

**THE PIT REVIEW**

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**University of British Columbia**

**COMM 486M**

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COMM 486M Section 204  
AMS Food Services - The PIT

Team #4

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As an AMS outlet, the PIT has a lot of potential not only to be profitable, but to add value to student's lives. Currently the space is not being utilized to its full potential, and it is continually losing money. With the main issue being underutilization, we saw two main causes as the driving force behind this. The first issue is a lack of marketing. Most AMS outlets rely heavily on word-of-mouth advertising, which has done incredibly well for places like the Gallery, though has not been enough to increase visits to the PIT. Although the PIT has a prime location inside the Nest, many students are not even aware that it is currently open and that there are regular events there other than the Wednesday night Pit Night's. To raise awareness, we propose that the PIT advertise on the television screens located inside various faculty buildings so as to inform students of all the PIT has to offer, and remind them that the PIT is an enticing option for food and drinks throughout the day. The AMS can also advertise through their weekly newsletter and social media to increase awareness. The second driving cause leading to underutilization that we identified is the large amount of competition in the area. Beyond the direct competition such as the Gallery, Mahoney's, Koerner's, etc. there is indirect competition as well with the other food outlets across campus. To address this issue, the PIT needs to stay competitive by offering quality food at a lower price than other non-AMS bars on campus. With the main goal of enhancing student's educational, social, and personal lives, the PIT can achieve this while differentiating itself from the competition by partnering up with faculties and clubs on campus. Although there are still certain risks associated with opening the PIT during the day and staffing it to serve food, we believe that with the implementation of our recommendations, the risk of failure will decrease significantly. Overall, we want the PIT to align with the overall mission and vision of the AMS, while allowing the PIT to be profitable.

# ABOUT AMS

**MISSION:**  
"TO IMPROVE THE QUALITY OF EDUCATIONAL, SOCIAL, AND  
PERSONAL LIVES OF STUDENTS OF UBC"



## THE PIT

The Alma Mater Society (AMS) within the University of British Columbia has been representing students since 1915. The AMS' mission is to "improve the quality of the educational, social, and personal lives of students of UBC". AMS' priorities are determined by students, and their work covers a wide array of activities ranging from supporting student clubs to operating multiple food vendors. (Please refer to Appendix A for AMS' business model canvas). The key point with regards to their operations is that they are a not-for-profit organization, and put a greater emphasis on representing every student's needs, as opposed to making profit.

One of the AMS' latest projects, the Nest, has been developed to better serve students. The AMS Nest vision consists of two pillars, to "ensure the centre of campus remains a student-centered hub of activity with a focus on the needs and desires of all students on campus" and to "create a welcoming space for all students to eat, shop, study, and socialize while leading the way in sustainability practices and goals." Unfortunately, one of the AMS owned outlets, called The PIT has been facing difficulties in increasing its revenue, and sustaining its operations, which is draining resources from the AMS' general fund, and detracting value from the student experience. We have been hired by the AMS' management team to analyze the potential for improving the PIT's operations, and suggest a comprehensive plan of action. When we were first approached with this project, the PIT was not open during the day, and it was stated that the main issue they were facing was finding staff. Since that time, the AMS has been able to solve their staffing issue, and the PIT has opened its doors during the daytime once again. Although the PIT is now open, there is still a considerable amount of work that needs to be done in order to make it profitable, as they are still having issues filling the place with customers.

# THE PIT

## SUMMARY OF KEY TAKEAWAYS FROM TOOLS



### THE PIT

The PIT was the first pub at UBC, and originally started its operations in one of building's ballrooms until they moved to a more appropriate location in the basement of the SUB. The PIT has a new location in the recently developed Nest, is fully equipped with AV, and features a 55 foot screen stretching across a wall. Today, the PIT has 406-person capacity, and is mainly known for its Wednesday nights in which the pub turns into a club with a dance floor.

We have performed a Porter's 5 analysis to get a better understanding of the ecosystem of the food vendors operating at UBC campus. The key takeaways from our analysis include high rivalry among existing competitors, especially the competition between AMS and UBC food services implying a high concentration ratio, and a medium threat of new entrants stemming from the recently developed residential/commercial buildings nearby. Lastly, as mentioned by the AMS management team, for a time they were having difficulties finding staff for the PIT, raising the employee's bargaining power to medium levels (please refer to Appendix C for a detailed Porter's 5 analysis). Our SWOT analysis indicates that the PIT's main strengths are having access to AMS resources, its established brand, and its ideal location at the center of the campus. We have identified the PIT's excessive reliability on Wednesday nights as well as underutilization to be their main weaknesses. the threat of new substitutes coming from new food vendors opening nearby as well as students being price sensitive also play a large role in our strategy. Finally, we have identified the lack of AMS-owned sports themed bar to be the main opportunity. (please refer to Appendix B for our SWOT analysis).

Given the importance of sustainability in today's society, we also performed a Triple Bottom Line analysis to evaluate the PIT's standing as far as sustainability initiatives are concerned (see Appendix E for details). The PIT is already doing very well in regards to their social and environmental impact, but need to work on enhancing their financial sustainability. Although they are not mainly concerned with profits, the PIT still needs to earn enough to sustain itself and continue to add value to the AMS's portfolio of services.



With the scope of our project, it was quite clear that the main issue the PIT is currently facing is that the space is currently being underutilized. The PIT has a capacity of 406 people, yet in the recent weeks since it has opened, it has been nearly empty for most of the day. We saw this main issue as being a result of a lack of awareness, and the high competition in the area. Many people on campus are not aware that the PIT is open during the day and serving food. Due to minimal marketing, many do not even think of the PIT when deciding where to eat or get a drink on campus during the day. Currently, the only marketing being done is fixed to one small blackboard in front of the outlet, and social media posts, which does little to attract the attention of those in the Nest, especially if they are not following the PIT on Facebook. In regards to the high competition in the area, our Porter's 5 analysis showed how saturated the market is for such a small area, and the PIT is currently not offering food that is comparable in quality. Currently, the PIT is only serving food that is sourced from their other outlets, Pie R Squared and Flip Side. This causes them to have a low variety of options, as well as a lower quality meal offering compared to their competition. In order to be profitable, the PIT will need to address these two issues in order to solve the problem they are currently facing in relation to underutilizing the space.



With those issues in mind, our main goal was to align our strategy with the overall mission and vision of the AMS. Because the PIT is an outlet in the Nest and owned by the AMS, it is important that the PIT is a proper representation of what the AMS stands for, and adds value to their overall vision. With the mission of the AMS being to “improve the quality of the educational, social, and personal lives of students of UBC”, our strategy for the PIT is to enhance students’ educational, social, and personal lives by offering an environment where they can engage with each other, purchase affordable and quality food, while ensuring financial sustainability.





# TATICS AND IMPLEMENTATION

To meet the strategy that we created for the PIT, we have developed two main areas that need addressing: marketing, and operations. Within operations, we believe that it is important for the PIT to fully utilize its kitchen and offer a food menu that meets the needs of students, and makes them more competitive to those offering a similar service. We also see a potential to further enhance the educational lives of students by further partnering with AMS clubs and faculties so that they are given an opportunity to utilize the space, without necessarily having to rent it out. By implementing these operational recommendations, the PIT is be more competitive on campus, which will lead to an increase in popularity, and help solve the issue of underutilization.

Secondly, we see a potential for the PIT to enhance its marketing strategy, as it is quite limited at the moment. Although word of mouth was a very successful approach for the Gallery to take in its marketing, this has not worked well for the PIT thus far. Awareness is extremely low, and it is clear the PIT needs to reach out to students in a different way than they currently are in order to draw more people into the PIT.



## OPERATIONS



ENHANCE THE  
FOOD MENU



COLLABORATE WITH  
STUDENT ORGANIZATIONS



SELECT AFFORDABLE  
PRICES

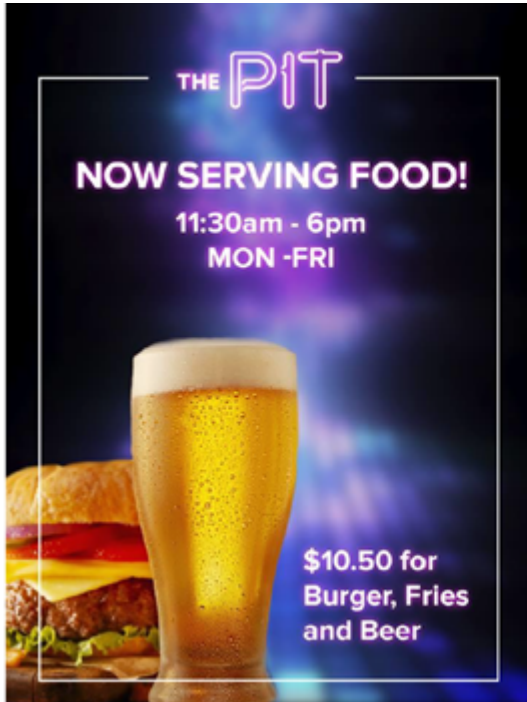
THE PIT

**A. Enhancing the food menu:** The current menu of the PIT is only comprised of basic burgers and pizzas that are outsourced from Flipside and Pi R Squared. Even though these types of food may qualify as a basic pairing option with a drink, the PIT still needs to offer additional options to make the business more viable. By hiring additional full time employees in the kitchen, the PIT should be able to offer more varieties of burgers, sandwiches, quesadillas, and salads to be more competitive. It is also recommended to launch an appetizer menu comprised of nachos, fries, wings, and calamari.. Our survey findings (Appendix F) show that the main concern for students looking for a place to eat on campus is the quality of the food. In order to meet this need, the PIT needs to utilize its kitchen to provide higher quality options than they currently are.

**B. Collaborating with other student organizations and faculty:** As previously mentioned, the PIT has the capability and resources to host special events for a large group of people. The PIT should leverage AMS' current connections with student clubs and encourage them to host public events at the PIT where anyone can freely come in and join. The PIT already has social events such as the PIT Night or Karaoke Night, but in addition to these events, there is an opportunity to reach out to other student clubs and allow them to run events in the PIT. Rather than having the clubs pay to rent out the space, we envision the PIT allowing clubs to run open invite events where both club members and regular patrons can participate in. This allows the AMS to further build that social relationship with AMS clubs, while encouraging more people to come to the PIT. An example of this could be allowing the UBC improv team to have their improv nights in the PIT, rather than just having it in a classroom on campus. This can be quite a popular event, and allows the club and the PIT to maintain a symbiotic relationship where they are given a space to perform, and the PIT is able to expand their customer base.

Beyond the AMS clubs, there are other student-run organizations such as Jump Start that can run their informational sessions at the PIT. Jump Start has hundreds of new international students participating in their kick-off events to learn more about the campus. The PIT would be the ideal place for these events because of its capacity, location in the NEST, and its association with AMS. These students will be exposed to the location and the ambiance of the PIT and will be likely return to the business for a drink. We also see a great potential for the AMS to reach out to faculty and staff at UBC and encourage students to showcase their work from certain classes in the PIT. For instance, a fine arts class would be able to present their artwork at the PIT and have a small showcase there, or an engineering class could show the projects they've been working on. Not only will this encourage more people to come to the PIT to see the work their fellow students are working on, this allows the PIT to enhance the educational experience customers have while visiting the PIT. By giving students and faculty the opportunity to learn more about the work other faculties are working on, this helps build a stronger sense of community, and allows students to experience and appreciate each other's work.

**C. Pricing Strategy:** Our survey (Appendix F) showed that the students are price sensitive to the food options available at the Nest, willing to spend only around \$10 for a meal. To meet the mission statement of AMS and stay competitive against other sports bars such as Mahoney & Sons, The PIT should offer their food options at a relatively affordable price level. The price level should be comparable to the Gallery's menu but lower than that of Mahoney & Sons and Koerner's Pub. The PIT should be able to leverage the current supply chain system of AMS food businesses to enjoy the economies of scale through bulk ordering.



## MARKETING



**Reposition the brand and raise awareness on AMS services by utilizing newsletters and TV screens on campus**

Currently the PIT is most known for their Wednesday night PIT nights. Students do not see it as a viable option for lunch or having a casual drink. Because of this, although the PIT has a lot of brand awareness, it is not able to leverage it in their favour. This is a major factor contributing to the underutilization of the space. By advertising that the PIT is now open, serving food at a reasonable price, and hosting regular events, the PIT will be able to reposition themselves so that students begin thinking of the PIT when deciding where to meet up with friends on campus.

We have identified three main channels that the AMS should leverage in order to reach students through advertising. The first involves utilizing the television screens located in the various faculty buildings around campus. This would allow the PIT to have a very far reach by advertising to students from all different faculties and areas around campus. It is also a relatively cheap option, that is likely to have a high return. The second option involves further advertising in the AMS newsletter. Beyond simply informing people that the PIT is now open, we think that advertising specific events throughout the week such as the karaoke, and open mic would assist in drawing in a larger crowd for these evenings. Finally, social media can be a powerful tool if used optimally. We can see that the PIT currently has a Facebook page where it advertises, but this is only able to reach those who have already liked their Facebook page. In order to advertise to a larger span of people, we suggest that the PIT create event pages as well, advertising the various events they host. Once an event page has been created for a specific event, employees should be encouraged to invite their friends, as well as post on the different UBC Facebook pages. This will allow them to reach a greater span of people.

Throughout these different advertising mediums, we think it is very important for the PIT to also advertise that any additional money made, goes back to students. Although everyone is aware that the AMS is a non-profit organization, many do not consider this when deciding where to eat on campus. If students are reminded that the money they spend at the PIT is going directly back to supporting student services, they are much more likely to want to spend their money there than at the non-AMS owned competition.

	Objectives	Metrics	Initiatives
<b>FINANCIAL PERSPECTIVE</b>	Achieve financial sustainability	1) Profit 2) Utilization 3) Number of transactions	Monthly monitoring
<b>CUSTOMER PERSPECTIVE</b>	Satisfy students' needs while taking into account price sensitivity	1) Direct feedback (incl. surveys)	Daily monitoring
<b>INTERNAL PERSPECTIVE</b>	1) Maintain a productive staff 2) Stay aligned with AMS' sustainability guidelines	1) # of customers served per 1 staff 2) Turnover 3) Waste disposal	Monthly monitoring
<b>LEARNING &amp; GROWTH PERSPECTIVE (AMS)</b>	Continuously work to enhance student's quality of educational, social and personal lives	1) Direct feedback (incl. surveys)	Monthly monitoring

**Financial Perspective:** Financially speaking, we want the PIT to generate enough revenue to cover its costs, and achieve self sufficiency in the short-run. Over the long-run, ideally, we want the PIT to achieve comparable levels of financial viability with the Gallery given that the AMS management team is currently content with the Gallery's operations. To measure this object, we propose using standard metrics used in the restaurant industry including profit, number of transactions and utilization.

**Customer Perspective:** we propose satisfying students' needs and demands while taking into account their price sensitivity, as the PIT's objective given that it is aligned with AMS' overall mission. In order to measure this objective, we recommend using direct feedback through surveys. To encourage instant feedback from consumers, we propose setting up an iPad close to the exit where customers can simply indicate if they were happy, satisfied, or dissatisfied with their visit, and give them the option to leave additional comments. This will allow us to gauge how successful the PIT is with meeting student needs.

**Internal Perspective:** as previously mentioned by the AMS management team, staffing has been a significant issue. Our objective is to maintain a productive workforce for the PIT. We propose using various metrics such as employee retention for workforce management, and number customers served per one employee for productivity measurement. Additionally, we want the PIT to follow world-class sustainability guidelines set by AMS/UBC, and we recommend using metrics such as waste disposal for sustainability purposes.

**Learning & Growth Perspective:** The AMS' mission is to improve the quality of educational, social, and personal lives of the students of the UBC. With each outlet they own, and each service they provide, the AMS must consider these three pillars and use their resources as efficiently as possible to provide maximum value. Currently, the PIT is an outlet that is losing money, which means it is wasting resources and therefore detracting value. In the future, the PIT should be an outlet that provides a good experience for students, as well as generate enough resources to sustain its operations, and fund other student services. In addition, the PIT can facilitate customer surveys and informational events through which AMS can learn more about the students' needs. Success can be measured, customer survey outcomes, overall profitability of all AMS outlets, and the variety and quality of services provided.

# RISK AND MITIAGATION

Risk	Likelihood of Occurrence	Brevity of Consequences	Mitigation
<b>Staffing Issues if Demand Increases:</b>	<b>Medium</b>	<b>High</b>	<b>Advertise Open Positions to Students on Campus:</b>
<b>Cannibalizing Gallery's Profits:</b>	<b>Medium</b>	<b>Low</b>	<b>Offering an Experience at the PIT that is Different from the Gallery</b>
<b>Low Turnout/Minimal Revenues:</b>	<b>Low</b>	<b>Severe</b>	<b>Marketing/Partner with Clubs</b>

**Staffing Issues if Demand Increases:** Although the staffing problem has been solved for the moment, there is the potential for it to be an issue again if demand drastically increases. We determined that scaling the PIT could be a potential problem, especially in the staffing department. Daniel stated that the staffing issue has been solved, though in speaking with a current employee at the PIT, he mentioned that the PIT is currently using employees from the Gallery to work during the day. Because the two restaurants are sharing employees, we see a possibility for the pool of employees to be too small to support both businesses if they both become busy and successful. If this does occur, the AMS will not have enough staff to support both restaurants, leading to a decrease in value for the consumer if they have to be turned away or receive bad service as a result.

**Mitigation - Advertise Open Positions to Students on Campus:** If the PIT were to advertise open positions at a booth in the Nest or elsewhere on campus, this would be a great way to gain some exposure and share the benefits of working for the AMS on a more broad scale. Because UBC is so out of the way for most people, we believe that advertising specifically to students would be more beneficial than openly advertising outside of campus.

**Cannibalizing Gallery's Profits:** If the PIT is open during the day and serving a full menu, there is a chance that those who currently are going to the Gallery may switch over to the PIT, leading to an overall loss for the AMS. The concern here is that the Gallery and the PIT will be competing with each other for customers. We strongly believe, however, that both restaurants are offering different experiences, and with our recommendations, the PIT and the Gallery will be appealing to two different customer segments. The overall impact on the AMS should this occur would be relatively low. Because any profits from the restaurants all goes into the same pool, even if the PIT and the Gallery start competing with one another, the overall profit going towards the AMS with stay relatively the same.

**Mitigation - Offering an Experience at the PIT that is Different from the Gallery:** We aim to position the Gallery as a nice place to grab a fairly quick meal, whereas the PIT will be advertised more as a pub/sports bar where people are encouraged to stay for longer periods. Additionally, we will be providing a variety of events in the evenings at the PIT, which appeals to a different crowd than those wanting to go to a restaurant for only a meal.

**Low Turnout/Minimal Revenues:** There is always a risk that even with our recommendations, the PIT will not gain traction and become popular, leading to a further decrease in profits for the AMS. Because there is already such high demand at pubs on campus, we believe that opening the PIT and advertising its presence to students will draw in a large crowd as soon as its presence becomes known. Although the chances of occurrence are low, if this does happen, the consequences are severe because it will be a further drain on AMS resources, pulling money away from other area which may provide more value for students.

**Mitigation - Marketing/Partner with Clubs:** If our original marketing recommendation is not successful, the AMS can further engage with students to determine if the marketing campaign is reaching them, or if a different approach is needed. Beyond that, in order to provide value for students, if the PIT is still empty during the day, the AMS can reach out to student clubs and allow them to host events there. This will draw in more of a crowd and provide students a place to engage with one another and utilize the space.



# SUMMARY

## EDUCATIONAL

Partnership with faculty, clubs  
and Jump Start

## SOCIAL

Offer a safe outlet for students  
to socialize  
Space to meet new people

## PERSONAL

Satisfying the price sensitivity  
of students  
Space to meet people



Our main goal with our recommendations and strategy is to align the PIT with the mission of the AMS and enhance the educational, social, and personal lives of students. We believe that the partnership with AMS clubs and faculties allows the PIT to meet additional educational elements for students by exposing their customers to knowledge and experiences they may not otherwise have the opportunity to engage with. The PIT already has the infrastructure in place to enhance the social lives of students on campus, it simply needs to expand its reach so that more students have the opportunity to experience the great things the PIT already has to offer. We believe that implementing our marketing strategy will allow the PIT to do this. Finally, the PIT can meet the personal needs of students by offering affordable, quality meals.



## Appendix A:

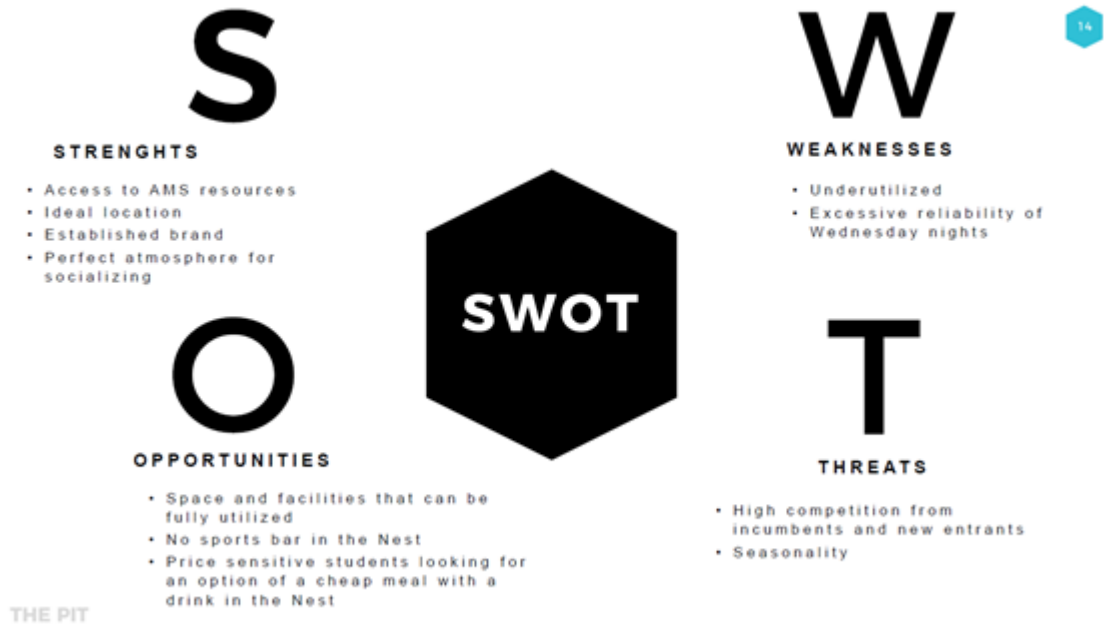
The Business Model Canvas		Team or Company Name AMS Nest	Date 03/21/2017	<input checked="" type="checkbox"/> Primary Canvas <input type="checkbox"/> Alternative Canvas
<b>Key Partners</b> <small>Who are our Key Suppliers?            Who are our Key Suppliers?            Which Key Resources are we acquiring from partners?            Which Key Activities do partners perform?</small> <ul style="list-style-type: none"> <li>University of British Columbia</li> <li>Students</li> <li>Suppliers (UBC Farm)</li> <li>Employees</li> </ul>	<b>Key Activities</b> <small>What Key Activities do our Value Propositions require?            Our Distribution Channels?            Customer Relationships?            Revenue streams?</small> <ul style="list-style-type: none"> <li>Representing the student body</li> <li>Providing value for students</li> <li>Selling food through various vendors</li> <li>Managing student clubs</li> <li>Organizing social events for students</li> <li>Overall, enhancing the academic, social, and personal lives of students</li> </ul>	<b>Value Proposition</b> <small>What value do we deliver to the customer?            Which one of our customer's problems are we helping to solve?            What bundles of products and services are we offering to each Customer Segment?            Which customer needs are we addressing?            Which customer needs are we creating?</small> <ul style="list-style-type: none"> <li>Providing students with the resources needed to enhance their university experience by creating value in their academic, social, and personal lives.</li> </ul>	<b>Customer Relationships</b> <small>What type of relationship does each of our Customer Segments expect us to establish and maintain with them?            Which areas have we established?            How are they integrated with the rest of our business model?            How can we improve?</small> <ul style="list-style-type: none"> <li>Provide students with affordable meals on campus</li> <li>Engage with students with various social events</li> <li>Provide students with the resources needed to maintain physical and mental health.</li> </ul>	<b>Customer Segments</b> <small>For whom are we creating value?            Who are our most important segments?            How can we improve?</small> <ul style="list-style-type: none"> <li>Students</li> </ul>
<b>Key Resources</b> <small>What Key Resources do our Value Propositions require?            Our Distribution Channels?            Customer Relationships?            Revenue Streams?</small> <ul style="list-style-type: none"> <li>Employees</li> <li>Student fees</li> <li>Physical locations</li> <li>Student body</li> </ul>		<b>Channels</b> <small>Through which Channels do our Customer Segments want to be reached?            How are we reaching them now? How are our Channels integrated?            Which areas work best?            Which areas are most cost-efficient?            How are we integrating them with customer segments?</small> <ul style="list-style-type: none"> <li>The AMS Nest</li> <li>E-mail</li> </ul>		
<b>Cost Structure</b> <small>What are the most important costs inherent to our business model?            Which Key Resources are most expensive?            Which Key Activities are most expensive?</small> <ul style="list-style-type: none"> <li>Variable costs (wages and certain raw materials)</li> <li>Fixed costs (mostly overhead related to the physical location)</li> </ul>		<b>Revenue Streams</b> <small>For what value are our customers really willing to pay?            For what do they currently pay?            How are they currently paying?            How would they prefer to pay?            How much does each Revenue Stream contribute to overall revenue?</small> <ul style="list-style-type: none"> <li>Student fees</li> <li>Selling food and beverages on campus</li> </ul>		

## The Business Model Canvas

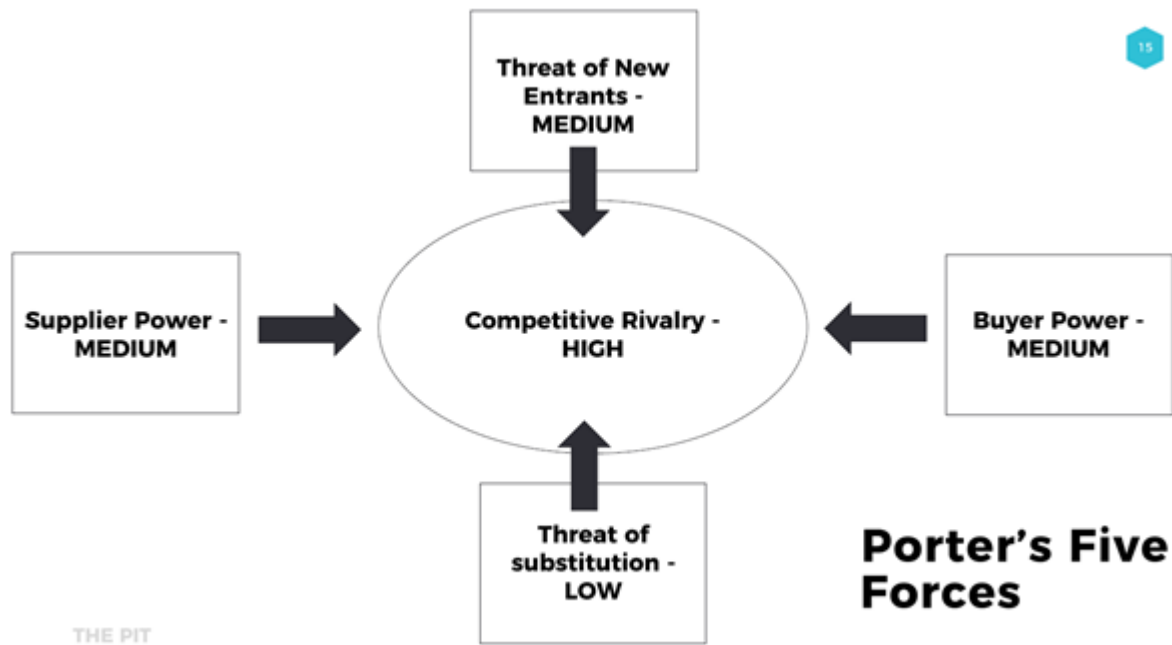
We completed a business model canvas with the intention of gaining a greater understanding of the purpose of the AMS, and how they operate. It shows us that their main concern is creating value for students, and by mapping out the overall strategy of the AMS, we are better able to determine where the PIT fits into this large organization. Our goal is to align our strategy and recommendations for the PIT, with the overall strategy of the AMS so that it may complement the overall goal of the organization.



## Appendix B:



## Appendix C:



### **Threat of New Entrants - MEDIUM**

Generally speaking, it is difficult to open a new restaurant on campus given the complications involved in acquiring permits, and leasing desired locations from UBC, causing the barriers to entry be high; however, there is a new threat coming from the recently developed commercial/residential buildings that provide appropriate locations for new food vendors to operate which in turn increases the barriers to entry.

### **Industry Rivalry - HIGH**

The AMS and the UBC Food Services directly compete with each other, and both operate a variety of restaurants under their umbrellas. The majority of the Food & Beverages category is dominated by these two players making the concentration ratio and the rivalry among these players to be high.

### **Bargaining Power of Buyers - MEDIUM**

By looking at the food offering in isolation, we can argue that buyers experience a high bargaining power given a high availability, and low proximity of food vendors around campus, however, aside from Mahony and Sons, no other restaurant focuses on sports events lowering the bargaining power of buyers. Overall, we have determined the bargaining power of buyers to be at a medium level.

### **Bargaining Power of Suppliers – MEDIUM**

The main suppliers are identified to be raw ingredient suppliers. The products that they supply are more less like commodities making the bargaining power of suppliers to be low. In addition, other suppliers are identified to be employees who supply their labour. As suggested by the AMS management team, finding appropriate staff to work for AMS-owned businesses has been an issue. If AMS wants to hire staff, they must be able to provide decent wage/benefits causing the bargaining power of employees to be high.

### **Threat of substitutes – LOW**

People may decide to bring homemade lunches to school with them. We consider this a low threat because, although this substitute is active, there is still a lot of demand for restaurants, and in addition to providing food, we are also providing an experience. Although price-conscious consumers may prefer to bring their own food rather than buying it on campus, we anticipate that we can counteract this by making the PIT engaging for students, further incentivising them to eat/drink there.

## Appendix D:



### Break Even Analysis

		# of Staff				
		3	4	5	6	7
Working Hours	8	37	49	62	74	86
	9	42	56	69	83	97
	10	46	62	77	93	108
	11	51	68	85	102	119
	12	56	74	93	111	130

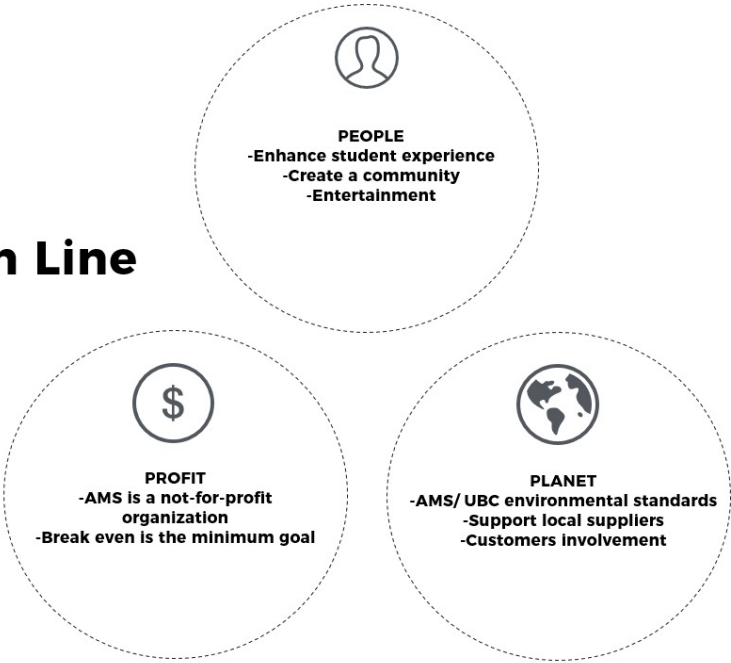
THE PIT

By analyzing the data provided by the AMS, we can see that the AMS needs to sell 77 items per day in order to break even. This is based on 36% Cost of Goods Sold (COGS), 5 employees, 10 working hours, \$11.27/ hour as wages and \$11.41 average spent at the PIT, in-line with the average spent at Gallery 2.0.

Furthermore, we have performed a sensitivity analysis by changing number of staff, and working hours variables indicating the PIT needs to sell anywhere from 62 to 93 items in a 10 hour day (depending on the number of employees) to break even.

Appendix E:

# Triple Bottom Line



THE PIT

**Social:** The PIT, an AMS owned sports bar has been one of the prime locations for students to watch games, meet friends alongside a drink, and have fun. The PIT is there to enhance the student experience, create a community, and provide an opportunity for students to connect with each other and have a good time while on campus. The PIT is currently achieving this in certain aspects, specifically with their very popular PIT Night’s on Wednesdays, though we see an opportunity for them to expand their offering in this area. Because it is currently being underutilized, the space the PIT is occupying is not reaching its full potential to meet the social needs of the university.

**Financial:** Being a non-profit organization that aims to enhance student experience on campus, profits are not the top priority for the PIT or the AMS. Although profits are not a priority, in order to satisfy the three pillars of the AMS’ mission statement, the PIT still needs to be successful. Any additional money made from this outlet will go directly back into student initiatives, so it is important that although the AMS does not seek profits, they do still need them in order to best serve the student body.

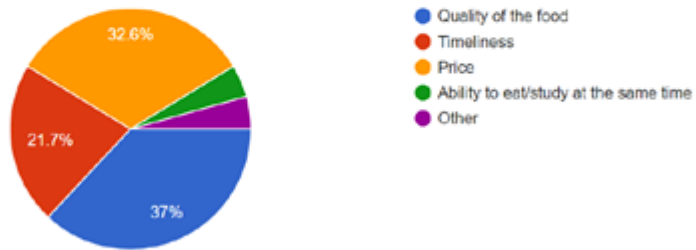
**Environmental:** Currently, the PIT under the AMS is doing very well surpassing environmental sustainability initiatives. As an AMS outlet, the PIT is aligned with their vision to lead the way in sustainability practices and goals. As with all outlets in the Nest, they do not use styrofoam, and all takeout containers and utensils are environmentally friendly, and it is located in a building that has the highest Green Building rating in North America.

## Appendix F:

### Survey Findings #1

17

When deciding where to eat, you based your decision on: (46 responses)

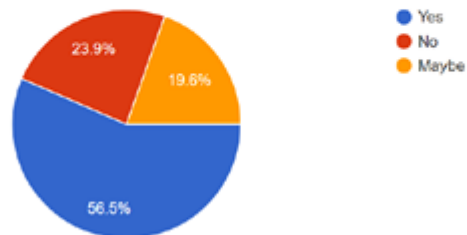


THE PIT

### Survey Findings #2

18

Would you go to the PIT to watch big games like UEFA champions league or Premier league?  
(46 responses)



THE PIT