la obra, manifestando que sobre la misma no tiene contraídos ni contraerá compromisos o gravámenes de ninguna especie que atenten contra los derechos que a la Universidad le correspondan.

7.- La titularidad de los derechos de explotación de la propiedad intelectual sobre el TFG pertenecen y seguirán perteneciendo al Autor. La Universidad adquiere los derechos que específicamente figuran en este Acuerdo y en particular los que se especifican en la Cláusula 1. Asimismo se indicará en el repositorio institucional de la Universidad mención expresa a la licencia Creative Commons que especifica los usos autorizados de la obra: Reconocimiento de la obra - no comercialización - Sin obra derivada. Que por defecto contarán todos los Trabajos Fin de Carrera incorporados al repositorio de la Universidad.

8. -El presente Acuerdo entrará en vigor el día de su firma y tendrá una duración indefinida. Sin perjuicio de esta duración indefinida inicialmente pactada, se podrá poner fin al presente Acuerdo: por voluntad de las partes, por incumplimiento de cualquiera de las obligaciones derivadas del Acuerdo, por voluntad expresa del Autor

En prueba de conformidad, las partes firman el presente Acuerdo y a un solo efecto,

En Valladolid, a 20 de Agosto de 2016

POR LA UNIVERSIDAD

POR EL AUTOR

Fdo.: D/Dña _____

Fdo.: D/Dña. Paula Martínez Cabezudo

OUTLINE

1. EXECUTIVE SUMMARY.....	3
2. EXTERNAL ANALYSIS.....	4
2.1. PESTEL ANALYSIS (Macroenvironment).....	4
2.1.1. POLITICAL AND LEGAL ANALYSIS	4
2.1.2. ENVIRONMENTAL ANALYSIS	7
2.1.3. SOCIAL ANALYSIS	8
2.1.4. TECHNOLOGICAL ANALYSIS.....	11
2.1.5. ECONOMIC ANALYSIS	14
2.2. PORTER'S FIVE FORCES ANALYSIS (microenvironment).....	15
2.2.1. Threat of new entry.....	15
2.2.2. Buyer power.....	16
2.2.3. Threat of Substitution	17
2.2.4. Supplier power.....	18
2.2.5. Competitive Rivalry	18
3. BUSINESS DESCRIPTION. MARKETING MIX.	31
3.1. Product.....	31
3.1.1. Product description	31
3.1.2. "Tapas and conversation" tandem language exchange.....	31
3.1.3. Food delivery	32
3.2. Price.....	32
3.2.1. <i>What is Pricing Strategy?</i>	32
3.2.2. <i>Guidelines for pricing strategy for challenging economic times</i>	33
3.2.3. <i>Pricing calculator</i>	33
3.2.4. <i>Pricing strategies</i>	34
3.2.5. <i>Creating the price</i>	35
3.3. Place.....	35
3.3.1. <i>Premises</i>	35
3.3.2. <i>Website</i>	37
3.4. Promotion.....	38
3.5. People	40
3.5.1. Clients.....	40
3.5.2. Workers.....	40
3.6. Process	42

3.6.1. General process of service provision	43
3.6.2. Food preparation	44
3.6.3. Rent private party room.....	45
3.6.5. Staff recruitment	47
3.6.6. Food delivery	48
3.7. Physical evidence.....	49
3.7.1. Physical environment.....	49
3.7.2. Ambience	51
3.7.3. Spatial layout.....	52
3.7.4. Corporate brandings.....	52
3.8. Protection	53
3.8.1. Safety	53
3.8.2. Accidents and emergency situations	53
3.8.3. Proprietary and confidential information	53
4. SWOT ANALYSIS.....	55
5. BUSINESS MODEL	56
6. ACTION PLAN	57
7. FINANCIAL PLAN.....	59
7.1. Opening balance	59
7.1.1. Assets	59
7.1.2. Liabilities	60
7.2. Sales forecast	60
7.3. Expenses.....	61
7.4. Income.....	64
7.5. Profit	66
7.6. Break-even point	67
8. CONCLUSIONS.....	69
9. BIBLIOGRAPHY.....	71
APPENDIX.....	72

1. EXECUTIVE SUMMARY

This restaurant business plan is for Tapas y olé Spanish Restaurant, a new medium-sized restaurant located in Riga Centre. Tapas y olé emphasis will be on creative, tasty and Spanish food. Additionally, the restaurant will try to procure only local and Spanish food in order to maintain their compromise of helping Riga's economy but also offer real taste Spanish foods. Restaurant capacity will be 60 people at the main room and 30 people for the private room.

The revenues will come from 3 elements of the restaurant operation:

- Lunch and dinner will feature a variety of tapas, raciones, typical Spanish dishes using fresh, quality products. Also a wide selection of wines, beers and soft-drinks will be offered. Average expense will be 20€ per person.
- "Tapas and conversation" tandem language exchange duration is 1hour and during that time costumers will spend around 8€.
- Private dining room will offer an exclusive catering service to our customers. They will be able to enjoy Spanish music and food in a private and unique environment.

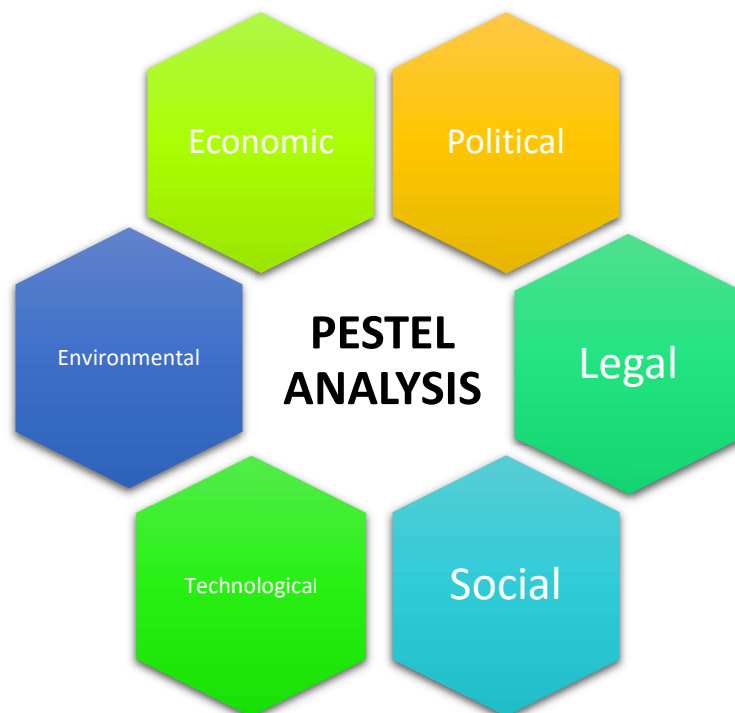
To sum up, Tapas y olé Spanish restaurant aim will be to provide a quality and authentic Spanish product at a reasonable price with superior customer service.

2. EXTERNAL ANALYSIS

The external analysis takes a look at the opportunities and threats existing in your organizations environment. Both opportunities and threats are independent from the organization. Opportunities are favourable conditions in an organization's environment that can produce benefit if managed properly. Threats are the elements in the environment that can cause troubles for the organization.

The following methods are used to look at all external factors effecting a company:

2.1. PESTEL ANALYSIS (Macroenvironment)



2.1.1. POLITICAL AND LEGAL ANALYSIS

Latvian government is a parliamentary democracy, it has 9 cities and 110 municipalities. The country has a political stability, it joined the EU since May 2004, this fact has increased the business opportunities of the country. Nowadays, Latvia has more contact with the rest of the countries of EU and people from Latvia doesn't need any visa to travel around Europe. In 2007 it become a member of the Schengen zone and in 2014 joined the Euro Zone. Also Latvia is a member of the WTO since 1998 and a member of the NATO since 2004.

Fiscal policy

Latvia has a medium-term stability programme for fiscal policy for 2014-2017, it is focused on implementation of strict and sustainable fiscal policy and on the provision of macroeconomic stability.

The specific objectives of the Latvian fiscal policy 2016-2018 are:

- To provide responsible and sustainable fiscal policy in line with the fiscal discipline.
- To raise the quality of life of population
- To ensure favourable environment for economic development.
- To ensure public defence capacity appropriate to geopolitical risks.

The overall objective is to raise sustainably the quality of life of population.

One of the recent implemented fiscal measure has been the reduction of labour taxes as well as the reduction of employer's and employee's mandatory social insurance contribution rate in 2014.

An important factor to achieve specific objectives of fiscal policy is the amount of available public resources, but Latvia has traditionally been a country with a relatively low tax burden. In Latvia tax revenue to GDP ratio is among the lowest in the EU and at the current tax policy the forecasts show that in the coming years the tax revenue to GDP ratio will continue to decline. Government's strategy is to solve this problem not by raising tax rates, but through more intensive work to increase tax collection, inter alia through necessary legislative amendments.

Reform of the pension system

In 2012, some amendments were introduced to the Law on State Funded Pensions prescribing:

- Gradual increase in the retirement age to 65: as of 1 January 2014 it will increase by 3 months annually, reaching a retirement age of 65 from 1 January 2025.
- Simultaneously with the increase in the retirement age, the early retirement age also will be increased from 1 January 2014.
- Increase in the minimum period of insurance for entitlement to the state retirement pension to 15 years as of 1 January 2014 and to 20 as of 1 January 2025.

Reform of the health sector

A reform of the health sector is deeply needed because the following weaknesses of the Latvian health system:

- Low public funding: The percentage of GDP that Latvian government uses for the health system is significantly below the EU average and points to insufficient funding for this sector.
- Inequality: Due to the low proportion of public funding designated to the health system, sometimes the availability of medical services depends on person's income.
- Large number of premature deaths due to health problems.

In order to solve these weaknesses in the Law on the Medium-term Budget Framework 2014, 2015 and 2016 the government approved a total of 42 million euro in 2014, 48.9 million euro in 2015 and 51 million euro in 2016 for new policy initiatives. Looking in more detail, the above mentioned funding was allocated to the following key measure:

- The increase of medical personnel wages.
- The reduction of waiting queue
- To compensate expenses of medication for outpatient treatment and to ensure centralized purchase of medication
- To reimburse 100% of prescription medication for children to be compensated by the state

Rule of Law

To offer or accept a bribe or to facilitate an act of bribery is a crime in Latvia. Nevertheless, corruption exists at every level of government and very few officials have ever been prosecuted and convicted so Latvian people are still distrustful of a judicial system that it views as inefficient, politicized and corrupt.

Allergy legislation

Since December 2014, the new legislation (EU Food information for Consumers Regulation No. 1169/2011) requires food businesses to provide allergy information on food sold unpackaged.

Due to this law it is mandatory to inform about the following allergens:

- Cereals that contains gluten: wheat, rye, barley, oat, kamut and their derivatives.
- Crustaceans and crustacean-based products.
- Eggs and egg-based products.
- Fish and fish-based products.
- Peanuts and peanut-based products.
- Soya and soya-based products.
- Milk and its derivatives.
- Nuts
- Celery and its derivatives.
- Mustard and its derivatives.
- Sesame and sesame-products.



- Sulphur dioxide and sulphites
- Lupines and products based on lupines.
- Molluscs and shellfish based products.

2.1.2. ENVIRONMENTAL ANALYSIS

Principles of environmental protection

- Every person has to cover all costs which are related to the assessment, prevention or liquidation of the consequences of his or her activities.
- Every person has to prevent the emerging of the pollution and other adverse effects which can damage the environment or human health as much as possible, but, if it is not possible, prevent spread and the negative consequences.

Requirements for performance of polluting activities

When performing a polluting activity, the responsible person of the business has to fulfil the following requirements:

- Take measures to prevent the occurrence of pollution or to reduce the emission
- Ensure the observance of environmental quality requirements
- Monitoring the polluting activity
- Inform employees about the necessary information regarding the probable effect of the polluting activity on human health and the environment.
- Obtain a category A, B or C permit for the performance of polluting activities. 13
- The permissible acoustic noise standards in residential premises and public buildings are the following:

Function for use of the premises	Permissible standards by part of the day		
	L _{day} (dBA)	L _{evening} (dBA)	L _{night} (dBA)
Rooms of restaurants, bars and cafes	50	50	50

These acoustic noise standards shall be provided under the following premises: closed windows and doors (excluding the air ventilation ducts built in by the manufacturer), with mechanical ventilation and air conditioning, as well as the lighting switched on, not taking into account the functional (background) noise related to the use of the premises, for example, playing recorded music, conversations of employees and visitors.

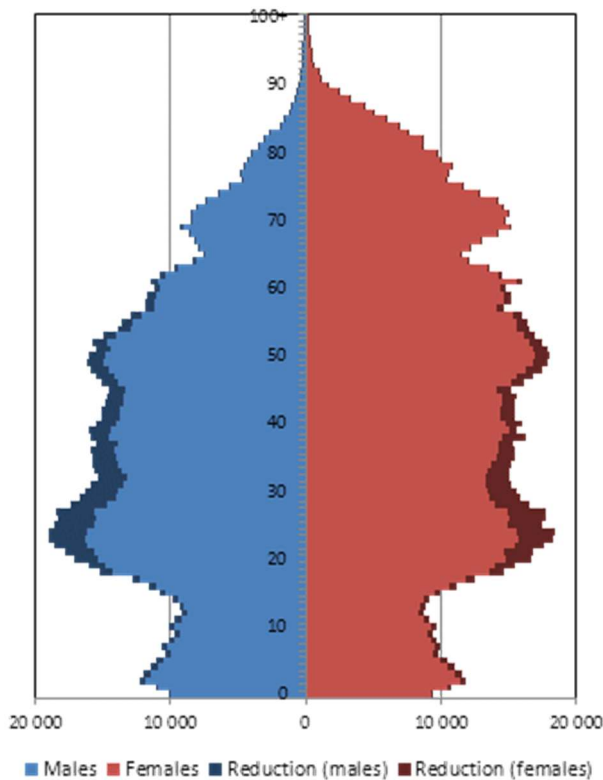
2.1.3. SOCIAL ANALYSIS

In order to study Latvian society and demography here there is a summary table that sum up the main social and demographical aspects of Latvia:

Latvia population (2014)	
Current population	1.983.620
Current male population	912.776 (46%)
Current female population	1.070.843 (54%)
Density (people per square km)	30.8 people/km ²
Type of population pyramid	Constrictive

Source: <https://www.cia.gov/library/publications/the-world-factbook/>

Latvia Population Pyramid



Latvian population has been decreasing during last years due to the emigration and the fall of births. The pyramid type is constrictive which means that people is older on average, the country has long life expectancy and also a low birth rate. This kind of pyramid is a typical pattern of a developed country. The fact that bulk of population is between 20 to 55 years old will benefit our business because our potential customers are in this age range. The expectation is that in following years the population will continue decreasing because less people is being born but the bulk of population will remain between 25-60.

Source: <http://www.csb.gov.lv/en>

Foreign population

According to Eurostat information in 2011 25,6% of the resident population of Riga was composed of citizens of non-european country. The following figure shows the % of foreign population of Riga in 2011.



We can see clearly that in Latvia, there is a lot of foreign population that provides a multicultural environment to the country.

Religions in Latvia

Religions in Latvia	
Lutheran	34%
Catholicism	23%
Russian Orthodox	20%
Old Believers	1,7%
Irreligious	20%
Others	1,3%

Source: <http://www.onlatvia.com/religions-introduction-47>

Information as Latvia's religions is important for the external analysis because it can determine the feeding habits of our customers. Lutheran, Catholic and orthodox people don't have any special feeding habits or beliefs that condition the food that they eat. According to recent studies the amount of irreligious people has been increasing during last years and it's supposed to continue augmenting.

Ethnics in Latvia

Most of the population of Latvia are locals but there is also a big Russian community that include more than 26% of the population. Furthermore, about 11% of residents are from other ethnic.

Resident population in Latvia by ethnicity		
Ethnicity	Population	Percentage
Latvians	1.285.136	62,07%
Russians	557.119	26,91%
Others	228116	11,02%
Total	2.070.371	100,00%

Source: <http://data.csb.gov.lv/> (Age:2011)

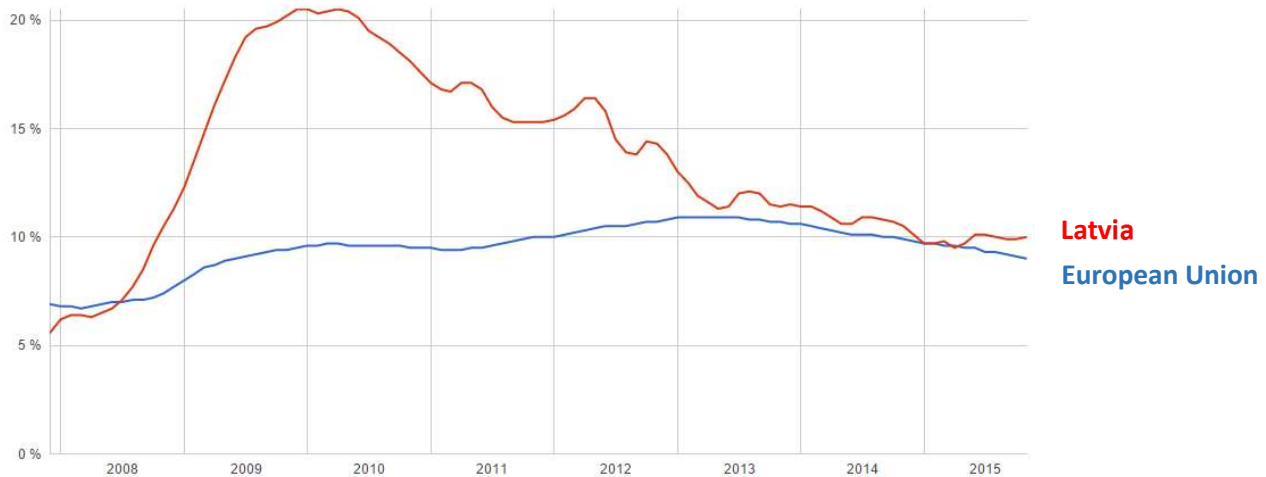
The scene in Riga is similar but there are more different ethnicities. Latvian and Russian keep being the biggest communities, but there is also a relevant amount of Belarusian, Ukrainian and Polish people.

Population in Riga by ethnicity		
Ethnicity	Population	Percentage
Latvian	305.117	46,33%
Russian	264.808	40,21%
Belarusian	25.535	3,88%
Ukrainian	22.737	3,45%
Polish	12.208	1,85%
Other	28.235	4,29%
Total	658.640	100,00%

Source: <http://data.csb.gov.lv/> (Age:2011)

Unemployment Rate

The unemployment rate of Latvia has decreased continuously since its peak in 2010, it shows that Latvia is recovering from the European crisis satisfactorily. At present, unemployment rate is 9,8% which is slightly above the European average rate (9,6%)



Salaries

The average gross wage in 2014 was 765€ that exceeded the level of 2013 by 6,8%. If compared to the pre-crisis period (before 2008), the average gross wage in 2014 has increased by 12,2%. The average gross wage in the public sector in 2014 was by almost 10% higher than in the private sector (813 and 741€ respectively). In the public sector, the wage in 2014 essentially was at the level of 2008, while the wage in the private sector was by

18,9% higher. Nevertheless, the wage difference between private and public sector has considerably decreased.

In 2014, the minimum monthly salary was increased to 320€.

On the one hand, people who work in commercial services and transport and storage have the highest wages, 916€ and 821€ respectively. On the other hand, people who work in trade and accommodation have the lower wage (641€).

Quality of life

According Eurostat data, Latvian people spend by average 38,8 hours a week working in main job (1.6 hours more than European mean) and they expend 3,3% of their total consumption expenditure on recreational and cultural activities (The same percentage as European mean). However, the mean satisfaction with time use in a scale from 0 to 10 is 7,1 which is 0.4 points above European average. We can conclude with this information that Latvian people work a lot of hours and they don't spend more money in proportion than another European countries but they are more satisfied than other Europeans. Furthermore, 22% of people are high satisfied with the time use, 58% of people are medium satisfied and 20% are low satisfied.

On the down side, 58,5% of the people are low satisfied with their financial situation and 54,4% meet make end with difficulty.

Trends in food expenditure

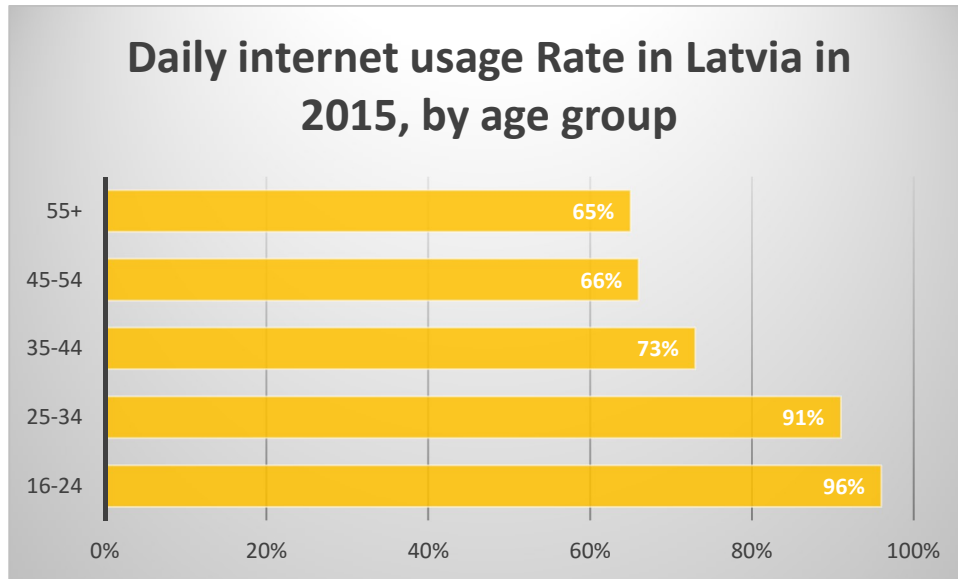
Since 2000 the % of total expenditure expended in Hotels, cafes and restaurants has rise from 2,4% until 6,2%. Moreover, the average share of food expenditures spent for food out of home has increased from 15% in 2003 until 22% in 2015.

2.1.4. TECHNOLOGICAL ANALYSIS

Internet usage

There are about 1.6 million internet users in Latvia, which means near 82% of population. The amount of Facebook subscribers is increasing rapidly and nowadays is about 650.000 people.

96% of young people (between 16-24 years old) use daily internet, and 91% of people between 25-34 years old.



Facebook, Twitter and LinkedIn are very popular in Latvia and a lot of companies using them for promoting their businesses and maintaining contact with their customers.

Internet is nowadays the second most important information source in Latvia after television, but its importance is growing.

Free Wi-Fi in Riga

The city has 3 Lattelecom-free Wi-Fi points per square kilometer, which is why Riga is the European capital of free Wi-Fi. Free wireless internet can also be accessed in most hotels, cafes and taxis.

Interesting webpages

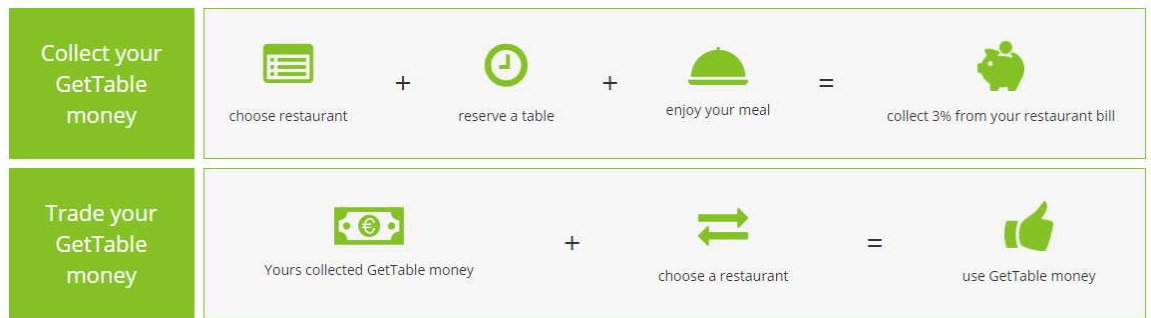
There are 3 main webs for reserving a restaurant in Latvia:

- livelatvia.com

Here you can find different kinds of restaurants and see where are located. Moreover, sometimes there are restaurants that offer discounts.

- Gettable.lv

Using this website, you can reserve in a lot of restaurants. It has also a loyalty program that gives you GetTable money every time you make a reservation (3% of the bill). When you have collected GetTable money enough you can use it as real money in a restaurant.



- Restaurantsinlatvia.lv

It provides you a lot of useful information in a clear and easy way (See the picture below). When you select the restaurant it redirects you to gettable.lv

ČILI PICA (t/c Stockmann) Cuisine - European

Address: Rīga, 8 13.janvāra street **RESERVE**
phone: +371 67220128, **e-mail:** info@cili.lv, **homepage:** www.e-pica.lv

Working hours: I-IV,VII: 9:00-23:00, V-VI: 9:00-24:00. **Campaign, happy hour:** Regularly are offered a variety of campaigns!

Restaurant Čili Pica.
Maximum capacity in different tabel layout versions: 123 persons + 56 persons on terrace

classical	U-shape	banquet	banquet	reception	class
-	-	-	-	-	-

Offers

banquet service (max number of people)	-
catering	food delivery
summer terrace	yes
premises for celebrations	no
live music	no
organize events	children's birthdays
playground for children	yes
TV	yes
karaoke	no
place for dancing	no
parking-place	yes
credit cards are accepted	yes
other offers	-



Transportation infrastructure

In 2014, around half of roads in Latvia were in a poor condition, and the 2014-20 road funding program relies mostly on the EU funding. Furthermore, the number of road fatalities per million inhabitants is one of the highest in the EU.

2.1.5. ECONOMIC ANALYSIS

A brief look at Latvia's economy

After the growth slowdown in 2014, the latest data show that private consumption is increasing again, so domestic demand is projected to be the key growth driver next years.

However, the sharp depreciation of the Russian rouble is hurting exporters. About 11% of the country's exports go to Russia. There is also some indirect exposure through other trading partners affected by the depreciation of the rouble. All in all, imports are set to rise faster than exports in volume terms.

The trade structure is as following:

By destination/origin (% of total)				
Exports		Rank	Imports	
Lithuania	16%	1	35%	Russia
Estonia	12%	2	11%	Lithuania
Russia	11%	3	6%	Germany
Poland	6%	4	6%	Poland
Germany	5%	5	6%	Estonia

By product (% of total)				
Exports		Rank	Imports	
Refined Petroleum Products	17%	1	35%	Refined Petroleum Products
Non-Edible Agricultural Products	8%	2	3%	Telecommunications Equipment
Beverages	5%	3	3%	Natural Gas
Wood Articles	4%	4	2%	Miscellaneous Hardware
Telecommunications Equipment	4%	5	2%	Plastic Articles

Shadow economy

Regarding shadow economy Latvia's government has a problem. There is a large gap between the country's potential tax revenue under its existing tax laws and actual revenue collected. This is partly due to occasional tax avoidance by individual companies and households but it's also the result of organised criminal activities (tax avoidance scheme, counterfeiting, smuggling...). The crisis made this situation worse but now it has improved aided by the authorities' efforts.

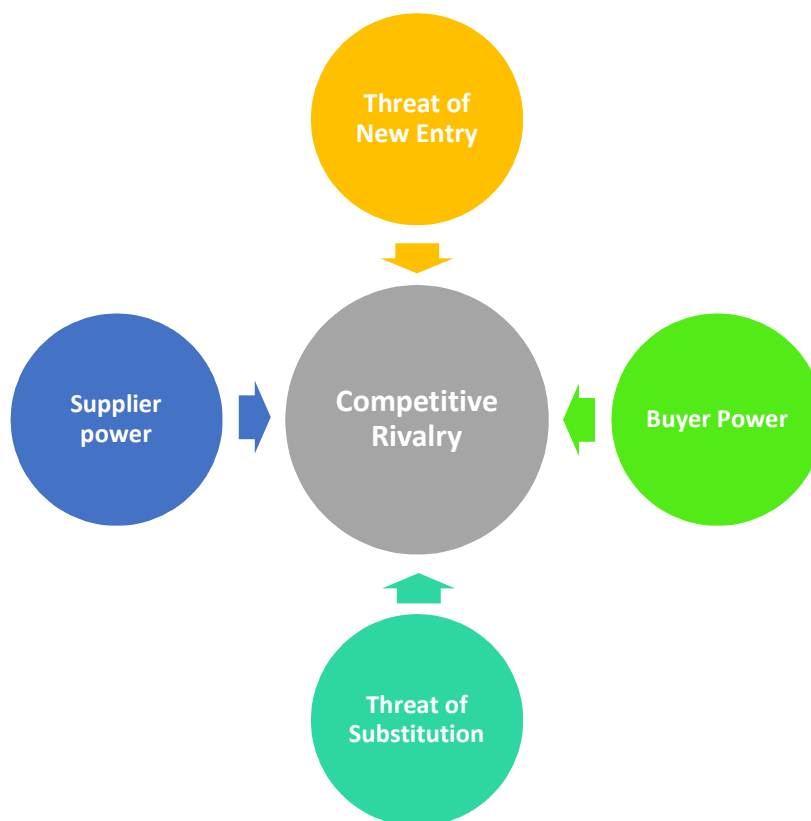
Economic forecast summary

Despite the financial crisis and severe recession in 2008-2010, Latvia's economy was resilient and was the fastest growing economy in the EU between 2011-2012.

GDP growth is projected to accelerate to 3.5% in 2017, mainly driven by domestic demand. The increase of wages will sustain household consumption.

Financial conditions are projected to improve helped by the monetary policy in the euro area. Fiscal policy will remain prudent and planned measures for 2016 will increase the progressivity of the tax system. There are also some reforms that will reduce poverty and inequality, which are among the highest in the OECD.

2.2. PORTER'S FIVE FORCES ANALYSIS (microenvironment)



2.2.1. Threat of new entry

- *Time and cost of entry*

According to recent surveys, starting a business in Latvia is not a difficult process, the average time necessary for all the procedures is 5,5 days. The cost of creating an enterprise is not high.

- *Specialist knowledge*

Due to the business will be a Spanish tapas restaurant, some knowledge is required about typical Spanish traditions, music, food and drinks. To provide a good service to the costumers it would be advisable, at least, one Spanish worker.

- *Economics of scale*

In this kind of business economics of scale are not very important because of the quantity sold. A chain has more bargaining power than a restaurant but in the future, the purpose of the business is to expand. Furthermore, regional suppliers will have preference over chains.

- *Cost advantages*

Some restaurants can have access to cheaper inputs and also they can have loyal customers. Moreover, it can be difficult to negotiate with regional suppliers if the manager doesn't speak Latvian, it is necessary a high level of English to avoid any problem or to hire someone Latvian.

- *Technology protection*

The technology used by the business do not have any protection.

- *Barriers to entry*

There are not legal any other barriers to entry.

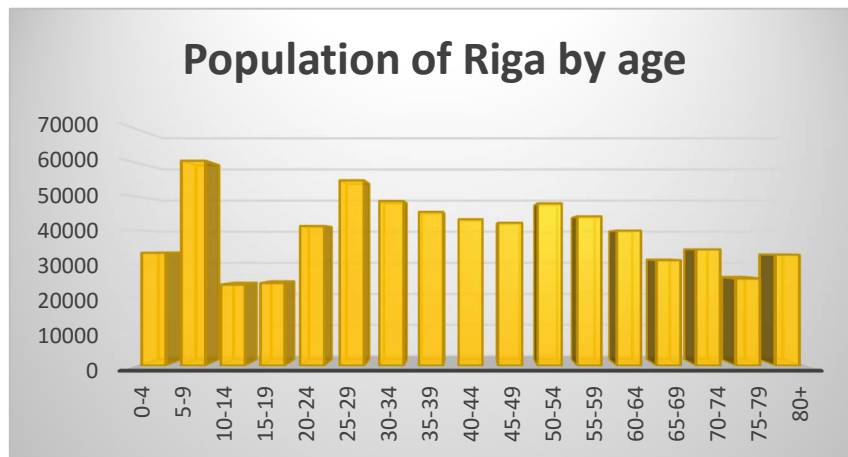
Concerning "Threat of new entry", there are some positive and negative aspects. Our business will be specialised in Spanish cuisine and tapas, so having Spanish workers it's clearly a competitive advantage.

Nevertheless, the time and cost of entry, technology protection and barriers to entry are pretty low which can increase the interest of people to start their own business.

2.2.2. Buyer power

- *Number of costumers*

The potential customers of our business are people between 20 and 70 years old, with medium-high wages. The restaurant will be placed in the city of Riga so regarding the population of Riga between these ages there are about 440.000 people. Not all the people in this range will have medium-high salaries and moreover not everybody is interested in Spanish food and culture so this amount of people will be reduced considerably.



- *Price sensitivity*

The price of the service is important for the costumers but it is not the main reason for choosing the restaurant. As we are offering high quality food with a very good service and several complementary activities such as language exchanges, food for take away and a conditioned room for private parties.

- *Cost of changing*

For costumers, the cost of changing is almost zero. Due to the business type they can change from one restaurant to another without losing anything.

Although the cost of changing is almost zero, there are not a lot of Spanish restaurants in Riga so the costumers don't have many options to choose from. Spanish cuisine is highly valued in Riga and also "tapas" are very popular nowadays between Latvian people.

2.2.3. Threat of Substitution

Customers have a wide selection of restaurants to choose from, so it is very important to offer something different from the competition. The city of Riga has plenty of restaurants in every street, most of them are cosy and medium size. There are restaurants offering typical cuisine of almost every country in the world. The prices are usually high for medium wages and are around 20€ per commensal.

It is also necessary to mention in this paragraph fast food restaurants. International chains as McDonalds, Subway, KFC, Hesburger are established in Riga. They have pretty low prices but the quality of their products and also the service offered is worse than in a restaurant.

2.2.4. Supplier power

- *Number of suppliers:* The business will be supplied by two different kind of suppliers:
 - Latvian small farmers
In order to assure the quality of the products our main suppliers will be regional farmers. Their power won't be very big because there are a lot of small farmers to choose between.
 - Spanish producers
Some of the products for the Spanish cuisine are not available in Riga, or they are available but not with the same quality so it will be necessary to import some of the foods. The quality of the raw material is essential in our business so in this aspect the supplier power will be high.
- *Size of suppliers:*
 - Latvian small farmers
As it is said before these suppliers will be small, families or farmers that don't product a lot.
 - Spanish producers
In this case the size is not fixed, it will depend on the product we are going to import.
- *Uniqueness of service:* Suppliers do not offer a unique service; they can be changed easily.
- *Cost of changing:* The cost of changing is low because the conditions of the different farmers will be pretty similar.

2.2.5. Competitive Rivalry

Direct competitors			
Restaurants			
Wine bar Garage	Quality out of 5*	Ranking out of 680**	Price
	4.5	66	15-40€
	Opening hours	Everyday 10:00 pm – 12:00 pm	
D'vine	Quality out of 5*	Ranking out of 680**	Price
	4	220	18€
	Opening hours	Monday to Thursday 12:00 pm - 11:00 pm	
		Friday 12:00 pm – 01:00 am	
Saturday 12:00 pm – 12:00 am			

		Sunday Closed	
Escargot cafe	Quality out of 5*	Ranking out of 680**	Price
	4.5	390	15€
	Opening hours	Everyday 10:00 pm – 10:00 am	
Madride Spanish Tapas bar	Quality out of 5*	Ranking out of 680**	Price
	4.5	Not information found	13€
	Opening hours	Monday to Thursday 12:00 pm - 10:00 pm Friday 12:00 pm – 02:00 am Saturday 02:00 pm – 02:00 am Sunday Closed	
Spanish cultural centres			
Name of the centre	Member card	Price	
Séneca Spanish cultural centre	Club Séneca	36.91€	
	Club Séneca +	65.46€	
	Estudiante Séneca	Free if you start a language course	
Centro Picasso	Check prices below		

*To determine the quality of the restaurant TripAdvisor reviews have been used.

**According to TripAdvisor ranking.

Restaurants

- **Wine bar Garage**

In this restaurant you can enjoy breakfast, lunch, aperitif and dinner. Despite it's not a proper Spanish restaurant it's included in direct competitors because it offers a wide selection of Spanish wines and it also offers tapas.

- *Threats:* High quality food, customer loyalty, good location.
- *Opportunities:* People who go to this restaurant they like tapas and we'll sell original Spanish tapas.

- **D'vine**

The modern and very special lighting elements at D'vine create a good atmosphere where you can enjoy good wines, trendy tapas and salads. It has an open kitchen and glass on all sides so you can see and be seen from the street.

- *Threats:* D'vine offers "tapas evening", for 18€ you can eat as many tapas as you want.
- *Opportunities:* The atmosphere is not Spanish, also because of the glass walls you don't have a lot of privacy.

- **Escargot cafe**

In its webpage the restaurant is described as: "Authentic Spanish cuisine and delicatessen", also as their main products they present: Jamón (Spanish ham), tapas, wine and cheese, all of them typical Spanish. The menu has a wide range of well-prepared Spanish food and also they use the Spanish names of each meal.

- *Threats:* Big variety of Spanish food, average prices.
- *Opportunities:* The name of some of the plates is wrong translated and the atmosphere is not Spanish.

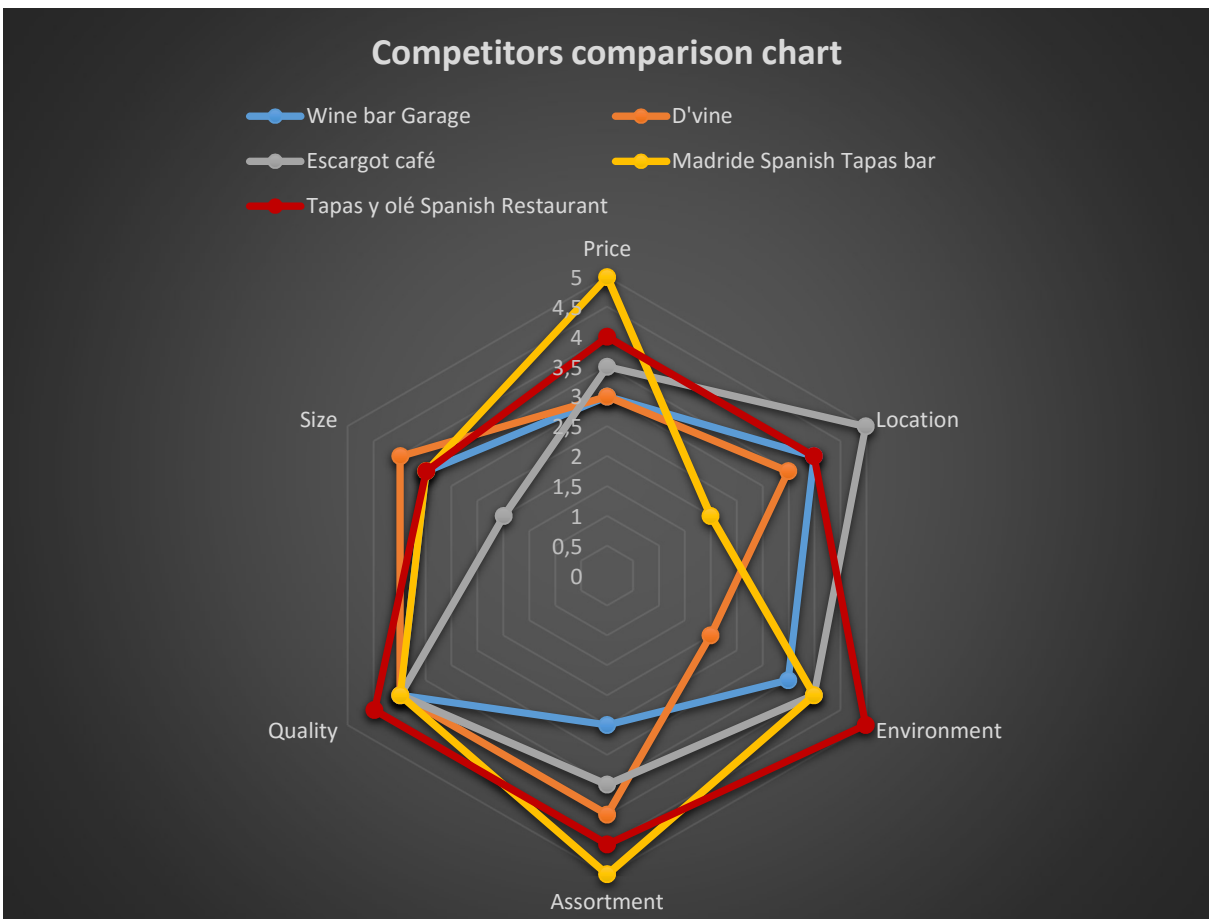
- **Madride Spanish tapas bar**

Real Spanish restaurant, Spanish owner and he also speaks Latvian. The restaurant offers all typical Spanish foods. The food is cooked and served in a Spanish way, furthermore the environment is pretty Spanish and the bar have a lot of scarf from Spanish football teams.

- *Threats:* Main competitor, good quality products. They also have "Mahou" the main Spanish beer in Spain, quite different than Latvian beers. Spanish atmosphere, Spanish music and dance.
- *Opportunities:* A bit far from the old town.

COMPETITORS COMPARISON CHART

Name	Price	Location	Environment	Assortment	Quality	Size	Total Score
(Weight)	5	2	3	4	4	2	100
Wine bar Garage	3	4	3,5	2,5	4	3,5	66,5
D'vine	3	3,5	2	4	4	4	100
Escargot café	3,5	5	4	3,5	4	2	73,5
Madride Spanish Tapas bar	5	2	4	5	3	3	81
Tapas y olé Spanish Restaurant	4	4	5	4,5	4,5	3,5	86



In the previous comparative chart, we can see our restaurant strengths: environment and quality. Our main competitor (Madride Spanish Tapas bar) is better than us in assortment and price, but in the total score we are very similar.

Spanish cultural centres

- **Séneca Spanish cultural centre**

Séneca centre is a private educational institution formed with the goal to bring together Spanish and Latvian cultures and become the bridge between these cultures in Latvia. They also cooperate with other educational institutions, which are interested in Spanish culture, as well as with Spanish and local enterprises, whose economical activities are related to Spanish culture.

Spanish cultural centre Séneca offers translation services to and from Latvian/Spanish, specializing in translation of juridical, scientific and technical texts.

The centre provides and promotes and practice of Spanish they offer not only Spanish language courses, but also organize cultural activities and social events in relation to Spanish culture, art, music, society and other topicalities regarding Spain and the Spanish language.

In the centre there is also the possibility to get acquainted with Spanish culture and enjoy Spanish atmosphere by attending guitar, gastronomy, literature master classes or theatre workshops, movie evenings or conversational clubs. They also have a small library and a video library.

Prices of club Séneca

- Card "CLUB SÉNECA":

This card provides unlimited access to the library and video library. You can also receive a 10% discount for translation services at our centre.

This card is valid for 5 months. The total price for the whole period is 36.91€

- Card "CLUB SÉNECA +"

This card includes not only the offer of the card "CLUB SÉNECA", but also a possibility to attend the cultural activities, master classes, movie evenings, conversational classes, theatre workshop, concerts, game afternoons and other events organized by the centre.

This card is valid for 5 months. The total price for the whole period is 65.46€

- Card "ESTUDIANTE SÉNECA"

This card is issued for our students of Spanish language courses. This card provides all the possibilities that the card "CLUB SÉNECA+" offers.

The card is valid if you are a student of the centre and is renewed each academic year. It is free of charge and you will receive it upon starting a language course at our centre.

Threats and opportunities

As Séneca cultural centre says in its description, they cooperate with Spanish local enterprises so they could be seen as a collaborator instead of a competitor. The services they offer are teaching Spanish and also show the Spanish culture, cuisine, traditions and so on. However, they do not have any special service of restaurant. Cooperating with them could be a good opportunity for us because they have a lot of clients interested in Spain who most likely would love our restaurant.

Furthermore, we'll need help for the starting up procedures with Latvian language and they offer translation services.

In their webpage it is said that they do frequently Spanish food tasting which can be an opportunity for us for being their suppliers.

Séneca cultural centre can be a very good collaborator but in case they would not be interested in cooperate with us they present some threats.

The threats can be that people don't come to our restaurant because they have enough Spanish activities there and they can't afford spend so much money in Spanish activities or more free time left.

- **Centro Picasso**

Centro Picasso school is specialised in teaching Spanish for foreigners. They started their activity in Estonia many years ago, and since then, thanks to a successful model of education, they have expanded to other states as Latvia, Lithuania, Belarus and Poland. The centre's aim is not only promoting learning and practicing of Spanish language, but they also offer and organize cultural activities such as movie evenings, reading afternoons, debates and different workshops related with Spanish culture.

The centre has 5 professors, all of them from Spain. They offer Spanish individual lessons, not only for beginners but also for students with previous knowledge. The lesson day and time is arranged individually.

All the cultural events are arranged by the teachers in order to find the best way to find out more about Spain and its diversity through local eyes. The events are free for Centro Picasso students but it's also possible to invite a friend.

They offer different topics such as interesting presentations of the different Spanish regions, cultural events in general about Spanish culture, movie nights and so on. There

are also Spanish and Latin-American themed parties at the beginning and end of the semester, when you can taste typical Spanish drinks and food made by the teachers.

Centro Picasso cultural events take place every week on Fridays.

Prices

Course	Price
A1 Beginners	270€
A2 Beginners with previous knowledge	360€
Private classes 1-2 students (90 min)	30€
Private classes 1-2 students (60 min)	20€
Course book	38€

Threats and opportunities





Centro Picasso can be also our partner due to they don't offer any restaurant services. The centre has headquarters in several countries which could benefit us in case people from other countries, which are customers of Centro Picasso, come to visit Riga. Furthermore, students from Centro Picasso in Riga will be potential customers of our restaurant.

Regarding the possible threats would be if they try to expand more the business and start to offer restaurant services. Due to the website their main goal is teaching so most likely it will never happen.



Competitors

Location of Direct competitors

Direct competitors: Spanish restaurants

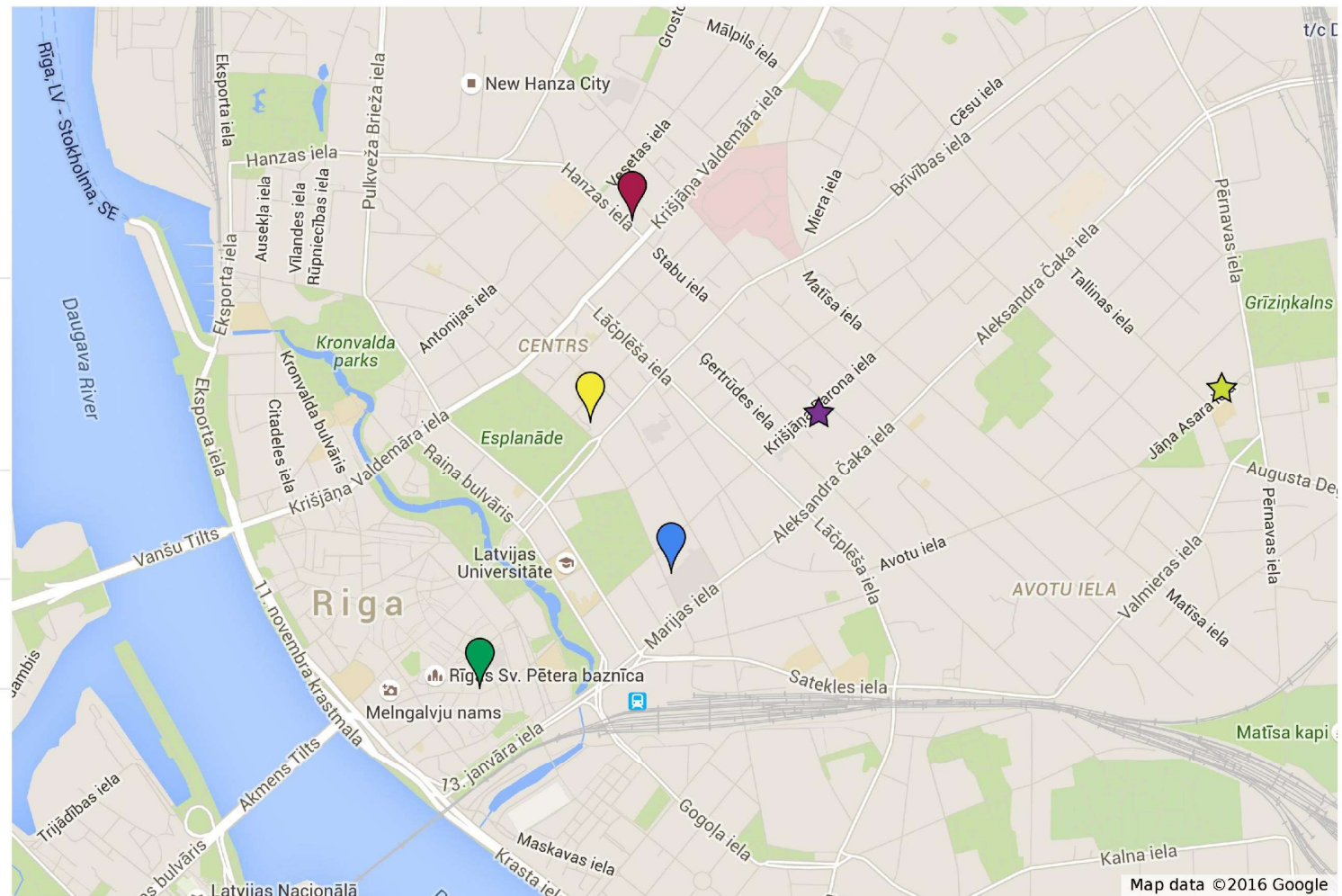
-  Wine bar Garage
-  D'vine
-  Escargot cafe
-  Madride Spanish tapas bar

Direct competitors: Spanish cultural centres

-  Culture centre Seneca
-  Centro Picasso

Indirect competitors: All kinds of restaurants

Indirect competitors: Cultural centres



Main indirect competitors			
Restaurants			
Milda	Quality out of 5*	Ranking out of 680**	Price
	4.5	1	15€
	Type of food	Russian, European, Latvian	
	Opening hours	Everyday 12:00 pm - 10:00 pm	
Folkklubs Ala Pagrabs	Quality out of 5*	Ranking out of 680**	Price
	4.5	4	8-10€
	Type of food	Latvian	
	Opening hours	Monday to Wednesday 12:00 pm – 2:00am Thursday to Saturday 12:00 pm – 5:00 am Sunday 2:00 pm – 2:00 am	
Easy Wine	Quality out of 5*	Ranking out of 680**	Price
	4.5	5	15€
	Type of food	Italian, French, Mediterranean	
	Opening hours	Monday to Wednesday 4:00 pm – 12:00am Thursday and Saturday 12:00 pm – 2:00 am Sunday 12:00 pm – 12:00 am	
Lido	Quality out of 5*	Ranking out of 680**	Price
	4	18	8-10€
	Type of food	Latvian	
	Opening hours	Monday to Thursday 9:00 am – 10:00 pm Friday and Saturday 9:00 am – 11:00 pm Sunday 10:00 am – 10:00 pm	
Fat pumpkin	Quality out of 5*	Ranking out of 680**	Price
	4.5	21	25-35€
	Type of food	Vegan, healthy, Mediterranean	
	Opening hours	Monday to Thursday and Sunday	

		11:00 am – 10:00 pm Friday and Saturday 11:00 am – 11:00 pm	
Melnais kakis	Quality out of 5*	Ranking out of 680**	Price
	4.5	24	25-30€
	Type of food	Latvian	
	Opening hours	Everyday 10:00 pm – 01:00 am	
Aqua Luna	Quality out of 5*	Ranking out of 680**	Price
	4.5	27	25-30€
	Type of food	European	
	Opening hours	Everyday 12:00 am until last client	
Mio Restaurant	Quality out of 5*	Ranking out of 680**	Price
	4.5	31	20€
	Type of food	Italian, French, international	
	Opening hours	Monday to Friday 11:00 am – 11:00 pm Saturday and Sunday 12:00 am – 11:00 pm	
Olive oil Restaurant	Quality out of 5*	Ranking out of 680**	Price
	4.5	46	20€
	Type of food	Italian	
	Opening hours	Everyday 11:00 am – 12:00 pm	
Kalku Vārti	Quality out of 5*	Ranking out of 680**	Price
	4.5	52	30-35€
	Type of food	European	
	Opening hours	Everyday 12:00 am – 12:00 pm	
Cultural centres			
Name	Description		
Jewish Community of Latvia	<p>Founded in 2008 Riga Jewish Community is the biggest in the Baltics has about 8 thousand members.</p> <p>It has various Jewish organizations, creative groups, clubs and studios work in the community house; museum "Jews in Latvia", library, youth and community centers are located here.</p> <p>Social center provides aid to low-income members of the community. Different educational and</p>		

	culture programs, concerts, performances, exhibitions take place within the house
Cannabis culture centre	Cannabis Culture Center" is a great place to hang out in the middle of Riga town center with an interesting crowd. It is open all time, however most of the interesting stuff (concerts, exhibitions, markets) is happening mainly over warmer spring/summer periods

WEBSITES

All the competitors' websites are included in the [APPENDIX](#) section.

Competitors

Location of indirect competitors

Direct competitors: Spanish restaurants

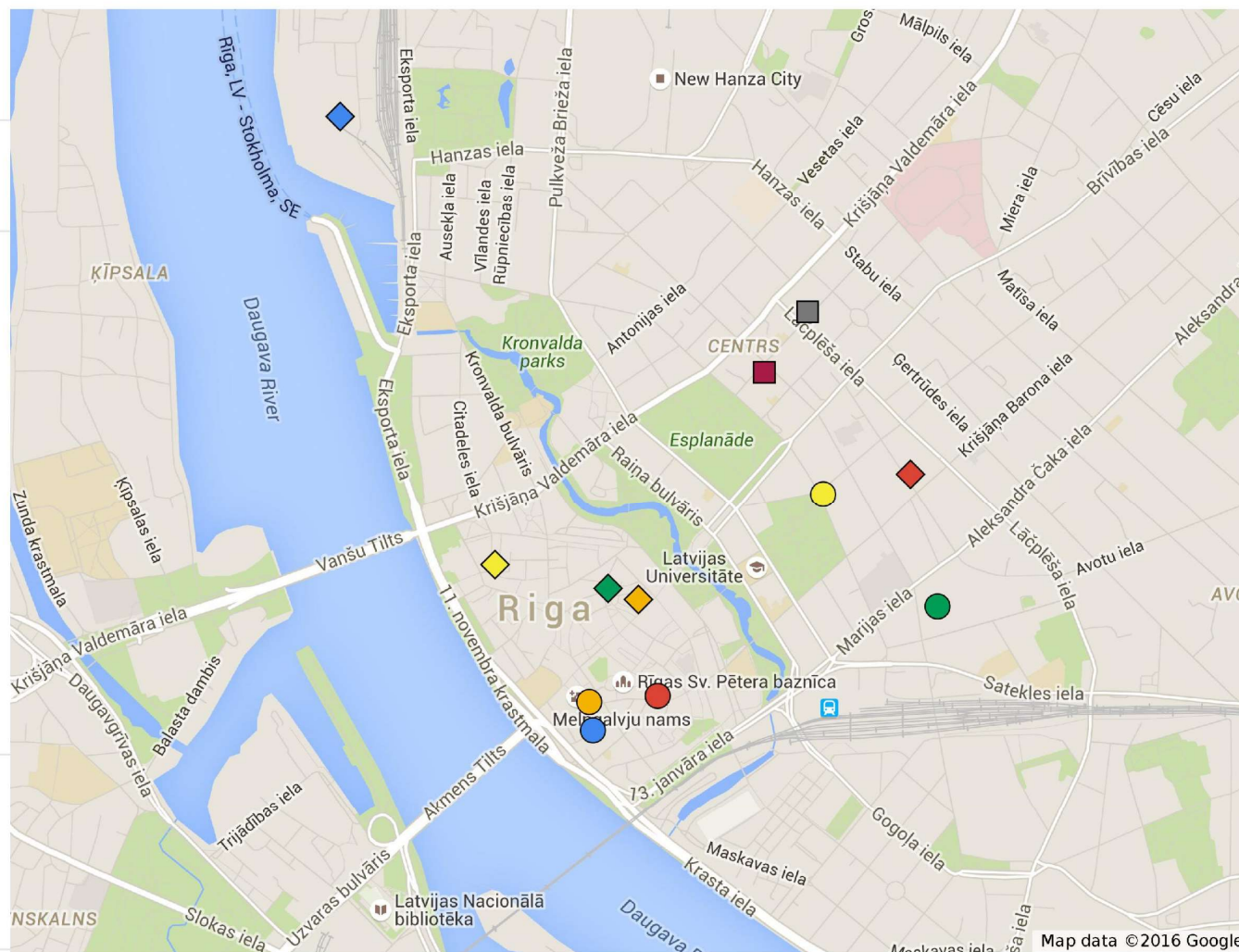
Direct competitors: Spanish cultural centres

Indirect competitors: All kinds of restaurants

- Milda
- Folkklubs Ala Pagrabs
- Easy wine
- Lido
- Fat Pumpkin
- ◆ Melnais kakis
- ◆ Aqua Luna
- ◆ Mio Restaurant
- ◆ Olive Oil Restaurant
- ◆ Kalku varti

Indirect competitors: Cultural centres

- Jewish Community of Latvia
- Cannabis culture centre



Map data ©2016 Google

Competitors

Location of all competitors (Direct and Indirect)

Direct competitors: Spanish restaurants

- ◆ Wine bar Garage
- ◆ D'vine
- ◆ Escargot cafe
- ◆ Madride Spanish tapas bar

Direct competitors: Spanish cultural centres

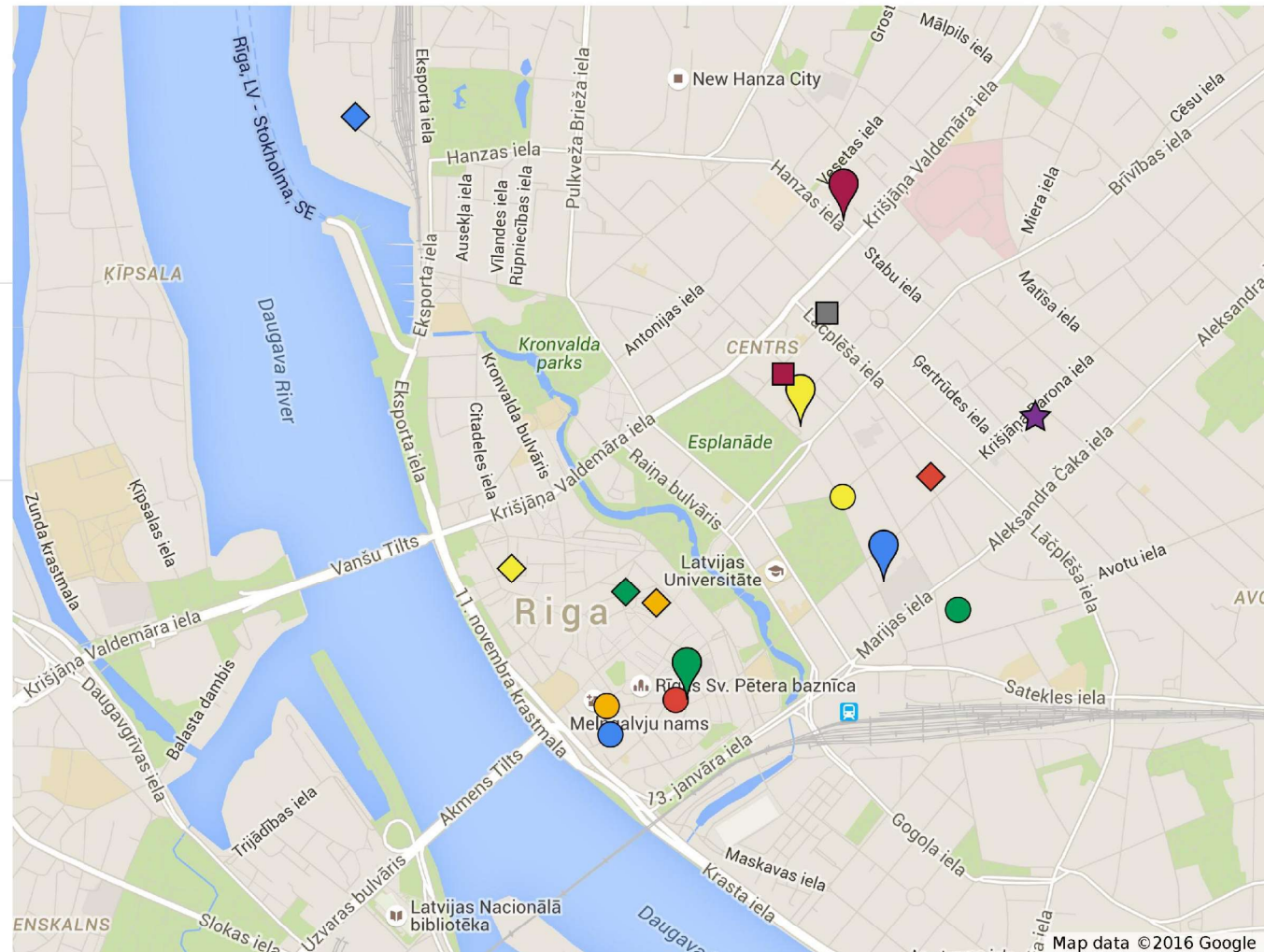
- ★ Culture centre Seneca
- ★ Centro Picasso

Indirect competitors: All kinds of restaurants

- Milda
- Folkklubs Ala Pagrabs
- Easy wine
- Lido
- Fat Pumpkin
- ◆ Melnais kakis
- ◆ Aqua Luna
- ◆ Mio Restaurant
- ◆ Olive Oil Restaurant
- ◆ Kalku varti

Indirect competitors: Cultural centres

- Jewish Community of Latvia
- Cannabis culture centre



Map data © 2016 Google

3. BUSINESS DESCRIPTION. MARKETING MIX.



3.1. Product

3.1.1. Product description

Our product, which is a Spanish restaurant in Riga, will be named: Tapas y olé.

Restaurant main activity will be selling tapas and a wide variety of Spanish dishes, all surrounded by a flamenco environment. The menu will be composed of: Raciones, Tapas, Main courses, desserts and beverages. See menu in [APPENDIX](#).

Tapas y olé will be more than just a restaurant, it will also offer “Tapas and conversation” tandem language exchange (Explained below). It is also possible to reserve a table online.

Our restaurant will have the possibility of ordering food for take away, delivery food and also a prepared room for private parties. The price of booking the private room is 100€ per evening and 150€ if it's Friday or Saturday evening. The tenant agrees not to make any damage to property and to respect maximum noise levels.

3.1.2. “Tapas and conversation” tandem language exchange

Definition

The Tandem language exchange program is an open method of learning languages where two persons from different cultures and mother tongues meet and work together on a regular basis.

A multi-purpose program

- To improve the knowledge of a foreign language and particularly oral expression.
- To get prepared for a stay abroad.
- To meet a person from a different country and culture.
- To develop intercultural skills and sensibility.

How does it work?

Tapas y ole choose the Tandem partners and the couples decide together the subjects to be tackled. Each meeting duration has to be decided together, but it is recommended to last at least 50 minutes.

The important thing is to speak half the time in a language and the other half in the other one. For example, you can start speaking 25 minutes in a language and continue with the other one or both of you can speak in the opposite foreign language.

Tandem exchanges will take place twice a week, on Wednesday and Thursday, but these days can be change depending on the demand of customers.



How much does it cost?

Participating in this exchange is free for customers, but they have to consume at least 1 glass of wine/beer and also 4 tapas. Only if they sign up in the exchange and miss it more than twice without justification they will be punished with 10€ fine. If they continue missing the meetings, they will be expelled from the program.

3.1.3. Food delivery

Our restaurant also offers food delivery service in the old-town and Riga centre. For this service, the restaurant will hire 2 people who have a motorbike and can deliver the food. It will be possible to order online and also by phone. The average time for delivery will be 30 minutes and it will have 1€ supplement of the total price.

3.2. Price

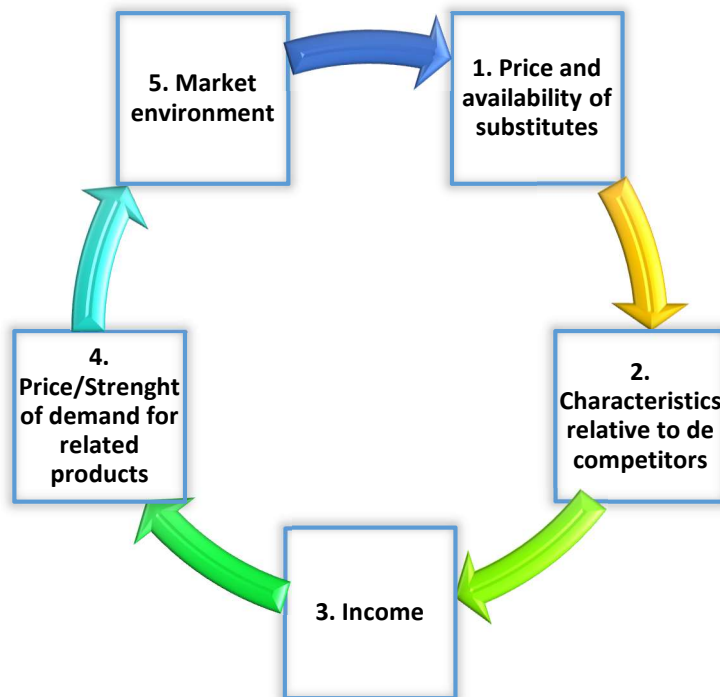
3.2.1. What is Pricing Strategy?

A business can use a variety of pricing strategies when selling a product or service. The price can be set to maximize profitability for each unit sold or from the market overall. It can be used to defend an existing market from new entrants, to increase market share within a market or to enter a new market. Businesses may benefit from lowering or raising prices, depending on the needs and behaviours of the customers and clients in the particular market. Find right pricing strategy is an important element in running a successful business.

3.2.2. Guidelines for pricing strategy for challenging economic times

- Pricing is a market consideration, not a cost consideration.
- Understand our customers' primary goals. Be clear on what the customer wants first then set pricing and bundling decisions.
- Consider bundling products or services together. Always bundle a low -and high- valued product together. This will create higher sales and greater profitability.
- Understand our value proposition. Have a clear understanding of if and how your product or service is differentiated from the competition.
- Know where we are on the scale of "innovative-to-commoditized"
- Build the customers' perception of value. Constantly build on customer perception. The subtler the differentiation of the product or service, the more often customers need to be reminded of the value of our product or service.

3.2.3. Pricing calculator



3.2.3.1. Price and availability of substitutes

As we checked in the external analysis there are not too many substitutes for our service. There are only 4 direct competitors that also sell Spanish food but their services are not as truly Spanish as ours.

Their prices are in the average of all restaurants in the city of Riga. The average price of a complete meal is around 20€.

3.2.3.2. Characteristics relative to competitors

Our restaurant offers some features that our competitors do not offer, such as: The tandem language exchange, we organize Spanish themed parties and also the possibility of hiring flamenco bands. Furthermore, we also prepare food for take away.

Both tandem language exchange and take away food are free services offered by our restaurant. We also help our customers to organize the Spanish parties and hiring the flamenco groups if necessary.

We want to make use of Spanish brand as a high quality brand.

3.2.3.3. Income

For creating the price we've think about the next questions:

- *Can our costumers afford our prices?*
Our main reference for creating the prices has been the prices of the competitors. They have been in the market for more than 5 years and there are still working.
- *Are there times of the year they can afford it, and other times where their purchasing power is constrained?*
In Riga, the wages are the same during the year but in summer there is always a better predisposition of spending money. We are planning to offer special events and food for summer time.

3.2.3.4. Price/Strength of demand for related products

There are not important related products that increase the total cost of going to our restaurant. The only one could be the transport for going to the restaurant but the restaurant will be located in the city centre so it will not be a problem.

3.2.3.5. Market environment

Spanish food has always been highly regarded from Latvians and last years its popularity has increased. Latvian people like Spanish culture, food, music and traditions. With the increasing of the salaries and economy's improvement now the demand of restaurant services has increased.

3.2.4. Pricing strategies

These pricing strategies will be kept in mind for creating the price and also for future changes in the price or services offered.

- The law of three

In every business there are always a range of models for cover all bases. Most people will buy middle of the range. The middle of the range feels "safest". There is a very expensive option and a very cheap option. The actual option that the business wants to sell is the priced in the middle of those two extremes. If the business didn't offer a ridiculously expensive option as a basis for comparison, the middle option becomes the expensive option, and you're more likely to set your sights lower.

- Versioning

Offer slightly different versions of the same thing. The cost of production of each model is probably near identical across the range, but by offering different versions, we can figure out who is prepared to pay more.

- Differential Pricing

Offering coupons can grab those buyers who are very price sensitive, or looking to buy only if they perceive a genuine bargain. Our other customers won't bother with coupons, so we can successfully run two different pricing strategies, one discount and one full price, by using coupons.

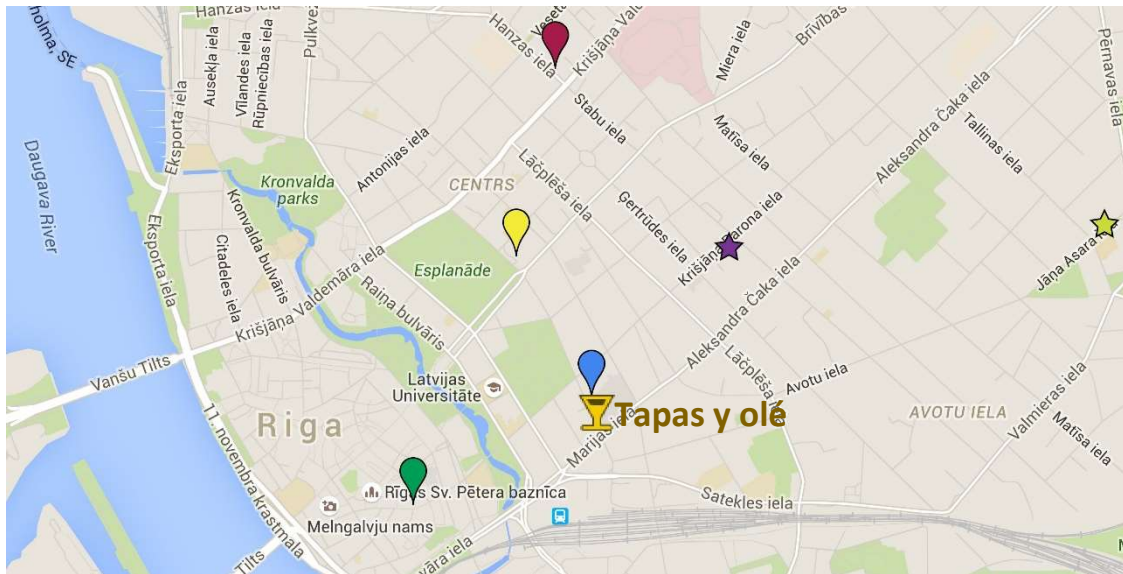
3.2.5. Creating the price

Our business prices will be the average prices of the market, we've checked our competitors' prices and calculated ours. Our competitive advantage will be that we're offering something else that the competitors do not offer, the environment and staff of our restaurant will be totally Spanish. Furthermore, the menu has been well thought-out according to the Spanish typical dishes and tapas.

3.3. Place

3.3.1. Premises

The restaurant will be located in Elizabetes iela 85A. One of the main streets in Riga centre. Access to the premises is from the side of streets Elizabetes, Dzirnavu and Marijas. The picturesque Vermanes Park is situated nearby. Well developed infrastructure, many shops, apartments and big hotels are located nearby



Potential working time not later than 24.00. Exceptions are allowed. There are all the necessary communications.

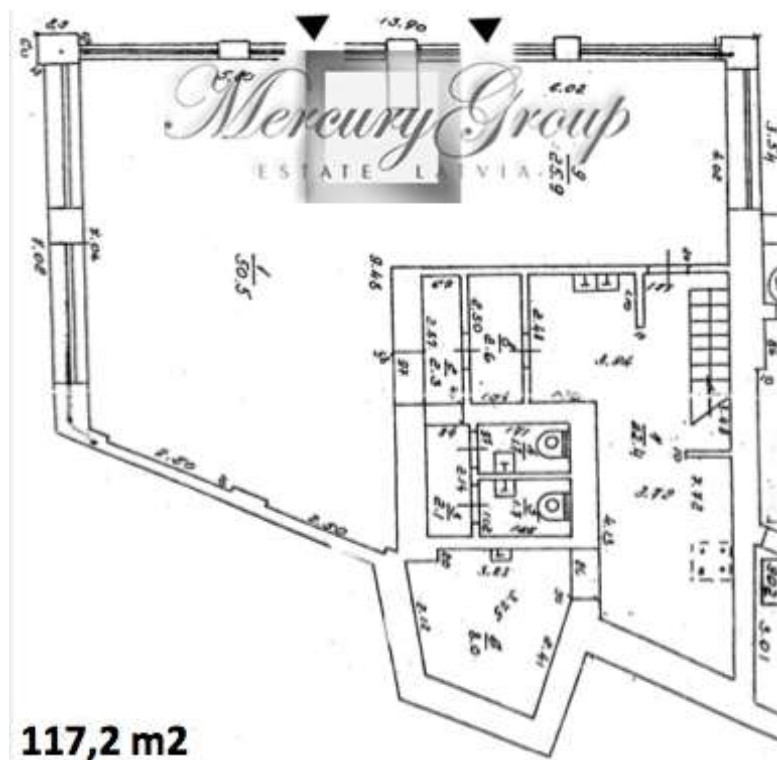
The local is suitable for a medium-high class restaurant. Currently, space is set up as a restaurant where the kitchen is closed. There is also the possibility to buy existing kitchen equipment.

Rental price: 1200€/month + VAT 21% + utilities

Planning

1st floor 117.2m²

Mezzanine floor 27.8m² (If necessary it can be tear down)





There are more pictures attached it the [APPENDIX](#).

3.3.2. Website

Tapas y olé restaurant website will include all the information about the business such us:

- Opening hours
- Menu
- Allergens information
- Private parties
- Ordering food for take away
- Location
- Suggestions and opinions
- Raffles
- Photos and videos
- Make reservations

3.4. Promotion

10 steps to promote our restaurant

1. Creating our logo



2. Sign-up for success

Signs generate lots of business, so we have to be sure that we capitalize on outdoor and indoor signs. We'll have some menu boards and also advertising in receipts. Furthermore, there will be several copies of the menu and we'll post it in the window and of course online.

3. Getting our website ready

As it has been said before, our website is one of the most important parts of the restaurant. We'll create a functional website with responsive design to be able to get anywhere marketing our restaurant. We'll publicize the website in all our advertising materials such as menu boards, receipts, Facebook profile, TripAdvisor profile, menus and flyers.

4. Definition of our goals

Our target customers are people between 20 and 70 years old, with medium-high wages who live in the city of Riga. In addition, tourist from other Baltic countries are also our target customers.

5. Optimizing our online presence

We'll claim our listing in local directories and restaurant review sites. As well as sending out press releases to local newspapers, magazines and schools to let them know that our restaurant is open for business. As it has been said, the menu will be available online in order to help customers who make reservations from their smartphones to know our services and dishes.

Multiple advertising and promotional channels will be used for promotion, we'll use approximately 80% of our budget to internet promotions and 20% to traditional advertising such as newspaper, directory, radio and TV.

6. Communicate, interact and engage

Tapas y olé restaurant will be very active in the use of social media platforms, we'll post photos of our cuisine, of the restaurant and the workers... Furthermore, periodically they will be educational posts about culinary topics from the hand of our chef.

We'll respond to people's concerns, complains and we'll praise to show that we're engaged. The average time of response will be less than one hour due to our workers will have access to Facebook and TripAdvisor profiles.

Our website and Facebook profile will show our process for preparing food from the time it enters the restaurant until it reaches the customer's plate.

7. Monitor the web

Our business will make use of Google Alert. It is a useful google tool that send you a notification any time google finds new results on a topic that interest you. For example, we get updates about new restaurants in Riga, or find out when people post something about us on the web. We will also take advantage of Google AdWords that will be explained more detailed in the calculation part.

8. Use incentives intelligently

When we advertise and incentive, we are trying to add value to our food and restaurant and we don't want to take the risk of devaluing the food by discounting it. For example, sometimes a free appetizer or dessert will be offered for free but we'll never give a 50% off the meal. Our customers won't want to pay full price when they got the same food for half price the last time they visited. In addition, we think that Buy-one-and-get-one-free promotions are a good way to incentivize customers, especially customers who usually visit alone.

9. Promoting our brand

Our brand consists of our concept, mission statement, service standards, social involvement and almost everything that happens in our restaurant. We'll always keep in mind that the restaurant business is about service and not just about serving food. We'll make sure that we deliver a

consistent message with our restaurant's logo and colours, audience-appropriate words and advertising platforms that are concept-appropriate every time that we promote our brand.

10. Set up our accounts in:

- a. Facebook
- b. TripAdvisor
- c. Google+
- d. Instagram
- e. GetTable.lv
- f. Twitter
- g. Gmail

3.5. People

For doing an appropriate analysis about the people related to our restaurant it's necessary to divide the people in two groups: workers and customers.

3.5.1. Clients

Our potential clients are approximately 10% of Riga's population between 20 and 70 years old which is 44.000 people. We also expect foreign people to go to our restaurant so we'll recruit workers who can speak Latvian, Russian, English and Spanish.

3.5.2. Workers

They are the base of our business and we have to take care of them, but they also have to follow some rules concerning the restaurant, their behaviour and clothing.

Dress code

Shoes

Appropriate foot covering is a health and safety requirement in our restaurant. Shoes should have non-slip soles because restaurant kitchen and dish room floor are often wet, thins spill and the dining room must be mopped at the end of the shift. Shoes must be closed-toe to prevent injury if a knife is accidentally dropped or if a broken glass is on the floor.

Hair

Hair must be secured back at all times. Kitchen employees have to put their hair up under caps and waiters or waitresses with long hair have to wear a ponytail. All restaurant staff, both front and back of house, should have their hair secured to prevent hair from falling into food or onto dishes.

Hand washing

Employees are expected to wash their hands regularly. The restaurant will have a hand-washing station in the kitchen. The station is for hand-washing only, drinking water should be taken from the bar. Waitress and waitresses must wash their hands after clearing used dishes and after using the restroom. Kitchen staff must to wash their hands between different food-preparation chores and after using the restroom.

Customer service and communication

Workers have to introduce themselves before starting to ask the order. Also, due to restaurant workers will move quickly in sometimes small spaces and are often carrying hot plates or trays full of beverages, they are expected to speak up when moving through the kitchen or service area. They must state clearly, "Behind you", when walking past another employee while carrying a full tray, or call out, "Hot plates coming through", if walking through the kitchen area with hot plates.

Employment policies

Hiring

It is Tapas y olé's policy to give preference to Spanish citizens to work in the restaurant. It will be also important to speak languages such as Latvian, Russian, Spanish, English and German. As required by law, employees will be required to provide original documents that establish authorization within three days of their date of hire. All servers, must also be at least 18 years old.

Although we give preference to hiring Spanish people, Tapas y olé is an equal opportunity employer. We will not tolerate discrimination based on race, sex, age, national origin, religion, sexual orientation or disability. Employment decisions, such as hiring, promotion, compensation, training and discipline will be made only for legitimate business reasons based upon qualifications and other non-discriminatory factors.

Orientation period

After the employee selection process, there is a one-month orientation period when the company will see how the person fits in and with his/her co-workers. This period will also determine if the employee is willing and able to carry out the responsibilities for the position he or she was hired. It's also important that the employee get to know the company and become familiar with how we operate.

This 30-day period allow both the employee and the company to see whether or not it's a good fit and if not, terminate the contract amicably.

Evaluation

All the employees will receive written performance evaluations twice a year, in June and December. Also, they will receive verbal evaluations at any time the employer thinks it's necessary. The evaluation process is an opportunity to identify accomplishments and strengths

as well openly discuss areas and goals for any improvement. Depending on the position and performance, the employee may be eligible for a pay increase and or promotion.

10 GOLDEN "TAPAS Y OLÉ RESTAURANT" RULES

1. You love Spanish food culture, music, dance and traditions so you have to show you love it and help the customers to also enjoy it.
2. All work is team work.
3. If you want to be bigger than everybody else, you'd better be better than everyone else, too.
4. The customer is not always "right" but is always the customer, and it's all right for the customer to be wrong.
5. Customers will forgive mistakes in the kitchen more than mistakes in the service. Service is our invisible product.
6. Good service means never having to ask for anything.
7. Do not touch the rim of a water glass. Or any other glass.
8. Know before approaching a table who has ordered what. Do not ask, "Who's having the shrimp?"
9. Never remove a plate full of food without asking what went wrong. Obviously, something went wrong.
10. Do not ignore a table because it is not your table. Stop, look, listen, lend a hand.

3.6. Process

In this section we are going to discuss about the different processes that our restaurant has. We want that our processes give us a competitive advantage so we are going to represent them in a flow diagram to help us to understand them perfectly and be able to take and advantage out of them. The processes are the following:

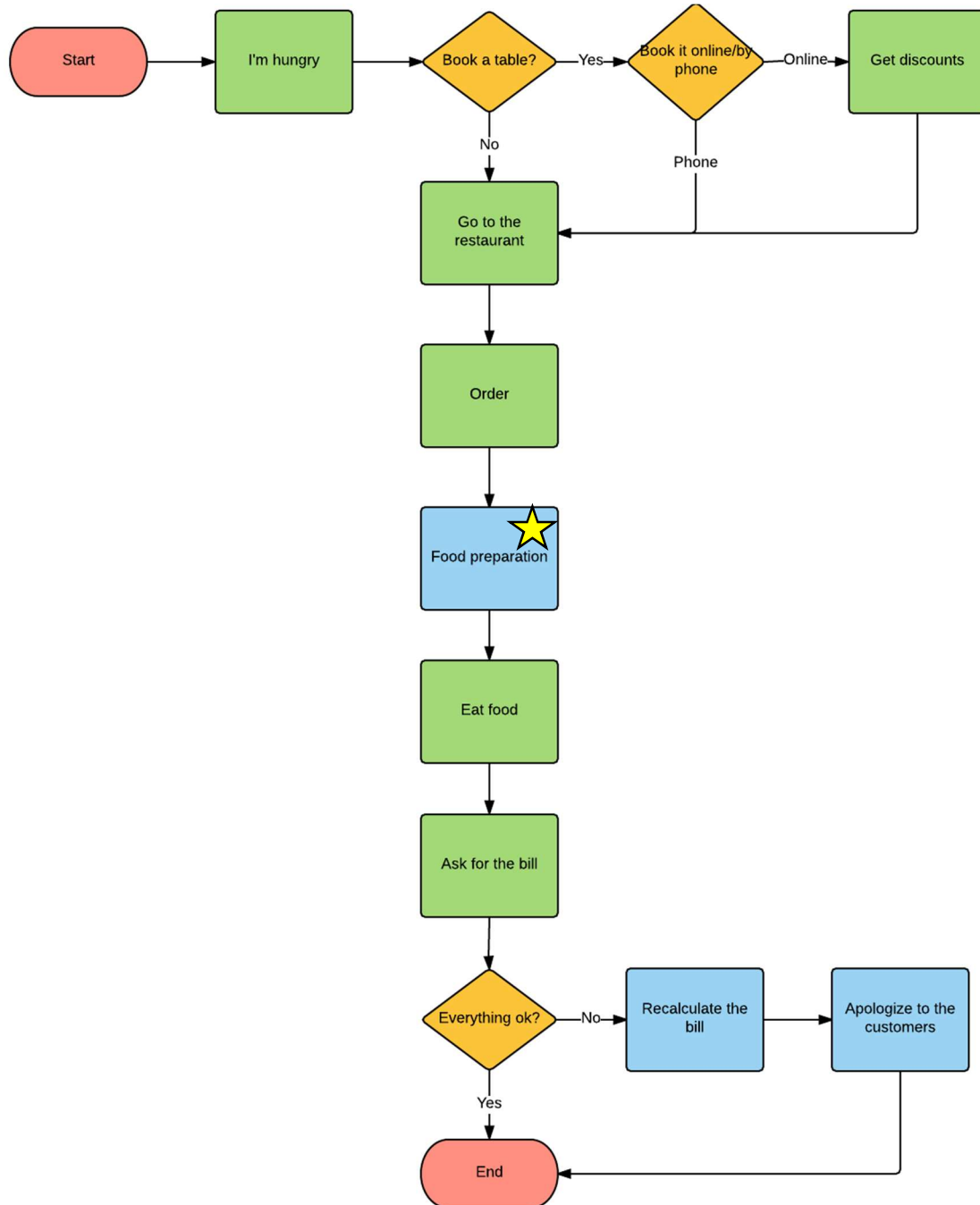
- General process of service provision
- Food preparation
- Tapas and conversation language exchange
- Staff recruitment
- Food delivery
- Rent private party room

LEGEND

-  Workers process  Customers proces  Start/End  Document  Decision

3.6.1. General process of service provision

This is the most important process in our restaurant. It's necessary to monitor it in order to be sure that our customers receive an impeccable service. Even though each customer order different food the general process will be the same for all of them.

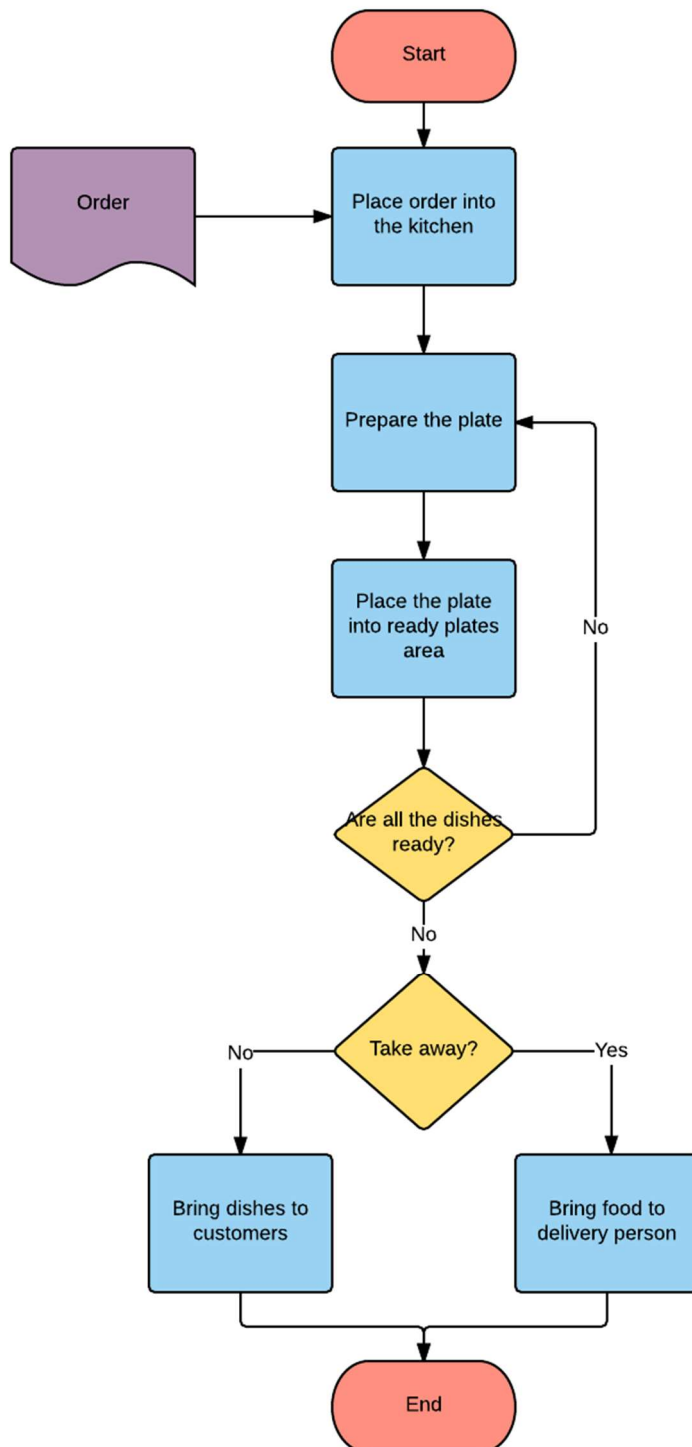


Once client has decided to come to the restaurant he has two different options: reserve a table or going without any reservation. In case he decides to reserve a table he can reserve it by internet or by phone. Online option will give him some discounts only available in the website.

The main process of this flow diagram is asking our customers if everything is okay, this question will be asked twice. First when the clients are eating their food and second at the end of the meal. In case there is any problem with the bill the waiter will ask his manager and they do the necessary changes.

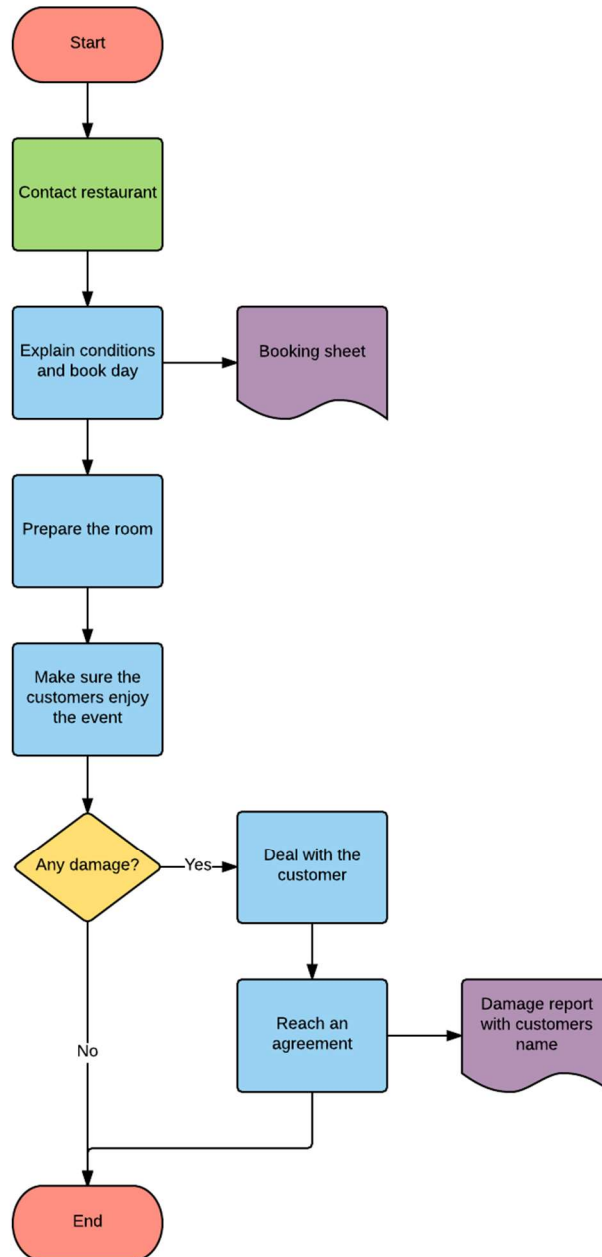
★ Food preparation process will be developed in another flow diagram.

3.6.2. Food preparation



3.6.3. Rent private party room

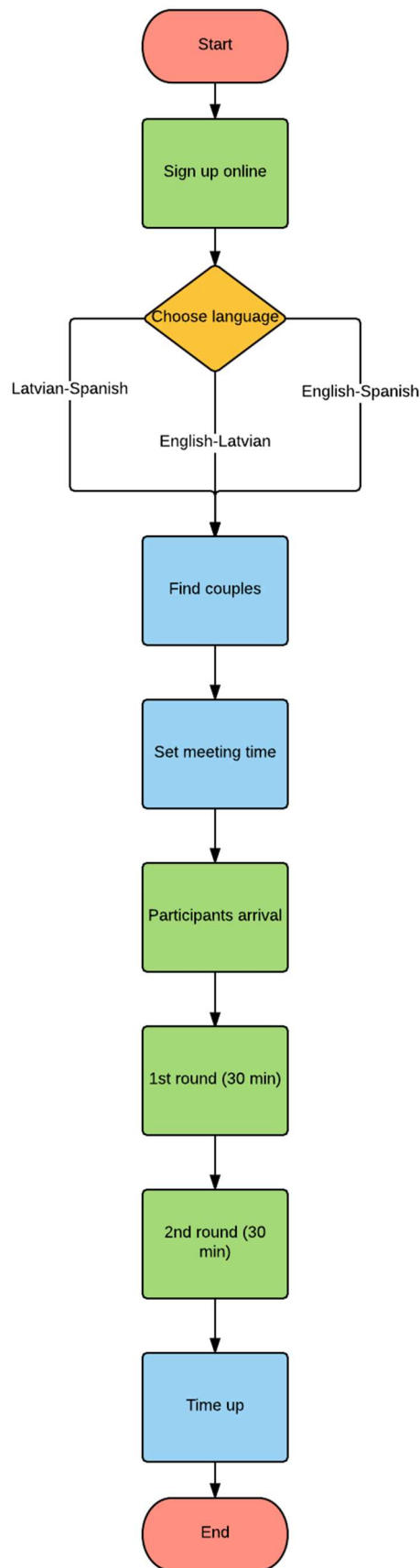
In case unluckily a bad behaviour is observed from our customers and any damaged is caused to the furniture or noise levels are not respected tapas y olé restaurant will create a list with name of the customer and he/she won't be able to rent the private room again.



3.6.4. Tapas and conversation language exchange

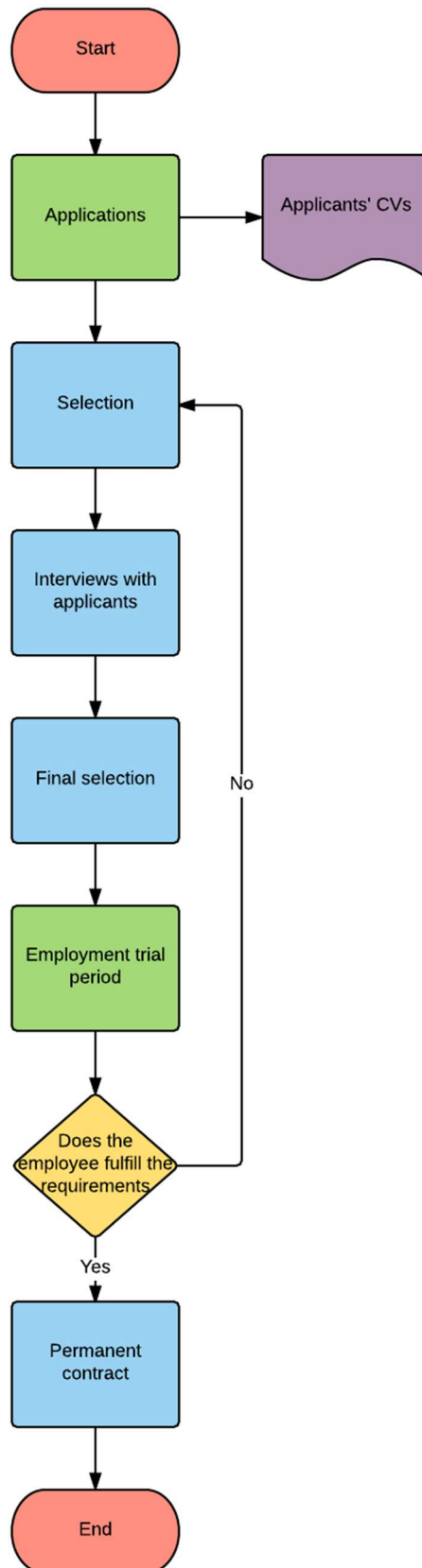
Tapas and conversation language exchange will be our second most important source of income. The tandem exchange will last 1 hour on average and during this time we expect that the customers will order one or two drinks and some tapas. It's very important that every customer sign up online and introduce their language selection.

Tandem exchanges will take place twice a week, on Wednesday and Thursday, but these days can be change depending on the demand of customers.



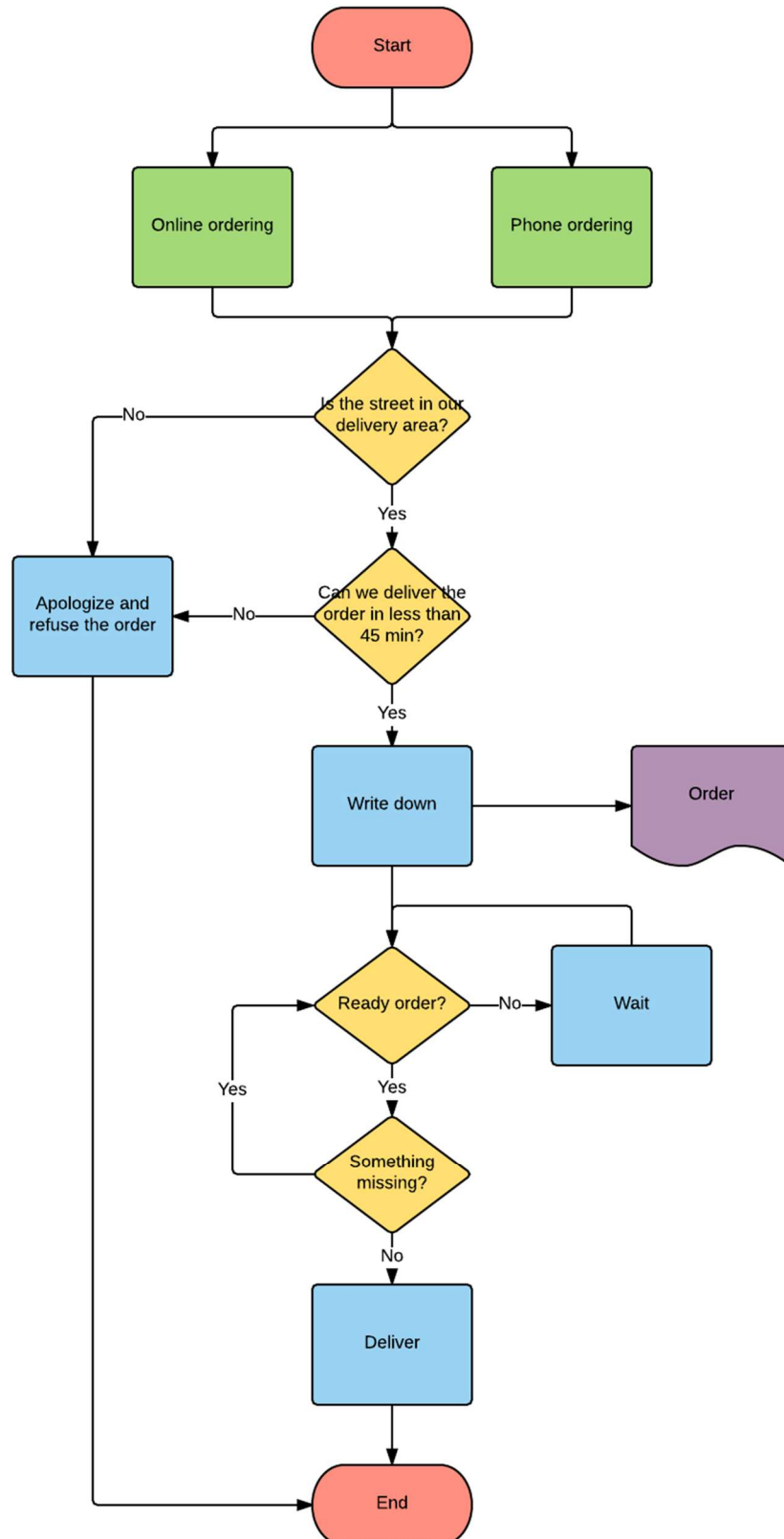
3.6.5. Staff recruitment

This process will follow the employment policies explained at the previous section 3.5. People. All the CVs will be kept for a period of 6 months before eliminate them.



3.6.6. Food delivery

There are two main processes in this flow diagram: Check if we are very busy or we can deliver the order in less than 45 minutes and check if there's something missing. These two aspects will give us a competitive advantage and will assure our customers are happy with the service.



3.7. Physical evidence

Physical evidence is the environment in which the service is delivered and where the firm and the customer interact and any tangible commodities that facilitate performance or communication of the service. In case of products, differentiation is easier but for services the best way is to create important physical evidences.

Physical evidence is the element of the marketing mix which allows the customer to make judgments on the business. Customers will make perceptions based on their sight of the service provision, as well as the feelings that they had during the service. In our case, our customers' expectations are of a clean, friendly environment and Spanish atmosphere, besides high quality food which is the core service of the restaurant.

3.7.1. Physical environment

The physical environment is the space by which you are surrounded when you consume the service. For our restaurant it will be one of the main points. The restaurant will emulate a typical Sevillian patio. Those patios are famous because of white walls, a lot of flowers (in our case they will be artificial but realistic flowers), printed tiles and flamenco lanterns. Furthermore, there will also be some fake windows painted in the walls recreating Spanish Andalusia patios.

To help us to get an idea of how the restaurant will be there are several following photos which will be the model on which we will look to decorate the restaurant.



Also, the bar will be white and with white columns as in the picture. There will also be a lot of flowers and lanterns. Bar stools will be wooden made but comfortable.



The private room will have small stage and will be decorated as the photo. The decoration will follow the guidelines settled before for Tapas y olé main room.



Customers are essential in our business and the best way to let them know it is inviting them to participate in restaurant decoration. If any customer (Spanish, Latvian or from another country)

have anything from Spain, especially from Andalusia and they want to give it to us the restaurant will be happy to place it in our restaurant.

For our terrace there will be barrel-shaped armchairs and tables as in the picture. In winter there will also be heaters and blankets and in summer flowers.



3.7.2. Ambience

The ambient conditions include temperature, colour, smell, sound, music and noise. The ambience consciously or subconsciously help our customers to experience the service.

Winters in Riga are very cold, so our restaurant will be a perfect place for those ones who want to stay away of the cold and enjoy Spanish climate. For preventing colds because of strong change of temperatures, the temperature inside the restaurant will not be extremely hot, but a bit warmer than average.

Carry on with Tapas y olé theme main colour of the restaurant will be red, as we can see in the logo. Due to the wall will recreate an Andalusian patio they will be with, but for the rest of the furniture and also our staff uniform red will be the predominant colour. There will also be some Spanish flags distributed among all the rooms.

Regarding sound, music and noise, there will be flamenco background music. We attempt to not make a lot of noise and let our customers enjoy the music. During tapas and conversation

language exchange there won't be any background music to help the participants understand each other better. During private parties Flamenco music will be also played.

It is also necessary to say that Riga's government law about noise levels will be obeyed during all the opening hours.

3.7.3. Spatial layout

When we speak about spatial layout we allude to the way in which furniture is set up and tables spaced out.

There will be some bar stool near the bar but there will also be a lot of space to stay there stand. Our restaurant will not have a wardrobe in order to have more space to place the tables separately.

The spatial layout of the private room will not be static as we will change the layout depending on our customers' clients.

Also it's very important for us to have enough space for people with special needs such as wheelchairs or reduced mobility.

3.7.4. Corporate brandings

Last but not least, we are going to mention signs, symbols and artefacts that we will have in the restaurant to promote our brand.

In addition to advertisements and our logo, something else will differentiate our restaurant from others: Our Spanish chef skills. Every plate will be served in a different way than it's done in others Riga's restaurant. Our Spanish tapas will be prepared carefully and plentifully and they will also be placed on the bar to attract customers to order them.



3.8. Protection

Protection is a very important issue for our business and for that we are going to divide this section in three main parts:

3.8.1. Safety

Tapas y olé restaurant is committed to maintaining a safe workplace for all of our employees. We want to be conscious about safety before any accident happens and for that we have created the following basic safety rules:

- Wipe up spills immediately
- Never run in hallways and specially in the kitchen
- Wearing shoes with non-slips soles is a good way to prevent any slip.
- Report defective equipment or tools to a manager immediately.
- Don't put hot food plates in front of small children.
- Never lift too much weight, it's better to do two trips than spoil everything.

3.8.2. Accidents and emergency situations

Our staff will report all accidents, to the manager on duty. Manager are responsible for administering CPR, choking procedures or appropriate first aid.

In case of a robbery, our workers will be said that they mustn't resist and cooperate. Our highest priority will be our employers and customers' safety.

The restaurant will have several fire-extinguishing systems: in the ducts, hood, over the stoves, two in the main room and another one in the private room. Also, the employees will know the specific location and operation of every fire protection system in the restaurant.

3.8.3. Proprietary and confidential information

Tapas y olé restaurant guarantee the security of their customers and employees information. The restaurant will have a database will all necessary employees' and customers' data. We collect personal data from our customers in our webpage when they make the reservations but we want them to be sure that we'll take care of it so the restaurant will follow 6 steps to secure all the data in our data-base.

1. Maintain a strong firewall

For secure all the data we'll use ZoneAlarm "Pro antivirus & firewall 2016". We'll buy it for the first two years priced at 64,95\$ so following years if our business has grown a lot we can buy another one.

The company thinks that this product is perfect for guarantee the security because of following aspects offered by the firewall:

- Detects and removes viruses, spyware, Trojan horses, worms, bots and more. Furthermore, it has been independently tested to provide it superior protection.

- Provides access to the up-to-date database of Antivirus signatures to protect against newly emerging threats. It checks files against Real-time Cloud database to ensure that even the latest threats are not missed and it also contains the latest Antivirus signatures, web resources and software to ensure up-to-date protection.
- It's a two-way firewall, it stops attacks at the front door and even catches thieves on their way out.

2. Conduct scans of our network every 2 weeks.

3. Limit remote access

Our managers will need to work remotely sometimes so we need to leave our firewall open to outside entry but we'll create strong passwords instead of using default codes and we will change them often.

4. Ensure all credit card data is encrypted

Our website will have a secure modern POS system that encrypt credit card data as soon as a card is swiped, and then immediately send that data to the payment processor without temporarily storing data.

5. Segment our network

Our POS data traffic will be separate from our Wi-Fi system and other connections.

6. Keep our software updated

4. SWOT ANALYSIS

	HELPFUL TO ACHIEVE THE OBJECTIVE	HARMFUL TO ACHIEVE THE OBJECTIVE
INTERNAL ORIGIN (ATTRIBUTES OF THE ORGANIZATION)	<p style="text-align: center;"><u>STRENGTHS</u></p> <ul style="list-style-type: none"> • Well prepared and polyglot staff • Wide variety of Spanish food and wines • Good location • Well qualified Spanish chef • Assured food delivery in less than 45 minutes • Complementary service Tandem language exchange • Word of mouth advertising <p style="text-align: center;">CAPITALIZE</p>	<p style="text-align: center;"><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> • Lack of knowledge of Latvian language • New unknown restaurant • Opening hours • Difficulties for finding specific Spanish ingredients • Small budget for advertising campaign • Limited seating • We don't know a lot of suppliers <p style="text-align: center;">MONITOR</p>
EXTERNAL ORIGIN (ATTRIBUTES OF THE ENVIRONMENT)	<p style="text-align: center;"><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> • Low competence level in Spanish food sector • Growth of food tourism • Spanish food is perceived as healthy and tasty food • The business can expand in the future and create a Spanish language academy • Opening a restaurant in Tallinn or Vilnius <p style="text-align: center;">IMPROVE</p>	<p style="text-align: center;"><u>THREATS</u></p> <ul style="list-style-type: none"> • Financial crisis • Not very high salaries • Wide variety of restaurants in Riga • Possible opening of new Spanish restaurants in Riga • Competition from other cheaper restaurants • Constantly changing food trends • Lower demand in winter <p style="text-align: center;">ELIMINATE</p>

5. BUSINESS MODEL

PRE-SERVICE PERIOD	SERVICE PERIOD	POST SERVICE PERIOD
<p>Advertisement</p> <p><u>Opening week</u> Distribution of posters and flyers in Riga's centre and old town</p> <p><u>Spanish cultural centres</u> Several posters located in the centres</p> <p>Social media</p> <p><u>Facebook</u> Advertisement, raffles and food preparation videos</p> <p><u>Instagram</u> Raffles and food pictures</p> <p>Word-of-mouth</p> <p><u>Clients</u> We expect our clients to tell their friends about the service</p> <p><u>Provider</u> Agreement with raw material provider to promote us</p> <p><u>Work force</u> Staff will also promote the restaurant to their relatives and friends</p> <p><u>Tandem language exchange</u> People who come to the restaurant for the language exchange will also experience our service.</p> <p>Past experiences</p> <p><u>TripAdvisor</u> Costumers reviews</p>	<p>Service Journey</p> <p><u>Reception</u> Polite, friendly and warm welcome</p> <p><u>Waiter</u> Pleasant, communicative, efficient and knowledgeable waiters</p> <p><u>Cleanliness</u> Everything will be clean and any mess will be clean immediately</p> <p><u>Food quality</u> Fresh, high quality and well prepared food</p> <p><u>Food preparation</u> Tapas will be prepared and exposed on the restaurant's bar, also the food preparation will be showed by our media channels (Facebook, Instagram)</p> <p><u>Ambience</u> Flamenco background music and Andalusian atmosphere</p> <p><u>Food delivery</u> Assure delivery in less than minutes</p> <p><u>Private room</u> Private parties and flamenco shows</p> <p><u>Take away</u> Possibility of ordering food for take away, also if there's some food left it can be prepared for take away</p> <p><u>Short waiting time</u> The waiting time will be short so clients do not have to wait for a long time until they get the table, especially if the clients have reserved a table.</p> <p><u>Restaurant occupation rate</u> It's important to keep the restaurant with high occupation rate or at least not let restaurant to be empty. If customers see that the restaurant is empty they will not want to enter.</p>	<p>Feedback</p> <p><u>Surveys</u> Customers will be rewarded for taking a survey in our website</p> <p><u>Waiters</u> The staff will ask clients if they enjoyed the meal and the service and they will note in case of bad feedback.</p> <p>Social media</p> <p><u>TripAdvisor</u> Customer reviews and food photos</p> <p><u>Facebook and Instagram</u> Free Wi-Fi will be available in the restaurant to encourage customers to upload photos or videos mentioning our restaurant</p> <p>Word-of-mouth</p> <p><u>Tandem language exchange</u> People who like "Tapas and conversation" language exchange will promote us</p> <p><u>Clients</u> If customers like the service they'll tell to others about it</p>

6. ACTION PLAN

Here a two-year action plan for Tapas y olé Spanish restaurant is presented, which extend from the second semester of 2016 to the end of 2018.

The action plan is mainly divided into 3 stages. The first stage involves market penetration, which means that the main goal of the restaurant will be attracting customers and starting to gain customer loyalty. Our restaurant is completely new and the brand is unknown, so during first weeks it will be crucial not to do mistakes. During first month all the staff will be at the restaurant to assure a good quality of the service in case some things are not completely ready because is the first month. Tandem courses will be also in trial period, there will be 2 instead of 1 day of tandem and the rules will be less strict in order to publish it and make as many people as possible to know our "Tapas and conversation" tandem language exchange.

Second stage will be market establishment, the main procedures to do will be take advantage of key products, after the first stage our staff will have an idea of what are the dishes our customers like the most. Business policies will be inspected and if necessary some things can be changed for our restaurant's benefit. Since restaurants opening feedback will be collected and during the second stage it will be analysed in order to find out our weakness and take advantage of our strengths. Furthermore, suppliers will be also evaluated.

The third stage will start in 2018 and its main propose will be adjust our target market. After one year and a half restaurant's situation will be stable, we'll have some regular customers for both the restaurant and the private room and the "tapas and conversation language exchange". By this stage will value if the tandem language exchange is doing good to our business and in case is not worthy we'll finish it. During this stage we will also renegotiate our suppliers contract to focus it more to our real needs. Furthermore, depending on average occupation rate of private room the business will consider start giving dancing lessons.

STAGE	KEYS	TIME FRAME
Market penetration	1) Communicate with customers (e-mail, Facebook, Instagram and offline methods)	2nd semester 2016 - End 2017
	2) Build employee loyalty to the business	
	3) Train employees thoroughly	
	4) Provide customer incentives (Free bread, discounts...)	
	5) Promote product awareness (Remark quality, origin and taste)	
	6) Flexibility with policies (In case of problems or complaints of customers)	
	7) Address customers by name (Make sure employees get to know the names of regular customers)	

<p>Establishment</p>	<ol style="list-style-type: none"> 1) Sales control 2) Take advantage of key products 3) Make changes in policies if necessary 4) Monitor restaurants activity 5) Analyse employees' and customers' feedback 6) Suppliers evaluation 	<p>1st semester 2017 - End of 2017</p>
<p>Adjust our target market</p>	<ol style="list-style-type: none"> 1) Tandem language exchange performance evaluation 2) Renegotiate suppliers contract 3) Consider start giving dancing lessons 	<p>1st semester 2018 - End 2018</p>

7. FINANCIAL PLAN.

This section will show all the economic and financial information important for our business to be able to evaluate its viability.

7.1. Opening balance

7.1.1. Assets

Furniture

ITEM	PRICE	QUANTITY	TOTAL
Chair	40	200	8.000
Table	100	50	5.000
Wardrobe	500	3	1.500
Lamp	90	20	1.800
Flamenco lantern	50	20	1.000
Spanish decoration	2.000	1	2.000
Stage	2.500	1	2.500
Terrace furniture	5.400	1	5.400
Remodelling	18.000	1	18.000
TOTAL			45.200

Kitchen equipment

ITEM	PRICE	QUANTITY	TOTAL
Industrial cooker	5.000	2	10.000
Industrial fridge	1.500	2	3.000
Table	800	2	1.600
Cutlery	2.300	1	2.300
Dinner service	3.000	1	3.000
Others	3.000	1	3.000
TOTAL			22.900

Other expenses

ITEM	PRICE	QUANTITY	TOTAL
Website	700	1	700
Informatics system	600	3	1.800
Deposits and security fee	4.000	1	2.000
TOTAL			4.500

OPENING BALANCE

Current Assets	6.000
Cash	6.000
Long term Assets	72.600
Furniture	45.200
Kitchen equipment	22.900
Website	700
Informatics system	1.800
Deposits and security fee	2.000
TOTAL ASSETS	78.600

7.1.2. Liabilities

Liabilities	18.600
Current liabilities	2.000
Accounts payable	0
Short term credit	2.000
Long-term Liabilities	16.600
Long-term credit	16.600
Capital	60.000
Shareholder capital	60.000
Retained income	0
TOTAL	78.600

SHAREHOLDER CAPITAL	
Investor	40.000€
Own funds	20.000€

7.2. Sales forecast

For calculating sales forecast we have used the following factors: target market and customers, our capacity premises and Latvian people consumption habits.

During first 3 weeks we expect low attendance at our restaurant until word-of-mouth and advertisement start to work. After first month attendance will start to grow but I won't reach 60% average occupation until 3th month. Using our tandem language exchange for attracting new customers after 1 year if everything goes according to plan our restaurant will reach 80% occupation and after that it will be restaurant's responsibility to maintain this rate.

Because of Latvian extreme weather consumption habits are very seasonal in Riga. This leads us to a seasonal occupation rate with peaks in summer and low values in winter. Tapas and conversation tandem language exchange will help us to stabilize the rate, people who come to the tandem exchange will come during all the year, or all the year except during holidays but in summer time they will be enough demand.

It is expected that our private room will have high occupation rates since restaurant opening. There are not a lot of private rooms to rent and that offer also catering service in Riga so

although in the beginning occupation rate will be around 60%, after first 3 months is expected to be 80%.

7.3. Expenses

Below are briefly described both variable and fixed costs. Regarding variable costs, we'll assign some directly to the product and some indirectly to the product. All the following costs are monthly costs.

Variable costs

Due to these costs are variable we have calculated the average and we will use it for the following calculations:

Description	Quantity
Electricity service	150 €
Water supply	600 €
Goods (Explained below)	7.947 €
POS expenses (5% of transactions)	927 €
TOTAL	9.625 €

*70% of the transactions will be made using credit card

Fixed costs

Description	Quantity
Electricity service (fixed part)	50 €
Cleaning	100 €
Water supply (fixed part)	120 €
Internet	20 €
Advertisement	300 €
Amortization (Explained below)	637 €
Licenses	170 €
Rent + VAT 21%	1.452 €
Wages (Explained below)	9.550 €
TOTAL	12.399 €

- Goods

We estimate goods to be 30% of the amount paid for the costumers.

1st year	July	August	September	October	November	December
TOTAL INCOME	29.804 €	33.930 €	26.284 €	26.410 €	21.290 €	21.890 €
30%	8941,2€	10179€	7885,2€	7923€	6387€	6567€

1st year	January	February	March	April	May	June	TOTAL
TOTAL INCOME	21.890 €	20.290 €	19.735 €	24.335 €	32.535 €	39.500 €	317.893 €
30%	6567	6087	5920,5	7300,5	9760,5	11850	95367,9

AVERAGE	7937,42€
----------------	-----------------



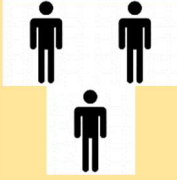

- **Amortization schedule**

Amortization schedule of our assets will be linear and we'll give them a life-span according their nature. Amortizations are calculated per year.

3 YEARS		10 YEARS	
Informatics system	600 €	Kitchen equipment	2.290
Website	233 €	Furniture	4.520 €
TOTAL	833 €	TOTAL	6.810 €
TOTAL (year)		7.643 €	
TOTAL (month)		637 €	

- **Wages**

Our workforce will consist of:

WORKER	QUANTITY	DESCRIPTION
CHEF		Our restaurant will hire two chefs. One will be the main chef and he will work full time, and the other will have a part-time job.
KITCHEN ASSISTANT		Each chef will have their own kitchen assistants, depending on work amount and due to kitchen size there won't be more than 3 kitchen assistants at the same time. The total number of kitchen assistants hired will be 3.
WAITER and HEAD WAITER		Our waiter workforce will consist on 3 waiters who will also rotate. Only 2 will work at the same time, 1 behind restaurants bar and the other and the head waiter serving the tables. In case the private room is rented one of the waiters will also take care of the people there.
MANAGER		There will be only one manager who takes care of supplies, unexpected problems and any other task required.

WORKER	Full-time	Part-time	GROSS SALARY	TOTAL
CHEF	1	1	1.180 €	1.770 €
KITCHEN ASSISTANT	2	1	790 €	1.975 €
WAITER	2	1	850 €	2.125 €

HEAD WAITER	1	1	1.000 €	1.500 €
MANAGER	1	0	1.880 €	1.880 €
DELIVERY MAN	1	0	300 €	300 €
TOTAL			9.550 €	

7.4. Income

Here we will explain our sources of income and we will situate them in the time.

1st year	Average expenditure	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Restaurant customers	20 €	1350	1500	1100	1100	900	900	900	900	900	1000	1300	1550	13400
Tandem exchange	9 €	56	70	76	90	110	110	110	110	115	115	115	100	1177
Private room*	300 €	1	1	2	2	1	3	3	1	1	1	1	2	19
TOTAL INCOME		27.804 €	30.930 €	23.284 €	23.410 €	19.290 €	19.890 €	19.890 €	19.290 €	19.335 €	21.335 €	27.335 €	32.500 €	284.293 €
AVERAGE							23.691€							

*Rent + catering

2nd year	Average expenditure	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Restaurant customers	20 €	1620	1800	1320	1320	1080	1080	1080	1080	1080	1200	1560	1860	16080
Tandem exchange	9 €	67	84	91	108	132	132	143	143	150	150	150	130	1480
Private room	300 €	2	2	2	2	1	4	3	2	2	1	2	2	25
TOTAL INCOME		33.603 €	37.356 €	27.819 €	27.972 €	23.088 €	23.988 €	23.787 €	23.487 €	23.550 €	25.650 €	33.150 €	38.970 €	342.420 €
AVERAGE							28.535€							

*Rent + catering

3rd year	Average expenditure	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Restaurant customers	20 €	2268	2520	1848	1848	1512	1512	1512	1512	1512	1680	2184	2604	22512
Tandem exchange	9 €	94	118	127	151	185	185	200	200	210	210	210	182	2072
Private room	300 €	3	3	2	2	1	4	3	2	2	2	2	2	28
TOTAL INCOME		47.106 €	52.362 €	38.703 €	38.919 €	32.205 €	33.105 €	32.940 €	32.640 €	32.730 €	36.090 €	46.170 €	54.318 €	477.288 €
AVERAGE							39.774€							

*Rent + catering

7.5. Profit

1st year	July	August	September	October	November	December	January	February	March	April	May	June
INCOME	27.804 €	30.930 €	23.284 €	23.410 €	19.290 €	19.890 €	19.890 €	19.290 €	19.335 €	21.335 €	27.335 €	32.500 €
FIXED COSTS	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €
VARIABLE COSTS	9.920 €	10.858 €	8.564 €	8.602 €	7.366 €	7.546 €	7.546 €	7.366 €	7.380 €	7.980 €	9.780 €	11.329 €
INITIAL INVESTMENT	6.550 €	6.550 €	6.550 €	6.550 €	6.550 €	6.550 €	6.550 €	6.550 €	6.550 €	6.550 €	6.550 €	6.550 €
CASH FLOW	-1.065 €	1.123 €	-4.229 €	-4.141 €	-7.025 €	-6.605 €	-6.605 €	-7.025 €	-6.994 €	-5.594 €	-1.394 €	2.222 €
PROFIT	-1.065 €	58 €	-4.172 €	-8.313 €	-15.338 €	-21.943 €	-28.548 €	-35.573 €	-42.567 €	-48.161 €	-49.554 €	-47.332 €
1st YEAR PROFIT							-47.332€					
2nd year	July	August	September	October	November	December	January	February	March	April	May	June
INCOME	33.603 €	37.356 €	27.819 €	27.972 €	23.088 €	23.988 €	23.787 €	23.487 €	23.550 €	25.650 €	33.150 €	38.970 €
FIXED COSTS	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €
VARIABLE COSTS	11.660 €	12.786 €	9.925 €	9.971 €	8.506 €	8.776 €	8.715 €	8.625 €	8.644 €	9.274 €	11.524 €	13.270 €
CASH FLOW	9.544 €	12.171 €	5.495 €	5.602 €	2.183 €	2.813 €	2.673 €	2.463 €	2.507 €	3.977 €	9.227 €	13.301 €
PROFIT	-37.789 €	-25.617 €	-20.122 €	-14.520 €	-12.337 €	-9.523 €	-6.850 €	-4.388 €	-1.881 €	2.096 €	11.323 €	24.624 €
2nd YEAR PROFIT							24.624€					
3rd year	July	August	September	October	November	December	January	February	March	April	May	June
INCOME	47.106 €	52.362 €	38.703 €	38.919 €	32.205 €	33.105 €	32.940 €	32.640 €	32.730 €	36.090 €	46.170 €	54.318 €
FIXED COSTS	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €
VARIABLE COSTS	15.711 €	17.288 €	13.190 €	13.255 €	11.241 €	11.511 €	11.461 €	11.371 €	11.398 €	12.406 €	15.430 €	17.875 €
CASH FLOW	18.996 €	22.675 €	13.114 €	13.265 €	8.565 €	9.195 €	9.080 €	8.870 €	8.933 €	11.285 €	18.341 €	24.044 €
PROFIT	18.996 €	41.671 €	54.785 €	68.050 €	76.616 €	85.811 €	94.891 €	103.761 €	112.694 €	123.979 €	142.320 €	166.364 €
3rd YEAR PROFIT							204.702€					

According to calculations first year profit will be negative and we'll lose 47.332€ however at the end of 2nd year profit will be positive at the amount of 24.624€ (We have already deducted 47.332€ of 1st year loss).

3rd year our profit will be 204.702€ and it's expected that next years it'll continue growing up.

Now, we are going to calculate some important ratios that will show us the profitability of the inversion:

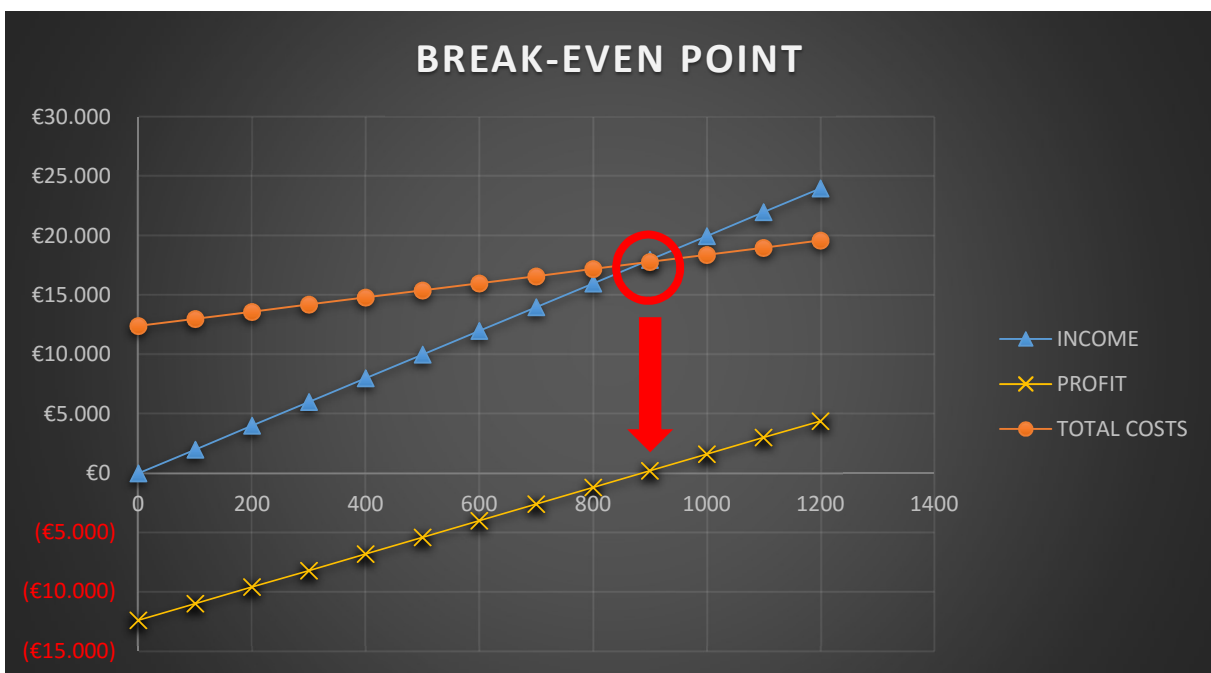
RATIOS	
Initial expenses	-78.600
1st year net cash flow	-47.332
2nd year net cash flow	24.623,92
3rd year net cash flow	190.987,93
Pay-back (years)	1,66
IRR	24%
NAV	31.161,2

7.6. Break-even point

INCOME	0 €	2.000 €	4.000 €	6.000 €	8.000 €	10.000 €	12.000 €	14.000 €	16.000 €	18.000 €	20.000 €	22.000 €	24.000 €
FIXED COSTS	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €	12.399 €
VARIABLE COSTS	0 €	600 €	1.200 €	1.800 €	2.400 €	3.000 €	3.600 €	4.200 €	4.800 €	5.400 €	6.000 €	6.600 €	7.200 €
TOTAL COSTS	12.399 €	12.999 €	13.599 €	14.199 €	14.799 €	15.399 €	15.999 €	16.599 €	17.199 €	17.799 €	18.399 €	18.999 €	19.599 €
Q	0	100	200	300	400	500	600	700	800	900	1000	1100	1200
PROFIT	-12.399 €	-10.999 €	-9.599 €	-8.199 €	-6.799 €	-5.399 €	-3.999 €	-2.599 €	-1.199 €	201 €	1.601 €	3.001 €	4.401 €

Using solver in Excel we have calculated the break-even point, the minimum quantity of customers that we need per month is 886 people. 886 people per month is the same than 15 people per meal (Two meals are served in the restaurant, lunch and dinner) and per day. We can also clearly see the break-even point in the following chart.

BREAK-EVEN POINT	
INCOME	17.713 €
FIXED COSTS	12.399 €
VARIABLE COSTS	5.314 €
Q	886
PROFIT	0 €
AVERAGE PRICE	20 €



8. CONCLUSIONS

After extensive study conducted earlier, there will be explained here some conclusions about the business plan.

Latvia became part of the European Union in 2004 and since 1st January 2014 the official currency is €. These occurrences have helped country development, especially in its main city Riga, also causing a change in Latvian trends and behaviour that have wanted to get closer to European trends.

Similarly, the fact that the official currency is € eliminates the currency exchange problem at the same time that eases the importation of foods from Spain.

Consumer behaviour of the Latvian population is quite seasonal, having peaks during spring and summer months. But it is also very common for them to eat out of home, as can be seen in the wide variety of Riga's restaurants.

Spanish food is well known and highly valued among the Latvian population. Furthermore, a new trend about tapas has emerged in Riga. Due to these two facts and some secondary reasons such as the decreasing of Latvia's unemployment rate and increasing of average wages and also because of the multicultural character of Riga city, I strongly believe that opening a Spanish restaurant in the city of Riga could be very successful.

Moreover, if we analyse the possible competition it is clear that there are not too many Spanish restaurants in Riga. There are only 4 main competitors that could be a problem for our business, but to be sure that our company will be successful we have also added distinguishing features such as "Tapas and conversation" tandem language exchange and the possibility to rent a private dining room. In addition, localization of our premises will benefit restaurant performance. Elizabetes iela is one of the main streets in Riga and has a big attendance.

As we studied in the SWOT Analysis the restaurant has several strengths which lead us to success, such as: our effective and polyglot staff obtained from the demanding recruitment and selection hiring process, high quality variety of Spanish food and the fact that we will have a qualified Spanish chef who knows perfectly not only Spanish dishes but also how to prepare them according to Spanish recipes.

Moreover, tandem language exchange will provide a new way to learn English, Latvian or Spanish in a relaxed environment enjoying tapas and raciones. This service will be useful for Spanish people who are living in Riga and want to speak Latvian or need to improve their English as well as for Latvian people or from other nationalities who want to learn English and Spanish. Furthermore, this will assure a regular clientele and also it will cause that some people who are not interested in food but in learning new languages will come to our restaurant.

Tapas y olé Spanish restaurant also offers several opportunities for the future, for example if tandem language exchange works very well we could create a Spanish language academy. But also, due to our main activity is the restaurant it would be possible to open more Spanish restaurants in our neighbouring countries.

To end these conclusions, it is also important to mention some information about the financial plan. The required investment will be 78.600€ that will be obtained among three different sources: 2.000€ short-term credit, 20.000€ long-term credit and also 60.000€ of shareholder capital (20.000€ own fund and 40.000€ from investor).

Restaurant profit will not be positive until last months of second year but then it will start to produce high benefits. Investment pay-back will be around 1,7 years and TIR and VAN rates will be 24% and 31.160€ respectively. Moreover, break-even point will be 886 people/month which means 28 diners per day.

In addition to all the information explained above, it should also keep in mind that the goal of starting this business is not only to obtain economic benefits but also personal. To help as much as possible Riga's population as well as export Spanish culture. People who run the business will have an eagerness desire to work and confidence in its success.

9. BIBLIOGRAPHY

<http://ec.europa.eu/eurostat>

<https://www.tripadvisor.com/>

Livelatvia.com

Gettable.lv

Restaurantsinlatvia.lv

<http://forms.entrepreneur.com/>

<http://www.simplybusiness.co.uk/knowledge/articles/2012/09/start-takeaway/>

http://www.bplans.com/fast_food_restaurant_business_plan/market_analysis_summary_fc.php

<http://ec.europa.eu/eurostat/documents/3217494/6856423/KS-05-14-073-EN-N/742aee45-4085-4dac-9e2e-9ed7e9501f23>

Latvia's government: <http://www.csb.gov.lv/en/statistikas-temas/compare-censuses-2011-and-2000-39111.html>

development agency Latvia <https://www.latvija.lv/>

Information about allergies: <https://www.food.gov.uk/business-industry/allergy-guide>

<http://www.centropicasso.com/new/latvia/en/>

<http://www.seneca.lv/en/about-us/>

http://estatelatvia.com/en/long_term_rent?act=a&id=6097#o

<http://estatelatvia.com/en/>

<http://www.rentinriga.lv/en/home/objekti>

<http://www.seobook.com/pricing>

<http://www.gourmetmarketing.net/promote-restaurant-12-steps/>

<http://www.wordstream.com/blog/ws/2015/01/14/restaurant-marketing>

APPENDIX

APENDIX 1: Competitors Websites

1. Direct competitors

- Restaurants
 - Wine bar Garage
<http://www.vinabars.lv/>
 - D'vine
<http://www.dvinebar.lv/>
 - Escargot café
<http://www.escargotcafe.lv/>
 - Madride Spanish Tapas bar
<https://www.facebook.com/MadrideSpanuTapuBarsBarDeTapas>

- Spanish cultural centres
 - Seneca Spanish cultural centre
<http://www.seneca.lv/>
 - Centro Picasso
<http://www.centropicasso.com/new/latvia/en/>

2. Indirect competitors

- Restaurants
 - Milda
<https://www.facebook.com/mildariga/>
 - Folkklubs Ala Pagrabs
<http://www.folkklubs.lv/en>
 - Easy wine
<http://www.easywine.lv/>
 - Lido
<http://www.lido.lv/eng/>
 - Fat pumpkin
<https://www.facebook.com/Fat-Pumpkin-679447128836435/>
 - Melnais kakis
<http://www.melnaiskakis.lv/>
 - Aqua Luna
<http://www.aqualuna.lv/en/restaurant/>
 - Mio Restaurant
<https://www.facebook.com/Restor%C4%81nsCaf%C3%A9-Mio-358195554299971/>
 - Olive Oil Restaurant
<http://oliveoil.lv/>
 - Kalku varti
<http://www.kalkuvarti.lv/>

- Cultural centres
 - Jewish Community of Latvia

<http://jews.lv/en>

- Cannabis culture centre

<https://www.facebook.com/Zoo.KKc/>

APENDIX 2: Menu

Raciones

Hot raciones

Gambas al ajillo (Shrimp in garlic sauce)	6.5€
Mejillones al ajillo (mussels in garlic)	6€
Mejillones en salsa verde (mussels in green sauce)	6.5€
Pulpo a la gallega (steamed octopus with olive oil, paprika and salt)	12€
Queso frito con mermelada de frambuesa (Fried cheese with strawberry jam)	7€
Champiñones rellenos de jamón Serrano (Serrano ham stuffed mushrooms)	6.5€
Huevos estrellaos (Scrambled eggs with Serrano ham, French fries and sweet pepper)	5.5€

Cold raciones

Chorizo español (Spanish sausage)	8€
Jamón serrano (Serrano ham)	10€
Queso manchego (Manchego cheese)	9€
Aceitunas (Imported Spanish olives)	3€
Pimientos rellenos de queso de cabra (Stuffed piquillo peppers with goat cheese)	5,5€
Ración tapas y olé (Serrano ham, manchego cheese, chorizo with bread)	10€
Melón con jamón (Melon with Serrano ham)	7.5€

Tapas

Tapas frías/Cold tapas

Gazpacho

Salpicón de marisco (Seafood salad)	1.5€
Pan tumaca (Serrano ham, smashed tomato and olive oil)	1.5€
Tortilla Española (Spanish Omelet)	1.5€
Almendras tostadas (Toasted almonds)	1€
Escalivada (Roasted eggplant, onion, red pepper, anchovy)	1.2€

Tapas calientes/Hot tapas

Patatas bravas (Fried potato, spicy tomato sauce)	1.5€
Patatas alioli (Fried potato with ali oli sauce)	1.2€
Pisto manchego (Spanish stewed vegetable medley with egg)	1.5€
Morcilla (blood sausage)	1€
Croqueta (croquette)	1€
Langostino con ali-oli (Prawn with ali-oli)	1€
Solomillo a la mostaza y miel (Sirloin steak in Dijon moustard sauce)	1.5€
Solomillo roquefort (Sirloin steak with roquefort sauce)	1.5€

Main courses

"Paella Valenciana" (Saffron, bomba rice, tiger shrimp, clams, mussels, squid and sofrito).....	12€
"Paella de Campo" (Saffron, bomba rice, pork loin, chorizo, chicken and sofrito).....	12€
Arroz negro (Black rice with Squid)	13€
Patatas a la importancia (Baked potatoes).....	8€
Cocido (chickpea and meat stew)	7€
Fabada Asturiana (bean and pork stew)	11€
Atún a la plancha (Grilled tuna)	16€
Sardinas a la plancha (Grilled sardines)	13€
Almejas a la marinera (Clams marinated in white wine)	17€
Grilled seafood salad (Squid, shrimp and scallops marinated in olive oil, lemon juice and herb vinaigrette)	15.55€
Calamares a la romana (Calamari)	9€
Bacalao al pil pil (Cod with pil pil sauce)	10€
Dorada a la sal (gilt-head bream with salt)	10€
Entrecot de buey (ox entrecot)	16€
Escalope de pollo (chicken escalope)	9€
Secreto ibérico (Lean pork fillet)	15€
Chuletillas (Chops)	14€
Carne guisada (Stewed meat)	11€
Chuletón de buey con foie y reducción de Pedro Ximénez (Large steak with foie and Pedro Ximénez reduction)	22€

Desserts

Flan de caramelo (Caramel custard).....	3.5€
Tarta de queso (Cheese cake)	4€
Queso con membrillo (Cheese with quince)	4€
Tarta de Santiago (Galician almond sponge cake)	5€
Crema catalana (Creme brulee)	4€
Chocolate con churros (Hot chocolate with churros)	3.5€
Fruta de temporada (Fruit)	2€

Beverages

Wines (Price per bottle)

White

Diamante Semi Dulce (D.O. Rioja)	12€
Marqués de Cáceres (D.O. Rioja)	15€
Con Clas (D.O. Rueda)	10€
Blanco Nieva (D.O. Rueda)	12€
Marqués de Riscal (D.O. Rueda)	15€
Martin Codax (D.O. Albariño)	19€
Viña Costeira (D.O. Ribeiro)	17€

Red

Pesquera (D.O. Ribera del Duero)	25€
Protos(D.O. Ribera del Duero)	20€
Finca Resalso (D.O. Ribera del Duero)	15€
Emilio Moro (D.O. Ribera del Duero)	22€
Pago de Carraovejas(D.O. Ribera del Duero)	40€
Pinna Fidelis(D.O. Ribera del Duero)	12€
Marqués de Cáceres (D.O. Rioja)	11€
Cune (D.O. Rioja)	10€

Otras bebidas alcoholicas/Other alcoholic beverages

San Miguel (San Miguel beer)	2.5€
Mahou (Mahou beer)	3.5€
Cruzcampo (Cruzcampo beer)	3€
Heineken (Heineken beer)	2.5€
Shandy (Beer with lemon)	2€
Martini Bianco.....	2.5€
Martini Rosso.....	2.5€

Bebidas no alcohólicas/Non-alcoholic beverages

Agua sin gas (Still water)	1.5€
Agua con gas (Sparkling water)	1.5€
Coca cola.....	2€
Fanta.....	2€
Sprite.....	2€
Burn.....	3€
Sidra (Cider)	2.5€

APENDIX 3: PREMISES PICTURES



Restaurant's terrace



Restaurant main space.



Restaurant main space



Entrance



Dining-room