



Facility Project

By:

Eva Star

Louisa Bayoud

Talin Haroonian

Chise Kondo

Kyosuke Takizawa

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HISTORY

Subway sandwich shops began in 1965 when a high school graduate named Fred Deluca decided he needed to find a way to pay for his college education. Back in 1965 he was working at a minimum wage job. Later he realized that something more would be needed to achieve his goal of attending college. Searching for a way to help pay for his education, a family friend suggested he open a submarine sandwich shop. With a loan of \$1,000, the friend, Dr. Peter Buck,



offered to become Fred's partner, and a business relationship was forged that would change the landscape of the fast food industry.

Deluca rented a store, built a sandwich counter, bought some used kitchen equipment and shortly thereafter opened his doors. Deluca says about Buck, "He learned as he went, no business plan, just ambition, luck and listening to his customers." The shops had business but no profit. At times, they lost money. However Deluca and Buck kept pushing forward. The original name, "Pete's Submarines," changed to "Pete's Subway."

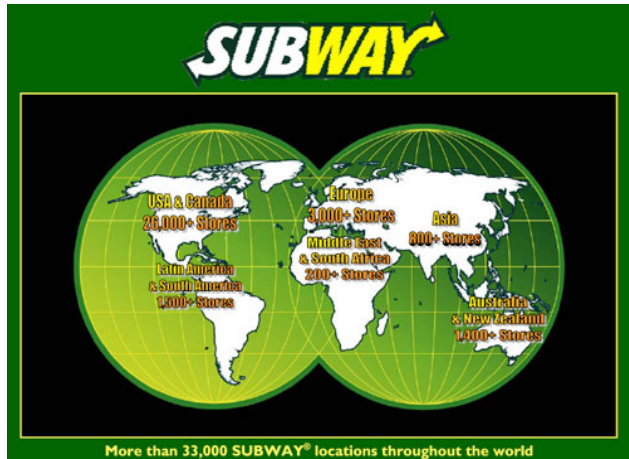
GROWTH



The first store was opened in Bridgeport, Connecticut, in August, 1965. Within a year, they opened a second store and shortly after opened a third. Then, they set a goal of having 32 stores opened



in 10 years. By 1974, the duo owned and operated 16 submarine sandwich shops throughout Connecticut. By this time Buck and Deluca decided to focus on franchising as a way to open more shops. By 1978, after just four years, there were 100 subway shops. By 1982, there were



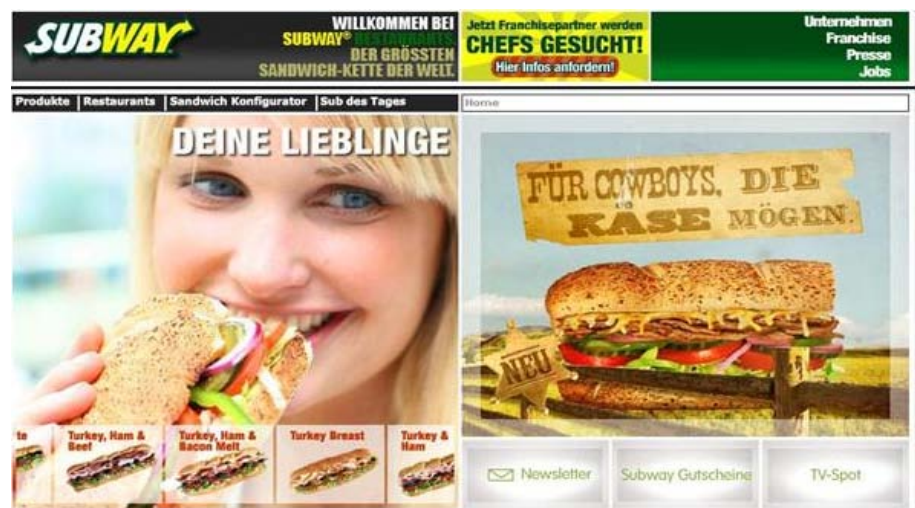
200, and in 1987 they passed the 1,000 mark of franchise shop openings. The growth has continued. Subway sandwich shops have more units than even McDonald's. As of 2008, they operated in 87 countries with 30,000 shops open. They have been rated repeatedly as the number one franchise opportunity. Today, the

Subway brand is the world's largest submarine sandwich chain with more than 34,000 locations around the world.

In addition to traditional restaurants, Subway operates in many non-traditional locations. There are over 900 Subway locations inside Wal-Mart stores and 200 on military bases,

including several in Iraq and Afghanistan, in

addition to three located inside the Pentagon, as well as an increasing number on college and university campuses. In



the UK and Ireland the Subway chain continues to expand at a phenomenal rate with an average of five stores opening every week. In fact, Subway sandwich shops have opened in very unique



venues such as an aluminum smelting plant in New Zealand, a car wash in Toronto, and even a church in Buffalo, New York, which is operated by the church to help provide job skills to underprivileged youth in the community.

The company has firmly established itself in Europe, an excellent base from which to expand. The European market is very important for the Subway chain and in 2002, the company opened a European headquarters in Amsterdam to manage growth and oversee operations in the region. The Subway chain currently has nearly 1,200 locations in 24 European countries such as, France, Greece, Hungary, Portugal and most recently, Slovenia.

Subway first ventured outside North America when the first location opened in the small Middle Eastern island nation of Bahrain in December of 1984. Since then, the Subway concept has gone around the world, with restaurants opening from Argentina and Zambia. Now, at 33,599 restaurants in 92 countries, the chain is poised to become the world's largest restaurant brand, in terms of number of location.



COMMERCIAL SITE

Subway is a commercial establishment. It traditionally caters to customers who have choices in where to eat, and in which selling food is usually profit driven as opposed to noncommercial foodservice which is not profit driven and caters to individuals that have little choices. Subway is a fast food or quick service commercial chain that provides a healthy meal to customers in a short period of time.



MISSION STATEMENT

Subway's mission statement is based on a philosophy that helps guide their business on a daily basis. Subway restaurants provide tools and knowledge to allow entrepreneurs to successfully compete worldwide by consistently offering value to customers through providing great-tasting food that is good for them and made the way the customer likes it. Subway restaurants are committed to keeping their customers happy by providing them with the freshest, healthiest and nutritious service any fast food chain can deliver.

MARKET ANALYSIS



Within a 3 –mile radius of the Subway restaurant location, there are 2 other fast food chains; there is a Burger King and a Panda Express. Success in the sandwich segment requires operators to work significantly



harder than they did just a few years ago. Competition has intensified, with hamburger chains such as Burger King experimenting with sub sandwiches as menu additions. Subs seem to be a category anyone can participate in. Another fast food chain that has been competing with Subway is Quiznos. Quiznos is also very famous for their sub sandwiches and fast service. But by far Subway has lead in the competition. Subway , the number one sub sandwich chain , claims to have more than 33,000 locations in 92 countries, earning more than \$11 billion in 2007.



Quizno's, on the other hand, has more than 5,000 locations in 20 countries, earning \$130 million in 2004. Subway effectively competes with burger chains and others that are in the fast-casual segment of the market. Including healthier meals into its menu and giving much attention to obesity and diabetes have supported consumers' choice for Subway.



MANAGERIAL INTERVIEW:

Assistant Manager: Mike Burks

Location: 18111 Nordhoff St.

Northridge CA. 91330

#11557 CSUN

1. How long have you worked at this facility/organization?

This January it will be 5 years.

2. What are your hours of operation?

Monday-Thursday 7: 00 am-8:00 pm

Fridays-7:00 am-5:00 pm

3. What are your daily responsibilities?

Oversee store operations: Managerial duties, employee scheduling, cashier, sandwich orders,

Closing and -locking up and also closing out the register at nights.

4. What time is the busiest?

Lunch time 12:00pm-2:00pm

5. How many customers do you serve daily?

Around 200-250 people.

6. How many employees do you have?

There are 15-16 employees.

7. How many part time?

The employees are all part time.

8. How many full time employees?



The 1 manager 1 assistant manager and 3 supervisors (shift manager) are all full time.

9. What are your 3 bestsellers on the menu?

- a. Chicken breast
- b. Turkey
- c. Spicy Italian

10. Which sandwich does not do too well on the menu?

The veggie delite.

11. Who is your competition?

Quizno's – but we are closing them down big time.

12. What is your company's strength?

It is a healthy choice and also cheap. For a full meal which is \$7.10 a person can get full and be satisfied.

13. What equipment is central in your facility?

- a. Toaster
- b. Poofers
- c. Bread ovens

14. What do you think attracts customers?

- a. A meal made in less than 5 min.
- b. It is healthy.
- c. Good customer service and hospitality.

15. Is nutrition information available for customers?

Yes –upon request.



MENU ANALYSIS



Subway the largest and fastest growing fast-food franchise and is proud to offer an extensive variety of sandwiches with different breads, salads, soups, and breakfast options. The fast food restaurant setting has no table service, and proposes to the

customer to design his/her own sandwich by the “assembly line” food preparation.

The restaurant has a walk through arrangement, where the client orders in one place and pays at another location. As an example, the client will choose:

1st choice of breads (6” or foot long)	2nd choice of cheeses	3rd choice of meat	3rd choice of vegetables	4th choice of condiments
Italian white	American, processed	Chicken patty, roasted	Banana peppers	Bacon
Grain wheat	Monterey Cheddar, shredded	Chicken strips	Cucumbers	Chipotle southwest sauce
Parmesan Oregano	Mozzarella	Cold cut combo meals	Green peppers	Honey mustard sauce (fat free)
Honey oat	Natural Cheddar	Egg white patty	Lettuce	Light mayonnaise
Hearty Italian	Pepper jack	Ham	Spinach lettuce	Mayonnaise
Monterey cheddar	Provolone	Italian B.M.T. meats	Onions	Pepperoni
Italian Herbs & cheese	Swiss	Meatballs	Pickles	Ranch dressing
Roasted garlic		Roast beef	Olives	Red wine vinaigrette (fat free)
Flatbread		Sausage, breakfast	Tomatoes	Sweet onion sauce (fat free)
Wrap		Seafood sensation		Vinegar
		Steak		
		Subway club		



1 st choice of breads (6" or foot long)	2 nd choice of cheeses	3 rd choice of meat	3 rd choice of vegetables	4 th choice of condiments
		meats		
		Tuna		
		Turkey breast		
		Veggie patty		

The restaurant has added a variety of options for:



Salads (with 6g of fat or less): Black forest ham, Oven roasted chicken breast, Roast beef, Subway club, Sweet onion chicken teriyaki, Turkey breast, Turkey breast & ham, and Veggie delite.

Breakfast: with a choice of egg muffin melts regular egg or egg white, on 6" or foot long omelet sandwich, and flatbread with breakfast side of hash browns (4 pc)

- Egg (white) & cheese,
- Black forest ham, egg (white) & cheese,
- Double bacon, egg (white) & cheese,
- Mega
- Sausage, egg (white) & cheese
- Steak, egg (white) & cheese
- Western egg (white) with cheese



8" Pizza: Cheese, Cheese & veggies, Pepperoni, and Sausage



Soups: Chicken tortilla, chipotle chicken corn chowder, chicken & dumpling, chili con carne, cream of potato with bacon, Fire-roasted tomato Orzo, Golden broccoli & cheese, Minestrone, New England style clam chowder, Roasted chicken noodle, Rosemary chicken dumpling, Spanish style chicken & rice with Pork, Tomato garden vegetable with rotini, Vegetable beef, and Wild rice with chicken.

Chips: Baked Lay's, Baked Lay's sour cream and onion, Doritos Nacho, Lays Classic, Sunchips harvest cheddar.



Desserts and cookies: Chocolate chip, chocolate chunk, double chocolate chip, M & M, Oatmeal raisin, Peanut butter, Sugar cookie, White chip macadamia nut, Apple pie, Apple slices, and Yogurt Dannon Light & fit.

Beverages: Bottled juice, sweetened tea (available from 16, 21, or 32oz), unsweetened tea (available from 16, 21, or 32oz) diet/unsweetened tea (available from 16, 21, or 32oz) , Juice box, Milk (low fat, chocolate flavored reduced fat, strawberry flavored reduced fat)

Kids Meal Sandwich: Veggie delite, Black forest ham, Roast beef, and Turkey breast.





TURKEY SANDWICH



Nutrition Facts		
Serving size 1 Footlong		
Serving Size (g)		438
Calories		570
Cal from Fat		60
		% DV
Total Fat (g)	7	11
Sat. Fat (g)	1.5	7.5
Trans Fat (g)	0	
Chol. (mg)	40	13
Sodium (mg)	1830	76
Carb. (g)	94	31
Dietary Fiber (g)	10	40
Sugars (g)	11	
Protein (g)	35	
Vit. A		15
Vit. C		40
Calcium		10
Iron		35



Oven Roasted Chicken Sandwich



Values include 9-grain wheat bread, lettuce, tomatoes, onions, green peppers and cucumbers

Nutrition Facts		
Serving size 1 Footlong		
Serving Size (g)		466
Calories		640
Cal from Fat		80
		% DV
Total Fat (g)	9	14
Sat. Fat (g)	2.5	12.5
Trans Fat (g)	0	
Chol. (mg)	45	4
Sodium (mg)	1490	62
Carb. (g)	97	32
Dietary Fiber (g)	11	44
Sugars (g)	14	
Protein (g)	46	
Vit. A		15
Vit. C		60
Calcium		10
Iron		30



Spicy Italian Sandwich



Values include 9-grain wheat bread, lettuce, tomatoes, onions, green peppers, cucumbers and cheese

Nutrition Facts		
Serving size 6"		
Serving Size (g)		233
Calories		520
Cal from Fat		250
		% DV
Total Fat (g)	28	43
Sat. Fat (g)	11	55
Trans Fat (g)	0.5	
Chol. (mg)	65	22
Sodium (mg)	1830	76
Carb. (g)	47	16
Dietary Fiber (g)	5	20
Sugars (g)	7	
Protein (g)	22	
Vit. A		10
Vit. C		20
Calcium		10
Iron		20



TARGET MARKET

Subway restaurants cater primarily to students, and busy people on the go who like low-fat and calorie low healthy sandwiches. The healthy fast food also developed a very smart



campaign around “Jared”, a busy college student, who had undergone a diet on his own by eating only Subway sandwiches and had lost a significant amount of weight.

Subway restaurants provide easy-to-prepare sandwiches. They are made right in front of the customer. The fast food service offers healthy food choices with minimal table service, instead of the regular burger and fries joint. They use daily freshly baked breads, choice of sauces and a multitude of tasty toppings. They pride themselves in supplying a well-made, high quality produce with outstanding customer service.

MENU IMPROVEMENTS

Upon analyzing the most successful sandwiches sold at this subway location, the Nutrition Value chart supplied by the company did not give the % Daily value. This % DV is a very vital piece of information for the consumer, because it provides a reference to the dietary guidance and the goal to stay within the public health experts’ recommended value of a diet based on a 2,000 daily calories.

Upon calculating the % DV, I realized that all those





sandwiches have a high level of sodium in one meal. The recommended sodium intake for one meal should be about 33 % DV. Since Subway claims to provide healthy and fresh food, they should look into lowering the salt level. Sodium is responsible for hypertension and about 24% of the US population suffers from high blood pressure.



FACILITY ANALYSIS

Equipment

- 2- cash registers
- Bread Oven/Proofer
- Oven
- Refrigerator/retarder
- Soda machine
- Toaster oven
- Microwave

Bread Oven/Proofer Model OP-2LFM NU-VU

This proofer system is NU-VU is a complete baking center. It is a unique fast cooking apparatus with perfect distribution of heat with a faster cooking time. The oven contains a water compartment to keep an even humidity level. A fan gives out evenness of heat and humidity throughout the whole proofer.

Specification:



- 78" tall X 35" wide X 22" deepProf
- 9 shelves capacity
- Volts 120/208 UL/NSF



Tornado 2 Oven

This Tornado 2 Rapid Cook Oven is electric and does not need a vent. It has a multi-speed control (digital) and a multi-speed convection blower. The oven offers 128 cooking profiles with an internal catalytic converter.

Specifications:

- Voltage 208/240V
- 30.0 amps
- Weight 190 lbs.



Refrigerator Retarder



The recess refrigeration fridge is used, because the frozen dough is specially formulated. This fridge has a high humidity, with automatic condensate evaporation. It allows quick recovery for the bread thawing process and is an excellent apparatus for bakery products.



LABOR ANALYSIS

The CSUN's Subway restaurant facility has total of 22–23 employees. The Subway has 6 positions available for their employees which are Multi-Unit Manager, Manager, Assistant Manager, Shift Manager, Senior Sandwich Artist, and Sandwich Artist. Multi-Unit Manager does not always stay in the facility because his or her role is total management of the multiple facilities. A front line manager usually manages one facility.



CBS

The employment options for the employees are categorized into 6 full time employees and 16 short-hour employees. The Multi-Unit Manager, Manager and Assistant Manager all are salaried employees. The 3 Shift Managers are full-time and receive hourly wages. 16 short-hour employees work an average of 10 hours per week, which have the full-time equivalent of 4 full-time employees.

The job description for those positions is the following;

1. Multi-Unit Manager

- a. Does not always stay in one facility because his or her role is to manage more than one facility.
- b. Coordinates and supports all activities in the Subway restaurants' assigned geographic area, trains coaches and supports the manager of each facility.
- c. Plans and sets business goals with the Subway restaurant owners.



- d. The Multi-Unit Manager provides direction, leaderships and supervision to all staffs including managers in the Subway restaurants' geographic area to ensure compliance with franchisor standards.
- e. Ensure that correct operational procedures are followed and corrective actions are taken.
- f. Supports local and national marketing initiatives.
- g. Multi-Unit Manager needs to complete online course work on the University of Subway.

2. Manager

- a. Performs and directs overall restaurant management.
- b. Maintains business records and analyze business records to increase sales.
- c. Supports local and national marketing initiatives.
- d. Recruits, rewards and terminates staff if it is needed.
- e. Identifies and contacts prospective customers to promote sales
- f. Plans special events and promotions

3. Assistant Manager

- a. Manages a staff of approximately 4-12 employees.
- b. Coordinates and supervises staffs, so that the standards of cleanliness are maintained.
- c. Supervises food preparation to ensure that food safety and operation standards are maintained.
- d. Needs to perform all the same job stated for shift managers but with extra responsibilities.



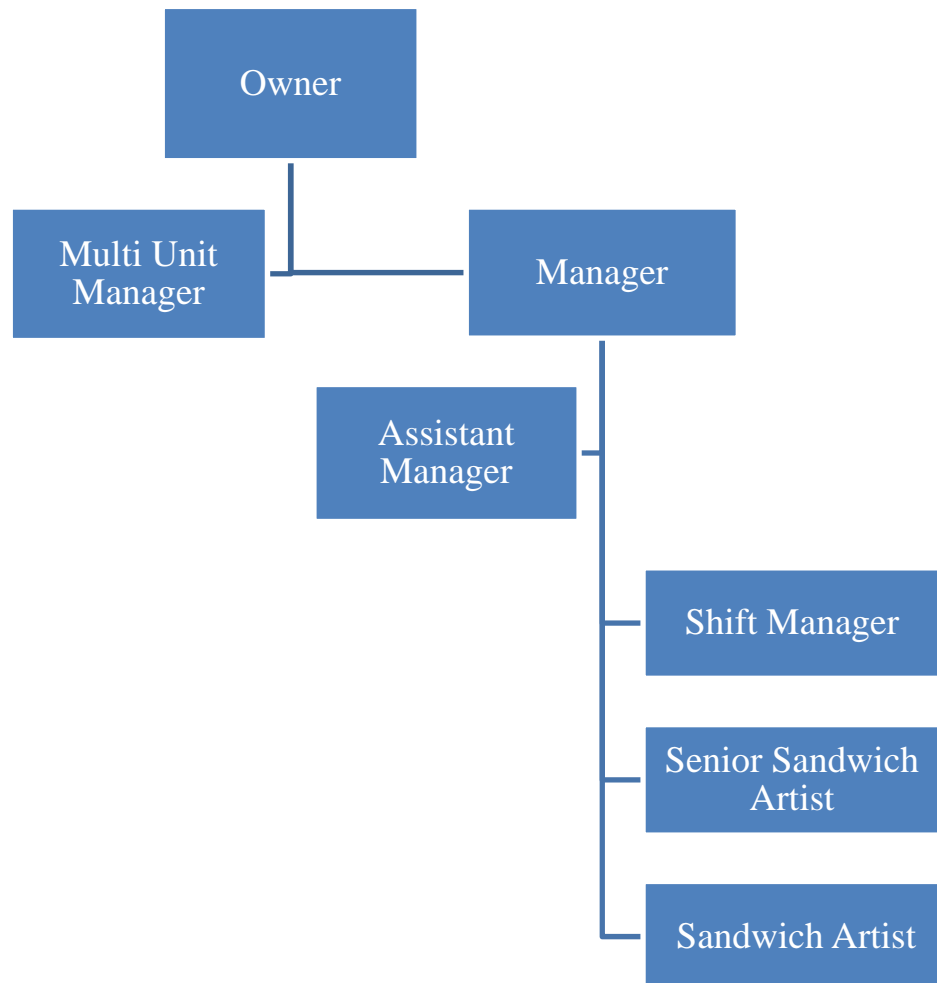
- e. Recommends, promotes, or terminates staff.
- f. Conducts written and verbal evaluation of employee's performance.
- g. Performs paper work duties.
- h. Assists with planning of special events and promotions.

4. *Shift Manager*

- a. Supervises the operations of a shift to ensure that food safety, product preparation, and inventory control standards are maintained.
- b. Scheduling and supervising staff.
- c. Inspects equipment and storage facilities throughout a shift to ensure that equipment is in proper order
- d. Train new and less experienced Sandwich Artists.
- e. Needs to perform the same tasks and have the same responsibilities as a Sandwich Artist.
- f. Is also responsible for customer service.
- g. Performs paperwork duties as needed.



Organizational Chart





STRATEGIC AND MARKETING PLAN

Analysis of Existing Marketing Strategies

Marketing strategy is a strategic plan which combines product development, promotion, distribution, and pricing approach, and the firm's marketing goals. For Subway restaurants, the main marketing approach is to cater a variety of different menus such as sandwiches, soups, and snacks to all ages of clients who are looking for healthier options for their daily meals. Subway restaurants are trying to differentiate their image from other fast food restaurants by promoting lots of healthier menu selections such as whole grain breads, fresh vegetables, and soups.

Subway restaurants have a wide selection of ingredients for sandwiches allowing each client to customize their own choice of sandwiches. One of the most apparent marketing

\$5-Dollar Footlong™ subs

Meatball Marinara
B.L.T.
Spicy Italian
Cold Cut Combo
Black Forest Ham
Oven Roasted Chicken
Veggie Delite®

Printable Menu

Some items may not be available in all markets. Prices and participation may vary. Plus applicable tax. See store for details.



Meatball Marinara

Hearty, Italian-style meatballs in our own tangy marinara sauce, served hot with crisp veggies and your choice of fat-free condiments on freshly baked bread. Mangia!

strategies that Subway restaurants currently participating is the “5 dollar subs” in order to be more cost competitive. Thus, Subway restaurants have been marketing their products by promoting images of fast, fresh, and healthy at lower price.

Subway's current marketing strategies address these images and expectations (fresh, healthy, and customizable sandwiches) through various approaches. The most notable promotion technique is the TV commercials featuring Jared. These commercials emphasize the healthy aspects of a Subway sandwiches by highlighting the 245 pounds Jared lost by eating





a Subway sandwich diet. Subway also markets through a national sponsorship in events such as American Heart Association Heart Walks (American Heart Association, 2010) and local events such as triathlons (the city of Edmonton, 2010), and children's sports teams (Subway Kids & Sports).

Mission Statement

"To provide the tools and knowledge to allow entrepreneurs to successfully compete in the QSR industry worldwide by consistently offering value to consumers through providing great-tasting food that is good for them and made the way they like it" (Student guide, 2006).

Core Values and Philosophy

- We are committed to customer satisfaction through offering high quality food with exceptional service and good value.
- We take great pride in serving each other, our customers and our communities.
- We seek continuous improvement in all that we do.
- We value a sense of urgency and emphasize an innovative, entrepreneurial approach to business.
- We expect fairness and mutual respect in all our activities.
- We know our success depends upon the initiative we take individually and our ability to work as a team. (Student guide, 2006)



SUBWAY SWOT ANALYSIS

Strengths



SUBWAY is a global sandwich brand now offering 33666 restaurants in 92 countries (Subway, 2010). They have brought the new aspects of fast food restaurant and been successful by promoting healthier menu

selections to all ages of customers.

The strengths of Subway restaurant at CSUN include:

- Menu reflects students' demand for fresh, healthy and fast.
- Customizable menu offerings.
- Two lines of service when busy for faster service
- Reasonable and low price
- Specific target customers (students and faculty on campus)

Weaknesses

Some of the strengths that the Subway restaurant on campus of CSUN consists could be thought as weaknesses too. Those are including and not limited as follows:

- Size and capacity of the restaurant are small
- A small range of target customers (only students and faculty of CSUN)
- Location is far from food court and cafeteria
- Not enough eating space inside the restaurant



- Not accessible for disabled people
- Too much salt in their sandwiches

Opportunity

The organization has some opportunities to overcome its weaknesses and increase number of customers, eventually raising profit:

- Enlarge the store space to encourage more dine-in business and to be more accessible to people with disabilities
- Increase the number of stores at other locations on campus
- Expand packaged dessert offerings
- Develop CSUN original menus
- Student discount coupons
- Reduce salt in their sandwiches

Threats

Although the Subway restaurant at CSUN has been relatively successful in terms of its highly crowded daily operations, there are some potential threats existing:

- Other fast food restaurants on campus
- The food court and cafeteria that have larger eating space
- Food contamination due to counter top preparations in serving area
- Less students and faculty who are eating on campus due to increased tuition caused by budget cut
- Increased costs of raw materials due to a down economy



3 Goals for Subway

Subway restaurants need to set goals that will help them succeed in the midst of a down economy. Particularly, the organization at CSUN is required to come up with the goals that can improve its weaknesses and take an advantage of its opportunities.

1. Enlarge the size and capacity of the restaurant: Current store space is too small making it difficult to serve quick and for disabled people to access. Even though there are several tables and chairs outside around the restaurant, it can be more appealing to customers if the organization has larger eating space inside. Also, larger dining space with free Wi-Fi system can attract students who want to study while having their meal.
2. Expand fresh dessert offerings: In addition to current dessert options such as different flavors of cookies and yogurts, the organization can offer more dessert menus such as packaged fresh fruits and low fat baked products like whole grain muffins. This can attract customers who are trying to eat well and looking for healthier options for their snacks.
3. Create CSUN original menus and provide student and faculty discount coupons: To take



an advantage of on-campus store location, the organization can create CSUN original menus like Matador sandwich to give CSUN students and faculty a special value. Also, providing student discount coupons for a limited time to encourage students with small budget to eat at the Subway restaurant.



Marketing Plan

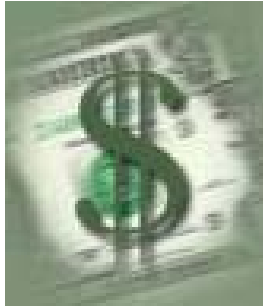
In order for the Subway restaurant at CSUN to achieve its 3 main goals, the formulation of an effective marketing plan is essential. The target market consists primarily of individuals who do not usually eat on campus or eat at other quick serve restaurants on campus. It also includes the health conscious students and faculty who are looking for fresh, healthy, and fast menu selections for their daily meals and snacks.

To educate new and current customers and demonstrate them its brand image (fresh and healthy), the Subway restaurant can hold a nutrition seminar at CSUN fitness center. The organization may recruit interns from nutrition major students to conduct the event. At the event, student discount coupons are given away to encourage them to try the Subway products.

Once the organization success in gaining more clientele, it can collect ideas on CSUN homepage to develop CSUN original sandwich menus. In addition, the test marketing of packaged desserts should be conducted. After increasing profit through these new marketing projects, the organization should be able to expand store size and built new restaurants at other locations on CSUN campus for more convenient services.



BUDGET



Subway uses a line budget system. Subway's fiscal year runs from June 1, 2009, until May 31, 2010. The total sales were derived from the assumption that the average price, as indicated by the interview, was \$7.10 and the daily average amount of customers served was 225. The CSUN Subway is open 5 days per week and a total of 50 weeks. We estimated that breakfast revenue was 20% in addition to the sandwich and miscellaneous sales.




The biggest expense is labor which needs to be controlled so the company can be profitable. The wages/salary was based on the 6 full time managers and the 16 short-time employees which have the full-time equivalents 4 full-time employees. The salary of the Multi-Unit Manager was shared with other three stores. Since this Subway is located at CSUN it is strongly influenced by the number of students on the campus. The store is not operating when the university is closed and it has limited operating hours over winter and summer semesters. Due to the smaller amount of students on campus, fewer employees are needed at those times and this is indicated in the budget. The rent is based on commercial listings on *realtor.com* in the Northridge area which is \$10.00 per square foot. The store is about 800 square feet; therefore the rent is \$9,600.00 per year (*realtor.com* 2010). Insurance, utilities and maintenance are projected figures. The loan payment was calculated from the owner's capital investment.

The royalties are 8% of sales according to the franchise agreement. Subway is an international franchise therefore the parent company is training its manager on the Subway business concept, methods of operation, and basic management skills. It also provides extensive




training for its employees. The Subway owners need to pay for all of those services in the form of royalty fees which allow the entire organization to stay current in training their employees, technology, and in creating new products. Subway also does the advertising and therefore individual Subways need to contribute to an advertising fund. The advertising costs are 3.5% of sales.

We calculated a 3% cost of living increase for all the employees and a 5 % sales increase in sales for the fiscal year 2010/2011. The sales tax for Los Angeles County is 9.75% .

Estimated Sales for 2009/2010 				
Store is open days/week	Average of daily customers (200-250)	Average Price of sold items	Weekly sales	Yearly Sales
5	225	\$7.10	\$7,987.50	\$399,375.00
Breakfast sales = 20 % of Total Sales				\$79,875.00
Total Sales for 2009/2010				\$479,250.00

Employees	Yearly Compensation	Hourly Rate	Individual Employee
Multi-Unit Manager	\$10,000.00		
Store Manager	\$32,000.00		\$16,000.00
Assistant Manger	\$19,040.00		\$9,520.00
2 Shift Manager	\$36,000.00	\$9.00	\$18,000.00
1 Shift Manager ¹	\$12,240.00	\$9.00	\$12,240.00
2 FTE Sandwich artists	\$28,846.15	\$8.00	\$30,000.00
2 FTE Sandwich artists ²	\$19,230.77	\$7.00	\$20,000.00
	\$157,356.92		
^{1,2} Employees only work at Fall and Spring Semester			



	2009/2010	2010/2011
Receipts		
Total Breakfast Gross Sales	\$79,875.00	\$83,868.75
Total Sandwich Gross Sales	\$239,625.00	\$251,606.25
Total Drink Gross Sales	\$119,812.50	\$125,803.13
Misc. Gross Sales (cookies, chips)	\$39,937.50	\$41,934.38
Total Revenue / Sales	\$479,250.00	\$503,212.50
Operating Expenses		
Fixed:		
Salary/Wages	\$157,356.92	\$162,077.63
Rent/Lease	\$9,600.00	\$9,600.00
Utilities	\$3,000.00	\$3,000.00
Maintenance	\$1,200.00	\$1,200.00
Insurance	\$8,000.00	\$8,000.00
Loan Repayment	\$3,500.00	\$3,500.00
Variable:		
Food	\$119,812.50	\$125,803.13
Misc. Supplies	\$23,962.50	\$25,160.63
Advertising/Mktg.	\$16,773.75	\$17,612.44
Royalties	\$38,340.00	\$40,257.00
Sales Tax (9.75%)	\$46,726.88	\$49,063.22
Total Operating Expenses	\$428,272.55	\$445,274.03
Net Operating Income	\$50,977.46	\$57,938.47



SUMMARY

The CSUN Subway is a fast food restaurant which markets itself to students and faculty as a fresh and healthy alternative to fast food. The food prices are relatively inexpensive and customers have the freedom to individualize their choices. Overall, we found that the sandwiches contain a too high amount of sodium and the dessert choices are limited to high fat cookies. The improvements we suggested were to lower the sodium content in their meats and to add healthier choices to their dessert menu such as desserts lower in fat like yogurts, fruits, and low-fat bakery goods.

There were many lessons learned during this project. It gave us a unique opportunity to take a look at a corporation and learn about its daily business activities. We discovered that running a successful business involves many people. The manager was very helpful in providing us information through the manager interview and answered our questions about the type of sandwiches they produced and the equipment used in their store. During the project we could apply the knowledge and concepts we acquired from the class. It was very surprising to find there was an endless combination of sandwiches that can be ordered at Subway. We also learned about the labor force that was involved in running the business. We found that Subway needs to be at the edge of technology in order to be able to compete with the many other food places. And we learned about the structure of the organization, the labor force, the different items on the menu, and how to develop a budget.

Overall, our team worked very well together on the project. We divided the assignments equally between our five team members. We carefully discussed each step after class and came to a consensus in our group. We corresponded via email and checked each other's segment and sometimes suggested changes. All team members provided the material in a timely fashion and it



was fun working with each other. Working in a group made us appreciate each other's difference of opinions, which gave us the opportunity to work out those differences and learn from each other.



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