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# REPORT FOR POTENTIAL INVESTMENT PORTFOLIO

B

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## LOW LEVEL 2

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***A Report for Potential Investors******Company Profile:***

Bravo Canada! is one of Canada's most delicious and successful Canadian restaurant chains. We have been established in Canada for more than seven years now and are located in major cities across Canada such as Toronto, Vancouver, Halifax, St. John's, Montreal and Calgary.

Bravo Canada! aims to provide exceptional Canadian and French food to all people. Bravo Canada! uses the finest and freshest ingredients found in Canada. Bravo Canada! hopes to get their food appreciated and enjoyed by all people around the world.

Bravo Canada! uses fresh local ingredients such as P.E.I. mussels, lobster, crab, Atlantic salmon and shrimp from either Halifax or St. John's, or if in B.C. from the fisheries of Vancouver. Nova Scotia which is the largest supplier of seafood and fish earned \$4.7 billion in 2002 and \$4.2 billion in 2001. Nova Scotia exports more than \$1.2 billion worth of fish a year and British Columbia follows with \$1 billion worth. This goes to all provinces in Canada and other countries world-wide. Canada has made a name for themselves for having the best seafood and fish in the world.<sup>1</sup> The Canadian market for seafood and fish is increasing.

***Rationale for Expanding into the International Market:***

Bravo Canada! has earned itself a reputation in the Canadian economy and is increasing in success and popularity. French people enjoy their foods and flavours and France will be a good place to expand our restaurant chain. France and Canada have similar economies and are on good terms with each other. France also has a stable government and economy, so it will be a profitable investment. French people spend about two hours a day enjoying their lunch and are very fond of their French culture. Bravo Canada! combines the two cultures together to have a tasteful Canadian and French style of cuisine. The French uses the Euro as their currency and in comparison to the Canadian dollar, the Euro is worth more. \$1 EUR equals \$1.62CAD.<sup>2</sup> When investing money in France the currency conversion will be that in the end the restaurant will make a profit. France has reformed itself to allow more foreign investment and allow for easier transportation of goods and services. This will make transporting of

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goods convenient and low cost. France is third among the G-7 nations to encourage direct foreign investment. France is also a member of many international organizations such as the WHO, WTO, and EU.<sup>3</sup> France also has a high skilled workforce and has great transportation services.

***Current Market Conditions in France:***

France is a large consuming nation of food and the market in the food industry is still growing. The organic food market especially is growing fast. The organic market kicked off in 2001. This is because the French people are becoming more concerned and aware of their health. There has been such a high demand for organic meat that they are experiencing shortages and need to import these organic items. The organic market has increased 40-69% over the past couple of years.<sup>6</sup> France plays an important role in Europe as they are one of the top trading nations with a good economic status. Only about 2% of France's labour force works in the restaurant and hotel field. Some of their best agricultural products include: wheat, cereals, sugar beets, potatoes, wine grapes, beef, dairy products, and fish.<sup>3</sup>

French people spend two hours of their day devoted to eating lunch and enjoying their afternoon. During this time of lunch only restaurants and cafes are open. This is the time where it is the most profitable since most people would eat in restaurants or if they are on the go to eat at cafes. Les nouveaux Robinson is the largest organic supermarket in France.<sup>7</sup> The top restaurant in Paris would be the L'Atelier de Joel Robuchon which features traditional French cuisine with a mixture of Oriental design and atmosphere. It is also located at a convenient spot.<sup>4</sup> We would like to open our restaurant in this neighbourhood.

France has many holidays including Jan. 1 (New Year's Day), Lent during February, Labour Day on May 1, and Bastille Day (French National Holiday) on July 14. French people also take about a 4-5 week vacation during the month of August to relax and travel.<sup>5</sup> To respect the traditions and holidays of the French people, it is best not to be open or plan anything during those times. The French people really value their time, privacy, traditions and culture. Those factors must be considered in order to be successful.

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The French economy is stable and experiences no major changes or foreseen downfall. France concentrates most of their money on social issues such as hospitals, health care and schools.<sup>5</sup> The French like their French food. The life expectancy of French people is 79.05 years, unemployment rate is 9.1% and the inflation rate is 1.8%.<sup>3</sup> The French people also like to keep their business and personal lives separate so most work-related dinners take place in a restaurant. In French restaurants, an automatic 10-15% tip is already included in the bill.<sup>5</sup>

***Needs and Wants of Customers:***

The French want food with amazing taste and flavour. They enjoy their French lifestyle and culture, so they will enjoy having a mixture of their French food with a Canadian twist as well. They want a new and creative atmosphere which they think is inventive and is worth the experience of visiting. We may also change some of our ingredients to use organic ingredients to incorporate or use this ever growing organic market.

***Modifications to your Product:***

Probably the only modification that needs to be made to the food would be the food selection, but not drastically. The French enjoy a more Western and elegant style of food, but our Canadian twist to their French food might be too much of a change for their preference. The food must still have a hint of Canadian culture and flavour to attract the consumers. The food should be directed to their tastes and directed to the customers who are aware of their health. Health factors such as low fat, low calories and contains natural fresh ingredients would have to be made a priority in our food. Some of the ingredients will have to be purchased from the local markets or nearby suppliers to ensure the freshness of our food. Not all products could be shipped from Canada to Europe because of the distance in between.

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***Distribution Plan:***

Products such as dairy products are excessively available in local markets for a reasonable price and other fresh foods such as wheat, fish and beef.<sup>3</sup> Some products that would be transported by ship, or by plane over would be supplies of maple syrup, bacon, and Atlantic salmon and other Canadian seafood. Seafood such as lobster, crab and mussels could be shipped from St. John's, Newfoundland off across the Atlantic Ocean to reach Nantes and from there could be sent off by train to Paris. From the train station these products will be delivered by truck to the location of the restaurant in a busy cultured part of Paris. St. John's is the most eastern city in Canada and fish is one of their main exports and resources. Nantes is the closest point of France near North America and has many ports situated for shipment. These products will only be shipped off once every other week or according to demand of the product to ensure freshness of the products and to lower the cost of transportation. If the demand is high for these products then further arrangements for more shipments to be made or some of these products may be purchased from the local fisheries in Nantes. Products would be bought in France to lower the cost of transportation. These products would be shipped off in carts and would be fresh from the water directly to shipping, but quality of the products are guaranteed by inspection and is approved and follows the health standards of Canada. This whole ordeal will probably take up 5 days from St. John's Newfoundland to be shipped, then reach Nantes, France to be carried away by train to Paris France.

***Conclusion:***

France is a country where our restaurant Bravo Canada! will probably perform well in. The only constraining factor would be the distance between Canada and France. The idea of combining both Canadian and French culture together would sell and be profitable. Considering the similarities of the two countries opening a restaurant in Paris would probably be a good venture. With respect to the French and their culture then there could be many possibilities and successes considering the French's love for good food.

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## LOW LEVEL 2

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*Cited Works*

1. Canadian Fish. (Online) Available <http://www.seafood.com/news/current.89851.htm>, May 29, 2003.
2. Currency Exchange. (Online) Available <http://www.xe.com/ucc/>, Mar 29, 2003.
3. France. (Online) Available <http://www.cia.gov/>, March 7, 2002.
4. French Restaurants. (Online) Available <http://www.gayot.com/restaurants/robouchon.html>, May 29, 2003.
5. Gofen, Ethel Carol. Culture of the World: France. New York: Times Edition, 1995.
6. Organic. (Online) Available <http://www.organicmonitor.com/r2703.html>, May 29, 2003.
7. Organic Food. (Online) Available <http://www.happycow.net/europe/france/paris.html>, May 29, 2003.

**Teacher's Notes****Knowledge/Understanding**

- The student describes current market conditions in the selected international location with some accuracy. The student identifies France as “a large consuming nation of food” whose citizens are “becoming more concerned and aware of their health”. He or she points out that “French people spend two hours of their day devoted to eating lunch” and that “most people would eat in restaurants”. The student emphasizes the importance attached to privacy, tradition, and culture in France, and states that the company must respect these factors if it is to be successful. Unfortunately, the student does not elaborate on how such a rapport will be developed and nurtured from a business perspective.

**Thinking/Inquiry**

- The student interprets the needs and wants of new consumers with some effectiveness. He or she highlights the French consumer’s enjoyment of fine cuisine and identifies organic food as a growing segment of the French food market. However, the student neglects to combine proper research with a logical marketing plan (e.g., does not specify whether any particular market segment will be targeted based on what is known about consumer tastes and spending habits).
- The student analyses modifications to the existing product with some effectiveness. The student expresses a broad commitment to variety, natural ingredients, and low-calorie foods. However, he or she does not present potential investors with a definite, well-developed product or discuss specific changes to suit French tastes. The student refers to purchasing from local markets but does not say whether these ingredients would differ from those used in Canada. Instead, the student relies somewhat vaguely on the restaurant’s “hint of Canadian culture and flavour” as a competitive advantage and highlights the need to make “health factors” a priority.

**Communication**

- The student communicates the potential of the proposed expansion for success with some clarity. He or she adopts a confident, persuasive tone in describing the company’s successful domestic operation and the reasons for expanding into the French market. The student presents a realistic distribution plan that differentiates between product inputs that could be purchased in the foreign market and those that must be transported from Canada, and that integrates the various means of transportation (ship, train, and truck) into the delivery process. The student also shows some awareness of the need to control costs. However, the student’s analysis of the company’s ability to compete in the new market is vague and lacking in relevant detail.

**Application**

- The student provides a rationale for the international expansion of limited effectiveness. He or she identifies similarity with the Canadian market, political stability, and the French lifestyle as reasons justifying the company’s expansion into France. The student refers to the French government’s willingness to attract foreign investment and promotes the company’s successful large-scale domestic operations as a competitive lever. Occasionally the student inserts statistics that suggest opportunities for successful international expansion (e.g., “The organic market has increased 40-69% over the past couple of years.”). However, the student rarely takes the opportunity to elaborate on how these statistics can strategically support his or her proposal; nor does the student provide any hard evidence to suggest that Parisians might welcome a Canadian restaurant in their city.

**Comments**

This work is representative of a low level-2 performance. The student demonstrates some degree of achievement of the expectations in the Knowledge/Understanding, Thinking/Inquiry, and Communication categories of knowledge and skills. However, in the Application category, the student demonstrates a limited degree of achievement – i.e., achievement that is more characteristic of level 1.

The result is a loosely structured report that invites investor interest in the proposed venture but falls short in its ability to turn this interest into action.

**Next Steps**

In order to improve his or her performance, the student needs to:

- provide more specific and detailed information about Bravo Canada!
- devote more research to government regulations and the existing competition within France as important factors to consider before expansion;
- provide compelling reasons why a new Canadian restaurant would succeed in Paris;
- reorganize information into a more logical sequence;
- proofread carefully to eliminate errors in spelling and grammar.