

BUSINESS SET-UP GUIDE

KAI BAR

Business Profile Summary

You will need a market that can support sales of at least K520 per day.

You will need around K40,000 to start the business.

Profit potential for this business is around K20,000 per year

Sales

You will need a market that can support sales of at least K600-800 per day. There is a strong demand for take away food. When starting the business, be prepared for your sales to grow as people get to know your business, especially the food items that you are selling.

You can help people to get to know about your business through advertising and promotion. Soft drink companies are very eager to do promotions with fast food outlets (especially in urban areas) so do not hesitate to approach them to run a promotion in front of your kai bar.

Location

Good location is one of the most important elements of a kai bar. The business must be in a high traffic area. Some good locations are:

1. Close to office or industrial areas.
2. Close to markets or shopping areas.
3. Close to major bus stops etc.

Pricing

Most kai bars use between a 75% and 100 % mark up on the cost of their products. Running a kai bar is very hard work and involves certain risks such as food spoilage, hold ups and this level of mark-up is justified and normal for the industry. Costing and suggested prices for a number of the products are given in the annexes.

Shop Layout

Around 50 percent of the space should be devoted to kitchen area, 20 percent to storage and office space and the remaining 30 percent to customer service. Make sure that the shop you buy or lease will easily house your equipment.

The customer service area should have:

1. Display food warmer.
2. Drinks cabinet¹.

¹ Most Soft Drink Companies will supply soft drink cabinets free of charge, in urban areas, in exchange of your kai bar stocking their drinks in their cabinets.

3. Storage area for takeaway packs.
4. 3 or 4 large dustbins for collecting rubbish.
5. Basic seating (optional)

The kitchen area must be clean and hygienic for food preparation and cooking. This should include fly screening on all windows, proper flooring, finished ceilings, and other health department requirements for food preparation businesses. The building you select should have hot water, electricity and a phone connection is optional.

The storage area should be large enough to house your supplies and can also be used as a small office.

Try and select a building which already conforms to your specifications and will not require extensive repairs or renovations. You should not spend more than K10,000 on preparing a premises for the new business.

Selecting a Building

Use the following checklist when selecting a building for your new business:

	Yes	No
1. Will the building and zoning departments allow your business to operate in the site you have chosen?		
2. Will the Health Department allow you to operate a Kai Bar in the site?		
3. Are there sufficient electrical outlets?		
4. If the site is rented, will the landlord allow you to make the alterations that you need for the business?		
5. Does the building require minimal repairs and or renovations (no more than K5,000)?		
6. Will the delivery of materials and goods to the building be easily accomplished?		
7. Is the site clean & dry?		
8. Is the site secure to ensure safety for your equipment and other assets including cash?		
9. Is there enough parking space for customers?		
10. Is there any indication of roof leaks?		
11. Is there a hot water heater?		
12. Is there sufficient lighting?		
13. Is the building in a high traffic area?		
14. Is there limited competition?		

Note: The answers should be “yes” to all of the questions in the above table. If you have too many no answers you should determine the cost to correct the problems. If too costly you should look for another site.

Costing the Business

Equipment Cost

The following list represents the renovation and equipment cost needed for establishing a small scale kai bar:

Item	Estimated cost - Kina	Purpose	Update cost
Renovations	10000	establish a clean, hygienic, customer friendly premise	
Hot food cabinet - 6 trays	1800	keep prepared food warm	
Rice cooker	150	cooking rice	
Gas burners (2)	150	stove top cooking	
Refrigerator	800	cold storage	
Oven	800	roasting food	
Single burner deep fryer	600	deep frying food	
Kitchen Utensils	200		
Freezer	900	frozen storage	
Pots with Lids 5-6	200		
Knives	50		
Cash register	500		
Dustbins	80	rubbish collection	
Table	500	food preparation	
Shelving	500	dry goods storage	
Gas bottles with regulator (2 Bottles)	520	propane gas for cooking	
Total renovations and equipment	17750		

The cost of these items are estimated based on Port Moresby prices at the time this guide was prepared. A column has been provided for the user to update these cost.

The items you purchase will depend on your product line. You should only purchase those items that you need to prepare the food items you will sell. If you are not going to sell fried food you will not require a deep fryer. You may also be able to get away with a refrigerator/freezer unit rather than separate units. Only purchase the equipment you need.

Always, before purchasing any of the above equipment, try and compare prices between two or more suppliers. Do not hesitate to negotiate with the manager as it is highly probable that a store may provide wholesale or large volume discounts.

Staff

A basic kai bar could be started by an owner/cook helped by his wife and other members of immediate family. You need the following people to operate the kai bar:

Position	Main responsibility	Monthly wage
Owner/Cook	Manage business- set menu and prices, prepare food, order supplies, supervise all staff	800
Assistant cook	Prepare food and clean kitchen area	400
Kitchen helper	Helps cook and clean kitchen area	200
Servers (2)	Serve customers and keep customer area clean.	400
	Total monthly staff cost	1800

Raw Materials

When starting a kai bar, try and start with a limited product mix. If you have a 6 section food warmer then you should choose 6 items for your product mix. Some of the more popular kai bar items are as follows:

- Fried fish.
- Roast chicken.
- Chips.
- Boiled potatoes.
- Boiled sheep tongue.
- Boiled lamb flaps.
- Boiled saveloys.
- Stew lamb & rice.
- Curry chicken & rice.
- Curry lamb & rice.

Product costing and recipes for each product are detailed in the annexes.

Food and drinks

In addition to food items you will be selling drinks such as Coke, Pepsi, Gold Spot, Vita, Nambawan etc. Monthly cost for food and drink items are estimated at 50% of sales.

Condiments

You will need a basic selection of condiments such as tomato sauce, chilli sauce, etc. Condiments cost are estimated at 5% of sales.

Packaging

Your main packaging material for this business will be take away packs, plastic spoons, wrapping material and plastic bags. Estimated cost for these items per month are around 15% of sales.

Monthly raw material purchases are estimated as follows

Sale per day	Sales per month (25 days)	Food and drinks 50% of sales	Condiments 5% of sales	Packaging 15% of sales	TOTAL monthly raw material cost
500	12500	6250	625	1875	8750
600	15000	7500	750	2250	10500
800	20000	10000	1000	3000	14000
1000	25000	12500	1250	3750	17500

Licences/Registration

The size and nature of this business does not require company registration and should be set-up as a sole proprietor or partnership. In an urban area a business name maybe registered with IPA.

Please contact the nearest provincial authorities or NCDC to obtain details of licences required. Normally at least a trading licence will be required to start a kai bar business. A health certificate is also required for operating a kai bar.

Business registration and licensing cost are estimated as follows:

Item	Cost
Business name registration	50
Business licence	100
Health certificate	50
Total registration/licence	200

Operating Cost

A kai bar business has a number of operational cost. Some of these costs are:

- paid once when you establish services such as water, electricity and phone;
- paid at the beginning of each year, such as insurance; and
- some are paid on a monthly basis.

When you start you business you will need some working capital (money) to establish services, pay certain yearly expenses and to meet some of your monthly operating cost until the business can generate enough income to meet these cost. In the case of a kai bar business this should only be for the first month.

Below is a table showing the estimated monthly operational cost and initial working capital needed for a kai bar.

Operating cost	Initial working capital	monthly
Rent one month and bond	4000	2000
Electricity connection + first month charges	400	
Electricity charges		350
Water connection plus first month charges	150	
Water charges		50
Insurance (year)	600	
Depreciation*		48
Office supplies	100	50
Cleaning supplies	350	240
Miscellaneous	400	150
Total operational cost	6000	2888

*** Depreciation calculation**

Depreciation is a business cost that takes account of the “wearing out” of assets, equipment, tools and vehicles. It is a non-cash expense of a business but is still a cost. We need to calculate depreciation for assets with a long life.

Based on the Papua New Guinea Income Tax Act, the following depreciation rates are applicable to most small businesses.

Income Tax Act, Depreciation Rates - Prime cost method

<u>Asset</u>	<u>Annual Depreciation Rate</u>
Tools and Equipment	7.5%
Motor Vehicles	20.0%
Office Furniture	7.5%
Retail Building	2.0%
Factory Building	7.5%
Land	None

To calculate depreciation for a medium size bakery we have to apply the required rate to the assets with a long life as follows:

Hot food cabinet - 6 trays	1800
Refrigerator	800
Oven	800
Single burner deep fryer	600
Freezer	900
Pots with Lids 5-6	200
Cash register	500
Table	500
Shelving	500
Gas bottles with regulator (2 Bottles)	520
Total assets	7120

To calculate depreciation on a kai bar business we have to apply the required rate to the capital cost as follows: Depreciation = 7.5% X K7120 = K534 per year or K45 per month.

Start-up Costs

You will need money to start your business as shown in the following table:

Item	Total	Update
Renovations	10000	
Equipment and utensils	7750	
Staff (first month wages)	1800	
Raw materials (first month) ²	10500	
Licence and registration	200	
Initial working capital	6000	
Total start-up cost	36250	

² Based on sales of K15,000 per month.

The cost to start a basic kai bar is around K40,000. This cost can be decreased by:

- limiting the items you sell, thus reducing equipment needs; and
- reducing other cost such as staff, and operations;

Optional cost

The above capital requirements have been researched and put together after talking to various kai bar owners. These requirements are based on the principle of starting a profitable small scale kai bar operation with minimum outlay of capital. If capital is not a major constraint, a number of optional items that can be considered are as follows:

- Kai bar configurations are included in the brochures & pamphlets section of this guide.
- Motor vehicle
- Safe

Profitability

Monthly Profit and Loss

	Break Even			
Sale per day	520	600	800	1000
Sales per month (25 days)	12994	15000	20000	25000
Cost of raw materials	9096	10500	14000	17500
Gross Profit	3898	4500	6000	7500
Operational Expenses				
Rent	1000	1000	1000	1000
Electricity	350	350	350	350
Water	50	50	50	50
Wages	1800	1800	1800	2200 ³
Insurance	50	50	50	50
Depreciation	45	45	45	45
Office supplies	50	50	50	50
Cleaning supplies	250	250	250	250
Miscellaneous	300	300	300	300
Total	3898	3898	3898	4298
Operating Profit/Loss per month	0	602	2102	3202
Operating Profit/Loss per year	0	7224	25224	38424

Break even sales

If your sales are less than K520 per day, you will make a loss. If your sales are more than K520 per day, you will make a profit.

³ Increased sales level will require additional staff.

Financing the Business

It is assumed that the business has been financed using savings rather than borrowed funds. However it is possible to approach various lending institutions to supplement savings with borrowed funds. Your local branch of the Small Business Development Corporation should be able to assist you in identifying these institutions.

Please be aware of the following facts about borrowed funds:

- 20 % of the project cost must be financed using savings, before the lending institution will consider lending the funds.
- The above expenses and profit must be adjusted to take into account the additional interest expense.
- A detailed projected cash flow statement must be prepared to ensure that the business generates enough cash to repay the loan.
- Borrowed funds introduce greater risk in a business. In general the greater the level of borrowed funds, the greater the risk.
- While SBDC may assist you in approaching lending institutions, it cannot guarantee the success of any loan application.

The start up cost for a kai bar business is around K32,000.00. Assuming we finance the business with a loan from a lending institution for 80 % of the start-up cost @ 14 % rate of interest as follows:

Start-Up Cost	=	32,000
Own Funds 20 %	=	6,400
Loan Funds 80 %	=	25,600
Interest @ 14 %	=	3,584 per year or 299 per month

Business Planning

Before turning your idea into an operating business, collect information and make plans to see if your business will be successful. Just like an engineer who prepares a plan before building a bridge, a business owner needs to prepare a business plan.

A business plan is a written document that describes in detail all aspects of your business. Preparing a business plan will help you to think carefully and find out if there are any weaknesses in your business idea.

Most importantly, a business plan gives an opportunity to try out your business idea on paper rather than in reality. It is much better to do a business plan and find out that the idea is not good than to start a business that will fail.

Where can you get help?

There are a number of organisations that can help you establish this business to include:

Name of Organisation	Address	Phone/Fax	Assistance
Small Business Development Corporation	P O Box 286 Waigani P.O. Box 1106 Kokopo P.O. Box 1613 Mt. Hagen P.O. Box 1092 Wewak	Ph 3250100 Fx 325-0801 Ph 982 8201 Fx 982 8664 Ph 542 1067 Fx 542 1275 Ph 856 3201 Fx 856 3204	Start Your Business training and business advise and assistance.
Small Business Development Corporation	P.O. Box 103, Lae	Ph 472 1677 Fx 472 3876	Technical training in food processing. Advice and assistance. Sourcing of equipment
Appropriate Technology & Community Development Institute	Private Mail Bag Lae, Morobe Province	473-4781 473-4303	Technical information and books Skills training. Technical advice.
Food Technology Section of the Department of Applied Science	Private Mail Bag Lae Morobe Province	Ph 473-4555 Fx 472-4067	Training and on-the-job experience
Appropriate Technology Development Institute	UniTech, Lae, Private Mail Bag, Lae, Morobe Province	473-4776	Technical Information Skills Training Consulting Services Technical Advice
Food Processing & Preservation Unit (FPPU)	P.O. Box 19 UniTech Lae	473-4562 475-7868	Technical training in food processing & quality control & hygiene. Sourcing of equipment

Suppliers

Contact Addresses/Numbers

Name of Supplier	Location	Mailing Address	Phone	Fax
Freezers, Cooking Equipment, Utensils etc.				
Brian Bell & Company Pty Ltd	Port Moresby	P O Box 1228, Boroko	3255411	3250167
	Goroka	P O Box 336, Goroka	7321622	7322048
	Mount Hagen	P O Box 88, Mt Hagen	5421999	5423279
	Eriku, Lae	P O Box 255, Lae	4721433	4721548
	Malekula Street, Lae		4723377	4723368
	Kokopo/ Rabaul	P O Box 1338, Rabaul	9829027	9829141
Cooking Equipment, Utensils etc.				
T.E. (PNG) Pty Ltd	Waigani	P O Box 1388, Boroko	3256322	3250350
	Port Moresby Voco Point Lae	P O Box 669, Lae	4726262 4726246	4721323
Kai Kai Cookware	Taraka, Lae	P O Box 565, Lae	4720511	4757299
Cash Register Suppliers				
Business Solutions	Port Moresby Lae	P O Box 1549, Boroko	3256311	3259182
		P O Box 1188, Lae	4723544	4722307
Chin H Meen & Sons Pty Ltd	Port Moresby	P O Box 1106, Boroko	3256644	3250134
High Tech Industries Pty Ltd	Port Moresby Lae	P O Box 2058, Boroko	3257477	3251820
		P O Box 4016, Lae	4725677	4725759
Sengco Niumecc Pty Ltd	Port Moresby	P O Box 4062, Boroko	3253841 3230742	3258295
Packaging Materials				
Lam's Trading Pty Ltd	Waigani, Port Moresby	P O Box 88, Boroko	3253321 3232382	3232802
W H Industries Pty Ltd	Port Moresby	P O Box 5020, Boroko	3251155	3251308
NPC & Austraphane Marketing	Port Moresby	P O Box 1175, Boroko	3253211 3253182	3255618
Raw Material Suppliers				
Patrick Transport	Gabutu, Port Moresby	P O Box 1758, Boroko	3217490 3217300	3217228
P&B Cheung Pty Ltd	Koki, Port Moresby	P O Box 573, Port Moresby	3213733 3214562	3217607
Choulai Trading Co	Port Moresby	P O box 168, Badili	3200888	3213618
Alotau Enterprises	Alotau	P O Box 27, Alotau	6411246	6411270
Andersons Foodland	Malaguna Road, Kokopo Eriku, Lae	P O Box 221, Kokopo	9821029	9829145
		P O Box 221, Kokopo	9829144	
		P O Box 415, Lae	4723991	4726342
	Madang		4722428	
	Koki, Port Moresby Kavieng	P O Box 266, Madang	8523055	8523347
	P O Box 3055, Boroko	3211111	3211144	
	P O Box 306, Kavieng	9842202	9842045	
Garamut Enterprises Pty Ltd	Wewak	P O Box 96, Wewak	8562106 8562356	8562324

Name of Supplier	Location	Mailing Address	Phone	Fax
	Maprik	P O Box 166, Vanimo	8581219	
George Seto & Co Pty Ltd	Wewak	P O Box 69, Wewak	8562822	8562439
J J Wholesalers Badili	Badili, Port Moresby	P O Box 781, Badili	3212188	3211281
Jimm Trading Pty Ltd	4-Mile, Port Moresby	P O Box 1026, Boroko	3255891 3258980	3250934
Madang Wholesale Pty Ltd	North Coast Road, Madang	NIL	8523611	
Voco Point Trading Pty Ltd	Voco Point, Lae	P O Box 4121, Lae	4724300 4724864	4723042
Lae Market Wholesale	Lae Market, Lae	P O Box 4121, Lae	4727044	4726862
N Poya (Group) Pty Ltd	Banz Minj	P O Box 57, Banz	5462273 5465521	5462325 5462325
Papindo Trading Co Pty Ltd	Coronation Drive, Lae	P O Box 885, Lae	4723322 4723001	4726133 4721225
Seeto Kui	Lae Gordons, Port Moresby	P O Box 456, Lae P O Box 1405, Boroko	4721111 4720906 3254700 3254215 3254761	4721335 4720890 3257208
Super Value Store Pty Ltd	Lae Mt Hagen Port Moresby	P O Box 1988, Lae P O Box 165, Mt Hagen P O Box 1180, Port Moresby	4721688 5422764 3252965	4726103 5422763 3230820
Tanpac (PNG) Pty Ltd	Gordons, Port Moresby	P O Box 6078, Boroko	3253705 3253499	3254737
Tropicana Pty Ltd	Port Moresby Kokopo	P O Box 6670, Boroko	3232377 3255677 9829188 9828526	3258677 9828523 9829166
M & S Tsang Pty Ltd	Madang	P O Box 19, Madang	8522428	8523016
Kabuka Trading Pty Ltd	Dobel, Mt Hagen	P O Box 264, Mt Hagen	5451355	
Ling's Freezer	Port Moresby Lae Rabaul	P O Box 1756, Boroko P O Box 1028, Lae P O Box 138, Rabaul	3254966 4720188 9821092	3250524 4720868 9821093
Steamships Trading Co Ltd., Wholesale Division	Gerehu, Port Moresby PMF, Badili, POM	P O Box 1, Port Moresby	3261243 3220276	3261419 3211275
Associated Distributors, Freezer	Lae	P O Box 3419, Lae	4724666	4720085 4723198
Associated Distributors Niugini	Lae	P O Box 4019, Lae	4724666	4720085 4723198
Pacific Products Pty Ltd	Port Moresby	P O Box 2777, Boroko	3252932	3250579

Appendix I - Scones

Ingredients:

1 kg Self Raising Flour
Water
Egg Yellow powder
Sugar to taste
Oil to fry

Method:

- Add water to the self raising flour and mix evenly.
- Add egg yellow powder and sugar to taste.
- Make balls of required size and fry in hot oil over medium flame until brown.

Expected output from 1 Kg flour 30 scones.

Costing:

Ingredients	Qty	Cost Kina	Update
Main - Flour	1 Kg	0.75	
Sugar	To taste	0.25	
Egg Yellow Powder		0.10	
Oil + Gas		0.08	
Total Ingredient Cost		1.18	
Output		30 pcs	
Cost per scone		0.04	

Selling Price:

Obviously your selling price cannot be below Kina 0.04.

To determine your selling price try and investigate prices for similar items available. If there is a similar item, then your price will be close to that price.

Probably a reasonable price for the above product will be K0.10.

Be prepared to review prices if either your product is not selling.

Be prepared also to substitute the above product if your product is not selling.

Appendix II - Fried Fish

Ingredients:

Frozen Filleted Barracuda Fish
Flour
Salt to taste
Oil to fry

Method:

- Defrost Fish.
- Cut Fish to 6-7 inches length.
- Batter with dry flour and then cover wholly with wet thick flour.
- Fry in hot oil over medium flame until golden brown.

Expected output from 10 Kg box of Frozen Fish 60 Pcs.

Costing:

Ingredients	Qty	Cost Kina	Update
Main - Fish	10 Kg	29.87	
Flour		1.20	
Salt		1.00	
Oil + Gas		4.00	
Total Ingredient Cost		36.07	
Output		60 pcs	
Cost per piece of Fried Fish		0.61	

Selling Price:

Obviously your selling price cannot be below Kina 0.61.
To determine your selling price try and investigate prices for similar items available.
If there is a similar item, then your price will be close to that price.
Probably a reasonable price for the above product will be K1.20.

Be prepared to review prices if either your product is not selling.
Be prepared also to substitute the above product if your product is not selling.

Appendix III - Soya Sauce Chicken

Ingredients:

Size 10 Chicken
Soya Sauce to taste
Sugar to taste

Method:

- Defrost Chicken.
- Boil Chicken with water. Add soya sauce and sugar to taste.
- Boil till cooked.
- Cut into 4 pieces.

Expected output from 1 ctn Size 10 Chicken 44 pieces.

Costing:

Ingredients	Qty	Cost Kina	Update
Main - Chicken	1 ctn	49.00	
Sugar	To taste	0.50	
Soya Sauce	To taste	0.50	
Gas		3.00	
Total Ingredient Cost		53.00	
Output		44 pcs	
Cost per quarter chicken piece		1.21	

Selling Price:

Obviously your selling price cannot be below Kina 1.23.
To determine your selling price try and investigate prices for similar items available.
If there is a similar item, then your price will be close to that price.
Probably a reasonable price for the above product will be K2.20.

Be prepared to review prices if either your product is not selling.
Be prepared also to substitute the above product if your product is not selling.

Appendix IV - Chips

Ingredients:

Par Fried Potato Chips
Oil to fry

Method:

- Defrost Chips.
- Fry in hot oil over medium flame until golden brown.

Expected output from 1 Kg par fried chips 5 bags of chips.

Costing:

Ingredients	Qty	Cost Kina	Update
Main - Par fried Chips	1 Kg	2.08	
Oil + Gas		0.60	
Total Ingredient Cost		2.68	
Output		5 bags	
Cost per bag of chips		0.54	

Selling Price:

Obviously your selling price cannot be below Kina 0.54.
To determine your selling price try and investigate prices for similar items available.
If there is a similar item, then your price will be close to that price.
Probably a reasonable price for the above product will be K1.20.

Be prepared to review prices if either your product is not selling.
Be prepared also to substitute the above product if your product is not selling.

Appendix V - Boiled Potato

Ingredients:

Potato

Method:

- Boil Potato

Expected output from 1 Kg potatoes 8 pcs.

Costing:

Ingredients	Qty	Cost Kina	Update
Main - Potato	1 Kg	1.60	
Total Ingredient Cost		1.60	
Output		8 pcs	
Cost per Boiled Potato		0.20	

Selling Price:

Obviously your selling price cannot be below Kina 0.20.

To determine your selling price try and investigate prices for similar items available.

If there is a similar item, then your price will be close to that price.

Probably a reasonable price for the above product will be K0.40.

Be prepared to review prices if either your product is not selling.

Be prepared also to substitute the above product if your product is not selling.

Appendix VI - Boilded Sheep Tongue

Ingredients:

Frozen Sheep Tongue

Method:

- Defrost Sheep Tongue
- Boil Sheep Tongue

Expected output from 1 ctn frozen Sheep tongue is 225 pcs approx.

Costing:

Ingredients	Qty	Cost Kina	Update
Main - Sheep Tongue	1 Ctn	134.48	
Total Ingredient Cost		134.48	
Output		225 pcs	
Cost per Boiled Sheep Tongue		0.60	

Selling Price:

Obviously your selling price cannot be below Kina 0.60.

To determine your selling price try and investigate prices for similar items available.

If there is a similar item, then your price will be close to that price.

Probably a reasonable price for the above product will be K1.20.

Be prepared to review prices if either your product is not selling.

Be prepared also to substitute the above product if your product is not selling.

Appendix VII - Boiled Lamb Flap

Ingredients:

Lamb Flaps

Method:

- Defrost Lamb Flaps
- Boil Lamb Flaps

Expected output from 1 ctn Lamb Flaps is 118 pcs.

Costing:

Ingredients	Qty	Cost Kina	Update
Main - Lamb Flaps	1 Ctn	46.97	
Total Ingredient Cost		46.97	
Output		118 pcs	
Cost per Boiled Lamb Flap Piece		0.40	

Selling Price:

Obviously your selling price cannot be below Kina 0.40.

To determine your selling price try and investigate prices for similar items available.

If there is a similar item, then your price will be close to that price.

Probably a reasonable price for the above product will be K0.80.

Be prepared to review prices if either your product is not selling.

Be prepared also to substitute the above product if your product is not selling.

Appendix VIII Boiled Saveloys

Ingredients:

Saveloys

Method:

- Boil Saveloys

Expected output from 1 ctn Saveloys is 220 pcs.

Costing:

Ingredients	Qty	Cost Kina	Update
Main - Saveloys	1 ctn	70.04	
Total Ingredient Cost		70.04	
Output		220 pcs	
Cost per Boiled Potato		0.32	

Selling Price:

Obviously your selling price cannot be below Kina 0.32.

To determine your selling price try and investigate prices for similar items available.

If there is a similar item, then your price will be close to that price.

Probably a reasonable price for the above product will be K0.70.

Be prepared to review prices if either your product is not selling.

Be prepared also to substitute the above product if your product is not selling.

Appendix IX - Stew Lamb & Rice

Ingredients:

2 onions chopped
 Diced Lamb Flap Pieces
 Assorted Chopped Vegetables
 Soya Sauce to taste
 Salt to taste
 Rice
 Cornflower

Method:

- Cook Rice in Rice Cooker
- Lightly Fry onion in hot oil over medium gas flame.
- Add Vegetables.
- Add Diced Lamb Flap Pieces.
- Cook till meat is done.
- Add soya sauce and salt.
- Prepare corn flour paste in water and add to the contents to get a thick gravy.

Costing (for 1 lunch box):

Ingredients	Qty	Cost Kina	Update
Diced Lamb Flaps	160 gms	0.55	
Vegetables & Onions		0.18	
Spices & Corn Flour		0.10	
Rice		0.14	
Gas & Oil		0.10	
Packaging		0.15	
Total Ingredient Cost		1.22	
Output		1 box	
Cost per Lunch Box		1.22	

Selling Price:

Obviously your selling price cannot be below Kina 1.22.
 To determine your selling price try and investigate prices for similar items available.
 If there is a similar item, then your price will be close to that price.
 Probably a reasonable price for the above product will be K2.50.

Be prepared to review prices if either your product is not selling.
 Be prepared also to substitute the above product if your product is not selling.

Woodson Commercial Cooking Equipment Brochure