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DIARY OF AN ENTREPRENEUR IN FRANCE
THE JOURNEY OF A RESTAURANT BUSINESS
FROM SCRATCH

Degree Programme in International Business Services

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DIARY OF AN ENTREPRENEUR IN FRANCE – THE JOURNEY OF A RESTAURANT BUSINESS FROM SCRATCH

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The thesis is aimed at providing an inside view into establishing and running a start-up culinary business in Paris – the capital of France - from scratch and sharing the empirical lessons that the author finds most valuable for an entrepreneur in the mentioned context. Using diary as a primary data collection tool, the author would like to employ a new approach to the qualitative research method based on her own experiences with her first-handed start-up restaurant.

The thesis follows a timeline structure reflecting the major activities carried out during ten-month progress to bring up a business idea in France. It provides the audience with overall knowledge about setting up a company in a specific sector as well as introduces some prominent traits in business practices of Parisians. The subject of the thesis, a start-up takeaway restaurant named Vietnam Deli located in 18eme (18th arrondissement of Paris), was analyzed in detail from its very first phase as an idea going through several fundamental stages until recently. It is also integrated with the author's observations and basic research on the local market serving for business purpose as well as personal evaluation on lessons learnt during the establishing and operating process. Some critical lessons that the author considered valuable are also provided in the end of the thesis.

The observational methodology used in this thesis not only helps the author in learning real-world experience but also conveys an empirical approach to entrepreneurship to those who are in quest of business opportunities in France, particularly in the food and beverages sector. The research journey into entrepreneurship of the author has not yet been long enough to come to final conclusion so far but it has gone through a lot of ups and downs in the challenging market context, which may be sufficient to help the audiences gain some insight into running business in multicultural environment.

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CONTENTS

1	INTRODUCTION.....	5
1.1	What lies behind being an entrepreneur.....	5
1.2	Motivation.....	5
1.3	About the thesis: objectives, methodology, structure	6
1.3.1	Objectives	6
1.3.2	Methodology	7
1.3.3	Structure	8
2	OUTLINE OF THE START-UP BUSINESS.....	8
2.1	Vietnam Deli brief profile.....	8
2.2	Enterprise overview	9
2.3	Snapshot of Vietnam Deli strategy	10
3	THE JOURNEY INTO ENTREPRENEURSHIP.....	12
3.1	From a business idea to Vietnam Deli	12
3.1.1	Business mindset	12
3.1.2	How I acquired the business.....	14
3.1.3	Philosophy underlying business set-up	21
3.1.4	Legal binds	28
3.2	Launching the business	37
3.2.1	Product and price selection.....	37
3.2.2	Building brand identity.....	39
3.2.3	Marketing activities	42
3.3	Managing the business	46
3.3.1	Operation management.....	47
3.3.2	Human management.....	50
3.3.3	Risk management	50
3.3.4	Development plan.....	52
4	EVALUATE BUSINESS PERFORMANCE.....	54
4.1	Financial performance	54
4.2	Customer satisfaction.....	59
4.3	Strategic performance	62
5	MISTAKES AND LESSONS	64
5.1	What I have done wrong from the beginning	64
5.2	Lessons to share	65
	REFERENCES.....	68
	APPENDICES	70

TABLE OF FIGURES AND TABLES

Figure 1 Vietnam Deli from outside 25.10.2016 (Source: Google Maps).....	10
Figure 2 Relative location of Vietnam Deli on Google maps	11
Figure 3 SWOT analysis on feasibility of the business intention	14
Figure 4 O Vietnam takeaway restaurant in 18th arrondissement (Source: Google Maps)	25
Figure 5 Breakdown of estimated expenditure out of Business budget.....	27
Figure 6 Menu of Vietnam Deli 04.2016	39
Figure 8 Menu of Vietnam Deli	40
Figure 7 Logo of Vietnam Deli	40
Figure 9 Other printed materials of Vietnam Deli	41
Figure 10 Vietnam Deli's Brand identity prism (Adapted from Kapferer's Brand Identity Prism, Strategic Brand Management, 1996).....	42
Figure 11 Vietnam Deli's flyer for sales campaign on February 2016.....	44
Figure 12 Loyalty card of Vietnam Deli	45
Figure 13 Vietnam Deli on Google+ 16.11.2016.....	46
Figure 14 How customers search for Vietnam Deli in the last 90 days.....	48
Figure 15 Where customers view Vietnam Deli on Google	49
Figure 16 Customer actions on Vietnam Deli information.....	49
Figure 17 Phone calls to Vietnam Deli from Google.....	49
Figure 18 Historical financial data of Vietnam Deli from 02.2016 to 10.2016.....	55
Figure 19 Gross profit margin of Vietnam Deli from 02.2016 to 10.2016.....	56
Figure 20 Net profit margin of Vietnam Deli from 02.2016 to 10.2016	56
Figure 21 Rent to sales ratio of Vietnam Deli from 02.2016 to 10.2016.....	57
Figure 22 Salary to sales ratio of Vietnam Deli from 02.2016 to 10.2016	57
Figure 23 Advertising to sales ratio of Vietnam Deli from 02.2016 to 10.2016	58
Figure 24 Percentage of chose options in survey questions.....	60
Figure 25 Sales of Vietnam Deli during and after marketing strategies were deployed	62
Figure 26 SWOT analysis on Vietnam Deli competing ability in the market	63

1 INTRODUCTION

1.1 What lies behind being an entrepreneur

There is a truth that choosing to be an entrepreneur does not simply mean an option to self-independence, to be the boss of yourself, to be ready to take up challenges and risks, or to put your feet on the road leading to wealth. It is also meant to be an amazing journey to discover one's self in this real hectic world. The journey is not only about whether you can hit the destination or not but also about savoring every bitter and sweet moment along the way, enjoying hard work and sweat, celebrating the milestones that were set with countless efforts and great passion. Then after all, what comes last is the overwhelmed feeling of conquering yourself, uncovering your hidden capabilities, realizing how far you can go with your dream.

1.2 Motivation

Entrepreneurship has always been a dream for the youth who have guts to design their own path in life. A great number of graduates and undergraduates have been immensely inspired by the halo of glory coming from the breakthrough ideas of the world famous entrepreneurs namely Bill Gates, Mark Zuckerberg, Vera Wang, Jack Ma, Steve Jobs...

I am among those who have great passion for entrepreneurship but, not emerging from the educational background of technology or engineering, I have spent years with SAMK to equip myself with a knowledge foundation of business and marketing, therefore setting off for a start-up business seems to be the only option that best suits my capability and aspiration. Otherwise, it would be a waste of time and knowledge if I do not have chance to apply what I have learnt in real life.

On discovering the opening potential of the Asian food business industry in Europe, especially in France where people already have an open mind for a wide variety of

foreign cuisines, I decided to take risks to open a small Vietnamese restaurant trying to employ a new business model to stand out in the yet flourishing market.

I was usually asked why I chose France for my first start-up plan, not Finland – the host country where I was supposed to have known better in terms of market awareness. On considering several crucial factors that most likely hurt my future start-up, such as , customer behavior, viability and so forth, I went for France as I realized that cooking know-how and labor pool as well as materials required for the specific business could only be easily found in Paris-France.

1.3 About the thesis: objectives, methodology, structure

1.3.1 Objectives

The thesis reflects my journey to explore the nuances of entrepreneurship in Paris, to experiment with innovative business ideas, to deploy the acquired knowledge. With all of those I have been through, I hope to crack the myth that entrepreneurship is just for the rich kids or the fully-supported, well-financed, highly-experienced persons. I want to kindle a little flame in the heart of those who are sharing with me the same keen interest in self-employment but deep down holding a big fear of failure and to encourage them to go for their dreams because “if you don’t build your dream, someone else will hire you to help them build theirs” (Ambani D., 2008).

But that is not all I propose. It would be definitely an idiot of a soldier to go into battle without guns, and guns here are knowledge, insights, lessons and proper preparation for entrepreneurs in that uncompromising battle of survival. I would like to contribute a tiny part to arm them by depicting the struggle of a start-up from scratch, showing the whole picture of my own business activities, leading the readers through fundamental developing phases of a restaurant forming progress, sharing my understanding of the local market, consumer habit and revealing the valuable lessons that I have drawn from ten months of business plan implementation.

To me, the thesis is also a diary I wrote for myself, it acts as a documented look-back on the road I have gone through so far. Whatever it may lead me to, success or fail-

ure, it has soothed a part of the pride in me which relentlessly urges me to choose the tougher, the riskier, the more adventurous lifestyle.

1.3.2 Methodology

Qualitative research method was employed throughout the writing process of the thesis, even though a certain amount of numbers and statistics were provided at times to support some aspect of the author's analysis. Using ethnographic approach, my research was built upon detailed and nuanced observation and interpretation of various layers of the context in which the data was collected, namely the cultural, social, institutional, temporal, and personal characteristics of the local market – Paris. All observations were conducted in actual setting where the author was both observer and participant. There always exists a deep connection between the researcher and the context in which she immersed herself and played as the primary instrument of collecting data based on her hearing, seeing, experiencing the surroundings.

Delivering an ethnographic research in the form of a research journal, the author places great concentration on personal stance and experience while reflecting her observations on the entrepreneurial journey. This research method enables the author and readers to gain a detailed and multifaceted understanding of the marketplace, to capture and convey a strong sense of the lived experience infused with local knowledge to the audience (Russel B., 2013). Gaining insights into the world of the researcher is often problematic, but the compilation of a research journal provides a window into their experience through personal reflection and can be utilized as an important methodological tool in contributing to the trustworthiness of a research study (Lamb D., 2013, p.3) (Jasper, 2005, p.248).

The author expects that a ten-month term spending on the fieldwork doing research based upon immersion in entrepreneurship in Paris is tentatively called sufficient to facilitate the preparation process of the upcoming entrepreneurs in terms of both psychology and awareness.

1.3.3 Structure

The author adopted the timeline structure of a diary in order to generate an easy-to-follow scenario for the audience. All crucial activities of the author were reflected from close-distant stance as a chain of chronicled events beginning from the moment when the business idea was initially conceived until recently.

The main content of the thesis consists of 4 sections which generally depict the whole entrepreneurial journey of the author as well as a list of blunders and valuable lessons drawn from the author's experience. The first section is dedicated to outline the profile of the enterprise named Vietnam Deli – a take-away restaurant in Paris, the object of this case study. The following section guides readers through the basics of the business progress: how the venture concept was shaped, why and how the author decided to acquire the business, how the business was registered, what activities involved in the business launching, and how the author managed her business. The next section reveals the holistic evaluation on business performance. And the last one highlights some key factors that were overlooked during the business construction, also including spotting the mistakes that the author committed and pragmatic lessons that could be drawn from the hardships of the entrepreneurship.

2 OUTLINE OF THE START-UP BUSINESS

2.1 Vietnam Deli brief profile

Enterprise information

- *Business Name:* Vietnam Deli
- *Business Address:* 135 rue Lamarck 75018 Paris
- *Phone:* +33 (0) 184 0502 34
- *SIREN number:* 819 603 952

- *Business structure*: SASU Societe par actions simplifiee a associe unique (individually-owned business)
- *Registered date*: 11 April 2016
- *Share capital*: €500,00
- *Business activity*: take-away restaurant (5610C)
- *Chief executive officer*: Mr. Remy NGUYEN
- *Total number of employees*: 2

2.2 Enterprise overview

Vietnam Deli has been established as a Vietnamese take-away restaurant in the arrondissement 18th of Paris. It is situated in a quiet residential area and within a few minutes' walk from the nearest metro station named Guy Moquet and the bus stop Place Jacques Froment. Based on the narrow business premises of approximately 24m² and roughly 4 seats for eating in, Vietnam Deli was designed to adopt a take-away business model right from the beginning. It serves a variety of Vietnamese dishes that are supposed to be the most well-known to local residents like many other similar takeaways in the area but the only trait which was aimed to make it stand out from its competitors is that besides the dishes displayed in the glass cabinet, there are some dishes that can be cooked “*sur place*” (on site) and tailored to fit customer taste or religion as ordered without any extra cost.

Defined as a roadside diner, Vietnam Deli's target customers are the local office workers and residents who are for some reason cannot afford a costly stay-in meal in a big restaurant or a home-cooked meal. The opening time is also customized to fit the meal times in the day: 11h00 – 15h30, 19h00 - 10h30. In response to growing customer demand for greener and healthier food, Vietnam Deli has taken timely steps in cutting down calories and trans-fat, diversifying into vegetarian dishes.

The initial achievements Vietnam Deli attained include customers' trust, loyalty, good feedback on food quality and taste, to name but a few. But difficulties are still ahead as a ten-month period is not long enough to affirm anything. Its monthly turn-

overs are yet unstable as they depend much on the presence of local residents in the area. For instance, during holiday seasons or harsh winter time, the flow of passers-by usually plunges and it may lead to a bitter loss for the business. To reach this present point, the enterprise has gone through a good deal of ups and downs, but looking from the aspect of brand recognition and branding, Vietnam Deli has step by step been marking itself as a redoubtable opponent who will have to be reckoned with in the region.

The enterprise expects to reach the desired profits and does not envision serious cash flow problems in the upcoming year. Vietnam Deli anticipates that with its current amount of loyal customers and its debt-free status, the commercial operation will get into stable orbit and function smoothly by the middle of the year 2017.



Figure 1 Vietnam Deli from outside 25.10.2016 (Source: Google Maps)

2.3 Snapshot of Vietnam Deli strategy

- *Vision:* to expand the business into a reputable food chain not only in France but also globally.

- *Mission:* to make Vietnam Deli the preferred takeaway in the arrondissement by providing unchanging superior distinctive product quality with reasonable price, continuously self-adapting to satisfy the needs and expectations of our customers.
- *Core values:* we appreciate creativity and adopt adaptability on the basis of traditional values, we integrate consistency, integrity and business ethics into all aspects of our business operation.
- *Goals:* acquire broad regional recognition and good reputation, develop a strong base of loyal customers, double profitability each year.
- *Motto:* work with the whole heart and brain
- *Slogan:* fresh and hot like home-cooked

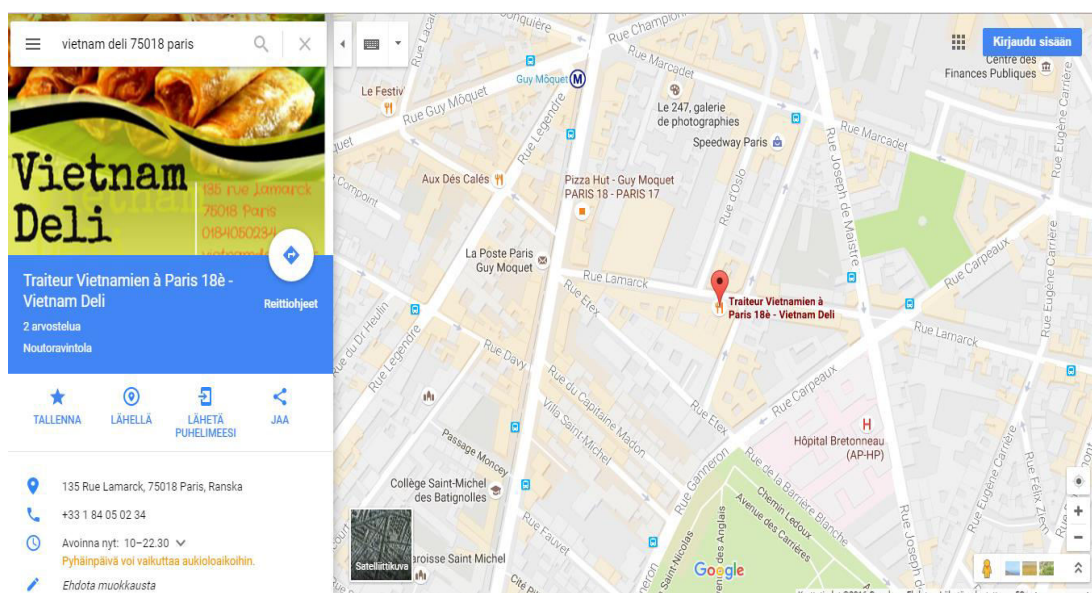


Figure 2 Relative location of Vietnam Deli on Google maps

3 THE JOURNEY INTO ENTREPRENEURSHIP

3.1 From a business idea to Vietnam Deli

3.1.1 Business mindset

It was in 2015 when I was doing my placement in Paris, I earned a part-time job as a waitress in a Vietnamese restaurant in 13th arrondissement, also known as the Asian arrondissement of Paris. It is renowned as one of the region's best restaurants, thus attracting a huge number of local eaters as well as tourists who have heard of it through international media channels broadcasting gastronomy and tourism worldwide. By communicating with customers, I came to realize that Vietnamese cuisine in particular and Asian cuisine in general are getting more and more successful in winning the heart of myriad gourmets all around the world. Since Paris is home to a varied population, mostly foreigner residents coming from a wide range of countries, in addition, it is also a rather young city owing to the fact that many residents leave the city to retire in provinces upon reaching their retirement age (according to demographic report of Marie de Paris), it is comprehensible that any cultural difference can be easily accepted there. And the special thing is that food is considered to be the best ambassador ever in conveying cultural beauty. Generally, France is the country concerned a lot with the quality of its food and wine, and rightly so. Meals there are a far more serious matter than anywhere else. "Good cooking and its enjoyment lie at the heart of French life" (Stevens R., 1997). That's why many entrepreneurs have chosen food and beverages sector to start up and settle down in France.

The Vietnamese community accounts for roughly 0.3% of the population of the Paris Region ([Île-de-France](#)) according to Demographic table published in 2014 by INSEE (French national statistics bureau). The proportion is not high compared with the African or Chinese community, but the ability to integrate with the local community of Vietnamese is very strong since they are widely regarded as diligent, clever with hands and, especially, they have a lot in common with the locals in terms of culture values and mentality as their country was once colonized by the French from the mid 1800s until late 1954. It should also be mentioned that the father of modern Vi-

etnamese writing system is a French missionary named Alexandre De Rhodes (1591 – 1660).

With all of those mentioned above, I have come to the assumption that Paris would be a fertile region for me to grow the seed of entrepreneurship. In there, I could find a wide range choice of skilled workforce, an abundant source of Asian ingredient suppliers, a pleasant approach to break into the local market, an at-hand access to culinary know-how and entrepreneurial experience, and most important, a full set of favorable relationships within my network to back me up in setting up business. But still, there were plenty of disadvantages that were awaiting including the language barrier, the lack of knowledge about juridical issues, the constraints of budget and time. I was, at that time, an undergraduate looking for a viable topic for my thesis and a business opportunity to implement my academic knowledge in real life. This was an extremely important phase which played a navigational role in my future career path. Starting from a general idea of opening a Vietnamese restaurant in Paris, coming to examining all aspects of the matter, working on its advantages and disadvantages, I found myself as if again involving in an interesting study course at school - SWOT analysis. I did for me one as following to facilitate my decision making process on whether or not to implement the business idea:



Figure 3 SWOT analysis on feasibility of the business intention

Like most entrepreneurs, after weighing up the pros and cons, I decided to follow my venturesome heart, proceed with the plan, from that point, a concept of a Vietnamese restaurant in Paris has gradually taken form.

3.1.2 How I acquired the business

The preparation process yet involves a variety of matters that there is no book can specifically describe. I would like to emphasize that doing business is truly synonymous with financial management. From the early stage, I had to deal with a thorny problem associated with money. The first lesson for me was to determine my venture budget and to estimate all possible expenses may sprout up during setting-up progress. For most startups, it could be even more challenging if venture capital is not clearly defined from the beginning, normally it depends much on other party - financiers who may play the role as share holders, investors, sponsors, or even bankers. I

was lucky to be the only owner of a fixed tight venture budget but also unlucky enough to be alone in case of fighting against any unwanted downturn or business downswing. I fully acknowledged that my cash reserves were not much, besides, I also needed to finance my personal life at the same time, hence a proper projection of capital expenditure was absolutely imperative. Likewise, a backup plan for contingencies must also be carefully considered.

This was at first simply in the dark for rookies like me. I did not have any idea of how to manage the budget. Things seemed to pop up in my mind in different scenarios. Worries, anxiety and even fear usually haunted me as much as eagerness and faith in the start-up idea did. Holding tenacity appeared to be more difficult than ever. Seeking for a solution, I came to get advice from predecessors and my mentor. Regardless of age and background, they share the common interest in commercial activities and they have had certain experiences in their business spheres. What I have learnt from them is that the maximum proportion of the business budget spent on long term business assets should not exceed $\frac{3}{4}$, applied most ideally for small startup of less than €50,000, considering the current industry context, the intended legal form, the planned type of business. In this case, my initial capital was more or less €43,000 then the highest amount I should use to acquire a *fonds de commerce* would be around €32,000.

To explain the phrase “*fonds de commerce*” used widely in France, Gordon C. (1996) wrote: “ French law has not yet found a satisfactory definition for the term ‘business’, or more correctly, *fonds de commerce*. Definitions abound, as we shall discover, of the nature and purpose of different company forms of doing business but nothing formalized exists to explain precisely what a *fonds de commerce* really is. In fact, a business in France legal parlance is principally defined by an identifiable customer base. This is what people lose or acquire when they sell or buy a business in France. They may choose to include or not in the deal physical or tangible assets. This means that any building, plants or goods etc. has to be explicitly noted in the contract of sale otherwise it is not assumed to be an integral and transferable part of the business. Ownership of a *fonds de commerce* does not itself mean ownership of property or, indeed, contractual rights”. Actually the property owner mentioned here is called

proprietaire des murs which literally means the “wall proprietor”. It is really critical to understand the meanings of some basic French business-related words before setting off.

After identifying the budget for my *fonds de commerce*, I could narrow down the list of feasible options whilst searching on internet. Besides, due to the constraint of liabilities, a certain number of requirements were put into serious consideration to eliminate the possible risks for the business to the maximum, including:

- **Location:** on looking for premises, it should be in a busy area, densely populated and familiar to me, most ideally is in Paris but I need to avoid the most competitive areas so-called *Quartier Asiatique* (Asian quarter) where there are already a lot of similar business models of Vietnamese or Chinese, namely the 13th arrondissement, the *Belleville* neighborhood of 11th arrondissement, the 3th arrondissement of Paris. But also not too far away from those areas to get access to a large choice of Asian suppliers and labor pool. Since it is illegal for the French State to collect data on ethnicity and race, the above judgment is based on personal observation and experience. Simultaneously, the most expensive areas in the city are also less favorable as it may turn out to be burdensome for small business.
- **Business premises:** to best fit a small takeaway business intended for less than 3 employees, it is not necessarily too large in area but it should have a façade that facilitates a clear view for passers-by. In addition, buying an existing business, though seemingly less risky and easier to access legal rights, is quite tricky and costly for beginners. Consequently, it would be best to search for a *fonds de commerce* of same business domain but facing bankruptcy to improvise its tangible assets.

In order to economize on start-up cost, I started to look for a business for sale not via business brokers called *agences* in French as they will charge an unpleasant commission of typically 10 percent of the purchase price. I came on the most popular C2C e-commerce market in France www.leboncoin.fr and some other similar local websites looking for potential affairs, for example, www.entreprises-commerces.com, www.cession-commerce.com, www.achatcommerce.com; scanned for *fonds de com-*

merce a vente (businesses for sale) in local newspapers and talked to some business owners in the industry within my network to optimize the chance. It was not easy at all to find one with that tight budget. It was somewhat like a matter of luck since it was bound by quite a lot of tough requirements.

In fact, it could have been an impossible mission without my friends' help due to my limited French ability. Eventually, on happening to ask an existing similar business that was not publicly put up for sale, I found the potential premises that fit most of my requirements in the 18th arrondissement. After going through several painstaking steps of price negotiation, I and the business owner finally reached consensus on handing over the *fonds de commerce* without going through *The Notaire* (notary – official governmental authority to be a witness when parties sign a document and to make it valid in law). *The Notaire* helps in matters of property valuation and in quest of mutual agreements on every condition in the contract concerning the affair. He drafts the contract and guarantees the morality and the validity of it. He also gives legal advice and answers questions relating to all aspects of the affair. It is likely to say he plays an important role in every stage of the dealing process, even after the deal was completed, he can act as your attorney if any litigation arises among parties. For all those reasons, it was actually a risky decision of me to directly arrange an unofficial purchase agreement with the business owner neglecting *The Notaire*. But otherwise, I could have had to pay for a total fee and tax of between 7% and 10% of the purchase price which is often referred to as *frais de notaire* (notary fee). By this way, it would lift the price I was supposed to pay to the vendor up to roughly €3,000 and that might cause some distress to my start-up budget later on. Moreover, due to the fact that I was not yet eligible to personally own property in France (I am not an European citizen to officially buy any property) and the price required was remarkably reasonable and affordable, I had no other choice rather than taking risks of confronting the possibility of being turned down transferring the premises even after down-payment was made, or the prospect of being unable to declare that sum of money as company's expenditure for claiming tax refund and the likelihood of suffering from devaluation upon reselling that *fonds de commerce*.

It used to be a family-owned Jamaican takeaway restaurant producing very low profits for several years recently as for the fact that their cuisine did not really appeal to the residents of the surrounding area. This unofficial reason had been intentionally hidden during the negotiation process. They flatly refused to reveal the recent business account or *bilan* in French upon request while as a prospective buyer, I was entitled to ask for a copy of it to check on financial health of the business. I even tried to get online access to the published information on the company's finances by going to the information site of *Les Greffes des Tribunaux de Commerce* (www.infogreffe.fr) but it seemed that the company had not been officially registered yet. It was not beyond my expectation as the French are not in a habit of selling profitable business, usually they keep it to pass down from generation to generation. So it is highly possible that the business up for sale is the unsuccessful one. The truth was revealed after I had spent time interviewing some local residents and monitoring their business activities. It is considered pivotal to get to know the existing business you are aiming at before jumping into making buying decision. Basically, those are several practical ways to assess the true value of an existing business that novices should seriously consider prior to opening their purses. Eventually, due decision was made despite all those foreseeable disadvantages.

Following the agreement on taking over the business which is so-called *compromis de vente* unofficially written and signed by both parties, another utterly important legal document called *bail commercial* (commercial lease) needed to be drawn up involving the business buyer and the property owner or landlord. "It is worth repeating here the importance of the term *fonds de commerce*, which is basically the business including goodwill (*clientèle*), the trade name and specific tangible and intangible assets. Since the commercial property (*les murs*) is quite distinctive, in case of purchasing commercial property, two transactions have to be made, one for the acquisition of the business and the second for the acquisition of the property" (Gordon C., 1996). But my case concerned only the first transaction to ensure continued trading activities within the premises under another trade name, therefore a new *bail commercial* would be a critical component of the acquisition of the business along with the *compromis de vente*.

Concerning the *bail commercial* in France, there are certain essential things to keep in mind. The commercial leases are categorized according to duration of lease:

- **The short-term lease:** normally of duration equal to or less than 3 years, the time length should be specified in the contract and cannot be extended, in addition, its terms and conditions will stay the same. If there is no leaving notice notified at least 3 months prior to the expiry date, the original lease continues on the same terms, but it will be then considered a 9-year lease that counts from the installation day of the tenant.
- **The 9-year lease,** also called *bail 3-6-9*, is the largely used type of commercial leases in France and considered classic by default. Thus, a lease will be automatically counted as a *bail 3-6-9* if: it is an oral lease agreement, the duration was not explicitly specified in the contract, it was established on paper for a period of between more than 3 years and less than or equal to 9 years. The tenant and the landlord can unilaterally terminate the contract without a cause or paying compensation, provided that leave notice was sent at least 6 months before the deadline of 9 years, otherwise the lease is extended under the same conditions for a period of 3 more years. If the tenant wants to terminate the lease any time after 3 years of implementation, he/she just needs to send leaving notice 3 months ahead, but if it is before 3 years of implementation, he/she must pay the landlord a compensation of 3 months' rent in case he/she send notice during the first year of occupancy, similarly, compensation of 2 months' rent on the second year and 1 month rent on the third year. Adversely, if the landlord wishes to terminate the lease before the end of the period of 9 years without indemnity, he/she must give notice with reasonable and legitimate cause which is beyond his/her control at any time provided that he/she sends it to the tenant 6 months in advance. Otherwise, the tenant can claim the landlord an indemnity equal to 18 months' rent in case the cause is proved to be illegitimate. If the leave notice is made at the end of the first or second period of 3 years for no

reason, the landlord has to pay the tenant 9 months' rent or 6 months' rent respectively.

- **The lease for life:** it is also possible to conclude a lease that ends when the tenant dies. It may imply an impossibility to review the rent during the lease but it is not mandatory. Unless indicated otherwise in the contract, the landlord cannot unilaterally terminate the lease prematurely. The tenant may abandon the contract with a notice of 3 months in advance.

Prior to signing the *bail*, seeking for professional aid on examining its terms and conditions is highly recommended for everyone, either native French or expatriates since it might turn out to be way trickier than one could imagine. Get a mentor, take your time and go through the *bail* carefully to make sure tenants do not miss a thing in any of the following fundamental parts:

- Start date and duration of the lease
- Activities can be implemented on the premises and surface area
- Initial and final condition of the premises
- Rent amount, terms of payments and revisions
- Additional charges and taxes (if any)
- Deposit money (usually of one or two months' rent)
- Penalty for late payment
- Lease termination terms

During negotiation process with the landlord, I needed to specify precisely what activities my business was going to involve in (in French it is *restauration rapide*), also the service closing time stated in the contract should be properly determined so that it would not be likely to disturb the neighbors or else the *Syndic* (Managing Agent), who is both the manager of the multi-apartment building and the regulator of relationships between apartments' owners, service suppliers, and the insurance company, might receive complaints from the building residents and take legal action to intervene in the conflict. *Syndic* is also responsible for collecting service charges which generally cover the costs of the cleaning common areas, lift usage, rubbish collection, overall maintenance, sometimes may include utilities charges. It should be

clearly mentioned in the lease that whether those additional charges are already counted in the rental payment or not. The record of the initial condition of the premises (a part of the *état des lieux*) requires deliberate examination of both parties to avoid the risk of litigation afterwards. It is a formal and important part of the contract established as an inventory of objects available within and their detailed condition. All existing problems, damages and defects must be noted down, otherwise the landlord may hold the tenant responsible for them with a price deducted from the deposit on ending contract. The record of final condition will be left blank until the tenant leaves then it will be completed and compared with the initial condition. Along with the rental due day, penalty for late payment is often calculated as a surcharge of 10-20% on monthly rent and typically imposed after the notice of late payment was duly sent 2 times without any appeal from tenant in return.

In that way, I went through the process of drawing up the *bail*, finalized required documents to take over the business, started to move onto the next step in building up my own one.

3.1.3 Philosophy underlying business set-up

For me, the decision making process is not only about working out things based on loads of facts and knowledge foundation but also closely associated with the subjective “*sense*” arises in a certain context. In the phase of business set-up, it requires a lot of personal judgments in some circumstances to facilitate the final decision approach. Thus, in this part, I would like to provide a full explanation of how I came up with the philosophy that guides my fundamental actions in the kick-off phase, which combines both theoretical knowledge and personal *sense*.

Rising from the need of knowing the local market in order to make proper decision on business model and pricing strategy, firstly I set out to study the food service sector in France in general. I did all the research online and highlighted the most noticeable information relevant to current market condition, market trends, market potential as following:

“As a result of ongoing economic difficulties, consumers continued to reduce spending in 2014, including expenditures in the food service sector. As a result, the frequency of restaurant visits dropped by 1.1 percent compared to 2013, although reductions in total sales were partly offset by price increases. According to the food consultant Gira Conseil, the global market for food consumption outside home decreased by 0.3 percent in 2014, the first decrease in ten year. In addition to the economic crisis, consumer expectations are changing, and the food service market is being forced to adapt. Many traditional restaurant outlets are lagging behind in respect of investment, introducing new concepts, service, and the quality/price ratio. Innovation in the market is dynamic, with some outlets introducing new concepts, others seeking to boost wine consumption, some highlighting their culinary specialties, and efforts to provide customers Paris with fast and high-quality service. In order to save money, some consumers would increasingly prefer to purchase their lunch from fast food outlets and street kiosks rather than from full-service restaurants. To build customer loyalty and attract new ones, the professionals of the sector would have to intensify continuing efforts to renew their concepts, including expansion of conviviality offers, self-service applications, Wi-Fi, etc. Also, the “green” fast food segment highlighting health and environmental concerns should continue to develop.” (Journó JL., 2015).

It reflects an emerging trend in the specific sector shifting consumers’ preference to cheap, fast but healthy meals. It is giving way to fast-food outlets, food trucks or similar business models to thrive but also imposing huge pressure on traditional restaurants as they are on the edge of losing price-conscious customers.

The report, in addition, reveals that innovation in service concept towards maximizing customer experience and health benefits would be vital in the long run.

“Fast food is becoming increasingly commonplace in France. France’s economy has not fully recovered from the global economic crisis with a slow growth rate and high unemployment. As a consequence, French consumers continue to worry about their future, leading them to lower their spending when eating out. With an average transaction value of €9, fast food is a cheap alternative for people still willing to eat out

but at a lower price. Moreover, the growing number of fast casual outlets in France is making fast food more appealing to French consumers” (Euromonitor, 2016).

French in general prefer fast food for its lower price and convenience. People tend to tighten their purse strings while still love eating out which has long been considered a norm of this “*haute cuisine*” country. According to this report, an average price for a quick meal that people are willing to pay is €9.

A piece of online news released by Reporterlinker (2016) stated some key findings about this market which provided me a hint of marketing strategy:

“- The French Foodservice market is expected to experience a growth of 2.0% during 2015-2020.

- The weak economic situation has compelled French consumers to remain price-sensitive and in turn seek discounted food options.

- A large proportion of urban population is time-pressed, and with these consumers seeking convenient food options, there is significant demand for Quick Service Restaurants and Fast Food.

- Social networking is playing a pivotal role in bringing consumers and restaurant operators closer with a number of platforms offering consumers to share their views and experiences online, thus bridging the gap between consumers and Foodservice operators”

Things appeared even more promising to me as I had heard of positive feedback on Vietnamese cuisine from French gourmets that I had served during my part-time work as waitress in some restaurants. One concrete proof of their love for Vietnamese food is the flourishing this exotic culinary business in the 13th arrondissement (also called *China Town*) and its rapid expansion throughout Paris recently.

Vietnamese food has long been mistaken for Chinese food due to the lack of knowledge about the far-east Asia of Western people resulting from the dominating impact of the mass Chinese emigration back in 19th century. Fortunately, this kind of misbelief has currently no longer been popular since Vietnamese cuisine has been winning international renown for its fresh, healthy, rich-flavored gastronomy. French people now less favor Chinese restaurants owing to the series of Chinese food scandals that constantly hit the headlines over the last few years.

Setting out to look for more evidences to solicit my business plan in the marketplace surrounding the premises, I learnt that though the density of Vietnamese eateries in the area is nothing to compare with that in the 13th arrondissement, the local market still remains highly competitive with 2 other Vietnamese restaurants, one full-service and one takeaway, just about 200 meters away up the street, not to mention a variety of exotic fast-food eateries in the adjacent main street. I quickly identified my direct competitor in the niche named “O Vietnam”, a similar business model solely selling some distinguished Vietnamese dishes to go. It had been for a long while before I jumped in and had more or less earned local recognition for itself. Another player in the field that counts is an eat-in restaurant right opposite “O Vietnam” but it did not seem to be running at much profit as I had before spent hours sitting outside watching its customer traffic. According to the explanation of a waiter working there, firstly it might come from the gloomy exterior decoration of the restaurant which made it less stand-out from the adjacent exotic shops with eye-catching and colorful signboards, secondly the local consumers are seriously price-sensitive, though the price it takes is not relatively high for its fairly well-cooked dishes and relaxed ambience when compared with its takeaway competitor, people still tend to pay little interest to eating-in in such less animated area, they are willing to pay more to enjoy “*A la carte*” menu in a busy street, in a crowded space because French love idle chit-chat, or even just watching other people gaily gossiping can fill them with joys. It is ironic in France that once your restaurant already attracted lots customers then the others will flock to your place irrespective of the stuffy atmosphere, it also works the other way around. So French food lovers mostly do not hesitate to move farther into city center for a dine-in meal with their friends, or simply savor a light snack with a glass of fine wine in the vibrant music of a bar or pub. French actually consider meal times as social meeting events. If they are too lazy to do home cooking or have less time to spare on a meal, then their top option is to-go food. This explains why a takeaway model will best suit the specific marketplace.

Back to answer the question of how to compete directly with my biggest rival “O Vietnam”, I made a brief list of salient features keeping it survive in the field before coming up with ideas for my business not to be outdone.

- Sell a number of best-known Vietnamese dishes
- Change dishes from time to time

- Serve in ready-to-go small portions with several uniform little price to smooth purchase process
- Use micro-wave for heating up food
- The owner works as the only full-time staff, assistance occasionally comes from family members or relatives to minimize labor cost
- Quite wide and well-lit façade with simple decoration to optimize customer vision
- Interior is kept clean and neat with up to 5 seats to eat in
- Situated near a busy junction of 3 streets



Figure 4 Ô Vietnam takeaway restaurant in 18th arrondissement (Source: Google Maps)

Nonetheless, there still exist several focal shortcomings that I believed if I could tactically avoid those, I would get myself ready for a face-off against my rival in the niche:

- Owner cannot communicate well in French
- Cooking on site is not legally allowed
- The owner herself is not a skilled chef to ensure the consistency of food taste
- Food quality is still a considerable question

It is also necessary to discuss a bit further about local customer habit in the area. Apparently this zone is a neither tourist nor office-block area, in fact it is merely a quiet

residential neighborhood housing mostly tenants moving in and out now and then. It creates a good source of customers for local food outlets but on the other hand, it has had impact on customer loyalty programs which most shop owners put into practice to promote sales. What's more, the majority of these leaseholders are employed young folks, they are leaving the area for work from morning until late afternoon, they are likely to grab hastily some food on the way home after work which means business might only lift up in the night during dinner time, not lunch time; not to mention the risk of encountering turnover downfall during vacation seasons when most Parisians leave Paris for family reunion or simply travelling. It affects much the opening and closing time of the businesses in the area. By and large, French market is considered often very conservative, customers may tend to remain loyal to their familiar suppliers, but that does not mean they don't really get attracted by something new. *"In a 2016 survey of 14 different nationalities, SIAL reports that the French are the second most curious when it comes to a desire to try new products. Foreign flavours are firmly on the menu too. We're seeing more traditional restaurants starting to adopt ingredients and techniques driven by the ongoing influx of immigrants"* (Knight E., 2016). To tackle this paradox, it is vital for new comers to acquire a competent professionalism, a thorough knowledge of French, of particular sectors and general French commercial practices.

"Competition is hence fierce and requires persistence, toughness and, above all, the right price/quality ratio in a market which is highly price-conscious and well-supplied." (Gordon C., 1996)

From all those above judgments on the marketplace, my study of customer behavior and competitors, I came to realize some critical features for my business scheme:

- Target customers: local residents
- Products: Vietnamese most known dishes to-go
- Competitiveness: dishes cooked on site for takeaway
- Distinctiveness: green, fresh, hot dishes like eat-in restaurants
- Marketing strategies: networking, direct marketing, social media
- Pricing strategy: keep the menu price around €9 but slightly higher than major competitor to maintain appropriate price/quality ratio

- Positioning: traditional restaurant dishes with to-go price for common customers on a daily basis
- Branding: brand name that easy to pronounce, easy to remember, ethnic appealing
- Business legal structure: sole proprietorship which carries little formalities, simplicity of formation, ease of setup and nominal cost
- Marketing goals: reach break-even after 8 months with a minimum monthly turnover of €4,500; gain regional recognition
- Employee: skilled chef, holds French citizenship with fairly good French speaking skill, excellent health, male preferred, willing to collaborate to develop the business project
- Working time: during lunch and dinner time, close later than the major competitor
- Exterior: keep clean, clear, well-lit to bring out the brand image and looks fresh overall
- Interior: keep simple, neat, decorate with images of Vietnam's sceneries
- Estimated budget:

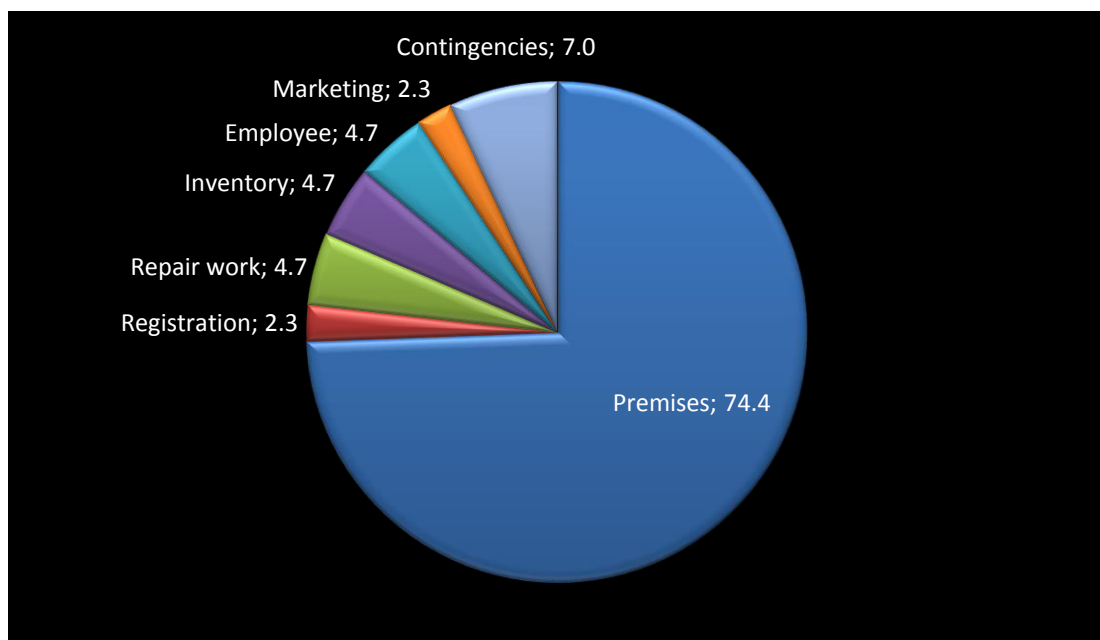


Figure 5 Breakdown of estimated expenditure out of Business budget

Premises: 74.4%

Registration: 2.3%

Repair work: 4.7%

Inventory: 4.7%

Employee: 4.7%

Marketing: 2.3%

Contingencies: 7.0%

3.1.4 Legal binds

3.1.4.1 Business structures and registration

As mentioned earlier, being an undergraduate overseas student in Europe I am not eligible to register for sole proprietorship in France, unless for partnership as shareholder in a limited liability company which has no restriction on the nationality of shareholders but it requires a large initial capital deposited with a bank to apply for this kind of business structure, furthermore, the formalities procedure of registration is usually more complicated and there are a number of underlying risks that may hurt the business in the long run concerning taxation, operational responsibility and executive authority. To avoid implications for my study at that time, after consulting my legal adviser, among various legal entities (around 13 different types in France) which a business can form, I arrived at a crucial decision to register my business as a SASU (Société par Actions Simplifiées Unipersonnelle) in the name of my employee, also my business partner. It could have been extremely risky for both me and my partner because considering legal aspects, the owner of this business entity on paper was the only one responsible for all activities of the enterprise, even in the dramatic event of incurring debts or being sued, he had full powers and liability to make decisions. But since our business relationship was built upon faith and credibility, in my case, it evoked no concerns about improper conduct or misuse of authority.

In order to help audience learn more about the most common forms of company that highly relevant to my business sector in France, I would like to quote an extract taken from the book “*Making a living in France*” (Laredo J., 2005):

- **Société à Responsabilité Limitée**

A SARL must have between 2 and 50 shareholders and a managing director (*gérant*), who is usually paid a salary. Any losses of half or more of the stated capital must be formally acknowledged by a special shareholders meeting and resolution, which is registered with the *Registre National du Commerce et des Sociétés* and then the information appears on your *Kbis*. Whatever amount of capital you choose to start with, this figure must be included on all your official documentation, e.g. letterhead, invoices and orders. The managing director (MD) of a SARL can be a salaried employee of the company (but isn't eligible for unemployment benefit unless he buys private insurance). A SARL can elect, under certain circumstances, to pay corporation tax (*impôts sur les sociétés*) rather than having its net income included on the *gérant's* personal income tax declaration (i.e. *impôts sur le revenu*).

- **Entreprise Unipersonnelle à Responsabilité Limitée**

An EURL is a type of SARL formed by a sole trader and has only one shareholder; otherwise it operates like a SARL. Although it's operated by one person, an EURL is not an *entreprise individuelle* and the owner-operator of an EURL is considered a *gérant* rather than *travailleur* independent.

- **Société Anonyme**

An SA must have a minimum of seven shareholders (there's no maximum). It must be run by a board of directors (*conseil d'administration*) and have a *président directeur-général*/PDG, roughly equivalent to a chief executive. To start an SA you must invest a minimum of € 37,000. An SA is probably the most difficult sort of company to start; the registration requirements are elaborate (because an SA can sell shares on the public stock exchange) and you must have a *commissaire aux comptes* to audit your accounts every year. The biggest advantage of an SA over a SARL is that all risk is limited to the extent of the investment and all executives can be regular salaried employees of the company. The PDG can also be fired at any time by the board.

- **Société par Actions Simplifiées**

An SAS is a simplified form of SA (see above), with at least two shareholders and a minimum capital of € 23,000. An SAS isn't allowed to trade shares publicly. The form of the corporation is much more flexible than that of a SARL; for example, you can hold annual general meetings by email or telephone, which is strictly forbidden in a SARL. The major disadvantage of an SAS is that you must have a *commissaire*

de comptes to audit your accounts every year; he must also be present at your AGMs (Annual General Meetings) – for a fee, of course.

- **Société par Actions Simplifiées Unipersonnelle**

A SASU is a simplified version of an SAS, which can be set up by a single person. The minimum capital is € 37,000 or € 225,000 if you want your stock to be publicly traded. You still need a *commissaire aux comptes*, who must attend your AGM. An SAS is subject to corporation tax (*impôts sur les sociétés*) and the President (*dirigeant*) is considered an employee of the company and so pays normal social security contributions for an employee (except for unemployment insurance).

- **Société en Nom Collectif**

An SNC is a general partnership. There's no capital requirement, but there must be at least two partners/shareholders. Profits and losses are passed on to the partners, who are liable for unlimited debts. All partners are considered to be traders (*commerçants*). All changes in partner shares must be unanimously approved and all decisions must be made collectively and documented (through minutes, which must be kept on file). Social security contributions are based on each partner's total revenue.

- **Franchises**

You must set up a business (whatever entity best suits your circumstances) and then enter into a contract with the franchiser, which provides product, services, logos, marketing services, advertising material, etc. to help you run your business. The contract specifies what each business is going to do, pay for and provide for the other. You agree to buy certain products and services from the franchiser and to run your business according to the standards it sets. Contracts run for a number of years – usually five or ten initially. Normally, there's an initial 'buy-in' fee which varies with the franchiser. Franchisees can, and do, go broke, and franchisers can, and will, take the franchise away if they find you breaking any of the terms of the contract or failing to meet their standards. A respectable franchiser should be a member of the *Fédération Française de la Franchise* (www.franchise-fff.com).

- **Partnerships**

Like a franchise, a partnership (*partenariat*) entitles you to use an established brand, but it allows you greater autonomy. For example, you may sell products other than branded goods, provided these remain a sideline. You aren't obliged to follow strict procedures, but can benefit from the knowledge and experience of other partners in

order to adapt guidelines to personal and local needs. As with a franchise, there's an 'entry fee', but it's usually lower. Business decisions are generally made on a democratic basis rather than simply being imposed upon you, as with a franchise operation. A partnership contract is similar to a franchise contract, except that it is not standardized, but can vary from case to case.

The decision on business form is commonly affected by the wishes or needs of the owner and by the types of service/product that are to be provided. Very frequently, new small businesses are set up by solely an entrepreneur or by a small group of venture investors who wish to break into entrepreneurship. It is generally simpler and cheaper for these people to register the business as privately owned with unlimited liability (SASU) or as a limited company with a single managing director (SARL). Nevertheless, if other interested investors want to contribute capital or specific skills, this may no longer be appropriate.

After opting for the best type of business structure, my accountant who is experienced in the national law collected all required papers and documents to start registration procedures. This must be executed within 2 weeks of beginning operations, otherwise the business owner is possible to face up to harsh penalties which may including heavy fines, confiscation of inventory, and even deportation with a three-year ban from entering France. These registration steps are thoroughly described in "*Making a living in France*" (Laredo J., 2005) as following:

"Registration is administered by local centres de *formalités des entreprises* (CFE), which checks your application and submits details to the relevant agencies (for a small fee). The CFE will provide you with a form M0, which is for the creation of a company. Among other things, form M0 asks you to list the intended activity or activities of your company, from which information the authorities will allocate to it the financial regimes under which it must operate. It's essential to take professional advice (e.g. from an accountant) and to make sure you know the implications of your choice of activity before completing form M0. You have three months in which to change your mind (by notifying your tax office); thereafter you are stuck with your nominated regimes until the end of the year that follows your year of registration.

The documentation you need to register:

- A copy of the announcement of company formation from the appropriate journal or a copy of the request for publication made to the journal, along with its confirmation of acceptance;
- At least two copies of the articles of incorporation, which must be in French, if you're setting up a limited company;
- Written nomination of the managing director (MD), if it isn't part of the articles of incorporation;
- A signed declaration by the MD that he has no criminal convictions (*attestation sur l'honneur de non-condamnation*);
- A copy of the MD's identity card or passport;
- Carte de *commerçant* for a non-EU citizen;
- Proof of the company's address (e.g. a copy of a lease or recent utility bill);
- A statement from the MD if the company is to be set up in his residence for the first two years, and proof of his residence.

When the CFE receives your completed dossier and form M0, it issues you with a receipt. The receipt itself doesn't mean that you're registered and doesn't allow you to begin trading. However, it does allow you to set up utility accounts in the name of your business, to take an entry in the telephone book, and to notify the post office of your business address.

The CFE then sends your details to the following organisations:

- *The Institut National de la Statistique et des Etudes Economiques* (INSEE), France's national statistics office, which enters your company on the national register of businesses and issues your SIREN, SIRET and NAF code;
- The tax authorities;
- The social security agencies – URSSAF (for family allowances), the CAM (for medical cover) and the relevant *caisse de retraite* (for pensions) – which will send you demands for contributions;
- The *Greffe du Tribunal de Commerce* (applies only to businesses classed as commercial or industrial), which enters your business on the *Registre National du Commerce et des Sociétés* (RNCS);
- The *Répertoire des Métiers* if you are an artisan;

- The relevant social security and labour inspection organisations if you have employees.

Registration costs between around €200 and €350 depending on the body you must register with. When your company has been entered in the appropriate register, you receive confirmation, which takes the form of a certificate issued by the relevant authority called *Kbis*".

The whole registration process for the simplest business form SASU took me roughly €200 and two months to complete with the expert help of my accountant. The enterprise identification (*Kbis*) didn't reach me by courier as it was supposed to do, I had to go online to print an electronic copy which is called *Kbis* extract with a little fee (<https://www.infogreffe.fr/societes/documents-officiels/demande-kbis.html>). This kind of paper is very important because it is usually required on establishing credit with suppliers on initial deals. For most big suppliers, the *Kbis* extract should be dated within the previous three months, so there are several subscription packages available on that website allowing the *Kbis* extracts periodically sent by email or by post to the enterprise. Those are absolutely affordable.

3.1.4.2 Business bank account

Another thing should be executed at the same time with the business registration is opening a company bank account. It is highly recommended to look for any possible bank located near the premises because the trading process will certainly generate a plenty of *cheques* (bank cheques) and also cash which need to be input into the bank account as soon as possible to minimize risks. There is a wide range of choices for companies since the banking environment in France is very packed with an expanding web of banks' branches. Its intense competition undoubtedly renders certain benefits to customers. Banks exist in a large amount and always welcome potential customers with solicitous consultancy work and rapid dossier processing service. Once the company's registration formalities have not yet been completed, the share capital will still be held in a blocked account until the *Kbis* is shown as a proof of business entity formation. POS (Point of sale/service) device is absolutely essential for restau-

rant service and it can be ordered directly with the bank agents with a hefty fee charged quarterly.

3.1.4.3 Business insurance

Business insurance is an indispensable requirement of the landlord right from the phase of drawing up leasing contract. The leaseholder will require insurance against property damage and the subsequent financial losses incurred and against legal liability to another party. The business insurance charge is decided upon an on-site visit of an insurance broker after all required documents are collected. It varies considerably according to the size and value of the restaurant's equipment and tools, the total used area in square meters and also the safety credibility of the business premises, not to mention the amount of coverage the owner needs. Since the *fonds de commerce* was handed on to me, I had no difficulty in signing a new insurance contract with the same insurance company and the fee stayed unchanged with a little amount of about €25 per month for roughly 22m² of used area, not including the basement, with a very basic coverage to reduce the administrative costs.

3.1.4.4 Social security contributions for sole trader

Whether the business is set up on a self-employed basis or as a company employing staff, social security contributions are still among the most significant expenses that an entrepreneur has to confront on doing a business in France. In order to diminish the risk of subsequent financial hardships for the company, a person needs to ensure a sufficient budget for these from the outset. The major disadvantage of being a sole trader is that no sick pay or unemployment benefit will be received if the person is off work due to illness, accident or lack of custom. If he wants to be covered by social security, he must register himself as a full-time employee of the company and pay the same social charges as any other employees based on his taxable income. These charges (*cotisations sociales or charges sociales*) for a self-employed who works for his own business with 0 salary declared (like I did for my partner in this case to avoid heavy pay for compulsory social security contributions and minimize any negative influence on his current unemployment benefits and family allowances)

are calculated as a percentage of the business results. It means the business after-tax profit will become his taxable income. *“Compulsory social security contributions for the self-employed fall into three main categories: health insurance, family allowances and pension. In addition, you must make contributions to the social security debt, known as CRDS and CSG”* (Laredo J., 2005). Aside from those, there are other three voluntary contributions that a self-employed may join if affordable to insure himself against unfavorable circumstances: Death and Incapacity Insurance, Complementary health Insurance, Unemployment Insurance.

“Most business owners and self-employed people must register for social security with the Union de Recouvrement des Cotisations de Sécurité Sociale et d’Allocations Familiales (URSSAF). You’re then automatically registered with the relevant funds (caisses) for family allowances and pensions, each of which will send you a bill for contributions. When registering for social security, you must provide your personal details, including your full name, address, country of origin, and date and place of birth. You must also produce passports, cartes de séjour (if applicable) and certified birth certificates for your dependants, plus a marriage certificate (if applicable). You may need to provide copies with official translations. You also need proof of residence such as a rental contract or an electricity bill” (Laredo J., (2005)

3.1.4.5 Taxation

Businesses, no less than individuals incur a range of taxes. For sole proprietors of very small businesses, taxation is more breathable as they benefit from a number of exemptions and reductions as financial incentives for new companies to encourage investment of all types. It is possible to claim temporary tax exemption or reductions from local authorities. For instance, newly established companies regardless of their business structure, if they are engaged in individual, commercial or craft activity can have 100% tax exemption on profits for the first two years, 75% for the third year, 50% and 25% for the fourth and the fifth year respectively. Of course there is also a list of activities that excluded from this exemption. Most business expenses are recoverable against the eventual tax bill and for very small businesses a flat tax is negotiable. A widely used tax avoidance strategy in France is claiming loss for the

company because “*loss-making companies receive favorable treatment from the tax authorities in as much as losses can be carried forward over a five-year period. Deferred depreciation on fixed assets is also allowed to assist struggling companies*” (Gordon C., 1996)

Depending on my business form and type, the taxes I am liable for include:

- Corporation tax (*Impôt sur les bénéfices des sociétés*): profits made by a company after deductions of expenses occurred are liable to corporation tax at 36.6%. In case of suffering a loss, my company can be exempted from this kind of tax completely or partly for up to 5 years. Corporation tax can be paid in four instalments during the financial year which runs from 1 January to 31 December.
- Local business tax (*Taxe professionnelle*): this tax rate varies according to the region, as local authorities have some discretion in the level. This tax is considered to be a tool of the government to level out the distribution of different types of business within region. Typically it accounts for 18% of the salaries paid in the year before last plus the annual rental value of the fixed assets in the same year. For incentive reason, it is often waived for new businesses temporarily, at least for the first year of operation.
- Value added tax (*Taxe sur le valeur ajoutée or TVA*). The principal of VAT is that each supplier has to charge VAT on sales (output) and the buyer then claims credits for VAT paid on goods and services (input) against output VAT. Since VAT is recoverable in the case of companies, it is the ultimate consumers who are actually taxed. This tax is now accounting for 45% of all tax receipts in France. For companies, at the outset, every bills or invoices incurred from purchase activities should be preserved and handed to accountants for VAT calculation and reclamation on monthly or quarterly basis. VAT tax for takeaway restaurants in France was increased to 10% since 1 January 2014.

The taxation in general for single-owned companies like my business model has been simplified to the smallest and is barely nothing at least for the first year of operation. But it still requires thoughtful consideration on coming to paper works. Any ambiguity or inappropriateness in accounting for tax evasion when being tracked down is

subject to heavy penalties that may kill a business and bring the owner to court. Expert accountancy is therefore critical in most cases.

3.1.4.6 Accounting

Accountancy advice is profusely available in France but unfortunately, accountants are not allowed to advertise. It is a common practice for small companies in France that looking for a credible accountant is more like a word-of-mouth matter. This should be done as soon as you have a business plan in mind since an *expert comptable* can guide you through a complex set of legal procedures from scratch and can even give you valuable pieces of advice in capacity as a mentor. The fee for this advisory work is likely to vary depending on the depth of the relationship. Fortunately, it cost me almost nothing for the whole legal counsel and very little for the accounting. To facilitate the work of my accountant and minimize the accounting service fee, I need to closely monitor the sales and expenses of my company on daily basis, collect all proof of purchase, convert separate receipts of purchases from same supplier into a single one and send all papers relating to the business to her periodically. Normally the peak season of accounting falls into two separate periods: from 15 February to 15 April, and from 1 August to 15 October.

3.2 Launching the business

3.2.1 Product and price selection

Paris is widely known as home for people of different religions owing to the high rate of immigration over the years. This makes exotic products easier to be adopted but if no due consideration is taken in opting for appropriate products to sell, then all efforts possibly end up in failure. Since my restaurant Vietnam Deli is located in a multi-religious area with a remarkable number of residents who abstain from eating meat (it is rooted in some religions such as Hinduism, Islam), I had to think of a diversified set of main dishes that can even serve customers of strict eating taboo.

A critical discussion on dishes to serve had long been carried out during market study process. Many elements had been taken into account to ensure the feasibility of the business. A menu was drawn up upon consulting the chef's skills and experience. He had had over 8 years working on Asian food, particularly Vietnamese and Japanese, but for a small takeaway restaurant it is a different story. Dishes served should be not only diversified in main ingredients but also easy to preserve for a specific time. Besides, the cool temperature of the glass case may change the food appearance and make it less appealing to customers. Constraints in space and manpower simultaneously added some difficulties in selecting dishes to put on menu. Furthermore, several product requirements connected with positioning strategies were examined as well: cheap, fresh, hot, distinctive. Putting all those things together, we came up with the final solution. We picked out a few prominent Vietnamese dishes in France and put them in the permanent available dish group, namely Pho (soup), Bo Bun (beef vermicelli), Goi Cuon (spring rolls), Nem (fried spring rolls), their names would stay untranslated on menu as they are so popular and recognizable for most Parisian. According to the chef, those dishes would be prepared and cooked somewhat differently to promote distinctiveness of Vietnam Deli. The other main dishes (may changed) were grouped up based on their main ingredients and distributed evenly in quantity: 2 dishes of each (pork, beef, chicken, seafood). Supplements go with main dishes to form a meal included both vegetarian and non-vegetarian. Desserts and non-alcohol beverages were served with less investment. We opted to feature Pho, Bo Bun, Nem as our competitive edge in the niche market. Promoting them was also a point among our image building strategies.

Decided to focus on product quality at the outset to boost sales and compete face-up to my rival, I stumbled over another hurdle: how to achieve the best price/quality ratio for sustainable profit while customers were alleged to be very price-sensitive. It actually could not be found in any books or guidelines but I had to test myself in real business context. At the beginning, I put a relatively higher price on my product to make it compatible with the price of ingredients used in the recipe. The ingredient price itself made up roughly 40% of the selling price. This percentage would be used as a reference number for further changes in price if the old one turned out to be inapplicable. Moreover, not to forget the standard price customers are willing pay for a quick meal according to the market research above. In that way, I built up a menu

with price for full course meal not more than €9.5 and average price for main dishes around €7.5, price for some fresh-hot-cooked-on-site dishes is competitively similar.

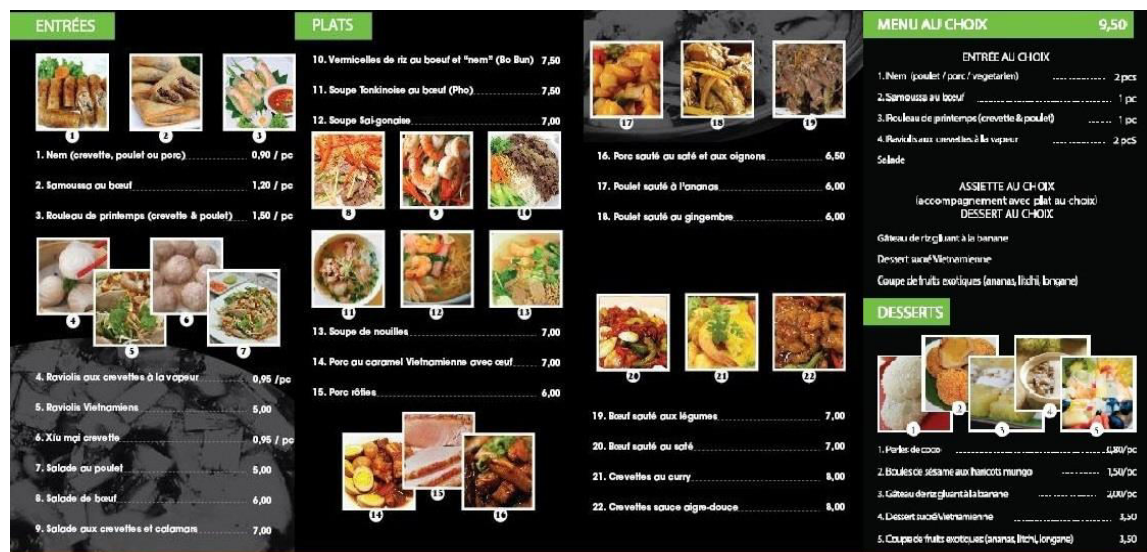


Figure 6 Menu of Vietnam Deli 04.2016

3.2.2 Building brand identity

Brand is a harmonious combination of various components that identifies a seller's product or service as distinct among similar ones of other sellers. Brand identity is a set of salient features, both tangible and intangible, that acts as a representative for a company to convey its core messages to the audience, both internal and external. *"It includes what your brand says, what its values are, how you communicate its concepts, and which emotions you want your customers to feel when they interact with your business"* (Kolowich L., 2015)

I referred to the famous model of Jean-Noel Kapferer called "Brand Identity Prism" (1992) to reflect the holistic view of the brand Vietnam Deli which encompasses six aspects of a brand identity: physique, personality, culture, relationship, reflection and self-image.

- **Physique**

It includes all tangible evidences of the business existence: logo, colour scheme, packaging, printed materials, working space and so on.



Figure 7 Logo of Vietnam Deli

The brand name Vietnam Deli itself can be con-

ceived in both ways: Vietnam Delicious/delights or Vietnam “daily”. It is easy to read, easy to remember to most audiences. It speaks the origin and nature of the business.

The logo illustrates an eating utensil set that refers to culinary activities, with strong and continuous draw line evokes feeling of something quick and simple.

Green and Orange are dominant colours used consistently for all decorations and designs. It refers to freshness and dynamism.

cuisinier sur commande ... chaud et frais comme à la maison...

MENU AU CHOIX 9,50

ENTRÉE AU CHOIX

1. Nem (poulet / porc / végétarien) 2 pcs
2. Samoussa au boeuf 1 pc
3. Rouleau de printemps (crevette & poulet) 1 pc
4. Ravioles aux crevettes à la vapeur 2 pcs

Sabade

ASSIETTE AU CHOIX
(accompagnement avec plat au choix)

DESSERT AU CHOIX

Gâteau de riz gluant à la banane
Dessert sucré Vietnamienne
Coupe de fruits exotiques (ananas, litchi, longane)

DESSERTS



1. Perles de coco 0,80/pc
2. Boules de sésame aux haricots mungo 1,50/pc
3. Gâteau de riz gluant à la banane 2,00/pc
4. Dessert sucré Vietnamienne 3,50
5. Coupe de fruits exotiques (ananas, litchi, longane) 3,50

Vietnam Deli
135 rue Lamarck 75018 Paris




Vietnam Deli
135 rue Lamarck 75018 Paris
"cuisine traditionnelle Vietnamienne"
0184 050234



135 rue Lamarck 75018 Paris - 0184 050 234

Figure 8 Menu of Vietnam Deli



Figure 9 Other printed materials of Vietnam Deli

On the inside, I used some photos of famous Vietnam's sceneries to decorate the walls and stickers bearing images of prominent dishes for the glass wall. The purpose is to emphasize the origin of the cuisine.

- **Personality.** It is how the brand communicates with the outside world. Some salient personality traits of Vietnam Deli that could be read from the writing style, design style, colour scheme are: bold, dynamic, modern, eco-friendly, not afraid to stand out.
- **Culture.** It is the value system and basic principles on which a brand bases its behaviour. Vietnam Deli culture is based on adaptability and creativity.
- **Relationship.** It refers to the relationship between people that a might symbolize. Vietnam Deli symbolizes a friendly and caring relationship between seller and buyers.
- **Reflection.** It refers to the reflection of the consumer or the brand's most stereotypical buyer. Our most stereotypical buyer might be ranging from 20 to 35 years old who value friendship, intimacy, dynamism, creativity, experiment.

- **Self-image.** It is the consumer's ideal self.

It refers to the self image of our target customers. Drawing the ideal self of them helps us visualize better their character, preference, tendencies in order to develop proper approach and strategy. They might see themselves as social, daring, travelling-lover, dynamic, sympathetic, fascinating to discover new things.

This brief outline of our brand identity was used as a guideline for shaping our communication style to customers and later on, for building intensive marketing strategies when the financial situation allows.

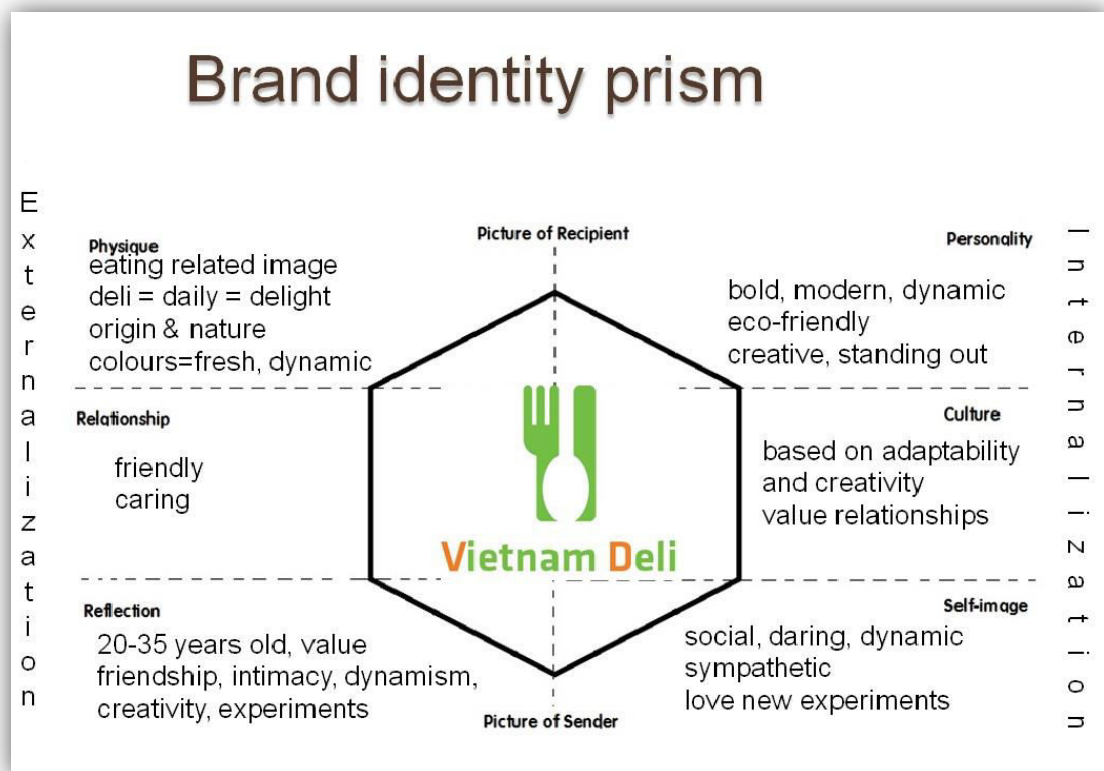


Figure 10 Vietnam Deli's Brand identity prism (Adapted from Kapferer's Brand Identity Prism, Strategic Brand Management, 1996)

3.2.3 Marketing activities

Marketing with a tight budget is undoubtedly tough, especially for small businesses. During operation period, there have not been many marketing activities were carried out so far because of the constraint of budget and time though Vietnam Deli was well aware of the critical impact of marketing on the business efficiency. A low estimated

fund (2.3% of budget) reserved for marketing from the beginning had caused certain difficulties in realizing the advertising ideas and limited the promotion campaign to a minimum. I had to do all graphic design work for the restaurant's publications by myself so as to cut down accrued expenses as much as possible. Financial burden did not allow me to perform any intensive advertising activity as it should have had to. Also the language barrier and little knowledge of local business context contributed substantially to the lack of online marketing. My social network in France was too weak to successfully deploy any social media marketing strategy and resulting to the fact that failure to communicate efficiently with the online audience had narrowed my approach to the local market on the outset.

France has never been considered as an English-speaking nation and shows a hint of strong preference for old values and traditions, thus, more often than not, e-marketing is actually recruited on full scale only by medium or large companies who wish to direct to both international and domestic customers. For most very small enterprises like Vietnam Deli, leaflets, flyers, printed materials and regional publications are among their favourable advertising channels. So I decided to employ one of those low-cost marketing strategies combining with some perfunctory effort to put my business online.

I went first with a self-designed flyer promoting for a sales campaign carried out in the first month of operation:



Figure 11 Vietnam Deli's flyer for sales campaign on February 2016

When we had gained a certain degree of local recognition with a stable daily customer flow, we followed up with another sales boosting tactic using our products as incentives for frequent customers. *Carte de fidelite* (loyalty card), also a name card was delivered to customers as a record of their purchases, a stamp will be made on every purchase of equal or more than €9.5 and on the 10th visit, they will be rewarded with one of our most favourable dishes of their choice.



CARTE DE FIDÉLITÉ									
Nom:									
									
									
									
** €9,5 d'achat = 1 tampon. 10ème Pho ou Bo Bun offerte									

Figure 12 Loyalty card of Vietnam Deli

Turning to digital marketing, it is almost impossible for my business to go viral on internet using social media networks like Facebook or Twitter since we have not much local connection, but it is still vital to establish some proof of our existence online to facilitate our approach to potential customers. A website for the company is ideal but way costly and seems not affordable to me at the moment. Then I chose Google+ to broadcast our business information by creating a business account on it and I got my business information published officially on the most used web mapping service Google maps. Besides, if my business is optimized on Google+ I will rank higher in search results. It could have been more efficient if I paid an extra charge of from €36 monthly to get my business appear in top suggestions on Google search but from my viewpoint, it would be more appropriate to take prudent steps into this play field considering my financial capacity, business situation and e-marketing awareness of local market. A tip to improve the rank of the company in search engine results is to identify the most searched keywords and phrases relevant

to the business to include in its online published information. The keywords I chose are: traiteur Vietnamien, cuisine Vietnamienne, restaurant 18^e.

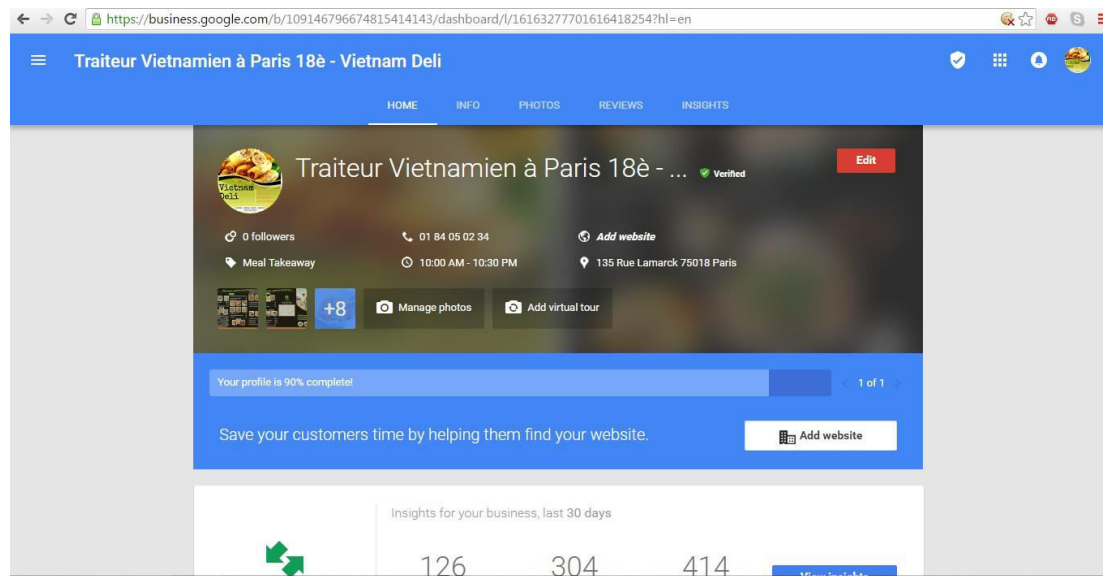


Figure 13 Vietnam Deli on Google+ 16.11.2016

Above all, word-of-mouth is still the best sales promoting channel for small niche markets. We sought for word spreading by selling our best products at best possible price and best customer service. We encourage customer engagement in chit-chat while waiting for dishes to prepare and spread our culture through direct communication. By that way, we wish to remove all barriers between people of different nationalities and positions, target to a friendly business environment for Vietnam Deli.

3.3 Managing the business

Due to the constraint of manpower, the business most of the time was operated based on self-consciousness of individuals. Consequently, it generated a considerable gap in business management. Most of managing activities were performed recklessly and in the manner of lacking due consideration. I mentioned here only a few of management activities that are frequently done during operation process to maintain the smooth running of the business.

3.3.1 Operation management

Operation process of a small business rotates mainly around a variety of daily activities related to food processing, buying and selling. Other activities may be involved are hygiene practice, marketing monitoring and briefing among staff. Going to details, everyday work of Vietnam Deli generally includes stocktaking, listing things to buy, ordering goods from suppliers, processing and preserving food, cleaning, selling and accounting. Some short discussion on noticeable matters in day is usually made by the beginning or the end of the working shift.

The most important job for small-sized businesses is recording sales and expenses on daily basis to keep finances on track as well as carrying out regular stock checks since they commonly have a fast turnover of stock. This generates a remarkable number of receipts coming in and out, not to mention the cash flow arising from bank card transactions and various *ticket restaurant* used domestically in France in place of cash for solely food purchases in registered restaurants. They together create a whole complex of cash flow that new business owners may find it hard to keep the accounts up to date. Though the major part of accounting management job can be done periodically by the accountant, the owner still needs to follow closely this issue in order to timely react to any fluctuations in business fund. Some persons may rely on accounting application, some may find it easier to simply note down every detail of input/output on a record book. Either way is good as long as the job is done thoroughly.

For other activities, such as stock checks, processing and preserving food, selling things, I count on the chef for he has lots of experience in this field. Because of the uncontrollable characteristic of our business type, it is virtually impossible to figure out the reasonable ratio of the ingredient price to the finished product price. We don't use weighing scales to quantify the dishes selling because French people in general don't like that kind of selling practice as they may see it over meticulous. And sometimes customers want to pay for their opted quantity not for predetermined portion. For these reasons, I had monitored the ratio cost of goods sold/sales over 3 months to get for me an acceptable fluctuating range of 34 –39%. Higher than that may show a waste in using ingredients, lower may not guarantee the consistent quality.

$$34\% \leq \frac{\text{Cost of goods sold}}{\text{Sales}} \times 100 \leq 39\%$$

Measuring marketing efficiency appears more challenging than I anticipated. For the flyer campaign and the frequent customer program, I had recorded a slight gradual change in sales but it did not happen immediately right after campaign launching or regularly over time. The sales remained unforeseeable and varied a lot in weekdays. In general, the only thing seems true is that sales rise during weekends and fall on festive occasions (school vacation, music day, Christmas day...). In other words, traditional marketing strategies are effective to a certain extent but not magical enough to lift my business off the ground. They made no or little change to customer buying habits in the region. But for the digital marketing, I found it so much easier to assess in statistics the result that it brought about thanks to a set of analytical functions which makes everything available for you just in one click. This could help partially ease the marketing management but in fact those digital results can't reflect the whole picture of the business. The overall operation management still requires a close eye on every aspects of the business activities, either online or offline, to put the business under total control.

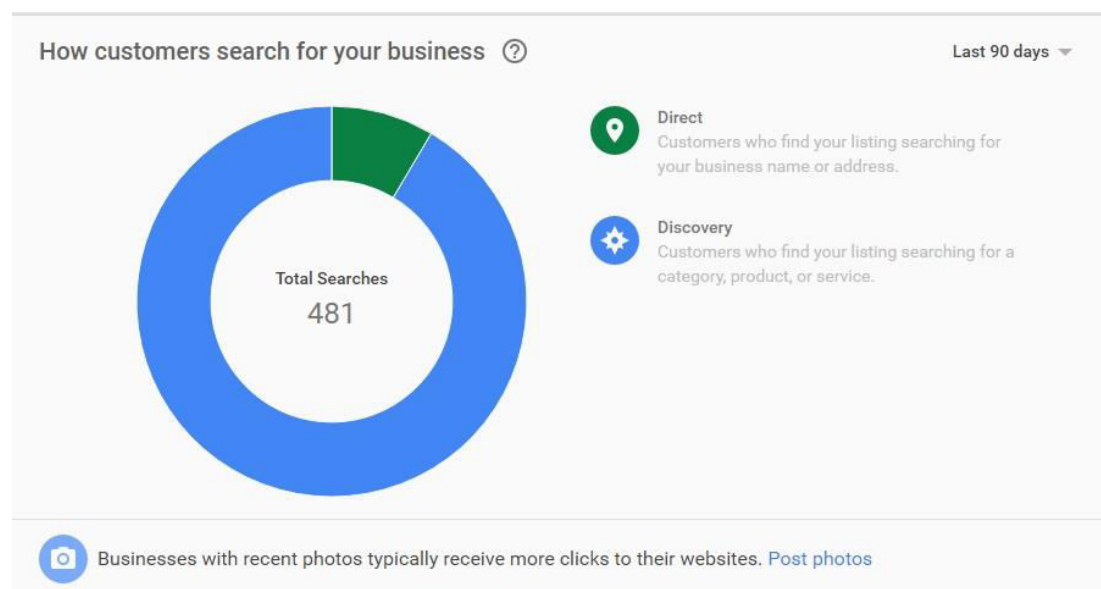


Figure 14 How customers search for Vietnam Deli in the last 90 days

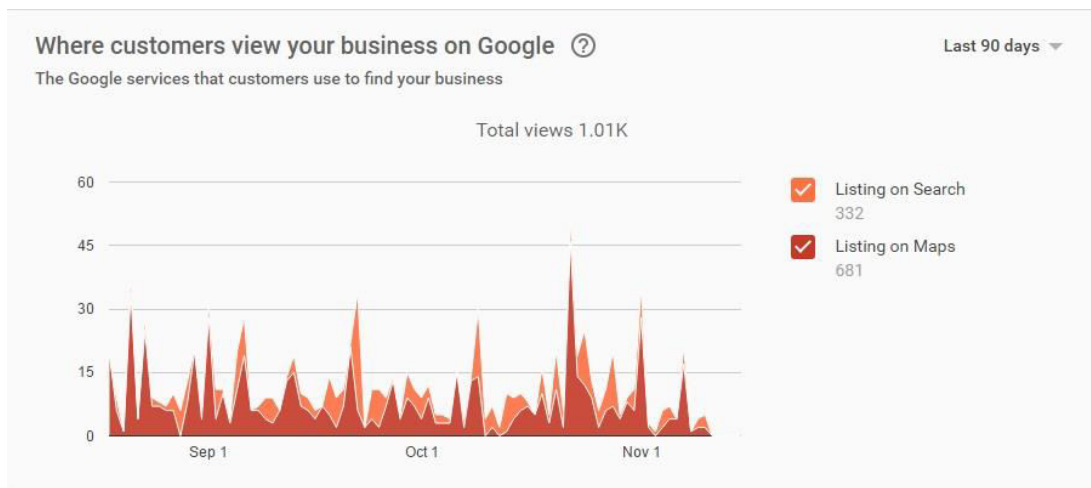


Figure 15 Where customers view Vietnam Deli on Google



Figure 16 Customer actions on Vietnam Deli information

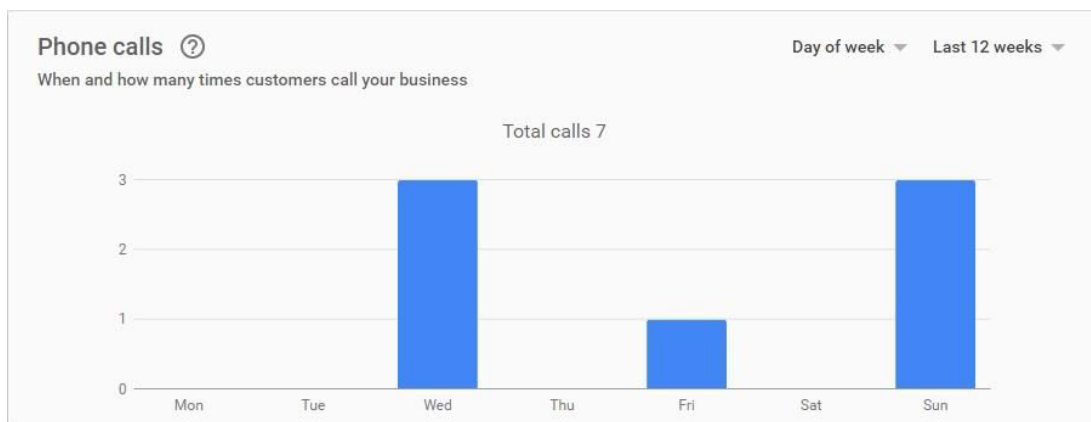


Figure 17 Phone calls to Vietnam Deli from Google

3.3.2 Human management

Most startups begin with a very small number of staff in the company to optimize the company function and reduce to risk coming from the difference of opinions. That's just to say, human factor does huge impact on business right from scratch. What makes it difficult to manage is the unpredictable and uncontrollable characteristic of human beings. When it comes to do business, aside from the advantages originated from the benefit-driven unanimity of the team which obliges persons involved to follow the rules, to collaborate to thrive together, there are many other dark sides underlying people relationships that can destroy the whole teamwork. That could be conflicts in individual interest, disagreements, personal hatred, and so forth. The complexities of human relationships produce lots of distress and challenges for human management within company of all sizes.

On the outset and throughout a long time afterwards, there were only 2 persons, me and my partner also chef, working together to build up Vietnam Deli. Our relationship is somewhere amid employer-employee, uncle – niece, friend-friend. The lack of clarity in identifying our positions in the company results to an unclear division of benefits, duties and power. Besides, there always exists a mindset difference between 2 generations and a conflict in attitudes towards business.

I just stop at the point realizing the problems in my company's human management but up to now, no optimal solution for the dilemma is found and in the short term, it is likely that this layer of business administration will remain ignored until the upcoming reform of the business model.

3.3.3 Risk management

It is visible that I had assigned an inappropriately small budget for contingency plan. 7% out of investment fund is a crazy number and thus, not recommended for entrepreneurs. But the story is still going on regardless of this riskiness.

Risk management for Vietnam Deli can be broken down to several main layers corresponding to their origin. They are risks posed by: customers, suppliers, staff, competitors, market, finance, governmental control. My duty is to identify the most significant risks that my company is most likely to be exposed to and figure out how to respond to them because their impact may be serious enough to bring down the business. Some insurance may cover risks to life and property but still there are many others left to tackle for business survival. This is how I manage my business on dealing with:

- **Risks come from a negative change in customers:** customers may leave us to shift to our competitors, or they change their residence, or customer flow reduces during vacation time. In this case, we need to intensify customer service and customer care, look for new customers out of target zone, seek lower-cost ways of marketing
- **Risks come from suppliers:** in case our major suppliers stop the business, we will seek alternative suppliers domestically and internationally, Vietnam included.
- **Risks come from staff:** in case the chef quits the job and gives up the proprietorship, I need to get myself prepared for taking charge of the business if my partner denies proprietorship, refine business model if necessary, broaden relationship network, learn know-how.
- **Risks come from competitors:** if they reduce their prices, introduce new products, expand their business..., I will continue to provide great service at reasonable price, adopt change on trend, promote creativity, monitor their prices and changes.
- **Risks come from market:** in case of change in trends, tastes or market size, I need to study consumer trends and tastes, carry out survey if needed, focus on featured products, keep accounts up to date.
- **Risks come from finance:** if I can't finance my business adequately, solutions should be monitoring cash flow day-to-day, boosting relationship with banker, keeping business profile clean, seeking alternative job to get money in case make up loss for company, looking for financial support from family or friends.

- **Risks come from governmental control:** government may release new ban, or new policy that has remarkable effect on our business, to proactively react to this kind of risk, I have to keep update with governmental policies, conform strictly to the law and regulations.

3.3.4 Development plan

For the time being, our business structure is still working fine and harmonizing well the benefits of me and my partner. But there is an acute anxiety about being bound to change proprietor's name on official papers by next year because my partner who is bearing proprietorship will no longer receive family allowance after one year full of running private-owned business irrespective of whether the company claims loss or profit. In that case, either I have to afford a corresponding compensation to tie him up with the company or I have to find someone else agree to hold proprietorship and make a change on paper. Putting on sale the *fonds de commerce* is the final solution if neither way above works.

On the other hand, ongoing consistent improvement is also a must conscious effort to keep the business on an upward track since the business environment does not stay static. In addition, holding a tight budget, I am very price-conscious and always looking for ways to cut costs during this struggling time. This is not going to be a single action but in fact, it is more like a plan with series of tactics in conjunction.

- **Set goals:** sales statistics will be analysed to work out the peaks and troughs of cash flow during financial year. According to the potential of market growth, Vietnam Deli has set for itself a sales growth of 20% for the year 2017.
- **Keep niche market:** keep the current market share by improving customer service and featuring distinctiveness of Vietnam Deli: on-site cooked dishes for taking away. Furthermore, customer's comfort and convenience must be improved by applying some changes on the interior and cutting down waiting time.
- **Marketing strategies:** implement low budget high impact marketing activities to extend our market reach but simultaneously not to put our budget un-

der stress. Along with the current marketing strategies, Vietnam Deli will adopt some other low budget marketing strategies including digital marketing and cooperating with food delivery companies like Foodora or Deliveroo. Among many low-cost digital marketing techniques available, I opt to pursue a marketing campaign based on Google+ and Instagram platform. More photos and information should be uploaded to Google+ site to reinforce the existence and customer online interactions must be closely monitored as well as kept engaged constantly to form relationships.

- **Monitor trends:** market is certainly not static, any change in customer tastes and preferences may cause a serious fall in sales, not to mention the competitors who also actively contribute to the rigours of the marketplace. Observing the market trends in response to dietary concerns will help Vietnam Deli keep up with the latest changes in preference to tailor its menu timely. On other hand, keeping an eye on competitors' improvements is also worth consideration.
- **Motivate staff:** chef is the soul of a restaurant, therefore how to nourish the working mood of the chef has always been among the top concerns of strategic employers. Motivating and incentivizing are considered essential in all cases and should be integrated in intimate conversations rather than performance reviews. Especially, for a very small enterprise with few staff like Vietnam Deli, it is even more necessary to adopt a subtle approach which requires much communication skill.
- **Improve products:** customer taste hardly stays the same over time, additionally, one of the most appealing traits of takeaways is the diversity of dishes, our menu, therefore, should be tailored to the changes in customer taste and diversified into new diets. Vegetarian diet is currently a trend and Vietnam Deli is working hard on developing this to attract more customers. Low-fat diet is also worth due attention since French people are considered strict about keeping in shape.

4 EVALUATE BUSINESS PERFORMANCE

Since the business has just been running over a short period of 10 months and the business size is not considerable enough to execute the evaluation of business performance on a full scale. Key metrics in this evaluation look at a certain number of performance criteria and aim at measuring how well the business is working for its long-term goals. They are metrics reflecting the financial health of the company including sales, profits and costs; the level of customer's satisfaction expressed in terms of the amount of customer, customer retention and results from customer survey; the strategic performance management associated with the evaluation on how well the strategies were implemented. In this part, some metrics relating to the quality of internal management are overlooked because of the insignificant size of the business.

4.1 Financial performance

For most companies, it commonly requires a set of financial ratios to reach an overall evaluation on financial performance and these ratios come from the following categories (SlideShare, 2009):

- Liquidity ratios measure the ability to meet short-term obligations
- Leverage ratios (borrowing) measure reliance on debt and overall vulnerability to business downturns
- Activity or operating ratios (assets) measure how effectively assets are used to produce revenue
- Profitability ratios measure overall performance

Vietnam Deli was set up based completely on personal fund so it has no liabilities to concern about at the moment and it has not been running through a whole fiscal year. Consequently, this evaluation is primarily based on some statistics and profitability ratios available from the beginning of its operation until so far to measure overall financial performance of Vietnam Deli. Not all of the above mentioned ratios are used in this evaluation due to a certain number of constraints in terms of business context.

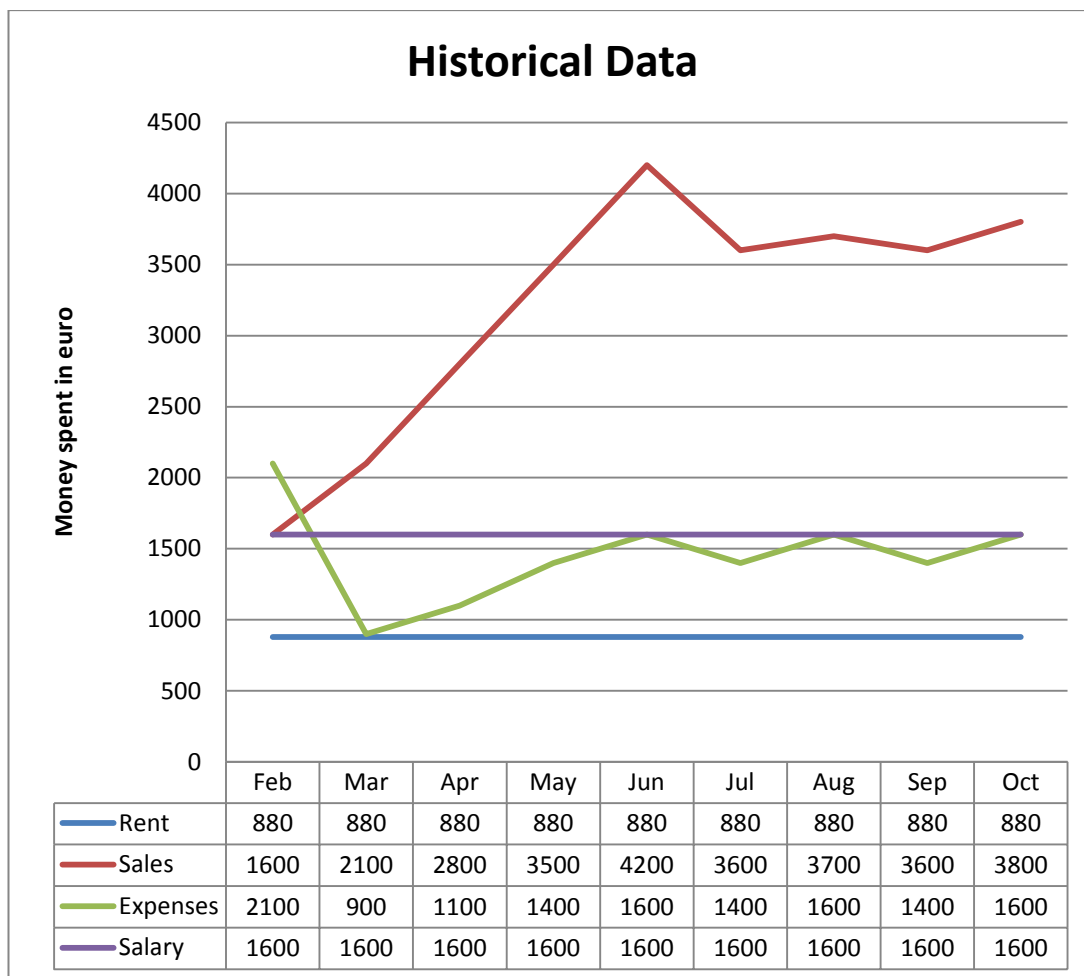


Figure 18 Historical financial data of Vietnam Deli from 02.2016 to 10.2016

Table 1 Income statement data of Vietnam Deli from 02.2016 to 10.2016

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Sales	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of sales	120%	38%	35%	36%	34%	35%	39%	35%	37%
Gross profit	-20%	62%	65%	64%	66%	65%	61%	65%	63%
Salary	100%	76%	57%	46%	38%	44%	43%	44%	42%
Rent	55%	42%	31%	25%	21%	24%	24%	24%	23%
Advertising	6%	0%	0%	6%	0%	0%	3%	0%	0%
Net profit before taxes	-186%	-61%	-28%	-11%	3%	-8%	-10%	-8%	-7%

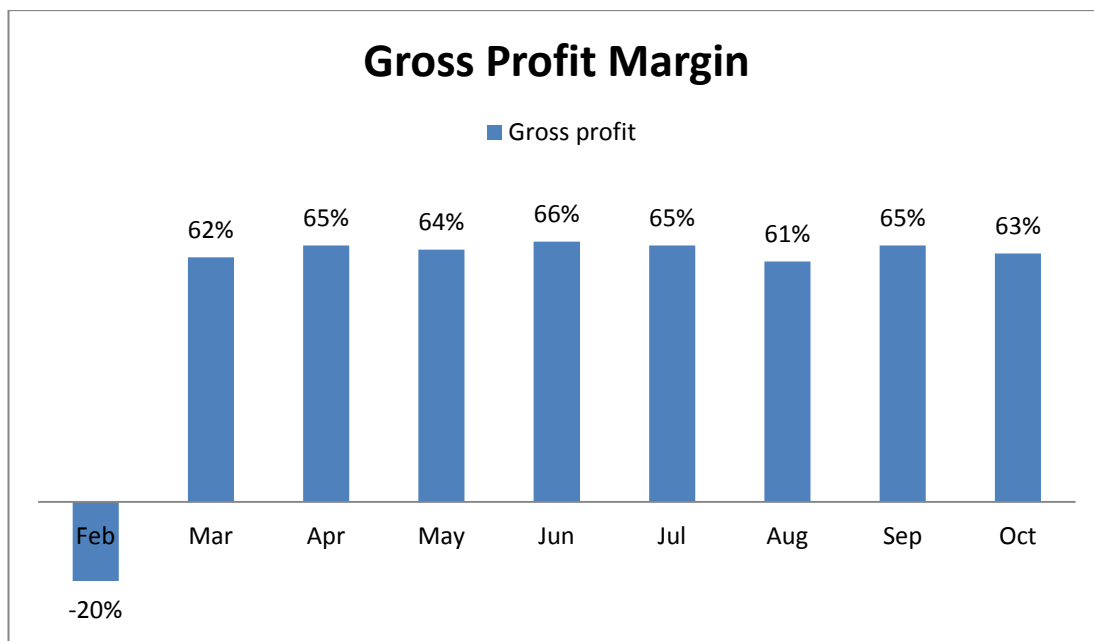


Figure 19 Gross profit margin of Vietnam Deli from 02.2016 to 10.2016

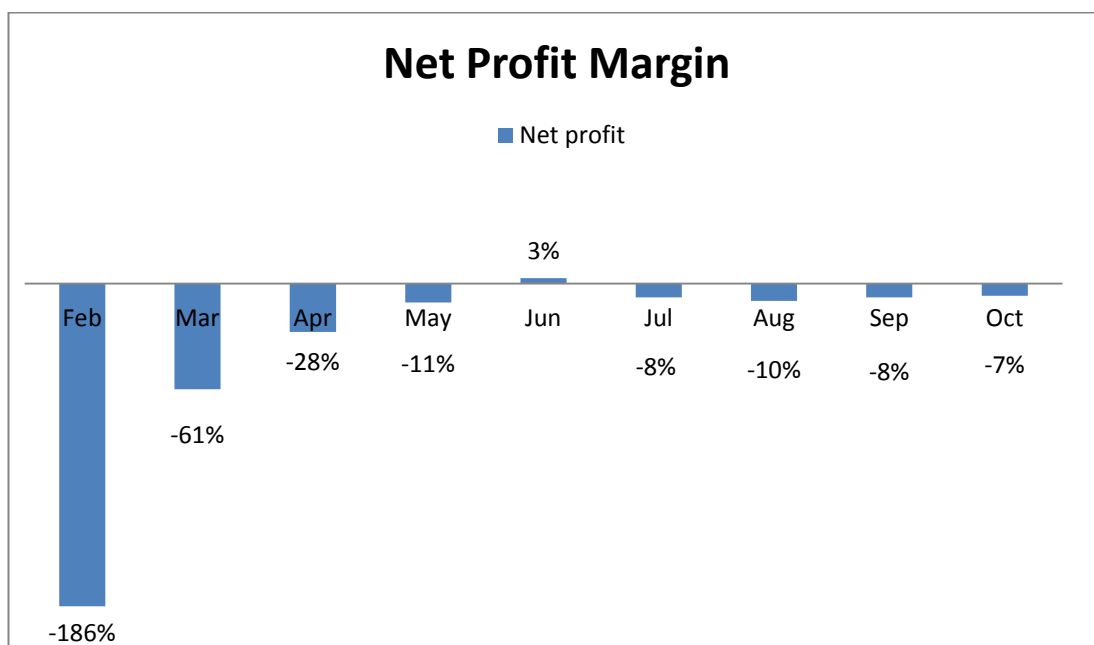


Figure 20 Net profit margin of Vietnam Deli from 02.2016 to 10.2016

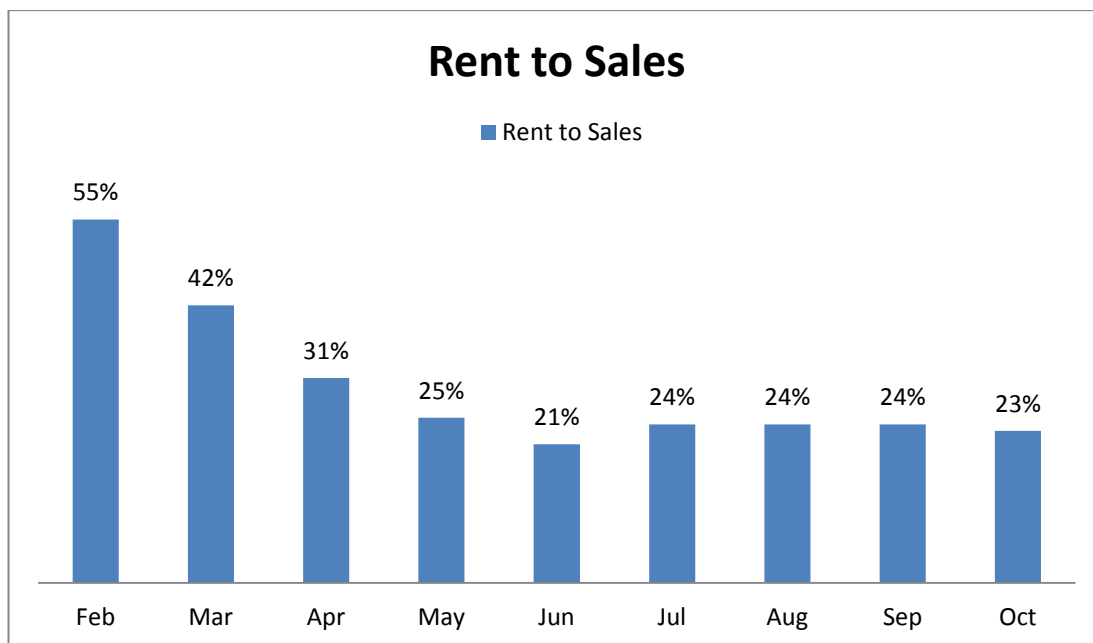


Figure 21 Rent to sales ratio of Vietnam Deli from 02.2016 to 10.2016

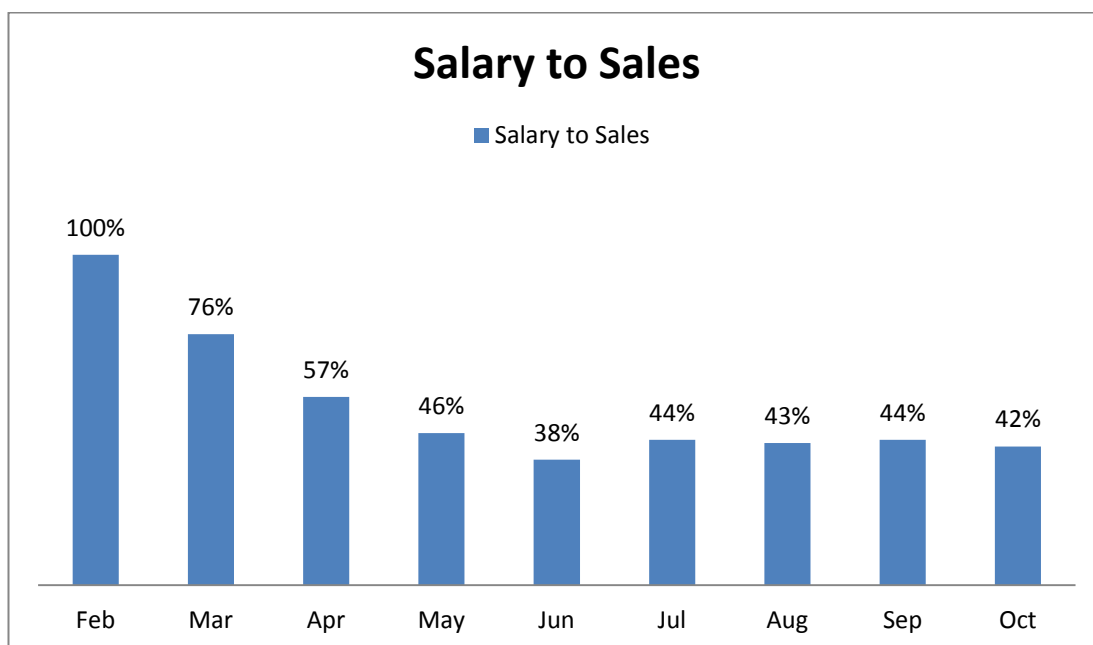


Figure 22 Salary to sales ratio of Vietnam Deli from 02.2016 to 10.2016

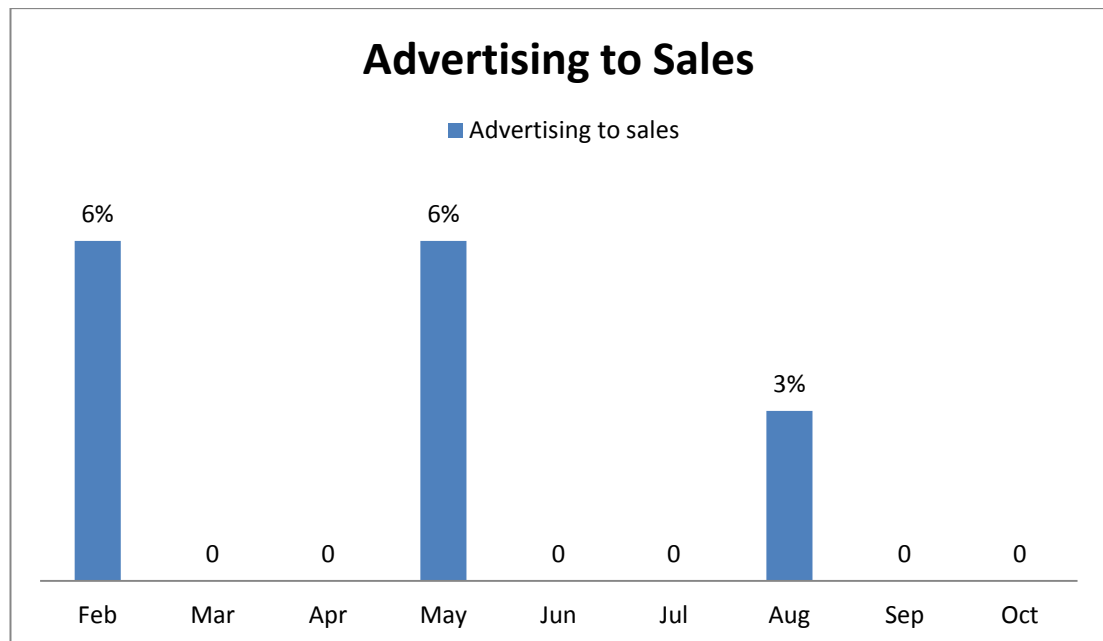


Figure 23 Advertising to sales ratio of Vietnam Deli from 02.2016 to 10.2016

It is negative to see that Vietnam Deli is running at a loss over the time mentioned and it is likely to say that it is going to suffer from this bad situation until the end of this fiscal year. It is comprehensible to predict this loss for it has not been established for long. For a few first months, Vietnam Deli suffered a severe loss because it had invested on buying inventory and equipment as well as premises renovation. The cost of goods sold (cost of sales) remains remarkably high (34% - 39%) compared to the ideal indicator of 28.5%. A comprehensive work on recipes, cooking ingredients, food preservation should be put into practice to find out where the food waste comes from, how to cut down the cost of input but still guarantee the product quality. Since the cost of rent and salary is not or insignificantly going to change over time, it is vital to increase sales by undertaking due investment in advertising activities. It is visible that advertising did make changes in sales but inadequate and irregular investment does not bring about expected results. Vietnam Deli has reached its best performance in June and since then its negative profitability has not changed much, fluctuated around 7-10%. This reflects a bad performance in strategic management. Vietnam Deli should focus on improving its marketing strategies and resource management.

As mentioned above, to survive and thrive in this harsh business environment, it requires a lot of patience, persistence and strategic thinking. One year does not say much and there is no security for a bright future ahead. Profitability is still a big concern for Vietnam Deli since it has been generating an unsatisfactory net profit result over 10 month time. But I believe the situation can be reversed if Vietnam Deli finds out the proper way to cut cost, control expenses and attract more audience.

4.2 Customer satisfaction

In order to measure customer satisfaction, a survey of 12 questions (refer to Appendix 1) was employed and handed out to our customers from 01.08.2016 to 10.08.2016. Customers could either write down their answers themselves or be interviewed directly on visiting our restaurant. A few reviews of customers online are definitely not enough to examine customer satisfaction so we decided to actively approach our customers in real time to record their feedback in the most realistic way.

The survey was designed aiming to facilitate customer response so most of the questions have close-ended checkbox answer suggestions, there are only 2 open questions to collect supplementary information. During 10 day period, the survey was distributed to 47 customers including both frequent customers and new customers; 42 responses were gathered for examining work.

According to the information collected from the first 10 checkbox questions, I would like to boil down and demonstrate the result in a form of chart to make it easier to follow.

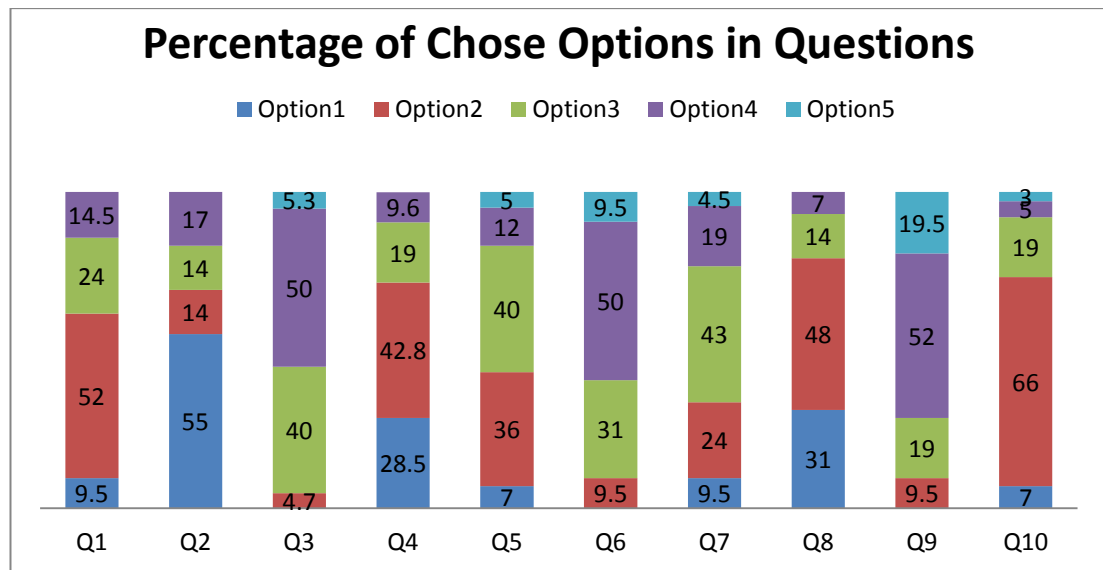


Figure 24 Percentage of chose options in survey questions

Compare to the answer suggestions from the survey, conclusions can be drawn corresponding to the survey questions as following:

- A majority of our customers are between 20 and 35 years old which makes up to 52% of the respondents, followed by 24% of group 30-50 years old.
- Word-of-mouth has helped us a lot in spreading our reputation as it accounts for 55% of response cases, online marketing and flyers did not win much notice from our customers.
- The convenience of our business location is slightly above average in terms of customer satisfaction. But in fact we can make nothing to improve this factor.
- Our products did a very good job in meeting customer's taste. This should be considered as one of our strength in the local market.
- Cost of our products is considered fair for purchase deal, in general, it's worth the quality of the products. But it still remains a sensitive issue in the long run.
- Most of the respondents evaluate our customer service from average to above average (31% and 50% respectively). This is a praiseworthy factor for our chef in particular and our business in general.
- A minus point to our service lies in the waiting time of customers. Roughly 76% of the respondents were not satisfied with our service speed. It has been

among my biggest concerns for months. We know this can be improved easily by hiring more staff but to change this is a tough matter due to the constraints of finance and legal eligibility.

- A dominant percentage of our customers would be very likely to return for another purchase and recommend our products to their friends, it is shown in the result of the question 8 and 9 of the survey.
- The overall satisfaction of our customers majorly falls into the option “somewhat satisfied” (66%) which shows an acceptable level of satisfaction for a new business like Vietnam Deli.

The rest 2 open questions reveal the most favoured food of our restaurant and the reason underlies as well as customer’s major concerns about healthy food. As we have predicted, “Bo Bun” is our most successful dish (won 72% votes) as it has brought lots of customers to our restaurant. It has earned credibility thanks to its freshness, healthiness and good balance of taste. It is among our few takeaway dishes cooked on site. The last question uncovers the highest concerns giving to fat volume and freshness of dishes. It is easy to understand the root of those concerns since food quality has been raising alarm among communities worldwide, it is even worse when Vietnamese in France are usually mistaken for Chinese whose nation has been responsible for many food scandals lately. Working hard towards customer trust, hence, is not only an aspect of business but also a matter of national pride.

In summary, the survey unveils an optimistic look into customer satisfaction and loyalty, a positive signal for us to continue our journey to win the taste of French gourmets. It shows a certain level of satisfaction and trust in our products which proves that we are going on the right track but it also discloses our weaknesses in marketing and service speed. Product cost is not a big concern at the moment but still requires thoughtful consideration if we want to stay particularly competitive in this game. What’s more, we need to take action in cutting down fat, increasing vegetable volume to keep pace with changes in the market trends.

4.3 Strategic performance

This evaluation takes aim at measuring how well Vietnam Deli executed the strategies that were expected to yield the desired results. The strategic actions come under examination here are associated with our marketing campaigns and product improvement.

During its 10 months of operation, Vietnam Deli has adopted 3 forms of marketing: printed material (flyers) in February, loyalty program in May and e-marketing in August. They were executed separately and sporadically. In fact, we did not spend much fund on these activities owing to our tight budget. Consequently, the corresponding results were insignificant compared to our expectation. It is clearly shown in the inconsiderable growth of sales in the following month after a marketing strategy was deployed.

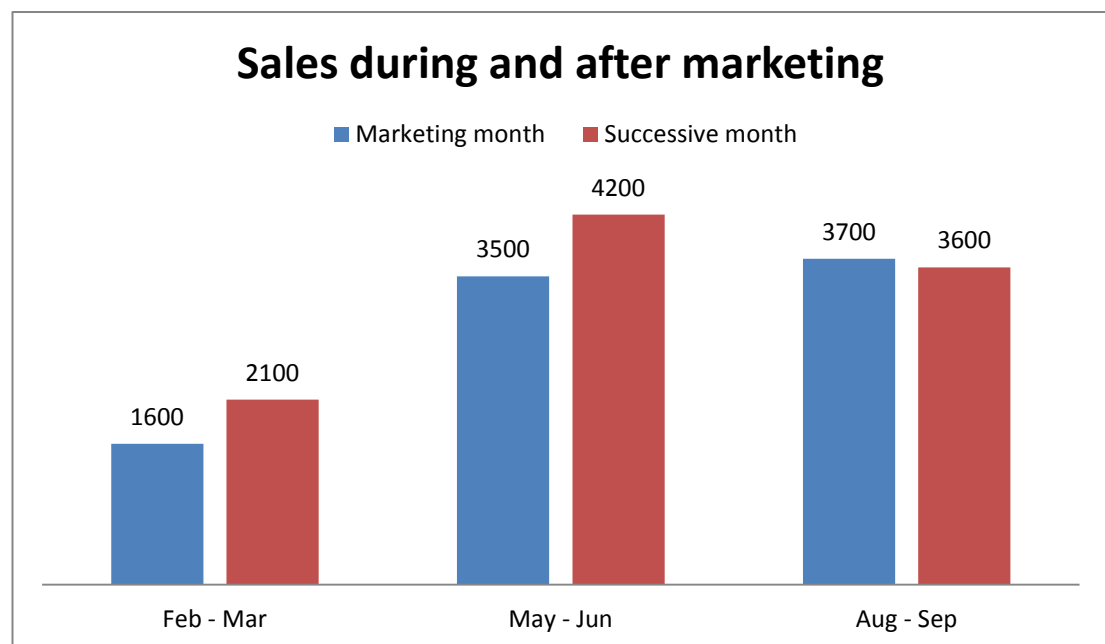


Figure 25 Sales of Vietnam Deli during and after marketing strategies were deployed

According to the chart above, a growth of 31% in sales was recorded after applying the flyer campaign, similarly a 20% growth in sales after loyalty program was deployed and no sales growth derived from e-marketing. It is likely to say that traditional marketing strategies are gaining the upper hand in winning customer attention. This was actually predicted from the outset when a study on market and customer

behaviour was implemented. A minus point for Vietnam Deli is that very little money and care was assigned for marketing activities which is paradoxically not in favour of the pay-off expectation. Besides, we did not draw up a holistic marketing plan to amplify the overall strength of all marketing strategies. It is reasonable to assume that Vietnam Deli has not performed well in marketing management. From the perspective of a marketer, the author still firmly believes that e-marketing alone can prove its effectiveness if it is invested in properly.

Product improvement strategies have just recently put into practice and according to the customer satisfaction survey mentioned above, they can make things happen as they are aligned with the rising eating trend of consumers. We are promoting a set of dishes for vegetarians and reducing oil used in cooking as well as adding more vegetables to our recipes. There is no record on sales change relevant to these product improvements at the moment. This strategic performance should be kept on closely monitoring in order to evaluate more accurately the competing ability of our business.

For another time, SWOT model is referred to in order to convey a holistic view on Vietnam Deli's competing ability to the audience after all of the mentioned above evaluations.

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> •Debt-free •Small size - easy to manage •Meet customer taste •Diversity in dishes •Follow the trend •Good customer service •Healthy food •Stable food quality •Chef's skill 	<ul style="list-style-type: none"> •Low capital •Lack of support •Low-traffic area •Narrow space •Little marketing •Slow serving speed •Lack of management •Negative profit •Depend much on partner 	<ul style="list-style-type: none"> •customers accept our products •above average level of customer satisfaction •high customer loyalty commitment •less competitive area •Possibility of tax avoidance 	<ul style="list-style-type: none"> •downturn in business •change in business legal form •Ban on single-use plastics •Hygiene control •Employee leave •Budget deficit •Sell the business •change in customer taste

Figure 26 SWOT analysis on Vietnam Deli competing ability in the market

What can be summarized from this SWOT analysis is that Vietnam Deli strengths primarily come from its human resource and product quality, while weaknesses fall into its location, capital and management capacity. Its opportunities fundamentally emerge from the initial achievements in customer's trust and satisfaction. And threats are anchored in the change sensibility of this small business due to its tight venture budget.

5 MISTAKES AND LESSONS

5.1 What I have done wrong from the beginning

Difficulties for startups are infinite, irrespective of the industry one is following. Especially for entrepreneurs who have just rushed out from school and collided with the harsh real business life, running a business is more like an intuitive experience than a rational and logical one. So far, I consider my current business is more or less a failure of myself, a failure of implementing academic knowledge in reality. Life has never been easy and so as business. I have learnt a lesson for myself and tried to digest it with bitterness: I am weak at business management skills and lack managerial knowledge. Upon accepting this fact, I went back to examine the most dominant causes of this failure.

- **Choosing a not very profitable business.** I decided to jump quickly into restaurant business based on my intuitive sense, without any thorough research on the market and the business industry. It has been long ago when restaurant business was still a fat land for Asian people in Paris and in fact, they are still doing well in their businesses but it is just right for those who have gained some reputation in the field, for new comers, it is a different story.
- **Inadequate financing.** I depended virtually on cash reserves on deploying the business and once I miscalculated the proper percentage of fund as-

signed for each task, I got stuck in a dilemma: I couldn't afford even a proper marketing campaign to elevate the business.

- **Poor business location.** Though I had received lots of warning about the vital importance of location in doing business, I still made a terrible blunder for hastily choosing a low-traffic location without proper examination.
- **Poor business management performance.** Day after day, I found myself in a whirl of unnamed tasks, such as aiding the chef, accounting, cleaning...etc..., consequently, I hardly had time for other strategic tasks like making plan, marketing, thinking of development strategies.
- **Lack of know-how.** Most of the Asian restaurant owners in Paris are chefs or at least have certain knowledge of cooking. This creates their distinctiveness and independence in running culinary business. This can also prevent them from landing in an awkward situation when the chef quits. Despite of my lack of know-how, I still ventured all my reserve fund on restaurant business.
- **Overdependence on the chef.** I depend on him for both strategic duties: legal proprietorship and chef which are the core factors of a restaurant business.
- **Solo attempt.** Trying to do everything myself is a risky decision and it brings various disadvantages to my entrepreneurship. I can't deny that it may facilitate my decision making process but also it accounts for my vulnerability on facing hurdles.
- **Inadequate investment on marketing.** Nowadays, marketing is an indispensable part of a successful business. Investment on marketing is considered a wise decision, an adequate investment on marketing is a key factor to success in doing business. This blunder accounts for the significantly low growth in sales of Vietnam Deli.

5.2 Lessons to share

From my entrepreneurial story, I would like to share the lessons I have learnt in real life with the novice entrepreneurs. The transition from rookie to successful businessman starts from the process of self-equipping with managerial skills and business

management knowledge. Without theoretical base, it would take a person more time and pain to achieve a sustainable success. The school of life teaches you by practical experiences and experiments, in addition, it doesn't secure you against hurtful failure. So it's best to get trained in an educational environment before clashing with the tough reality. Thinking back to my startup journey, I believe that beside the essential knowledge foundation can be acquired at school, a rookie should never ignore these following handy tips as they may save a person from making regretful blunders that cost him a lot of time and efforts to recover.

- **Think rationally and logically.** Leaving the entire task for your intuitive sense can risk you a fortune in doing business. Don't simply believe in words, just believe in mind. Research, study, statistics, survey, observation are the most useful tools for entrepreneurs. Strategic decisions should not be put in the hand of luck.
- **Build strong relationship network.** This has helped me a lot in tough situations. Don't go solo all the time, make sure there is somebody to back you up if things turn wrong.
- **Start with a concrete plan.** Planning is a complex process of looking into every aspect of matter, weighing all possibilities, examining the feasibility, drawing up a guideline for corresponding actions. It implies a thorough preparation before moving onto actions.
- **Location first.** For a business startup, online or in real life, the place where you establish your business and its surroundings have a profound impact on your prospects of success. A strategic location enhances the possibility of customers to visit your business, thus boosts sales.
- **Be sufficiently funded.** Though in some cases it is not a must, it is still a matter of vital importance if you want to have a full free-hand and free-mind to take care properly of other critical issues in business.
- **Unrealistic expectations may kill.** There exists a slight difference between dream and expectation in life. Dream is generally based on vain hopes while expectation springs from realistic base. Unrealistic expectation is more or less like an impossible dream which may kill all your endeavors and feelings if it does not come true. There is a rule: the more

you expect, the harder you recover from disappointment. Expectations should be in line with back-up plans.

- **Never overly depend on anyone.** Overdependence on a certain person does more harm than good. It may save you time and effort doing something, contrariwise it may cause you losing initiative in making decision. The ideal relationship in business is more biased towards collaboration than dependence.

To me, sharing is learning. Writing down the lessons to share gives me a chance to look back on what have been retained after all those days. They are experiences, tones of feelings and maturity in thinking and acts. I have learnt to stand up after failures and bravely admit my mistakes, confront the reality, head to new objectives. Business is definitely not a game for lazy and passive people as it requires preparation, training and adaptability to keep the game on.

This business diary was narrated from the practical perspective of a businessperson, integrated with theoretical knowledge to reflect a holistic real-life insight into entrepreneur life in Paris. Throughout the narrative, my feelings and thoughts, my personal experiences, my observations were recorded in a systematic manner as a research journal which was validated to be an important qualitative research method in collecting authentic primary data and underdeveloped additional data served for research purpose. The use of research journals in qualitative research has helped bridge the gap in using only traditional qualitative research methods because research journals provided means to reflect on the research experience and produce viable data, unlike traditional methods which more focused on the research outcome (Lamb D., 2013).

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APPENDIX 1

CUSTOMER SURVEY FOR VIETNAM DELI

(translated into English)

1. Age

- <20yrs
 20-35yrs
 36-50yrs
 >50yrs

2. How did you hear about Vietnam Deli?

- Friend
 Web search
 Flyers
 Others

3. How would you rate the convenience of our location?

Not at all convenient			Very convenient	
0	1	2	3	4

4. How well do our products meet your tastes?

- Extremely well
 Very well
 Somewhat well
 Not so well
 Not at all well

5. How would you rate the value for money of the product?

- Excellent
 Above average
 Average
 Below average
 Poor

6. How would you rate our customer service?

Very low			Very high	
0	1	2	3	4

7. How would rate your satisfaction of our service waiting time?

Very dissatisfied

Very satisfied

0	1	2	3	4
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8. How likely are you to purchase any of our products again?

- Extremely likely
- Very likely
- Somewhat likely
- Not so likely
- Not at all likely

9. How likely is it that you would recommend us to a friend or colleague?

Not at all likely

Very likely

0	1	2	3	4
---	---	---	---	---

10. Overall, how satisfied or dissatisfied are you with our service?

- Very satisfied
- Somewhat satisfied
- Neither satisfied nor dissatisfied
- Somewhat dissatisfied
- Very dissatisfied

11. Which of our products is your favourite and why?

Which	Why

12. Do you have any other comments, questions or concerns?

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===== END SURVEY =====

