# BBQfun (simulated business)

Table of contents

Chapter 1: Business plan (excerpt) 1

Chapter 2: Organisational chart and management profiles 2

Chapter 3: Management responsibilities 3

Chapter 4: Budget summary 4

Chapter 5: Operational plan 5

Chapter 6: Description of operations 8

Chapter 7: Organisational risk register 9

Chapter 8: Marketing plan 11

Chapter 9: Sales and marketing policy 23

Chapter 10: BBQfun privacy policy 25

Chapter 11: Anti-discrimination policy 29

Chapter 12: Procurement policy and procedures 30

Chapter 13: List of preapproved suppliers 35

## Chapter 1:Business plan (excerpt)

### From BBQfun business plan FY 2016–17

#### About BBQfun

BBQfun was established in 2013 by current CEO, Pat Mifsud. BBQfun offers an extensive product range, incorporating both local and imported goods.

Since 2014, the increasingly competitive retail environment, technological change, changes in consumer buying patterns and consumer confidence has led to disappointing sales. However, BBQfun intends to return to healthy sales of $11 million in 2016 through building on its organisational strengths, through targeted marketing strategies aimed at key segments and through exploiting marketing opportunities.

Currently, BBQfun operates two stores, one in Brisbane (Kenmore), and one on the Gold Coast.

BBQfun is seeking business and marketing opportunities that could lead to interstate or national expansion if viable and scalable.

#### Mission

* To provide our customers with great value outdoor lifestyle products and second-to-none customer service.

#### Vision

* To be, within five years, south-east Queensland’s leading outdoor lifestyle retailer.

#### Values

* Quality
* Customer value
* People: Active encouragement of safety, teamwork, diversity, excellence, innovation and continuous improvement.

#### Strategic directions

The strategic context in which BBQfun will achieve its mission and vision is through:

* engaging with customers through promotion and market research
* building reputation for quality products and quality customer service
* supporting people to perform via training and performance management
* controlling costs
* increasing sales revenue and profitability.

## Chapter 2: Organisational chart and management profiles

### BBQfun organisational chart

## Chapter 3:Management responsibilities

### Pat Mifsud, CEO

Pat is responsible for working with the Board of Directors to oversee the business, set overall strategic directions, manage risk, and authorise large financial transactions.

### Riz Mehra, Chief Financial Officer

Riz is responsible for preparing quarterly financial statements and overall budgeting. Riz is also responsible for overseeing budgets for cost centres and individual projects. At completion of financial quarters and at the end of projects, Riz is responsible for viewing budget variation reports and incorporating information into financial statements and financial projections.

### Kim Chen, Operations General Manager

Kim is responsible for the day-to-day running of the company. Kim oversees the coordination of all operations. Kim is responsible for sponsoring projects which affect operations of the organisation as a whole. Kim works with the HR Manager to coordinate systems and projects to achieve company-wide synergy.

### Les Goodale, Human Resources (HR) Manager

Les is responsible for the productive capacity and welfare of people at BBQfun. With the Operations General Manager, Les works to co-ordinate projects and management systems such as performance management, recruitment, and induction.

### Sam Lee,Marketing Manager

Sam is responsible for the management of all aspects of marketing. Sam manages the activities of the marketing team.

### Pat Sweeney, Manager:Brisbane (Kenmore)

Pat is responsible for the management of all aspects of the Brisbane store.

### Alex Mitchell, Manager: Gold Coast

Alex is responsible for the management of all aspects of the Gold Coast store.

## Chapter 4: Budget summary

### BBQfun 2016–17Approved budget by activities to be undertaken

|  |  |  |
| --- | --- | --- |
| **Income:** |  |  |
| Sales | $11,000,000 | Barbecues and related equipment. |
| Investmentincome | $1,567,000 | Real estate investment income and rental of office space. |
| Cost of goods sold (COGS) | $5,890,000 | Cost of provision of goods, purchase of stock, distribution. |
| **Gross profit**  | $6,677,000 | Gross profit. |
|  |  |  |
| **Expenses:** |  |  |
| Wages, salaries and on costs | $2,567,890 | Wages, salaries, superannuation, work cover insurance, payroll tax. |
| Consultancy fees | $50,000 | Project management: WHS management system; change management. |
| Communication expenses | $42,000 | Telephone, ISP costs, IT support. |
| Marketing  | $800,000 | Cost of staff travel and associated costs for sales, etc. |
| Premises expenses | $1,000,000 | Rent, electricity, maintenance, cleaning. |
| Capital expenditure | $120,000 | Purchase of new office equipment (90%), vehicles. |
| Depreciation and amortisation | $177,569 | Computers and capital equipment that is depreciated.  |
| Office supplies | $65,068 | Printing and stationery, postage, amenities. |
| Training | $62,187 | Sales training: leadership, WHS, ethical/legal training. |
| **Total Expenses** | **$4,884,714** |  |
| **Net profit** | **$1,792,286** | Net income before tax. |

## Chapter 5:Operational plan

| BBQfunOperational plan (summary) FY 2016–2017 |
| --- |
| Objectives: | Performance measures | Tasks: |
| 1. Engaging with customers through promotion and market research.
 | * Completion of market/marketing research.
* Completion of customer surveys.
* Completion of reports to identify marketing opportunities.
 | * Conduct of quarterly surveys on customer satisfaction.
* Evaluation of market and marketing data to determine marketing opportunities.
 |
| 1. Building reputation for quality products and quality customer service.
2. Raise organisational profile by 20%.
3. Improve client satisfaction performance by 25%.
 | * Percentage of brand recognition in sought-after categories in periodic customer surveys.
* Percentage of customers with positive view of organisational responsiveness, innovation, quality, ethics, safety.
* Number of customer complaints.
* Delivery times.
* Number of returned items.
 | * Audit of supplier quality.
* Regular contact with suppliers.
* Investigate resourcing needs: people, products.
* Fulfil resourcing and distribution needs in accordance with policies and procedures.
* Maintenance of enterprise resource management (ERM), point of sale (POS) and customer relationship management (CRM) systems.
 |
| 1. Supporting people to perform via training and performance management.
 | * Numbers of injuries (Target = 0).
* Numbers of absentees (Target = < 3% of total hours).
* Anti-discrimination complaints (Target = 0).
* Percentage completion of performance plans and performance management process.
* Numbers of coaching sessions completed.
* Numbers of operational – related training programs completed.
 | * Research effectiveness of possible incentives for: safe work achievement; healthy lifestyle.
* Engage workers with strategic goals of business and support professional development in line with strategic goals. (Targets to be set by individual managers).
* Management engagement with employees to achieve greater buy in of organisational goals.
* Include explanation of how activities work with organisational strategic goals in all communications to internal personnel.
* Regular coaching.
* Training needs analysis and training (leadership, health and safety, ethical/legal training).
* Strategic goals included in induction program.
* Employee incentives for performance in all areas relevant to operational and strategic goals.
 |
| 1. Reduce direct and indirect costs of operations
 | * General ledger accounts; financial statements:
	+ wages
	+ cost of agent services
	+ consultancy fees
	+ wastage and associated expenses.
* Expense target = $4,884,714
* COGS target = $5,890,000
 | * Renegotiate with suppliers.
* Research potential new suppliers.
* Research new distribution possibilities such as e-commerce/delivery.
* Management engagement with employees to achieve greater employee support of organisational goals.
* Greater use by managers of budgets to encourage restraint.
* Greater focus on budget restraint in management of projects/activities.
* Inventory management through ERM to reduce overstocking and risk associated with storage.
* Incentives (as part of manager/employee performance management and bonus system).
 |
| 1. Increasing sales revenue
 | General ledger accounts; financial statements: Revenue target = $11 million Profit target = $1,792,286 | * Marketing campaigns.
* Sales training for floor staff.
 |

## Chapter 6: Description of operations

|  |
| --- |
| Brisbane: Head office |
| * Location: Kenmore.
* Size: 15,000 square metres (50% warehouse, 50% display area). Warehouse area used at 45% of capacity, but poorly configured to accommodate heavy increase in distribution traffic.
* Employees:
	+ 30 full-time and casual sales and customer service people, check-out staff trained in use of POS (integrated with ERM and CRM software system)
	+ senior management team (5) + 1 store manager
	+ 4 sales team leaders
	+ 1 delivery truck driver
	+ 1 warehouse worker.
* Large mezzanine office space (used to be occupied by online retailer, currently subdivided and occupied by management team).
* Loading bay with large capacity (most of area incorporated into customer display area, could be easily and cheaply reconfigured to accommodate extra distribution).
 |

|  |
| --- |
| Gold Coast operation |
| * Location: Robina.
* Size: 12,000 square metres (50% warehouse, 50% display area). Warehouse area used at 50% of capacity, but poorly configured to accommodate heavy increase in distribution traffic.
* Employees:
	+ 30 full-time and casual sales and customer service people, check-out staff trained in use of POS (integrated with ERM and CRM software system)
	+ 1 store manager
	+ 3 sales team leaders
	+ 1 delivery truck driver
	+ 1 warehouse worker.
* Large mezzanine open-plan office space with separate access (currently rented out to telemarketing company).
* Lots of spare office space.
* Loading bay with large capacity.
 |

## Chapter 7: Organisational risk register

| BBQfun Risk register FY 2016–2017 |
| --- |
| Identified risk | Probability | Impact | Current controls | Future actions |
| Failure to identify changes in market/external environment and develop appropriate strategies. | Medium | High | * Appropriate insurances held and coverage reviewed annually.
* Managers encouraged and incentivised to follow performance management policy.
* Employee performance plans align with business plan and six-monthly review process in place.
* Project to raise awareness of anti-discrimination, health and safety, and other legislation/codes of conduct among staff.
 | * Industry benchmarking in all areas of organisational performance.
* Review of marketing/operational planning.
* Review of online presence, possible ecommerce opportunities.
* Although stores have capacity for twice current stock levels, a big increase in volume will require reconfiguration of space.
* Although stores have office space, for online sales staff, space currently being rented to third party.
 |
| Failure to adequately train employees in line with marketing strategies. | Medium | High |
| Failure to revise operations and resourcing in accordance with marketing strategies. | Medium | High |
| Failure to ensure product/customer service quality in event of revised operations through training, re-training, etc. | Medium | High |
| Failure to recruit qualified sales/customer service staff due to increased competition in south-eastQueensland. | Medium | High |
| Failure to realise revenue gains due to poor consumer confidence. | High | High |
| Failure to meet creditor obligations from poor cash flow (due to popularity of financing). | Medium | High |

|  |
| --- |
| BBQfun Risk register FY 2016–2017 |
| Identified risk | Probability | Impact | Current controls | Future actions |
| Competition (both bricks and mortar and online) affecting profit margins and market share. | Medium | High | * Appropriate HR policies and procedures in place. Included in employee induction kits.
* Health and safety management system in place.
 | * CRM and ERP software may need to be reconfigured to accommodate increased distribution.
* Review privacy policy.
 |
| Inadequate insurance cover: fire; theft. | Low | High |
| Non-compliance on anti-discrimination. | Medium | High |
| Poor organisational culture; low level of staff engagement and morale. | Medium | Medium |
| Loss of knowledge and capability through departing staff. | Low | High |
| Failure to meet health and safetyrequirements/other legal requirements for marketing of products and services. | Low–medium | High |

## Chapter 8: Marketing plan

|  |
| --- |
| **! Note:** As part of your assessment, you will need to update marketing information for the current year. You need to consider updating information where you see the following: **Note:** Information needs to be updated for the present year. |

### Executive Summary

BBQfun was established in 2013 by its current CEO, Pat Mifsud. BBQfun offers an extensive product range, incorporating both local and imported goods.

BBQfun steadily increased market share and profitability to 2014 when sales peaked at $10 million.Since 2014, the increasingly competitive retail environment, technological change, changes in consumer buying patterns and confidence has led to disappointing sales. However, BBQfun intends to return to healthy sales of $11 million in 2016 through building on its organisational strengths.

Organisational strengths will be built through targeted marketing strategies aimed at key segments and through exploiting marketing opportunities.

### Situation Analysis

BBQfun sees its moderate pricing, extensive and high-quality product range, great customer service, and product guarantees as key offerings to gain traction with a market dominated by low-quality providers.

The basic market need is for quality, fashionable and unique outdoor lifestyle items that fulfil the house-proud needs of our target market.

#### 2.1 Market summary

BBQfun uses market data from various sources, including private sources and ABS statistical data to better understand potential customers, their specific needs, and how BBQfun can better communicate with them.

Market characteristics

The profile for the potential BBQfun market consists of the following geographic and demographic characteristics.

**Note:** Information needs to be updated for thepresent year.

* Overview Southeast Queensland area:
	+ high population growth of 5% per year
	+ new homes and renovated homes growing from a base of 50,000 per year
	+ low unemployment of 4.7%.
* Geographic:
	+ our immediate geographic target is the area of Brisbane with a population of 2,000,000
	+ a 30 km geographic area is the average store market footprint
	+ the total targeted population is estimated at 450,000.
* Demographics:
	+ male and female
	+ ages 20–50
	+ high percentage of young professionals who work in the central business district
	+ high percentage have completedundergraduate/postgraduate study
	+ an average household income of over $70,000.

Market needs

**Note:** Information needs to be verified for thepresent year.

* Selection – a wide choice of options.
* Accessibility – the customerneeds easy access to the store with minimal inconvenience.
* Customer service – the customerneeds expert customer service to help sort through choices.
* Competitive pricing – the customer needs all products/services to be competitively priced relative to comparable high-end outdoor lifestyle options offered by competitors.
* Flexible payment –the customer needs easily managed payment plan.
* Quality guarantees – the customer requires threeyear product guarantees (as offered by most competitors).

Market trends

The market trend for outdoor lifestyle stores is headed toward a more sophisticated and informed customer. Outdoor lifestyles customers are becoming more sophisticated in a number of different ways:

* Item quality – the preference for high quality items is increasing as customers are learning to appreciate the quality differences.
* Unique – our patrons appreciate the opportunity to include outdoor lifestyles in their home that stand out from the mass-produced and low-quality items.
* Selection – people are demanding a larger selection of choices; they are no longer accepting a limited offer in outdoor lifestyles.

Market growth

In 2013, the national outdoor lifestyle market reached $300 million. Outdoor lifestyle sales were estimated to grow by at least 6% for the next few years. This growth can be attributed to several different factors:

* the greater disposable household income from two income families
* the greater availability of affordable and interesting quality imports with the high value of the Australian dollar
* the marketing by popular TV lifestyle programmes.

Economy

**Note:** Information needs to be updated for the present year.

At present, the real estate market in south-east Queensland continues to rise in price, and with it the disposable income of the population.

Based on economic forecasts, BBQfun assumes that interest rates will remain steady and will have little to no effect on disposable income. The same assumption is made about employment levels, where BBQfun assumes that unemployment levels remain the same at approximately 4%.

Political

**Note:** Information needs to be updated for the present year.

From research carried out, BBQfun identified that the present Government focus and emphasis in future legislative direction will be about growth and productivity, which BBQfun sees as a positive for their business model.

There is also a strong push for environmentally sound business practices and harmonised WHS legislation. BBQfun, as a business operating in Australia, will abide by the law in all its dealings and comply with all legislation that impact on its business activities.

#### 2.2 SWOT analysis

The following SWOT (strengths, weaknesses, opportunities and threats) analysis captures the key strengths and weaknesses within the company, and describes the opportunities and threats facing BBQfun.

Strengths

* Excellent customer service employees whoare highly skilled and knowledgeable about outdoor lifestyles.
* Retail space that is bright, functional and engaging to customers.
* High customer loyalty among repeat customers.
* Assortment of products that exceed competitor offerings in quality, range and accessibility.

Weaknesses

* A limited marketing budget to develop brand awareness.
* No online profile.
* The struggle to continually manage cash flow and profitability due to:
	+ high marginal costs and expenses
	+ repayment plans taken out by our customers.

Opportunities

**Note:** Information needs to be updated for the present year.

* A growing market in a high growth area with a significant percentage of the target market still not aware of BBQfunvalue proposition.
* Increasing sales opportunities outside of our store locations – south-east Queensland.
* Growing opportunity for online sales.

Threats

**Note:** Information needs to be updated for the present year.

* Low-cost competition.
* Competition from national chains moving into the Brisbane market, potentially through online sales.
* A possible slump in the economy reducing customer's disposable income spent on outdoor lifestyles.

#### 2.3 Competition

**Note:** Information needs to be updated for the present year. For the purposes of assessment, named competitors are presumed to exist, although other competition may be identified.

National competition

* The Yard: Has a limited selection but significant depth. All Australian made. No significant marketing or promotion. The price point is high, but quality of products is quite good. Not in south-east Queensland. Considering e-commerce options. Considered potential threat for entering market through e-commerce because of large distribution network.
* BBQs R Us: Broad range of outdoor lifestyle products including trinkets and furnishings. Lots of cheap imports. Concentrating on established markets. Strong in the replacements segment. One store in Brisbane. Mostly in Melbourne and Adelaide. Considering e-commerce options.
* Outdoorz: Large operation of only a few stores per city. Mass markets outdoor lifestyles at good value prices. No imported goods. Extensive advertising. Low to medium quality. Strong in replacement segment rather than new and refurbished dwellings. Gaining strength in Brisbane. Considering e-commerce options.

Local competition

* All independents. These stores are owned by individual owner operators. Ranges vary according to owner preferences. There are very few imports. Mostly retailing Australian manufactured goods. Collectively their average item sale price is $250, they have a market share of 48%, and are growing at about 8% per year.
* One important source of market research is competitive analysis. BBQfun management continually visit local outdoor lifestyle stores for competitive analysis, providing BBQfun with timely information regarding other store’s service offering.
* BBQfun do not see the competitors changing their marketing strategy or product offer in the foreseeable future.

#### 2.4 Product/service offering

BBQfun has created an outdoor lifestyles range of retail products that is differentiated and superior to competitors. Customers can see the quality of the product as it is displayed in the stores. The following are characteristics of the product:

* BBQfun’s credit offer is backed by a top-tier bank
* imported products make up 33% of the product range
* the three-year guarantee is unique in the market place
* broadest possible range in chosen field
* expert, friendly customer service
* BBQfun prides itself on providing service that is on par if not better than any of the local independent stores and far in excess of the national chains.

BBQfun will ensure that all aspects that are involved in the delivery of satisfaction to the customer will work using an integrated approach.

At a glance: The prototype BBQfun store

* Location: a commercial, suburban neighbourhood, or urban retail district.
* Design: bright and functional.
* Size: 10,000 to 15,000 square metres.
* Employees:20 to 30 full-time employees plus casuals
* Types of transactions: 60% cash, 40% on long-term repayment plan.

#### 2.5 Keys to success

**Note:** Information may need updating for the present year.

BBQfun’s site selection criteria are critical to success.

* new dwelling populations
* shopping patterns requiring easy access
* customer car parking availability.

#### 2.6 Critical issues

BBQfun is still in the speculative stage as a possible franchise concept or joint venture. Its critical issues are:

* Committed to sales growth which allows for greater options in import assortments and in reduced price with volume buys. This will promote our uniqueness and contribute to improved profit margins.
* Continue to finance the easy manage long-term repayment plan for customers.
* Locate in easy access sites close to the growing markets in new dwelling development.

### Customer Survey Data

Marketing preferences 2015 (survey of 500 customers)

|  |  |  |  |
| --- | --- | --- | --- |
|  | New builds | Renovators | Replacements |
| Have visited BBQfun in previous month | 70% | 70% | 50% |
| Have bought a BBQfun product in previous month | 70% | 65% | 50% |
| Customer service is essential | 90% | 95% | 60% |
| Price is most important | 10% | 20% | 95% |
| Australian made is important | 80% | 65% | 55% |
| Will buy online  | 100% | 100% | 100% |
| Will pay for online delivery if chosen | 100% | 100% | 100% |
| Loyalty customer | 30% | 20% | 10% |

Target segments (estimated # customers)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Financial year (FY) | New builds | Renovators | Replacements | Totals |
| FY 2016–17 | 225,000 | 125,000 | 100,000 | 450,000 |
| FY 2015–16 | 205,000 | 110,000 | 110,000 | 425,000 |
| FY 2014–15 | 200,000 | 100,000 | 110,000 | 410,000 |
| FY 2013–14 | 195,000 | 95,000 | 110,000 | 400,000 |
| FY 2012–13 | 190,000 | 90,000 | 110,000 | 390,000 |

### Marketing Strategy

**Note:** Information may need to be updated for the present year.

BBQfun’s advertising budget is set at $180,000 for the 2016 financial year. The advertising program will target local letter box drops, radio and magazines. BBQfun will use direct mail and local advertising, with coupon inserts in the BrisNews magazine is likely to be the most successful of the campaigns.

BBQfun will try to get articles about BBQfun into the BrisNews magazine. Previous features in the BrisNews magazine has seen a dramatic increase of sales immediately after the article was published.

#### 4.1 Mission

BBQfun’s mission is to provide our customers with great value outdoor lifestyle products and second-to-none customer service.

#### 4.2 Marketing objectives

**Note:** Marketing objectives are still current forthe present year.

* Increase our loyalty customers list from 10,000 to 16,000.
* Establish brand recognition in south-east Queensland so that at least two in three people recognise our brand in a random survey taken in 18 months’ time.

#### 4.3 Financial objectives

**Note:** Information may need to be updated for the present year.

* A double digit growth rate for each future year.
* Reduce the overhead per store through disciplined management of expenses.
* Continue increase our gross profit margins.

#### 4.4 Target marketing

**Note:** Information may need to be updatedfor the present year. For the purposes of assessment, identified target markets and advertising mediaare presumed to exist, although other markets and media can and should be identified.

The target market comprises three segments:

* **New builds:**
	+ very proud of laid-back Brisbane lifestyle
	+ moderate to highly educated
	+ mixture of trade and professional
	+ aspire to live in richer suburbs
	+ health conscious
	+ loyal to *Brizzy* magazine, both print and online versions
	+ love to buy Australian made
	+ service and quality is as important as price.
* **Renovations:**
	+ many have homes in other parts of country
	+ see themselves as cosmopolitan
	+ moderate to highly educated
	+ mainly professional
	+ health conscious
	+ want to see more fine dining and exotic cuisine associated with the ‘humble’ barbecue
	+ loyal to *Outdoor Aspire* magazine, both print and online versions
	+ service and quality are much more important than price.
* **Replacements:**
	+ love to support jobs in Australia
	+ very proud of laid-back Brisbane appeal
	+ don’t like images of Sydney or Melbourne;don’t like ‘snooty’ urban courtyard gardens and instead prefer a warm Balinese-style look to the minimalist Japanese style
	+ becomingmore health conscious
	+ looking to save every dollar,but also aspire to more glamorous and expensive equipment at right price
	+ aspire to live in richer suburbs
	+ loyal to *Brizzy* magazine, print version
	+ quality is as important as price
	+ good service is nice but price is more important.

#### 4.5 Positioning

**Note:** Information may need to be revised after assessment of marketing opportunities.

BBQfun will position itself as a broad assortment, quality, and unique outdoor lifestyle retailer. South-east Queensland consumers who appreciate high-quality and uniqueness will recognise the value and unique offerings provided by BBQfun.

BBQfun’s positioning will leverage their competitive edge:

* Product – the product will be wide ranging, quality and unique. It offers the ‘house proud’ customer a different option from the cheap, mass-produced products prevalent in the market.
* Service – BBQfun offer the only three-year guarantee in the market. Our easy pay payment scheme is just what our mortgage paying customers welcome. Our experienced staff can assist with product knowledge second to none in the industry.

By offering a superior service in range and uniqueness, BBQfun will excel relative to the competition and achieve our marketing objectives.

#### 4.6 Strategy pyramids

**Note:** Although financial objectives may not change, marketing objectives and aspects of the marketing mix such as promotion may need to be revised after assessment of marketing opportunities.

Financial objectives for the 2016 financial year are:

* A double-digit growth rate for each future year.
* Reduce the overhead per store through disciplined management of expenses.
* Continue increase our gross profit margins.

Our marketing objectives complement and support financial objectives:

* Increase our loyalty customers list from 10,000 to 16,000.
* Establish brand recognition in south-east Queensland so that at least two in three people recognise our brand in a random survey taken in 18 months’ time.

The overriding strategy is to position BBQfun as the premier outdoor lifestyle store in the south-east Queensland area, to command a majority of the market share within five years. The marketing strategy will seek to first create customer awareness regarding their services offered, develop that customer base, and work toward building customer loyalty and referrals.

The strategy will be reflected in our promotional materials aimed at target segments. The message that BBQfun will seek to communicate is that BBQfun offers the widest, most exotic, easy access outdoor lifestyle products in Brisbane. This message will be communicated through a variety of methods. The first will be direct mail. The direct mail campaign will be a way to communicate directly with the consumer. BBQfun will also use ads and inserts in *Brizzy* magazine. BBQfun also believe that the local patrons far prefer to receive information from the store via flyers in the letterbox.

#### 4.7 Marketing mix

**Note:** Aspects of the marketing mix, such as promotion, may need to be revised after assessment of marketing opportunities.

BBQfun’s marketing mix is comprised of these following approaches to pricing, distribution, advertising and promotion, and customer service:

* Pricing – while BBQfun will price at comparable prices for comparable quality, it will not be cheap. We emphasise value over price and back this up with a three year guarantee.
* Distribution – BBQfun products will be distributed through two retail stores which customers can access easily via the large car parking arrangements.
* Advertising and promotion – the most successful advertising will be ads and inserts in the *Brizzy* as well as a PR campaign of informational articles and reviews also within the *Brizzy*. Promotions will take the form of in-store entertainment and competitions with prizes to exotic overseas destinations. Social media is considered not viable or practical considering low participation among targeted segments.
* Customer service – BBQfun’s philosophy is that whatever needs to be done to make the customer happy must occur. This investment will pay off with a fiercely loyal customer base which will recommend BBQfun to friends.

#### 4.8 Product development

It is envisaged that new products will be sourced from suppliers on a regular basis in line with changes in customer taste which is targeted at every 12 months. The plan for product testing is to engage market research firms. By getting feedback from these firms, changes can be made or products ‘canned’ so that only tested and proven products make it onto the store assortment list.

#### 4.9 Marketing research

During the initial phases of the marketing plan development in 2010, several focus groups were held to gain insight into a variety of patrons of outdoor lifestyle stores. These focus groups provided useful insight into the decisions, and decision-making processes, of consumers.

An additional source of marketing research is a feedback mechanism based on a suggestion card system in store.

### 5.0 Financials, Budgets, and Forecasts

This section will offer a financial overview of BBQfun as it relates to its marketing activities. BBQfun will address break-even and profit analysis, sales forecasts, and expense forecasts, linked to the marketing strategy.

#### 5.1 Break-even/profit analysis

**Note:** Information needs to be updated for the present year.

See approved budget for current projections:

* direct costs (COGS)
* indirect costs (expenses)
* projected revenue.

2015 sales

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Item | Average price | Average COGS | Average contribution | Units | Revenue | Gross profit on sales |
| BBQ | $600 | $300 | $300 | 8,330 | $4,998,000 | $2,499,000 |
| Outdoor furniture | $850 | $420 | $430 | 3,500 | $2,975,000 | $1,505,000 |
| BBQ accessories | $50 | $30 | $20 | 40,000 | $2,000,000 | $800,000 |
| Total |  |  |  |  | $9,973,000 | $4,804,000 |

#### 5.2 Sales forecast

**Note:** Information may need to be revised for the present year (post-assessment of market conditions).

Sales forecast

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2016 | 2017 | 2018 |
| Total sales | $11,000,000 | $12,000,000 | $15,000,000 |
| Gross profit | $5,110,000 | $6,500,000 | $7,500,000 |

#### 5.3 Expense forecast

Marketing expenses are to be budgeted to increase to $180,000 in 2016.

Marketing expense budget

**Note:** Information will need to be revised for the present year (post-assessment of potential marketing opportunities).

|  |  |  |  |
| --- | --- | --- | --- |
| Expenses | 2016 | 2017 | 2018 |
| Direct mail | $40,000 | $50,000 | $60,000 |
| Magazine adverts | $110,000 | $100,000 | $80,000 |
| Radio promotions | $30,000 | $50,000 | $70,000 |
| Total | $180,000 | $200,000 | $210,000 |

### 6.0 Controls

The purpose of BBQfun marketing plan is to serve as a guide for the organisation as it implements the marketing strategy.

#### 6.1 Implementation milestones 2016

**Note:** Information needs to berevised for the present year (after identification of marketing opportunities).

The following milestones identify the key marketing programs for the 2015 financial year.

Milestones (FY 2015)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Project | Start date | End date | Manager | Department |
| **Radio**  | July 2015 | June 2016 | MarketingManager | Marketing  |
| **Magazine & PR** | July 2015 | June 2016 | MarketingManager  | Marketing  |
| **Direct marketing** | July 2015 | June 2016 | MarketingManager | Marketing  |

#### 6.2 Marketing organisation

BBQfun’s marketing manager is primarily responsible for marketing activities and has the authority and responsibility over all company activities that affect customer satisfaction.

Feedback will come from in-store feedback forms and local customer surveys.

#### 6.3 Contingency planning

**Note:**Information may need to be revised for the present year (post-assessment of potential marketing opportunities).

The following risks have been identified with respect to implementation of the marketing plan:

* failure to identify changes in market/external environment and develop appropriate strategies
* failure to adequately train employees in line with marketing strategies
* failure to revise operations and resourcing in accordance with marketing strategies
* failure to ensure product/customer service quality in event of revised operations
* failure to recruit qualified sales/customer service staff due to increased competition in south-east Queensland
* failure to realise revenue gains due to poor consumer confidence
* competition (both bricks and mortar and online) affecting profit margins and market share
* non-compliance on anti-discrimination
* loss of knowledge and capability through departing staff
* failure to meet occupational health and safety requirements/other legal requirements for marketing of products and services.

BBQfun management will take the following measures to reduce risk:

* industry benchmarking in all areas of organisational performance
* review of marketing/operational planning
* review of online presence, possible ecommerce opportunities
* reviewprivacy policy.

## Chapter 9:Sales and marketing policy

### BBQfun sales and marketing policy

|  |  |
| --- | --- |
| Purpose | The purpose of this policy is to ensure BBQfun sales, marketing and advertising is accurate and ethical. It also aims to ensure that activities adhere to legislation, standards and codes of conduct.This policy and procedure on the use of marketing materials is required to enable BBQfun to adhere to all legislation relevant to marketing practices and meet standards and codes such as Advertising Standards Bureau (ASB) codes of conduct**.** |
| Scope | The scope of this policy covers all employees and contractors of BBQfun. |
| Resources | Specific guidelines/procedures for the implementation of this policy are available below and on the company intranet. |
| Responsibility | Responsibility for the implementation of this policy rests with all employees, contractors and management of BBQfun. |
| Relevant legislation, etc. | * *Privacy Act 1988* (Cwlth)
* *Anti-Discrimination Act 1991* (Queensland)
* *Competition and Consumer Act 2010* (Cwlth)
* *Spam Act 2003* (Cwlth)
* *Australian Direct Marketing Association (ADMA) Code of Practice*
* Free TV Australia *Commercial Television Industry Code of Practice*
* *Australian Guidelines for Electronic Commerce*.
 |
| Updated/authorised | 6/2015 – Riz Mehra, CFO |

### General guidelines/procedures for sales and marketing activities

* Follow all BBQfun procedures. Detailed written procedures are available to all sales and customer service employees at BBQfun premises and are included in employee induction packs.
* Employees should, where required in procedures, use templates provided for documenting marketing activities.
* Employees should, where required in procedures or templates, seek approval from designated authorities for marketing activities.
* All marketing material and sales activity must:
	+ adhere to the Privacy Act: must not use personal images, information for marketing purposes without express written consent
	+ adhere to Do Not Call Register legislation: potential customers on the Do Not Call Register must not be called for marketing purposes
	+ adhere to anti-discrimination policy: images or written material must not portray any group or individual in a negative, offensive or stereotypical way on the basis of sex, gender, marital status, etc.
* Be conducted in a safe and responsible manner to minimise risk to health and safety of BBQfun employees and the general public.
* Not include spam campaigns.
* Adhere to the *Competition and Consumer Act 2010 (*formerly the Trade Practices Act). Employees must not:
	+ attempt to induce individuals to place their personal interests above those of BBQfun
	+ attempt to restrict competition by:
		- inducing a competitor or customer to breach a contract with a third party
		- obtaining unauthorised access to classified or proprietary information or documents
		- securing an unfair competitive advantage.
	+ violate any law or regulation
	+ engage in any activity that could damage the reputation of BBQfun
	+ give false or misleading information or advice in relation to:
		- claims of products or services: price, benefits, etc.
		- the environment and sustainability of BBQfun
		- the ethical conduct of BBQfun
		- any other claims.
* Where relevant, adhere to standards and codes of practice regarding specific types of media such as radio, television or the internet.

## Chapter 10: BBQfun privacy policy

### BBQfun Privacy policy

|  |  |
| --- | --- |
| Purpose | BBQfun is committed to protecting your privacy. It is bound by the national privacy principles contained in the *Privacy Act 1988* and all other applicable legislation governing privacy.Where appropriate, BBQfun will handle personal information in accordance with relevant legislation. Our respect for our customers’ privacy is paramount. We have policies and procedures to ensure that all personal information is handled in accordance with national privacy principles.This privacy policy sets out our policies on the management of personal information – that is, how we collect personal information, the purposes for which we use this information, and to whom this information is disclosed. |
| Scope | The scope of this policy covers all employees and contractors of BBQfun. |
| Resources | Specific guidance for the implementation of this policy is available below in the form of FAQs. |
| Responsibility | Responsibility for the implementation of this policy rests with all employees, contractors and management of BBQfun. |
| Relevant legislation, etc. | * *Privacy Act 1988* (Cwlth)
* *Anti-Discrimination Act 1991* (Queensland)
* *Competition and Consumer Act 2010* (Cwlth)
* *Spam Act 2003* (Cwlth)
* *Australian Direct Marketing Association (ADMA) Code of Practice*
* Free TV Australia *Commercial Television Industry Code of Practice*
* *Australian Guidelines for Electronic Commerce*.
 |
| Updated/authorised | 6/2015 – Riz Mehra, CFO |

### General guidelines/FAQs:

#### 1. What is personal information?

Personal information is information or opinions that could identify you. Examples of personal information include your name, address, telephone number and email address, or documents that include this information, like a resume or customer survey data we collect.

#### 2. How does BBQfun collect and use your personal information?

BBQfun collects personal information when you send a job application to us or when you email us or when we conduct marketing activities.

#### 3. What happens if you don’t provide personal information?

Generally, you have no obligation to provide any personal information to us. However, if you choose to withhold personal information, we are unlikely to be able to respond to your application or query.

#### 4. To whom do we disclose personal information?

We engage third party service providers (including related companies of BBQfun which may be located outside Australia) to perform functions for BBQfun. Such functions include mailing, delivery of purchases, credit card payment authorisation, trend analysis, external audits, market research, promotions and the provision of statistical sales information to industry bodies.

For our service providers to perform these functions, in some circumstances it may be necessary for us to disclose your personal information to thoseproviders. Where disclosures take place, we work with these third parties to ensure that all personal information we provide to them is kept secure, is only used to perform the task for which we have engaged them and is handled by them in accordance with the national privacy principles.

#### 5. How do we protect personal information?

At all times, we take great care to ensure your personal information is protected from unauthorised access, use, disclosure or alteration. We endeavour to ensure that our employees are aware of, and comply with, their obligations in relation to the handling of personal information. Only properly authorised employees are permitted to see or use personal information held by Innovative Widgets and, even then, only to the extent that is relevant to their roles and responsibilities.

Your personal information will not be sold to any other organisation for that organisations’ unrelated independent use. Further, we will not share your personal information with any organisations, other than those engaged by us to assist us in the provision of our products and services (as described above).

#### 6. What about information you provide in job applications?

If you submit a job application to BBQfun, we will use the information provided by you to assess your application. In certain circumstances, BBQfun may disclose the information contained in your application to contracted service providers for purposes such as screening, aptitude testing, medical testing and human resources management activities.

As part of the application process, in certain circumstances, you may be required to complete a pre-employment health questionnaire. You may also be asked to undergo a pre-employment medical assessment.

If you refuse to provide any of the information requested by BBQfun, or to consent to the disclosure of the results of your medical assessment to BBQfun, we may be unable to consider your application.

#### 7. Is the personal information we hold accurate?

We endeavour to maintain your personal information as accurately as reasonably possible. However, we rely on the accuracy of personal information as provided to us both directly and indirectly. We encourage you to notify us if you become aware the personal information we hold about you is incorrect or to notify us of a change in your personal information.

#### 8. How can you access or correct the personal information we hold about you?

Wherever possible and appropriate, we will allow you access to the personal information we hold about you and correct if it is wrong. If we do not allow you access to any part of the personal information we hold about you, we will give you reasons, consistent with the Privacy Act, as to why we cannot allow access.

#### 9. BBQfun internet policy

BBQfun generally only collects personal information from its website when it is provided voluntarily by you. For example, when you send us an electronic message with a query about BBQfun or its services, we will generally use your information to respond to your query, provide and market our services to you or as otherwise allowed or required by law.

For the same purposes, BBQfun may share your information with other members of the BBQfun strategic partners (including companies who are located outside Australia) and their respective service providers, agents and contractors. If we do this, we require these parties to protect your information in the same way we do.

When you visit this website or download information from it, our internet service provider (ISP) makes a record of your visit and records the following information:

* your internet address
* your domain name, if applicable
* date and time of your visit to the website.

Our ISP also collects information such as the pages our users access, the documents they download, links from other sites they follow to reach our website, and the type of browser they use. However, this information is anonymous and is only used to statistical and website development purposes.

We use a variety of physical and electronic security measures, including restricting physical access to our offices, firewalls and secure databases to keep personal information secure from unauthorised use, loss or disclosure. However, you should keep in mind that the internet is not a secure environment. If you use the internet to send us any information, including your email address, it is sent at your own risk.

You have a right of access to personal information we hold about you in certain circumstances. If we deny your request for access we will tell you why.

#### 10. Use of cookies

A cookie is a small message given to your web browser by our web server. The browser stores the message in a text file, and the message is then sent back to the server each time the browser requests a page from the server.

BBQfun makes limited use of cookies on their website. Cookies are used to measure usage sessions accurately, to gain a clear picture of which areas of the website attract traffic and to improve the functionality of our website.

When cookies are used on this website, they are used to store information relating to your visit such as a unique identifier, or a value to indicate whether you have seen a web page. We use session (not permanent) cookies. They are used to distinguish your internet browser from the thousands of other browsers. This website will not store personal information such as email addresses or other details in a cookie.

Most internet browsers are set up to accept cookies. If you do not wish to receive cookies, you may be able to change the settings of your browser to refuse all cookies or to notify you each time a cookie is sent to your computer, giving you the choice whether to accept it or not.

#### 11. Customer service satisfaction data

In accordance with company policy all volunteered customer service data will be treated in the strictest of confidence. No data will be given to third parties except to advance the cause of improved customer service. No information will be used to market additional products or services or be given to third parties for this purpose. All customer data will be stored securely as per company record-keeping policy.

## Chapter 11: Anti-discrimination policy

### BBQfun anti-discrimination policy

|  |  |  |  |
| --- | --- | --- | --- |
| Purpose | The purpose of this policy is to ensure transactions with clients, tenants and other employees is handled fairly and transparently and in accordance with organisational and legal requirements. Generally it is unlawful to discriminate on the basis of the following 16 characteristics:

|  |  |
| --- | --- |
| * sex
* relationship status
* pregnancy
* parental status
* breastfeeding
* age
* race
* impairment
* religious belief or religious activity
 | * political belief or activity
* trade union activity
* lawful sexual activity
* gender identity
* sexuality
* family responsibilities
* association with, or relation to, a person identified on the basis of the above.
 |

 |
| Scope | The scope of this policy covers all employees and contractors of BBQfun. |
| Resources | Specific procedures for the implementation of this policy are provided in employee induction kits. |
| Responsibility | Responsibility for the implementation of this policy rests with all employees, contractors and management of BBQfun. |
| Relevant legislation, etc. | * *Privacy Act 1988*(Cwlth)
* *Anti-Discrimination Act 1991*(Queensland)
* *Age Discrimination Act 2004* (Cwlth)
* *Australian Human Rights Commission Act 1986* (Cwlth)
* *Disability Discrimination Act 1992* (Cwlth)
* *Racial Discrimination Act 1975* (Cwlth)
* *Sex Discrimination Act 1984*(Cwlth).
 |
| Updated/authorised | 6/2015 – Riz Mehra, CFO |

## Chapter 12: Procurement policy and procedures

### BBQfun procurement policy

|  |  |
| --- | --- |
| Purpose | The purpose of this policy is to ensure the acquisition of resources is carried out consistently, fairly and transparently and in accordance with organisational requirements. |
| Scope | The scope of this policy covers the purchasing and acquisition of resources by employees and contractors of BBQfun. |
| Resources | Specific principles for the implementation of this policy are available below. |
| Responsibility | Responsibility for the implementation of this policy rests with employees and management of BBQfun with responsibility for purchasing resources. |
| Relevant legislation etc. | * *Privacy Act 1988*(Cwlth)
* *Anti-Discrimination Act 1991* (Queensland)
* *Australian Securities and Investments Commission Act 2001* (Cwlth)
* *Corporations Act 2001* (Cwlth)
* *A New Tax System (Goods and Services Tax Administration) Act 1999* (Cwlth)
* *A New Tax System (Goods and Services Tax) Act 1999* (Cwlth)
* *Income Tax Assessment Act 1997* (Cwlth)
* *Fair Work Act 2009* (Cwlth).
 |
| Updated/authorised | 6/2015 – RizMehra, CFO |

### Principles governing the procurement process

#### 1. Probity and ethical behaviour

The principle of probity and ethical behaviour governs the conduct of all procurement activities. Employees who have authority to procure goods and services must comply with the standards of integrity, probity, professional conduct and ethical behaviour. Employees or directors must not seek to benefit from supplier practices that may be dishonest or unethical.

#### 2. Value for money

Value for money is the core principle underpinning procurement. Contracted organisations must be cost effective and efficient in the use of resources whilst upholding the highest standards of probity and integrity. In general, a competitive process carried out in an open, objective and transparent manner can achieve best value for money in procurement.

#### 3. Non-discrimination

This procurement policy is non-discriminatory. All potential contracted suppliers should have the same opportunities to compete for business and must be treated equitably based on their suitability for the intended purpose.

#### 4. Risk management

Risk management involves the systematic identification, analysis, treatment and, where possible, the implementation of appropriate risk mitigation strategies. It is integral to efficiency and effectiveness to proactively identify, evaluate, and manage risks arising out of procurement related activities. The risks associated with procurement activity must be managed in accordance with the organisation’s risk management policy.

#### 5. Responsible financial management

The principle of responsible financial management must be applied to all procurement activities. Factors that must be considered include:

* the availability of funds within an existing approved budget
* staff approving the expenditure of funds strictly within their delegations
* measures to contain costs of the procurement without compromising any procurement principles.

#### 6. Procurement planning

In order to achieve value for money, each procurement process must be well planned and conducted in accordance with the principles contained in this document and comply with all of the organisation’s policies and relevant legal and regulatory requirements.

When planning appropriate procurement processes consideration should be given to adopting an approach, which:

* encourages competition
* ensures that rules do not operate to limit competition by discriminating against particular suppliers
* recognises any industry regulation and licensing requirements
* secures and maintains contractual and related documentation for the procurement which best protects the organisation
* complies with the organisation’s delegations policy.

#### 7. Buy Australian made/support Australian industry

Employees who are involved in procurement activities must make a conscious effort to maximise opportunities for Australian manufacturers and suppliers to provide products where there is practicable and economic value. In making a value-for-money judgement between locally made and overseas sourced goods, employees are to take into account:

* whole-of-life costs associated with the good or service
* that the initial purchase price may not be a reliable indicator of value
* the quality of locally made products
* the record of performance and delivery of local suppliers
* the flexibility, convenience and capacity of local suppliers for follow on orders
* the scope for improvements to the goods and ‘add-ons’ from local industry.

#### 8. Pre-registered list of preferred suppliers

BBQfun shall maintain a pre-registered list of preferred suppliers, following a request for expressions of interest and an evaluation of the submissions. Suppliers can request to be evaluated for inclusion on the existing pre-register list at any time.

All purchases under $5,000 may be made from preferred suppliers without undertaking a competitive process. Purchases above $5,000 where a preferred supplier exists should include a competitive process if practicable.

This list is reviewed at regular intervals with admission of interested parties on a rolling basis. Care should be taken to ensure that such lists are used in an open and non-discriminatory manner. BBQfun encourages new contractors to provide information on their experience, expertise, capabilities, pricing, fees, and current availability. It is in the interest of the organisation that the pool of potential suppliers is actively maintained and updated. Employees should be encouraged to provide reports of their experiences in working with each contractor/consultant to assist future decisions concerning commissioning suitable contractors and consultants.

#### 9. Avoid conflict of interest

Employees and directors are required to be free of interests or relationships in all aspects of the procurement process.

Employees and directors are not permitted to personally gain from any aspect of a procurement process.

Employees and directors shall ensure that to the best of their knowledge, information and belief, that at the date of engaging a contractor no conflict of interest exists or is likely to arise in the performance of the contractor’s obligations under their contract.

Should employees or directors become aware of potential conflicts of interest during the contract period, they must advise the CEO and directors immediately.

Prior to any situation arising with potential for a conflict of interest, complete disclosure shall be made to the CEO and directors to allow sufficient time for a review.

#### 10. Report collusive tendering

Employees should be aware of anti-competitive practices such as collusive tendering. Any evidence of suspected collusion in tendering should be brought to the attention of the CEO and directors.

#### 11. Competitive process

It is a basic principle of procurement that a competitive process should be used unless there are justifiable circumstances. For purchases under $5,000, the list of preferred suppliers may be used. The type of competitive process can vary depending on the size and characteristics of the contract to be awarded.

#### 12. Direct invitation (selective or restricted tendering)

A process of direct sourcing to tender may be used. This may involve:

* an invitation to organisations deemed appropriately qualified for a particular product or service (this may be appropriate for specialised requirements in markets where there is a limited number of suppliers or service providers)
* an invitation to tender to organisations on BBQfun’s pre-registered list of preferred suppliers if applicable.

#### 13. Evaluation and contract award

For projects being awarded, consideration will be given not only to the most economically advantageous tender, but also to the track record of the tender respondent and the degree of confidence that the panel has in the quality if the bid. It will be the normal practice to have the evaluation of tenders carried out by a team with the requisite competency.

#### 14. Results of tendering process

All tender respondents should be informed in writing of the result of a tendering process immediately after a contract has been awarded.

### Summary of procurement policy delegations

|  |  |  |  |
| --- | --- | --- | --- |
|  | Purchase amount | Required number of quotes | Comment |
| CEO and one director | Authority to sign contracts for products and services over $75,000. | Two or more competitive quotes for contracts over $75,000. | Detailed services contract required.  |
| CEO | Authority to sign contracts for products and services up to $75,000. | Two or more competitive quotes.  | Detailed services contract required for contracts over $20,000.  |
| General managersDelegated authority only through CEO | Authority to sign contracts for products and services under $30,000. | One or more competitive quotes preferred. | Provided they are within the approved budget and consistent with business/operational and strategic planning. |
| Managers | Authority to sign contracts for products and services under $10,000. | One or more competitive quotes preferred. | Follow BBQfun purchasing procedures. |
| Contractors and external consultants | No authority | One or more competitive quotes preferred.Must use preferred suppliers list. | Contractors and external consultants must follow BBQfun purchasing procedures and must seek approval for purchases from person holdingrelevant authority. |

## Chapter 13:List of preapproved suppliers

### BBQfun list of preferred suppliers and contractors

* Ace consultants: Project managers, IT technicians, technical writers, marketers, subject matter experts for short or long term human resourcing needs.
* Apex sales training
* Australian BBQ Manufacturers
* Brisbane Car World: Fleet sales and service
* Coffeeville (Brisbane): Business function/training catering catering menu: <*http://simulations.ibsa.org.au/coffeeville/menu.php*>
* Innovative Travel: Business travel bookings
* Outdoor Fine Furniture Makers
* Ready Office Supplies: Computers, photocopiers, etc.